National Planning Authority

THE REPUBLIC OF UGANDA

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United Nations Development Programme

NATIONAL DEVELOPMENT REPORT (NDR) FINANCIAL YEAR 2013/14

2014

FOREWORD

This National Development Report (NDR) for the FY2013/14 is the fourth report to be produced by the National Planning Authority (NPA). The report has been produced in fulfilment of the requirement by the National Planning Authority Act, 2002, and the National Development Plan (NDP) 2010/11-2014/15.

The assessment of the performance of the economy in the report highlights achievements and challenges faced by the monetary, fiscal, external and real sectors during the fourth year of the NDP implementation. The assessment also highlights the performance of the economy against set macroeconomic framework indicator targets. In addition, the report assesses the progress made against the NDP Results Framework, including the NDP Goal/Theme level indicators and the NDP Objectives level indicators. In addition, the report assesses the performance against the NDP Sector/Thematic Objectives and key strategies and interventions.

It should be noted that the report does not directly assess the performance of MDAs and local governments. Nevertheless, it captures performance information regarding the achievement of NDP sector specific objectives and strategies.

This NDR is intended to inform Government and other stakeholders about the overall performance of the economy and the status of implementation of the development initiatives highlighted in the NDP. It is also aimed at informing the oversight functions of Government in order to enhance decision making for faster socioeconomic transformation and prosperity. The report provides findings and recommendations in various sections, which are aimed at informing policy and decision making at various levels.

On behalf of NPA, I wish to thank the Ministries, departments, agencies and districts that responded to NPAs request for data and information to put together this report. I implore all of you to read and make use of the findings and recommendations highlighted. You may also provide feedback and make recommendations for improving futures reports.

Kisamba Mugerwa
CHAIRPERSON, NATIONAL PLANNING AUTHORITY

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LIST OF ACRONYMS AND ABBREVIATIONS

ADB:	African Development Bank
AIDS:	Acquired Immune Deficiency Syndrome
ALREP	Agricultural Livelihoods Recovery Programme
AMISOM	African Mission In Somalia
ARVs	Anti-Retroviral
AU	African Union
BABU	Buy Uganda Build Uganda
BFPs:	Budget Framework Papers
BOPD:	Barrel of Oil Per day
BOU:	Bank of Uganda
BTVET:	Business Technical and Vocational Educational and Training
CAGR	Compound Annual Growth Rate
CEDAW:	Convention on the Elimination of Discrimination Against Women
CIS:	Community Information System
CNOOC:	China National Offshore Oil Company
CODAS:	Cooperative Analysis System
COMESA:	Common Market for Eastern and Southern Africa
DBIC	District Business Information Centers
DCO	District Commercial Officer
DPAPs	District Population Action Plans
DRC:	Democratic Republic of Congo
DSIIP	Defense Strategic Infrastructure Investment Plan
EAC	East African Community
EAP	East Africa Petroleum Conference
EASF	East African Standby Force

ECB:	European Central Bank
EPRC:	Economic Policy Research Centre
ESO	External Security Organization
EU:	European Union
FY:	Financial Year
GCI	Global Competitive Index
GDP:	Gross Domestic Product
GKMA	Greater Kampala Metropolitan Area
GPOBA	Global Parternership on Output Based Aid
GWh	Giga Watt hour
HC II	Health Centre Ii
HC III	Health Centre Iii
HDI:	Human Development Index
HMIS	Health Management Information Systems
HORTEXA	Horticulture Exporters Organization
HTTI	Hotel and Tourism Training Institute
IAEA	International Atomic Energy Agency
ICD	Inland Container Deport
ICT	Information And Communications Technology
IDPS	Internally Displaced Persons
IEC/BCC	Information Education Communication/Behavior Change
IMAN	Management of Acute Malnutrition
IMF:	International Monetary Fund
IRA:	Insurance Regulatory Authority
ISO	Internal Security Organization
Kms	Kilometers
KRAs:	Key Result Areas
Kwh:	Kilowatt hour
LED	Local Economic Development

LRDP	Long Range Development Plan
MAAIF:	Ministry of Agriculture Animal Industry and Fisheries
MDAs:	Ministries, Departments and Agencies
MENA:	Middle East and North African
MFSC	Micro Finance Support Centre
MICs:	Middle-Income Countries
MIS	Management Information System
MLHUD	Ministry of Lands, Housing and Urban Development
MoD	Ministry of Defense
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
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MVs:	Multi- Vendor Services
MW:	Mega Watt
NAADS	National Agricultural Advisory Services
NCD	Non Communicable Diseases
NCDC	National Curriculum Development Centre
NDP	National Development Plan
NDR:	National Development Report
NEER:	Nominal Effective Exchange Rate
NGO	Non-Governmental Organization
NPHC	National Population and Housing Census
NPPAP	National Population Policy Action Plan
NTBs:	Non-Tariff Barriers
NTE:	Non Tradition Exports
NUREP	Northern Uganda Rehabilitation Programme

OBT:	Output Budgeting Tool
ODA:	Official Development Assistance
OPD	Out Patient Department
OPM:	Office of the Prime Minister
OVC	Orphans and Other Vulnerable Children
PAC	Parliamentary Accounts Committee
PAYE:	Pay As You Earn
PEPD	Petroleum Exploration and Production Department
PEPFAR	President's Emergency Plan For Aids Relief
PERD:	Public Enterprises Reform and Divesture
PIASCY	Presidential Initiative on Aids Strategy For Communication To
PLHAs	People living with HIV/AIDS
PNFP	Private Not For Profit
PPDA:	Public Procurement and Disposal of Public Assets
PPP:	Public Private Partnership
PRDP	Peace Recovery and Development Plan
PSO	Peace Support Operations
PTR	Pupil Teacher Ratio
R&D:	Research and Development
REER	Real Effort Exchange Rate
SAGE	Social Assistance Grant for Empowerment
SALW	Small Arms and Light Weapons
SFG	School Facilities Grant
SNE	Special Needs Education
Sq km:	Square Kilometers
SSA:	Sub-Saharan Africa
STE	Science Technology Engineering
STI	Science, Technology And Innovation
SWAp:	Sector-Wide Approach

TB	Tuberculosis
TICAD	Tokyo International Conference on African Development
TISU	Technical Information Service Unit
TSUPU	Transforming the Settlement of the Urban Poor in Uganda
UA	Universal Access
UAIS	Uganda Aids Indicator Survey
UBOS:	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusion Services
UCDA:	Uganda Coffee Development Authority
UDB	Uganda Development Bank
UDC:	Uganda Development Cooperation
UNAIDS	The Joint United Nations Programme On HIV/AIDS
UNCCI	Uganda National Chamber of Commerce
UNCTAD:	United Nations Conference on Trade and Development
UNFFE	Uganda National Farmers Federation
UNFPA	United Nations Population Fund
UNGASS	United Nations General Assembly Special Session
UNHS:	Uganda National Household Survey
UNMHCP	Uganda National Minimum Health Care Package
UPDF	Uganda Peoples' Defense Force
UPDRF	Uganda Peoples' Defense Reserve Force
UPE	Universal Primary Education
URA:	Uganda Revenue Authority
URDT	Uganda Rural Training and Development Programme
US:	United States
USD:	United States Dollars
USE:	Uganda Securities Exchange
USSIA	Uganda Small Scale Industries Association
UWE	Uganda Wildlife Tourism Centre

UWRTI	Uganda Wildlife Research and Training
VAT:	Value Added Tax
WASACCO	Wazalendo Sacco
WEO:	World Economic Outlook
WHO	World Health Organization

EXECUTIVE SUMMARY

This report highlights the performance of the economy during the fourth year of implementation of the NDP 2010/11-2014/15. It further looks at the progress made in implementing the Plan over its first four years but with more emphasis on FY2013/14. The major aim of the report is to provide information on the performance of the Ugandan economy and the current development situation emphasizing progress made against the NDP objectives and strategies. Thus the report provides Uganda's macroeconomic performance during the FY2013/14 in the context of the global and regional developments, progress and achievements made on the NDP theme, objectives and key result areas; and thematic area objectives and strategies. In particular, the progress made against the overarching development goals and objectives.

The preparation of the report was based on reviews of relevant available reports, submissions of NDP monitoring and evaluation (M&E) results matrices from Ministries, Departments and Agencies (MDAs), MDA/sector reports and Ministerial Policy Statements, and field visits to all local governmentsand municipalties.

The Macroeconomic Performance for FY 2013/14

The Real Sector

In FY2013/14, Uganda's economy grew at an estimated rate of 4.7 percent, down from 5.1 percent registered during FY2012/13 and below the NDP growth target of 7.3 percent for the financial year 2013/14. This was on account of the aftereffects of the global financial crisis. This reduction was particularly marked in industry 5.6 per cent growth in 2013/14 compared to 6.8 per cent in 2012/13 and services (5.6 per cent in 2013/14 compared to 6.5 per cent in 2012/13), which is a particular cause for concern as the Vision 2040 places a high emphasis on the importance on the growth of the industrial and service sectors. Work needs to be done to make sure that these dips in growth do not recur through pursuance of macroeconomic policies that support growth.

Tourism is recognised as one of the key primary growth sectors of Uganda's economy and a number of initiatives and reforms have been implemented aimed at strengthening the sector. As a result of the sustained peace and security within the country's borders and a clear national strategic direction, the tourism arrivals have hit a 1.2 million mark in 2014 coming from 205,000 in 2001. The sector's contribution to GDP currently stands at about 8 per cent and the tourism receipts are estimated at USD 900 million per annum (MFPED).

Agriculture currently contributes about 25 per cent of Uganda's GDP. This contribution is expected to become less as a share of the country's total GDP due to increased diversification of growth to other sectors of industry and services. The sector has continued to employ more people (66 per cent) despite faster growth of both the services and industry sectors. The sector has continued to register positive growth albeit at a lower rate of 3.2 per cent in 2010/11 and 1.5 per cent in 2013/14.

In 2014, many African countries continued to exhibit large fiscal deficits even though growth and revenue were back to (or near) pre-crisis levels. However, Uganda's stock of public debt rose to US$ 7 billion by the end of FY 2013/14, from US$6.4 billion in financial year 2012/13. This translates into 13.8 percent as a ratio of GDP. Of this, US$ 4.2 billion of the debt is external and US$ 2.8 billion is domestic. Notwithstanding the increase, the public debt remains sustainable and Uganda is not under debt distress.

The Monetary and Financial Sector

During FY2013/14, Annual headline inflation for the year ending June 2014 was 5.4 per cent. This is higher than the 3.7 per cent registered in the preceding 12-month period ending June 2013, but significantly below the agreed East African Monetary Union convergence criteria benchmark of 8 per cent. The increase in headline inflation was on account of a spike in food crop prices in August and September 2013, due to prolonged dry spells in parts of the country which constrained supply.

The average mid-market exchange rate in April 2014 was Shs. 2,529.8 per US Dollar, which represents an appreciation of 2.4 per cent from Shs. 2,593.1 per US Dollar recorded in June 2013. There was stronger appreciation of 4.7 per cent up to February 2014, but this was partly reversed in March, following the announcements of donor aid cuts prompted by the enactment of new legislation. When compared within the EAC region, the end of period exchange rates for all the currencies depreciated against the US$ in FY2012/2013. Burundi, Rwanda and Tanzania recorded the highest depreciation on an average basis of 6.3, 6.1 and 0.4 percent respectively. On the other hand Kenya currency recorded the lowest depreciation of 0.3 percent while Uganda's currency appreciated by 5.9 percent. The annual average exchange rate for Rwanda, Burundi, Uganda, Kenya and Tanzania depreciated by 8.5 percent, 7.8 percent, 3.3 percent, 1.8 percent and 0.9 percent respectively.

During the year under review, the banking sector remained stable and registered rapid asset growth, arising from increased deposits and lending activity by bank customers. However, interest rates have remained high, primarily because of high levels of borrower risk. Profitability in the banking sector declined largely due to non-performing assets which increased from 4 per cent to 6.2 per cent. The good news is that the Central Bank reference interest rate was reduced to 11 per cent in June 2014, and average commercial bank lending rates have also declined from 24.2 per cent to 20 per cent during the year. The emergence of new mobile telephone technology and agency banking were key drivers for improving financial inclusion over the year. During FY 2013/14, 14 million persons utilized mobile money services with transaction value of Shs. 18.6 trillion during the year.

The level of the country's foreign exchange reserves improved slightly from US$ 2.9 billion in June 2013 to US$ 3.1 billion, expected at the end of June 2014. This is equivalent to 4.2 months of imports of goods and services. Government's medium term objective is to maintain a level of foreign exchange reserves of at least five months import cover, which adequately provides a buffer against external shocks.

Total credit to the private sector grew by 10.1 per cent from Shs. 8.00 trillion at end of June 2013 to Shs. 8.81 trillion at end March 2014 a significant improvement in comparison to the stagnation experienced in the first half of 2013, when lending was affected by the closure of the lands registry. Although credit growth has picked up, it still grew slower than deposits, which expanded 18.1 per cent between June 2013 and March 2014.

Overall implementation Progress on the NDP themes and Objectives

Poverty and inequality remain significant development challenges for the country. However, the proportion of people living in poverty has reduced by nearly 5 per cent point from 24.5 per cent in 2009/10 to 19.7 per cent in 2012/13 (UNHS 2012/13) representing about 7 million people. In addition, income per capita increased from USD 506 to about 612 in the Financial Year 2012/13 below the targeted USD 718. However in real term GDP per capita income in 2012/13 was lower than at the beginning of the NDP in 2010/11. In 2012/13, real GDP per capita declined to USD 260 compared to USD 319 in 2009/10.

Inequality remains a big development issue in the country despite the rising GDP and gross national income per capita. According to the HDR 2013, both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Income inequality has not changed over the first three years of NDP implementation and remains high as indicted by the Gini-coefficient of 0.43. Similarly, the same HDR indicates that the country has got a high gender inequality index (0.517) on the dimensions considered in the assessment (maternal mortality, adolescent fertility rates, empowerment and economic activity) ranking 110 out of the 148 countries assessed.

The UNHS 2012/13 indicates that the percentage of the labour force which is working increased from 75.4 per cent in 2009/10 to 76 per cent (16.3 million) by 2013/14 against the NDP target of 76.8 per cent. It is worthwhile to note that about 8.2million workers will be seeking employment by 2015.

In the 2013/14, the informal sector was estimated to be having a total annual jobs gap of 412,000 people with an estimated growth in youth labour force of 6.0 per cent per annum. The formal sector creates between 12,000 to 24,000 jobs per annum and this means that majority find jobs in the informal sector.

The UNHS 2012/13 indicated that literacy levels in Uganda have declined in recent years, from 73 per cent in 209/10 to 71 per cent in 2012/13. As it is, the main contributor to Uganda's literacy figures is the Universal Primary Education policy that has maintained the mean years of education at 4.7. However, relating literacy levels to effective socioeconomic transformation remains a main challenge in Uganda. Being challenged by a big primary level education intake, the functionality of Uganda's literate population remains very low. Only about 23 per cent of Ugandans have attained at least secondary education with the proportion of women lagging slightly behind at around 24 per cent.

The country's HDI has consistently improved over the years and stood at 0.484 in 2013, reflecting an improvement from the position in 2012 which was 0.480. Uganda's performance according to the report is still below that of Kenya, ranked at 0.535, Rwanda, ranked at 0.506 and Tanzania, ranked at 0.488. All East African Countries are ranked among countries with low Human Development Index.

According to the Global Competitiveness Index (GCI) report for 2013/14; Uganda's competitiveness felt to 129th /148 in 2013/14 from 123/148 in 2012/13. This was reported falling primarily due to factors associated with corruption, access to financing, inadequate supply of infrastructure, tax rates and inefficient government bureaucracy.

There has also been a significant fall in the Doing Business survey ranking. According to the World Bank Doing Business 2014 survey, Uganda's performance worsened during the 2013/14. The Report ranked Uganda 132 out of 189 countries surveyed, compared to a rank of 120 in 2013. The report indicates Uganda's relative performance fell in starting a business; getting electricity; access to credit; dealing with construction permits; and trading across borders.

Urbanisation is a key theme of the Vision 2040, which foresees 60 per cent of Ugandan living in urban areas by 2040. The trend is upward, with the estimated urbanisation level moving from 13.0 per cent in 2010/11, 14.7 per cent in 2011/12, 16 per cent in 2012/13 and 23 per cent in 2013/14.

Literacy levels in Uganda have dropped over the period from 73 per cent in 2009/10 to 71 per cent in 2012/13. There has been a major recent increase in life expectancy in Uganda, from 52.2 years to 54.0 between the period 2012 and 2014. This is a result of reduction in infant mortality rate from 76 to 54 deaths per 1000 (UDHS 2011) and improvement of other health outcomes such as increased in percentage of Health Centre IV offering HIV/AIDS care with Anti-retroviral therapy (ART) services

NDP thematic Area Performance

Primary growth sectors

Under Agriculture, Four out of five identified irrigation schemes have been rehabilitated. Those rehabilitated are: Mobuku, Kibimba, Olweny and Doho. Rehabilitation of Kiige was deferred due to the need to conduct additional feasibility studies. Various small scale irrigation demonstrations have been implemented in a number of districts.Aggressive re-planting of coffee has enabled mitigation of effects of coffee wilt, which has stabilized the country's coffee exports and earnings at 3.8 million (60 kilogram) bags and about USD 420 million, respectively. Other exports such as tea, fish, cotton and tobacco continued to perform well in terms of foreign exchange earnings in-spite of the various sector specific challenges. The NAADS programme is being restructured to create a single spine system for more effective agricultural extension services. Focus is currently being put on increasing production and productivity through planting of coffee and other cash crops with support of the UPDF. In Karamoja, a total of 14 valley tanks have been constructed providing

112,000m3 storage estimated to water 29,050 heads of cattle for a continuous dry period of 4 months and in Kiruhura a total of 220 valley tanks have been constructed providing 409,200m3 storage capacity.

On tourism, a separate Ministry of Tourism, Wildlife and Heritage has been established. The Tourism Act, 2008, has been operationalised and the Uganda Tourism Board (UTB) was restructured under new management. As a result of the sustained peace and security within the country's borders and a clear national strategic direction, the tourism arrivals have hit a 1.2 million mark in 2014 coming from 205,000 in 2001. The sector's contribution to GDP currently stands at about 8 per cent and the tourism receipts are estimated at USD 900 million per annum (MFPED).

Works for construction of the fertilizer factory at Tororo have commenced. Exploration for oil and gas in the country's Albertine region continues to find more deposits. Currently the oil deposits are so far estimated at over 3.5 billion barrels. The feasibility study for construction of a refinery was approved as part of the Government policy of value addition to Uganda's oil resources and the specific aspects of implementing the development of this refinery have commenced. The refinery program will commence with 30, 000 billion barrels of oil equivalent/day in the short term.

Mineral deposits and occurrences in the area south of 1oN have been sampled. Mineral resources assessment for areas north of 1oN is still ongoing. The following mineral occurrences have been discovered: Uranium, gold, nickel, cobalt, copper, chromite, platinum, Rare Earth Elements, bentonite, and others.

The cooperative movement has been revamped with a focus on value addition beginning with such areas as: honey, wines, fruit processing, and maize and rice processing. Trade information centres also continue to be established to facilitate trade within the country and the EAC region. The District Commercial Services Support programme (DICOSS) has been established to support commercial extension services in all districts. Government has facilitated the development of linkages between Ugandan companies and the regional trading partners through the EAC and COMESA. This has enabled local companies to be linked to other companies in Western Kenya, Northern Tanzania and Rwanda. Agreements have also been signed to facilitate trade with the European Union, the Middle East and the USA (AGOA). The National BPO Incubation Centre has been set up and is fully operational.

So far, 1,977.8 ha of new forest plantations have been established in North Rwenzori, Kasagala, Rwoho/Bugamba, Mafuga and Lendu Central Forest Reserves. Over 24 million seedlings of assorted species of seedlings with mainly Pinus spp, Terminalia, Eucalyptus, Maesopsis eminii procured and supplied by the national Forest Authority and over 20,172 farmers were trained on tree plantation, tree pruning practices and hedgerow establishment.

The National Data Transmission Backbone Infrastructure/Electronic Government Infrastructure (NBI/ EGI) was launched. Phase I, covers 168 Kms of Optic Fibre Cable Connecting Kampala, Jinja, Mukono, Entebbe and Bombo; Phase II, covers 1380 Kms of Optic Fibre Cable connecting Phase I to Luwero, Nakasongola, Masindi, Gulu, Lira, Soroti, Kumi, Mbale, Tororo, Busia, Hoima, Kyenjojo, Fort Portal, Kasese, Bushenyi and Mbarara. And, Phase III which is soon to commence, will cover 307.2 Kms of Optic Fibre Cable connecting to Masaka, Mbarara and Katuna.

The GKMA Plan has been developed and physical plans for the Albertine Graben region are being developed. Over 300 recorders / Sub county Chiefs have been trained on the issuance of Certificates of Customary Land Ownership in Northern Uganda (Gulu, Amuru, Pader, Apac, Oyam and Lira) and the system for issuing the certificates is now operational. Facilitation of real estate developers was done in Malukhu and Masese housing project through establishment of the necessary institutional framework. The Ministry of Lands, Housing and Urban Development continued to carry out public awareness campaigns on land rights, land transaction procedures, rights and obligation of tenants and landlords to minimize illegal land evictions on registered land and customary land.

Complementary sectors

The total installed energy capacity increased from 778 megawatts in 2011/12 to 835 megawatts in 2012/13, while consumption per capita increased from 75 in 2010/11 to 80 kWh in 2012/13. Development of mini-hydropower sites alongside large hydropower sites has continued. Nyagak I (3.5 MW) and Kabalega hydro-power dam at Buseruka (9 MW) were commissioned in 2012/13. Several renewable energy projects were completed bringing the current total installed capacity to 89.03MW on the national grid. A number of other Mini-hydropower plants are now operational and these include: Ishasha 6.5 MW, Bugoye 13.0 MW, Mpanga 18.0 MW, Kasese Cobalt Limited 10 MW, Mobuku 15 MW, Kisizi 0.35 MW, Kagando 0.06 MW, Kuluva 0.12 MW. The construction of Bujagali interconnection transmission infrastructure was completed, and 200-250 MW were connected to the national grid.

A number of roads have been constructed in 2013/14. A total of 121 km-equivalent were upgraded from gravel to tarmac out of the planned target of 150km translating to a deficit of 39 per cent. The roads covered include: Kabale - Kisoro (11.1km), Fort Portal - Bundibugyo (37.4km), Nyakahita – Kazo (39.4km), Kazo – Kamwenge (17.3km), Mbarara – Kikagati (11.1km) and Vurra – Arua - Oraba (4.6km).The construction of the 4 lanes Kampala – Entebbe Express highway is in progress. Kampala-Jinja (80km) - feasibility and preliminary design completed; Kibuye-Mpigi (30km) - feasibility and draft design completed; Kampala Northern Bypass (17km) - design completed. So far, 9,047km of community access roads and 805km of feeder roads have been rehabilitated. All the 112 districts received road Construction Equipment Units comprising a grader, wheel loader, truck and a pick-up motor vehicle.

Under water for production, the pledge to increase the storage capacity in the country with an additional 30 billion litres of water, a number of reservoirs have been constructed. These include: Mubende, Kibaale, Oyam, Nebbi, Lira, Karamoja, Teso and Kiruhura Districts. Implementation of the Andibo dam in Panyango sub-county, Nebbi District; is on-going. Construction works for Leye Dam, Oyam District with a total capacity of 1.0 Million Cubic

Metres (MCM); and Akwera Dam in Lira district with a total capacity of 1.07 Million Cubic Metres (MCM) are complete.

Computerization of land titles commenced in 2012. So far, over 420,000 land titles have been computerized. The process of demarcation of international and district boundaries commenced, with 110 kms of Uganda - Tanzania border from River Kagera to Lake Victoria surveyed and a technical report produced. The Lands Information System (LIS-U) website was established and access to Information manual in place and disseminated.

The recent years in order to nurture them to play a more significant role in national development and employment creation. To this end, the responsible Ministry of Trade, Industry and Cooperatives has been restructured to provide for the necessary institutional framework to support MSMEs.

The cooperative movement has been revamped with a focus on value addition beginning with such areas as: honey, wines, fruit processing, and maize and rice processing. Trade information centres also continue to be established to facilitate trade within the country and the EAC region. The District Commercial Services Support programme (DICOSS) has been established to support commercial extension services in all districts.

The number of institutions in the financial services sector has continued to increase, which has enabled offer of competitive packages to borrowers. There are 25 licensed commercial Banks, 4 MDIs and over 100,000 SACCOs providing financial services in the country. Bank of Uganda supervision and regulation have been strengthened and had action taken timely to avoid default by banks on deposits. The Agricultural Credit Facility (ACF) has been strengthened to provide affordable credit to the agricultural sector and related value addition investments.

The Ministry of Lands, Housing and Urban Development continued to carry out public awareness campaigns on land rights, land transaction procedures, rights and obligation of tenants and landlords to minimize illegal land evictions on registered land and customary land. The Mortgage and Physical Planning Bill was approved by Cabinet and awaits debate in Parliament.

Social sectors

The UNHS 2012/13 indicates that the percentage of the labour force which is working increased from 75.4 per cent in 2009/10 to 76 per cent (16.3 million) by 2013/14 against the NDP target of 76.8 per cent. It is worthwhile to note that about 8.2million workers will be seeking employment by 2015. In the 2013/14, the informal sector was estimated to be having a total annual jobs gap of 412,000 people with an estimated growth in youth labour force of 6.0 per cent per annum. The formal sector creates between 12,000 to 24,000 jobs per annum and this means that majority find jobs in the informal sector. According to the Uganda Investment Authority (UIA) Reports for 2013/14, it licensed 340 projects yielding 6,585 actual jobs by third quarter of 2013/14, representing 13 per cent of the expected jobs. These came from all sectors of the economy and were expected to create 49,221 jobs. Foreign investments licensed were projected to create 7,461 jobs and local investments 4,297 jobs. Investments in Agriculture, Forestry and Fish were expected to create 4,784 new jobs, manufacturing 12,340 jobs, wholesale and Retail, Catering and Accommodation Services, 393 jobs and 1,228 for Community and Social Services.

Government support to apprenticeship, SME business incubation centres and motivation award systems is aimed at empowering youths to be job creators and not job seekers. Employment policy was developed and the laws to support Labour Externalization were enacted. The PPP Policy was passed in 2012 and the PPP Bill has been enacted. A national informal skills development program has been developed to support creation of technical skills required in the economy.

In an effort to strengthen the implementation of the Thematic Curriculum the sector endeavoured to enhance the implementation of the curriculum in the primary sector and undertook a number of initiatives that include: Piloted the Kiswahili school curriculum for P.5 and P.6;Retooled 127; P.5 Teachers for P.5 Kiswahili syllabus;Developed a teaching reading methodology with local language and English teaching and reading materials;Developed P.1 Early grade reading assessment tools and teaching and learning materials in 4 local languages (Ateso, Leblango, Luganda and Runyunkore-Rukiga);Over 2,400 primary school teachers were trained in using this reading methodology;Instituted Area Language Boards for Samia Bugwe, Lusoga and Jopadhola in ten (10) districts of Eastern Uganda among other interventions.

As part of the Manifesto pledge to provide health workers with decent housing, construction of staff houses was completed in the following health facilities: Regional Referral Hospitals - Hoima (30 units), Kabale (30 units), Fort Portal (7 units), Moroto (6 units), General Hospital: Itojo (4), Health centre III: Buyiga (2 units). In addition, several districts have constructed staff accommodation for the health workers using the PHC Development budget.

During the last three years, the following water points have been constructed: 17,867 shallow wells; 17,319 RWH tanks; 28,732 boreholes and 25655 protected springs. Currently, 65 per cent of the rural population is served with safe water facilities and the average functionality of the rural water supplies is 84 per cent.Construction of large piped gravity flow water supply system at Kanyampaga (Kanungu District) is nearing completion. The Bududa-Nabweya and Lirima GFS is also nearing completion.

In order to sustain the democratization process at all levels of governance, the government media strategy has been put in place. Also, women, youth, people with disabilities, workers and the elderly have been trained in vocational and entrepreneurial skills. About 1,000 of these groups have been trained in these areas, including training in policy and decision making at all levels. Government is piloting the social protection programme to address vulnerability among the elderly and is implementing the Youth Employment Action Plan through venture capital.

Enabling sectors

The environment sector performance report 2012 recognized that despite a number of mitigation measures, the environment of Uganda is still under threat from natural and man-made drivers of change including poverty, rapid population growth, urbanisation, agricultural expansion, informal settlement development, industrialisation, and the impacts of climate variability among others. The most crucial issue that has emerged over the recent years is that of weak governance at all levels, coupled with the increased demand for natural resources. The use and management of the environment and natural resources in the economy has continued to pose significant social and economic challenges. The National State of the Environment Report 2010 produced by NEMA asserts the country is facing severe environmental degradation, loss of biodiversity, deforestation, encroachment on wetlands, soil erosion and declining land productivity, pollution of land, water and air resources among others.

The NDP envisages consolidation and enhancement of democracy, observance of the rule of law as a panacea for socio economic development. The Plan espouses a common regional strategy for peace and security; regional defence pact to ensure regional stability. This has been achieved through strengthening of the judicial system, professionalization of the national army and strengthening of community policing. There has been progress in regional peace keeping missions notably the AU mission in Somalia.

The mid-term review of the NDPI indicated that some priority projects that are meant to be funded by government from its own finances, there was slow progress in 2012 as GoU had to direct much of it revenue collections to bridge the gaps in recurrent expenditure created by donors' withdraw from budget support.

Economic and corporate governance has also witnessed significant shortcomings that have had negative influences on achievement of NDPI results. A main limitation noted in this area has been the uncontrolled supplementary budgets that have taken funds away from project and service delivery sectors to administrative sectors. Parliament has not been very effective in blocking the increasing number and scale of supplementary budgets. The value of supplementary budgets has been on a steady increase from 3.8 per cent in 2008/09, to 7.2 per cent in 2009/10 and to over 15 per cent in FY 2010/11.

The constitution has so far been translated into a number of local languages. Fast-tracking of the enactment of laws such as the Geographical indications and companies law and those on legal aid and transitional justice, has been done to support national development, including online publication of laws. An integrated policing force has been expanded to 30,000, to keep law and order and maintain peace and security, although the Police to population ratio high. The Specialized Tourism and Forestry Police and Child and Family protection Police department have also been established to provide expeditious support to these sectors.

Strengthening and professionalization of the defence and security sector continues to be a key priority and the force capability has been enhanced to maintain the territorial integrity of the country. The recruitment, training and retraining of UPDF and Reserve forces is also continuing to be a major focus area. Defence and Security was upgraded to a protocol for cooperation within EAC partner states. The force has embarked on self-sufficiency drive in production of rations such as water and cereals. The Engineering Brigade has been strengthened with the view to make the force contribute to infrastructure development for national development. The medium-term target is to strengthen the Engineering Brigade to the level of a division.

The Local Government performance

Through the Road Fund, Local Governments continued to receive conditional grants to improve on the state of the road infrastructure in the districts. However, the funds remain very low considering the length of road network to be covered within a district. For instance, each sub county receives about UGX3 million per year to maintain their road network in a good condition.

During FY 2013/14, as part of the pledge to strengthen decentralization, construction of administrative units in LGs is on-going. Construction of staff houses for civil servants in hard to reach and war ravaged districts is also on-going. Also, the LG Act, 1997 was amended to accommodate the five year planning cycle, in line with the NDP, the LGA Cap 243 was revised to enable LGs lay their budgets before Council by 30th June, not 15th June, and the LG Act was revised to allow MoLG to approve creation of new Administrative Units, which mandate was earlier executed by LGs. A review and harmonization of allocation of budget resources to LGs has been embarked on with a paper that was submitted to Cabinet in 2013.

CHAPTER ONE:

INTRODUCTION

1.1. Background

The production of the Annual National Development Report (NDR) on the performance of the economy and sectors, ministries and local governments is a legal requirement under the NPA Act 15, 2002, Sections (7) and (18). The aim of the NDR is to provide information on the general performance of the economy, with a focus on the NDP. Thus, the report gives an account on Uganda's development status and the progress made against the NDP indicators at all levels of the Plan's results framework.

The report assesses the performance of the economy through analysis of the macroeconomic framework indicators covering the monetary, fiscal, external and real sectors. On the other hand, the NDP progress is reviewed through assessment of performance against the indicators of the Plan's goals, objectives, key result areas and interventions. The report also assesses the annual performance of the thematic areas/sectors, including performance of local governments. Lastly, it highlights challenges and recommendations for improvement.

1.2. Rationale

The NDR is intended to annually provide an update of the development status and the health of the economy, including progress of NDP implementation. This is the fourth in a series of five NDRs that have been produced over the period 2010/11-2013/14. This report is intended to provide feedback on implementation of the planning across Government, particularly to the oversight functions in Government. The report is a legal requirement to the National Planning Authority (NPA) that is required to be produced in liaison with the private sector and the civil society organizations.

Therefore, the NDR is a synthesized independent review of the national development achievements, covering macroeconomic performance, sectors, local governments, and non State actors' contribution.

Furthermore, the report provides progress towards achievement of Vision2040 as provided for in the Comprehensive National Development Planning Framework (CNDPF).

It is therefore, hoped that this Report will provide an update to key stakeholders on the progress made towards achievement of NDP priorities and the overarching socioeconomic transformation, which are an integral part of the Vision 2040.

1.3. Objectives

The following are the specific objectives of the NDR:

1. To review progress made in implementing the NDP, including the implementation challenges faced, during the financial year under review;
2. To review the macroeconomic performance of the economy for the year under review;
3. To provide an assessment of the performance of thematic areas and local governments in line with the NDP; and
4. To provide the status of the development progress made during the FY 2013/14

These objectives are intended to provide a fairly comprehensive coverage of the performance of the entire economy.

1.4. Scope

This NDR covers the period 2013/14 starting from 1st July 2013 to 30th June 2014. It provides information on the performance of the entire economy covering the various blocks, namely: public, private, financial services sector and non-state actors. In particular, this report intends to provide cumulative progress on the NDP implementation for the period under review by assessing performance against the NDP indicators at all levels.

1.5. Methodology

This report was produced using data obtained mainly from secondary sources comprising: NDPI sector results framework progress matrices; sector/MDA annual reports and ministerial policy statements; survey reports of the Uganda Bureau of Statistics (UBOS); UBOS and sector statistical abstracts; the NDPI; Bank of Uganda annual reports; Background to the Budget and the Budget Speech. Others are: independent assessments of government programs by the World Bank and Civil Society organizations; World and African Statistical Year Books; World Economic Outlook by IMF; Human Development Reports by UNDP; African Union and East African Community (EAC) Reports; District Development Plans and Reports; and other relevant information.

In addition, a study was commissioned in all local governments and municipalities to assess the performance of local governments.. The data was collected through interviews and filling of a structured questionnaire. The key respondents were the District Chief Administrative Officers (CAO), District and Municipality Planners, assisted by Heads of Departments.

The analysis to determine the progress involved comparing the MDAs and local governments' annual implementation with the planning. It is recognized that participation of the Private Sector Foundation of Uganda (PSFU) and the NGO Forum was limited and needs to be enhanced during preparation of future reports.

1.6. Purpose of the Report

The NDR is intended to inform key stakeholders and the general public about the progress on the performance of the economy. The report is also intended to be used by the various Committees of Parliament as a source of baseline information on the current status on topical areas and issues while carrying out oversight functions. In addition, the report is intended to be used by the Auditor General as a source of information on the challenges and problem areas highlighted regarding implementation and progress on the NDPI.

His Excellency the President is charged with overall oversight responsibility for the implementation and management of the NDP. This report is therefore, meant to provide an independent feedback and update to the Presidency on the development performance of the economy, NDP progress and challenges.

1.7. Structure of the Report

This report is prepared in five chapters; namely Introduction; Macroeconomic Performance; NDP Implementation Progress; Thematic Areas Performance; local government performance; and Conclusions and Recommendations.

Chapter One contains the background, legal basis, objectives, methodologies and structure of the report.

Chapter Two contains the global, regional and national economic outlook for the period 2013/14, and the corresponding recommendations and challenges.

Chapter Three includes an assessment of the progress on implementation of the NDPI based on the indicators of the NDPI Theme, Objectives and Key Result Areas.

Chapter Four comprises an assessment of the thematic areas based on the indicators of the sector/thematic area specific objectives. It also contains specific conclusions on each thematic area's performance. The chapter is arranged in four sections on: Primary Growth Sectors; Complimentary Sectors; Social Sectors; Enabling Sectors and local government performance.

Chapter Five focuses on overall conclusions and recommendations for improving on the development performance.

CHAPTER TWO:

MACRO-ECONOMIC PERFORMANCE

2.1. The Global Economic Outlook

Largely due to weaker-than-expected global activity in the first half of 2014, the growth forecast for the world economy has been revised downward to 3.3 percent for this year, 0.4 percentage points lower than that in April 2014 growth, according to the World Economic Outlook (WEO). Among advanced economies, growth is projected to pick up, but slower in the Euro area and Japan but generally faster in the United States and elsewhere for FY 2013//14 according to WEO report.

In emerging markets, growth decelerated from 7.5 percent in 2010 to 5.1 percent in 2013. This was largely on account of weakening exports to advanced economies and policies aimed at moderating the economy and the effect of high commodity prices and large capital inflows. However, the improving demand from advanced economies and continued solid domestic demand suggests that gradually, growth will pick up reaching 5.7 percent by end 2014 (see Table below).

Table 1: Overview of the World Economic Outlook Projections (Percent change unless noted otherwise)

	Year over Year						Q4 over Q4		
			Projections		Difference from July 2014 WEO Update			Projections	
	2012	2013	2014	2015	2014	2015	2013	2014	2015
World Output[1]	3.4	3.3	3.3	3.8	–0.1	–0.2	3.7	3.1	3.8
Advanced Economies	1.2	1.4	1.8	2.3	0.0	–0.1	2.2	1.7	2.4
United States	2.3	2.2	2.2	3.1	0.5	0.0	3.1	2.1	3.0
Euro Area	–0.7	–0.4	0.8	1.3	–0.3	–0.2	0.5	0.8	1.6
Germany	0.9	0.5	1.4	1.5	–0.5	–0.2	1.4	1.1	1.9
France	0.3	0.3	0.4	1.0	–0.4	–0.5	0.8	0.3	1.3
Italy	–2.4	–1.9	–0.2	0.8	–0.5	–0.3	–0.9	–0.1	1.3
Spain	–1.6	–1.2	1.3	1.7	0.1	0.1	–0.2	2.0	1.5
Japan	1.5	1.5	0.9	0.8	–0.7	–0.2	2.4	0.6	0.5
United Kingdom	0.3	1.7	3.2	2.7	0.0	0.0	2.7	3.5	2.2
Canada	1.7	2.0	2.3	2.4	0.1	0.1	2.7	2.2	2.4
Other Advanced Economies[2]	2.0	2.3	2.9	3.1	0.0	–0.1	2.8	2.6	4.0
Emerging Market and Developing Economies[3]	5.1	4.7	4.4	5.0	–0.1	–0.2	5.1	4.5	5.0
Commonwealth of Independent States	3.4	2.2	0.8	1.6	–0.1	–0.5	2.1	–1.5	1.5
Russia	3.4	1.3	0.2	0.5	0.0	–0.5	1.9	–0.8	0.9
Excluding Russia	3.6	4.2	2.0	4.0	–0.4	–0.4	. . .	. . .	. . .
Emerging and Developing Asia	6.7	6.6	6.5	6.6	0.1	0.0	6.7	6.6	6.3
China	7.7	7.7	7.4	7.1	0.0	0.0	7.7	7.5	6.8
India[4]	4.7	5.0	5.6	6.4	0.2	0.0	6.1	5.8	6.5
ASEAN-5[5]	6.2	5.2	4.7	5.4	0.1	–0.2	4.7	5.1	5.0
Emerging and Developing Europe	1.4	2.8	2.7	2.9	0.0	0.0	3.6	2.8	4.4
Latin America and the Caribbean	2.9	2.7	1.3	2.2	–0.7	–0.4	2.1	0.8	2.2
Brazil	1.0	2.5	0.3	1.4	–1.0	–0.6	2.2	0.0	1.8
Mexico	4.0	1.1	2.4	3.5	0.0	0.1	0.6	3.5	3.3
Middle East, North Africa, Afghanistan, and Pakistan	4.8	2.5	2.7	3.9	–0.4	–0.9	. . .	. . .	. . .
Sub-Saharan Africa	4.4	5.1	5.1	5.8	–0.4	0.0	. . .	. . .	. . .
South Africa	2.5	1.9	1.4	2.3	–0.3	–0.4	2.1	1.2	2.3
Memorandum									
European Union	–0.3	0.2	1.4	1.8	–0.2	–0.1	1.1	1.4	2.0
Low-Income Developing Countries	5.2	6.0	6.1	6.5	–0.2	0.0	. . .	. . .	. . .
Middle East and North Africa	4.8	2.3	2.6	3.8	–0.5	–1.0	. . .	. . .	. . .
World Growth Based on Market Exchange Rates	2.4	2.5	2.6	3.2	–0.1	–0.1	3.0	2.4	3.1
World Trade Volume (goods and services)	2.9	3.0	3.8	5.0	–0.1	–0.3	. . .	. . .	. . .
Imports									
Advanced Economies	1.2	1.4	3.7	4.3	0.2	–0.3	. . .	. . .	. . .
Emerging Market and Developing Economies	6.0	5.3	4.4	6.1	–0.3	–0.3	. . .	. . .	. . .
Exports									
Advanced Economies	2.0	2.4	3.6	4.5	–0.1	–0.3	. . .	. . .	. . .
Emerging Market and Developing Economies	4.6	4.4	3.9	5.8	–0.5	–0.3	. . .	. . .	. . .
Commodity Prices (U.S. dollars)									
Oil[6]	1.0	–0.9	–1.3	–3.3	–1.3	1.0	2.6	–5.0	–0.7
Nonfuel (average based on world commodity export weights)	–10.0	–1.2	–3.0	–4.1	–1.4	–0.6	–2.9	–4.3	–1.2
Consumer Prices									
Advanced Economies	2.0	1.4	1.6	1.8	0.0	0.0	1.2	1.7	1.9
Emerging Market and Developing Economies[3]	6.1	5.9	5.5	5.6	0.1	0.3	5.5	5.5	5.1
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	0.7	0.4	0.4	0.7	0.0	–0.1	. . .	. . .	. . .
On Euro Deposits (three month)	0.6	0.2	0.2	0.1	0.0	–0.1	. . .	. . .	. . .
On Japanese Yen Deposits (six month)	0.3	0.2	0.2	0.2	0.0	0.0	. . .	. . .	. . .

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 30–August 27, 2014. When economies are not listed alphabetically, they are ordered on the basis of economic size. The aggregated quarterly data are seasonally adjusted.
[1]The quarterly estimates and projections account for 90 percent of the world purchasing-power-parity weights.
[2]Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
[3]The quarterly estimates and projections account for approximately 80 percent of the emerging market and developing economies.
[4]For India, data and forecasts are presented on a fiscal year basis and output growth is based on GDP at market prices. Corresponding growth rates for GDP at factor cost are 4.5, 4.7, 5.6, and 6.4 percent for 2012/13, 2013/14, 2014/15, and 2015/16, respectively.
[5]Indonesia, Malaysia, Philippines, Thailand, Vietnam.
[6]Simple average of prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in U.S. dollars a barrel was $104.07 in 2013; the assumed price based on futures markets is $102.76 in 2014 and $99.36 in 2015.

Source: World Economic Outlook

In sub-Saharan Africa, growth remains strong at more than 5 percent. This is broadly in line with the WEO projections for FY 2014/15 on account of high domestic demand in private investment and consumption. However, prospects vary across countries with South Africa's growth being dragged down by industrial tensions and delays in fixing infrastructure gaps, and in Nigeria, activities have been resilient despite poor security conditions and a decline in oil production earlier in the year.

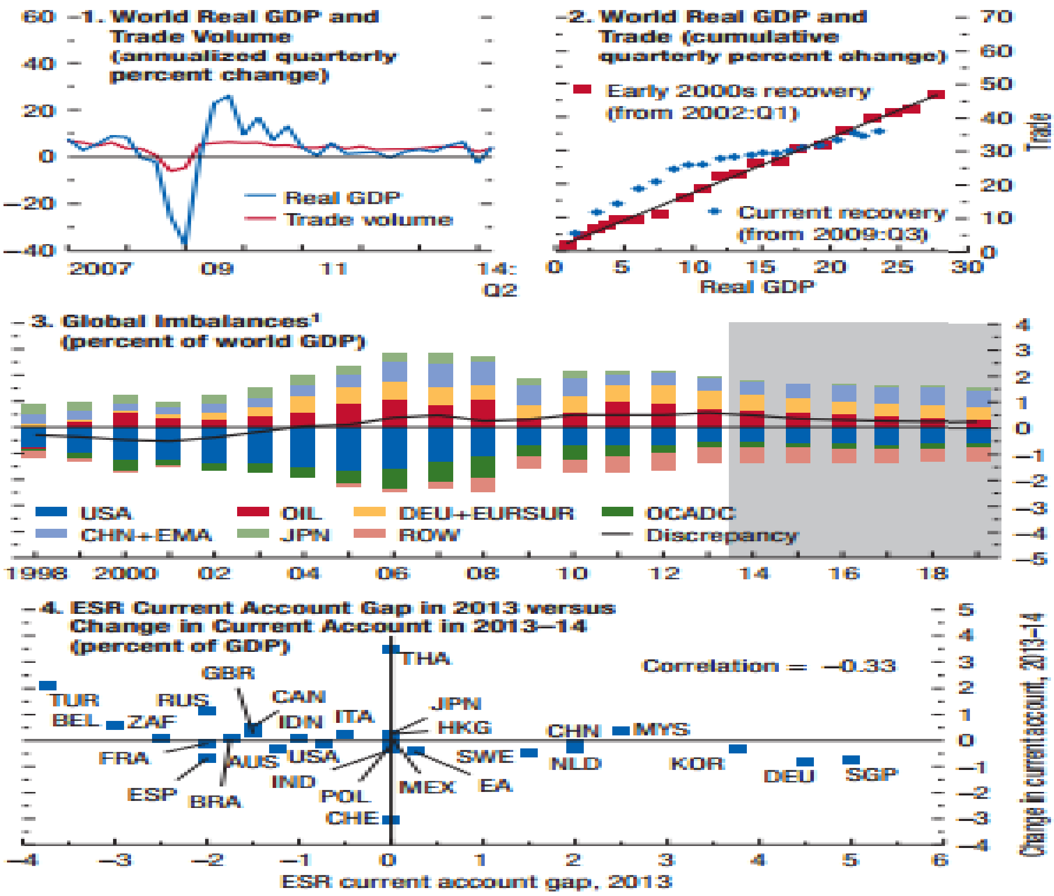
In addition, countries that include; Ghana and Zambia, large macroeconomic imbalances exerted pressures on the exchange rate and inflation. The Ebola outbreak experienced in 2014 is set to have an acute impact on the economies of Guinea, Liberia, and Sierra Leone. Should the outbreak continue to intensify and spread significantly to neighbouring countries, it could have more far-reaching consequences.

2.1.1 Global Trade

Global trade growth slowed again in the first half of 2014, consistent with weaker global growth during this period. During the first half of 2014, global trade was weaker than expected, reflecting a number of negative surprises, including a harsh winter and a sharper inventory correction in the first quarter in the United States, the fallout in Russia and neighboring countries arising from the conflict in Ukraine, and slower growth in Latin America.

Worth noting is that world trade has lacked its traditional strong momentum since the deceleration in global activity in 2011. Global current account imbalances have narrowed substantially since the global financial crisis in 2008 and are projected to narrow further. Among the larger economies, the projected change in current account balances in the near term is consistent with a further narrowing of excess surpluses and deficits (as measured by the current account gaps in 2013 identified in the IMF's 2014 Pilot External Sector Report).

Figure 1: World Trade Developments



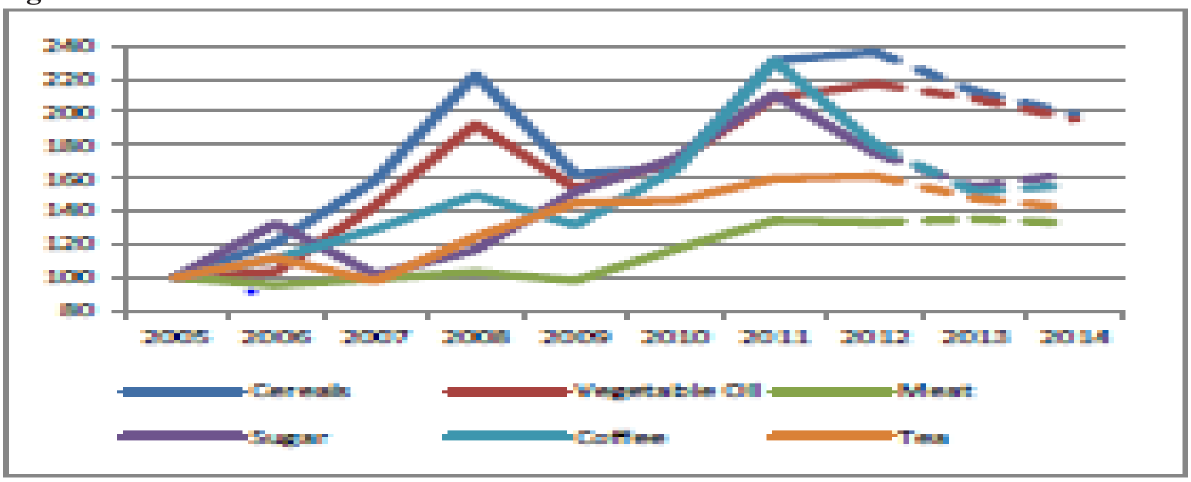
Some of the slowdown in trade growth reflect a more modest pace in the fragmentation of global production processes (value chains) after years of rapid change. The recent slowing in trade growth relative to GDP is an emerging market phenomenon. Some of this slowdown could be cyclical, reflecting declining world growth since 2011. Global trade is projected to pick up ahead of GDP as the global recovery strengthens, but the difference between trade and GDP growth is projected to remain below recent pre-crisis averages.

Global current account imbalances narrowed in 2013 as effects from the period of global imbalances and the global financial crisis persist, with countries that ran large current account deficits before the crisis still faced high gross and net external liabilities. Although many of these countries had achieved large current account corrections, weak or negative GDP growth and subdued inflation prevented a systematic improvement in their net external positions.

International commodity Prices

In 2013 and 2014, prices for food commodities declined, even with considerable upside price risks that remained. These include; low inventories, adverse weather conditions, potential policy responses to high prices such as export restrictions, as well as increases in bio-fuel production which could divert crops away from food producers.

Figure 2: Prices of selected food commodities

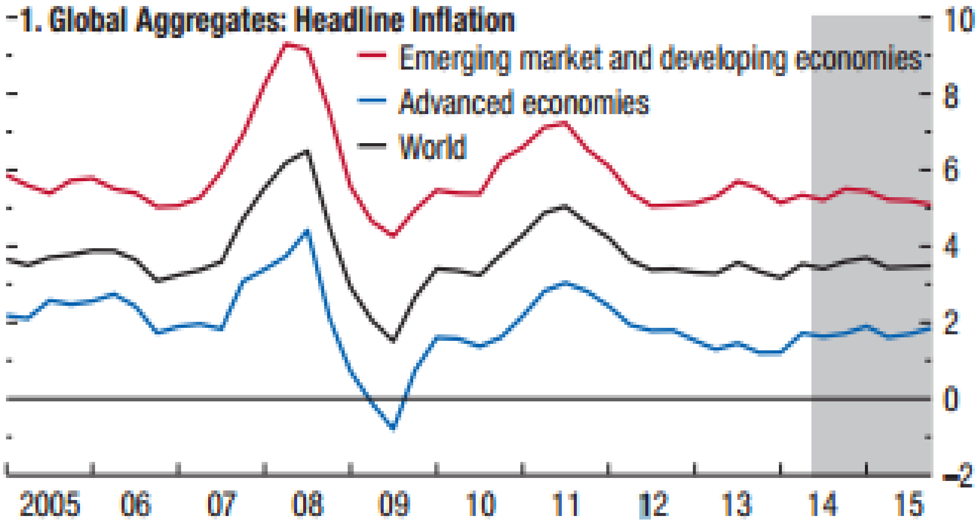


Source: IMF, World Economic Outlook, 2014

Global Monetary Development

Inflation generally remained below central bank policy targets in advanced economies, an indication that many of these economies had substantial output gaps. In the Euro area, inflation remained below expectations and declined further to 0.4 percent (year over year). In several economies with unemployment greater than the area-wide average, mild deflation in consumer prices continued. For example inflation in the United States rose modestly but remained below the Federal Reserve's longer-term objective of 2 percent. In Japan, headline and core inflation (excluding food and energy) rose to about 1.3 and 0.6 percent in July (year over year), respectively, excluding the effects of the consumption tax increase. In emerging market economies, inflation remained broadly stable.

Figure 3: Global Inflation developments



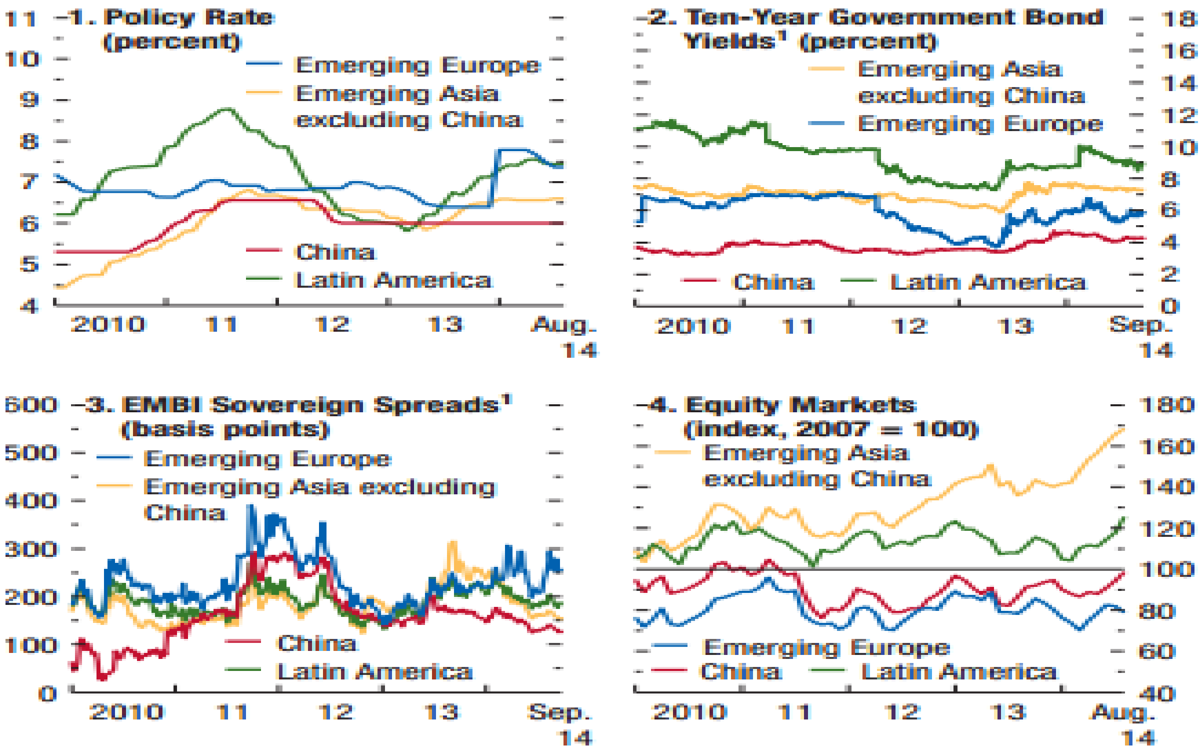
Source: WEO

Monetary conditions remained very accommodative in advanced economies. In the United States, the reduction in monthly asset purchases by the Federal Reserve continued, with purchases expected to be wound down as policy rates remained close to zero. The European Central Bank took a range of measures to tackle low inflation and address financial fragmentation, including targeted credit easing and other measures to boost liquidity.

In emerging markets, policy rates reduced in Chile, Mexico, and Peru following disappointing growth, and in Turkey, where part of the sharp tightening earlier in the year had been unwound. Policy rates were raised in the first half of the year in Brazil and Colombia and in Russia which was facing pressure.

The, long-term interest rates declined in advanced economies, reflecting expectations of a lower neutral policy rate in the United States over the medium term . Equity prices generally rose and risk premiums generally declined in advanced economies and emerging markets. As noted in the October 2014 Global Financial Stability Report (GFSR), market and liquidity risks had risen, and valuations in some asset classes (such as high yield corporate bonds) appear stretched. The easing of financial conditions was broad based. Capital flows to emerging market economies remained robust despite generally weaker activity, and exchange rates stabilized or strengthened in some of these economies.

Figure 4: Global Policy Spreads



Source: The World Economic Outlook, IMF

Currencies of major emerging market economies depreciated against the U.S. dollar in 2013/14, reflecting financial market turmoil early in the year and relatively weaker medium-term prospects compared with advanced economies. More broadly, exchange rate movements during the past year were generally consistent with further corrections in currency over- and undervaluation (as measured by the REER gaps identified in the IMF's 2014 Pilot External Sector Report). The pace of reserve accumulation slowed in Latin America and emerging and developing Europe, reflecting lower capital inflows and reserve losses from foreign exchange interventions. This remained strong in the Middle East, reflecting still-high oil prices, and accelerated recently in emerging and developing Asia.

2.2 African Economic Outlook

Sub-Saharan Africa grew at more than 5 percent in 2013/14 and is projected to grow at 5.8 percent in 2014 according to the IMF. Excluding South Africa, the figures are 6.1 percent and 6.8 percent, respectively. East and West Africa recorded the fastest growth in 2013, above 6percent. Furthermore, growth in low-income countries, at more than 6 percent, exceeded that of upper-middle-income countries in North and Southern Africa at below 3 percent. Africa's medium-term growth prospects looked good. Africa´s average growth is projected to accelerate to close to 5 percent in 2014 and 5 - 6 percent in 2015, thus to levels last seen before the onset of the 2009 global recession. This is on account of a gradual strengthening of the world economy and also on improvements in political and social stability in those African countries currently affected by conflicts.

Inflationary pressures eased in many countries as energy prices stopped rising and food prices declined. These developments, together with prudent fiscal policies, provided some scope for monetary policy to reduce interest rates. In other countries where fiscal policy had been lax and where currencies weakened, monetary policy was tightened to stem inflationary pressure.

Table 2: Selected regions: Real GDP Growth 2005– 2015

Real GDP Growth rate (percent) in Africa

Region	2005-09	2010	2011	2012	2013(e)	2014(p)	2015(p)
Central Africa	4.1	5.9	4.4	5.8	3.7	6.2	5.7
East Africa	7.1	7.3	6.3	3.9	6.2	6	6.2
North Africa	4.9	4.3	0.3	9.4	1.9	3.1	5.5
Southern Africa	5.2	3.7	3.9	3.3	4	4	4.4
West Africa	5.7	7.1	6.9	6.9	7.2	7.2	7.1
Africa	**5.3**	**5.2**	**3.6**	**6.4**	**3.9**	**4.8**	**5.7**

Source: Africa Economic Outlook, e= expected and p = projected

2.2.1 Monetary Policy Developments for Africa

The effects of tightening global liquidity became evident in 2013 with the U.S. Federal Reserve's "tapering announcement" in May 2013, which contributed to capital outflows from some sub-Saharan African frontier markets and exchange rate depreciations. Yields also rose in some bond markets (for example, Nigeria and South Africa) and some countries may have experienced net equity and bond outflows. Sovereign spreads and market interest rates rose with the largest increases in Ghana and Zambia reflecting fiscal sustainability concerns of their own; but stock market valuations continued to increase in various countries (Ghana, Kenya, Rwanda, Zambia, the West African Economic and Monetary Union).

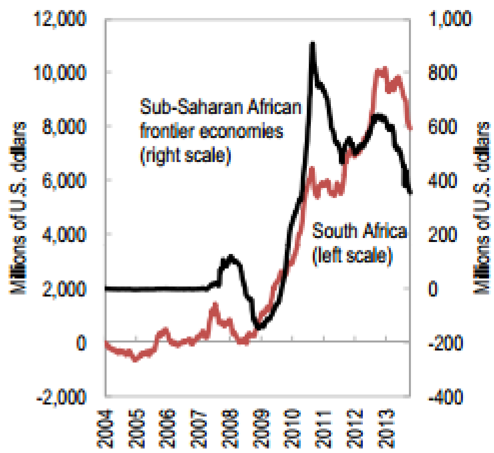
International credit agencies downgraded the ratings of Ghana, Zambia, and, lately, Uganda, but the outlook for Rwanda was revised to positive, and Senegal was revised to stable. These developments increased borrowing costs for the governments of sub-Saharan Africa's emerging and frontier markets that showed higher fiscal and current account deficits were generally more affected (as shown from the Figures below).

The South African rand fell about 13 percent against the U.S. dollar between May 2013 and June 2013 and maintained a downward trend in the context of persistent economic slack and current account deficits, and lack luster growth prospects. The Ghanaian Cedi fell by about 15 percent during 2013 (and more rapidly after May), in line with concerns about low external reserves and the slower-than expected fiscal adjustment. Fiscal concerns were also reflected in the depreciation of the Zambian Kwacha (7 percent); the Rwandan Franc depreciated by about 7 percent in the face of a current account deficit of about 7 percent of GDP. In Nigeria, the authorities were able to defend the Naira by using reserves accumulated earlier, although the Naira came under pressure in February 2014 because of policy uncertainty. Currencies weakened again in January 2014, following a renewed bout of volatility in global financial markets.

Figure 5: Monetary Policy Developments in Africa

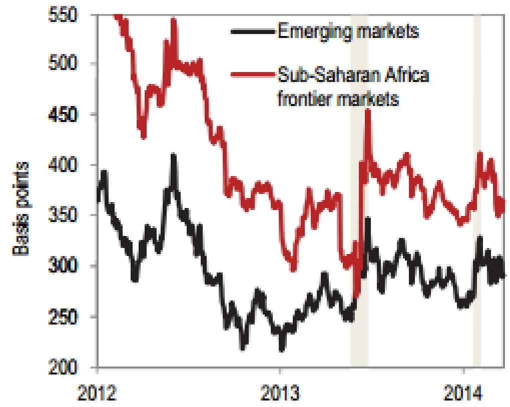
Figure 1.6. Sub-Saharan Africa: Equity Flows to Emerging Market and Frontier Economies

(Millions of U.S. dollars, cumulative since June 2004)



Source: EPFR Global database.

Figure 1.8. Emerging Market Spreads,[1] 2012–14

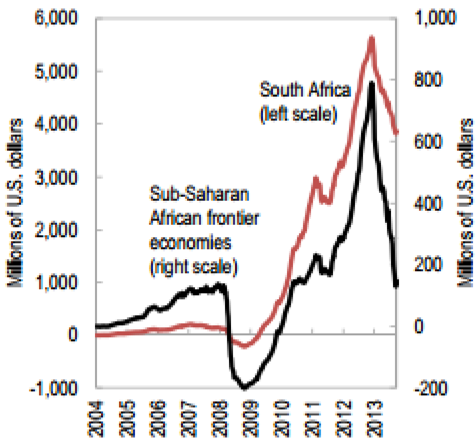


Source: Bloomberg, L.P.

[1]The emerging market average includes the EMBIG spreads of Argentina, Brazil, Bulgaria, Chile, Colombia, Hungary, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Turkey, and Ukraine. Sub-Saharan Africa frontier markets includes the spreads of Angola, Nigeria, Rwanda, Senegal, Tanzania, and Zambia. Shaded areas correspond to Tantrum periods (May 21, 2013–June 24, 2013 and January 21–February 4, 2014).

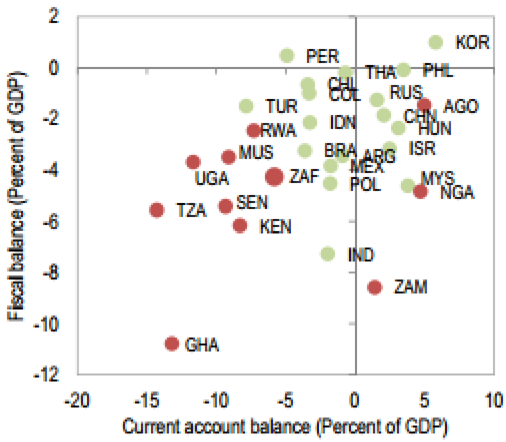
Figure 1.7. Sub-Saharan Africa: Bond Flows to Emerging Market and Frontier Economies

(Millions of U.S. dollars, cumulative since June 2004)



Source: EPFR Global database.

Figure 1.9. Sub-Saharan Africa: Current Account Balance and Fiscal Balance, 2013

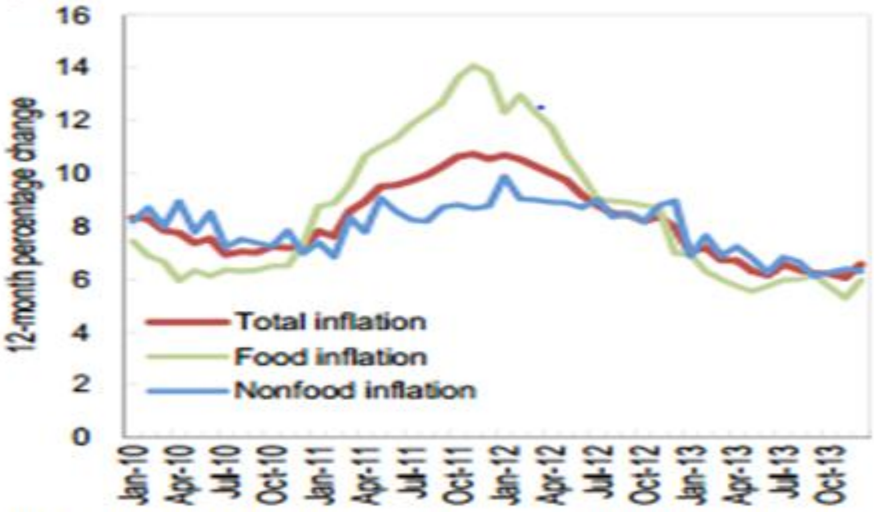


Sources: Bloomberg, L.P.; and IMF, World Economic Outlook database.

Note: See page 64 for country name abbreviations.

Consumer prices for the region were projected to reach annual increases of 6.2 percent in 2014 and 5.8 percent in 2015, but the pass-through to domestic prices of potential currency depreciations resulted in renewed upward pressures on prices (for example, in Malawi). Additional pressure arose from delayed effects of recent and planned wage increases in Tanzania, from abundant liquidity or rapidly rising private sector credit in Mozambique, or in countries still in the process of consolidating their public finances such as Ghana and Zambia.

Figure 6: Inflation Development in Sub- Saharan Africa



Sources: IMF, African Department database; and IMF, *International Financial Statistics*.

Tax revenues continue to increase in Africa and reached USD 527.3 billion in 2012. External financial flows quadrupled since 2000 and are projected to reach over USD 200 billion in 2014. Their composition has also changed progressively with foreign investments and remittances from non-OECD countries underpinning this positive trend.

Foreign direct investment and portfolio has now fully recovered from the 2009 economic crisis and is projected to reach over a record USD 80 billion in 2014, making it the largest financial flow to Africa. Although resource-rich countries remain the prime destination for foreign direct investment (FDI) to Africa, manufacturing and services attract an increasing share of the over 750 new green-field FDI projects. Official remittances have been continuing their increasing trend since 2009 and are projected to reach USD 67.1 billion in 2014. In contrast, official development assistance's (ODA) share of total external flows kept diminishing, from 38 percent in 2000 to 27 percent in 2014 (estimated at USD 55.2 billion). Despite this downward trend, ODA still represents the largest external financial flow to low-income African countries.

2.2.2 Human development in Africa

Africa has been making substantial progress in human development. Poverty levels are falling, incomes are rising, and education and health outcomes are improving. The Human Development Index shows 1.5 percent annual growth, according to the AfDB, OECD and UNDP 2014 African Economic Outlook; 11-15 countries are now considered to have medium to very high human development. African countries with high and rising levels of human development are well integrated into global markets with diversified exports that created employment. There was room for more progress in the areas of inclusion, gender equality and environmental sustainability. Exclusion and unequal access to economic and social opportunities continued to inhibit human rights, improved livelihoods and the expansion of skills.

Environment-related challenges such as climate change, natural resource depletion and energy access continue to hinder sustainable human development. In response, the post-2015 development agenda for Africa is targeting equitable and socially-inclusive economic growth and structural changes, focusing on empowerment, governance, social transformation and gender equality.

2.2.3 Debt analysis

In FY 2013/14, many African countries continued to exhibit large fiscal deficits even though growth and revenue were back to (or near) pre-crisis levels. This reflects policies favouring the much-needed expansion of capital expenditure while maintaining sustainable debt levels. In other words, it reflected a recomposition of public expenditure away from investment that resulted in further increases in public debt. These developments have raised concerns that some countries may be following policies that are less supportive of stability objectives while building undue fiscal vulnerabilities.

Sub-Saharan Africa's overall fiscal balance remained unchanged. In a few cases, there was additional deterioration in government finances in past years, accompanied by rapid increases in public debt in a number of countries. These developments have not affected public debt substantially at the regional level as debt indicators remain benign in most countries. However, the number of Countries with increasing debt-to-GDP ratios rose from 25 in 2010 to 31 in 2013, with policies increasingly favoring current expenditure over investment in some cases. Fifteen countries in the region have been able to reduce primary spending as percent of GDP in 2010-2013. The largest reductions in government expenditure to GDP ratios have taken place in Chad among oil exporters; Botswana among middle-income countries; Sierra Leone in the low-income group; and Burundi and São Tomé and Príncipe among fragile states.Note, however, that, except for Burundi, Chad, and Uganda, these countries cut back capital expenditure substantially.

2.3 EAC Economic Outlook

In 2013, Tanzania recorded the highest economic growth rate of 7.0 percent followed by Burundi at 4.8 percent. Uganda and Kenya grew at 4.7 percent, respectively.

Table 3: Growth rate in East African Community

Region	2009	2010	2011	2012	2013
Burundi (2000-100)	3.8	5.1	4.2	4.2	4.8
Tanzania (2001-100)	6	7	6.4	6.9	7
Uganda (2002-100)	4.1	6.2	6.4	3.6	4.7
Kenya (2001-100)	2.7	5.8	4.4	4.6	4.7
Rwanda(2011-100)	6.2	7.2	8.2	8	4.6

Source: EAC Facts and Figures report, 2014

2.3.1 Inflation developments in the Region

In 2013, Burundi and Tanzania recorded the highest annual headline inflation of 7.9 percent, respectively, among the EAC Partner States, while Rwanda registered the lowest annual headline inflation of 4.2 percent.

Table 4: Annual headline and underlying inflation by country

Indicator	Country	2009	2010	2011	2012	2013
Headline Inflation	Burundi (2000-100)	10.5	6.5	9.6	18.2	7.9
	Tanzania(2001-100)	12.1	5.5	12.7	16	7.9
	Uganda(2002-100)	13	4	18.7	14	5.5
	Kenya (2001-100)	10.5	4.1	14	9.4	5.7
	Rwanda (2011-100)	10.5	2.3	5.7	6.3	4.2
Underlying Inflation	Burundi (2000-100)	9.6	7.4	9.6	23.3	6.7
	Tanzania(2001-100)	3.8	5.9	7.1	8.8	6.2
	Uganda (2002-100)	11	4.8	17.3	14.7	6.3
	Kenya (2001-100)	5.6	3	10.2	9	4.7
	Rwanda (2011-100)	8.7	1.5	5.7	3.9	4

Source: EAC Facts and Figures report, 2014

2.3.2 Exchange rate developments

The end of period exchange rates for all the currencies depreciated against the US$ in 2013. Burundi, Rwanda and Tanzania recorded the highest depreciation on an average basis of 6.3, 6.1 and 0.4 percent, respectively. On the other hand, Kenya currency recorded the lowest depreciation of 0.3 percent while Uganda's currency appreciated by 5.9 percent. The annual average exchange rate for Rwanda, Burundi, Uganda, Kenya and Tanzania depreciated by 8.5 percent, 7.8 percent, 3.3 percent, 1.8 percent and 0.9 percent, respectively.

2.3.3 Trade and Balance of Payments

In 2013, the total exports from the intra EAC trade amounted to US$ 3,508 million while the total imports amounted to US$ 2,315 million, thus giving an intra trade deficit of US$ 922 million. Kenya, Tanzania and Uganda recorded a surplus balance, while Burundi and Rwanda recorded a deficit.

2.4 Development Performance in the Ugandan Economy

During 2013/14, Uganda's economy grew at an estimated rate of 4.7 per cent, down from 5.1 per cent in 2012/13 and well below the NDP year growth target of 7.3 per cent. This reduction was particularly marked in industry (5.6 percent growth in 2012/13 compared to 6.8 per cent in 2013/14) and services (5.6 per cent in 2013/14 compared to 6.5 per cent in 2012/13), which is a particular cause for concern as the Vision 2040 places a high emphasis on the importance on the growth of the industrial and service sectors. Work needs to be done to make sure that these dips in growth do not recur through pursuance of macroeconomic policies that support growth.

The slow-down in performance by the manufacturing, construction, telecommunication and financial services sub-sectors include: 1) Growth in the telecommunications sector slowed to 2.8 per cent, down from an average of 21 per cent achieved over the previous four years; 2) The fishing sector contracted by 5.1 per cent due to declining fish stocks in Lake Victoria and other lakes in the country. Exports of fish and fish products declined by 7.9 per cent; overall, exports declined by 8.1 per cent in 2013/14 as the Uganda Shilling appreciated relative to the country's key trading partners. This made Uganda's exports more expensive in regional markets. The war in South Sudan put further pressure on Uganda's export performance.

Agriculture showed a marginal increase in growth from 1.3 per cent in 2012/13, to 1.5 per cent in 2013/14. There was also an increase in exports as a proportion of GDP from 18.6 per cent in 2012/13 to 22.2 per cent in 2013/14. The total GDP figure has risen to UGX60, 475bn in 2013/14 from UGX 55,602 billion (UBOS, Statistical Abstract 2013). This decline could be explained by a combination of domestic and external factors.

Private investment performed less than expected due to the after effects of the global economic crisis. The trade deficit widened due to the appreciation of the shilling relative to other regional currencies, making Uganda's exports more expensive in regional markets.

Table 5: Trends in NDP growth indicators

Development Indicator	NDP Baseline 2008/09	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
GDP growth (per cent pa)	6.2	6.3	3.4	5.1	4.7	7.4	7.5
GDP at market prices (UGX b)	29,972	39,051	49,087	54,688	60, 475	62,227	72,094
Export proportion of GDP (per cent)	7.5	13.7	15.6	18.6	22.2	N/S	N/S
Ratio of manufactured exports to total exports (per cent)	4.2	2.4	2.2	2.63	N/A	N/S	12
Composition of GDP (per cent) – Agriculture	23.0	24.0	23.8	22.6	22.2	N/S	N/S
Composition of GDP (per cent) – Industry	24.6	26.9	27.7	25.4	26.3	N/S	N/S
Composition of GDP (per cent) – Services	52.4	49.1	44.3	52	45.4	N/S	N/S

Source: Uganda Bureau of Statistics.

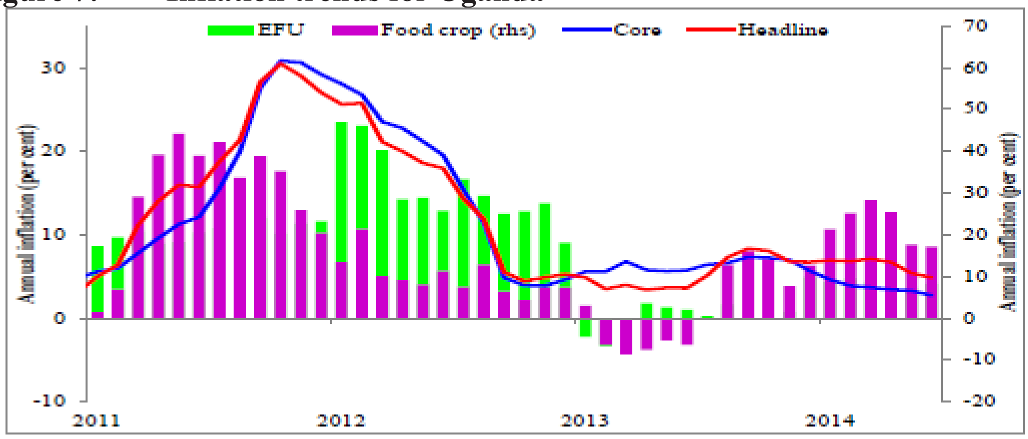
Meanwhile the still on-going unrest in the region (Southern Sudan) reduced Uganda's export and remittance proceeds. Also, the effects of the last stages of the global crisis were played out on the world stage towards a new equilibrium with the Sub-Saharan Africa countries, including Uganda.

2.4.1 Macroeconomic Indicators

a) Annual Inflation

Annual headline inflation for the year ending June 2014 was 5.4 per cent. This is higher than the 3.7 per cent registered in the preceding 12-month period ending June 2013, but significantly below the agreed East African Monetary Union convergence criteria benchmark of 8 per cent.

Figure 7: Inflation trends for Uganda



Source: Uganda Bureau of Statistics

The increase in headline inflation was on account of a spike in food crop prices in August and September 2013, due to prolonged dry spells in parts of the country which constrained supply. The food price shock had limited second-round effects on core inflation, which declined to 3.3 per cent in the year to June 2014, owing in part, to the cautious monetary policy stance. Persistent appreciation of the shilling also contributed to low core inflation. Core inflation was significantly below Government’s medium-term target of 5 per cent.

b) Interest rates

The Central Bank Rate (CBR) which was previously set at 11.0 per cent in June 2013 was raised to 12.0 per cent in September to mitigate second-round effects of a rise in food prices and anchor inflation expectations going forward. In December 2013, the Bank of Uganda loosened the monetary policy stance to support private sector investment by lowering the CBR to 11.5 per cent. The monetary policy stance remained neutral until June 2014 when the CBR was reduced to 11 per cent.

Other short-term interest rates broadly followed the trend of the CBR, rising in September 2013 and declining after the CBR cut in December 2013. The 7-day interbank rate rose from 11.4 per cent in June 2013 to 11.8 per cent in December 2013 before declining to 11.4 per cent in March 2014. The yields on Government securities also followed a similar trend, with the 364-day Treasury yields increasing from 13.2 per cent in June 2013 to 14.0 per cent in

November before declining to 12.0 in January 2014. However, there was a steady rise in the yields on Government Treasury bills since the beginning of 2014, despite the CBR remaining constant. Yields on 364-day Treasury bills increased from 12.0 per cent to 13.0 per cent between January and April, while those on 91-Day bills increased from 8.8 per cent to 10.5 per cent over the same period. This indicates that higher-than-planned domestic borrowing during FY2013/14, which was necessary due to the large revenue shortfall, may have put upward pressure on interest rates.

On the other hand, yields on Treasury bonds fell over the course of FY2013/14, despite significantly higher issuance. This illustrates that demand for Government securities remains high. Treasury bonds are viewed as a safe alternative by commercial banks.

Commercial bank lending rates continued to fall gradually during FY2013/14. The average prime lending rate on shilling-denominated loans declined from 22.7 per cent in June 2013 to 20.7 per cent in February 2014, before increasing again to 21.9 per cent in April. Structural rigidities in the financial sector prevented the large decline in the CBR since early 2012 from fully passing through to lending rates. Given the difficult economic environment over the last year, non-performing loans increased, further increasing costs for commercial banks. Nonetheless, lending rates by (by July 2014) almost fell to their long-term average of around 20 per cent. Further decline in the prime lending rates is expected with the maintenance or reduction in the CBR as banks retire the high cost deposits acquired in 2011/12.

c) Private sector credit

Total credit to the private sector grew by 10.1 per cent from Shs. 8 trillion at end of June 2013 to Shs. 8.81 trillion at end March 2014 a significant improvement in comparison to the stagnation experienced in the first half of 2013, when lending was affected by the closure of the lands registry. Although credit growth has picked up, it still grew slower than deposits, which expanded 18.1 per cent between June 2013 and March 2014.

Most new lending in FY2013/14 was to low-risk sectors. Personal and household loans often salary loans debited at source and therefore low risk for lenders were by far the fastest-growing package for private sector credit. The stock of personal loans and household loans grew by 37 per cent between June 2013 and March 2014. Relative to FY2012/13, there was also a pronounced acceleration in credit growth for the trade, transport, communication and construction sectors, but credit growth for agriculture and manufacturing slowed. Shilling lending grew slower than foreign-exchange denominated loans but gradually picking up. In January 2014, lending in Shillings grew at a faster rate than lending in foreign currency for the first time in almost four years.

d) Exchange Rate

During the year under review, the exchange rate remained relatively stable, with the marginal appreciation of the Shilling by about 2 per cent against the US dollar. The strengthening of the Shilling has largely been on account of strong foreign inflows from investment portfolios and foreign direct investment. This is also due to the attractive investment climate in Uganda.

In addition, the Shilling appreciated as a result of the persistent weakness of the US dollar on the global financial markets.

e) Balance of Payments

During the year under review, Uganda's balance of payments (BOP) continued to be affected by the persistent current account deficit, which has been largely financed by surpluses on the capital and financial accounts. The Current Account has remained weak due to a large trade deficit which is projected to widen from US$ 2 billion last year to US$ 2.46 billion by the close of the year (June 2014). This is equivalent of about 14 per cent of GDP and is mainly attributed to the continued strong demand for imports, especially investment inputs and weaker than expected global and regional demand for Uganda's exports. Whilst exports registered an improvement compared to last financial year, performance was undermined by political unrest in the region.

f) Exports

During the year under review, Uganda's value of exports of goods and services were projected to be US$ 5.4 billion. This performance was due to the slow recovery in export demand in Europe, and unrest in South Sudan. However, our demand for Imports of goods and services remained robust with imports expected to increase to US$ 7.9 billion during the fiscal year 2014/15.

g) Foreign Exchange Reserves

The level of the country's foreign exchange reserves improved slightly from US$ 2.9 billion in June 2013 to US$ 3.1 billion, expected at the end of June 2014. This is equivalent to 4.2 months of imports of goods and services. Government's medium term objective is to maintain a level of foreign exchange reserves of at least five months import cover, which adequately provides a buffer against external shocks.

2.4.2 Financial Sector Development

a) Banking Sector

During the year under review, the banking sector remained stable and registered rapid asset growth, arising from increased deposits and lending activity by bank customers. However, interest rates have remained high, primarily because of high levels of borrower risk. Profitability in the banking sector declined largely due to non-performing assets which increased from 4 per cent to 6.2 per cent. The good news is that the Central Bank reference interest rate was reduced to 11 per cent in June 2014, and average commercial bank lending rates also declined from 24.2 per cent to 20 per cent during the year. The emergence of new mobile telephone technology and agency banking were key drivers for improving financial inclusion over the year. During FY 2013/14, 14 million persons utilized mobile money services with transaction value of Shs. 18.6 trillion during the year.

b) Commercial banks

The banking system remained profitable notwithstanding a drop in bank profits mainly driven by deterioration in asset quality. The ratio of non-performing loans (NPL) to total gross loans increased from 4.0 per cent in June 2013 to 6.2 per cent in March 2014, the highest industry NPL level since June 2004. However, the system remained well capitalised with all banks meeting the minimum capital adequacy requirements which were increased effective March 2013 and all banks maintaining a satisfactory level of liquidity. Paid up capital which is the primary form of capital grew by 12.4 per cent from Shs. 1.1 trillion in June 2013 to Shs. 1.3 trillion at the end of March 2014. Overall total assets of commercial banks grew by 15.8 per cent from Shs. 15.7 trillion in June 2013 to Shs.18.2 trillion in March 2014. Two additional banks commenced operations in FY2013/14, bringing the total number of commercial banks to twenty six (26).6 The number of commercial bank branches increased from 397 in March 2013 to 457 in March 2014; while the number of ATMs increased from 643 in March 2013 to 685 in March 2014. With regard to the legal framework, Government is currently in the process of amending the Financial Institutions Act, 2004, to allow banks to offer Islamic Banking and insurance products within their product range to foster financial deepening and inclusion. The proposed amendments are presently with the First Parliamentary Council.

c) Credit institutions

Credit institutions remained strong during the period under review with their total assets increasing by 11.4 per cent from Shs. 248 billion at the end of June 2013 to Shs. 276 billion at the end of March 2014; mainly driven by lending. Total loans increased by 23.3 per cent from Shs. 128 billion to Shs. 158 billion over the same period. Likewise, total deposits increased by 13.4 per cent from Shs. 150 billion to Shs. 169 billion in June 2013 to March 2014. All the credit institutions maintained unimpaired paid-up capital above the statutory requirements of Shs. 1 billion and complied with the minimum core capital to risk-weighted assets ratio requirement of 8 per cent. The total capital grew by Shs. 8.2 billion from Shs. 49 billion as at end June 2013. Similarly, total profits rose to Shs. 1.4 billion in March 2014 from a loss of Shs. 0.5 billion at the end of June 2013.

d) Microfinance institutions

The overall financial condition of the Tier3 Microfinance Deposit-Taking Institutions (MDIs) was rated satisfactory by Bank of Uganda. Net assets of MDIs reduced by 11.6 per cent from Shs. 129.2 billion in June 2013 to Shs. 115.7 billion in March 2014. There was also a decline in MDI loans to the private sector from Shs. 199.13 billion to Shs. 175.37 billion over the same period. Customer deposits declined by 14.4 per cent from Shs. 113.11 billion in June 2013 to Shs. 98.9 billion in March 2014. The reduction in net assets, loan and customer deposits is a reflection of the re-classification of Uganda Finance Trust as a Commercial Bank; the number of MDIs declined to three in November 2013 when Uganda Finance Trust Limited was granted a licence and started trading as Finance Trust Bank.

All the MDIs maintained unimpaired paid-up capital above the statutory requirements of Shs. 500 million and complied with the minimum core capital to- risk-weighted-assets ratio requirement of 15 per cent. MDIs' paid up capital increased by 1.6 per cent; from Shs. 13.4 billion to Shs. 13.6 billion between June 2013 and March 2014. All MDIs complied with the statutory liquidity requirements during FY2013/14.

e) Financial inclusion

In a bid to promote financial inclusion Government, through the BOU, launched the Financial Inclusion Project. The project aims at increasing financial inclusion through its four pillars: Financial Literacy, Financial Consumer Protection, Financial Innovations and Financial Services Data and Measurement. Recent data show that the proportion of the financially excluded in Uganda fell from 30 per cent in 2009 to 15 per cent in 2013, largely driven by the phenomenal increase in the usage of mobile money services.

f) Mobile Money

During the financial year, Government continued to grant new approvals for electronic banking products and mobile money transfer services. Mobile banking, a service that allows customers to operate their accounts through their mobile devices, has increased significantly with the increasing number of mobile phone users. The number of registered users of mobile money financial services rose to 14.24 million people as at December 2013. This growth indicates increased confidence in the service. Relatedly, the Mobile Money Guidelines came into effect in October 2013.

g) Capital markets

Activity in the capital markets increased in FY2013/14. The stock market registered a record turnover of Shs. 198 billion, up from Shs. 31 billion in 2012. Several actions were recorded in the secondary market for equities while one primary listing was recorded in the corporate bond market segment.

h) Non-Bank Financial Institutions

During the year under review, access to non-bank financial services increased from 49 per cent in 2009 to 65 per cent in 2013. The effect of this was a significant reduction in the financially excluded population from 4.3 million (that is, 30 per cent of adults in 2009) to 2.6 million (that is, 15 per cent of adults in 2013).

Cabinet approved the policy principles for the Tier4 Microfinance Law to regulate and supervise the Microfinance institutions including SACCOs and money lenders. The Bill will be presented to Parliament in the coming financial year.

2.4.3 The External Sector developments

a) The overall balance of payments

Uganda has experienced persistent trade deficits which have largely been financed by current transfers (particularly grants to Government and worker remittances) and surpluses in the financial account (investment inflows). The FY2013/14 current account deficit widened to 8.7 per cent of GDP from 7.7 per cent recorded in FY2012/13, largely on account of weak export performance and a decline in Government grants.

During the 12-month period ending March 2014, preliminary estimates indicated that the overall balance of payments position was a surplus of US$266.5 million, compared to the surplus of US$ 554.6 million that was recorded in the previous 12-month period ending March 2013. This resulted in a build-up of external reserve assets amounting to US$ 266.5 million leading to a total external gross reserves position of US$ 3,330.6 million, sufficient to cover 4.4 months of future imports of goods and services, higher than the 4.3 months imports cover recorded as at end March 2013.

BOU also continued to intervene in the foreign exchange market to smooth erratic exchange rate fluctuations, maintaining Uganda's flexible exchange rate regime. Between July 2013 and April 2014, BOU conducted outright and targeted interventions, together amounting to a net sale of US$ 138.3 million. Overall, BOU's operations in the IFEM for the period July 2013 to April 2014 have amounted to a net purchase of US$ 605.2 million. In FY2012/13 the Bank's net action in the IFEM was a net purchase of US$ 500.1 million.

b) Exchange Rate Developments

The Uganda Shilling continued to appreciate gradually in FY2013/14, largely supported by an increase in portfolio investment and low corporate demand for US Dollars. The average mid-market exchange rate in April 2014 was Shs. 2,529.8 per US Dollar, which represents an appreciation of 2.4 per cent from Shs. 2,593.1 per US Dollar recorded in June 2013. There was stronger appreciation of 4.7 per cent up to February 2014, but this was partly reversed in March, following the announcements of donor aid cuts prompted by the enactment of new legislation.

The appreciation of the Uganda Shilling in FY2013/14 is in contrast to the depreciation of other EAC currencies. Uganda's currency was supported by investment inflows, reflecting the large interest rate differential between Uganda's high-yielding Treasury securities and the near-zero interest rates in international capital markets.

c) The Current Account

Trade balance

The deficit on the trade account worsened by 3.0 per cent to US$ 2,276.0 million in the 12 months ending March 2014, from US$ 2,209.6 million in the 12 months to March 2013. This was mainly driven by lower export earnings, coupled with a marginal increase in import expenditure.

Exports

Total export earnings for the period April 2013 to March 2014 are estimated at US$ 2,829.9 million, which represents a decline of 1.8 per cent compared to the same period of the previous year. This reflects a fall in exports to Europe, Kenya and DRC in the first half of FY2013/14, and a decline in regional exports starting in October 2013 (Figure 3.10). The war in South Sudan put further pressure on Uganda's export performance. Uganda's weak export performance in part reflects the appreciation of the Uganda Shilling relative to other regional currencies, particularly the Kenyan Shilling and Congolese Franc.

Coffee export receipts during the 12 months to March 2014 increased by 5.1 per cent to US$ 415.7 million, compared to the previous 12-month period's performance of US$ 395.4 million. The improvement was on account of higher volumes exported despite lower average unit prices received on the global market. A total of about 3.8 million (60 kilogram) bags were exported at an average price of US$ 1.83 per kilogram compared to a total of 3.0 million (60 kilogram) bags at an average unit price of US$ 2.2 that prevailed in the previous 12-month period. Formal non-coffee export earnings are estimated at US$ 2049.3 million compared to US$ 2,055.5 million realized in the year to March 2013. This decrease was primarily driven by poor performance of maize, cotton, cobalt, flowers, fish and its products, gold and other exports. On the other hand, export receipts from electricity, tea, tobacco, hides and skins, simsim, beans and oil re-exports improved.

Informal exports amounted to US$ 364.9 million, compared to US$ 433.0 million in the 12 months to March 2013. This 15.7 per cent decrease was mainly driven by a fall in informal exports to DRC, Kenya and Tanzania. Informal exports accounted for 12.9 per cent of total export earnings, down from 15.7 per cent in the 12 months to March 2014.

Imports

The total value of goods imported increased marginally by 0.3 per cent to US$ 5,106.3 million during the 12 months ended March 2014, from US$ 5,093.6 million in the previous period. Imports of private consumer goods grew relatively strongly, but this was offset by a fall in imports by Government, oil and private production imports. Total formal private sector imports increased by 1.1 per cent to US$4,662.0 million, despite a 1.2 per cent decline in oil imports and a 0.02 per cent fall in production imports such as machinery, equipment and vehicles. Total Government imports declined by 8.6 per cent to US$ 392.9 million, partly reflecting the delay in the implementation of the Karuma and Isimba hydroelectric projects. Informal imports declined by 0.3 per cent to US$ 51.4 million in the year that ended March 2014, compared to US$ 51.5 million in the previous 12-month period,

Services Account

The services account balance improved by 8.7 per cent from a deficit of US$ 354.0 million recorded in the year ending March 2013 to a deficit of US$ 323.1 million during the 12 months under review. This improvement was largely on account of increased inflows from travel-related activities (such as tourism), construction services and Government goods and services. Construction services inflows increased by US$ 183.8 million to US$ 386.9 million during the same period. Inflows from Government goods and services increased to US$ 323.6 million compared to US$ 171.7 million during the previous period.

2.4.4 Capital and financial accounts

The capital accounts inflows more than doubled to US$ 79.1 million in the 12 months to March 2014, from US$ 29.8 million during the 12 months to March 2013. This was mainly on account of higher capital transfers to Government. The financial account recorded a surplus of US$ 1,914.8 million compared to the surplus of US$ 1,742.27 million in the 12 months to March 2013. This improvement is mainly accounted for by the increase in portfolio and other investment inflows, which increased by US$ 234.7 million and US$ 222.0 million respectively. The increase in portfolio investment inflows is mainly attributed to the attractive returns on the debt securities market. Other investments increased on account of higher loan disbursements for budget support to Government (which increased to US$ 111.0 million from US$ 9.0 million) and to the private sector (which increased to US$ 313.8 million from US$ 208.4 million). Foreign Direct Investment (FDI) inflows were however lower than last year at US$ 915.9 million, compared to US$ 1,199.0 million in the year ended March 2013. This partly reflects unusually high oil-related investments during 2012.

2.4.5 Fiscal Sector Performance FY 2013/14

Revenue and Expenditure

Owing to cuts in donor disbursements and under-performance in tax revenue, net URA revenues for FY2013/14 were projected at Shs. 8,578 billion, but collections are estimated at Shs. 8,104 billion or 94 percent of the projected revenue, which represents a shortfall of Shs.475 billion for this year. The underperformance of revenue collections was mainly due to the lower than projected growth in the economy, which affected particularly Value Added Tax and Corporate Income Tax. However, in comparison to last financial year, URA revenue collection increased from 12.9 percent in FY2012/13 to 13.4 per cent during FY 2013/14 percent. This good performance was attributed to the strengthening in administration at the revenue body.

Financing from the domestic financial markets for the FY2013/14 budget amounted to Shs.1, 747.8 billion, on a net basis to supplement domestic revenues for the infrastructure investment projects (especially roads). During FY2014/15, net domestic financing will amount to Shs.2, 539.1 billion, which includes a drawdown of the energy fund to finance the Karuma and Isimba hydropower projects, and reflects an additional Shs.791.3 billion over and above the approved levels in Financial Year 2013/14. During FY2013/14, external assistance to finance the budget was projected at US$ 1,028 million. It was projected that by the end of the financial year, Government would realize just above half of this assistance. The slow disbursement is largely attributed to low absorption by sector ministries arising from slow implementation of projects.

Public Debt Status

The stock of public debt rose to US$ 7 billion by the end of FY 2013/14, from US$6.4 billion in financial year 2012/13. This translates into 13.8 percent as a ratio of GDP. Of this, US$ 4.2 billion of the debt is external and US$ 2.8 billion was domestic. Notwithstanding the increase, the public debt remains sustainable and Uganda is not under debt distress. Over the medium term, the debt-to-GDP ratio is projected to peak at about 39.8 per cent of GDP. However, this level of debt excludes pipeline borrowings, in particular for the Karuma and Isimba hydropower and the Standard Gauge Railway projects.

CHAPTER THREE:

NDP IMPLEMENTATION PROGRESS

3.1 Overview of the NDP Objectives, Focus and Priorities

The Theme of the National Development Plan for the period 2010/11-2014/15 (NDPI) is "Growth, Employment and Socio-economic Transformation for Prosperity." Its thrust is to accelerate socio-economic transformation to achieve Uganda's National Vision. The transformation should be depicted through improvements in: Gross Domestic Product (GDP) per capita, job creation (employment levels), human development and the country's global competitiveness position, among others.

NDPI further focuses on achieving eight (8) strategic objectives, namely:

i) Increasing household incomes and promoting equity;
ii) Enhancing the availability and quality of gainful employment;
iii) Improving stock and quality of economic infrastructure;
iv) Increasing access to quality social services;
v) Promoting science, technology, innovation and ICT to enhance competitiveness;
vi) Enhancing human capital development;
vii) Strengthening good governance, defense and security; and
viii) Promoting sustainable population and the use of environmental and natural resources.

To realize the above mentioned objectives, the NDPI sought to unlock the country's most binding constraints to development.

These constraints include:

i) Weak public sector management and administration;
ii) Inadequate financing and financial services;
iii) Inadequate quantity and quality of human resources;
iv) Inadequate physical infrastructure;
v) Gender issues, negative attitudes and mindsets;
vi) Low application of science, technology and innovation; and
vii) Inadequate supply and limited access to production inputs.

To unlock the above constraints, a number of core projects were identified, which include: i) Construction of five irrigation systems to increase access to water for production; ii) Construction of three hydroelectric power plants (Karuma, Ayago, and Isimba) to increase energy production; iii) Construction of oil and gas infrastructure (refinery and inter-state distribution pipe line) to facilitate the production of oil and gas resources; iv) Construction of the standard rail gauge from Malaba to Kampala and rehabilitation of existing railway lines to improve on physical infrastructure; v) Improve road and water transport infrastructure to facilitate productivity; vi) Construction and development of phosphate industry in Tororo as well as production of iron ore ingots in Kabale; vii) Construction of science and IT business parks to enhance IT related innovations and job creation in the economy; and viii) A national non formal skills development program to improve on the quality of human resources.

Progress against key NDPI Theme and Objectives (Indicators and targets)

Progress on the NDPI Theme has been assessed through measuring performance against targets of identified indicators in the areas of Growth, Employment and Socio-economic Transformation (Table 1 presents the summary).

a) Growth

During 2013/14, Uganda's economy grew at an estimated rate of 4.7 per cent, down from 5.1 per cent in 2012/13 and well below the NDP year growth target of 7.3 per cent. This reduction was particularly marked in industry (5.6per cent growth in 2012/13 compared to 6.8 per cent in 2013/14) and services (5.6 per cent in 2013/14 compared to 6.5 per cent in 2012/13), which is a particular cause for concern as the Vision 2040 places a high emphasis on the importance on the growth of the industrial and service sectors. Work needs to be done to make sure that these dips in growth do not recur through pursuance of macroeconomic policies that support growth.

Agriculture showed a marginal increase in growth from 1.3 per cent in 2012/13, to 1.5 per cent in 2013/14. There was also an increase in exports as a proportion of GDP from 18.6 per cent in 2012/13 to 22.2 per cent in 2013/14. The total GDP figure has risen to UGX60, 475bn in 2013/14 from UGX 55,602 billion (UBOS, Statistical Abstract 2013). This decline could be explained by a combination of domestic and external factors. Private investment performed less than expected due to the after effects of the global economic crisis. The trade deficit widened due to the appreciation of the shilling relative to other regional currencies, making Uganda's exports more expensive in regional markets. The war in South Sudan put additional pressure on Uganda's export performance.

Table 6: Trends in NDP growth indicators

Development Indicator	NDP Baseline 2008/09	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
GDP growth (per cent pa)	6.2	6.3	3.4	5.1	4.7	7.4	7.5
GDP at market prices (UGX bn)	29,972	39,051	49,087	54,688	60, 475	62,227	72,094
Export proportion of GDP (per cent)	7.5	13.7	15.6	18.6	22.2	N/S	N/S
Ratio of manufactured exports to total exports (per cent)	4.2	2.4	2.2	2.63	N/A	N/S	12
Composition of GDP (per cent) – Agriculture	23.0	24.0	23.8	22.6	22.2	N/S	N/S
Composition of GDP (per cent) – Industry	24.6	26.9	27.7	25.4	26.3	N/S	N/S
Composition of GDP (per cent) – Services	52.4	49.1	44.3	52	45.4	N/S	N/S

b) Employment

The UNHS 2012/13 indicates that the percentage of the labour force which is working increased from 75.4 per cent in 2009/10 to 76 per cent (16.3 million) by 2013/14 against the NDP target of 76.8 per cent. It is worthwhile to note that about 8.2million workers will be seeking employment by 2015.

In the 2013/14, the informal sector was estimated to be having a total annual jobs gap of 412,000 people with an estimated growth in youth labour force of 6.0 per cent per annum. The formal sector creates between 12,000 to 24,000 jobs per annum and this means that majority find jobs in the informal sector.

The Micro, Small, and Medium Enterprise sector needs more attention because it creates more jobs than large companies do. Credit is, however, a key constraint for this sector and this call for continued deepening and strengthening of the financial sector as well as the mechanisms for expanding access to equity financing.

Table 7: Trends in NDP employment indicators

Development Indicator	NDP Baseline 2008/09	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
Labour force in agriculture (per cent)	73.3	65.6	75.1	66	N/A	70	69.3
Labour force in industry (per cent)	4.2	7.6	4.2	8	N/A	24.2	24.0
Labour force in services (per cent)	22.5	26.8	20.7	26	N/A	54.2	54.6
Labour force employed (per cent)	70.9	75.4	86	84.2	N/A	N/S	N/S

The share of the labour force employed in manufacturing sector has increased from 7.6 per cent in 2010/11 to 8 per cent in 2012/13, in the services sector to 26 per cent from 20.7 per cent, increasing slowly in line with the rise in GDP shares in these sectors.

a) Socio-economic transformation

The UNHS 2012/13 indicated that literacy levels in Uganda had declined in recent years, from 73 per cent in 2009/10 to 71 per cent in 2012/13. As it is, the main contributor to Uganda's literacy figures is the Universal Primary Education policy that has maintained the mean years of education at 4.7. However, relating literacy levels to effective socioeconomic transformation remains a main challenge in Uganda. Being challenged by a big primary level education intake, the functionality of Uganda's literate population remains very low. Only about 23 per cent of Ugandans have attained at least secondary education with the proportion of women lagging slightly behind at around 24 per cent. The last UDHS study in 2010 indicated that there was not much difference in people's attitudes and practices between primary and no education categories. Consequently, one of the most binding constraints to the national development of Uganda is to do with the lack of enough relevant, high quality skills.

The NDPI results framework targets improving the human development indicators (HDI) for the country to levels similar with those in middle income countries, raising Uganda's competitiveness position in the world and increasing the level of urbanisation. A recent Human Development Report (2013/14) still places Uganda in the low human development category with most indicators remaining static (and worsening in some cases) in relation to previous years.

The country's HDI has consistently improved over the years and stood at 0.484 in 2013, reflecting an improvement from the position in 2012 which was 0.480. Uganda's performance according to the report is still below that of Kenya, ranked at 0.535, Rwanda, ranked at 0.506 and Tanzania, ranked at 0.488. All East African Countries are ranked among countries with low Human Development Index.

According to the Global Competitiveness Index (GCI) report for 2013/14; Uganda's competitiveness fell to 129th /148 in 2013/14 from 123/148 in 2012/13. This reported declining performance was primarily due to factors associated with corruption, limited access to financing, inadequate supply of infrastructure, tax rates and inefficient government bureaucracy.

There has also been a significant fall in the Doing Business ranking. According to the World Bank Doing Business 2014 survey, Uganda's performance worsened during the 2013/14. The Report ranked Uganda 132 out of 189 countries surveyed, compared to a rank of 120 in 2013. The report indicates Uganda's relative performance fell in starting a business; getting electricity; limited access to credit; dealing with construction permits; and trading across borders.The Report also highlights challenges in the legal and regulatory frameworks, access to business finance and infrastructure deficiencies that tend to impede efficiency and business growth.

However, there are some signs of recent improvement with a report of Foreign Direct Investment (FDI) released in July 2013 suggesting that Uganda is becoming a much more preferred location for FDI, largely due to the growth of the oil and mining sector.

Urbanisation is a key theme of the Vision 2040, which foresees 60 per cent of Ugandan living in urban areas by 2040. The trend is upward, with the estimated urbanisation level moving from 13 per cent in 2010/11; 14.7 per cent in 2011/12; 16 per cent in 2012/13; and 23 per cent in 2013/14.

Table 8: Progress on socio-economic indicators

Development Indicator	NDP Baseline 2008/09	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
National skills gap	N/S	N/S	N/S	N/S	N/S	N/S	N/S
Literacy level (per cent)	73.6	73.2	73	71	76	82.2	95
Life expectance at birth (years)	50.4	51.5	54.0	52.2	54.4	52.4	85
Human development index	0.514	0.446	0.422	0.456	0.484	0.572	N/S
World competitiveness index ranking	108/130	121/130	121/139	123/148	129/148	85/130	N/S
Doing business survey ranking	112/183	123/183	123/183	120/183	132/189	82/183	N/S
Population in urban areas (per cent)	12	13.0	14.7	15	15	N/S	20

There is also need to embrace science and technology, innovations, new approaches to work ethics and family value systems that put less attachment to extended family norms and high professionalism as well as promoting self-motivation and incentive. Addressing these issues together with appropriate policy frameworks should help to transform individual behaviour and practices towards achieving desirable socioeconomic indicators.

3.1.2 Progress on NDPI objectives

i) Household incomes and promoting equity

Poverty and inequality remain significant development challenges for the country. However, the proportion of people living in poverty has reduced by nearly 5 per cent point from 24.5 per cent in 2009/10 to 19.7 per cent in 2012/13 (UNHS 2012/13) representing about 7 million people. In addition, income per capita increased from USD 506 to about 612 in the Financial Year 2012/13 below the targeted USD 718. However, Real GDP per capita income in 2012/13 was lower than at the beginning of the NDP in 2010/11. In 2012/13, Real GDP per capita declined to USD 260 compared to USD 319 in 2009/10.

Inequality remains a big development issue in the country despite rising GDP and rising gross national income per capita figures. According to the HDR 2013, both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Income inequality has not changed over the NDP implementation period and remains high as shown by the Gini-coefficient of 0.43. Similarly, the same HDR indicates that the country has got a high gender inequality index (0.709) on the dimensions considered in the assessment (maternal mortality, adolescent fertility rates, empowerment and economic activity) ranking 110 out of the 148 countries assessed. Though at the same time, Uganda moved from 29th to 46th /136 in the global gender gap ranking between 2011/12 and 2013/14, suggesting some decline in equalising access to services and opportunities between women and men.

Table 9: Progress on Household incomes and equity indicators

Development Indicator	NDP Baseline 2008/09	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
Per capita income (US$)	506	485	487	612	596	775	900
per cent of population below the poverty line	28.5	24.5	24.5	19.7	19.7	25.6	N/S
Global gender gap ranking	43/130	33/134	29/135	28/135	46/135	N/S	N/S
Gender development index	0.706	0.712	0.722	0.723	0.709	N/S	N/S
Income distribution (Gini coefficient)	0.426	0.431	0.431	0.395	0.44	N/S	N/S

ii) Availability and quality of gainful employment

According to the Uganda Investment Authority (UIA) Reports for 2013/14, it licensed 340 projects yielding 6,585 actual jobs by third quarter of 2013/14, representing 13 per cent of the expected jobs. These came from all sectors of the economy and were expected to create 49,221 jobs. Foreign investments licensed were projected to create 7,461 jobs and local investments 4,297 jobs. Investments in Agriculture, Forestry and Fish were expected to create 4,784 new jobs, manufacturing 12,340 jobs, wholesale and Retail, Catering and Accommodation Services, 393 jobs and 1,228 for Community and Social Services.

iii) Human capital development

The indicators relating to human capital development are also included in the socioeconomic transformation theme and have been discussed in section 3.1.1. Literacy levels in Uganda have dropped over the period from 73 per cent in 2009/10 to 71 per cent in 2012/13. There has been a major recent increase in life expectancy in Uganda, from 52.2 years to 54.0 between the period 2012 and 2014. This is a result of reduction in infant mortality rate from 76 to 54 deaths per 1000 (UDHS 2011) 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.

Table 10: Progress on Human Capital Development Indicators

Indicator	NDP Baseline 2008/09	Vision Baseline 2010	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	NDP Target 2013/14	NDP Target 2014/15
Life expectance at birth (years)	50.4	51.5	54.0	52.2	54.0	54.4	52.4	85
Literacy rate (per cent)	73.6	73	73.2	73.3	76.9	71	82.2	95

iv) Stock and quality of economic infrastructure

The stock of national paved roads has been increasing at an average rate of 123km, a rate below the targeted annual average increase of 220 kms of the NDPI. The NDPI targeted to have 21 per cent of the national roads upgraded from gravel to class I and class II bitumen standard. The NDPI target was to add 1,100 km onto the stock of paved roads in FY2008/09. However, since then, 879kms have been added leaving a deficit of 227km that need to be worked on in 2014/15.

The share of paved national roads increased from 4 percent (880kms) in FY2008/09 to 17.9 percent (3,764kms) in FY2013/14. While the share of freight cargo by rail increased from 10 per cent in 2010/11 to 12 per cent in 2013/14. This is clearly positive progress, although there is still a long way to go to reach the NDPI 2014/15 target of nearly 18 per cent. There is no passenger rail service and the rail cargo service is small and limited primarily to service between Kampala and the Mombasa port. Much of the targeted investments in the railways sub-sector have not been substantially realised, although there has been a recent budgetary allocations in 2011/12 and 2012/13 towards production of a detailed engineering design study for the new standard gauge railway line between Malaba and Kampala. Limited railroad networks have resulted in an overuse of road transport making maintenance costs increasingly high.

There are significant disparities in the state of district and community roads across the country. In many districts, the state of roads is generally poor and reported to have been declining. Factors that account for this poor and deteriorating road condition include: geo-physical and climatic vagaries which make it extremely costly to maintain roads; reduced funding for road maintenance works; low operational capacity on the side of local governments (despite the recent equipment provided by government); and shifting government policy on road maintenance.

Energy indicators up to 2013/14 are slowly showing a positive trend as they appear to be improving; total installed energy capacity increased from 778 megawatts in 2011/12 to 826 megawatts in 2013/14, while the share of the population with access to the national electricity grid has risen from 10 percent in 2009 to 15 percent in 2013. Again this is below the NDPI target of 20 per cent. Electricity consumption per capita has improved from 69.5Kwh in 2010/11 to 75Kwh in 2013/14, although this is still very low compared to the Africa average. The effect of population growth rate has impacted on the electricity consumption per capita.

v) Access to quality social services

This NDPI objective is aimed at improving people's access to quality health, education, and water and sanitation services. Higher life expectancy and effective literacy are some of the ultimate life gains of this objective if fully realised. The NDPI therefore regards access to quality health, education, water and sanitation services, to be intermediate indicators that would show the country's progress towards reaching higher life expectancy and effective literacy.

Overall, health sector performance on NDPI indicators has been mixed. The annual sector reports show that there was negative progress towards achieving the NDPI targets in several key indicators. For example, the percentage of health facilities without stock-outs of any of the 6 tracer medicines declined to 53 per cent in 2012/13 from 75 per cent in 2011/12. Also, the percentage of approved posts filled by health workers (Public facilities) increased from 58 per cent in 2011/12 to 63 per cent in 2012/13.

In addition, some of the indicators that reflected positive performance included deliveries in health facilities, latrine coverage, DPT3 coverage and TB success rate.

On the other hand, the percentage of deliveries in health facilities by a skilled provider declined to 57 per cent in 2013/14 from 59 per cent in 2012/13. The 57 per cent delivery rate in health facilities is above the 40 per cent NDPI target for 2014/15. DPT3 coverage increased to 87 per cent (1,319,860 out of 1,520,347 children), achieved ahead of the NDPI 2014/15 target. The TB immunisation rate increased from 61 per cent in 2011/12 to 79 per cent in 2012/13. The proportion of household with latrines decreased from 70 per cent in 2011/12 to 68 per cent in 2012/13. This is below the NDPI target of 70.5 per cent for 2012/13.

Challenges to address with regard to delivery of quality health services at sub-national level include: inadequate referral services; household poverty which limits mothers' attendance to professional antenatal and delivery services (mainly limiting timely reach to health facilities); a significant presence of negative beliefs and attitudes regarding delivery in health centres; and neglect by central government of other tropical diseases that are excluded in the primary health care packages yet they present peculiar health problems to the district.

With regard to education services, quality access is supposed to be acquired through increased enrolment and net completion rates in primary, secondary, and tertiary education as well as through adequacy of physical infrastructure and human capacities supporting these services.

There is slight improvement in school enrolment in relation to the situation at the NDPI baseline in 2008/09. However, within the NDPI period itself, both primary and secondary enrolment have been seen to remain around the same figures and this has been consistent since 2009/10, which puts into doubt the ability of the sector to achieve its 5-year overall enrolment targets. Over the last four years, enrolment in primary schools has oscillated around 8,400,000 pupils while in secondary schools it has been around 1,200,000 students.

Between 2010 and 2014, the gender parity in primary education enrolment has almost been achieved. The growth in female enrolment was 0.6 per cent compared to male that contracted by 0.2 per cent over the same period. The gender gap in secondary education subsector has, between 2010 and 2013, been oscillating around 45 per cent for girls and 55 per cent for boys.

BTVET enrolment on the other hand has been improving and enrolment of female pupils and students has been on the rise. BTVET enrolment grew by 13 percent from 21,180 in 2012 to 24,000 in 2014.

vi) Sustainable population and use of natural resources / the environment

The environment sector performance report 2012 recognized that despite a number of mitigation measures, the environment of Uganda is still under threat from natural and man-made drivers of change including poverty, rapid population growth, urbanisation, agricultural expansion, informal settlement development, industrialisation, and the impacts of climate variability, among others. The most crucial issue that has emerged over the recent years is that of weak governance at all levels, coupled with the increased demand for natural resources.

The use and management of the environment and natural resources in the economy has continued to pose significant social and economic challenges. The National State of the Environment Report 2010 produced by NEMA asserts that the country is facing severe environmental degradation, loss of biodiversity, deforestation, encroachment on wetlands, soil erosion and declining land productivity, pollution of land, water and air resources, among others. The current estimated figure for forest cover went down from 13 per cent in 2009, to 10 per cent 2014 against a target of 24 per cent in 2014/15. Of the degraded forest cover, over 64 per cent is reported to be owned by the private individuals. The sector estimates that 92,000 hectares of forest cover are lost every year with 34 per cent lost in private forests and 12 per cent in the protected forests. Wetland coverage has continued to decline over the years, with the last recorded in 2008 at an estimated 10.9 per cent of the land surface area from 15.6 per cent in 1994 against the target of 30 per cent. In real terms, an estimated 11,268 square kilometres (30 per cent) of Uganda's wetland ecosystems representing 4.7 per cent of the Uganda land area has been lost since 1994.

vii Good Governance, Defence and Security

The NDPI envisages consolidation and enhancement of democracy, observance of the rule of law as a panacea for socio economic development. The Plan espouses a common regional strategy for peace and security; regional defence pact to ensure regional stability. This has been achieved through strengthening of the judicial system, professionalization of the national army and strengthening of community policing. There has been progress in regional peace keeping missions notably the African Union (AU) mission in Somalia.

During the first three years of the NDPI implementation, the entire country continued to enjoy a stable security environment, a factor that has enabled implementation of development activities across all regions of the country. According to a recent joint appraisal, Uganda's performance on the four main governance principles of development assistance (peace and stability, democracy, human rights, and rule of law / access to justice) has been judged satisfactory. In 2011, government demonstrated a sufficient level of commitment to good governance principles which warranted the provision of development assistance including budget support in that year, even though progress has been uneven across the four principles.

However, the situation in 2012/13 was less positive regarding governance. The country experienced significant concerns related to the governance indicators resulting in a reduction in donor support, a factor that affected progress of some NDPI activities. The mid-term review of the NDPI indicated that some priority projects that are meant to be funded by government from its own finances, registered slow progress in 2012 as GoU had to direct much of it revenue collections to bridge the gaps in recurrent expenditure created by donors' withdraw from budget support.

Economic and corporate governance has also witnessed significant shortcomings that have had negative influences on achievement of NDPI results. A main limitation noted in this area has been the uncontrolled supplementary budgets that have taken funds away from project and service delivery sectors to administrative sectors. Parliament has not been fully successful in blocking the increasing number and scale of supplementary budgets, as the value of supplementary budgets has been on a steady increase from 3.8 per cent in 2008/09, to 7.2 per cent in 2009/10 and to over 15 per cent in FY 2010/11.

Uganda's score on the corruption perception index (CPI) has been oscillating between 2.4 and 2.9 during the last five years. The CPI ranks countries based on how corrupt their public sector is perceived to be. A country's score indicates the perceived level of public sector corruption on a scale of 0 - 10, where 0 means that a country is perceived as highly corrupt and 10 means that a country is perceived as very clean. A country's rank indicates its position relative to the other countries included in the index. The baseline score for Uganda in 2008/9 was 2.6. However, the country's performance worsened in 2011 (2.4) before it improved slightly in 2012 to 2.9. The Vision 2040 target is 7.1 and there is need for greater efforts to move there.

viii) Promoting science, technology, innovation (STI) and Information Communication Technology (ICT) to enhance competitiveness

The NDPI emphasises the importance of technology capability and its significance in improving the country's global competiveness. One of the internationally used indicators for STI and ICT is the ratio of the national budget allocated to these areas. This has so far remained at 0.1 per cent over the NDPI period. Another indicator is the share of manufactured exports as a proportion of total exports, which grew from 4.2 per cent in 2010 to 4.4 per cent in 2010/11 and 6.0 per cent in 2011/12. The 2014/15 target for the ratio of manufactured exports to total exports is 12 per cent.

There are other related indicators which can be used to assess progress against this objective, and some of the movements in these were found to be very impressive. For instance the number of mobile phone subscriptions in Uganda rose from 12.8 million in December 2010 to 17.6 million in December 2013. Over the same period, the National Tele-density grew impressively with fixed line subscriptions increasing from 47 per cent to 51 per cent and the percentage population with access to telephones increasing from 70 per cent in 2011/12 to 80 per cent in 2012/13. The launch of the Lower Indian Ocean Network (LION 2) under-sea cable in 2012 with a design capacity of 1.28 Tb /s has helped to increase internet speeds and access. In addition, ICT has improved outreach to peri-urban and rural areas, which has enabled access to banking services through mobile payment and information systems.

3.1.3 Overview of Budget Priorities and Sector Allocations over the years

Over the period starting 2010/11, the national fiscal policy has aimed at closely aligning the budget priorities to the NDPI priorities and the overall NDP development strategic direction. Resources have therefore been increasingly devoted to addressing infrastructure and energy gaps in the economy. The infrastructure gaps focused on are in the areas of hydropower generation and transmission, paving and maintenance of roads, oil and gas, Information Communication Technology (ICT), water transport and agriculture.

Specific areas of focus have included: (i) promotion of critical productive sectors of the economy (agriculture, industry and tourism) in order to generate employment and increase production; (ii) improving the quality of social services focusing on education, health and access to water; (iii) strengthening Public Sector Management for efficient service delivery; and (v) Private sector development for employment generation and poverty reduction.

Particular emphasis has also been put on investing in infrastructure that links northern Uganda to the economic opportunities in the region. Regional initiatives and development projects that support regional integration, which are consistent with national priorities, have been given priority in the national budgets and in the implementation of the NDPI

Overall, maintenance of macroeconomic stability that supports growth and achievement of the above objectives has been a major focus for the country’s monetary and fiscal policies over the medium term period.

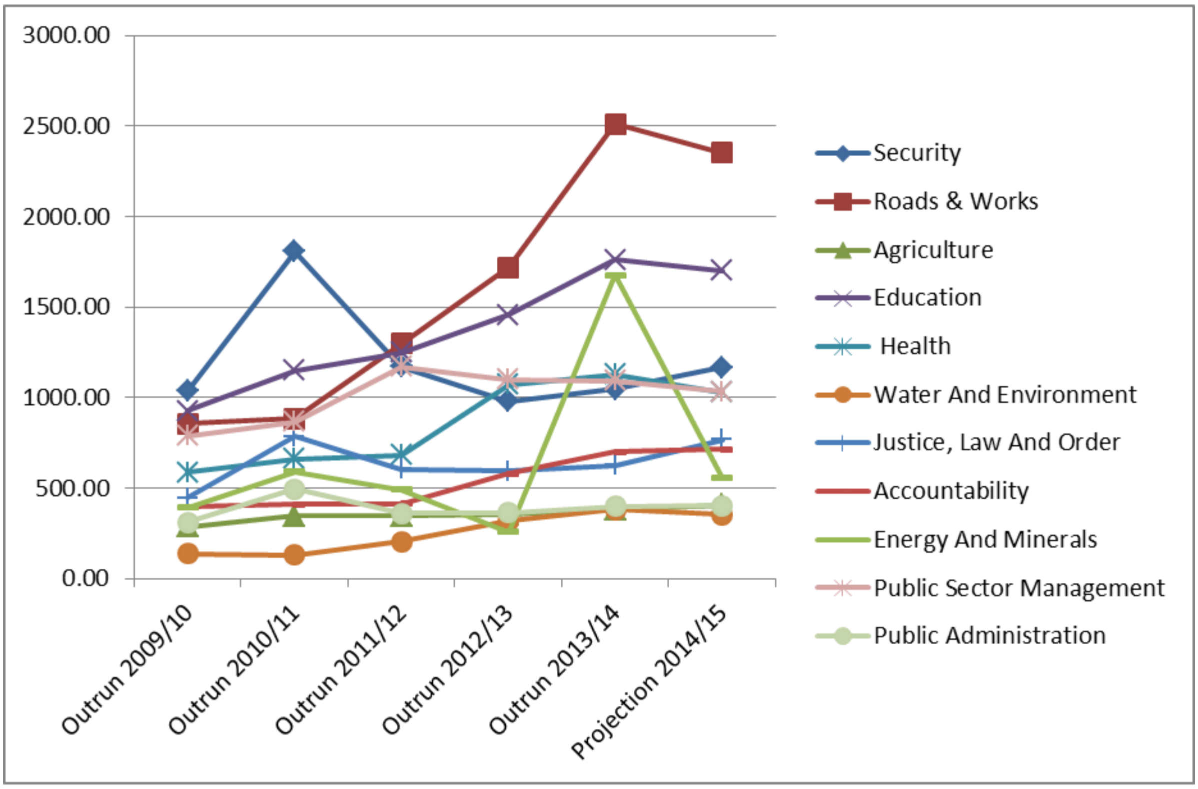
The analysis of the National Budget sector outturns over the medium term (2009/10 – 2014/15) is given in the chart below. The analysis shows general increasing trends in allocations to five sectors, namely: Works and Transport; Education; and Health. Sudden and sharp increases followed by sharp drops in budget allocations are seen for security and defence in 2010/11 and energy and minerals in 2013/14. The sharp increase in defence allocation in 2010/11 is attributed to the country’s air defence capabilities enhancement in that year, while the one of energy is attributed to the donor investment in the energy sector (Karuma Hydropower Plant). Both security and energy, however, show much lower allocations after the surge in the above mentioned years.

A marginally increasing trend in sector allocations is seen for the water and environment and Accountability sectors over the period 2009/10 – 2014/15. The constantly increasing budget allocation to water and environment is attributed to the rising urbanisation levels and the corresponding safe water requirements. The rising allocation trend for the Accountability sector is a result of the recent integration of Kampala City Council Authority (KCCA) capital expenditure requirements into the Accountability sector budget. The rise in the Accountability sector budget allocations over the period is also partly attributed to the increase in costs of implementing public expenditure reforms aimed at curbing fraud.

Sectors with almost constant budget allocations over the period 2010/11-2014/15 include: Justice, Law and Order Sector; Public Sector Management; and Public Administration.

Overall, the following sectors have the smallest budget sector allocations: Tourism, Trade and Industry; ICT; Lands Housing and Urban Development; and Social Development.

Figure 8: Sector Budget Allocations for the Period 20009/10-2014/15



3.1.4 Status of implementation of the NRM Manifesto

The next section highlights progress of the implementation of the ruling party Manifesto as a required by the NDPI and the Vision 2040. The assessment of the implementation of the Manifesto is intended to demonstrate its contribution towards socioeconomic transformation as spelt out in the Plan and the National Vision. This assessment is given in the sections below.

1. Democracy

In order to sustain the democratization process at all levels of governance, the government media strategy has been put in place. Also, women, youth, people with disabilities, workers and the elderly have been trained in vocational and entrepreneurial skills. About 1,000 of these groups have been trained in these areas, including training in policy and decision making at all levels. Government is piloting the social protection programme to address vulnerability among the elderly and is implementing the Youth Employment Action Plan through venture capital.

2. Constitutionalism and Rule of Law

The constitution has so far been translated into a number of local languages. Fast-tracking of the enactment of laws such as the Geographical indications and Companies law and those on legal aid and transitional justice, has been done to support national development, including online publication of laws.

An integrated policing force has been expanded to 30,000, to keep law and order and maintain peace and security, although the Police to population ratio remains below the target of 500:1. The Specialized Tourism and Forestry Police and Child and Family protection Police department have also been established to provide expeditious support to these sectors.

3. Military and Security Forces

Strengthening and professionalization of the defence and security sector continues to be a key priority and the force capability has been enhanced to maintain the territorial integrity of the country. The recruitment, training and retraining of UPDF and Reserve forces is also continuing to be a major focus area. Defence and Security was upgraded to a protocol for cooperation within EAC partner states. The force has embarked on self-sufficiency drive in production of rations such as water and cereals. The Engineering Brigade has been strengthened with the view to make the force contribute to infrastructure development for national development. The medium-term target is to strengthen the Engineering Brigade to the level of a Division.

4. Rehabilitation of War and Conflict Ravaged Areas

Programmes and projects such as LGMSD, CDD NUSAF and DLSP are being implemented to help northern Uganda catch up with the rest of the country. LED is being piloted in Kitgum, Arua and Ajuman. These projects are intended to consolidate the achievements and continue with the recovery and rehabilitation plans for the formerly war ravaged and conflict areas. In addition, a total of 188 sub county offices, 151 Sub-County Chiefs' houses, 178 staff houses have been constructed, 40 vehicles procured and 2,300 bicycles provided to parish chiefs.

Most re-stocking was done by 2010 in all the formerly war ravaged and conflict areas and support to revival of socioeconomic livelihood is on-going.

5. Decentralization

As part of the pledge to strengthen decentralization, construction of administrative units in LGs is on-going. Construction of staff houses for civil servants in hard to reach and war ravaged districts is also on-going. Also, the LG Act, 1997 was amended to accommodate the five year planning cycle, in line with the NDPI, the LGA Cap 243 was revised to enable LGs lay their budgets before Council by 30th June, not 15th June, and the LG Act was revised to allow MoLG to approve creation of new Administrative Units, which mandate was earlier executed by LGs. A review and harmonization of allocation of budget resources to LGs has been embarked on with a paper that was submitted to Cabinet in 2013.

6. Empowering Special Interest Groups

In order to enhance gender equity and equality, capacity of MDAs and local governments was built to enhance their skills in gender planning analysis and budgeting to ensure equitable participation of men and women in the development process. Guidelines and gender audits have been instituted in MDAs and local governments to assess compliance to gender mainstreaming.

Government has continued to train PWDs in the four Rehabilitation Centres of Kireka, Mpumudde, Lweza and Ruti. During the period under review, 224 PWDs were trained in carpentry and joinery, tailoring, leatherwork, handicraft making and agriculture. A draft Amendment Bill on disability has also been put in place. The Bill establishing the National Council for Older Persons is currently before Parliament.

A Youth Fund was established for school leavers to borrow money for their own businesses. Over 5,200 small businesses have been supported through this scheme and Shs. 21 billion was disbursed to eligible youths. In addition the Graduate Venture Capital Scheme became operational with start-up capital of Shs. 3.5 billion.

7. Fighting Corruption

The institutions responsible for fighting corruption have been strengthened and Government has remained committed to zero torolence to corruption as illustrated by numerous high profile cases pursued by the Anti-Corruption Court and IGG. The institutions strengthened include: the Inspectorate of Government, the Auditor General's Office, the Judiciary and the CIID. For instance, the Office of Auditor General has had its staffing levels increased from 74 per cent to 88 percent, with 2 regional office blocks in Mbale and Jinja constructed. Similarly, the Anti Money -Laundering Act was also enacted.

8. Efficient and Effective Service Delivery

Financial Performance Agreements were introduced for Accounting Officers in July 2010, as a means for ensuring accountability and service delivery. The teachers' and health practitioners' salaries were enhanced to improve service delivery in these two important sectors. A number of reforms also continue to be undertaken aimed at improving public sector performance and service delivery.

9. Patriotism and the Promotion of National Interest and Common Good

To instil national values and love for the country and ensure protection and defence of the Constitution, patriotism training has been institutionalised under the Office of the President with an initial focus on target groups comprising Head Teachers, Principals/Tutors, students and civil servants. A draft National Values and Common Good was produced by Ministry of National Guidance and preparation of laws to operationalize Article 8A (1) of Constitution is ongoing. Strong emphasis has also been placed on civic education and internal disciplinary mechanisms within political and administrative institutions for self-regulation and accountability.

The process to establish the Kiswahili Council has been initiated to promote the norms and values of patriotism through Patriotism Clubs and School curricula. It is worth noting that Kiswahili is already included in adult literacy programmes.

10.Performance of the Economy

The economy grew at 4.7 percent in 2013/14 in comparison to 6.0 per cent in 2012/13 and 3.4 per cent in 2011/12.

The double digit inflation that was experienced in 2011/12 (mainly attributed to the after-effects of the global financial crisis) has been fully put under control. Inflation has since 2011/12 been controlled at an annual average of about 5 per cent. This was possible through pursuance of a prudent monetary policy that uses inflation targeting and the Central Bank Rate (CBR) to influence the interest rates (prime lending rates) and the foreign exchange rates in order to ensure macroeconomic stability. The measures taken by Bank of Uganda have also included maintaining the foreign exchange rate at rates of Shs 2,500 – 2,600 to the dollar through market interventions (sale of foreign exchange). Although some rigidities are still being experienced with Prime Lending Rates remaining high, it is hoped that they will begin falling as Banks begin retire high cost deposits acquired in 2011/12.

Uganda Revenue Authority’s total revenue outturn for FY 2012/13 amounted to Shs. 7.15 trillion registering a performance of 100.63percent and 21.3percent growth in revenue collections compared to FY2010/11. The revenue collection improved to Shs 7.15 trillion and 8.3 trillion in 2012/13 and 2013/14, respectively. The dependency of national budget on budget support from Development Partners reduced to 25 percent in the years 2013/14 and 2014/15.

11. Financial Services

The number of institutions in the financial services sector has continued to increase, which has enabled offer of competitive packages to borrowers. There are 25 licensed commercial Banks, 4 MDIs and over 100,000 SACCOs providing financial services in the country. Bank of Uganda supervision and regulation have been strengthened and had action taken timely to avoid default by banks on deposits. The Agricultural Credit Facility (ACF) has been strengthened to provide affordable credit to the agricultural sector and related value addition investments. The ACF continues to perform well under the commercial banks. Overall, credit surged to 23 per cent in 2013/14, from 10.4 per cent in 2012/13.

12.Industrialization, Science and Innovations

Initiatives aimed at improving the policy and regulatory environment for private sector growth have been undertaken and these include; development of the Anti- Counterfeiting Goods Bill, Competition Bill, Trade Licensing Amendment Bill, Uganda National Bureau of Standards Amendment Bill, the Draft SPS Policy, the Draft Competition and Consumer Protection Policy, among others.

A draft MoU on venture capital developments was developed. The Uganda Development Corporation (UDC) has been shifted to the MITC Vote from MoFPED. This was based on the need and urgency to have UDC reinvigorate government investment in key strategic sectors in the economy particularly in the establishment of industries.

13.Investment, Job Creation and Labour Relations

Government support to apprenticeship, SME business incubation centres and motivation award systems is aimed at empowering youths to be job creators and not job seekers. Employment policy was developed and the laws to support Labour Externalization were enacted. The PPP Policy was passed in 2012 and the PPP Bill has been enacted. A national informal skills development program has been developed to support creation of technical skills required in the economy.

14.Trade and Market Development

Government has given special attention to Micro, Small and Medium Enterprises (MSMEs) over the recent years in order to nurture them to play a more significant role in national development and employment creation. To this end, the responsible Ministry of Trade, Industry and Cooperatives has been restructured to provide for the necessary institutional framework to support MSMEs. The cooperative movement has been revamped with a focus on value addition beginning with such areas as: honey, wines, fruit processing, and maize and rice processing. Trade information centres also continue to be established to facilitate trade within the country and the EAC region. The District Commercial Services Support programme (DICOSS) has been established to support commercial extension services in all districts.

Government has facilitated the development of linkages between Ugandan companies and the regional trading partners through the EAC and COMESA. This has enabled local companies to be linked to other companies in Western Kenya, Northern Tanzania and Rwanda. Agreements have also been signed to facilitate trade with the European Union, the Middle East and the USA (AGOA).

The National BPO Incubation Centre has been set up and is fully operational. The BPO Centre was handed over to the 3 operators who have so far recruited 54 of the BPO trainees. A Memorandum of Understanding is in place with the Government of Egypt to support BPO institutional strengthening in the country.

Tackling Informal Sector Impediments

In order to support informal trade, modern markets have been constructed in Wandegeya, Mbale, Jinja, Lira, Hoima, Fort Portal and Gulu. Others planned to be constructed include those for Kasubi, Nakulabye, etc. Government is also facilitating redevelopment of Owino and Kiseka markets. The construction/re-development of markets is aimed at providing a conducive environment for informal sector traders, in line with the ruling Party manifesto.

15. Tourism and Wildlife

Tourism is recognised as one of the key primary growth sectors of Uganda's economy and a number of initiatives and reforms have been implemented aimed at strengthening the sector. A separate Ministry of Tourism, Wildlife and Heritage has been established. The Tourism Act, 2008, has been operationalised and the Uganda Tourism Board (UTB) was restructured under new management. As a result of the sustained peace and security within the country's borders and a clear national strategic direction, the tourism arrivals have hit a 1.2 million mark in 2014 coming from 205,000 in 2001. The sector's contribution to GDP currently stands at about 8 per cent and the tourism receipts are estimated at USD 900 million per annum (MFPED).

Government has ensured mitigation of human-wildlife conflicts in areas neighbouring national parks, including implementation of deterrents and other measures. Plans are in advanced stages for pilot projects on electric fencing in Queen Elizabeth and Lake Mburo National Parks to reduce the conflicts. A tourism police department has been established to support tourism security and anti-poaching measures that are already in place. Also, the Uganda Wildlife Education Centre (UWEC) is being redeveloped to include marine tourism in order to enhance domestic tourism.

In order to increase integrated focus on the sector, fast-track tourism marketing and product development and enhance contribution to the country's development, the Presidential Initiative for Sustainable Tourism (PRESTO) was launched in 2012.

16. Agriculture

Agriculture currently contributes about 25 per cent of Uganda's GDP. This contribution is expected to become less as a share of the country's total GDP due to increased diversification of growth to other the sectors of industry and services. The sector has continued to employ more people (66 per cent) despite faster growth of both the services and industry sectors. The sector has continued to register positive growth albeit at a lower rate of 3.2 per cent in 2010/11 and 1.5 per cent in 2013/14.

Four out of five identified irrigation schemes have been rehabilitated. Those rehabilitated are: Mobuku, Kibimba, Olweny and Doho. Rehabilitation of Kiige was deferred due to the need to conduct additional feasibility studies. Various small scale irrigation demonstrations have been implemented in a number of districts.

Aggressive re-planting of coffee has enabled mitigation of effects of coffee wilt, which has stabilized the country's coffee exports and earnings at 3.8 million (60 kilogram) bags and about USD 420 million, respectively. Other exports such as tea, fish, cotton and tobacco continued to perform well in terms of foreign exchange earnings in-spite of the various sector specific challenges. The NAADS programme is being restructured to create a single spine system for more effective agricultural extension services. Focus is currently being put on increasing production and productivity through planting of coffee and other cash crops with support of the UPDF.

In Karamoja, a total of 14 valley tanks have been constructed providing 112,000m3 storage estimated to water 29,050 heads of cattle for a continuous dry period of 4 months and in Kiruhura a total of 220 valley tanks have been constructed providing 409,200m3 storage capacity. Crop farming has been initiated in Karamoja as part of the programme to curb cattle rustling and provide food security in the region.

17. Mining, Oil and Gas

Works for construction of the fertilizer factory at Tororo have commenced. Exploration for oil and gas in the country's Albertine region continues to find more deposits. Currently the oil deposits are so far estimated at over 3.5 billion barrels. The feasibility study for construction of a refinery was approved as part of the Government policy of value addition to Uganda's oil resources and the specific aspects of implementing the development of this refinery have commenced. The refinery program will commence with 30, 000 billion barrels of oil equivalent/day in the short term. This will be expanded to 60,000billion barrels of oil equivalent bbl/day in the medium term and then to a range between 120,000 billion barrels of oil equivalent bbl/day to 180,000 bbl/day in the long term. The refinery will be established at Kabaale in Hoima District and the project is expected to take 5 to 10 years to accomplish.

Mineral deposits and occurrences in the area south of 1oN have been sampled. Mineral resources assessment for areas north of 1oN is still ongoing. The following mineral occurrences have been discovered: Uranium, gold, nickel, cobalt, copper, chromite, platinum, Rare Earth Elements, bentonite, and others. Detailed ground geophysical surveys were undertaken i.e magnetic, gravity, induced polarization, electromagnetic and radiometric surveys. Exploration targets for ground follow up identified from airborne geophysical data.in: Achaba (Uranium), Kiryandongo (Nickel), Aloi and Akoi (Major Fault), Lira Road (Major fault), Bukusu (Carbonatite), Kidera (REE), Mbulamuti (Kimberlite), Wampologoma (Kimberlite), Bugiri (Gabbro), Galiraya (Kimberlite), Iki Iki (Kimberlite) and Kagumu/ Palisa (Kimberlite).

18.Land Sector

Computerization of land titles commenced in 2012. So far, over 420,000 land titles have been computerized. The process of demarcation of international and district boundaries commenced, with 110 kms of Uganda - Tanzania border from River Kagera to Lake Victoria surveyed and a technical report produced. The Lands Information System (LIS-U) website was established and access to Information manual in place and disseminated.

Significant progress has been made in resolving land conflicts in northern Uganda. Recorders for Gulu and Lira sub-regions were trained in recordation of customary certificates of ownership and recordation of customary land transactions, including training on the recognition of the roles of traditional institutions in land dispute resolution under customary law. Plans are underway to survey, open and demarcate the national boundaries in the districts of Moyo and Kisoro.

19.Environment

So far, 1,977.8 ha of new forest plantations have been established in North Rwenzori, Kasagala, Rwoho/Bugamba, Mafuga and Lendu Central Forest Reserves. Over 24 million seedlings of assorted species of seedlings with mainly Pinus spp, Terminalia, Eucalyptus, Maesopsis eminii procured and supplied by the national Forest Authority and over 20,172 farmers were trained on tree plantation, tree pruning practices and hedgerow establishment.

The Process for the Gazettement of 10 critical urban wetlands has been completed. Over the period of the current manifesto, 2079.4 hectares of degraded sections of 8 wetlands were restored and 25 km of wetland boundaries were demarcated.

20.Energy

The total installed energy capacity increased from 778 megawatts in 2011/12 to 835 megawatts in 2012/13, while consumption per capita increased from 75 in 2010/11 to 80 kWh in 2012/13. Development of mini-hydropower sites alongside large hydropower sites has continued. Nyagak I (3.5 MW) and Kabalega hydro-power dam at Buseruka (9 MW) were commissioned in 2012/13. Several renewable energy projects were completed bringing the current total installed capacity to 89.03MW on the national grid. A number of other Mini-hydropower plants are now operational and these include: Ishasha 6.5 MW, Bugoye 13.0 MW, Mpanga 18.0 MW, Kasese Cobalt Limited 10 MW, Mobuku 15 MW, and Kisizi 0.35 MW, Kagando 0.06 MW, Kuluva 0.12 MW. The construction of Bujagali interconnection transmission infrastructure was completed, and 200-250 MW were connected to the national grid.

The following transmission lines were commissioned; Nakulyaku-Nabwigulu; Sironko-Nakapiripirit- Amudat-Kobwin; Kayunga-Busana; Bukwiri-kyankwanzi; Namuwanga-Musese-Nabweyo; Nalondo-Namaloko; Kisoga-Kiyola-Katete; Sibanga-Bugobera; Busaamaga-Bukonde-Bufumbo; Nyatongo-Kidudu; Nyarukoma; Murro-Isagala; Nyabeya; Katooke-Muhoro; KInoni Cell Magamaga TC; Bunyiro-Bugogo; Ruhumba; Bugongi-

Kyabuyonga; PBID Industries (in Bushenyi) and Environs; and Buyanja-Nyabitete-nyakiju-Buhanga Buhinda.

The exploration of Geo-Thermal power production prospects is nearing completion and construction of the plant is expected to start in 2015.

21.Transport

A number of roads have been constructed in 2013/14. A total of 121 km-equivalent were upgraded from gravel to tarmac out of the planned target of 150km translating to a deficit of 39 per cent. The roads covered include: Kabale - Kisoro (11.1km), Fort Portal - Bundibugyo (37.4km), Nyakahita – Kazo (39.4km), Kazo – Kamwenge (17.3km), Mbarara – Kikagati (11.1km) and Vurra – Arua - Oraba (4.6km).

The construction of the 4 lanes Kampala – Entebbe Express highway is in progress. Kampala-Jinja (80km) - feasibility and preliminary design completed; Kibuye-Mpigi (30km)-feasibility and draft design completed; Kampala Northern Bypass (17km) - design completed.

So far, 9,047km of community access roads and 805km of feeder roads have been rehabilitated.

All the 112 districts received road Construction Equipment Units comprising a grader, wheel loader, truck and a pick-up motor vehicle. The condition of the gravel roads has not improved much because of the continued heavy rains. Routine mechanized maintenance of 7,500km of unpaved roads was done out of the planned target of 11,396km. Periodic maintenance (regravelling) of 197km of unpaved roads was carried out of the planned 556km.

Consultancy services for preliminary design to upgrade Malaba-Kampala railway to standard gauge was prepared and Government has completed a feasibility study to upgrade Kampala - Kasese railway. In addition, a feasibility study to upgrade Tororo-Packwach railway line was also completed. Hydrographic surveys on Lake Victoria have been done by East African Community and rehabilitation of 400 wagons was completed.

Entebbe International Airport is being expanded to handle about 150,000 operations a year, with the aim of making it the regional hub for aircraft. Extra land at Arua Airfield was acquired.

Ferries and Boats have been provided on Lakes Kyoga and Bisina to link the areas of Lango (Amolatar), Teso (Serere), Buganda (Kayunga-Ntimba) and Busoga (Kamuli/Bukungu).

22. Information Communication Technology (ICT)

The National Data Transmission Backbone Infrastructure / Electronic Government Infrastructure (NBI/ EGI) was launched. Phase I, covers 168 Kms of Optic Fibre Cable Connecting Kampala, Jinja, Mukono, Entebbe and Bombo; Phase II, covers 1380 Kms of Optic Fibre Cable connecting Phase I to Luwero, Nakasongola, Masindi, Gulu, Lira, Soroti, Kumi, Mbale, Tororo, Busia, Hoima, Kyenjojo, Fort Portal, Kasese, Bushenyi and Mbarara.

And, Phase III which is soon to commence, will cover 307.2 Kms of Optic Fibre Cable connecting to Masaka, Mbarara and Katuna.

Phase I and II of the optic fibre connectivity are completed involving 1548km, connecting 22 districts across the country, 22 Optic switching transmission stations, 1 data centre installed and 1 Metropolitan Area Network Centre. As a result, 27 ministries have been connected; video conferencing services facilities supplied to all MDAs. The target to connect all districts to the NBI by 2014/15 has not been achieved due to slow implementation.

The National BPO Incubation Centre has been set up and made fully operational.

23. Education

In an effort to strengthen the implementation of the Thematic Curriculum the sector endeavoured to enhance the implementation of the curriculum in the primary sector and undertook a number of initiatives that include:-

- Piloted the Kiswahili school curriculum for P.5 and P.6;
- Retooled 127; P.5 Teachers for P.5 Kiswahili syllabus;
- Developed a teaching reading methodology with local language and English teaching and reading materials;
- Developed P.1 Early grade reading assessment tools and teaching and learning materials in 4 local languages (Ateso, Leblango, Luganda and Runyunkore-Rukiga);
- Over 2,400 primary school teachers were trained in using this reading methodology;
- Instituted Area Language Boards for Samia Bugwe, Lusoga and Dhopadhola in ten (10) districts of Eastern Uganda

The sector also constructed/rehabilitated dormitory blocks, classroom blocks, Kitchens, Tutors houses, Libraries in various Primary Teachers Colleges at Butiti PTC, Paidha PTC, Kiyoora PTC, Busikho PTC, Nkokonjeru PTC, Kisoro PTC; and at Shimoni Demonstration School

Construction works are on-going for 10 PTCs of: Bundibugyo PTC, Canon Lawrence PTC, Rukungiri PTC, Buhungiro PTC, Kapchorwa, Paidha, Arua, Ibanda, Bukedea and Kitgum PTCs.

Revised PTE curriculum was rolled out, and 1,217 tutors were oriented in its use. The curriculum is clustered in four parts namely:

- Professional education studies(Foundations of Teacher Education, Special Needs Education, General Methods);
- Traditional disciplines(English language education, Social Studies Education, Integrated Science Education, Mathematics Education);
- Cultural disciplines(Performing Arts, Physical and Sports Education,);
- the new introduced disciplines (Kiswahili Education, Local Language Education, Agricultural Education, Early Childhood Development)

The sector continued to assess non-formal skills in the participating institutions.

24. Health

As part of the Manifesto pledge to provide health workers with decent housing, construction of staff houses was completed in the following health facilities:

- Regional Referral Hospitals - Hoima (30 units), Kabale (30 units), Fort Portal (7 units), Moroto (6 units)
- General Hospital: Itojo (4)
- Health centre III: Buyiga (2 units)

In addition, several districts have constructed staff accommodation for the health workers using the PHC Development budget.Construction of Staff houses is also ongoing in the following health facilities:

- Mulago National Referral Hospital (100 units).
- Regional Referral Hospitals: Fort Portal (6 units), Moroto (12units) & Gulu (8 units flat)
- General Hospitals: Mityana and Iganga (6 units each).
- Renovation of staff houses is on-going renovation in Anaka and Moyo General Hospitals

There has been a deliberate effort by Government to increase salaries of doctors. In 2013, there was a mass recruitment and enhancement of salaries of Medical Officers at HC IVs with a retention allowance of 1.5 million UGX per month bringing their total monthly remuneration to 2.5 million UGX. Salary enhancement will be carried out in a phased manner for the rest of the health workers.

In addition, an allowance of 30 per cent of the basic monthly salary is provided to health workers in hard to reach areas.

Other than allowances, improvement in the workplace such as availability of regular medical supplies, infrastructure and housing have started contributing to staff motivation

Mbarara Regional Referral Hospital is being upgraded to national referral status in a phased manner. The milestones so far achieved in this regard include:

- Completed construction of new blocks funded by ADB and GOU under phase 1.
- Completed construction of an 8 unit Staff house.
- Introduced super specialized services (cancer treatment, dialysis & Ophthalmology).

Negotiations are ongoing to secure a Loan from African Development Bank for phase 2 developments which will propel the Hospital to national status.

Government received a loan of US$ 130million from the World Bank to strengthen health systems under which various hospitals and health centres will be renovated and constructed.

- Phase 1: Construction of 9 Hospitals has commenced. These are: Regional Referral Hospital Moroto; and the General Hospitals: Mityana, Nakaseke, Kiryandongo, Nebbi, Anaka, Moyo, Entebbe and Iganga.

Construction works under phase 1 will be completed by June 2015 and will cost US$ 52 million.

Under phase 2, The Ministry has completed negotiations with the World Bank for additional funding of US$ 90 million. The funds will be utilized to renovate 13 Hospitals and 27 HC-IVs. These are: Regional Referral Hospitals: Mubende and Moroto –II; and the General Hospitals: Apac, Itojo, Buwenge, Kitgum, Masindi, Bukwo, Bugiri, Pallisa, Abim, Kitagata and Atutur

The following HC IVs have been upgraded to Hospital status: Masafu Hospital completed with a grant from Japanese government through JICA; Kyenjonjo, Katakwi, and Lyantonde Hospitals ongoing with GOU funds; and Kaberamaido, Nabilatuk and Bugembe HCs to be fast tracked in 2015.

Solar power were installed for lighting, refrigeration and operation of low energy consumption equipment in 129 (HCII 84, HCIII 37 and HCIV 8) Health Centres in 2013. These include: Buliisa, Gulu, Agago, Pader, Soroti, Serere, Moyo and Amolatar

25. Water

During the last three years, the following water points have been constructed: 17,867 shallow wells; 17,319 RWH tanks; 28,732 boreholes and 25655 protected springs. Currently, 65 per cent of the rural population is served with safe water facilities and the average functionality of the rural water supplies is 84 per cent.

Construction of large piped gravity flow water supply system at Kanyampaga (Kanungu District) is nearing completion. The Bududa-Nabweya and Lirima GFS is also nearing completion.

Access to improved water supplies in the urban areas, based on the estimated total population served, in both large and small towns is 70 per cent (57 per cent for small towns and 77 per cent for large towns), slightly up from 69 per cent in the period prior to the 2011 elections. The functionality has risen since a number of water schemes have undergone rehabilitation works, which include: Kakiri, Kasengejje and Namayumba. Installation of pumps has also been done in the towns of Rakai, Kyazanga, Bombo, Wobulenzi, Luwero, Yumbe, Moyo, Bunagana and Kalungu.

With support from the Germany WSDF-SW group, the following piped Water Supply Systems have been constructed: Kiruhura TC; and Kakyanga RGC; and Kazo TC. Construction is ongoing in Rutokye, Kyempene, Kinoni, Kikagati, Rugaaga (Iron Removal Plant), Matete, Kabuga, Lyantonde Phase I, Kahunge, and Kakuto. Procurement of contractors for construction of Piped Water Supply and Sanitation Systems for Rwenkobwa, Ntusi, Nyarubungo, Gasiiza, Kinuka, Kasagama, Sanga TC, and Ruti-Rungando was completed. Six (6) piped town water supply systems constructed and commissioned in the towns of Adjumani, Oyam, Tirinyi-Kibuku, Kanungu, Nakaseke and Koboko (extension). Construction of town water supply systems commenced and is ongoing in 10 small towns of Abim, Kaabong, Amolatar, Kazo, Kiruhura, Lyantonde, Kakyanga, Kakuuto, Kazo and

Kako, in addition to detailed designs in 11 towns of Bukedea, Busiu, Karenga, Katakwi, Namalu, Ochero, Suam, Zirobwe, Ntwetwe, Bweyale and Mayuge.

The system capacities for extension of water supply for existing water supply systems were improved in towns of Kako, Kasanje, Kiruhura (new water supply systems), Wakiso and Kakiri. The total pipeline length constructed was 76.4km with 422 consumer connections out of which 16 are public water tap stands/pro poor outlets.

Government has undertaken studies and designs to ensure that all district headquarters have piped water supply systems. Construction of Mayuge Town Water Supply System is nearing completion.

26. Water for production

On the pledge to increase the storage capacity in the country with an additional 30 billion litres of water, a number of reservoirs have been constructed. These include: Mubende, Kibaale, Oyam, Nebbi, Lira, Karamoja, Teso and Kiruhura Districts. Implementation of the Andibo dam in Panyango sub-county, Nebbi District; is on-going. Construction works for Leye Dam, Oyam District with a total capacity of 1.0 Million Cubic Metres (MCM); and Akwera Dam in Lira district with a total capacity of 1.07 Million Cubic Metres (MCM) are complete.

Government has procured and deployed seven sets of equipment as follows: Karamoja region (2), Kiruhura (1), Nakasongola (1), Sembabule (1) and Lyantonde (1), Kyankwanzi (1) districts. Two more sets of equipment are being procured for northern and eastern regions. Plans are under way also to procure more units for other districts. The outputs recorded under this arrangement are summarized below:

- Karamoja Region: - a total of 24 valley tanks have been constructed providing 240,000m3 storage estimated to water 57,143 heads of cattle for a continuous dry period of 4 months.
- Sembabule district: - a total of 35 valley tanks have been constructed providing 58,600m3 storage capacity
- Lyantonde district: - a total of 52 valley tanks have been constructed providing 64,500m3 storage capacity
- Kiruhura district: - a total of 220 valley tanks have been constructed providing 409,200m3 storage capacity
- Kyankwanzi district: - a total of 11 valley tanks have been constructed providing 46,000m3 storage capacity
- Nakasongola district: - a total of 5 valley tanks have been constructed providing 12,000m3 storage capacity.

The Ministry of Water and Environment has initiated plan to construct a factory in Uganda under PPP for irrigation and water pipes and Geoemembrace for rain water harvesting.

27. Housing

The Greater Kampala Metropolitan Area (GKMA) Plan was been developed and physical plans for the Albertine Graben region are being developed. Over 300 recorders / Sub county Chiefs have been trained on the issuance of Certificates of Customary Land Ownership in Northern Uganda (Gulu, Amuru, Pader, Apac, Oyam and Lira) and the system for issuing the certificates is now operational.

Facilitation of real estate developers was done in Malukhu and Masese housing project through establishment of the necessary institutional framework.

The Ministry of Lands, Housing and Urban Development continued to carry out public awareness campaigns on land rights, land transaction procedures, rights and obligation of tenants and landlords to minimize illegal land evictions on registered land and customary land. The Mortgage and Physical Planning Bill was approved by Cabinet and awaits debate in Parliament.

28. International Relations and Regional Integration

Uganda continues to play a key role in maintain peace and security within the African region. To this end, the UPDF has continued to play an active role in Peace Support Operations under the AMISOM Force in Somalia. With permission of the AU, UPDF has increased its numbers in Somalia and the pacification efforts are contributing to restoring peace and security in that country.

With respect to regional integration, Trade Licensing rates were reduced by 25 per cent in 2011, which has contributed to the reduction in the cost of doing business in Region.

The following specific measures have been undertaken to facilitate regional trade:

- The National Non-Tariff Barriers (NTBs) Monitoring Committee (with the Secretariat at the Ministry) has been established to respond to complaints related to NTBs;
- Signed bilateral agreements on the removal of NTBs with Rwanda and South Sudan;
- Engagement of traders in consultative meetings e.g. in September 2012 to discuss the need for alternative transit routes that can help minimize costs;
- Uganda improved its Doing Business position from 123rd to 120th in 2012;
- UIRI has been designated EAC Center of Excellence status which will help promote diffusion of its innovations, products and services in the region

CHAPTER FOUR:

NDP THEMATIC AREAS PERFORMANCE

4.1 Primary Growth Sectors

4.1.1 Agricultural Sector

Agriculture continued to exhibit itself as the backbone of Uganda's economy through employment of the majority of the population (over 70 percent), for food security, as a source of raw materials for the local industries. Furthermore, it contributes 40 percent of the total export goods earnings (UBOS 2013; UNHS, 2009/10).

The sector contribution to GDP declined from 24 percent in 2012/13 to 22 percent in 2013/14 due to focussed growth of other sectors such as industry and services. However, in value terms, its growth at current prices increased from UGX 12,488 billion in 2012/13 to UGX 13,408 billion in 2013/14.

In terms of growth, the trend had a positive trajectory as the sector grew by 1.5 percent in FY 2013/14 when compared to 1.4 percent growth rate in 2012/13 (Table 11). The increase in the sector growth rate in 2013/14 was attributed to general increase in production of agricultural commodities that included dairy, tea and fish.

Table 11: Real GDP growth by economic activity

	2010/11	2011/12	2012/13	2013/14
Agriculture, forestry and fishing	**1.2**	**0.8**	**1.3**	**1.5**
Cash crops	-1.5	8.2	3.5	3.3
Food crops	0.7	1.7	0.2	1.9
Livestock	3.0	2.8	3.4	3.3
Forestry	2.8	3.3	2.0	2.2
Fishing	1.8	1.9	2.5	-5.1

Source: Uganda Bureau of Statistics.

The agricultural sector key result areas are assessed in line with the NDPI key objectives explained below:

Enhance agricultural production and productivity

The NDPI envisaged improvement of agriculture production and productivity through agriculture technology development; effective delivery of advisory services and improved technology; control of diseases, pests and vectors; enhancing productivity of land through sustainable land use and management of soil and water resources; increase in supply of water for agricultural production; promoting labour saving technologies and mechanisms; improving access to high quality inputs, planting and stocking materials; improving access to and sustainability of markets; and creating an enabling environment for competitive investment in agriculture. The progress in this regard is highlighted below:

Cash Crops: Procurement figures for the traditional cash crops, that includes, Coffee, Tea, Cotton and Tobacco, are used here as a proxy for production. The amount of coffee procured during 2013 increased by about 25 percent since 2012. Tea registered a 3.4 percent increase in quantity procured between 2012 and 2013. Tobacco registered a high procurement increment in 2013 estimated at 61 percent. However, despite the more than 60 percent increase of cotton procurement in 2012, it registered more than 50 percent drop in 2013[1].

Overall, there was an 8 percent increase in coffee volumes (60 kg bags) exported from 3.3 million bags in FY2012/13 compared to 3.6 million bags exported in FY2013/14. This improvement in coffee exports is as results of controlling the coffee leaf rust disease in Mt Elgon sub region and support extended to 28 Coffee Wilt Disease Resistant Mother Gardens to produce 10,000 cuttings each in the 2nd year after establishment.

A total of 78,364 bales of lint (of 185kg each) were produced in 2013/14 compared to 102,619 bales produced in 2012/13, translating to a 24 percent decline. The decline in cotton production was attributed to a number of factors including; i) On-set of dry spells during the early and at the end of the cotton growing period, ii) Late and limited planting of cotton by farmers in preference to food crops and iii) Low soil fertility coupled with limited capacity of farmers to use fertility enhancing products like fertilizers.

The total number of bales (185 kg bales) exported declined from 110,484 MT to 40,506 MT indicating a decline of about 173 percent in the same period. During the FY 2013/14, 10200 MT of cotton seeds were certified against the annual target of 10000 MT. Government distributed cotton planting seed to farmers in 52 districts that included; Eastern (20 districts), Lango (10), Acholi (8), West Nile (4) and Mid-West & Central (7) and Western (3) Regions for FY 2013/14; and about 9,000 acres of cotton were planted of by seed growers under the seed multiplication scheme.

The government continued to provide tea seedlings as a strategic intervention. During the FY 2013/14 a total 2 million plantlets were procured and distributed to 773 farmers in the 9

[1] Statistical Abstract, 2014

districts of Kyenjojo, Rukungiri, Isingiro, Sheema, Mbarara, Kabale, Buhweju , Ntungamo and Kabalore,. Therefore the national tea acreage increased to 33,100 hectares. However, figures from BOU indicate a decline in production of tea of about 8 percent from 63,456 MT in 2012/13 to 58,991 MT in 2013/14.

Cocoa production increased by 13 percent from 19,430 MT in FY 2012/13 to 22,010 MT in FY 2013/14. A total of 1,739,000 cocoa seedlings were provided to the cocoa growing districts that include; Mukono, Mpigi, Wakiso, Luwero, Iganga, Mayuge,Jinja, Luuka, Kamuli, Hoima, Masindi, Kibale, Kamwenge and Bundibugyo.

Oil palm continued to register significant progress in Kalangala district, and the project was extended to Buvuma. The total area planted by stakeholder farmers stood at 3,863 hectares while the nuclear estate had 6,440 hectares, bringing the total area of oil palm in the islands to 10,303 hectares. Smallholder farmers have so far harvested a total of 28,498 MT of fresh fruit bunches (ffb) that fetched UGX 11.1 billion. Crude palm oil production increased by 35 percent from 14,174 MT in 2012/13 valued at UGX 36.8 billion, to 19,190 MT in 2013/14 valued at UGX 49.9 billion.

Food Crops: Production of cassava, beans, sun flower, maize and rice increased in 2013, while production of other crops, such as, bananas, millet, sorghum, sweet potatoes, and Irish potatoes declined[2]. Government provided chemicals for control of maize lethal necrosis disease in 17 affected districts in Eastern Uganda. Similarly, Government procured and distributed pesticides to 26 districts affected by the giant looper and sweet potato caterpillars. Two hundred (200) staff from 62 districts affected by the Banana Bacterial Wilt (BBW) were trained as Trainers of Trainees (TOTs) for BBW control, and hence there was a 50 percent reduction in BBW prevalence from 42 percent to 21 percent during the year. In addition, technical backstopping was undertaken on the effectiveness of Strigaway Maize (that is the use of Imazapyr treated Maize) and development of BBW Control Bye Laws for 62 BBW affected districts and 15 mobile plant clinics established and Plant Clinic Doctors trained.

Livestock: For breed improvement, 1500 doses of semen were purchased by farmers. This was in addition to 1,264 breeding calves produced by the NAGRIC&DB. The number of Kroiler chicks sold during the year under review stood at 374,286, a significant increase from 125,617 in FY 2012/13. Other interventions undertaken included: Vaccination of 603,000 cattle against Foot and Mouth Disease; supply of 748,000 doses of Contagious Bovine Pleuro Pneumonia (CBPP) vaccines to affected districts; supply of 638,000 doses of PPR vaccines and rabies. Under vector control, 4,600 deltamethrin treated tsetse fly traps were deployed and 14,098 heads of cattle were treated with pour on insecticide. In addition, the government continued to enforce veterinary regulations regarding animal health, veterinary public health, animal welfare, food safety and professional ethics.

In an effort to multiply pure diary breeds and appropriate crosses; 322 Dairy cross bred and 55 pure bred calves were born at different dairy breeding farms. Two hundred and seventy seven (277) beef crosses and 507 pure indigenous calves were born on different

[2] UBOS Statistical Abstract, 2014

NAGRC&DB ranches. As a result, milk production increased from approximately 1.86 billion litres in FY 2012/ 2013 to 1.93 billion litres translating to about 4 percent increase in production in FY 2013/ 2014. During the FY2013, the dairy processing companies were 45 with a processing capacity of 1.6 million litres per day.

Fisheries: Fish production increased from 407,637 MT in 2012/13 to 419,248 MT in FY 201314 which is 2.8 percent increment in production. Aquaculture production stands at 99.89MT in 2013 compared to 98.06 in 2012 from mainly *Clarias* (African cat fish) and Tilapia. There is increasing investment in intensive water based production systems notably the cage culture with about 1,338 cages established on L. Victoria alone with annual estimated production of 1,739.4MT of Tilapia fish. Government's efforts in this sub sector included: 1 catch assessment survey conducted; 20,000 fishers were directly supported to control fishing activities; equipment for 4 Fish aquaculture laboratories were purchased; 8 Mukene drying racks constructed in Buvuma (4) and Bulisa (4); a contract was awarded for supply of 1650 permanent markings for licensed fishing boats to control fishing capacity on Lakes; and laboratory equipment procured for 4 fish aquaculture laboratories.

On generation of agricultural technologies, the sector undertook 2 research studies under the competitive grants scheme. The production technology generation performance was moderately satisfactory, with 88 percent of production technology generated. The sector submitted 29 new varieties to the Variety Release Committee for release.

The **promotion and strengthening of research extension** interface fetched 100 percent in number of technological innovations delivered to uptake pathways and innovation platforms established. The sector has continued to release new technologies/varieties/ prototypes over the years. However, as reported earlier, the sector's growth rate has not consistently improved since 2007. A total of 2.2 million direct beneficiary farmers received agricultural advisory services at the sub county level. This was complemented by provision of improved planting and breeding materials through the Technology Uptake Grants for Food Security and Market-Oriented farmers.

Three complete sets of heavy earth moving equipment (machinery), for developing infrastructure for **water for agricultural production** (water for aquaculture, irrigation and livestock), were deployed to districts for construction of valley tanks and land clearing. In addition, 62 valley tanks were constructed in 6 districts and the Ministry undertook to establish 33 small scale irrigations demonstration sites in 33 districts. Designs for 7 small scale irrigation site were completed and framework contracts for construction of other 26 small scale irrigation sites were cleared by the Solicitor General by the end of the FY2013/14.

The Ministry intensified seeds inspection to assure quality; as a result, 38 seed inspections were carried out.

Improve access and sustainability of markets

Achieving this objective required increasing PPPs in value chains in agriculture with emphasis on strategic commodities in addition to increasing the number of functioning and sustainable farmer' organization involved in collective marketing. This objective was tracked using export values of major commodities as well as sector GDP growth, growth of monetary agriculture and share of agriculture in total GDP.

The contribution of the formal Traditional Exports (TEs) to the overall formal export earnings increased from 25.1 per cent in 2012 to 27.5 per cent in 2013, after dropping from 31.4 percent in 2011. Overall, coffee remained the main foreign exchange earner with its share to total formal exports increasing from 16.8 percent in 2012 to 17.7 percent in 2013, followed by tobacco, then tea and, lastly, cotton. It is worth noting that only about 6 percent of the coffee produced in the country is consumed locally. Earnings from tobacco increased from US$ 70 million to US$ 120 million while that of tea increased from US$ 74 million during 2012 to US$ 86 million in 2013. The share of the Non-Traditional Exports (NTEs) to total formal export earnings slightly dropped from 74.9 percent in 2012 to 72.5 percent in 2013.

The Common Market for Eastern and Southern Africa (COMESA) regional bloc remained as the main destination for Uganda's exports although its market share reduced slightly in 2013. Combined export earnings (formal and informal exports) from the COMESA region decreased from US$ 1,490 million (53.0 percent of total export earnings) in 2012 to US$ 1,344 million (47.5 percent of total export earnings) in 2013. The European Union (EU) market ranked the second highest destination for Uganda products, registering an increase in its share from 14.7 percent in 2012 to 15.6 percent in 2013. The other countries in Europe outside the EU bloc followed accounting for US$ 172 million in 2013. Their market share increased from 4.6 percent in 2012 to 6.1 percent in 2013.

Government efforts in this regard included the development of a Commercialization Challenge Fund (CCF) framework in an effort to strengthen agri-business development and market linkages, finalization of three (3) MOUs between NAADS and NUCAFE, AFRISA and Farm-gain Africa for coffee value chain development, dairy value chain development and dissemination of market information. Similarly, an MoU with the Potato processing factory in Kisoro for ensuring ready market of potatoes grown by farmers (Kachwekano ZARDI) was signed.

Market/value chain studies on five (5) enterprises/commodities that included bananas, maize, beans, dairy and goats were completed. The TOTs and beneficiaries of the citrus and mango mother gardens were mobilized and trained.

Milk processing registered tremendous growth and new dairy products, such as Casein; have been introduced on the market. Uganda is the first East African country to process and export Casein to compete with Casein giants like United States of America (USA) on the international market.

Uganda's livestock and poultry products (meat, milk and their products, hides and skin, eggs, day-old chicks) export earnings have grown in recent years from an estimated US $ 5.75 million in 2004 to about US $ 56.4 million in 2013 (UIA, 2013). There is increasing demand for day old chicks and table eggs within the East African region. Currently exports of day old chicks and table eggs are exported to the Republic of Rwanda (67 percent), the Democratic Republic of Congo (19.5 percent), United Republic of Tanzania (8 percent) and Kenya (3.5 percent) in that order.

Create an enabling environment for competitive investment in agriculture

This objective was to be achieved through improving the capacity for quality assurance, regulation, food and safety standards for outputs and products across crops, livestock and fisheries sub-sectors; enhancing sector policy formulation, planning and coordination; and enhancing intra and inter-sectoral coordination and building capacity to respond to Climate Change.
During the FY 2013/14, a number of policies and bills were formulated and/or finalized:

i. The National Coffee Policy (NCP) was approved by Cabinet in August 2013 and launched in December 2013. The National Coffee Strategy to operationalise the NCP will be completed in 2014/15;

ii. The Plant Variety Protection Bill was enacted by Parliament into a Plant Variety Protection Act, 2014

iii. Review of the Plant Protection Health Bill was finalized and re-submitted to Parliament for consideration.

iv. The National Fertilizer Policy was finalized and awaits Cabinet approval. The National Fertilizer Strategy to operationalize the policy is awaiting the Certificate of Financial Implication from MFPED.

v. The National Seed Policy was finalized and is due for submission to Cabinet.

Enhance institutional development in the Agriculture sector

The institutional development in the agriculture sector is intended to be achieved through strengthening of the Ministry and the related public agricultural agencies and increasing human resource productivity. The Sector has special agencies responsible for strategic crops and functions like agricultural research, coffee development, cotton development, dairy development and advisory services for enhancing production and productivity.

To improve the linkages and collaboration with semi-autonomous agencies, the following interventions were made:-

i. A study aimed at reviewing, streamlining and strengthening linkages and collaboration between MAAIF and its semi-autonomous agencies was undertaken.

ii. A functional analysis and restructuring of NAADS Secretariat to respond to the ATAAS component of the DSIP has been initiated and a draft report was submitted to the NAADS Board for discussion.

iii. MAAIF took steps to strengthen inter-sectoral linkages by strengthening the Agricultural Sector Working Group (ASWG).

In June 2014, Cabinet adopted the “Single Spine” Agricultural Extension System and restructured the National Agricultural Advisory Services (NAADS). Government directed that the NAADS be restructured in order to meet the objective of ensuring that all the rural homesteads engage in commercial farming and food security.

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), National Planning Authority (NPA) and Ministry of Finance, Planning and Economic Development (MFPED) are working out modalities for harmonization of resources under the NAADS program to support both the procurement of inputs and implementation of the Single spine extension system.

4.1.2 Tourism

Uganda’s tourism continues to be nature based. This sector is one of the primary growth drivers facilitating foreign exchange earnings, employment creation and socio-economic transformation of the country. During the FY 2012/13, the total contribution of Travel and Tourism to GDP was UGX 5,495 billion (7.9 percent of GDP) up from UGX 4,993.6 billion in the 2012/13 financial year.

Uganda’s tourist arrivals have increased to 1,206,000 visitors during the FY2013/14 up from 1,196,000 in FY2012/13. There was a corresponding increase in the foreign exchange earnings from US$ 1,003 million in the FY2012/13 to US$ 1,085 million in FY2013/14. This improvement can be attributed to improvement in security especially in the Northern part of the Country.

Develop and review all policies, and legal and regulatory frameworks for the sector

In line with the NDPI objective to develop and review all policies, and legal and regulatory frameworks for the sector, the sector set out a number of strategies to achieve this objective. Firstly, was the strategy to review the tourism policies and plans and with this the sector targeted to revise: the Tourism Policy; the Master Plan; the Wildlife Policy; and formulate the Museum and Monuments Policy. All these policies were approved by Cabinet during the period under review. In addition, the Tourism Master Plan (2014-2024) was finalised,

Secondly, the sector set out to update the relevant legal and regulatory frameworks by reviewing and revising a number of Acts which included: the National Wildlife Act; UWEC Act; Museums and Monument Act; Uganda Wildlife Training institute (UWUTI) Act; and the Hotel and Tourism Training Institute (HTTI) Act.

Plans were also made to Domesticate CITES and to develop and implement the wildlife subsector regulations (Fire arms, sport hunting, farming, ranching, eco-tourism, scientific and education use and extractive utilization) for the protected areas.

The principles for the Wildlife Act were approved by Cabinet and instructions given to the first Parliamentary Council to draft the Bill. The UWEC Act was submitted to the Committee of Parliament while the UWUTI and HTTI were submitted to Parliament for enactment. The regulations for fire arms were submitted to the IGP for no objection while other regulations await to be finalised in FY 2014/15. The Principles for the CITES domestication were laid before Cabinet for approval.

Increase the contribution of tourism to GDP and employment

The sector's second objective was to increase the contribution of tourism to GDP and employment. In order to achieve this objective, the sector strategized to operationalize the Tourism Development Levy and Fund. In line with this, the sector set out to develop and disseminate guidelines for collection of the levy, develop and operationalize a framework for the tourism development fund, and establish structures and mechanisms for levy collection. By the end of the year, preparation of the guidelines for the levy collection was still on-going while the guidelines and instruments for the Tourism Development Fund framework were developed and shared with the Ministry of Finance. However, no progress had been made towards the establishment of the tourism levy collection accounts pending agreement of MFPED on establishment of the fund.

On the strategy to develop marketing tools for Uganda as the preferred tourism destination, the sector set out to review the national tourism marketing. By the end of the year, the process of reviewing the tourism marketing strategy was still on going and the sector used web tools and social media to enhance international market presence for Uganda as a tourism destination.

The idea to develop and implement Meetings Incentives Conferences and Events (MICE) Strategy was to be attained through establishing a functional MICE Bureau/Centre, develop the MICE marketing strategy and building capacity of the MICE industry through training and marketing support. By FY2013/14 end, the sector had only managed to draft a cabinet memo to kick start the development process of the MICE strategy and little progress had been achieved in line to this strategy.

The sector strategy to strengthen the Tourism and wildlife Information System was to be undertaken through: developing a tourism management information system and a Uganda Tourism Satellite Account; undertaking international niche market surveys; strengthening the animal wildlife database; developing and implementing the guidelines on wildlife trade enterprise and strengthening the museums; and monuments and antiquities database.

By the end of the FY2013/14, the sector had finalised plans to undertake a needs assessment for establishing the Tourism Management Information System and work was underway for establishment of the Tourism Satellite Account. In addition, the sector established up to date databases for the Uganda Wildlife Authority and Museums, Monuments and Antiquities. It also developed a guideline on wildlife trade.

Furthermore, the sector was required to create secure international and domestic tourism source markets for tourism. This was to be achieved through: strengthening presence in existing tourism source markets and identifying and nurturing new tourism segments. During the year under review, Uganda participated in three exhibitions at Indaba in South Africa in a bid to strengthen its presence in South African market. The sector registered 128,416 visitors in its effort to attract tourists from new sources.

In order to diversify tourism products, the sector set out to undertake the following interventions; implement four (4) zonal tourism plans and produce zonal plans for (4) four other ecological zones; Habituate and avail new gorilla, chimpanzee and monkey groups for tourism; re-introduce Chimpanzees and Rhinos into wildlife; develop the souvenir art and craft industry through support of art and craft groups with necessary equipment and training; develop Cultural Centers through provision of concept and infrastructure support to cultural groups and companies; develop Water Based Tourism resources through provision of concept and infrastructure support to water based tourism sources; and promote other new tourism products such as a butterfly viewing, caving, bird watching, canopy walk and wilderness camping.

The sector habituated three groups of Gorillas, Chimpanzees and monkeys for tourism and undertook research on the re-introduction of Rhinos back into wildlife protected areas. Also, the sector undertook further development of bird watching as part of the product diversification efforts.

The sector also supported ACOTA, an art and craft association in the effort to develop the souvenir industry. In its efforts to support cultural groups, the sector contributed UGX 2bn towards the restoration of the Kasubi tombs.

On the strategy to regulate tourism products development, the tourism sector set out to; develop and implement a quality inspection and licencing framework; to undertake monitoring and evaluation of sector activities; and to monitor and regulate tourism in mining, hydropower and oil and gas wildlife conservation areas.

By the end of the FY, the sector had developed regulations for quality assurance of tourism products, undertaken quarterly inspections and monitoring of tourism activities in the mining, hydropower and the oil and gas wildlife conservation regulated areas.

Another strategy set by the sector was to support development of Tourism Enterprises. In order to achieve this, the sector set out to; research and package new tourism enterprise opportunities; enhance the capacity of the tourism sector SMEs including putting in place a seed capitalization fund and information centres for SMEs and tourism; and to support community based tourism enterprises around wildlife protected areas. By the end of the FY 2013/14, a draft Tourism Sector Development plan 2015/16-2019/20 was developed. The sector undertook continuous trainings for SMEs. However, no progress was reported on the operationalization of the capitalisation fund and information centres in line to supporting the community based tourism enterprises.

The sector planned to develop the tourism human resource and it focused on reviewing the tourism and wildlife manpower training curricula, including upgrading the quality of tourism and wildlife training tools; enhancing capacity of tourism and wildlife tertiary institutions through staff in-service training in areas of tourism development, wildlife, museums and culture, arts and craft enterprises; and strengthening the Uganda Hotel and Tourism Training Institute.

In line with these interventions, the sector‘s tourism and wildlife manpower training curriculum is being reviewed with support from the Austria Development Cooperation in order for it to meet the international standards. The UWEC provided training opportunities to its staff in the fields of Balance Score Card for Performance Management, M&E, Stores Management, Indigenous knowledge in medicinal plants, Basic Records Management, Education for Sustainability, Best Practices in Animal Husbandry, Continuous Professional Development, PAAZAB Audit, Wetland Eco-Tourism Conservation, Zoo Education, Marketing and Public Relation, Captive Elephant Husbandry and Management, as a way of enhancing the capacity of tourism and wildlife tertiary institutions. There was no progress recorded on establishment of a HTTI University College.

To develop the tourism support infrastructure, the sector planned to undertake the following interventions; develop and implement a framework to facilitate development of convenient tourist stop-overs along major high ways and tourist circuits; construct a tourism house to accommodate tourism sector institutions; identify and develop critical transport networks leading to protected areas and other tourist sites; construct ranger outposts in Queen Elizabeth, Murchison falls, Bwindi, Mgahinga Conservation Area and Rwenzori National Parks; Upgrade/renovate campsites, signage, information/interpretation centres, gates, walk-ways and game viewing tracks in key wild life areas; construct Museums at Kabale and Hoima and finalize plans for Soroti and Jinja. Others were: to support renovation of key cultural and religious sites; re-design and develop the Jinja Source of the Nile Tourist Site; procure and title Prime Land to support construction of Tourist Accommodation Facilities and produce ready for implementation architectural design works for model tourism developments; upgrade Mountain climbing and rescue facilities in Rwenzori, Elgon, Muhabura and Kadam; establish a tourist circuit on lake Victoria (UWEC, Botanical gardens, Lutembe beach, Ngamba Island) which will include development of 2 landing sites, 3 boats, migratory birds' conservatory at Lutembe beach and UWEC floating restaurant; upgrade UWEC by constructing an Education and Information complex; increase the animal exhibits and recreation facilities and stone paving the trail and road network; establish Satellite Wildlife Education Centres for the four (4) regions of Uganda; construct a dining hall, dormitory, 10 staff houses, and a museum block at UWTI and retool the institute; construct an Extension of the National Museum; establish interpretation centres at 10 cultural archaeological sites; and revive the Uganda Institute of Ecology (UIE).

The sector signed MOUs with four districts of Kabale, Masindi, Oyam and Busia to develop stop overs in an effort to establish convenient stop-overs along major high ways and tourist circuits. In the effort to construct ranger outposts in national parks, two new ranger out posts were established in Bwindi impenetrable National Park (NP) at Rushaga, one 12-roomed ranger block and kitchen in Mgahinga Gorilla NP, one 12-roomed ranger block with kitchen and bathroom in QENP (Dura Ranger Post), one 4-roomed ranger posts in Semuliki NP (Mbango Ranger Post), one 4-roomed ranger post in Katonga Wildlife Reserve and two new ranger posts in Murchison Falls NP at Mupina and Bulaya. In the effort to upgrade campsite signage information centres, new Gates were constructed at Bugungu, Chobe, Wankwar (MFNP), Kabatoro (QENP) and Mihunga (RMNP) to enhance visitor satisfaction at the gates. The sector completed works on Kabale museum and finalised the designs and bills of quantities for cultural centres in Fort Portal.

With respect to works on Jinja and Soroti sites, concept designs and management plans had been produced awaiting funding for landscaping and tourism infrastructure. The sector also identified land for investors to establish accommodation facilities for model tourism developments and for the sector to set up Wildlife Education Centres in Fort Portal and Busia. The sector also constructed a dining hall and dormitory at UWTI. However, work on the construction of 10 staff houses was not undertaken by the end of the year.

The sector also had a strategy to develop strong public and sector institution linkages, a process through which the sector planned to: establish and support tourism and wildlife associations; support district commercial and environment officers to handle wildlife conservation, museum and monument matters; and support the development of the Tourism private sector Apex body. The sector supported the establishment of six tourism and wildlife associations, developed the code of practice for Uganda Tourism Association and supported the establishment of 15 districts wildlife committees to coordinate wildlife activities in their respective Local Governments.

The strategy to undertake research to support the development of tourism, wildlife resources and cultural heritage the sector set out to: create a wildlife resources data bank for Uganda; and conduct tourism specific studies on trends, inventory and problem analysis to enrich the database. By the end of the year, the sector undertook quarterly bed occupancy surveys and plans to undertake inbound Tourism surveys every 2 years.

To develop a Public Private Partnership (PPP) framework for the management of tourism, wildlife and cultural heritage attractions the sector planned to: register and train private wildlife management entrepreneurs country wide; and support tourism development in the Local Governments. By the end of FY2013/14, the sector had trained 170 youths as vermin guards in 12 districts prone to wildlife related crop damage in relation to supporting tourism development in Local Governments. However, the sector did not register any progress relating to the registration and training of wildlife management entrepreneurs.

To improve the human wildlife relationships, the sector set out to: formulate national guidelines for wildlife veterinary interventions; resettle and or compensate people residing in key tourism and wildlife conservation areas such as Majelli community in Ajai, Benet community in Elgon and Mbwa Tract in Bwindi; negotiate and acquire land for migration corridors in Aswa Lolim; carry out evaluations of the existing human wildlife conflict mitigation measures with a view to improve them; implement problem animal deterrent and scare measures (trenches, walls, thunder flashes, crocodile barriers pepper and live fence); carryout electric fencing of 118 km boundaries of lake Mburo to address problem animals around the Park as a pilot project; carry out electric fencing of 100 km part of Queen Elizabeth National Park. However, the sector did not do much towards achieving the outputs set out for these interventions.

To ensure effective participation in international decision making, the sector set interventions to clear accumulated subscriptions to WTO and other international bodies and support private sector participation and advocacy in regional and international meetings. By the end of year 2013/14, the sector had contributed to the UNWTO, LUSAKA Agreement, CMS, AEWA ICOMOS and had engaged the private sector to participate in major international and regional meetings especially at the EAC level.

To enhance security and safety for tourists and tourism resources, the sector set out to develop and implement a national safety and security plan for tourists and tourism resources; and strengthen law enforcement in wildlife conservation areas to guarantee security of tourists and wildlife resources.

By the end of the year, the sector had recruited, trained and equipped 152 tourism police officers and submitted the Wildlife Amendment Act to the Solicitor General.

4.1.3 Mining

The activities in mining subsector focus on establishing Uganda's mineral potential through geo-scientific data. The geological and geochemical mappings produced have led to more discoveries of iron ore deposits in Kanungu, Buhara (Kabale district) and Mayuge areas. A total of 100 million tonnes of iron ore has been evaluated in Muko and surrounding areas. The sector registered the following achievements for the FY 2013/14 towards attaining the laid out NDPI objectives to:

Promote and empower artisanal and small scale miners

The sector set out to develop and implement laws and regulations to protect and benefit miners, communities and environment by: instituting an effective border security system to prevent illegal cross-border trade in minerals; and promote actions aimed at legalizing businesses of artisanal small scale miners (ASM). By the end of FY 2013/14, the sector had facilitated the formation of fifty (50) mining associations of ASM; trained more than one thousand (1000) miners (40 percent Women) in practical mining methods, legal and regulatory issues and business skills, health and safety and community development; and published a handbook for ASM mining operations in order to help Artisanal and Small Scale Miners (ASM) to acquire right mineral processing techniques. However, the sector did not register progress on deploying effective boarder security systems.

On the strategy to enhance institutional collaboration and partnership in the mining sector, the sector planned to establish PPPs for development of the mining sector and towards achieving this; the sector entered a concession agreement for the development of Kilembe mines. Little progress was registered through efforts to identify and promote suitable mines for PPPs.

The sector also planned to promote the use of new proven technologies for improved mineral recovery and production through establishing pilot model schemes for new proven technologies within mining communities and facilitating linkages between high technology mining companies and mining communities. By the end of the year, the sector registered no progress towards undertaking activities related to this strategy.

In order to provide Credit access to artisanal and small scale miners, the sector planned to; provide access to formal regulated sources of money such as grants to artisanal and small scale miners; and encourage miners to make productive investments through demonstrations on site for efficient technologies. By the end of the financial year, the sector provided grants to 5 percent of the miners and supported onsite training and demonstration to ASM in Karamoja region. However, more budget allocation is required for this activity to cover the whole country.

To develop infrastructure for mining activities, the sector planned to extend and improve physical infrastructure into potential and existing mining areas through construction of roads, power grid lines, sub-stations and piped water systems. However, no progress was registered.

To ensure market awareness within artisan and small scale miner communities, the sector had planned to collect and disseminate market information through workshops and seminars and in this effort, the sector conducted over twenty sensitization and awareness workshops in Karamoja area as per the on-going airborne geophysical surveys.

Provide basic geo-scientific information for development of the mining and subsidiary sectors

To achieve this objective, the sector set out to: undertake geological, geochemical, geophysical, remote sensing and mineral resource surveys through carrying out multi-disciplinary studies to discover mineral deposits which can be extracted economically. The sector carried out Geo-Surveys, which identified new 18 potential mineral targets and 10 Uranium priority targets for further exploration and development; produced a total of 19 geological and mineral potential maps at scale of 1:250,000; 74 geological maps at 1:100, 000 and 52 geological maps at scale of 1:50,000; and a total of 6 geological maps in Abim district were produced at scales of 1:50000 as part of the Karamoja project.

The sector also planned to disseminate mining information through publications, workshops, conference presentations and any other media. Over 200 copies of Mining Act and Regulation were produced and disseminated at various forums and Mining Investment conferences.

Enhance human resource capacities within the mining industry

Towards achieving this objective, the sector directed efforts towards: building human resource capacity in geo-scientific research through recruiting and retaining geo-scientists; training geologists, miners, mineral processors, geo-information managers & analytical chemists; promoting bilateral cooperation through exchange and fellowship programmes; and providing incentives to mining industries to employ, train and retain local manpower. By the end of the FY, the sector had built capacity of staff in the geosciences (3 PhDs holders, 20 MSc and 10 Diplomas/ 50 Certificates in Various fields). One thousand Artisanal and Small scale miners (ASM) were trained.

The sector planned to produce general interest publications about mining. This was to be done through documenting field guide manuals about mining and mineral occurrences and constructing new and refurbish old zonal offices for bringing government services closer to mining communities. In this bid, the sector provided input into a supplement for a yearly Mining Journal and refurbished and maintained the Mbarara, Tororo and Kabale regional office, as well as acquiring land for construction of the Karamoja regional office.

Promote environmental and social responsibility in mining

In line with this objective, the sector set out to strengthen the monitoring of mining corporations for compliance to their stated Corporate Social Responsibility (CSR) and Environmental Management Plans through incorporating CSR in investment licensing compliance monitoring. A mining review was undertaken to strengthen the section on CSR.

The sector planned to promote safe practices and technologies in the sector through: ensuring adherence of mining practices to international best practice such as EITI; and strengthening the capacity of labour inspection division to monitor labour standards and practices in mining. In line with this, 15 percent of the Inspections and Monitoring of exploration/ mining activities were carried out and quarterly inspections were undertaken to enforce compliance. However, illegal mining is still a big challenge since the sector lacks adequate financial resources and full time personnel in mining districts to enforce arrests of the illegal miners. Therefore, the sector needs to commit more funds to support this activity.

To ensure enforcement of OHS policies and respect of Human Rights in all mining operations, the sector strengthened the capacity of the labour inspection division through: recruitment, training and facilitating of labour inspectors; and strengthening linkages and corporation with CSOs to enhance monitoring of child labour and other human rights abuses. In this regard, the sector undertook quarterly inspections to enforce compliance. However, strengthening the sector collaboration with Local Governments was yet to be done by the end of the FY.

The sector also set out to carry out awareness campaigns for mining communities through training communities on social issues, justice, human rights, gender issues, health and safety and child labour. By the end of the FY, the sector had undertaken training of Artisanal and Small Scale Miners (ASMs) on best mining practices, environmental impacts of mining, health and safety guidelines and regulations continued under the Karamoja budget.

Strengthen and expand the National Seismological Network to achieve national coverage over areas prone to earthquakes

To achieve this objective, the sector drew a strategy to locate and monitor earthquakes, map seismic risk and mitigate their impact in Uganda though a number of interventions which included: carrying out site surveys and selection to produce seismic risk maps; conducting signal to noise studies at the selected sites and providing warning bulletins to the public; acquiring 40 sites with acceptable signal to noise ratio; constructing 40 seismic vaults and sensors for acquisition of data at the acquired sites; establishing data transmission systems from the 40 stations to the National Data Centre (NDC) at Entebbe; upgrading the NDC with state of art systems that will handle heavy traffic of data streams received from the 40 remote stations; and training of Uganda scientists in different ways of data acquisition and processing.

The sector updated and compiled regional seismicity map and seismological bulletins of Africa and Uganda, respectively; surveyed ten of the forty required sites; constructed two vaults in Nakauka and Mubende; established a mini laboratory; trained six scientists; installed seismic data acquisition systems; trained personnel on seismic data acquisition analysis, testing and calibration; installed fibre optic cable and accessories to avoid loss of seismic data packets from Vienna international Data Centre and improved flow of seismic data; installed Cisco Switches and tested active and passive devices for effective seismic data transmission.

The sector also undertook fieldwork and deployed new seismic stations for earthquake monitoring, maintained the Seismic Network, tested and installed equipment, deployed seismic station to study seasonal variation of seismic hazard of the Western Rift and undertook a regional Workshop in Earthquake Instrumentation Science and Bulletin Management.

Promote and gazette the Geo- sites and Geo- parks

To achieve this objective, the sector planned to identify and classify the potential sites/areas and gazette them as Geo-sites and Geo-parks. This was achieved through: identifying and documenting all geologically interesting sites/areas; participating in short courses and international conferences about geo-sites and geo-parks; classifying the identified geo-sites and geo-parks; creating awareness and recognition of the classified geo-sites and geo-parks; and collaborating with UNESCO for international recognition and protection of geo-sites and geo-parks.

By the end of the FY2013/14, the sector carried out literature review of Nyero paintings in Kumi District, Eastern Uganda and identified 26 geo-sites; exposed two geologists through international engagements; and classified two of the 20 planned geo-sites. A lot of work remained undone in line with documenting and publicising geo-sites and geo-parks for international recognition.

Develop geothermal energy to complement hydro and other sources of power

In order to achieve this objective, the sector planned to explore and develop the geothermal energy resources through: carrying out Geological and geo-physical surveys; collecting baseline data for environmental impact assessment; training Ugandans in resource testing, project design, operation and financing; drilling and testing 9 exploration wells; drilling and testing 10 production wells; and constructing 3 geothermal power plants at Katwe in Bundibugyo district, Buranga in Kasese and Kibiro in Hoima district.

By the end of the FY, 4 geological and 18 geophysical maps were produced for the geothermal sites of Kibiro, Panyimur, Katwe-Kikorongo and Buranga; 4 environmental baseline studies and community consultations were conducted; 12 members of staff were trained in geothermal data management and project management, 2 members of staff from the sector attended training on enhancement of planning capacity for Geothermal Energy Development and 4 others in Geophysics, Chemistry , Project Coordination and Geology were trained; and in addition, 3 exploration and 3 production wells were drilled and tested. Performance in this area was however limited by lack of adequate equipment to locate the drill sites.

4.1.4 Oil and Gas

Development of the oil and gas sector is a key priority of the Government of Uganda, as reflected in the National Oil and Gas Policy, 2008, the NDPI and Vision 2040. The subsector development has been promoted for sustainable exploration and production. The private sector and regional and international co-operations have been encouraged in the development and operation of the refinery and midstream infrastructure.

Although the share of public expenditure on petroleum exploration and development to GDP has been increasing overtime, there remains a high level of uncertainty on the ability of the sector to absorb a great proportion of the labour force in the short run due to limited skills and capacity of the country’s workforce in the petroleum exploration.

Nevertheless, the sector registered the following achievements for the FY 2013/14 towards attaining the laid out NDP objectives to:

Scale up oil and gas exploration with a view to increasing the potential capacity of reserves up from 2 billion barrels of oil equivalent.

The sector set out to continue exploration in the Albertine and other basins outside the Graben through continuous geological and geophysical mapping and licensing of competent oil companies for exploration and development.

During the FY2013/14, a reconnaissance survey covering 60 gravity and 60 magnetic data points of approximately 90 line km was acquired in Moroto, Napak and Nakapiripirit districts. Also, 20 surface geology field points were established and reconnaissance geology map of Kadam – Moroto basin was made. In addition, the national oil and gas database was put in place and continued to be updated. Another strategy to deliver under this objective was to license competent oil companies for exploration and development. The country continued to develop licensing strategies and preparations for the first licensing round. As a result the Production License for Kingfisher was awarded to CNOOC in September 2013, which marked the country's entry into the development phase of the petroleum value chain.

Carry out commercial production of oil and gas and build subsequent infrastructure for distribution, operations and management.

To achieve this objective, the sector planned to develop: (i) an appropriate and modern legal and regulatory framework for midstream petroleum segment; (ii) an appropriate Institutional framework to monitor regulate and promote the development of midstream infrastructure/facilities; (iii) refinery; (iv) build appropriate and the necessary human resource capacity necessary to oversee, regulate and promote the sector; and (v) strengthen regional cooperation in development of refineries and other midstream infrastructure to achieve regional security of energy supply.

In order to establish the appropriate and modern legal, regulatory and institutional framework, the Petroleum (Exploration, Development and Production) Act 2013 and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 were enacted; and draft regulations to govern midstream operations were produced during the year. In addition, the process of operationalization of the new petroleum institutions (Petroleum Directorate, Petroleum Authority and National Oil Company) continued.

To support the construction and commissioning of the refinery project, implementation of the Resettlement Action Plan (RAP) commenced in July 2013 and by the end of the FY, 50 percent of the Project Affected Persons (PAPs) who opted for compensation were paid while the process of purchasing land for resettlement was on-going.

In a bid to build appropriate human resource capacity necessary to oversee, regulate and promote the sector, 12 officers were trained in various aspects of refining, pipeline development, petroleum economics, and oil and gas law. An organizational structure for the Midstream Department was developed and approved by the Ministry of Public Service.

In order to ensure that oil and gas resources in the country provide maximum optimal benefits to the country and the region, the sector conducted a feasibility study on distribution and storage facilities for petroleum products from the refinery in Uganda and from this study, Government hired a consultant to develop the National Strategy and Plan for petroleum transportation and storage facilities in Uganda. A technical Committee was formed to develop the standards, codes and guidelines for Midstream operations and facilities and the process for formation of a licensing framework was kick started.

To build appropriate and necessary human resource capacity to oversee, regulate and promote the sector, 12 officers were trained at Masters level in refining, pipeline engineering and law in the oil and gas industry. To promote increased industrial conversion of gas and gas processing facilities, a study was kick started to evaluate the most viable options of utilising gas while the process to include health, safety, environment and quality aspects into the regulations of refinery, pipelines, chemical plants and gas conversion plants was still on going by the end of the FY.

In line to establishing Regional cooperation in development of refineries and other midstream infrastructure to achieve regional security of energy supply, the sector established committees to handle integrated regional infrastructure developments (refinery and pipelines both products and export) and Partner States expressed participatory interest in the refinery development. In line with this, several meetings were held to improve infrastructure on; railway, road and pipeline for export of crude oil in the region. A feasibility study was undertaken for the Kampala- Kigali multi-product pipeline and was still ongoing by the end of the FY2013/14 and EPC tender documents were being drafted while the Governments of Kenya, Uganda and Rwanda were promoting the Eldoret-Kigali petroleum products pipeline.

Build human resource capacity for oil and gas exploration, production, processing and marketing at all levels including artisan, technicians and professionals.

In order to achieve this objective, the sector strategized to develop and retain a pool of national expertise for oil and gas sector through training professionals in petroleum fields at Masters Level for upstream, midstream and downstream operations and strengthening Kigumba Technical Institution. By the end of the year, the sector had trained four staff members in various fields at Masters Level. Two (2) other persons were trained in pipeline engineering, 1 person in petroleum engineering, 1 in petroleum law and the other in environmental. Also, Government continued to strengthen Kigumba Technical Institution to provide training that meets the international standards.

Ensure sufficient stock of petroleum products on the market all the time

The sector planned to restock strategic reserves and build capacity for the downstream petroleum department in line to achieving this objective. Hared Petroleum Limited was appointed as a private operator. In this effort, tanks were renovated and 4 million litres of AGO were stocked. The sector also undertook a feasibility study on the Nakasongola reserve facility and the operation of the facility was to be done under a Private-Public Partnership and once the facility was completed, restocking was to be done by a private operator. The construction of the Gulu reserve facility had not commenced as planned.

Provide sufficient legal, policy and institutional framework to support private sector participation in the sector

In provision of sufficient legal, policy and institutional framework to support private sector participation, the sector set out to strengthen the policy, regulatory and institutional framework by implementing the oil and gas policy, expediting the formulation of the national PPP policy to allow more private investment in the sector. During the FY2013/14, the downstream Petroleum Policy was drafted by the sector in consultation with relevant stakeholders. However, no effort was registered by the sector towards expediting the formulation and implementation of the National PPP policy to allow more private investment in the sector as the PPP bill was referred back to Parliament by H.E. the President

4.1.5 Manufacturing

There was a decline in the growth of the industrial sector during the FY2013/14. The sector was estimated to grow at 5.6 per cent down from the growth rate of 6.8 per cent registered during FY2012/13. The key driver for this downturn was from the construction sector which declined by 0.7 percent. Manufacturing also dropped in 2013/14 with a growth rate of 4.4 percent when compared to 5.7 per cent in FY2012/13.

Table 12: Growth of manufacturing activities

	2010/11	2011/12	2012/13	2013/14
Industry	7.9	2.5	6.8	5.6
Mining & quarrying	18.6	5.7	-0.4	4.3
Manufacturing	8.0	0.3	5.7	4.4
Formal	9.1	2.2	6.8	4.8
Informal	4.5	5.9	2.5	2.9
Electricity supply	10.7	7.4	9.9	0.8
Water supply	4.0	4.1	4.7	4.6
Construction	7.8	3.2	7.4	6.7

Source: Statistical Abstract, Various

Promote development of value added industries especially the agro-industries

This objective was intended to be achieved through enhancing value addition to primary products and building capacity in specific targeted skills needed for value addition.

During the FY, the sector continued with implementation of the One Village One Product programme, with a view to demonstrate value addition using appropriate technology within villages across the country. So far, value addition equipment have been provided to 11 Districts. The technologies provided so far are for adding value to: Apiary, Maize, Shear Nut, Rice, Pineapple, Coffee, Groundnuts, Sweet Potatoes, Banana fibre, Cassava, Poultry and Carpentry.

Also, through the Uganda Industrial Research Institute (UIRI)'s Research and Development Programmes, model processing facilities were set up in various parts of the country, with a view to facilitate adaption and commercialization of technologies that enhance income generation at community and household levels. These facilities include: Piloting of production and commercialization of Toothpicks from Bamboo tree materials in Kabale; Growing and packaging of mushrooms for the domestic market and export in several districts of South Western Uganda; Production and packaging for the local market and export of Pea Nut Butter at Lira; Production and packaging of juices from pineapples and citrus fruits in Mpigi and Arua; Production and Packaging of beef suasages in Arua and Busia; and so on.

Increase competitiveness of local industries

This objective was intended to be achieved by promoting and strengthening industrial development; and promoting SMEs.

During the period under review, UIRI continued with nurturing of over 50 incubatees to develop and commercialize their innovations. These included: the Newcastle vaccine for poultry (which does not require refrigeration); innovations of various milk products; innovations of various fish and beef products; innovations of various juices; and many others.

The sector continued with strengthening certification of products through development of up 1,350 standards. A total of 300 standards were harmonized with EAC and COMESA, which has further facilitated regional trade.

The country limited export of raw hides and skins which has increased the country's earnings from semi-processed hides and skins to over USD 60m per annum.

The Uganda National Bureau of Standards (UNBS) was strengthened through acquisition of modern laboratory testing equipment; provision of a home, Standards House, for UNBS; and establishment pre-verification mechanisms to avoid sub-standard imports of food, electrical and electronics, used vehicles and spare parts, textile garments, chemical products including creams, toys and mosquito nets.

Enhance the development and productivity of the informal manufacturing sub-sector

Enhancing the development and productivity of the informal manufacturing sub-sector is planned to be achieved by developing skills of the Jua Kali.

During FY, the sector supported a number of sensitization and skills development trainings for SMEs. The inventory of micro and small enterprises was updated.

Enhance applied research and technology development

This objective is to be achieved by strengthening research and technology development in industrial application.

During the period under review, significant support was provided to Makerere University for the Kiira car innovation. Support also continued to be provided to the PIBID Banana project aimed at commercialization of the banana flour abroad and within the country.

4.1.6 Information and Communication Technology (ICT)

The Ugandan ICT market is growing at a cumulative annual growth rate of over 25 percent with significant growth seen in areas of mobile devices, computer applications, information processing, storage and dissemination as well as mobile finance, e-finance, global connectivity and online trade.

In line with NDPI thematic objectives, ICT acts as an enabler of modernization and reforms in all the NDPI thematic Objectives. More specifically, ICT has facilitated equitable access to information locally, nationally and internationally thus enhancing good governance and improved human security, promoting innovations and competiveness, among others.

The sector registered the following achievements for the FY 2013/14 towards attaining the laid out NDPI objectives to:

Enhance access to quality, affordable and equitable ICT services country wide

In order to achieve this objective, the sector set out to develop ICT infrastructure by rolling out the National fibre optic cables to cover all districts, construct IT Business parks and support PPP arrangements to extend the fibre optic cable to production centres and institutions.

By the end of FY2013/14, 1,548 km of fibre optic cable was laid covering 22 districts across the country. The districts include: Kampala, Jinja, Mukono, Entebbe and Bombo, Luwero, Nakasongola, Masindi, Gulu, Lira, Soroti, Kumi, Mbale, Tororo, Busia, Hoima, Kyenjojo, Fort Portal, Kasese, Bushenyi and Mbarara.

In FY 2013/14, operationalization of the national backbone infrastructure geared up: (i) the bulk procurement of internet bandwidth and distribution via the national back borne and 27 MDAs connected to the NBI signed up for the utilization of internet over the NBI; (ii) 16 IFMS sites using NBI as their primary source of connectivity, and the national data centre.

Enhance the use and application of ICT services in business and service delivery

This objective is to be achieved through promotion of the use of ICT in business and service operations (e-commerce and e-government); building competent human resource capacity;

and putting in place and implementing a policy, legal and regulatory framework for systematic sector development. Over the years, a positive trend has been noted in the proportion of households accessing the internet from less than 1 percent in the previous financial years to 13 percent in FY2013/14. Similarly, the percentage of businesses accessing internet improved to 4 percent after stagnating at 3 percent in the previous two years. The increase in access to internet at household and business levels was attributed to increased access to internet via mobile phones.The national tele-density had been improving between 2010/11 and 2012/13 but stagnated at 51.3 percent in FY 2013/14.

However, a negative trend had been registered as the unit cost of making a call in the Country was becoming more expensive but that trend was halted during FY2013/14 remaining at UGX 320 the same figure registered in FY 2012/13. The high cost of making calls was attributed to interconnection rates not changing due to the relatively high cost of communication services (for operators) such as the cost of energy and taxes for example VAT on software.

In order to develop and implement the policy, legal and regulatory framework for systematic sector development, the sector finalized 2 IT Regulations, gazetted regulations for Cyber Laws, and produced the 1st draft e-Government regulations. In addition, certification and accreditation framework for IT products and services was approved by NITA-U Board.

Enhance access to quality, affordable and equitable Broadcasting services country wide

The sector planned to: develop the broadcasting infrastructure; and develop and implement the policy, legal and regulatory framework for systematic sub-sector development. The sector did not report progress on this objective at the end of the FY.

4.1.7 Housing Development

Over the years, the housing sector has continued to significantly contribute to the GDP growth. According to the 2014 Statistical Abstract, housing sector contribution to the GDP averaged 15 per cent between 2010 and 2014. The housing sector plays great roles 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.

The NDP 2010/11-2014/15 set to address these challenges through a number of strategies and actions. These include: Develop a comprehensive national housing policy, law and investment plan; Develop IEC materials for the public; Support documentation and dissemination of research findings; Promote rural housing development schemes; Implement the national slum upgrading strategy and action plan; Increase access and availability of long term affordable housing finance; Provide technical support to government, public and private sector on housing; and Provide technical support to earthquake and other disaster prone areas categorized under 5 sector objectives.

Progress made on these strategies is highlighted under the objectives below.

Formulate and Operationalize policy and regulatory framework to enhance sector development

Achieving this objective required the sector to finalize the development of and implement the national housing policy by end of 2010, develop and operationalize the Estates Policy, develop and implement the landlord and tenants bill to streamline impediments to the quality and quantity of housing infrastructure and implement the condominium property law through enhanced public awareness. By end of 2013/14, the progress indicated that Final Drafts of National Housing Policy and Land Lord Tenant Bill were prepared for onward submission to the Cabinet for approval. Also, the Situation Analysis Report on the National Estates Policy was produced, over 1520 condominium units were approved and 151 condominium corporations registered.

Enhance accessibility to housing related inputs

This objective is to be achieved through the development of IEC materials for the public. The required actions include: Development of IEC strategy and implementation of IEC programmes, including exhibitions. However, no progress had been made in this line

Deepen public knowledge about housing and human settlements development.

The strategies for this objective include documentation and dissemination of research findings and promotion of rural housing development schemes. The required actions are: Maintenance of a database on all housing related issues and production of annual reports on the status of housing, construction of demonstration houses, Monitoring private sector construction and production of periodic housing bulletins, provision and improving access to appropriate and affordable construction technologies and development and implementation of a rural settlement program to promote organized settlements

By the end of FY2013/14, 2 research reports based on the housing database were produced, 8 demonstration houses constructed; 1 office building in Tororo, 1 house in Hoima, 3 Houses in Soroti and 3 Houses in Gulu; a number of private houses have been monitored and a quarterly housing construction review magazine and annual housing bulletin produced. In addition, a soil stabilizing technology was used in demonstration houses in Tororo, Soroti and FortPortal as a way of promoting it. However, no progress has been made on development and implementation of a rural settlement program.

Prevent slum development and upgrade the existing ones.

In order to achieve this objective, the sector strategized to implement the national slum upgrading strategy and action plan. The required actions are: Carrying out a national slum profiling exercise, supporting the redevelopment of slums and the establishment of land banking, development of physical infrastructure in slums and undertake site and service schemes. By the end of 2013/14, a national slum profiling exercise was done in Kampala (Bwaise, Katwe, Kifumbira, Kisenyi), Jinja(Kikaramoja,kimaka& Masese) and Mbale(Namatala), the Kasooli Housing project inTororo was supported and Land Fund was created under the Uganda Land Commission. However, no progress was made on the establishment of land banking and site and service schemes in 5 new towns on annual basis as planned.

Promote and ensure availability and accessibility of affordable housing finance.

Ensuring availability and accessibility of affordable housing finance is to be promoted by supporting initiatives of financial institutions to mobilize long time finance for housing, development initiatives towards lowering the interest rates on mortgages, formation and development of housing cooperatives and pro-housing saving groups to avail funds for housing, mortgage banks to develop low income mortgages, mechanisms for mobilizing pension schemes and insurance deposits to support housing finance and Implement the PSLS to facilitate acquisition or construction of houses by public servants.

Government has partnered with Housing Finance, DFCU & shelter Afrique to fund low cost housing in the country. Accordingly, DFCU now has a facility for low income mortgage under Kasooli at an interest rate of 15%. Relatedly, 12 housing cooperatives have been registered with concerns of HIV, Gender and Environment mainstreamed in a bid to promote formation and development of housing cooperatives and pro-housing saving groups. However, no progress has been made towards lowering the interest rates on mortgages and mechanisms for mobilizing pension schemes and insurance deposits to support housing finance. But no efforts have been made towards implementating the PSLS aimed at acquisition or construction of houses by public servants.

Under the strategy; to provide technical support to government, public and private sector on housing, a number of actions have been undertaken. During the year, the Situation Report on the practice of professionals in the sector was produced and a good number of public building construction and maintenance were supervised. Also, Proto type plans were developed and disseminated to Bunyoro, Ankole n and West Nile Regions. With this development, housing management cooperatives have been trained in estate management for all housing projects and 100 management cooperatives established. However, no actions were undertaken to develop institutional structures at LG level to address staffing requirements.

On the strategy to provide technical support to earthquake and other disaster prone areas, Earthquake resistant construction guidelines have been disseminated throughout the country and demonstration houses constructed in Fort Portal and Bundibugyo districts. Also, over 300 personnel have been trained in earthquake resistant construction techniques in the districts of Bundibugyo, Kabarole, Kamwenge, Kasese and Kyenjojo. Lastly, the Office developed guidelines resettlement of refuges and supported Kiryandongo resettlement program.

4.1.8 Forestry Sector

Restore Forest Cover from 3,604,176 ha as of 2005 to 4,933,746 ha (1990 levels) by 2015

This objective was planned to be achieved by pursuing and implementing a number of strategies and interventions which include: re-forestate and afforestate 1,266,000 ha in 698 forest reserves and 730,000 ha in national parks and game reserves; provide incentives and facilitation to leaseholders for planting grasslands greening along and around public infrastructure and establishments; promote urban greenery through adoption of appropriate physical planning; promote commercial tree-planting on private land; increase involvement of the population in tree planting; and Strengthening the capacity of relevant sector institutions to effectively enforce forest and environmental laws and regulations.

During the FY2013/14, 1,012 ha of plantations in urban centres were maintained with FIEFOC support. 11,395,296 seedlings of assorted species were raised and supplied by NFA under the Community tree planting programme and 224.9 km of road reserves with support from FIEFOC were maintained by respective cities, urban centres and municipalities. 10,006 bamboo calms were produced and 75.12 million seedlings (of which 18million seedlings from NFA' community tree planting and 57.12 Million under FIEFOC project support) were raised and distributed. 7,016ha of the young crop in South Busoga, Mwenge, Mafuga, Lendu, Katuugo, Rwoho, North Rwenzori and Bugamba Central Forest Reserves were maintained. FIEFOC's 30,691.5ha of degraded watersheds maintained by communities in 71 districts.

The Authority established 4,237 kms of Contour hedgerows and this was maintained by host farmers and adopting communities. 40,000ha of Private Natural Forests were protected and maintained by communities and maintained 1487ha of Central Forest Reserves of Mafuga, Opit, North Rwenzori, Lendu and Rwizi. 45,731ha was also planted under the Community Tree Planting programme.

4.2 COMPLEMENTARY SECTORS

4.2.1 Science and Technology

In line with the NDPI and the Uganda Vision 2040, efforts were directed towards promoting Science, Technology and Innovation (STI) as a key driver of growth and employment. However, the country still lags behind with respect to STI indicators: The proportion of Research and Development (R&D) funding as a percentage of GDP is still low averaging at 0.5 percent compared to the African Union recommended level of 1 percent for African countries; The bulk of the R&D funding in Uganda is focused on applied research which stands at UGX44.8 billion attracting 5 times more funding than basic research. Additionally, there is slow technology adoption and diffusion in the country coupled with a weak legal framework that supports innovation.

Based on the Technology Achievement Index (TAI) of 0.15, Uganda is ranked within the marginalised category (TAI < 0.2). However, the target of advancing its technological levels to at least 0.35 in 2015 in order to improve her competitiveness within the planned period is unlikely to be achieved.

The Uganda National Council of Science and Technology in collaboration with Development Partners and other stakeholders, has expedited a number of policy and programme interventions pertinent to fostering STI in Uganda. Progress in science and technology for FY 2013/14 is reviewed in line with the thematic specific development objectives as outlined in the sections below:

Promote and accelerate the use of research, innovation and applied technology

During the year under review, the plan was to construct four regional science parks and centres. However, only surveying of land in Namanve was undertaken.

Since the selection of Uganda Industrial Research Institute (UIRI) as a “Centre of Excellence for EAC in R&D” in 2012, strategies and proposals were developed for transforming UIRI as Center of Excellence of science and innovation hub for the region. UIRI has since established a number of Model Value Addition Centers in line with the GOU’s strategy of encouraging mass industrialization at every resource abundant area. The established facilities include but not limited to; Kabale Potato Processing Facility, Lira Peanut and Research Center, Nabusanke Fruit Juice Processing Facility, Arua Mango Juice Processing Facility, UIRI pilot plants, Luweero Essential Oil Pilot Project, Kabale Mushroom Training and Research Center, Busia Meat Packers and Mbarara Winery Processing Facility.

During the FY under review, a number of key initiative programmes have been supported by government among which include: the Support to Scientist Initiative; and the Millennium Science Initiative (MSI).

Enhance the level of collaboration between research institutions and the industrial sector to facilitate adaptability and use of STI

The sector planned to strengthen academic institutions and the general industry in R&D, innovation, financing and training. During the FY2013/14, graduate venture capital, youth venture funds and agriculture guarantee funds were disbursed to stimulate the evolution and growth of venture capital for R&D in the country.

Strengthen the policy, legal and institutional framework to support STI development

The sector planned to: implement the National Science, Technology and Innovation related policies; and strengthen the institutional mechanisms to support STI development. During the FY 2013/14, Science and Technology was institutionalised into the national policy frameworks through introduction of the Ministry of Education, Sports, Science and

Technology. However, the NDPI had proposed the establishment of a separate Ministry of Science and Technology.

In FY2013/14, Government put in place the National STI Plan (2012/2013 – 2017/18). The plan aims to consolidate and sustain the achievements of the Millennium Science Initiative (MSI) and provides a broad framework for implementing the National STI Policy (2009). To that end, short and medium term STI priority programmes identified in the plan include: Research and development facilitation; science and technology development and promotion; STI policy advice and system performance monitoring; and strategic international STI development cooperation.

4.2.2 Transport

In any country, the Transport Sector plays a crucial role in economic growth. 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 currently comprises of road, rail, air and water modes of transport. The road network is the backbone of the transport system in the country. The total national roads network is 21,000km comprising 3,795km (18.1 percent) of paved roads and 17,205km (81.9 percent) of unpaved roads. The total district road network is 32,000km while the Community access roads are estimated at 85,000km. Urban paved including KCCA roads are 1,234km. To ease the movement of goods and people, there are currently nine ferry crossings at locations where the national roads cross major waterways. The achievements on the NDPI objectives for the transport sub-sector are reviewed in the next sections.

Improve the stock and quality of road infrastructure

The sector planned to: upgrade specific national roads from gravel to class 1 and 2 bitumen standard; improve the condition of national road network from the current 60 percent in fair to good condition to 85 percent; develop and maintain selected strategic roads for tourism, minerals, oil and gas and industry; and upgrade, rehabilitate and maintain district, urban and community access roads.

The NDPI target was to add 220kms annually onto the stock of paved roads. During FY 2013/14, a total of 305.4kms roads were added to the stock of roads' network. However, the cumulative achievement of the four years of the NDPI was 595kms out of the target of 1100kms. This implies that the sector is unlikely to achieve the NDPI target within the remaining one implementation of the Plan. The cumulative stock of paved road network has continued to increase from 3,034.6km in FY2008/09 to 3,795km in FY2013/14. In the 2013/14 financial year, the sector had 305.4 kms added to the stock of the paved roads representing an 8.7 percent annual growth.

By the end of FY2013/14, UNRA had either completed or substantially upgraded from gravel to bitumen standard the following roads; Fortportal-Bundibugyo-Lamia (104km) was substantially completed in March 2014, Nyakahita-Kazo (69km) in February 2014, Kazo-

Kamwenge (75km) in March 2014, Malaba/Busia-Bugiri (82km) completed in April 2014, Mbarara-Kikagati-Murongo bridge (75km) substantially completed in May 2014 and Kabale-Kisoro-Bunagana (101km) in September 2013.

The NDP's target to improve the condition of national roads network from 60 percent in 2010 in fair to good condition to 85 per cent by 2015 is on track. In FY 2013/14, 80 percent of paved national roads and 68 percent of unpaved national roads were classified as being in "fair to good condition". The paved roads improved from 77 percent to 80 percent, whereas the unpaved roads improved from 66 percent to 68 percent. However, to avoid loss of asset value, the UNRA Road Rehabilitation Programme must be accompanied by a fully-funded Road Maintenance Programme, which should ensures that roads, once brought to fair or good condition, will not deteriorate from the attained state.

The axial load control has since been enforced. In FY 2013/14, 191,620 trucks were weighed, of which 105,391 were found overloaded (55 percent). Compliance with axle load regulations is dependent on efficient registration at the weighbridge stations as well as effective strategies to prevent trucking companies from over-loading their vehicles.

Road safety continues to be a problem in Uganda as highlighted in the NDPI. In FY 2013/14 there were 2,937 fatalities, representing a fatality rate of 30 per 10,000 vehicles, compared to 37 for the previous financial year. Creation of a National Road Safety Authority has been planned so as to address this problem. So far the drafting of the Principles for a Bill to create the Authority have been finalised.

By the end of June 2014, 83 percent of rural population lived within 2km of an all-weather road. Proximity to the road network reduces transport costs, facilitates easy movement of people, goods and services, eases access to markets, and increases household incomes which in turn improve living standards of the communities.

Improving the traffic flow within the Greater Kampala Metropolitan Area

The sector planned to improve transport infrastructure, connectivity, safety and modernise the public transport system. During the FY, the procurement processes for the extension of the Kampala Northern Bypass to a 7m double-dual carriageway were completed. The contract sum for the extension is Euros 67 million.

The plans to implement the Bus Rapid Transit (BRT) for greater Kampala as part of its drive to improve public transport operations and reduce traffic congestion is on-going. In FY2013/14, the sector undertook a BRT feasibility study and detailed draft engineering designs were produced and submitted by the consultant.

Increasing the volume of passenger and freight cargo conveyed on the rail network

In order to achieve this objective, the sector planned to increase international, regional and domestic air flight routes. During the FY2013/14, freight carried by railway had increased to a 137.9 million-tonne-km, representing an 11 percent increase from FY 2012/13. Currently, the wagon transit time stands at 9 days (Mombasa to Kampala), with total turn-round time at 34 days. Both of these figures are an increase from the previous year, signalling a negative development in performance. Improvement measures to aid the capacity of the railway to capture a greater share of freight transport are clearly required.

The sector planned that at the end of NDPI implementation, the existing rail network would be completely rehabilitated, the haulage capacity would increase, and construction of the standard gauge rail would commence. By FY2013/14, the operational length of the track was 705 km and included; the 250 km Kampala-Malaba "main Line" section; the 55 km Tororo-Mbale section of the Tororo-Pakwach line; the 9 km Kampala-Port Bell line; the 6 km Kampala-Nalukolongo section of the Kampala-Kasese line; and the 385 km Mbale to Gulu line (before suspension of the operations). This constituted about 56 percent of the total network.

The sector undertook 50 percent of phase I of marking the railway reserve boundaries with reinforced concrete pillars. The sector commenced the procurement process of a consultant for Preliminary Engineering design to upgrade Kampala-Kasese railway line and the re-evaluation process was ongoing by the end of the year. A draft report for the preliminary engineering design to upgrade to standard gauge railway network between Malaba/Kampala was prepared.

Increase the volume of passenger and cargo traffic by air transport

This objective is intended to be achieved through: increasing international, regional and domestic air flight routes. During the FY under review, domestic passenger transport which has been in long term decline, increased between 2011/12 and 2013/14 as a result of increased tourism from 10,927 to 27,122 domestic passengers representing an increment of 148 percent. The international passengers increased to 1,331,058 in 2014 from in 1,048,507 in 2011 which translates into 27 percent increase. Phase I works on the Arua Airfield were at nearing completion.

With regards to cargo traffic, air exports increased to 32, 203 tonnes in 2014 from 26,444 tonnes in 2011, giving an increase of 21.7 percent. The air imports increased to 21,636 tonnes in 2014 from 20, 221 tonnes, giving a minimal increase of 7 percent.

Increase the volume of passenger traffic and cargo freight by marine transport

This objective was planned to be achieved through increasing navigable routes and improving marine and transport infrastructure.

In the effort to develop Inland Water Transport, preliminary Architectural and Engineering designs of Portbell and Jinja Piers were produced and 3 Socio-economic surveys on Water ways were conducted. The total freight on ferries as registered at Port Bell border post in tonnes increased to 96,128 tonnes in 2014 from 66,582 tonnes registered in 2011, representing 44 percent increase of freight. The passenger traffic on L.Victoria, on Entebbe-Kalangala route decreased to 32, 290 from 74,873 passengers in 2012, representing a 56 percent decrease in the number of passengers using this route.

The sector further surveyed and maintained the project area for the New Kampala port in Bukasa and produced an inception report for the preparation of the environmental and social Impact assessment for the New Kampala Port.

Increase efficiency and improve effectiveness in service delivery of transport infrastructure and provision of transport services

The sector planned to strengthen the policy, legal and regulatory framework and coordination amongst stakeholders in the sector; and strengthen the institutional and human resource capacity. By the end of the FY, the sector produced the draft National Transport policy and a draft report on the Greater Kampala Metropolitan Area (GKMA) multi-modal transport system. However, implementation of the GKMA transport master plan is yet to be realised due to the institutional framework and funding challenges.

Strengthening the national construction industry

To achieve this objective, the sector planned to improve policy, legal and regulatory framework and build capacity for the construction industry. During the FY 2013/14, the sector undertook 3 gender mainstreaming and compliance audits of MDAs; 5 Environmental compliance audits of MDAs and 124 material testing, quality controls to stakeholders in the construction industry.

In addition, the sector also provided geotechnical investigation services to stakeholders in the construction industry, prepared one report on BTA asphalt material for Transport Research Laboratory (UK) and four Environment and social impact assessment reports on Malaba – Kampala Standard gauge project and Katuna one stop border post (OSBP), Saaka and Kaguta – Oxford Road.

However, the sector continues to face challenges regarding the operationalisation of the national construction policy, establishment of the construction standards, implementation of the building laws and enforcement and approval of plans and quality assurance and inspection in the building industry and promotion of certification and adherence to the building codes.

4.2.3 Energy

The Energy sector is one of the most important sectors when it comes to supporting, other sectors especially the manufacturing sector. Modern energy is essential for human development and well-being and economic growth. To-date 15 percent of the households have access to grid-based electricity and about 11 percent of the households use solar PV systems. A good number of those households which use modern sources of energy also use biomass (charcoal and firewood) and fossil (paraffin) energy which dominates the energy mix in Uganda. An insignificant proportion of the households use other modern forms of energy such as biogas technologies.

At 80 kWh per capita, Uganda's electricity consumption is low, even by Sub Saharan African standards. This low consumption is attributed to insufficient power generation, energy losses, and low access due to high power tariffs. The high cost of electricity is a key constraint to improved competitiveness, and significantly reduces the number of investors willing to do business in Uganda. The NDP priorities in the energy sub sector continue to be: increasing electricity generation capacity and transmission network; increasing access to modern energy services through rural electrification and renewable energy development; and promoting the efficient utilization of energy.

The annual performance for FY 2013/14 for the Energy sector is outlined in the sections below.

Increase Power generation capacity

The energy sector planned to: construct large hydro and thermal power plants through public and private investments; and develop mini-hydro power plants to generate 150MW.

During the period under review, Government of Uganda (GoU) entered a Bilateral Agreement with the Chinese Government on the project. A memorandum of understanding was signed between GoU and Sino-hydro Company of China in June, 2013 towards the construction of the Karuma hydro power plant expected to generate 700MW. The preliminary layout of the project was developed and the detailed designs were completed. Ground breaking was done on 12th August, 2013.

A Memorandum of Understanding was signed between GoU and China Gezhouba Group Company Limited (CGGC) to complete the feasibility study of the 700MW Ayago Hydro power plant.

Prospective partners for the development of Arianga, Kiba and Uhuru hydro power plants, including the Indian government have made reconnaissance studies with the view of selecting the most suitable site.

Ground breaking for the construction of the Isimba hydro power dam (130MW) was undertaken on 5th October 2013. The basic designs and feasibility study were prepared in 2013 and construction of the dam by the China International Water and Electric Corporation (CWE) is set to commence during FY 2014/15.

During FY 2012/13 PPA negotiations were held with Albatros with respect to building a thermal power Plant (700MW as part of the refinery) to utilize Uganda's oil resources. It plans to establish a 53MW thermal plant in Hoima by 2016 utilizing test crude and gas.

In a bid to build geo-thermal plants to generate 100MW, the Electricity Regulatory Authority (ERA) granted private developers permits to carry out detailed feasibility studies for the geothermal resource in Katwe-Kikorongo area and an estimated 50 to 150MW is expected to be generated from geothermal.

Kakira Sugar works and Kinyara Sugar Limited continue to expand their capacity to generate power for the national grid. These are expected to make an additional 32MW and 35MW to be sold to the National Grid by the end of 2013 and 2016, respectively.

As part of the plans to harness power from mini hydro power plants, Mpanga, Nsheruka and Nyagak mini hydro power plants were commissioned during the year under review. The Technical Feasibility study for Muzizi and Kikagati sites was completed in September 2013. Implementation plans for several other mini-hydro power plants were on-going by the end of the year.

Build new transmission lines to evacuate new generation plants and extend to improve power service delivery to different areas of the country

To achieve this objective, the sector planned to expand the transmission grid from the current 1300kms to 2750kms and increase transmission voltage from the current 132kv to cover 220kv and 400kv. By the end of the FY, the EPC (Engineering Procurement and construction) contract had been awarded to KEC Ltd to establish the transmission line component, Shandong Ltd was awarded a contract for the substations component. Also, the EPC (Engineering Procurement and construction) contract had been awarded to Kalpatru Ltd to establish the transmission line component, Hifaboy and sunshine projects Ltd was awarded a contract for the substations component.

In addition, another EPC (Engineering Procurement and construction) contract was awarded to KEC Ltd to establish the transmission line component, in the building of several substations (Kawanda 400KV, Masaka 220/132kv, Hoima 132/33KV, Mputa 132/33KV, Fortportal 132/33KV, Moroto, 132/33KV and Olwinyo 132/33KV) to allow distribution and rural electrification to take off. Shandong Ltd was awarded a contract for the substations component.

Accelerate rural electrification

This was intended to be achieved through expanding the grid to the rural areas. The Rural Electrification Agency (REA) implemented a number of grid extension projects across the country. A total of 1,657 km of High voltage lines (11kV and 33kV) and for Low Voltage distribution lines 806 km were done. A total of 24,591 On-grid new connections and 4,942 Off-grid connections new connections were made. The following grid extension projects to districts were completed:

i) Gulu-Adjumani and tee-off to Amuru
ii) Mubende-Kyenjojo
iii) Rakai-Sembabule
iv) Kabale-Kisoro
v) Ibanda – Kazo – Kyabirukwa – Nyarukika

vi) Soroti-Katakawi - Amuria

The following Rural Electrification community schemes were also completed:

i) Kilembe Investment Ltd Phase I Projects of Kyaihumba, Karambi, Ibanda -Bugoye and Ibanda - Nyakalingijo.
ii) Electricity power networks in Kamulu (Nakulyaku-Bugobi) & Namutumbe (Namutumba – Bugobi)
iii) Electricity power networks in Hoima (Bujwahya-Bulyango) & Nakasongola (Migyera-Nyakitoma)
iv) Apala – Adwari-Kiiru with tee-off to Morulem
v) Rackokoko – Awere – Lalogi
vi) Ayer-Kamdini-Bobi-Minakulu
vii) Opeta-Achokora/Iceme Otwal
viii) Ntenjeru-Bule-Mpenja
ix) Ruhiira Millennium Village.

Other community schemes implemented through distribution utility companies included:

i) Kadegele Village in Pallisa
ii) Lubiri Street Lights (Buganda Tourism Expo)
iii) Namugongo Shrine Street Lights
iv) Buheesi – Magasani Zones Karambisubcounty, Kabarole
v) Kubamitwe Village, LuweroBuloba Resettlement Site, Jinja
vi) MalindiResettlemnt Site, Jinja
vii) Kikubamitwe Resettlement Site, Jinja
viii) Kyabirwa Resettlement Site, Jinja
ix) Kyabirwa Resettlement Site, Jinja
x) Ivnamba Resettlement Site, Jinja
xi) Namizi Resettlement Site, Jinja
xii) Kira Resettlement Site, Jinja
xiii) NakwangaResettlement Site, Jinja
xiv) Tomasi's Farm in Bwesharire, Kiruhura
xv) Kiyagi/Kitula Village, Buikwe
xvi) Hanhe (U) Ltd, Nakaseke
xvii) Payero Millers Company Ltd, Gulu
xviii) Namubiru Cell, Namasubcounty, Mukono
xix) Rwamuganga TC & Environs on Kabwohe – Kitagata Road, Sheem
xx) Kabalye Police Training Sch, Masindi
xxi) Amos Diaries Ltd at Kageti, Lyantonde
xxii) Cougar Industries Limited, Mukono
xxiii) Namazige – Kasenge& Hatches, Mukono
xxiv) Simba Farms at Nyakatura, Ibanda
xxv) Ruseke Sec Sch, Fort Portal
xxvi) Framers Centre (U) Ltd in Lira
xxvii) Kigezi Impute Development, Kanungu

xxviii) Karonde Village in Nyakinoni, Kanungu
xxix) Building Majestic Stone Processing Factory in Kalamba at Kiganda, Mubende.

The feasibility studies that were on-going by the end of the FY 2013/14 included:

i) Lira including Gulu Service Territory
ii) Central and Mid-western Service Territory
iii) Mid-Western Territory including Bundibugyo
iv) Kanungu and Mbarara Service Territory
v) West Nile Service Territory
vi) North East Service Territory
vii) Feasibility Studies for Five Grid extensions under BADEA Grant Financing
viii) Kalangala – Bukakata Main Grid Interconnection Project

In its efforts to provide subsidies to independent power producers operating the mini grids, the sector undertook the GET FIT programme which is expected to add 150MW of installed power to the electricity grid within 3-5 years and an additional 20MW which is expected to be generated from solar. Eight projects were selected during the first round of request for Proposals that included; Kikagati HPP, Nyamwamba HPP, Nengo Bridge HPP, Siti I HPP, Siti II HPP, Rwimi HPP, Waki HPP, Kakira Co-generation (bagasse). The projects are estimated to add 85MW or 482GWh per annum of renewable energy to the Ugandan national grid. The total commitment under GET – FIT would be Euro equivalent of USD 56.7 million

Towards the investment in energy transmission to rural and urban areas, the sector planned to establish transmission lines and construct transformers. By the end of the year, plans were underway to upgrade the Bujagali switchyard to 220kv and towards this, advance payments were made to the Contractor and a contract was signed with the Supervising Consultant on 17th December, 2013. Construction works were in progress on the Bujagali-Tororo (Uganda) – Lessos (Kenya) 220kv transmission line; RAP implementation was in progress, a supervising and EPC consultants were procured, route alignment and survey were completed. Similar works were on going on the Mbarara-Mirama(Uganda)-Birembo(Rwanda) 220 kV transmission line (66km) and Mirama substation; Mbarara-Nkenda 132kV transmission line: Tororo-Opuyo-Lira 132kV transmission line(260km); Kawanda-Masaka 220kV transmission line(142 km); Nkenda-Fort Portal-Hoima 220kV lines(234km); Mutundwe-Kabulasoke Restringing 132kV (84.5km); Electrification of Industrial Parks (Namanve, Mukono, Iganga and Luzira); and Hoima-Kafu 220kV transmission line(70km).

Promote Energy Efficiency

The sector planned to achieve this objective through reducing power losses from 40 percent to 60 percent. At the end of the FY under review, the evaluation on reducing power losses revealed that 25.8 percent of the power losses were attributed to distribution, 3.6 percent to transmission and 16.1 percent to technical challenges. Policy, legal and institutional framework reviews were underway to attract more private investment into the power sector. The policies reviewed include: independent Power Producer (IPP), Legal framework for IPP Renewable energy supporting policies, Price setting and quantity forcing policies (like Feedin-Tariff), Cost reduction policies like subsidies, rebates, tax relief; Tax relief; Custom Duty Exemption; Public investments and market facilitation policies like Renewable funds for direct investment, financial guarantees; Renewable fund available; and Financial guarantee available.

Promote and regulate peaceful application of atomic energy

The sector planned to carry out specialized training of human resource in nuclear energy. By the end of the year, 8 people were trained in Nuclear Energy courses. Also, the sector awarded 265 licenses and permits to atomic energy organizations and 255 radiation workers were monitored.

4.2.4 Water for Production

Increase acreage under irrigation from the current level of 14, 418 ha to 22,000 ha

In order to achieve this objective, the sector planned to develop public irrigation schemes. No new large irrigation scheme was established by end of FY 2013/14. An operation and management framework for the 3 irrigation schemes of Mubuku in Kasese, Doho in Butaleija and Agoro in Lamwo was developed and pretested.

To promote micro-level irrigation by establishing model micro-level irrigation schemes at Sub-county level, 5 irrigation demonstration units on Akwera dam in Otuke district, Leya dam in Kole district, Arechek dam in Napak district, Longorimit dam in Kaabong district, and Kakinga dam in Ssembabule district were installed.

In addition, 50 drip irrigation kits were installed as a way of strengthening the PPPs in construction and maintenance of irrigation schemes. The operation and maintenance framework for the water for production (WfP) facilities was operationalised and water authorities were established for large schemes.

Increase supply of water in the cattle corridor from the current 36 percent to 50 percent and those outside the cattle corridor from 21 percent to 30 percent

Under this objective, the sector set out to: construct valley dams and valley tanks and setup reliable operation and maintenance (O&M) structures and systems; equip the existing valley dams/tanks to facilitate easy livestock watering; and build capacity of the private sector layers to construct and maintain valley dams/tanks.

By the end of the FY, the sector had facilitated the construction and establishment of reliable O & M structures for 4 dams of Akwera dam in Lira, Kobebe & Arechek Dams in Moroto and Longoromit in Kaabong district; reviewed the designs of Andibo dam in Nebbi district, Acanpii dam in Oyam District, and Namalu dam in Nakapiripirit, a process which was still ongoing by the end of the year.

The sector carried out feasibility studies for Kabuyanda dam in Isingiro District in conjunction with the Nile Basin Initiative (NBI) and undertook the construction of 83 valley tanks in the cattle corridor districts of Sembabule (36), Kiruhura (5), Lyantonde (15), Nakasongola (7) Amudat (3), Nakapiripirit (2), Kotido (1) and Kyankwanzi (14) and developed 32 management systems for water for production in the districts of Kiruhura, Lyantonde, Nakasongola, Sembabule and Karamoja region.

Strengthen management of water catchment areas around Water for production facilities

The sector planned to achieve this objective through: Management of water resources at catchment areas and build capacity for water resource management.

About 5,000 appropriate tree species were planted at Akwera and Leye dams with the aim of managing water resources in catchment areas. In addition, Bye-laws on catchment management areas were enacted by the respective Local Governments where the dams are found.

The sector conducted watershed management trainings for Mabira dam in Mbarara District, Rakai bulk water supply scheme in Rakai District; established management structures (O&M) in all ongoing and completed WfP facilities country wide; and completed watershed management trainings for Akwera, Leye, Kailong, Kawomeri, Arechet, Kagango, Kakinga and Longoromit dams.

Increase water supply systems for rural industries to facilitate agro-processing and other industrial activities

To achieve this objective, the sector planned to provide water for production supply systems in key industrial areas and this was to be done through constructing and maintaining the functionality of 25 water supply systems to key rural industrial areas putting into consideration the principal of regional balance.

During FY 2013/14, MWE supported farmers and constructed 774,700m^3 water facilities in the districts of Kiruhura, Lyantonde, Nakasongola, Sembabule, Kyankwanzi, Luweero, Amudat and Napak using Water for Production Equipment. The sector also set up an appropriate management structure for WfP facilities that had been established.

Increase water supply for multi-purpose use in water stressed areas of the country

The sector planned to achieve this objective through the construction of bulk water supply schemes. By the end of the FY2013/14, Rakai bulk water supply scheme was at 85 percent cumulative level of construction and designs of Kitasi-Sanga-Kanyaryeru bulk water scheme in Kiruhura district were ongoing.

4.2.5 Land Management and Administration

Create an inclusive and pro-poor policy and legal framework for the land sector.

The sector planned to achieve the objective through: formulation of the national land policy; reviewing and harmonisation of relevant legislations; formulate and implement a national resettlement policy; formulate and implement a government land management policy; and improve the land fund program.

During the FY under review, the National Land policy was approved by Cabinet and disseminated to all districts and stakeholders.

Five laws were reviewed and the respective Bills were prepared: Surveyors Registration Bill, Land Information Systems Bill, Registration of Titles Bill, the Uganda Land Commission Bill and the Land Acquisition Bill. A review of the Land Regulations was finalised and submitted to Ministry of Justice and constitutional affairs for final drafting.

The sector however, did not report on progress about developing and implementing a National Resettlement Policy (NRP) which lays down the eligibility criteria and guidelines for resettlement.

In line to developing and implementing a redistributive land reform program for comprehensive operationalisation of the land fund with a focus on poverty eradication and ensuring women ownership of Land, the sector established a Land Fund Regulation, its dissemination and sensitization had begun by the end of the year and 65,901.9 Hectares of land with bonafide occupants had been acquired by the government of Uganda to enable the occupants get registerable interest.

Establish and maintain transparent, accountable and easily accessible institutions and systems for decentralized delivery of land services.

The sector planned to achieve this objective by: strengthening coordination of the different institutions responsible for land administration and management; strengthening land, dispute resolution institutions; resolve land conflicts in Northern Uganda and other parts of the country; strengthening the land sensitisation secretariat at central government level; survey both international and district boundaries and rolling out the systematic adjudication, demarcation survey and certification/registration of land programs.

The sector established District Land boards (DLBs), Area Land Committees (ALCs), Physical Planning Committees (PPCs) that are legally in place and are regularly trained; 22 Ministry Zonal offices (MZOs) and six out of 22 are operational with digital work flows, erected buildings, and trained staff.

The Ministry developed and distributed over 5,000 copies of land educational materials to all district Local governments, published articles in the media on land on land issues in Uganda, carried out exhibitions in partnership with the Buganda Land Board, Uganda Land Alliance and AREA Uganda, and undertook sensitizations in collaboration with the political leadership of the ministry in areas where land disputes and threats of evictions had been registered.

No international and District Boundaries were surveyed by the end of the year.

Increase the stock and quality of human resources.

The sector planned to strengthen technical services for various institutions responsible for delivery of land services. During FY 2013/14, 10 District Land Boards (DLBs), 80 Area Land Committees (ALCs) were trained while, 60 recorders and 10 cartographers were recruited to support the committees. The review and of the capacity building program on delivery of land services was not undertaken, as planned.

Increase the level of awareness on land issues.

In order to create awareness on land issues, the Ministry held sub county sensitization in Wakiso district where evictions were most rampant. Awareness on land issues was done, although the review and implementation of the Information education and Communication (IEC) strategy to promote awareness on land issues was not done.

Develop the requisite infrastructure for effective and efficient delivery of land services.

The sector planned to achieve this objective through: Completing the rehabilitation and densification of the national geodetic network; re-establishing the hydro-graphic survey capacity; and putting up purpose built facilities with functional designs to meet requirements of modern surveys and mapping service delivery systems.

In order to increase the percentage of macro geodetic network,, 9 zero order points and densified Geodetic Networks were established in the districts of Mpigi, Kiboga,Wakiso, Mubende, Kampala, Kiruhura, Nebbi, Nakaseke, and Yumbe. In addition, 6 Ministerial Zonal Offices (KCCA, Mukono, Masaka, Wakiso, Mbarara and Jinja) and National Land Information centre were established and operational. This is to ensure completion of the pilot of a transparent, decentralised, efficient and affordable National Land Information System, the sector established. The sector has facilitated the construction of 13 land offices throughout the country.

Increase availability, accessibility, affordability, and use of land information for planning and implementing development programmes.

The sector planned to achieve this objective by improving land data and information management and establishing and operationalising the land information system (LIS).

There were 252 thematic maps produced and disseminated in 28 districts, 25 topographic district digital databases were developed and 22 centralised databases were created.

The sector also piloted the Land Information System in the six Ministerial Zonal offices of Mbarara, Masaka, Mukono, Wakiso, Jinja, Kampala Headquarters and Entebbe.

4.2.6 Physical Planning

Increase the level of compliance to physical development plans by both private investors and Government projects (such as roads, dams, water supply schemes, irrigation schemes, housing, education and health infrastructure among others)

In order to achieve this objective, the sector planned to implement the new physical planning law. During the FY, comprehensive physical planning regulations were developed and disseminated to all Local Governments. Physical planning guidelines were issued and disseminated to 14 districts. However, the level of compliance to the guidelines was still low at 40 percent. This is because low emphasis is given to physical planning and compliance by LGs.

Put in place a national spatial development backbone to support orderly and sustainable urbanization, industrialization, services and infrastructural development.

The sector planned to achieve this objective by formulating and implementing the national and regional physical development plans. The plans were not produced. As a result, the country continues to experience haphazard developments in both urban and rural areas

Ensure effective resourcing of physical planning services both at national and local levels.

The sector planned to achieve this objective by supporting the national and local government physical planning. During FY 2013/14, conditional grants for physical planning to all Districts and Urban Local Governments were not provided.

Facilitate the participation of the marginalised groups in physical planning.

The sector planned to carry out national campaigns for physical (spatial) development. By the end of the year, most LGs had recruited a physical planner although it was reported that most of the urban councils had not yet recruited urban planners.

The plan to include participation of the marginalised groups in physical planning is yet to materialise.

Facilitate optimal utilization of land resources especially in areas with the highest economic potentials.

The plan was to prepare Physical Development Plans for areas with the highest economic potentials and specifically developing and implementing physical development plans for the Albertine Graben area and Greater Kampala Metropolitan Area (GKMA). The Albertine Graben Regional Physical Development Plan and GMKA spartial framework were developed during the financial year.

4.2.7 Urban development

The Uganda Vision 2040 plans to increase the percentage level of urbanization from 13 percent to 60 percent and have 100 percent of the population in planned settlements. These urban areas will dynamic and centres of industrial development, financial, trade, education and other services that will foster economic productivity. Urban people enjoy better incomes, a higher life expectancy and tend to maintain smaller families. As they grow, urban areas become centres of entrepreneurship and innovation that attract talented and skilled workers. However, if not properly planned and controlled, urbanization can cause congestion, environmental degradation, housing shortages, and formation of informal settlements and slums. The sections below provide performance of the thematic area in FY2013/14 to achieve the NDPI objectives.

Create an inclusive policy and regulatory framework for urban development

In order to achieve this objective, the sector planned to develop and harmonise national urban development policy, standards and regulations. During FY2013/14, the National urban development policy was drafted pending approval by Cabinet. The sector developed a draft strategic plan and draft policy, strategy, standards and regulations.

Ensure well planned and managed, quality, efficient, progressive and sustainable urban centres in Uganda

To achieve this objective the sector planned to strengthen urban management institutions and resource capacity; and promote awareness on urban development and management.

By the end of the FY2013/14, 78 percent of the establishments in the urban development sub sector were filled. The draft guidelines on integrated development planning were developed for implementation by all urban authorities. Urban indicators were also developed and piloted in 33 Town Councils to improve on the monitoring systems for the urban sector. However, the development and implementation of national campaign programmes on sustainable urban development has been curtailed by the lack of funds.

Improve urban environment and heritage

The sector planned to prepare urban beautification and landscaping plans. During the FY under review, urban beautification and landscaping plans were part of the Engineering designs for the infrastructure projects under the USMID program undertaken in 14 Municipalities. The strategies to develop, restore, preserve and gazette urban heritage were provided for in the draft National Urban Plan but are yet to be implemented.

Develop and strengthen a competitive urban economy

During the FY under review, the strategy to put in place an urban redevelopment, renewal and revitalization strategy had not been implemented because the strategies under this objective were provided for in the draft National Urban Development Policy which was yet to be passed by Cabinet.

Develop an efficient integrated infrastructure to support urban development

The strategy was to develop and implement the strategic urban infrastructure investment framework. In line with this, the respective plans were developed for 14 Municipalities under the USMID Program. Progress on other interventions set out by the sector towards attaining this objective that included; establishing the national integrated urban transport policy; developing the urban drainage management strategy; installing street lights in the 22 municipalities and developing sewerage systems for these municipalities was not registered during the FY 2013/14.

Upgrade slums and informal settlements.

The sector planned to achieve this objective by developing and implementing a program for upgrading slums and informal settlements. During this FY of the NDPI implementation, the sector strategy was developed and piloted successfully in 5 Municipalities of Arua, Mbarara, Kabale, Jinja and Mbale.

Increase availability of and access to land for urban expansion and investment.

Under this objective the sector planned to create land banks in urban areas. During the FY under review no progress was registered in this area due to resource constraints.

4.2.8 Trade Development

Trade development is characterised by creation and diversification of markets, productive capacities, tariff regimes, trade barriers, diversification and growth of exports and imports. The NDPI set out to achieve trade development through:

Improving the doing business environment

The sector planned to achieve this objective by strengthening the policy, legal and regulatory framework; and implementing measures to reduce the time and cost of starting a business.

During the FY under review, the sector strengthened industrial policies, strategies and monitoring of services. The sugar policy was developed and disseminated.

Despite the various policies being drafted by the sector, policies identified in the NDPI are yet to be developed. These include: Micro, Small and Medium Enterprises (MSMEs) Policy; Public Private Partnership (PPP) Policy; and the e-commerce policy.

Nurture the private sector with a view to improve its competitiveness in the domestic, regional and international markets.

The sector planned to achieve this objective by: developing and implementing the national trade information system; developing human resource in trade related issues; and increasing awareness on the available financing options.

During the period under review, the sector enhanced skills development through undertaking training on Apiary Management, Honey Processing Equipment Operation and Quality Control for Arua, Nebbi and Moyo Bee Keepers Association members.

The Ministry supported the process of formulating a Constitution for the Jua Kali Apex body. Government sponsored the participation of 60 Ugandan artisans in the 14th EAC regional Jua Kali Expo that was held in Nairobi, Kenya.

Management Training and Advisory Services (MTAC) trained 523 participants in Entrepreneurship Skills development through the Entrepreneurship Training Program in collaboration with UIA in the districts of Mubende, Mbarara, Kampala, Sironko and Mpigi. Four sensitization campaigns were conducted for business start-ups as well as incubation and enterprise development in the districts of Bududa, Mbale, Mpigi, and Mbarara under;. MTAC has 1,204 students enrolled for Certificate and Diploma programs in Human Resource Management, Entrepreneurship and Business Management, Finance and Accounting, Information Systems, Computer Engineering, Clearing, Forwarding and Shipping Management, as well as Computer and Information System; to emphasize equity, MTAC trained 150 persons with disabilities in ICT business skills.

Increase market access for Uganda's products and services in regional and international markets.

The sector planned to achieve this objective through: negotiating better market access for Ugandan goods and services; enhancing branding of products and services; promoting effective positioning of Uganda's products and services in international markets; and penetrating high value markets in high income countries. During the FY under review, Everything But Arms (EBAs) and the African Growth Opportunities Act (AGOA) continued to be operational. Harmonisation of the EAC-COMESA-SADC tripartite trade protocols were initiated with a view of promoting convergence for a bigger regional market.

Improve the stock and quality of trade infrastructure.

The sector planned to achieve this objective through: developing trade infrastructure and establishing relevant institutions and structures for enhancing infrastructure delivery and standards.

During the FY, the number of wagons on MV Pamba on the southern route was increased to provide capacity for exports and imports through the Dar el salaam port. The capacity of the UNBS was strengthened to ensure required standards for exports and imports. The inland ports of Malaba and Mukono were made operational.

Promote policy synergies between the production and trade sectors

The sector planned to achieve this objective by strengthening coordination of trade institutions. The sector is yet to undertake interventions regarding this objective.

Provide equal opportunity to women and other disadvantaged groups to participate and benefit from trade.

The sector continued to promote participation of women, youths and PWDs in trade through targeted training, facilitating access to seed grants and capitalisation of SACCOs and other associations. These groups were also given opportunity to obtain workplaces in newly constructed markets in various urban centres. Women and disadvantaged groups were supported through PRDP and NUSAF to engage in commercial farming and other income generating activities. In particular, war affected persons were supported to resettle and re-integrate into productive activities including trade.

4.2.9 Financial Services

The Financial Services sector has been one of the fastest growing sectors of the Ugandan economy. The sector comprises the Central Bank and the commercial banks' activities. It also includes capital markets activities, mortgages, Tier3 Mirco Deposit Taking Institutions and unregulated Tier4 institutions such as SACCOs. Others are the non-banking financial institutions such as pension funds, insurance companies and foreign exchange bureaus.

The performance of the financial institutions in 2013/14 is reviewed by under each NDP1 Sector objective below.

Promote a sound, vibrant and deep financial system

The sector planned to achieve this objective through: strengthening the financial system regulatory environment; developing and strengthening payment and settlement systems; promotion of competition and prudence in the sector; encouraging product innovations in line with market needs; promoting expansion of banking services into rural areas; strengthening the property and land rights registration; and strengthening anti-money laundering efforts.

During the FY under review, the Bank of Uganda continued with regulation of the banking sector. The capitalization of commercial banks was increased to further secure the customer deposits. Also, the land registration, which had been haulted due to the on-going computerization of land titles was resumed following successful piloting of the new system of land registration. The Anti Money Laundering Act, 2014, was enacted.

Increase access to affordable long term finance

The sector planned to achieve this objective through: strengthening institutional arrangements for mobilizing long term funds; and reforming the pension and promoting savings mobilization.

During the FY under review, the proposed amendments to the MDI Act 2003 were forwarded for consideration by Bank of Uganda. Bank of Uganda undertook field activities to ascertain the eligibility of Institutional SACCOs to regulations. The activity covered the central, eastern, western and Northern regions and from the findings, it was noted that Institutional SACCOs are mistaken to be part of the institutions where the members work. This perception was found to undermine the independence of the institutional SACCO.

Towards the efforts to establish SACCOS in every sub-county, the sector planned to train 120 institutions in governance, loan management, accounting and financial management. By the end of the year, Monthly and Quarterly SACCO supervision and Monitoring Visits were undertaken in all regions of the country and three Rural Financial Services Strategy meetings were held. These RFSS meeting were intended to measure progress on the improvement. In addition to this, the RFSP successor project,(PROFIRA) was submitted to Parliament for approval. PROFIRA has a component for SACCO strengthening and financial inclusion.

In the effort to support Microfinance Institutions with matching grants, the sector planned to disburse 400 loans worth UGX 40.75 Bn to all Districts with active clients and support the mobilisation of savings by UGX 2bn during the FY 2013/14. The sector under the Micro Finance Support Centre Limited (MSCL) disbursed 40 loans worth UGX12, 031,876,709.

The MSCL also conducted training on Small and Medium Enterprises (SMEs) in Soroti and Moroto Zones

Attain greater integration within the East Africa region

The sector planned to achieve this objective by harmonising of the financial sector policy wit EAC.

During the FY under review, significant progress was made towards the Single Customs Territory as a milestone for free circulation of goods, minimization of customs border controls and smoother trade in the region. A High Level Task Force worked on a detailed mechanism for the operationalization of the Single Customs Territory which would be considered by Council. It is expected these will presented for Assembly amendments to the Customs laws to cater for the Single Customs Territory thereafter.

By March, 2014, a total of 16 out of the 33 outstanding Non Tariff Barriers (NTBs) were eliminated in the East African Community. Among of the eliminated NTBs, 11 were either imposed by Tanzania or by other Partner States but affecting Tanzanians and these include: congestion at the port of Dar es salaam; double payment of handling charges at the ICDs and Dar Es Salaam port; Uganda restricting imports of mosquito nets produced by A to Z factory located in Arusha; restriction of imports of beer from Burundi by Tanzania; and harassment of Tanzanian businessmen by Kenyan Immigration Officials at Namanga Border Post.

4.2.10Cooperatives

Government views the Cooperative Movement as being central in mobilizing and organizing farm-level production, value addition, marketing, savings and financial intermediation at the local level. It is a means through which, productive enterprises involving indigenous entrepreneurs can be built at all levels (rural or urban) in the national economy. Under the cooperative thematic area, the following were achieved in FY2013/14.

Promote good governance of the co-operative movement

The sector planned to achieve this objective by strengthening the policy and legal framework of cooperative societies. During the FY under review, the sector finalized the formulation of the National Co-operative Development Policy to empower and guide cooperatives. 500 members of Co-operatives were sensitised about the National Co-operative Policy.

MTAC technical team composed of; staff from the First Parliamentary Council and the Ministry of Trade, Industry and Cooperatives facilitated the drafting of the Cooperative Societies Act Amendment Bill.

Enhance the capacity of co-operatives to compete in domestic, regional and international markets

The sector planned to achieve this objective through: increasing productive capacity and productivity of the members of the cooperative movement; promoting cooperative education and training; promoting value addition and collective marketing; improving access to financial services to the co-operative institutions; strengthening the capacity of cooperative institutions; promoting partnerships and linkages; and establishing and strengthening cooperative information systems.

During the FY under review, training and sensitisation for co-operators was undertaken in leadership, Warehouse Receipt System and operations, Cooperatives governance and management, Value addition/agro-processing, and agro-Enterprise development and promotion.

A verification missions of 30 (thirty) Cooperative Societies' Stores/Warehouses as well as pieces of land that were offered for construction and/or refurbishment of stores/warehouses was undertaken in the districs that include: Kamuli, Bugiri, Namutumba, Palisa, Manafwa, Bududa, Bukwo, Bukedea, Katakwi, Lira, Oyam, Amuru, Adjuman, Yumbe, Zombo, Kiryandongo, Masindi, Kibale, Kiboga, Ibanda, Mitooma, Isingiro, Ntungamo, Rukungiri, Kanungu, Kisoro, Mubende, Kyegegwa, Kabarole, Bundibugyo, and Kalungu.

An MOU between GOU and Kakumiro Growers Union and for the refurbishment of the Union's 2 warehouses was renewed after negotiations. Under this PPP framework, the Kakumiro Growers Union was licensed to operate a public warehouse.

Diversify the type and range of enterprises undertaken by cooperatives

The sector planned to achieve this objective by expanding the scope and range of cooperative enterprises.

During the FY under review, the sector continued with the registration and supervision of primary cooperative societies and the regional cooperative unions. However, the plans to diversify the range of enterprises undertaken by cooperatives were slow due to structural, institutional, and capacity challenges. There is also weak linkage between SACCOS and production.

4.3 SOCIAL SECTORS

4.3.1 Population

Uganda's population continues to increase at an average annual growth rate of 3.2 percent. According to Uganda Bureau of Statists Abstract,2014; by mid 2014, the total population was estimated at 36.6 million Ugandans from 24.2 million registered in the 2002 census. 18.2 percent of the total population is estimated to be within the urban areas, with Kampala alone having 1.86 million people.

The last reported fertility levels were at about 6.2 in 2012 having reduced from 6.9 in 2010 and 7 in 2000. The under-five mortality rate declined to 66 per 1,000 live births in 2013, from 68 per 1,000 live births in 2012 and 76 per 1,000 live births in 2010. Maternal Mortality Rate (MMR) also continues to improve from 435 per 100,000 live births in FY2005/6 to 360 per 100,000 in 2013. Adolescent fertility rate of women aged 15 to 19 was registered at 122 per 1,000 women in 2013. These trends suggest improvements in availability and access to quality health services for women.

The achievements made on population thematic area are outlined under the NDPI objectives below.

Integrate population factors and variables at various levels of development planning

The sector planned to achieve this objective by securing commitment to population and development linkages and ensure appreciation of community initiatives in response to population and development issues.

In order to increase the utilisation of population data and information for evidence based decision making, Districts commenced the process of developing the Population information management system for tracking population indicators and variables from Sub-county to National level.By the end of the FY2013/14, this process had began in the districts of: Arua, Entebbe, Gulu, Jinja, Kabale, Lira, Masaka, Mbale, Mbarara, Moroto, Soroti and Mukono.

The Population Secretariat (POPSEC) carried out hands on mentorship support to integrate population variables into development frameworks for MDAs and LGs in the districts of Kanungu, Mubende, Arua, Yumbe, Gulu, Kitgum, Abim, Kaabong, Kotido, Moroto, Nakapiripit, Amudat, Katakwi, and Bundibugyo.

As part of the plan to advocate for better understanding of the linkages between population and development, POPSEC developed advocacy materials including the National Population Policy, the Population and Development newsletter, flyers and posters and disseminated them to various stakeholders.

Promote improvement in the health status of the population

The sector planned to achieve this objective by: promoting access and use of population and health information; and advocate for affordability, availability and access to quality health services.

During the FY under review, the State of Uganda’s Population Report (SUPRE) 2013 report was developed and disseminated to stakeholders. The report highlights several population and development issues related to Special Interest Groups that may result to better understanding and appreciation of key population issues that affect this segment of our population and its ramifications on National Development process.

The sector continued with community awareness programmes on population and development issues. In particular, POPSEC continued to host national leaders to participate in advocacy and awareness, taking advantage of important national and international days. The Speaker of Parliament, the Right Honourable Rebecca Alitwala Kadaga, presided over the Safe Motherhood day in Apac district on October 22, 2013, where she advised teenagers to abstain from sex, concentrate on studies and stay longer in school as one of the best ways of avoiding teenage pregnancies.

In addition, POPSEC implemented training programs for councilor champions and District Population Officers on key concepts of the population and development. These trainings equipped the leaders with advocacy messages on Adolesent and Sexual Reproductive health and HIV/AIDS. Other training programs included training of religious leaders in Arua, Kitgum Oyam, Arua, Mubende, Bundibugyo, Mubende, Gulu and Katakwi to enable them advocate for family planning, maternal health, HIV and fight against gender based violence and teenage pregnancy.

Enhance competitive skills building and human capital development

The sector planned to achieve this objective by ensuring that established population groups have functional and competitive skills and are increasingly participating in education, training and functional literacy programmes. In this case, the NDPI envisaged increased participation of POSEC in community mobilisation for human capital development. However, achievement of this objective continues to be constrained by the delay of the reforms aimed at harmonising the location of POPSEC and the Social Administration function in government.

Advocate for improved nutrition and food security, increased household incomes, protection of the environment and sustainable use of natural resources.

The sector planned to achieve this objective by increasing the ability of households to earn and allocate higher incomes to meet national nutrition and food security standards and to demand appropriate sources of clean energy while conserving water and soils. The nutrition action plan is in place and being implemented. Also, several programmes on increasing household incomes are being implemented across government. Provision of seed and other planting materials under NAADS has contributed to food security. However, the participation of POPSEC in training and advocacy on nutrition, food security, household income and environmental affairs remained oblivious, especially at district and lower local government levels.

Promote positive health seeking behaviour

The sector planned to achieve this objective by ensuring that communities and individuals utilise available health services and adhere to good sanitation practices. All the indicators for health and sanitation improved during the period under review. In particular, latrine coverage improved from 63 percent to 68 percent, maternal mortality improved from 438 to 360 per 100,000 women, Infant Mortality rate in particular reduced from 85 deaths per 1000 live births in 1995 (UDHS, 1995) to 54 deaths (UDHS 2011). This performance was contributed to by various players and factors.

Reduce the unmet need for family planning

The sector planned to achieve this objective by promoting adherence to a manageable family size among couples. The unmet family planning need reduced from 41 percent to 38 percent between 2009 and 2014. This was achieved through increased availability and access to contraceptives by the population.

Advocate for planned urbanisation and human settlements

The sector planned to achieve this objective by ensuring planned urban infrastructure with adequate employment and amenities for education, health, water and waste disposal. The draft physical plan for Kampala has been prepared and those for many other urban centres, including municipalities, are in place. Challenges continued to be encountered regarding enforcement due to weak legal frameworks and political will. A number of non-conclusive policy dialogues were held on the issue of reviewing the land tenure systems.

Mobilise resources for effective implementation of the national population policy and programmes

The sector planned to achieve this objective by ensuring that the population activities and resources are efficiently managed and that implementing partners adhere to the action plan. The implementation of the National Population Policy continued with good progress on the various indicators such as life expectancy which increased over 54 years and fertility rates, which reduced from 6.7 to 6.2 between 2010 and 2014.

Develop a monitoring and evaluation system for the implementation of the national population policy

The sector planned to achieve this objective by establishing a functional monitoring and evaluation framework. The monitoring and evaluation framework was developed by POPSEC.

4.3.2 Education and Sports

The medium term objectives of education in Uganda are to: increase access and equity; improve quality and relevance; and improve effectiveness and efficiency. Significant achievements have been made over the years, particularly starting with the period of introduction of Universal Primary Education (UPE), in 1997. The primary level enrolments surged from 2.5million in 1996 to over 4.8million in 1997, following the introduction of UPE.

In order to further support and sustain both UPE and USE, Government continued to provide tuition support to all eligible students. During the FY2012/13, UGX49.68 billion was paid for 7,051,790 pupils in primary school and UGX104.93 billion to 736,755 students in Secondary schools in form of capitation grants.

Over the first three years of implementation of the NDP, the proportion of the Education and Sports Sector budget to the National budget has been fluctuating from 17.6 percent in FY2010/11, to 15.5 percent in FY2011/12, 17.13 percent in FY2012/13 and 14.8 percent in FY2013/14 below the NDP target.

Table 13: Planned and actual Expenditures on Education and Sports

Sector	Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	2013/14
Education and Sports	1,137	1,259	1,323.55	1,785.19
Primary	619.61	657.74	695.87	45.58
Secondary	256.16	274.97	293.78	235.96
BTVET				69.46
Capitation Grant –Primary	38.32 (8,297,780)	49.68 (7,099,083)	49.68 (7,051,790)	49.68
Capitation Grant –Secondary	68.96 (686,403)	80.21 (718,000)	104.93 (736,955)	105.60
Expenditure per pupil as a per cent of GDP per capita	0.38	0.57	0.46	
Expenditure per student as a per cent of GDP per capita	8.29	9.18	9.31	
Ratio of public expenditure on education and sports to GDP (percent)	2.91	2.53	2.42	2.8
Share of Budget allocation (percent)	17.67	15.55	17.13	14.8

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

Primary Education

Increase access and equity of primary education for girls and boys

The sector planned to achieve this objective through: reducing costs of education to families; supporting programs targeted at disadvantaged children and the youth; reducing social-cultural barriers girls' school attendance in order to reduce gender disparity in primary education; and expanding and improving primary school infrastructural facilities.

Total enrolment in primary schools continued to increase from 8,098,177 in 2011, to 8,337,069 in 2012, 8,390,674 in 2013 and 8,485,005 pupils in 2014. In 2014, there were more girls enrolling than boys with 4,249,336 girls enrolled against 4,235,669 boys. Despite the increased enrolment figures, the completion rates for 2014 remained low at 67.4 percent.

Overall the Sector completed renovation of 144 primary schools, constructed 561 new classrooms, 2,179 VIPs and distributed classroom furniture (4,626) and constructed 337 teachers' houses.

Improve quality and relevance of primary education for girls and boys

The sector planned to achieve this objective through: enhancing institutional quality to increase pupils' achievement of literacy, numeracy and basic life skills; and strengthening the teaching force; adoption of pre-primary programs and other measures to prepare children for the intellectual requirements of primary school.

Government has continued to pursue strategies aimed at enhancing instructional quality in order to increase pupils' achievement of literacy, numeracy, and basic life skills. During the year under review, the number of P.3 pupils rated proficient in literacy improved by 4 percent from 53.80 percent (52.10 percent boys; 55.60 percent girls) 2012 to 53.856.12 percent (53.87 percent boys; 56.42 girls in 2013. The percentage of P.3 pupils proficient in numeracy was still high at 69.8 percent (70.6 percent boys; 68.8 percent girls) in FY2012/13; In P.6, 40.15 percent of the pupils were rated competent in literacy in FY2012/13 as compared to 40.80 percent in FY2011/12 which translates into a reduction of 0.6 percent; The percentage of pupils rated proficient in numeracy also reduced to 41.4 percent in FY2012/13 from 45.20 percent in FY2011/12; and, the PLE pass rate improved by 2 percent from 86.4 percent (88 percent male; 85 percent female) in 2011 to 88.4 percent (90 percent male ; 86.8 percent female) in 2012.

The pupil teacher ratio (PTR) for FY13/14 remained at 45:1 (54:1 government and 24:1 private). Although more primary teachers were recruited and deployed in FY 2013/14, the PTR in primary schools remained constant at 45:1. This stagnation in PTR over the years is due to, among other factors; high attrition rates of primary teachers and cleaning of the payroll by the Ministry of Public to eliminate ghosts, as well as the high population growth. Assorted Instructional Materials for P1 and P2 (wall charts, picture cards, practice books for English and mathematics, local language books and bilingual dictionaries in English and Local language) were procured and Early Grade Reading Materials Developed for Local Language (Cluster 1 P3, Cluster 2 P2, and Cluster 3 P1) assessment tools were also developed for the 4 languages and a baseline study con-ducted.

Improve effectiveness and efficiency of primary education

The sector planned to achieve this objective through: ensuring that schools manage instructional programs, staff and other resources and become accountable to their communities; ensuring that districts education officers deliver educational services, help schools comply with standards and regulations and monitor regulatory and report accurately on school performance; strengthening capacity of the ministry, its agencies and institutions to provide leadership and management; and enhancing quality assurance and accountability.

During the FY 2013/14, the repetition rate at primary level reduced slightly to 10.1 percent from 10.6 percent in 2012 to 10.3 percent in 2013. The education statistical Abstract also notes higher numbers of boys repeating in Government schools than in Private schools. The survival rate at P7 increased marginally by 0.4 percentage points from 59.5 percent in 2013 to 59.9 percent in 2014. The survival rate of boys increased from 30 percent in 2013 to 32.1 percent in 2014 while that of girls improved from 30.1 percent in 2013 to 32.3 percent in 2014. P7 completion rates reduced to 67.4 percent in 2014 from 71 percent in 2013. The P7 completion rates for boys decreased by 3.2 percentage points in 2014 from 71 percent in 2013 while that of girls decreased by 4.1 percentage points in 2014 from 71 percent in 2013.

Secondary education

Increase access and equity in secondary education

The sector planned to achieve this objective through: reducing the costs of secondary education to families; expanding, equipping and improving secondary school facilities; and improving equity in the participation of girls, students with disabilities and needy students.

During the FY2013/14, total enrolment at secondary increased to 1,374,546 students in 2014 from 1,257,378 in 2013, having previously declined to 1,247,437 in 2012 from 1,258,084 in 2011. Unlike at primary school level, there were more boys enrolling in secondary than girls with 709,140 boys enrolled against 665,406 girls in 2014.

In order to increase access and equity during the FY2013/14, five new seed secondary schools were completed and handed over and these are: Aturtur SSS, Wakyato SSS, Kanara SSS, Meela SSS and Bumayoka SSS. Seven other schools were nearing completion by the end of FY2013/14.

The Sector also constructed seed secondary schools at Gogonyo sub county, Burunga, Bundikahungu Seed SS in Bundibugyo and completed administration blocks at Jangokoro Seed SS in Zombo, Montungatuny Seed SS in Amuria, Kasule Seed SS in Kyegegwa, Gogonyo Seed S.S in Pallisa, Lyama S .S in Budaka and St Pauls Kagongi S.S in Mbarara. Construction works were also on-going in 639 Secondary schools across the country.

Ten seed secondary schools of Bugunzu SSS, Buweswa SSS, Kalongo SSS, Ojetanyang SSS, Busaba SSS, Bukanga SSS, Kabei SSS, Koome SSS, Nagulu SSS, and Buhanika SSS were expanded and another five were still under construction having attained 75 percent level of completion.

Government also rehabilitated eleven institutions: Bukedi College Kachonga, Pallisa SSS, Ngora High, Sebei College Tegeres, Teso College Aloet, Mary Hill High School, Seseme Girls, St. Paul Mutolere, Soroti SS, Usuk SSS and Masaka SSS. Rehabilitation works also commenced on 33 other institutions.

The Ministry also secured land for the construction of Aboke High School in Kole district.

Improve quality of secondary education

The sector planned to achieve this objective through: strengthening the teaching force; and establishing education centres of excellence.

In order to improve the quality of secondary education, the Government through the Ministry of Education and Sports, procured and distributed computers & accessories in the eight secondary schools of Kitolhu S.S, Victoria S.S Bukunja, Nyakabungo Girls S.S, Kinkiizi High School, St. Johns Vocational S.S Kalele, Namwezi SS – Buikwe; St Theresa Girls' S.S in Nsenyi, and Lake Bunyonyi S.S in Kabale. Also, computer laboratories at Kilembe S.S in Kasese and St Theresa Girls S. S in Nsenyi were rehabilitated and refurbished. Funds were disbursed to 161 Government and 88 PPP UPOLET schools to procure science and mathematics text books. 75 secondary schools (Government and PPP) that had received instructional materials under World Bank APL1 project were Monitored and also provided administrative support to 68 secondary schools that were provided with computers by UCC. The Ministry also conducted a needs assessment in 254 secondary schools in East and North eastern regions in the districts of Jinja, Giana, Kapchorwa, Kween, Tororo, Bukwo, Butelaja, Mbale, Kotido, Moroto, Abim, Amudat, Nakapiripirit and Kaboong and carried out a verification exercise of data for 8,414 science and mathematics teachers. A customised software was installed in 300 secondary schools under the UCC ICT schools project. Inspections were carried out in 1,980 secondary schools.

Improve effectiveness and efficiency of secondary education

The sector planned to achieve this objective through: according high priority to workforce competencies and future education; making more efficient use of teachers/instructors and learners', time and other resources; reconfiguring secondary education; and ensuring effective and efficient school inspections.

To achieve effectiveness and efficiency in secondary education, the Sector monitored non adherence of teachers to teaching guidelines issued by NCDC and gaps were identified in DES inspection reports in 28 secondary schools.

The sector also monitored and facilitated SESEMAT activities (Baseline Survey, interviews, in central and Northern regions and SESEMAT regional based-SARB activities) and conducted routine monthly monitoring in 100 secondary schools. The Sector trained 2,899 science and mathematics teachers in the West, East and Mid-western regions of Uganda under SESEMAT programme.

In addition, the sector facilitated recruitment of 6 regional SESEMAT trainers for Mbale, lango and sebei sub regions and monitored activities at 9 SESEMAT centers of Masaka, Kalungu, Kabarole, Kasese, Kigezi, Ntungamo, Mbarara, Hoima and Rakai. 1,015 science and mathematics teachers in the eastern regions of Teso, Tororo, Kapchorwa; Lango and Jinja were trained, 802 Lab assistants trained from 802 secondary schools (private and Government) in the western region and 1,518 head teachers and their deputies were trained in management and leadership of schools.

Business, Technical and Vocational Education Training (BTVET)

Increase access and equity of BTVET

The sector planned to achieve this objective by: enhancing and improving BTVET facilities; and improving equity in the participation of girls and need students.

During the FY2013/14, construction works began at Epel, UCC Aduku, UTC Bushenyi, Lake Katwe TI, Kaliro TI, Butaleja TI, Rugando and Martyrs Way Ntinda – Nakawa. The fencing of UTC Kichwambwa was at super structure level by the end of the FY. Construction of a library at UCC Aduku, and UTC Bushenyi, and renovation of Kitgum T.I, Minakulu, UCC Pakwach, Kaberamaido, UTC Lira, UTC Elgon, UTC Kicwamba, Kyamuhunga, Kalera, Kiruhura, Bamunanika were in advanced stages. Funds were disbursed for the construction of 3-storied medical laboratories at Mulago Paramedic schools and equipping of classrooms at Kigumba Cooperative College and Gulu SOCO. Technical Workshops were constructed at St. Joseph Kyarubingo in Kamwenge and Namisindwa TS. Funds were released for the completion of Kyarubingo agricultural workshop, Namasale TS BCP workshop in Amolatar and Namisindwa TS BCP workshop. Construction of Kihanda TS in Kanungu and Namisindwa in manafwa was completed.

Improve quality and relevance of BTVET

The sector planned to achieve this objective through: reconfiguring the BTVET sub-sector; strengthening the teaching force; strengthening intra and inter-sectoral linkages; and adoption and implementation of efficient measures to deliver BTVET programs.

During the FY2013/14, a number of staff houses were constructed at: St.Kizito Kitovu in Masaka, Lukole TS, Namisindwa TS in Manafwa, Nagwere Technical School in Pallisa, Dokolo TS, Namisindwa TS in Manafwa, Nagwere TS in Pallisa and Lutunku CP in sembabule.

Dormitories for students were also constructed at: Lira School of Nursing, Fort Portal SOCO, Moyo Technical Iinstitute (TI), Butaleja TI and Ssese Farm Institute.

Inspections were carried out in 498 BTVET institutions, 5 NTCs and 20 PTCs.

Two (2) craft courses were developed to suit the BTVET reforms, draft syllabi for 6 new BTVET courses (Pottery and ceramics, Leather and Tannery, Secretarial and information management; Beautification and hair dressing, Records and information management) were also developed and ready for refining. Short modular courses that lead to certification were offered to 15 out-of-school youth who were trained and certified by DIT through the Non-formal skills training programme for the youth.

In addition, the sector conducted Test Item Development workshop and developed 120 performance test items for 34 modules which catered for BTVET Modular assessment.

Under the UVQF level II, a total of 3,403 (2,022 male; and 1,381 female) candidates were assessed and under Level I, 2,516 (954 male; and 1,202 female) candidates from 108

Assessment Centers in 17 UVQF occupations were assessed while under UVQF, 87 percent and 88 percent of students successfully passed under Level I and level II Assessment, respectively.

The Sector trained a total of 45 technical teachers 20 in skills development, and 25 UGAPRIV institutions embarked on a one year Kyambogo University Program in the field of Technical Teacher training, respectively. 38 instructors also received training in ATP use. Under DIT, 242 instructors were trained from the Northern, Eastern, Western and Central regions covering 24 districts.

The Curriculum Review was ongoing for Uganda Technical Colleges and Community Polytechnics and modularization of courses.

Tertiary and higher education

Increase equitable access to Higher Education

The sector planned to achieve this objective through: reducing costs of education to families; developing facilities to cope up with rapidly increasing numbers; diversification of the sources and mechanisms for financing higher education; undertaking reforms and improving curricula and instruction in priority disciplines; and promoting research, particularly applied research and publications.

During the FY2013/14, a 1.7 percentage point increase was registered in the total enrolment in Tertiary Institutions from 198,066 (111,831 male; 86,235 female) in FY2012/13 to 201,376(113,688 male; 87,572 female) in FY2013/14. However, the percentage share of female students to total enrolment in higher education stagnated at 43.5 percent for the last two financial years. The total number of female students increased due to a favorable policy mix of affirmative action for girls, scholarship programs and bursary schemes.

The rehabilitation of Nyabyeya Forestry College Hostel was still on-going by the end of FY.

In Gulu University, construction of Bio-Systems Engineering laboratory works, Business Center and Lecture blocks for Law programe were in progress.

Funds were provided for establishment of Muni University, Soroti University and Supported Kisubi Brothers' University College. Construction of teaching and learning facilities that comprise of a 21 lecture block; a workshop block; demonstration block; library block; clinic block, administration block and a guest house at Muni University were nearing completion.

The implementation of the UPIK Master plan that was developed is currently underway at the Uganda Petroleum Institute Campus in Kugumba.

Under the Food technology and incubation centre incubation construction of a 15500sqm incubator facility was underway, while the designs for phase two for the construction of the mobile fruit processing plant in Kapeeka Nakaseke district was completed.

Construction of the faculty of applied science block at Kihumuro campus was completed (64 offices, 8 Lecture rooms, and 10 seminar rooms) at Mbarara University of Science and Technology.

Construction of 6 floor office and lecture space together with two levels of car parking with a capacity to accommodate 250 vehicles was ongoing at UMI by year end.

National Council for Higher Education licensed two (02) universities and seventeen (17) other tertiary institutions. This increased the number of private universities licensed and registered by one point to 31 in FY 2013/14. In addition, 3 were granted Letters of Interim Authority.

Improve quality and relevance of the tertiary education system

The sector planned to achieve this objective by restructuring the tertiary system to increase coherence and flexibility.

During the FY2013/14, no specific interventions were implemented to address this objective.

Physical Education and Sports

Improve access to physical education and sports in the country

The sector planned to achieve this objective by: expanding physical education and sports facilities; enhancing capacity building in physical education and sports.

During the FY2013/14, 110 primary school teachers were trained on Kids Athletics to officiate at the National Kids and Special Needs Learners Athletics Championships. 233 teachers and 60 officiating officials were trained to manage Tertiary Institutions games and 16 doctors and 24 Physiotherapists training in Sports Medicine. 383 primary school teachers received training in football and handball skills. 2000 footballs were donated under the Uganda- German technical Cooperation to primary school children. 24 Athletes participated in the 3rd Africa Cross –country championship. 12 Athletes took part in the 2014 World University Cross country championship. 10 Clubs were supported the Secondary Schools National Ball Games 1 and 2 (Netball, Volleyball, and Hand ball); swimming and athletics; Health and Nurses Training institution Games attended by 37 institutions; coordinated and supported organization of Inter-Collegiate Games 2014; and hosted the Federation of East Africa Secondary Schools Sports Association (FEASSSA) games attended by 7 countries and 760 Ugandan students participants.

4.3.3 Skills Development

The NDPI outlines the key skills gaps in both the formal and informal sectors and the institutions responsible for production of these skills. The Plan also notes that most training institutions are under the private sector. Skills are becoming more critical as the country approaches middle income status. So far, significant efforts have been put on post primary and post secondary vocational and technical training. The strategy is to start with filling of the gaps within the priority areas of the NDPs. The achievements on skills development are outlined in the sections below.

Increase access to and participation in coherent and flexible skills development system

The sector planned to achieve this objective through: re-configuring the skills development system; making more efficient use of instructors'/teachers and leaner's time and other resources; expanding equipping and improving skills development facilities and enhancing status and attractiveness of skills development.

During the FY2013/14, the Sector continued to support the skilling Uganda programme. The Pre-assessment activity was carried out and 23 external examiners for CTVI-5, DVTI-4, and DTIM-4 facilitated.

A workshop for Test Item moderation was held for Level II Monitors and coordinators and 60 Test Item Moderators facilitated. The re- assessment of Masulita VTC was completed and Test Items produced while the Post-assessment activity data for candidates was checked and identified, Certificates and Transcripts printed and occupational Profile for Caterer developed and 12 panelists facilitated.

Capitation grants for 3,860 in technical farm schools, 5,372 students in technical institutes 15,907 in PTCS 2,907 in Community polytechnics and health training institutions, was paid to enhance the skills of the youths. 10 Facilitators were trained for occupational profile development and training modules development.

The construction of Amelo Technical Institute (T.I); Bukedea T.I; Lyantonde T.I; Bukomero T.I and Nyamango T.I commenced; the draft designs for the rehabilitation and expansion of the four Technical Institutes of (i.e. Tororo Kibatsi (Ntungamo) Kalongo (Agago) and Ahmed Sseguya Memorial Technical Institute in Kayunga District were reviewed and funding secured from Kuwait Fund for Arab Economic Development.

Construction of a double storey library/computer laboratory, and an administration block/4 Classroom block and a dormitory block in UCC Kabale (Kabale), Kaliro T.I (Kaliro) and Butaleja T.I (Bu-taleja) was completed by the end of financial year.

Constructon of the Namasale T.S (Amolatar), Namisindwa T.S- Motor Vehicle Workshop, a Poultry House, and St.Joseph Kyarubingo -A Staff House, and Shoe Making/Tailoring Workshop, Olio C.P - Electrical Installation and Tailoring Work-shops, Kihanda T.S - Twin Workshop for CJ and BCP, and 4 Class-rooms and Nagwere T.S - Staff Unit was completed.

Assorted tools for Plumbing, Electrical, and BCP and Mechanical Departments for Lugogo VTI, UTC Lira, UTC Elgon and Ssese Farm Institute were procured and delivered to the beneficiary institutions.

Funds to provide tools and equipment at Ihunga, logogo, Ssese, Amugo Agro, UTC Elgon, UCC Pakwach were disbursed. Under the Development of TVET P7 Graduate, assorted learning tools and equipment were procured for the workshop and classrooms at St. Josephs

Kyarubingo, Kakiika TS, Namisindwa TS, Mbale CP, Nagwere TS, Bukooli TS, Omugo TS, Olio TS, Namasale TS, Masulita VTC, Rwiziringiriro TS, Mubende CP, Gombe CP, Hakitengya CP.

Funds were secured for the procurement of assorted instructional tools to the following institutions: Mubende CP, Kakika CP in Mbarara, Omugo TS in Arua, Namisindwa TS in Manafwa, Mbale TS in Mbale, Gomba TS in Wakiso and Bukooli TS in Bugiri.

Despite the interventions to skill Ugandans the implementation of the programme remains very slow as youth unemployment is on the rise.

Improve quality and relevance of skills development

The sector planned to achieve this objective through: assuring employability of trainees; provision of lifelong learning; delivery of quality skills development; undertake reforms and improve the curricula and instruction in priority; and strengthening and motivating the teaching staff.

The BTVET sub sector trained a total of 45 technical teachers 20 of which received training in skills development, and 25 UGAPRIV institutions embarked on a one year Kyambogo University Program in the field of Technical Teacher training respectively. This represented a 56 percent performance against the 80 that the sub sector had planned for. A total of 38 instructors also received training in ATP use.

The total number of young people and adults enrolled in lifelong education increased by 282 percent from 113,871 (27,786 male; 86,085) in 2000 to 434,663 (107,946 male; 220,193 female) in 2013.

In the same period, under Directorate of Industrial training (DIT), 242 instructors were trained from the Northern, Eastern, Western and Central regions covering 24 districts.

At least 7,500 non for-mal trainees participated in the various non-formal training programmes. The trainees were also assessed by DIT. In addition, industrial training fees were paid for 1,750 students in UGAPRIV, UCCs, and UTCs as planned.

Improving the training of BTVET technical instructors, health tutors and secondary teachers in Uganda project is being implemented to address among others teacher effectiveness. Assessment under the competency based education and training in the BTVET sector, was done in 118 assessment centers and 108 for Level II and I respectively

Two (2) craft courses were developed to suit the BTVET reforms reflecting a 29 percent performance. The draft syllabi for 6 new BTVET courses (Pottery and ceramics, Leather and Tannery, Secretarial and information management; Beautification and hair dressing, Records and information management) were also developed and ready for refiningTransformation of colleges into centers of excellence will be done in the new skills development project under World Bank

During the FY2013/14, the Commission printed and disseminated materials to teachers about the Scheme of Service.

The 30 percent Science allowance top-up allowance for the teachers' salary was paid.

Improve the effectiveness and efficiency in the delivery of skills development

The sector planned to achieve this objective through: strengthening intra and inter-sectoral linkages; providing requisite tools and resources to technical/administrative staff; and developing and maintaining public private partnerships in delivery of services.

GEM-U provided scholarships to 1000 disadvantaged girls who were in lower secondary and BTVET courses to continue with their education. The scholarship covered school fees, scholastic materials as well as menstruation management kits.

4.3.4 Health and Nutrition

The NDPI places great emphasis on reducing Infant Mortality Rates (IMR), Total Fertility Rate (TFR), Maternal Mortality Rate (MMR) and under-nutrition among children; ensuring universal access to quality Uganda National Minimum Health Care Package (UNMHCP) with emphasis on vulnerable populations; ensuring that all levels of the health system carry out their core functions effectively and efficiently; increasing motivation, productivity, performance, integrity and ethical behaviour of human resource; mobilizing sufficient financial resources to fund the health sector; improving access to quality health services at all levels in both the public and private sector; and implementing the national health policy and the health sector strategic plan.

During the same period, the Ministry of Agriculture Animal Industry and Fisheries carried out Food and Nutrition Surveillance in all the 4 regions of Uganda (Central, Western, Northern and Eastern). The level of stunting (height /age) and wasting (weight /age) among the under-five children was estimated at 33 percent and 14 percent, respectively, according to the UDHS 2011. Despite the improvement in the registered infant mortality rates, fertility rates, maternal mortality rates, access to quality health services at the different health facilities across the country still remain very low and the NDPI targets are not likely to be achieved if the trend continues as is.

Budget allocations over the first three years of the NDPI have been mixed with the proportion of Health Sector allocations to the National budget falling sharply in FY2012/13 to 7.8 per cent having increased to 15.5 per cent in FY11/12 from 9.3 per cent in FY2010/11 against the NDPI target for FY2012/13 of 11.3 per cent. As a result, per capita health expenditure as a percentage of GDP per capita remained low at 1.2 per cent over the three year period.

Overall, the Health sector in FY2013/14 received 9.5 percent as a share of the national budget compared to 7.8 percent in FY2012/13 and 15.54 percent in FY2011/12. This reflects a fluctuating trend in the allocations to the health sector as a share of the National budget.

Table 14: Planned and actual Expenditures on Expenditure

Sector	NDP Budget (UGX billion)				Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	Total	2010/11	2011/12	2012/13	13/14
Health	790	939	2,089	3,818	1,137	1,259	1,323.55	1,146.51
share of budget allocation					9.34	15.54	7.83	9.5
Public expenditure on health as a per cent of GDP					2.91	2.53	2.42	1.8

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

Strengthen the organisation and management of the health system

The sector planned to achieve this objective through: ensuring that all level of the health system carry out their core functions; build a harmonised and coordinated national information system; strengthening human resource planning in the health sector; reviewing the curricula and training strategies to enable workers cope with emerging health problems, approaches and challenges; increasing motivation, productivity, performance, integrity ansd ethical behaviour of human resourcethrough the development and efficient utilisation of the health workforce; ensuring that essential, efficacious, safe, good quality and affordable medicines are available and used rationally at all times; and mobilising sufficient financial resources to fund the health sector programmes whilist ensuring equity, efficiency, transperancy and mutual acceountability.

During the FY under review, the sector continued to undertake training in the areas of; Infection Control Measures, Trauma and injury management, Administrative Officers Law, Echocardiography, Electrocardiogram, Nuclear Medicine, internal medicine, ENT, Obstetrics and Gynecology, ophthalmology, Surgery, Anesthesia and Pediatrics, and leadership and management .

The institutional framework for general hospitals and HC IVs was strengthened through creation of full time positions for Managers. All licensed Practitioners for the year 2014 were published.

Private, general nursing and domiciliary practice facilities were registered.The sector also carried out inspections of health training institutions and private facilities to ensure compliance to the guidelines and standards.

According to the HMIS, the sector now employs 34,656 skilled health workers and has achieved a staffing level of 69 percent in local governments, which is slightly below the target of 72 percent. During the year a total of 800 health workers recruited and deployed.the sector also trained health workers in palliative care, Integrated Management of Acute Malnutrition, Malaria Case Management, and integrated management of malaria.

The sector conducted a number of studies/suveys. These included: the National Health Accounts, Client Satisfaction Survey, Hospital and HC IV Performance Study (Census), PPPH District Coordination Survey, and the NCD survey.

In addition, inspections of pharmacies, drug shops and clinics were conducted, of which 652 out of 1,021 were closed due to non-compliance.

Ensure universal access to quality Uganda National Minimum Health Care Package, with emphasis on vulnerable populations

The sector planned to achieve this objective through:providing integrated, promotive, preventative, curative and rehabilitative services that have been proven affective, cost effective and affordable in conjunction with the private sector; improving access to quality hospitals services at all levels in both the public and private sectorprovide and maintain functional, efficient, safe, environmentally friendly and sustainable health infrastructure;

In FY2013/14, the sector distributed 19.5 Million Long Lasting Insecticidal Nets (LLIN) for Universal Coverage. Internal Residue Spraying was conducted in 10 districts of Northern Uganda and approximately 850,000 houses were sprayed twice with up to 92 percent coverage, protecting about three million people.

In addition, the percentage of deliveries in health facilities increased to 44.4 percent in FY2013/14 from 41 percent in FY2012/13 and 38.1 percent in FY2011/12. The percentage of pregnant women attending 4 Antenatal clinic visits increased to 34.2 percent in FY2013/14 which had declined in the previous financial year to 31 percent in FY2012/13 from 34.2 percent in FY2011//12. Coverage for immunization services of children below one year immunized with third dose of pentavalent vaccine (DPT3) increased from 85 percent in 2011/12 to 87 percent (1,319,860 children out of 1,520,347 targeted, of which 88 percent were males and 85 percent females).With regard to immunisation against measles, remained at 85 percent (1,285,020 children out of 1,520,347 target, of which 86 percent were males and 83 percent females) of one year old children was immunized during the financial year under review. The percentage of pregnant women who completed second dose of Sulphadoxine/Pyrimethamine (S/P) for Intermittent Presumptive Treatment (IPT) for malaria also remained at 47 percent in FY2013/14 having increased from 44 percent in FY2011/12.

The sector report on infrastructure development which involves construction and rehabilitation of both health facilities (hospitals and health centers) and staff accommodation is still ongoing. The vote function for health system development had UGX 190.27 billion approved budget out of which UGX 37.71 billion (20 percent) was released. UGX 36.67 billion (97.2 percent) was spent. The sector reported that all the planned hospitals for construction in FY 2013/14 that were under GoU PHC funding were constructed. These included the Kisozi and Buyiga HC IIIs, Masafu GH, and Kapchorwa GH. The sector also reported that the renovation of the 9 hospitals under the World Bank funded Uganda Health system Strengthening Project was work in progress. There were no staff houses constructed and rehabilitated in the financial year under review due to the Italian cooperation not disbursing funds for the construction of the 88 staff houses in Karamoja region.

Training and supervision of health workers was carried out in the regional referral hospitals. 13 new ambulances were 9 repaired and equipped, 32 teams trained for Arua and Rwenzori Region and guidelines for managing ambulance services developed. 140 community monitors from 7 districts have been oriented and trained on monitoring of service delivery using the rights based approach. 65 health facilities in 20 districts empowered to functionalize Feedback and redress mechanisms.

Butabika Mental Referral Hospital attended to 55,754 mental outpatients and 6,712 admissions. Mental health outreach clinics in the six (6) outreach clinics of Nansana, Kitetika, Katalemwa, Nkokonjeru, Kawempe-Maganjo, and Kitebi, treating a total were also carried out.

On expanding infrastructure and equipping tertiary institutions, Gulu Regional Blood Bank was opened, a six cancer ward was completed at Uganda Cancer Institute and also the Mayuge community cancer surveillance clinic was completed during the financial year under review. Renovation of nine hospitals under Phase 1 (Mityana, Nakaseke, Kiryandongo, Nebbi, Anaka, Moroto, Entebbe and Iganga) commenced in November 2013 for a period of 18 months and construction of Kawempe and Kiruddu hospitals was commenced. General and specialized equipment and hospital furniture were distributed to 46 health facilities. Emergency Obstetric and Neonatal Care equipment has been distributed to 191 out of 230 facilities.

Blood collection for FY 2013/14 was 210,505 units of blood against a planned target of 242,000 units, translating into a 13 percent shortfall of the annual target. Districts of Arua and Masaka received machines for testing blood while six collection centers were established in Hoima, Masaka, Kabale, Rukungiri, Jinja and Soroti.

Despite the efforts by the sector, challenges still abide for instance; remote and hard-to-reach districts, in particular, face significant obstacles in attracting and retaining health workers. Health staff often find it difficult to work in areas with inadequate water and electricity, poor housing, poor schools for their children, lack of security (especially at night, when many deliveries take place),and poor transportation and communication facilities. Long distances and poor roads from the health facilities also pose another infrastructure problem.

Improvement of basic infrastructure would facilitate many medical service deliveries like maternal health in many rural areas.

Conducted two Sub-National Polio Immunization Campaigns in 37 districts in Sept, and pneumococcal vaccine launched in Kampala.

Despite the increase, the number of qualified health workers is still inadequate for effective delivery of the minimum health care package since the actual need for HC IIIs and IVs at the time was 10,210 vacancies.

Improve nutrition status of the Ugandan Population through a multi-sectoral collaboration

The sector planned to achieve this objective through: supporting maternal and child nutrition initiatives to promote child survival growth and development; strengthening mechanisms for control and prevention of micronutrient deficiencies; and building community and institutional capacity for management of malnutrition

Under Nutrition, the Sector continued to integrate nutrition assessment and counselling during Ante-Natal Care and child clinics, nutritional messages were developed and disseminated through a number of radio stations in central Uganda. Vitamin A supplementation was done during Child days plus, conducted twice in the year. Iron /folate supplements were given to pregnant women during antenatal visits, de-worming of children under-five integrated in Child-Day Plus was conducted twice a year and pregnant women de-wormed during antenatal visits.

Integrated Management of Acute Malnutrition (IMAM) training was undertaken in Bushenyi and support supervision was given in each of the 15 districts that include: Mityana, Sembabule, Mpigi, Nakasongola, Luweero, Kayunga, Kamuli, Mayuge, Kaliro, Bugiri, Kyenjojo, Kasese, Kamwenge and Kalangala. In addition, technical support supervision for IMAM in each of the 6 Early Riser districts (Nebbi, Pader, Kanungu, Ibanda, Oyam and Dokolo) was carried out. A community Nutrition strategy was developed for IMAM and guidelines put in place.

Mid-Upper Arm Circumfrance (MUAC) tapes and weighing scales were procured and nutrition training package for Village Health Teams were developed.

Creating a culture in which health research plays a significant role in guiding policy formulation and action to improve the health and development of the people of Uganda.

The sector planned to achieve this objective by strengthening health research and its application through putting in place a policy and legal framework to ensure effective coordination, alignment and harmonization of research activities as a way of achieving this, a Health Research Institutional strategic plan and research policy was produced and approved by the sector.

During the period under review, Mobile Tracking (mTrac), a new SMS-based technology connecting hospitals to the National Medical Stores, was rolled out in all 112 districts with a component of anonymous hotline for feedback on health services within the health facilities in the country.

Improve the policy legal and regulatory framework

The sector planned to achieve this objective by undertaking a review and development of relevant Acts and legislatons governing the health sector.

During the FY2013/14, the Sector developed the Non-Communicable Diseases (NCD) Policy, Adolescent and Child Mental Health Policy. The Nursing Policy was also reviewed.

The following bills were drafted and submitted to Cabinet: National Food and Medicines Authority Bill, 2014; Uganda Hearts Institute Bill, 2014; National Health Laboratory Bill, 2013; and the Uganda Immunization Bill, 2014.

Build and utilise the full potential of the public private partnerships in Uganda national health development by encouraging and supporting participation in all aspects of the National Health Policy at all levels and according to the National Policy on PPPH

The sector planned to achieve this objective by: strengthening and corrdinating health services provided including training health workers by the PNFP and private Health Providers (PHP); and implimentaiono f the National Health Policy and the Health sector strategic plan.

The private sector continued to be involved in health through the Health Policy Advisory Committee, Technical Working Groups and consultative processes. The private sector also participated in joint health sector monitoring activities such as performance reviews and supervision.

The sector undertook mapping of partners and worked with the National Planning Authority to produce a status report on health service and service delivery standards. Once completed, the standards will be used for quality assurance at both public and private facilities.

Ensure that communities, households and individuals are empowered to play their role and take responsibility for their own health and wellbeing and to participate actively in the management.

In order to achieve this objective the serctor set out to; build the capacity of the communities in order to ensure their participation in the design, planning and management of health services.

By the end of FY2013/14, 78 percent of villages / wards across the Country had trained VHTs. Training was carried out for 428 VHTs in Shuuku, Kasozi and Kagango, Bugongi, Kigarama sub counties in Sheema district. The Sector also procured and distributed 17,924 VHT registers in 54 districts for the VHTs to mobilize, register and refer women to where they are able to receive reproductive health services. Another 140 VHTs from the different districts were trained in Palliative care and a National VHT dialogue meeting conducted involving 40 stakeholders.

4.3.5 HIV/AIDS

According to the Health sector, the percentage of Health Centre IV offering HIV/AIDS care providing Anti-retroviral therapy (ART) services has been increasing for the past three years 88 percent in FY2010/11, to 96 percent in FY2011/12 and to 97.4 percent in 2012/13. No data was available for FY2013/14. Despite the interventions by the sector to combat HIV/AIDS, new infections have been on the rise, from 7.3 percent in FY 2011/12 to 8.5 percent in the FY 2012/13.

The National HIV Indicator Survey of 2011 also indicated that prevalence rates among Ugandans between the ages of 15 to 19 were on the rise. The rate stood at 7.3 per cent and this was higher in women at 8.3 per cent up from 6.4 per cent in the 2004-2005 survey. This is also supported by the World Health Organization-2011. The prevalence for 2012/13 increased to 7.4 percent. This, therefore, calls for a more effort concerted and focused efforts to reverse the negative trend.

Build and maintain an effective National HIV/AIDS response system

The sector planned to achieve this objective through: strengthening the policy, legal, social and community HIV/AIDS response framework; and strengthening institutional coordination.

The sector undertook advocacy on the HIV/AIDS bill and produced a report that was submitted to the Parliamentary committee on Health. This was aimed at strengthening the policy, legal, social and community HIV/AIDS response framework.

The sector also put efforts to review and scale up social protection interventions targeting people living with HIV/AIDS (PLHAs), OVCs and other vulnerable groups affected by HIV/AIDS. In this effort, the sector conducted regular social protection policies and programmes reviews to adequately include all the vulnerable groups.

In order to Establish and operationalise a comprehensive National HIV/AIDS M&E framework for proper monitoring and reporting, the sector produced and disseminated HIV/AIDS information materials to stakeholders, held consultation meetings on AIDS Trust Fund, Quarterly SCE review, Information, education, and communication and/or Behavior change communication (IEC/BCC) and reviewed district guidelines on HIV/AIDS planning.

4.3.6 Water and Sanitation

Under water and Sanitation, the NDPI focus is on increasing access to clean and safe water and sanitation services.

Overall, public expenditure on water and sanitation increased from UGX 369billion in FY2012/13 to UGX 404.45 billion in FY2013/14. The proportion of Water and Sanitation allocations to the National Budget declined to 1.5 percent in FY2013/14 from 2 percent in FY2012/13 having increased from 1 percent in the FY2010/11. Despite the increase in allocations, the per capita water and sanitation expenditure as a percentage of GDP per capita remains low at 0.28 percent.

Table 15: Planned and actual Expenditures on Water and Sanitation

Sector	Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	2013/14
Water & Environment	172	153	369.10	404.45
Rural water supply and sanitation	66.88	80.235	93.59	30.61
Urban water supply	13.71	48.655	83.60	150.13
per capita water and sanitation expenditure as a per cent of GDP per capita	0.21	0.26	0.32	0.29

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

The performance on water and sanitation is outlined according to the NDPI Sector objectives in the sections below.

Increase access to safe water supply in rural areas from 63percent to 77percent by 2015

The sector set out to achieve this objective by constructing: maintaining and operating of water supply systems in rural areas; and improvement of functionality of water supply systems.

Overall, access to safe water in rural areas continued to stagnate at 64 percent for the third year running having fallen from 65 percent in FY2010/11 and FY2008/09. The average functionality of rural water supplies in FY12/13 was 84 percent, from 83 percent in the FY 2011/12 but still far below the target of 100 percent by 2015. The stagnation in rural areas is attributed to which is mainly attributed to the inadequate funding to district local governments which are charged with the responsibility of water and sanitation service provision.

During the FY2013/14, the Sector continued with the construction of a number of water and sanitation schemes which include; Wadelai and Singila piped water systems in Alwi dry corridor and Kanyampanga GFS in Kanungu district. The extension of Tororo-Manafwa Water supply was at 66 percent level of completion and construction works of various water schemes was at different levels such as Jezza-Muduma (45 percent), Bududa-Nabweya GFS

(10 percent), and Lirima GFS in Manafa district (16 percent), Ongino in Kumi district is at 10 percent.

Increase access to safe water supply in urban areas from 60 percent in 2008 to 100 percent by 2015

The sector planned to achieve this objective by constructing, maintaining and operating piped water supply systems in urban areas; and reducing unaccounted for water in NWSC systems in Greater Kampala Metropolitan Area (GKMA) from 40 percent to 18 percent.

Access to improved water supplies in urban areas, based on estimated total population served, in both large and small towns (198), increased to 72.18 percent in FY2013/14 from 70 percent in FY2012/13 (57 percent for small towns and 77 percent for large towns), 69 percent in FY2012/13, and 66 percent in the FY2010/11. The overall average functionality in urban areas was at 89 percent in FY2013/14 up from 87 percent in FY2012/13.

During the financial year under review, urban water supply systems were constructed in various towns of: completed water schemes at Agweng, Ntwetwe (Kyankwazi), Zirobwe (Luwero) and Bweyale (Kiryandongo) Paidha and Omugo while others were still under construction like Ibuje (50 percent), Opit (50 percent), Ovujo (50 percent), Purongo (50 percent) and Patongo (50 percent). The extension of Lira National Water and Sewerage Corporation (NWSC) lines to the unserved Ngetta community was at 85 percent level of completion, Kyamulibwa in Kalungu at 28 percent, Kinogozi in Hoima at 88 percent, Nkoni in Lwengo at 98 percent and Najjembe in Buikwe at 70 percent.

Increase access to improved sanitation from 69 percent to 80 percent for rural areas and 77 percent to100 percent for urban areas.

This objective was planned to be achieved through; promotion of good sanitation and hygiene practices in households, communities and rural growth centres; and increase in sewerage systems to cover urban areas.

Sewerage system coverage remains very low in Uganda with Kampala at only 6.4 percent. On average 400 new connections are made each year and in the FY2013/14, 360 connections were made. The national household latrine coverage improved from 71 percent in FY2012/13 to 74.8 percent in FY2013/14 while hand washing with soap after latrine usage improved from 29 percent in FY2012/13 to 74.6 percent in FY2013/14.

Access to safe sanitation facilities in urban areas also improved to 84 percent in FY2013/14 from 82 percent in FY2012/13. The pupil: stance ratio remained at 70:1 higher than the national target of 45:1. Faecal sludge management also remains a challenge with over 90 percent of urban people with sanitation access using on-site sanitation. 64 percent of the existing on-site sanitation facilities in Kampala alone are unlined and therefore not suitable for emptying which subsequently leads to their collapse (KCCA, 2014).

During the FY13/14, the sector constructed household demonstration toilets in Rutokye, Kinoni-Mbarara-Kyempene, Mateete, Kikagati, Kabuga and 70 Ecosan demonstration toilets in Kakumiro, Kagadi, Nkoni, Kyamulibwa, and Najjembe.

Improve efficiency and effectiveness in water and sanitation service delivery

The sector planned to achieve this objective through: improving the policy, legal and regulatory framework; strengthening of the institutional structure and systems and coordination of water and sanitation activities; enhancing the involvement of private sector players in water infrastructure financing, development and provision of water services; and enhancing sector coordination and management.

The per capita investment cost (average cost per beneficiary) of new water and sanitation schemes in Urban areas improved from US$55 in FY12/13 to US$46 in FY2013/14 having previously been US$38 in FY11/12. The improvement in per capita investment in urban areas is due to in-house designs for the water supply and sanitation systems in the water and sanitation development facility (WSDF) and the cheaper mode of water transmission by gravity in the towns of Kakuto and Kyempento. In the rural areas, per capita investment cost declined to US$47 in FY2013/14 from US$43 in FY12/13.

4.3.7 Social Development Sector

Social Development focuses on diversifying and providing comprehensive social protection measures for the different categories of the population; promoting gender mainstreaming in development plans, programs and projects; reducing gender based violence and promote women’s rights; and strengthening the systems for promotion of human rights and prevention of human rights abuses.

The Social Development sector allocations as a percentage of National Budget has remained low over the years at 0.38 percent in FY2013/14, up from 0.35 percent in 2012/13, and 0.55 percent in 2011/12.

Table 16: Planned and actual Expenditures on Social Development

Sector	NDP Budget (UGX billion)				Actual Budget Allocations (UGX billion)			
	10/11	11/12	12/13	Total	10/11	11/12	12/13	13/14
Social Development	31	36	41	108	24	34	28.61	46.22
sector allocations as a percentage of National Budget (percent)					0.45	0.55	0.35	0.38
Public expenditure on social development as a per cent of GDP					0.06	0.07	0.05	0.0007

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

Develop and nurture a national value system

The sector planned to achieve this objective by fostering national unity, patriotism, positive attitude, change of the poverty mindset, ethics and integrity, and love for the country.

As part of the effort to develop and gradually institutionalise a national value system, the Department of National Guidence carriedout a number of activities during the period under review. These include: two (2) research assessments in Buikwe and Buvuma districts on modalities of conducting National values sensitization workshops in Primary Schools; three (3) pre- sensitization surveys on citizen's perception of being Ugandan Nationals in Masaka Municipality and the Town Councils of Mityana and Luwero; and production of a survey report for training of trainers on national values, interest and common good for Primary Teachers Training Colleges. The Department also developed a concept paper on the National Guidance strategic implementation plan.

The Office of the President also conducted awareness campaign programmes in all the 112 Districts. In addition, 152 Radio talk shows were held on patriotism and other national leadership issues. The patriotism department also conducted district leadership training programmes for five categories of leaders, including members of Parliament.

Promote positive cultural values, norms and practices both locally and internationally

The sector planned to achive this objective through: intensifying the promotion of Ugandas visual and performing arts both locally and internationally; and strengthening the family unit as a basis for quality human development.

During the year under review, the gazzetted 11 cultural leaders and the Uganda National Culture Centre (UNCC) were supported to promote cultural values within the country and abroad. In addition, individuals, groups and associations were supported by the presidency to promote cultural visual arts and contemporaly music and drama.

Expand social protection measures to reduce valunerability and enhancing the productivity of the human resources.

The sector planned to achieve this objective by diversifying and providing comprehensive social protection measures for the different categories of the population

The Social Assistance Grant for Empowerment of the Elderly (SAGE) was expanded to cover 15 districts. The grant is aimed at supporting the vulnerable elderly persons with a view to providing a social protection safety net for them. It is hoped that government will expand SAGE to cover all districts in the medium term period.

Promote gender equality and women empowerment by ensuring equitable access to opportunities and participation in the development process

The sector planned to achieve this objective through: promoting gender mainstreaming in development plans, programmes and projects; reducing gender based violence and promoting women rights; and promoting economic empowerment of women.

During FY 2013/14, the sector developed and disseminated guidelines on the National Referral Pathway for prevention and response to GBV. The sector also developed the National Action Plan on women, girls and HIV/AIDS. It also conducted participatory gender audits in a number of government departments and agencies.

In addition, two (2) Consultative meetings on Affirmative Action Strategies in Uganda were conducted with Education and Sports Sector and with Gender Focal Persons from MDAs.

Furthermore, the Equity Promotion Strategy was disseminated in the districts of Kiboga, Kyankwanzi, Hoima, Jinja Iganga and Bugiri.

The sector continued with the activities of monitoring, mentoring and supervising districts on mainstreaming gender and rights.

With regard to capacity building, the sector provided wage and non wage subvention to monitor woment activities through REACH and other NGOs to implement activities for the prevention of Female Genital Mutilation.

Ensure respect and promotion of human rights and dignity

The sector planned to achieve this objective by strengthening the systems for promotion of human rights and prevention of human fights abuses.

In FY2013/14, 150 Stakeholders were trained in Human Rights Based Approach in Development Programming (HRBAP), Equal Opportunities Commission (EOC) was strengthened through recruitment of technical staff and Commissioners and procurement of a home for the Commission.

The EOC Tribunal was launched, and a compliance audit with affirmative action was undertaken in the seven districts. The amendment Bill on disability was presented before parliament. Resources for Special Grant for Income Generating Activities (IGAs) and employment creation for PWDs were provided. 56,000 PWDs were empowered to participate in mainstream politics while 5,300 Youth were trained to participate in the Youth Livelihood programme (Practical Training through apprenticeship and Vocational training Institutions).

Ensure effective community mobilisation and participation in development

The sector planned to achieve this objective through: improving the functionality and accessibility of quality non-formal literacy and numeracy services; strengthening the human resources and operational capacity for commuty mobilisation; promoting the establishment and operationalisation of the community information system (CIS) in all districts; formulation and implemention policies, laws and regulations.

During FY2013/14, the National Adult Literacy Policy was approved by Cabinet. About 150,000 adult learners were trained in non-formal literacy and numeracy skills and the National Library of Uganda distributed 25,293 volumes of reading materials to Public and Community Libraries as well as other Institutions.

The Sector also supported 31 Book Week Festival Celebration Exhibition Centres and the Kampala Public Library Reading Tent for children.

Under the leadership of OPM, Sectors were coordinated on the implementation of Uganda Nutrition Action Plan (UNAP) including MAAIF, MoES, MoH, MTIC, MFPED and MoLG with the social development sector charged with community mobilization to increase demand for and uptake of nutrition services.

A community mobilization and Empowerment handbook (National Handbook for Community Development Officers and other stakeholders in Community Development) was developed and disseminated. The National Community Development Policy and Action Plan were also developed.

Strengthen the institutional capacity for the social development

The sector planned to achieve this objective by: supporting and strengthening institutional and human resources capacity and strengthening the social development sector management information system and monitoring and evaluation.

During the FY under review, the Social Development Sector (SDS) continued with the implementation of the SDS plan for statistics development. The SDS management Information System (MIS) was in place by the end of the FY. The harmonisation of the existing SDS monitoring and evaluation system with other systems was still on going.

4.3.8 Labour and Employment

Creation of gainful employment is one of the eight objectives of NDPI. The plan envisages creation of over 2.5 million jobs over the five year period of the NDPI. The jobs are expected to be created in agricultural value addition, services (ICT, tourism and trade), infrastructure development and the mining sector. NPA collaborated studies indicate that over 400,000 jobs were created in FY2013/14. These jobs were created mainly through the realisation of FDIs on the ground and through the local investments and the informal sector micro and small enterprises. The specific achievements within this thematic area are given in the sector objective based assessments below.

Create an enabling environment for increasing high quality employment

The sector planned to achieve this objective by implementing the existing policies, regulations, laws and guidelines. During the FY under review, the industrial court was fully constituted and its home secured. The labour market information data on Uganda was updated through data collection from vocational training institutions. In addition, guidelines for the Minimum Wage Advisory Board (MWAB) and its operations and cost implications were produced.

Develop a pool of non-formal employment skills in the country

The sector planned to achieve this objective through: promoting non-formal skills development; promoting institutional entrepreneurship development; promoting start-ups and youth entrepreneurship products to include graduate employment; increasing access to finance; and promote value-chains

During the year under review, the training syllabus for vocational rehabilitation institutions was finalized.

A number of trainings were conducted including; a training to equip PWDs with employable skills, training of youths in entrepreneurial and business skills , apprenticeship and vocational skills and youth livelihood programme. Also, the sector continued to support children in Institutions' for formal education. As part of the government program to provide seed capital, 197 youths from 12 districts (Arua, Kibaale, Busia, Mpigi, Kibaale, Pader, Lira, Kumi, Bushenyi, Gulu, Rukungiri and Katakwi) were provided with tool kits; and 20 Youth groups were empowered with start-up capital in the districts of Tororo, Adjumani and Sheema.

Additional measures to facilitate access to seed capital included establishment of the Youth Venture Capital Fund to be implemented by three Banks (Stanbic, Centenary and DFCU) through a MoU signed with the MFPED.

Achievements for 2013/14 also included the renovation of the Kobulin Youth Skills Centre and Kampiringisa National Rehabilitation Centre

Increase protection of workers through improved compliance with labour standards

The sector planned to achieve this objective by strengthening institutional capacity.

During the year under review, labour staffing levels were adequately enhanced at the centre and in the districts. In addition the sector continued with the routine inspections on occupational safety and health regulations at workplaces. The labour externalisation programme was strengthened through the issuance of guidelines to recruitment agencies and companies. Seven Private Recruitment Companies were licensed to participate in the Externalisation of Labour Programme.

Promote social dialogue and industrial harmony in the employment sub-sector

The sector planned to achieve this objective by strengthening social dialogue and tripartism. During the FY, the Industrial Tripartite Charter was signed between the government, employers and Workers' Representatives, 230 workers' complaints and disputes were settled and 100 reported complaints and disputes countrywide were conclusively investigated.

4.4 ENABLING SECTORS

4.4.1 Legislature

The legislature comprises Parliament and its functions of: enacting laws; oversight over the executive functions; and appropriation of budgets. Parliament currently comprises 383 Members of Parliament that include: 238Constituency Representatives, 112 District Woman Representatives, 10 Uganda People's Defence Forces Representatives, 5 Representatives of the Youth, 5 Representatives of Persons with Disabilities, 5 Representatives of Workers, and 13 ex officio Members. Parliament operates under a committee system: 10 Standing, 16 Sessional and Select committees.

The first four years of implementation of the NDPI, have seen the budget allocation to Legislature as a percentage of the National Budget declined in FY2013/14 to 2percent from 6percent in the previous FY2012/13 having increased from from 2percent in FY2010/11. This increase has largely been attributed to the increasing number of MPs arising from the creation of new districts, municipalities and Constituencies.

Table 17: Planned and actual Expenditures on Legislature

Sector	NDP Budget (UGX billion)				Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	Total	2010/11	2011/12	2012/13	2013/14
Legislature	121.7	137.1	154.4	1019.1	158	255	232.63	237.59
Budget share	1.6	1.5	1.5	1.4	2.32	1.79	6.28	2.0
Public expenditure on legislature to GDP (percent)	0.32	0.27	0.28	0.71	0.41	0.51	0.43	0.38

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

The performance of Parliament is assessed by each of the legislature thematic objective in the sections below.

To ensure effective legislation (legislative Agender)

The sector planned to achieve this objective through: improving the quality of research and support services to Members of Parliament; promoting researched, informed and knowkedge-based debates in Parliament; increasing advocacy and strengthening institutional relations amongst stakeholders involved in the legislative process; providing adequate space in the chambers, and for offices and committee meetings; enforcing the mandatory period of 45 days within which Bills must be attended to by committees; and empowering Parliament to print Bills for assent.

The capacity of Parliament continued to be strengthened through international exposure, participation in African, Commonwealth, and global Parliamentary association and other meetings. Parliamentary office and car parking space were expanded with most of the works for vertical extension of the Parliamentary buildings and the car park completed, which reduced the cost of renting offices for Parliamentarians.

However, the increased absenteeism of Members of Parliament in the plenary and committee meetings remains a big challenge.

Enhance effective representation of people's views in legislation and policy making (Representative Role)

The sector planned to achieve this objective by empowering citizens to demand MPs to actively participate in Parliamentary sessions and committee meetings.

During the FY under review, Parliament conducted a number of outreach sessions upcountry. These included sessions conducted in Fort Portal, Moroto, etc, which were supported by the United Nations Development Programme (UNDP). Parliament continued to support regular consultations by Members with their constituencies and whenever found necessary during the FY.

During the year, 19 bills were passed by Parliament, 60 sessional and standing committee sittings were held. All petitions to Parliament were disposed of within the financial year, all Ministerial Policy Statements were approved and 46 motions moved on the floor. Only two capacity building workshops and two outreach programmes carried out.

Strengthen the oversight function of Parliament over the executive

The sector planned to achieve this objective by strengthening Parliament's role and authority in overseeing the National Budget and Policy processes, service delivery and performance of the entire Government.

During the FY, Parliament reviewed and harmonised the Budget Act, 2001 and the Public Finance and Accountability Act, 2003 into the Public Finance Management Act, 2015. This was aimed at streamlining and updating the legal framework for management and accountability of public finance. Otherwise the Parliamentary oversight committees continued with the activities of oversight monitoring of policy and programme implementation by the executive and recommending timely rectification of omissions and errors. Under the chairmanship of the Chair of all the Parliamentary chairpersons, Parliament instituted an annual oversight report of Parliament, which will be produced annually to facilitate follow-up and continuity regarding recommendations arising from Parliamentary oversight functions.

4.4.2 Justice, Law and Order Sector

The NDP highlights a number of development strategies that have to be pursued by the Justice Law and Order Sector (JLOS) and these include: fostering the faster enactment and availability of laws and their continuous revision; promotion of the independence of the judiciary; enhancing due process; enhancing transparency, accountability and ethics across JLOS institutions; and creating more awareness on the value of administration of justice in the country; enhancing human rights awareness and practices at institutional and sectoral levels and reducing human rights violations in JLOS institutions; rationalizing physical access and availability of JLOS institutions and functions; minimizing financial bottlenecks hampering access to justice; promoting use of alternative conflict resolution mechanisms (ADR) and innovative approaches to enhance justice; supporting National Community Service program; strengthening capacity of local council courts to ease access to justice; and enhancing quality of delivery of justice and minimizing technicalities that hamper access to justice.

Others strategies to pursued are: enhancing JLOS response to crime; reducing the rate of recidivism; strengthening crime prevention mechanisms; promoting safety of persons and security of property; controlling, preventing and reducing proliferation of small arms and light weapons; increasing non-tax revenue collections; and strengthening JLOS contribution to creating an environment that enables Uganda comply with and take advantage of regional, bilateral and international trade agreements.

Progress against the sector objectives are elaborated in the sections below.

Promote rule of law and due process in Uganda.

The sector planned to achieve this objective by fostering independence of the judiciary, faster enactment and availability of laws and their continuous revision, transparency, accountability and ethics across JLOS; and creation of more awareness on value of administration of justice in the country.

During the FY2013/14, nineteen bills were drafted and published, a significant performance compared to the previous years (FY2012/13 and FY2011/12) when four bills and fourteen bills were drafted and published, respectively. Some of the these bills are: The Uganda Communication Act, Act 1 of 2013; National Council for Older Persons Act, Act 2 of 2013; Petroleum (Exploration, Development and Production) Act, 2013, Act No.3 of 2013; Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013, Act No.4 of 2013; Local Governments (Amendment) Act, 2013, Act No.5 of 2013; National Council for Disability (Amendment) Act, 2013, Act No.6 of 2013; Appropriation Act, Act No.7 of

2013; Geographical Indications Act, Act No.8 of 2013; Public Order Management Act, Act No.9 of 2013; Building Control Act, 2013, Act No.10 of 2013; and Uganda National Bureau of Standards (Amendment) Act, 2013, Act No.11 of 2013; and Anti-Money Laundering Act, 2013, Act No.12 of 2013. In addition, a number of out-dated laws were researched on by the Uganda Law Commission and amendments made. These include: The Births and Deaths Registration Act, Markets bill, Evidence Act, Witness protection bill, Prison Act, Money Lenders Act, Magistrate Court bill and Trial on Indictment Bill. In addition, the research for reform of Electoral laws and a new legislation to govern Mobile Money and Internet Banking Transactions was initiated.

In order to increase access to laws by the Citizens and enhance Justice, 42 statutory instruments, three ordinances and thirteen Legal notices were reviewed and published. Also two laws were simplified and translated into local languages for instance the Local Council Courts Act was translated into Ngakaramajong and Ateso.

Foster a culture of human rights observance across JLOS institution.

The sector planned to achieve this objective by enhancing human rights awareness and practices at institutional and sectoral levels and reduction in human rights violations in JLOS institutions.

During the year, UHRC conducted 163 tribunal cases of which 75 were decided in favour of the complainants, 28 were settled amicably by tribunal while 60 were dismissed due to lack enough evidence. The UHRC also mediated 96 cases. In addition, the Commission inspected 408 places of detention (222 were police posts, 103 police stations, 73 prisons, 5 places of emergencies and 5 military barracks) to analyze the human rights situation of detainees and working conditions of staff.

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

The sector planned to achieve this objective through: Rationalising physical access and availability of JLOS institutions and functions; Minimising financial bottlenecks hampering access to justice; promoting use of alternative conflict resolution mechanisms (ADR) and innovative approaches to enhance justice; Supporting National Community Service programme; Strengthening capacity of local council courts to ease access to justice; and enhancing quality of delivery of justice.

Access to justice for the poor and marginalized is achieved through quick disposal of court cases. During the FY2013/14, disposal of registered cases by the Judiciary slightly improved to 90.7 percent from 89.2 percent in FY2012/13. The disposal rate at the Supreme Court was 110.8 percent, 71.2 percent at the Court of Appeal and 100.6 percent at the Chief Magistrate Court. However disposal rates in the other Courts was on the decline with High Court at 63.8 percent, Magistrates Court Grade I at 92 percent and Magistrates Court Grade II at 94.5 percent from 65.7 percent, 95 percent and 97 percent in FY2012/13 respectively. Despite the improvement in disposal of cases, the number of pre-trial detainees continued to increase from 54.3 percent in FY 2012/13 to 55.9 percent in FY2013/14 with prisoner population increasing to a daily average of 39,794 against a holding capacity of 16,034 prisoners. This suggests delayed justice by the offenders and therefore needs to be addressed through recruitment of more judicial officers, investigators and prosecutors to manage the growing number of pre-trail detainees and increase access to Justice.

In an effort to create enough working space and also extend services closer to the people, the Sector completed construction of Makindye Family Court, the Judicial Studies Institute and Kayunga Grade 1 Courts. Renovation of the Soroti and Gulu High Courts and Paidha Magistrate Grade I Court was also completed.

The use of ADR mechanisms increased to 35.6 percent from 33 percent registered in FY2012/13 an indication of increased public confidence in the enforcement of existing laws and the use of Alternative Dispute Resolution (ADR) mechanisms.

Reduce the incidence of crime and promote safety of person and security of property.

The NDPI setout to achive this objective through: enhancing JLOS response to crime; reducing the rate of recidivism; strengthening crime prevention mechanisms; promoting safety of persons and security of property; and controlling, preventing and recuing proliferation of small arms and light weapons.

During the year, the country registered a 0.5 percent reduction (506 cases) from 100,465 cases recorded in 2012. While, the road traffic accidents reduced by 7.6 per cent (from 19,870 in 2012) in the same period. Equally the rate of recidivism reduced from from 26.7 percent to 26 percent as a result of intensified rehabilitation programs (agriculture, industries and formal education). 1500 offenders were rehabilitated and reintegrated to reduce recidivism.

In the FY2013/14, 20 new fire stations were established, increasing the number of fire stations to 40. The new stations include: Bushenyi, Kisoro, Kabale, Ntungamo, Buwama, Mubende, Mityana, Luwero, Masindi, Lira, Kitgum, Soroti, Moroto, Busia, Malaba, Iganga, Lugazi, Ntinda and Kololo, Mukono and Kajansi.

In a bid to continue with controlling, preventing and reducing proliferation of small arms and light weapons, the sector disseminated distributed 375 copies of the National Policy on Fire Arms in 15 Districts. The districts include: Kayunga, Mubende, Luwero, Nakasongola, Mpigi, Kabale, Kisoro, Kanungu, Ntungamo, Rukungiri, Ntoroko, Kasese, Bukwo, Kapchorwa and Bundibugyo.

Enhance JLOS contribution to economic development.

The sector planned to achieve this objective through: supporting production, competitiveness and wealth creation; increasing non-tax revenue collections and strengthening the sector contribution to creating an environment that enables Uganda comply with and taking advantage of regional, bilateral and international trade agreements.

In June 2013, the Online Business Licensing E-registry was launched to provide easy access to comprehensive information on licensing requirements for various business activities in Uganda.

Construction of One Stop Border Post (OSBP) commenced at four border points in Mutukula, Malaba, Katuna and Elegu. URSB partnered with URA and KCCA under the Tax Register Expansion Project (TREP). As a result a single floor services was introduced in the 5 Divisions of KCCA, with a Non-tax Revenue assessment centre, a bank (under the Diamond Trust Bank (DTB)-URSB Memorandum of Understanding) for instant payments. This has led to improved business registrations in the country.

On registration and identification of Citizens, by end of June 2014, 6.6 million Citizens eligible Ugandans had enrolled for the National Identity cards although the Sector had a target of 18.2million people. The sector also strengthened registration services during the FY2013/14 with the Uganda Registration Service Bureau issuing 655,534 birth certificates which is attributed to the Mobile Vital Records System (MVRS) in 135 hospitals and 11 districts countrywide and the UNICEF run Family Health Days which emphasize birth registration countrywide. Despite the improvements in birth registration, registration of trademarks and deaths remains a challenge that must be addressed.

4.4.3 National Defence and Security

This National Defence and security sector comprises the Ministry of Defense (MoD), Internal Security Organization (ISO) and External Security Organization (ESO), and other Security organisations. The key objectives of the sector are to preserve and defend the sovereignty and territorial integrity of Uganda, build adequate and credible defense to address both internal and external threats, provide intelligence information to support national security and stability, and create military alliances that enhance regional security and stability.

The proportion of the National budget to the Security sector has stagnated for the second running at 8.67 percent in FY13/14 having declined from 10.70 percent in FY2011/12. However, the allocations to the national budget have remained high compared with NDP targets for the Security sector. The share of public expenditure on National Defence and security to GDP slightly improved to 1.67 percent in FY2013/14 from 1.37 percent in FY2012/13 having declined from 1.97 percent in FY2011/12 and 5.23 percent in FY2010/11.

Table 18: Planned and actual Expenditures on national defence and security

Sector	NDP Budget (UGX billion)				Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	Total	2010/11	2011/12	2012/13	FY2013/14
Defence and security	501.8	587.9	655.5	4338.4	2,042	984	749.07	1,048.5
Budget share	6.4	6.4	6.2	6.2	8.29	10.70	8.67	8.67
Public expenditure on defence and security to GDP (percent)	0.047	0.30	0.64	0.44	5.23	1.97	1.37	1.67

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

Enhance the sectors capabilities

Sector capabilities are to be enhanced through human resource development, re-organisation and restructuring of the sector, strengthening of defence alliances, defence diplomacy, and reserve force.

During the FY13/14, the sector capabilities were enhanced through recruiting and training 3,000 soldiers according to capacity enhancement and attrition plans. These included cadets and recruits. In addition, 6,905 military personnel were equipped with specialized skills from both inland and abroad. Specifically, 20 courses were conducted inland and 34 abroad. 27 administration and support personnel were trained. (9 were trained in administration, 1 in counselling and guidance, 1 in human resource, 1 in planning, 5 in information technology, 2 in financial management, 2 in gender studies, 1 in procurement while others were trained in-house as groups)

To enhance efficiency as part of the sectors modernization program, the defence and security sector undertook a phased implementation of reviewed organisational structures. In FY 2013/14, decentralisation of the finance and procurement function to Air Force headquarters was undertaken. Consequently, a US/FA was designated to Air Force.

The sector acquired equipment worth shs.295, 125,600,000 to strengthen UPDF capability. In order to strengthen the defence alliances, and specifically participating in the negotiation and operationalization of Memoranda of Understanding (MoUs), Protocols and Treaties, the sector initiated one MoU with Egypt, however it was not finalised. However, the joint R&D that was planned to be carried out at National and Regional Levels has since not been done in FY 2013/14.

One new Career Defence Attaché was trained and deployed in DRC, and several reshuffles were conducted. Additionally, regional joint training exercises were conducted; EASF-FTX Mashariki Salam, and EAC-FTX in Burundi as a means to strengthen defence diplomacy.

Provide and ensure internal security

This sector planned to achieve this objective by strengthening of internal policing, early warning mechanisms, stopping the proliferation of small arms and light weapons and strengthening of joint border security coordination.

In FY 2013/14, UPDF upheld its Constitutional mandate of ensuring that the security of the people of Uganda and their property (national security) was maintained at “Medium-High”. This was ensured though the strengthening surveillance and ensuring national security. No armed groups were reported to be involved in cross-border conflicts during the financial year and the Allied Democratic Forces (ADF) that posed a serious security threat had been weakened by combined military action of the Congolese National Army, the FARDC with the assistance of the United Nations force in Congo (MONUSCO).

Develop physical infrastructure

The sector planned to achieve this objective by development of the Engineers Corp in the Army’s, improving office and accommodation infrastructure and social services infrastructure.

During the FY2013/14, the Sector continued to implement the Defence Strategic Infrastructure Investment Plan (DSIIP), which seeks to strengthen the logistical welfare support in terms of construction, rehabilitation and maintenance of new and old facilities in the areas of accommodation, training, health and storage facilities, and the general infrastructure, with the aim of consolidating the welfare of the national army.

Promote Innovation, Research and Development

There were a number of professionals identified, recruited and retrained to strengthen research and development. These included 127 medics, 42 sports personnel and 5 engineers. Raw materials required for the assembling of Nyoka armoured vehicles, overhaul of tanks and other motorised equipment were acquired. The sector in addition supported technology transfer by assembling at MAVEC a production line for armoured vehicles (Nyokas).

Improve staff welfare especially remuneration for the sector

The sector planned to achieve this objective by rationalizing salaries and wages for the army and police, improving working environment, pension and gratuity management, health services and improving SACCOs and Police and Army shops.

For the financial year under review, the Sector continued to enhance logistical support as reflected by purchase and supply of stocks such as food, fuel, spare parts and uniforms. During the FY 2013/14, the welfare of soldiers and their families was sustained through timely payment of salaries and wages, provision of medical care, clothing and duty free building materials from the Defence Shops. A total of 41,179 children were enrolled in UPDF formal schools as part of the programme for improving staff welfare.

The UPF using the hydra form technology constructed both office and staff accommodation in the PRDP areas including: Tororo Police station and Buliisa Police station was roofed. Construction was on-going for Manafwa, Yumbe, Busia and Lumino stations. The construction of accommodation blocks at Kabalye PTS and Kibuku were completed while Buliisa, Bududa and Bukwo barracks were roofed.

4.4.4 Environment

Environment management is critical for supporting sustainability of the benefits from nature, including economic growth. Environment encompasses atmospheric resources, water resources and wetlands, biodiversity and ecosystem health, land resources, fisheries resources, human settlement and infrastructure and energy resources. These resources play a pivotal role in the realization of sustainable development. Progress on implementation of the NDPI environment specific objectives in FY2013/14 are highlighted in the sections below.

Restore degraded ecosystems (wetlands, forests, rangelands and catchments) to appropriate levels

Uganda's forest cover declined from 4.9 million hectares in 2003 to 3.6 million hectares in 2013, that is, from 13 percent in 2008/9 to 10 percent in 2014. The target of 24 per cent forest cover to be achieved in the five years of NDPI is unlikely to be achieved.

The sector restored 86 ha of wetlands in Jinja, Mukono, Bushenyi and Masindi districts, and Makindye division in Kampala. Also 131kms of wetland boundary were demarcated in Gulu and Lira districts.

In a bid to support sustainable provision of ecosystem services through restoration of fragile ecosystems (river banks, lakeshores, hilly and mountainous areas, and wetlands), 2 rangeland Action plans for Kayunga and Nakasongola districts were prepared, started demarcation of R. Nile banks (approximately 10Kms).

Restoration of fragile ecosystems in the Lake Victoria basin, upper Nile and Lake Kyoga Catchment areas was carried out at community level and 150 Environmental Police Protection Unit facilitated to provide security and guard during inspection, demarcation and restorations.

Ensure sustainable management of environmental resources and minizise degradation

During the financial year under review, the sector mainstreamed and integrated environmental concerns in plans of MDAs related to environment (Agriculture, Health, Trade, Tourism, Works and Transport, Lands and Urban development, URA, UBOS) and 28 Local Governments. 40 teachers form Butaleja, 35 leaders (Deans, Lecturers, and

Administrators – non teaching Staff) of Busoga University, 40 teachers from Mbale sub region (Mbale, Manafwa, Bududa and Sironko) mainly tutors of St. John Bosco-Nyondo Core PTC were trained on mainstreaming environment into curriculum. Also supported was Uganda Martyrs University Nkozi and Busitema University. The National Environment management policy was reviewed and National Electronic waste management policy formulated. National Environment Impact Assessments Regulations were reviewed while the National Chemicals Regulations were drafted.

The sector undertook to strengthen institutional capacity for trans-boundary management of environment by signing the World Mountains Partnership. The Trans-boundary Agro-Ecosystem Management Project in the Kagera Basin: Rwanda, Burundi, Uganda and Tanzania and the MERCEP- Mount Elgon Regional Ecosystem Conservation and Environment project were started. The Sector domesticated and implemented: CBD, Basal convention, Rotterdam Convention, Stockholm Convention, Montreal Protocol, AMCEN, Libreville declaration on Health and Environment. Awareness programmes were conducted for Oil and Gas and in 12 municipalities on Municipal waste management. Partnered with; UNDP, World Bank, IIUCN, GEF, UNEP, WCS for monitoring environmental and spill over effects.

Identify and address emerging environmental issues and opportunities

During the financial year under review, the e-waste management policy was in place and a strategic environment assessment for the Albertine graben was conducted will environmental data compiled. However, there are no physical collection centres are in place. Awareness campaigns were continuously conducted at sectoral and Local Government's through meetings. The National environment Act is under review to include management of chemicals. By the end of financial year, 12 municipalities of Kabale Mbarara, Hoima, Masindi, Mukono, Mbale, Lira, Arua, Fort Portal, Kasese, Soroti, and Jinja had functioning waste management plants.

In the period under review, indicators were developed, data collection begun as the first phase of the environmental database compilation and publishing of the environment atlas. The Strategic Environment Assessment (SEA) for the Albertine Graben was completed and awaiting approval by the Cabinet.

4.4.5 Climate Change

Uganda has established regional and international partnerships for combating climate change. The country is implementing both mitigation and adaptation measures, which have been institutionalised within the functions of all MDAs and local governments.

The achivements made on the Climate Change thematic area are outlined by each NDPI thematic objective in the sections below.

Develop National Capacity for coordination and implementation of climate change adaptation and mitigation activities in the country in support of social welfare and national development.

This objective was to be achieved by addressing legal and institutional frameworks necessary for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC);

During the period under review, the national Forum on Uganda's position to UNFCCC-COP 19 was developed. The National Climate Change Policy was approved by the National Environment Policy Committee and submitted to Cabinet. Uganda officially joined the NAP Global Support Programme to initiate the NAP Process in the Country. An Inter-Institutional Climate Change Technical Committee (IICCTC) was constituted by the climate change desk officers from various public and private institutions.

Ensure climate proof development planning

This objective was to be achieved by re-defining climate change as a development issue. In FY2013/14, a memorandum of Understanding was signed between the Ministry of Water and Environment and National Curriculum Development Centre (NCDC) to integrate climate change in the national education curriculum for both Primary and secondary education and materials/education contents for primary and a teachers' resource book for secondary were produced.

Specific trainings were held in the four NAPA Pilot Projects in four districts (Apac, Pallsia, Nakasongola, and Bundibudyo). Research on gender and climate change was under taken in collaboration with Mukerere University. This was aimed at increasing climate change awareness, training and education at all levels.

A National Strategy on Human Resources learning and skills development to address climate change in Uganda was also developed and launched in 2013. A Training manual in Climate change and Gender has been developed in Collaboration with Makerere University, University of Iceland GEST programme, ICEIDA, MoGLSD.

Mainstreaming guidelines, with a strategy to climate proof development initiatives for use at all levels of Government Mainstreaming have been developed and validated.

Promote low carbon economic development path

This objective was to be achieved by providing and promoting incentives for clean development. During the financial year under review, awareness and sensitisation programmes on climate change in general and specific aspects like mitigation, adaptation (Carbon Trade and REDD) were held for parliamentarians, permanent secretaries, sector officials, district officials, civil society and teachers. A National Approprate Mitgation Action (NAMA) framework was developed, validated by stakeholders and submitted to UNFCCC secretariat. A sustainable development (SD) criterion for CDM was developed to facilitate documentation of the CDM projects contribution to national sustainable development.

Meet Uganda's international obligations

This objective was to be achieved by implementing climate change conventions. In the FY2013/14, CCU/MWE continued to spearhead the development of the country's position through National climate change Fora and key working groups which have been formed around thematic negotiation agenda items on adaptation, mitigation, technology, capacity building, financing and shared vision.

In implementing COP decisions, Uganda has demonstrated able leadership in the coordination of several issues, especially, shared vision, technology and finance, on behalf of the LDCs and Africa. For instance; Uganda was elected as the LDC representative on the Finance Standing Committee, which is part of the governance structures in the Financial Mechanisms (including the Green Climate Fund) of the UNFCCC Conference of the Parties. Uganda was also elected as Africa's representative on the Joint Implementation Supervisory Cmmittee, which is a body to monitor compliance in the mitigation efforts by the developed countries. Uganda is also vice chair on the Technology Advisory Board of the Technology Mechanism of the UNFCCC.

4.4.6 Water Resource Management

Uganda's water resources are trans-boundary in nature and thus require strategic regional and international cooperation. The challenges the country faces are related to ensuring increased socio-economic benefits and sustainable management of water resources for the present and future generation. The economic activities which rely on water resources include domestic water consumption, livestock watering, industrial and commercial water supply, hydropower generation, irrigated agriculture, marine transport, fisheries, waste discharge, tourism and environmental conservation.

Access to improved water source in rural areas continues to stagnate at 64 percent for the third year running having fallen from 65 percent in FY2010/11 and FY2008/09. The average functionality of rural water supplies in FY12/13 was 84 percent, from 83 percent in the FY 2011/12 but still far below the target of 100 percent by 2015. The stagnation in rural areas is attributed to which is mainly attributed to the inadequate funding to district local governments which are charged with the responsibility of water and sanitation service provision.

Ensure sustainable utilization of water resources to maximise benefits for the present and future generation

This objective is to be realised by promoting cooperation for equitable and sustainable utilization of shared water resources of the Nile and Lake Victoria Basins.

During the period under review, extension workers in 16 districts were trained and facilitated in groundwater data collection. One officer participated in the review of the NBI communication strategy. The sector in addition, coordinated Sio-Malaba-Malakisi River Basin Project feasibility and ESIA Studies for Bulusambu Dam in Mbale district to provide water to among others, Doho irrigation Scheme.
In raising awareness, building capacity and confidence in trans-boundary water resources issues, a workshop was held to review the draft strategy report for Aswa Multipurpose project. One community sensitization meeting held in Mbale and Butaleja District for the Bulusambu, 2 Radio Talk Shows facilitated in Mbale with key political and community stakeholders over the proposed Bulusambu Dam in Mable.

Water quality Tools and Information management systems (MISs) have been developed and linked to regional laboratories and automated on-line Gas Chromatograph/Mass Spectrometer for trans-boundary water resources management.

Ensure sustainable utilisation of water resources to maximize benefits for the present and future generations.

This objective is to be realised through monitoring the quantity and quality of water resources in the country; Fostering partnerships with relevant agencies to ensure proper use and protection of catchments to minimize degradation of water resources; promoting cost effective planning and development of water resources; strengthening the national data and Management Information System (MIS) for water resources management and development; and decentralizing the management of water resources to the lowest appropriate scientific level (water management zones, catchments and or basins). Other means to be pursued to achieve the objective by the sub sector include: strengthening of national and regional capacity for water quality analysis; improving regulation and management procedures of large and small hydraulic works; strengthening the management and use of water reservoirs for fisheries, hydropower and lake transport; and strengthening regulation of water use and waste water discharge to safeguard the water resources from over exploitation and pollution.

In FY2013/14, in order to improve the water monitoring network, rain gauges were repaired at the different groundwater monitoring stations (Kampala, Masindi and Hoima). The sector also rehabilitated 4 river gauging stations, 3 automatic weather stations and 19 rain gauges in the Kyoga Basin.

By way of continuously collecting, processing, analyzing data and disseminating it to the relevant stakeholders in a timely manner, a total of 358 and 307 entries made into the surface water and groundwater databases respectively. Data for 10 rivers and ground water was requested for by 7 clients and was dully provided. 3 databases for surface, groundwater and GIS operated and maintained and 2 groundwater monitoring summary reports completed.

Although the sector participated in 3 thematic meetings for Storm water management; DWRM-GIZ Cooperation under Climate Change adaptation, a national strategy for storm water control and utilization has not been prepared.

In fostering partnerships with relevant agencies to ensure proper use and protection of catchments to minimize degradation of water resources, the sector signed an MoU with Uganda Cleaner Production Centre to undertake to support industries on best practices of pollution control in Inner Murchison Bay.

There has since been no National Water Resources Institute to develop human resource capacity in Integrated Water Resources Management (IWRM) approaches established in the fourth year of implementation of the NDP. However, the sector has continued to train staff on IWRM from abroad and within the region through other Regional Initiatives like NBI-NELSAP (4 trained), Chinese Cooperation (1 trained) with Uganda and through IGAD (3 trained).

Various drainage maps have been produced depending on level of detail including bathymetry maps for some sections of Lake Victoria (Bukakata - Kalangala). Groundwater maps have also been produced and disseminated to potential users. However, the planned key reports such as Hydrological yearbook arising from assessing national and regional water resources (quantity and quality) to guide planning and development activities have since not been undertaken.

In supporting the establishment and functionality of four water management zones, the sector developed National Water Resources Development and Management strategy which at 80 percent.

Strengthening of central (DWRM) and regional level institutions (Water Management Zones) for effective water resources management continued through a number of training courses and attachment of a Germany volunteer by Germany Government. Detailed catchment management and investment plans including for 5 Catchments of Mpanga Semiliki, Aswa, Rwizi and Nyamwamba have been completed.

To continuously carry out water quality analysis on water bodies and water for consumption 1,883 water and wastewater samples from water Quality Monitoring network were tested and reports disseminated.

In FY2013/14, 22 new water permit applications were assessed and permit issued, 14 water permits were renewed, compliance monitoring and enforcement of water permit conditions undertaken for 40 permit holders. This is to ensure compliance with regulations resulting from regular inspection.

Support the sustainable exploitation of water resources for economic activities

This objective is to be realised by promoting use of water resources to increase the per capita withdraw target. However, there is not enough evidence on how the sector has promoted water use in various sectors of the economy.

4.4.7 Meteorology

Wetlands are recognised as national assets for development and an enabling resource for sectors such as agriculture/fisheries, health, tourism and energy. Major wetland types include seasonally flooded grasslands, swamp forest, permanently flooded papyrus, grass swamps and upland bogs. Despite the efforts by the Sector, the wetland coverage continues to decline from 15.6 percent (of Uganda's total Land surface area) in FY1994/95 to 13 percent in FY11/12 to 11 percent in FY2012/13 and 10.9 percent in FYs 2013/14. The deterioration has largely been due to the unabated encroachment on these wetlands for both agriculture and commercial purposes at the expense of the environment.

Progress against the sector are elaborated under the relevant sector objectives

Enhance the sustainable use of wetlands in order to achieve the optimum, ecological value and socio-economic benefits for development

This objective was to be achieved by conserving the biodiversity and enhancing the ecological values of the wetlands; ensuring sustainable use of wetlands for economic purposes; instituting and operationalizing appropriate policy, legal and institutional frameworks; and restoring degraded wetlands and ensuring sustainable management of wetlands.

During the FY2013/14, the National Wetlands Information System (NWIS) was up-graded into Arc-Map 10.1 software and linked to 04 RTSUs and 20 pilot LGs in a way of strengthening national data and information for wetland management. A compliance monitoring and enforcement strategy has been put in place to as monitoring system to assess and enhance the value of wetlands.

The sector continued to ensure increased awareness and political support for sustainable wetland management by commemorating World wetland days and the World Environment day.

Surveys and Mapping and land registry of the Ministry of Lands, Housing and Urban Development coded for gazettement of 17 critical urban wetlands. Two socio-economic and wetland valuation studies were also conducted in critical and vital wetlands.

By enhancing community involvement in wetland management, FY2013/14 saw 18 community based wetland management plans developed with identified income generation options. Three market centres have been established for wetland products and services countrywide. Four degraded wetland sites measuring 302 Ha restored in the financial year and five framework management plans for wetland systems were developed and are being implemented. The sector also developed and implemented 12 community wetland management plans. Three Wetland education and information centres were established although 09 more are yet to be established in the remaining RANSAR site wetlands.

4.4.8 Wetland Management

Wetlands are recognised as national assets for development and an enabling resource for sectors such as agriculture/fisheries, health, tourism and energy. Major wetland types include seasonally flooded grasslands, swamp forest, permanently flooded papyrus, grass swamps and upland bogs. Despite the efforts by the Sector, the wetland coverage continued to decline from 15.6 percent (of Uganda's total Land surface area) in FY1994/95 to 13 percent in FY11/12 to 11 percent in FY2012/13 and 10.9 percent in FYs 2013/14. The deterioration has largely been due to the unabated encroachment on these wetlands for both agriculture and commercial purposes at the expense of the environment.

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Enhance the sustainable use of wetlands in order to achieve the optimum, ecological value and socio-economic benefits for development

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During the FY2013/14, the National Wetlands Information System (NWIS) was up-graded into Arc-Map 10.1 software and linked to 04 RTSUs and 20 pilot LGs in a way of strengthening national data and information for wetland management. A compliance monitoring and enforcement strategy has been put in place to as monitoring system to assess and enhance the value of wetlands.

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4.4.9 Development of National Statistics

The NDPI recognises statistics as important for public policy and programme formulation, implementation, monitoring and evaluation. Statistics also support implementation of private sector, civil society and academia activities. The main sources of statistics are: administrative records of sectors, ministries, departments, agencies and local governments, which are primary data collection undertaken during implementation of policies and programmes; censuses and sample surveys conducted by the Uganda Bureau of Statistics; and data from official secondary publications by recognised national and international agencies. The development of national statistics involves strengthening capacity at various levels of education and training. This calls for measures that include enhancing the teaching of mathematics in schools and increasing the quality and numbers of graduates of statistics related graduates. The need to ensure availability of lecturers and reduce their scarcity in some of the areas in this discipline also requires increasing investment for postgraduates to acquire PhDs

The progress made on this thematic area are outlined in the sections below.

Improve the availability and quality of sector statistics

This objective was to be achieved by operationalizing the plan for National Statistical development (PNSD) and improving the use of statistics by MDAs and promoting information sharing at the national level.

During FY2013/14, UBOS provided technical support to MDAs on methodology aspects where six (6) MDAs implementing the PSDND produced individual/ MDA specific Statistics Abstracts for 2012. UBOS collaborated with MDAs to mainstream gender statistics, and produced the Gender Facts and Figures, Compendium of Gender statistics and Gender profiles for Education, Health, Agriculture, Justice, and Energy. It also compiled Metadata for the Core list of indicators for 14 selected MDAs, and updated the Ugandainfo database.

Strengthen institutional capacity of UBOS for effective coordination of National Statistics

This objective was to be achieved by instituting a consistent and coherent framework for coordination of the National Statistical System (NSS); and training and retaining personnel to facilitate fulfillment of UBOS mandate and functions for implementation of the NSS;

During the period under review, UBOS held discussions with MoFPED to Amend the UBOS Act, 1998 to empower UBOS to manage the NSS and to define the role of MDAs and LGs within the NSS framework. Indications are that the current Act is satisfactory and need regulations to operationalize the Act. UBOS is therefore developing regulations for the UBOS Act in collaboration with MoJICA.

UBOS staff attended training courses supported by GOU, the Country Capacity Building Programme (UCCBP) and scholarships offered by development partners. The training is geared towards providing the staff with leadership skills in the implementation and roll out of the NSS.

In addition, UBOS undertook monitoring of indicators including; the Producer Price Index (PPI), Construction Sector Index (CSI) and Consumer Price Index (CPI) in May and June 2014. Only the Ministry of Education and Sports and Ministry of Gender, Labour and Social development were supported with Statisticians, however, the need for more statisticians in MDAs is key especially, MTIC, MoLG, Development Network for Indegenous Voluntary Associations (DENIVA) and Directorate of Immigration and Citizenship Control (DCIC).

In FY2013/14, UBOS developed a publicity strategy for the Census, and a draft dissemination strategy which is due to be finalised. An online version of the UgandaInfo 7.0 database was launched and the Uganda standards US$ 942 and US$ 943 disseminated. In creating a framework for statistical information sharing, a UBOS Statistical release Calendar was annually produced and posted to the website- www.ubos.org. Regular production and dissemination of reports includes: Annual Statistical Abstract, Survey Reports, and Press Releases. A User Satisfaction Survey in the future will further inform this exchange.

Strengthen LGs in data generation and dissemination

This objective was to be achieved by developing LG institutional capacity for generation and use of statistics. In FY 2013/14, the Bureau embarked on the revision of the Community Information System (CIS) Strategy document. Selected LGs were also supported to review and update strategic plans for statistics.

Train, build capacity and retain statisticians in key relevant areas /fields

The objective was to be achieved by availing short-to medium-term support to key tertiary training institutions; developing a critical mass of local tertiary institutional staff to provide graduate training in priority areas; and revive the East and Central African Regional Statistics training programme.

During the FY203/14, UBOS occasionally provides support to tertiary institutions although this is not its main function. The Bureau also collaborated with Universities teaching statistics to conduct an internship programme for students of statistics.

The requirement by the NDPI to put in place deliberate programmes for creating critical mass of local tertiary institutional staff to provide graduate training in priority areas and the revival of the East and Central African Regional Statistics training programme are yet to be implemented by both the Ministry of Education and Sports and Mukerere School of Statistics.

Improve availability of national statistics

This objective was to be achieved by; generating social-economic indicators and population data. During the reporting period, Surveys and survey reports have since been produced and some of them include: Uganda National Household Survey 2012/14; Uganda National Panel

Survey (UNPS) 2013/14; The National Labour Force and Child Activities; The National Labour Force Survey; Uganda National Census of Agriculture (UCA); Weekly and monthly CPI, Quarterly PPI-M, CSI, PPI-HR, AGDP and QGDP for fy2010/11 and CY2010; The Business Atlas; The 2011 Census of Business Establishments (COBE) and the Uganda Business Inquiry (UBI); The Informal Cross Border Trade (ICBT); and Uganda National Household Survey 2012/13.

The MDAs conducted the following Surveys; Annual School Census and verification exercise by MoES; Gender Based Violence Survey by MGLSD and UBOS; The Expenditure and Motivation Survey of Tourism by MTTI; The external Sector Statistics Surveys by BOU; National Governance Survey; and Global Adult Tobacco Survey (GATS) by MoH.

4.4.10 Standards and Quality Infrastructure

Promote the use of standards and quality infrastructure to improve the competiveness and safety of Ugandan products, processes and service delivery systems in domestic, regional and international markets.

Strategies to be pursued under Standards and quality infrastructure include; adopting the use of standards in public policy and legislation; setting up a national conformity assessment regime that provides confidence in national capacity and competences in line with market requirements; developing and maintaining institutional capacity for development, analysis, implementation and dissemination of laws, regulations and standards in line with demonstrated priorities and anticipated needs in standardization; increasing awareness on standardization among public and private sector decision makers to enhance competitiveness and improve consumer protection; establishing a national co-ordination framework to enhance cooperation and coherence within the National standardization system; promoting the application and use of standards in industry to enhance quality and competitiveness; and evolving innovative and sustainable funding business models to attract increased funding.

During the period under review, Uganda Nationa Bureau of Standards (UNBS) continued to build capacity for control of counterfeit imports and maintanence of standards for exported products. This involved recruitment of more staff and strengthening collaboration with other agencies such as URA and Immigration for effective execution of the agency's mandate. Also, construction of the UNBS home continued and the laboratory testing capacities were also strengthened through installation of additional modern equipment.

In the effort to ensure quality infrastructure and service delivery, the National Planning Authority together with UNBS and relevant stakeholder institutions embarked on the development of service and service delivery standards for five sectors (health, education, physical planning, housing and environment).

4.4.11 Public Sector Management

The NDPI identifies weak public sector management (PSM) across government as one of the key constraints to rapid growth and socio-economic transformation. The Plan highlights weaknesses in public policies, regulations and legal frameworks among the major challenges for enhancing productivity. Others include: weak institutional frameworks, duplication of roles and weak implementation coordination, among others. The Plan advocates for restructuring of Government and gradual review of policies, regulations and legal frameworks to align them to the achievement of the National Vision 2040.

The specific achievements against the public sector management thematic area are outlined in the sections below.

Strengthen the policy, legal and regulatory framework.

This NDPI public sector management objective is planned to be achieved through: strengthening the public policy formulation snd implementation and legal framework; separating the role of regulation from that of planning and implementation across MDAs; and strengthening policy planning frameworks in Government.

During the FY under review, the use of the NDPI as the basis for policy making and implementation was strengthened through creation of the Presidential Advisory Budget Committee of Parliament, aimed at aligning the National Budget to implementation of the NDPI and the ruling Party Manifesto. The NPA Chairperson is a member of the Committee and NPA plays a key role in determining the budget priorities for funding. Also, frameworks for implementing the PPP Policy were designed following studies for re-organization of MFPED and the re-establishment of the Uganda Development Corporation to spearhead public investments and partnerships with the private sector.

However, a lot still remains untackled regarding the proposed interventions for strengthening the policy, legal and regulatory framework. These include: rationalising the function of policy coordination in Government and strengthening the Cabinet Secretariat to effectively analyse policies before approval; reviewing the framework for oversight of privitised institutions; and separating regulation functions in MWE, MoWT and MAAIF from planning and policy, implementation and operations and maintenance, among others.

To rationalise the public sector institutions to deliver NDP objectives

Efficiency and effectiveness in Public Sector Management is to be achieved through: the review of institutional mandates, roles, responsibilities and structures; ensuring that the NDPI is operational; providing adequate oversight and reporting on the Plans and Vision 2040; and building of sustainable capacity for Sectors and Local Governments for development planning.

During FY2013/14, the recommendation to decongest MoES by returning training agencies to respective Ministries continued to be implemented. The NPA also conducted the NDPI Mid-Term Review and the findings and recommendations are being used to develop the NDPII. In addition, the LG Planning Guidelines were developed and disseminated.

However, many of the NDPI recommendations for rationalising public institutions remain unimplemented. These include: ensuring that the Ministry responsible for labour and social protection is fully responsible for the NSSF; and reviewing the policy framework of the Ministry responsible for ICT with a view to create a Ministry of Science, Technology, Innovation and ICT; among others.

Strengthen human resource capacity

The NDPI planned to achieve the national human resource capacity objective through: developing the national human resource plan; developing and maintaining skilled, able and committed human resource in public service.

During the period under review, the country continued to be unable to conduct the National Human Resource Survey due to resource constraints. Otherwise, the public service continued to be strengthened across Government through recruitment and various training. The Public Service College was made fully operational.

Enhance Performance of the public sector

This objective is planned to be achieved through: implementation of an accelerated pay reform strategy; implementation of the pension reform strategy; institutionalising a Result-Oriented performance management system; strengthening public service delivery accountability; improving public and media relations management; improving work facilities and environment; strengthening the records and information management systems; ensuring adequate funding to priority public service delivery functions; improving value for money and accountability; and strengthening coordination of implementation.

During FY2013/14, the Integrated Personnel and Pay-Roll was made rolled out to all Ministries and agencies that receive wages from the consolidated fund. In order to strengthen public service delivery accountability, the NPA began coordination of stakeholder institutions to prepare service and service delivery standards. The Access to Information Act, 2006, was also operationalized. The others implemented include: production of client charters in most Ministries and agencies of Government; and enforcing the leadership code and procuting corrupt officials

However, most of the interventions aimed at enhancing the performance of the public sector are yet to be implemented.

Ensure that all national, sectoral and LG Plans are responsive to the plight of the special interest groups

This objective is planned to be achieved by implementing special and affirmative action programmes and strengthening capacity for mainstreaming cross-cutting issues into the national, sectoral and LG Plans.

During FY2013/14, affirmative action programmes continued to be resourced and supported in various ways across sectors. The Gender, HIV/AIDS, environmental and climate change issues continued to be mainstreamed within Plans across Government. The capacity of MDAs to mainstream all cross-cutting issues also continued to be strengthened.

Ensure that NDPs and programmes and respective interventions achieve the intended goals of social economic transformation.

This objective was planned to be achieved through: effective monitoring and evaluation of NDPs and the Vision Framework; maintaining essential linkages with key stakeholders in development planning and dialogue; and global benchmarking for better planning.

In FY2013/14, the NPA the alignment of the National Budget to the NDPI was strengthened. Monitoring of the implementation of the NDPI was also strengthened by including a chapter on the NDPI in the GAPR. The Policy dialogue debates were also made regular with the signing of an MOU between NPA and Accord International. Planning capacity was also further strengthened through exposure study tours and international meetings. The Authority also produced four (4) Presidential Economic Council (PEC) papers on; (i) Scaling up Value Addition in Agricultural Products, (ii) enhancing Uganda‟s tourism sector for growth and employment; and (iii) Investment Partnerships for Embedding Foreign Direct Investments in Uganda and (iv) accelerating the mining, value addition and use of key minerals in building an integrated economy.

However, a significant number of planned interventions remained untackled such as the establishment of the research fund.

Ensure proper coordination of continental, regional and national cross-sectoral development initiatives.

This objective was intended to be achieved through: coordination of NEPAD initiatives in Uganda; and coordination of the implementation of the Uganda Country Capacity Building Programme (UCCBP).

During FY3013/14, the annual performance report on the African Peer Review Programme (APRM) was produced and presented by H.E the President in Addis Abbaba, Ethiopia. The successor capacity building programme to UCCBP is yet to be formulated.

4.4.12 Accountability Sector

Enhance the principled for value for money in management of public funds

This objective under the accountability sector is to be achieved through a number of strategies which include: ensuring efficient use of Government resources for better service delivery; ensuring effectiveness and impact of accountability policy and action; strengthening the sector to ensure efficiency and effectiveness in the implementation of broad accountability agenda; and establishing sector-wide professional standards and developing capacity building programs.

The Ministry continued to ensure efficiency and effectiveness in Budget allocation and execution to ensure Value for Money. This was carried out through providing capacity building for staff to enable them carry out their duties and responsibilities in a professional manner and in accordance with the law. In addition to professionalization of the different cadres in the Ministry, proper staffing tools are availed to foster accuracy, effectiveness and service delivery in a timely manner. Adherence to laws, standards, guidelines, policies and procedures ensured. Financial Management Systems like the finalised TSA Guidelines are in place reviewed for compliance & Quality Assurance. These provide regular assessment mechanisms to track compliance levels

Foster compliance with accountability policies services delivery standards and regulations for better governance

To Increase the number of audits, investigations and prosecutions, the sector 13 produced supervisory reports on Internal Audit activities in regional hospitals. The exercise also had special review on regional workshops in the Hospitals where 4 draft reports for 4 sector audit committees produced. Furthermore, 24 inspection reports from District Local Governments of; Bulambuli, Sironko, Kyegegwa, Kyenjonjo, Maracha, Koboko, Bukomansimbi, Sembabule, Kamwenge, Kasese, Arua, Arua MC, Nebbi, Kiboga, Kyankwanzi, Pallisa, Gulu, Oyam, Buikwe, Kayunga, Kisoro, Kabale, Ngora and Serere were produced.

Promote research and usage of sectoral information to improve public awareness

The sector also produced an Accountability Sector Strategic Investment Plan, 2014 – 2019 with a theme *"Transparency and Accountability in public service delivery"* so as to promote informed decision making and usage of data.

Enhance the contribution of the Accountability Sector to economic growth and development

Overall, in FY 2013/14, the economic growth slowed-down as evidenced by the decline in GDP by 0.4 percentage points from 5.1 per cent in FY 2012/13 to 4.7 per cent in FY 2013/14 due to lower private investment outturns and slow sectoral growth of the telecommunications subsector and fisheries subsectors despite stable inflation at 6.7 per cent. Revenue as a share of GDP fell 0.1 percentage points from 13.4 per cent in FY 2012/13 to 13.3 per cent in FY 2013/14. The decline in performance in revenue collection was attributed mainly to the shilling appreciation and lower domestic demand during the year.

The total revenue outturn for FY 2013/14 amounted to UGX 8.2 trillion against the target of UGX 8.7trillion thereby registering a deficit of UGX 505.9 billion and performance of 94 per cent Despite the deficit, revenue outturn grew by 12 per cent against the FY 2012/13 outturn. Domestic taxes revenue collections for the FY 2013/14 was UGX 4,671.26 billion against a target of UGX 5,135.43 billion1, registering a deficit of UGX 464.22 billion. However, compared to the same period in FY 2012/13, there was a growth in revenue of 9 per cent (UGX 396.49 billion). The performance in domestic taxes at 91 per cent was attributed to good performance of PAYE which registered surplus of UGX41.33 billion and increased returns of some sectors, e.g. the oil and gas and banking sectors influenced by the growth of their payrolls coupled with payment of bonus and gratuity by some employers.

Customs revenue collections grew by 16 per cent (UGX 477.48 billion) from UGX 3,070.52 billion in FY2012/13 to UGX 3,548 billion in FY2013/14. The performance of customs revenue collections at 99 per cent (UGX 3548 billion against annual target of UGX3589.68 billion) was attributed to good performance in petroleum duty which registered UGX 55.11 billion surplus, The implementation of the single Customs territory has reduced clearance time from 18 days to 4 days from Mombasa to Malaba/Busia border and there is an improved compliance control of fuel products hence the contributed to customs taxes collection. UGX 139.94 billion was collected against annual target of UGX 182.13 billion in Non-Tax Revenue (NTR). In addition, the Ministry mobilized UGX 1135 billion from tax appeals. The performance was attributed to high value tax dispute between Tullow and Uganda Revenue Authority. The percentage of external resources to the national budget reduced from 23 per cent in FY 2012/13 to 13 per cent in FY 2013/14.

The arrears against total expenditures in FY N-2 (2011/12) reduced to 3.5 per cent against annual target of 4 per cent. It is worth noting that despite the reduction in arrears relative to total expenditure, domestic arrears figures are on steady increase in real terms, indicating that commitment control system is not working or it is not adequately implemented. The debt stock for domestic taxes was UGX 186.59 billion as at the end of the first quarter of FY 2013/14. A total of UGX 22.92 billion was recovered in first quarter of FY 2013/14.

The Ministry continued to strengthen the capacity of Savings and Credit Co-operatives (SACCOs). In FY2013/14, the Ministry mentored 296 SACCOs on governance, Loan Management and savings mobilization against annual target of 300 SACCOs. The sector also provided special training to 150 SACCOs as planned. The Ministry reviewed the draft Tier IV Microfinance Bill to ensure sustainable delivery of financial services in the country. The Tier IV Microfinance Bill is not yet formulated due to delayed harmonization with MTIC. The MDI Act has been delayed by new developments in the Sector that need to be incorporated. These include like Assert criteria provisioning, Agency banking, Banking using Islamic Principles among others. The Microfinance Regulatory Authority (MRA) was not established because the Tier IV Microfinance Law is not yet passed by Parliament. Establishment of UMRA is part of implementation of the Tier IV Microfinance Law

4.4.13 Disaster Management

Reduce the social, economic and environmental impacts of disasters on people and the economy

This objective is to be achieved by developing an appropriate policy, legal and regulatory framework for handling national disasters; enhancing capacity of Government, Private Sector and Civil Society's for disaster preparedness and management; and ensuring rehabilitation and long term welfare of disaster affected communities.

During the FY2013/14, a popular version of the National Policy for Disaster Preparedness and Management was launched. International Days for Disaster Risk Reduction and Peace were coordinated, which facilitated advocacy, sensitization/awareness creation on these matters. In addition, the sector was able to facilitate the risk, hazard and vulnerability mapping for Rwenzori and Teso sub-regions and in addition prepared early warning messages for Radio west. 51 risk, hazard and vulnerability assessments were conducted and ten District Disaster Management Committees (DDMCs) were established and trained. The capacity to detect and manage disaster still remains very low and therefore requires urgent attention. Assessed 41 districts affected by disasters like hailstorms, floods, drought internal displacement and refugee influxes and reports written, against which interventions were made.

Reduce natural and eliminate human induced disaster risks

This objective is to be realised by ensuring sustainable financing of national response to natural and human-induced disasters; and developing a quick response mechanism to disasters.

There is no effort put towards establishment and implementation of the National Contingency Fund, a National Disaster Training Institute and a National Emergency Coordination and Operations Centre (NECOC).

Promote and uphold the rights of refugees

This objective is to be realised by supporting refugees attain durable solutions. During the FY2013/14, the sector continued to maintain refugee resettlement schemes, implementing income generating programmes to promote self-reliance of refugees; promote repatriation of refugees and facilitating repatriation of refugees to a third country.

4.4.14 SUB-NATIONAL DEVELOPMENT

Enhance democratic and political governance

This objective is to be achieved by harmonizing Local Government policies, laws and regulations with those at the national level; streamlining the mandates and functions between Parliamentary Accounts Committee and the Local Government Public Accounts Committee; and reviewing the LG by-laws and ordinances.

Support affirmative action for post conflict and marginalized areas

This objective is to be achieved by ensuring stabilization in order to consolidate peace and lay foundation for recovery and development in Northern Uganda through implementation of PRDP; focussing on the implementation of the Karamoja Integrated Disarmament and Development Programme (KIDDP); finalizing and implementing the Luwero-Rwenzori Development Plan (LRDP) as an integrated affirmative and recovery plan for the 29 districts that were affected by insurgency; and providing support, under the broader PRDP framework, to household income enhancement initiatives of the poor and improve public infrastructure, access and utilisation of basic services in underserved communities through implementation of the Second Northern Uganda Social Action Fund (NUSAF2).

During the FY2013/14, Government through School Facility Grant (SFG) and PRDP has put in place many classrooms, staff houses, desks, latrine stances in the PRDP region. The availability of these facilities has attracted many pupils to schools and rate of enrolment of pupils has surpassed the rate at which teachers are being recruited. As a result, the pupil teacher ratio (PTR) has gone up instead of going down, the government should consider recruiting more teachers to catch up with increasing enrolment.

The Ministry of Karamoja Affairs in partnership with the Ministry of Water and Environment (MoWE) has constructed 22 valley tanks; Six (6) in Moroto and Napak in FY 2011/12, ten (10) in Amudat and Kotido in FY 2012/13 and 6 in Abim and Kaabong in FY 2013/14. KALIP in partnership with the MoWE constructed 15 valley tanks; three (3) in Amudat in FY 2013/14.

By end of the FY 2013/14, 2597 civilian veterans in LRDP region were paid a one off gratuity against the annual target of 2500, exceeding the annual target. A total of 8330 hand-hoes were procured for Civilian Veterans, women and youth groups in the Luwero-Rwenzori sub-region.

The Ministry for Teso Affairs procured and supplied 200 ox ploughs to the four districts of: Amuria, Ngora, Serere, Kaberamaido, a hydra form machine was procured for Bukedea district and three (3) motorcycles were purchased for i) the regional office, ii) Asuret Health Centre III (HC III) and Mukongolo HCIII. Under ALREP, 52.8 km of community access road was constructed/rehabilitated, one hundred (100) rain water jars, three (3) boreholes were drilled and equipped with cattle troughs of which one (1) was in Ngarium Sub County in Katakwi District, and one (1) in Kapelebyong and one (1) in Achowa Sub Counties in Amuria District. In addition, 2,000 beneficiaries received Orange Fleshed Sweet Potato vines, 2,000 beneficiaries received High Value Seeds and 576 kg of cassava cuttings and 168 oxen and 168 ox ploughs were distributed to the farmers in Amuria and Katakwi Districts. Also completed were the construction of one (1) goat breeding unit in Acowa Sub county in Amuria District; four (4) markets; one (1) in Usuk Sub County in Katakwi district and three (3) in Amuria district in sub counties of Abarilela, Morungatuny and Kuju; and ten (10) cattle crushes in Amuria and four (4) in Katakwi Districts as well as the construction of one (1) Animal and Plant Diagnostic Laboratory at district headquarters in Amuria district. Other infrastructures supported by ALREP during FY 2013/14 were completed including the constructionof Kapujan and Ngariam Sub County production offices in Katakwi and Asamuk and Wera Sub County production offices in Amuria District which were equipped with furniture, power connection, computers, internet connection and 15 motor cycles. One (1) policy committee meeting to review the implementation of PRDP II in Teso sub-region was held.

4.4.15 Public Administration

The first fours years of implementation of the NDP have seen the proportion of national budget allocation to the Public Administration sector management drop from 4.29percent in FY2010/11 to 2.54percent in FY2011/12 and 2.98percent in FY2012/13. In FY2013/14 the trend improved to 3.3. The ratio of public expenditure of Public Administration sector to GDP also declined from 0.7percent in FY2012/13 to 0.63percent in FY2013/14.

Table 19: Planned and actual Expenditures on Public Administration

Sector	NDP Budget (UGX billion)				Actual Budget Allocations (UGX billion)			
	2010/11	2011/12	2012/13	Total	2010/11	2011/12	2012/13	2013/14
Public Administration	247.4	269.7	218.4	4673.4	496.6	310.9	389.62	398.03
Allocation share	3.2	3.0	2.3	2.4	4.29	2.54	2.95	3.3
GDP ratio	0.4	1.4	0.78		1.27	0.62	0.71	0.63

Source: Annual Budget Performance Reports, Annual Sector Performance Reports

In a bid to strengthen the monitoring of the implementation of Government programs and projects, the Presidency organized an induction/orientation workshop for all Resident District Commissioners and their Deputies and a number of resolutions were made aimed at improving capacity to enforce better service delivery. Performance of NAADS and SACCO programs were monitored in 13 Districts namely: Bukedea, Budaka, Manafwa, Mayuge, Ibanda, Nwoya, Amuru, Oyam, Kiryandongo, Kalungu, Bukomansimbi, Gomba and Mityana. Performance of the roads sector was also monitored in 16 Districts namely: Kapchworwa, Jinja, Mbale, Sironko, Kabarole, Hoima, Kibale, Kyenjojo, Apac, Gulu, Lira, Alebtong, Kampala, Mpigi, Kayaunga, and Masaka. All the projects that were monitored in FY 2012/13 were produced and disseminated.

The Office of the President coordinated the national response to HIV/AIDS, completed 5 Government offices in Abim, Amuru, Buvuma, Kamuli and Otuke Districts in the financial year under review. The population was mobilized towards peace and stability, poverty reduction and development. Patriotism training programs were conducted and the offices of the RDCs and DRDCs were retooled.

4.4.16 Regional and International Coordination

Promote harmony in the policy, legal and implementation frameworks to enhance Uganda's integration with member states.

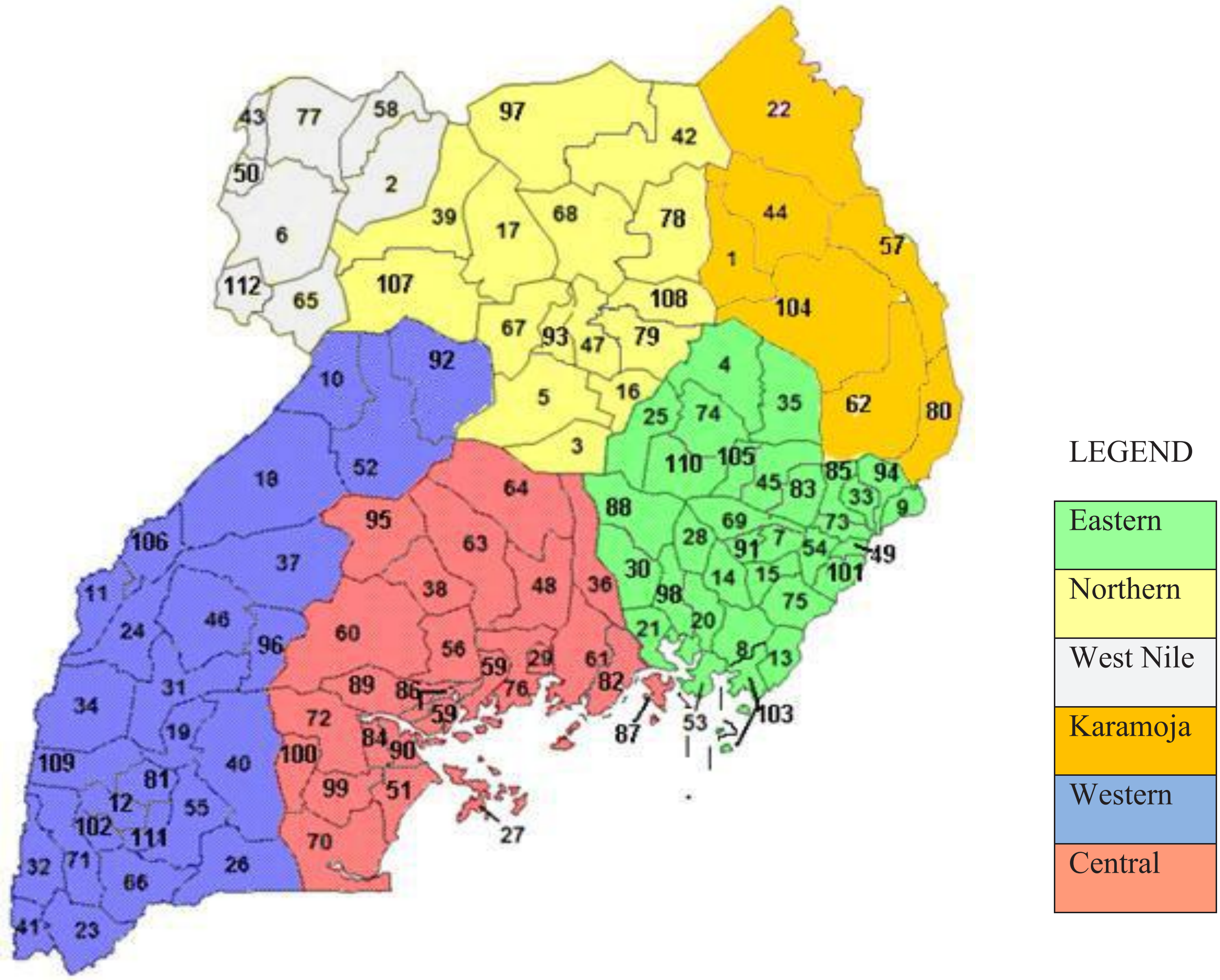
The NDP highlights a number of strategies to be pursued in order to strengthen regional and international coordination which include; initiation and coordination of implementation of foreign policy decisions relating to regional and international cooperation and development; initiation, promotion and coordination of bilateral, regional and multilateral cooperation; conclusion of bilateral, regional, and multilateral treaties and agreements between Uganda and other countries, multilateral and international organizations; and enhancing the capacity of the Ministry of Foreign Affairs to forecast and respond to emerging regional, international and global challenges.

The country hosted a summit for AMISOM troop contributing countries in August 2013 Kampala. Uganda remained an active member of major regional cooperation frameworks to which Government is fully committed like the East African Community (EAC); the Common Market for East and Southern Africa (COMESA); Intergovernmental Authority on Development (IGAD); the African Union (AU); and ICGLR.

4.5 LOCAL GOVERNMENTS DEVELOPMENT REVIEW 2013/14

This section presents the overall Performance of Local Governments during FY 2013/14 in relation to the Function of Local Governments and the Development Achievements/results as indicated in the NDP 2011/12-2013/14.

Figure 9: Map of Uganda showing the regions and location of districts



Source: UBOS, Geographical Region Mapping, 2014

This Assessment on the Performance of Local Governments was conducted by National Planning Authority, which undertook data collection covering all the one hundred and twelve (112) districts in the country. The comprehensive coverage of the districts was aimed at achieving the set objectives of the fieldwork, which were:

- To provide evidence based assessment on the progress of implementation of the NDP at local government level;
- To capture the development achievements in the districts during the FY2011/12 to inform assessment of the economy;
- To provide current and comprehensive information/data on FY2011/12 to inform the forthcoming mid-term review of the NDP;

- To obtain first-hand information on the NDP implementation challenges experienced and recommendations from front end service delivery facilitators during FY2011/12, to inform the next budget and other policy actions; and
- To facilitate assessment of district development plans (DDPs) against the NDP through synthesized feedback reports from NPA.

The data analysis and presentations of progress was by region; namely, Central, Eastern, northern, Karamoja, West Nile and Western.

Population Distribution

Uganda has a high population growth rate of 3.2 percent and this is largely attributed to the high fertility rates. Based on data collected in table the below, there are 34.8 Million Ugandans of which Central region has the highest population estimated at 9 million people, which translates into 27.5 percent; while Northern Uganda had the least population of 7.2 million people, representing 20.7 percent of the total population.

Table 20: Local Government Development Review 2013/14

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question A7 : Distribution of Population by District Status

	Grouped By District Status	Males	Females	TOTAL
1	New District	5,653,864	5,911,289	11,565,153
2	Old District	11,275,175	12,003,767	23,278,942
TOTAL :		16,929,039	17,915,056	34,844,095

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question A7 : Distribution of Population by Regions

	Grouped By Regions	Males	Females	TOTAL
1	Western Region	4,348,837	4,590,518	8,939,355
2	Northern Region	3,488,426	3,742,235	7,230,661
3	Eastern Region	4,409,663	4,685,297	9,094,960
4	Central Region	4,682,113	4,897,006	9,579,119
TOTAL :		16,929,039	17,915,056	34,844,095

Source: National Planning Authority

Construction and Renovation of Offices

Certainly for effective service delivery, one requires a permanent address where they can be reached in the process of execution, inquiry on the services offered. During FY2013/14, offices were constructed across the country. From the table below 141 offices were constructed of which 72 were constructed in Northern Uganda, 36 in Eastern Uganda, 23 in

Western and 10 Central regions. The specifics of which offices were constructed are details that this survey never collected except by local Government.

Table 21: Local Government Development Review 2013/14

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B1.1 : Number of Districts Where Office Construction Took Place

	Grouped By District Status	Num DS/MC	Num Office Blocks
1	Old District	29	60
2	New District	38	81
Total :		67	141

Question B1.1 : Number of Districts Where Office Construction Took Place

	Grouped By Regions	Num DS/MC	Num Office Blocks
1	Western Region	17	23
2	Northern Region	21	72
3	Eastern Region	19	36
4	Central Region	10	10
Total :		67	141

Source: National Planning Authority

With respect to renovation, 77 LG office blocks were renovated of which the majority 26 renovations took place in Eastern Uganda while the least number of the renovations took place in Central Uganda. However, Northern and western region had 24 and 15 buildings that were renovated respectively.

Table 22: Local Government Development Review 2013/14

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B1.2 : Number of Districts Where Renovation of Office Building Took Place

	Grouped By District Status	Num DS/MC
1	Old District	48
2	New District	29
Total :		77

Question B1.2 : Number of Districts Where Renovation of Office Building Took Place

	Grouped By Regions	Num DS/MC
1	Western Region	15
2	Northern Region	24
3	Eastern Region	26
4	Central Region	12
Total :		77

Source: National Planning Authority

Acquisition of Capital Assets

The first category of capital assets to be discussed is vehicles, motorcycles, chairs, desks and tables for local governments. Overall, 122 vehicles, 336 motorcycles, 1,569 chairs. 262 desks and 249 tables were acquired during FY 2013/14. Based on regional categorization, Western Uganda acquired the least number of vehicles when compared to Northern Uganda that acquired 55 vehicles. With respect to motorcycles, again Northern Uganda acquired the highest number at 171 motorbikes when compared again with only 26 bikes acquired in Western Uganda. For chairs, desks and tables still Northern Uganda acquired the highest number of these when compared to other regions.

Table 23: Acquisition of Capital Assets within Local Governments

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B1.3 Acquisition of Capital Assets [Vehicles - Motocycles - Furniture (Chairs - Desks - Tables)]

Grouped By District Status	Num DS/MC	Vehicles	Motorcycles	Chairs	Desks	Tables
1 Old District	77	52	123	648	197	103
2 New District	57	70	213	921	65	146
Total :	134	122	336	1,569	262	249

Question B1.3 Acquisition of Capital Assets [Vehicles - Motocycles - Furniture (Chairs - Desks - Tables)]

Grouped By District Status	Num DS/MC	Vehicles	Motorcycles	Chairs	Desks	Tables
1 Western Region	35	7	26	331	75	20
2 Northern Region	34	55	171	508	145	92
3 Eastern Region	38	32	72	411	38	13
4 Central Region	27	28	67	319	4	124
Total :	134	122	336	1,569	262	249

Source: National Planning Authority

Data Bank Establishment

Data banks are key when it comes to not only storage of information for a period of time, but rather many analyses can be made from these to inform policy makers and researcher about the past and forecast the future. The data banks that this survey captured included; Logics, UBOS DB, WMIS, DHMIS, DCIS, BDR and the Roads DB. During FY 2013/14, we found out that Logics had 37 data banks with majority of these in Northern Uganda and the least in Western Uganda. UBOS DB were found to be 35, the WMIS were 20 in number, the DHMIS were 91 in total, the DCIS were 16, the BDR were 52 and finally the Roads DB were 38 in number. Generally majority of these were in Northern Uganda and the least in Central Uganda.

Table 24: Data bank establishmens

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B1.3 Acquisition of Capital Assets

Grouped By District Status	Num DS/MC	V) Establishment of data banks						
		1. Logics	2. UBOS DB	3. WMIS	4. DHMIS	5. DCIS	6. BDR	7. Roads DB
1 Old District	58	26	22	14	50	9	25	27
2 New District	47	11	13	6	41	7	27	11
Total :	105	37	35	20	91	16	52	38

Question B1.3 Acquisition of Capital Assets

Grouped By Regions	Num DS/MC	V) Establishment of data banks						
		1. Logics	2. UBOS DB	3. WMIS	4. DHMIS	5. DCIS	6. BDR	7. Roads DB
1 Western Region	24	7	7	5	23	2	11	10
2 Northern Region	30	13	13	6	23	5	20	8
3 Eastern Region	31	8	5	7	29	5	12	12
4 Central Region	20	9	10	2	16	4	9	8
Total :	105	37	35	20	91	16	52	38

Source: National Planning Authority

The second categorization of capital assets captured at the LG level were the computers, internet services connected to the backbone, wireless and microwave. In total the number of computers acquired during FY 2013/14 was 511 and the computers connected to the backbone, wireless and microwave were 12, 62 and 2 respectively. Microwave connected districts were only 2 that were in only the new districts. 297 computers were bought in Central region which translates into 58.1 percent of the total 511 computers. With respect to the internet wireless was the most popular and few LGs were connected to the backbone.

Table 25: Acquisition of Data banks.

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B1.3 Acquisition of Capital Assets

Grouped By District Status	Num DS/MC	iv) Computers (Numbers)	vi) Internet Services (connected to):		
			1.) Backbone	2. Wireless	3. Microwave
1 Old District	46	448	11	40	0
2 New District	24	63	1	22	2
Total :	70	511	12	62	2

Question B1.3 Acquisition of Capital Assets

Grouped By Regions	Num DS/MC	iv) Computers (Numbers)	vi) Internet Services (connected to):		
			1.) Backbone	2. Wireless	3. Microwave
1 Western Region	16	47	5	14	0
2 Northern Region	22	91	2	21	1
3 Eastern Region	17	76	2	15	1
4 Central Region	15	297	3	12	0
Total :	70	511	12	62	2

Source: National Planning Authority

Health Services and their functionality

Health is one of the front line service sectors in Uganda. Therefore to this effect it is important that health facilities are constructed in order to improve service delivery as well as increasing access to them. Based on the survey data collected for FY2013/14 as captured in the table below, the total number of health centers constructed were 163 in number. In terms of their distribution, Northern Uganda had the highest number of health facilities during FY 2013/14 that translates into 37.4 percent of the 163 constructed. Central region had the least construction of health centers of about 8.5 percent. A list of those constructed is included in the Annex.

Table 26: Health facilities constructed

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

B3.1: Health Facilities Constructed/Districts

	Grouped By District Status	Num DS/MC	Number of HCs
1	Old District	28	82
2	New District	23	81
Total :		51	163

B3.1: Health Facilities Constructed/Regions

	Grouped By Regions	Num DS/MC	Number of HCs
1	Western Region	12	40
2	Northern Region	15	61
3	Eastern Region	15	48
4	Central Region	9	14
Total :		51	163

Source: National Planning Authority

Normally, health centers are upgraded based on satisfying certain conditions. Therefore the survey established that that the total number of health centers upgraded was 78. On a regional segmentation, 25 of these HCs were in Northern Uganda, 20 in Central region, 19 in Eastern region and 14 in western region.

Table 27: Health Facilities upgradedin the districts

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

B3.6: Health Facilities Upgraded/Districts

	Grouped By District Status	Num DS/MC	Number of HCs
1	Old District	20	45
2	New District	12	33
Total :		32	78

B3.6: Health Facilities Upgraded/Regions

	Grouped By Regions	Num DS/MC	Number of HCs
1	Western Region	8	14
2	Northern Region	9	25
3	Eastern Region	7	19
4	Central Region	8	20
Total :		32	78

Source: National Planning Authority

From the table below, we capture the health facilities that have functional solar power because many are unlikely to be connected to the national grid. This is a key indicator because it has consequences on special services offered by these health centers among these that include; major surgeries and simple procedures of surgery. Of the 701 HCs with a functional solar power during FY2013/14, 453 were in old LGs and 248 in new LGs. From the Table below by Segmented by region, 244 were in Northern Uganda, 206 were in Western Uganda, 149 in Eastern Uganda and 102 in Central Uganda respectively.

Table 28: Health Facilities with a Functional Solar Power

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

B3.8: Health Facilities With Functional Solar Power

	Grouped By District Status	Num DS/MC	Number of HCs
1	Old District	40	453
2	New District	36	248
Total :		76	701

B3.8: Health Facilities With Functional Solar Power

	Grouped By Regions	Num DS/MC	Number of HCs
1	Western Region	22	206
2	Northern Region	22	244
3	Eastern Region	18	149
4	Central Region	14	102
Total :		76	701

Source: National Planning Authority

Staffing Levels in the Health and Education Sector

Health Sub-Sector staffing levels

Based on the table below, generally staffing levels in the health sector were at 65 percent with the total number of midwives being 3,882. In terms of hospital furnishings, 5770 bed, 9,368 mattresses were acquired and 433 staff houses were constructed. From the table below, Central region had the highest staffing levels at 69 percent, Northern Uganda with 68 percent, 64 percent in Eastern Uganda and 59 percent in Western Uganda. With respect to the number of midwives, 1,153 and 1,041 were the midwives in Eastern and Central region respectively. Northern and Western region had the least number of midwives of the four regions, standing at 868 and 820 midwives respectively.

From the table below, 696 beds were acquired in central region, the least of all regions. The Northern, Western and Eastern regions acquired 2,584, 1,390 and 1,100 beds respectively during FY 2013/14. With respect to the mattresses acquired, the acquisitions were as follows; 2,145(Western), 2,297 (Northern), 2951(Eastern) and 1,975(Central) respectively. On Staff houses constructed, 39 houses were constructed in western region, 202 in Northern region, 157 in Eastern region and 35 were constructed in Central region.

Table 29: Health Centre staffing level in the districts

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B3.4-B3.9 : Health Centers Staffing Levels in % - Staff Houses - Beds and Mattresses Acquired

Grouped By District Status		Num Districts	Staffing Level as %	Number Midwives	Beds Acquired	Mattresses Acquired	Staff Houses Constructed
1	Old District	77	66	2,644	3,531	5,221	240
2	New District	57	64	1,238	2,239	4,147	193
TOTAL :		134	65	3,882	5,770	9,368	433

Question B3.4-B3.9 : Health Centers Staffing Levels in % - Staff Houses - Beds and Mattresses Acquired

Grouped By Regions		Num Districts	Staffing Level as %	Number Midwives	Beds Acquired	Mattresses Acquired	Staff Houses Constructed
1	Western Region	35	59	820	1,390	2,145	39
2	Northern Region	34	68	868	2,584	2,297	202
3	Eastern Region	38	64	1,153	1,100	2,951	157
4	Central Region	27	69	1,041	696	1,975	35
TOTAL :		134	65	3,882	5,770	9,368	433

Source: National Planning Authority

Education Sub-sector staffing levels

The total numbers of primary schools captured during FY2013/14 were 19,529 with staffing levels at a total of 143,079 teachers. These primary schools in total had 6,991 administration blocks were the count. On enrolment, the private primary schools in 2014 stood at 1,240,091 and the government schools had 6,555,188. Clearly majority of the primary school children were enrolled in government Schools. 2,142 houses were the primary school houses constructed and 17,381 latrines were constructed.

In terms of regional distribution, of the 19,529 primary schools, 6,451 schools were in central region, 4,926 were in Eastern Uganda, 2,642 were in Northern Uganda and 5,510 were in Western. About staffing, central region had the highest number of primary teachers at 40,114teachers, Eastern region had 37,332 teachers, Western region has 38,114 teachers and Northern Uganda had the least number of teachers of 27,519 teachers. Notably the region with the highest number of private school enrolment was Western Uganda (437,400) and Northern Uganda (99,898) had the least number of private school enrolment. The total Government Enrolment was highest again in Eastern region (2,056,944) and Central region had the least enrolment of 1,000,017 pupils.

On construction, of teacher houses constructed 1,318 were constructed in Central region, 431 houses were constructed in Northern Uganda, 208 and 182 teacher houses were constructed in Western and Eastern regions. Of the 17,357primary school latrines constructed, 7,547 latrines were constructed in Central region the highest of all regions, 3,559 latrines were constructed in Eastern region, 3,438 latrines were constructed in Northern Uganda and 2,813 latrines were constructed in Western region.

Table 30: Primary school enrolment and staffing in the districts

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B4.1 To B4.8 : Number Primary Schools - Teachers and Enrolment Private and Public Schools

	Grouped By District Status	Num DS/MC	Number of Primary Schools	Number of Prim School Teachers	Number Prim Schools With Admin Blocks	Total Enrolment Private 2014	Total Enrolment Govt 2014	PS Teachers Houses Constructed	PS Latrines Constructed
1	Old District	77	13,189	95,427	5,188	735,129	4,124,910	1,659	14,391
2	New District	57	6,340	47,652	1,803	504,962	2,430,278	483	2,990
TOTAL :		134	19,529	143,079	6,991	1,240,091	6,555,188	2,142	17,381

Question B4.1 To B4.8 : Number Primary Schools - Teachers and Enrolment Private and Public Schools

	Grouped By Regions	Num DS/MC	Number of Primary Schools	Number of Prim School Teachers	Number Prim Schools With Admin Blocks	Total Enrolment Private 2014	Total Enrolment Govt 2014	PS Teachers Houses Constructed	PS Latrines Constructed
1	Western Region	35	5,510	38,114	1,392	437,400	1,770,783	208	2,813
2	Northern Region	34	2,642	27,519	790	99,898	1,727,444	431	3,438
3	Eastern Region	38	4,926	37,332	1,628	344,205	2,056,944	182	3,559
4	Central Region	27	6,451	40,114	3,181	358,588	1,000,017	1,321	7,571
TOTAL :		134	19,529	143,079	6,991	1,240,091	6,555,188	2,142	17,381

Source: National Planning Authority

Secondary School staffing and Enrolment levels

Based on the data collected, 3,145 were the number of secondary schools, with 53,264 teachers. The total number of students enrolled in private schools was 397,473 and those enrolled in Government schools were 898,788. The number of classrooms constructed in total were 4,173, with 4,922 latrines , 911 secondary school teacher houses and 161 seed schools constructed. Of the 3,145 secondary schools, the region with the highest number of secondary schools was Central region at 30.7 percent and Northern Uganda with the least number of secondary schools at 13.3 percent. Central region had the highest number of teachers matching and correlated with the highest number of these schools.

On enrolment, majority of the students were enrolled in government schools when compared with the private schools. Northern is remarkably noted for having the least enrolment in both private (11.2 percent) and public (12.5 percent) schools. Western Uganda had 31.8 percent enrolled in private schools and Eastern Region had the highest (32 percent) number of enrolment in public schools.

In terms construction 1,768 class rooms were constructed which translates into 42.3percent the highest among all the regions and Eastern Uganda had the least classrooms constructed during FY2013/14. About latrines constructed, 6.3 and 5.2 percent least proportion of the latrines and houses were constructed in Eastern Uganda when compared to 45.5 and 45.2 percent of latrines and houses constructed in Central region.

Table 31: Secondary School staffing and Enrolment levels

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B4.9-B4.17 : Number of Secondary Schools - School Teachers and Enrolment Private and Public Schools

Grouped By District Status	Num DS/MC	Number of Secondary Schools	Number of Sec School Teachers	Total Enrolment Private 2014	Total Enrolment Govt 2014	Number Classroooms Constructed	SS Latrines Constructed	SS Teachers Houses Constructed	Number of Seed Schools
1 Old District	77	2,012	41,099	271,803	627,552	3,439	4,360	801	111
2 New District	57	1,133	12,165	125,670	271,236	734	562	110	50
TOTAL :	134	3,145	53,264	397,473	898,788	4,173	4,922	911	161

Question B4.9-B4.17 : Number of Secondary Schools - School Teachers and Enrolment Private and Public Schools

Grouped By Regions	Num DS/MC	Number of Secondary Schools	Number of Sec School Teachers	Total Enrolment Private 2014	Total Enrolment Govt 2014	Number Classroooms Constructed	SS Latrines Constructed	SS Teachers Houses Constructed	Number of Seed Schools
1 Western Region	35	898	14,182	126,695	203,933	628	516	80	42
2 Northern Region	34	418	11,226	44,650	112,693	1,768	1,845	371	39
3 Eastern Region	38	835	9,424	137,723	287,783	542	313	48	55
4 Central Region	27	994	18,432	88,405	294,379	1,235	2,248	412	25
TOTAL :	134	3,145	53,264	397,473	898,788	4,173	4,922	911	161

Source: National Planning Authority

Performance of Tertiary School

At this level of education, many students begin their careers of life. If they are pursuing a science career, a laboratory becomes a pre-requisite for their studies and classrooms and lecture theatres should be in place. During FY2013/14, 215 science laboratories were constructed and 2,977 lecture/classrooms were constructed. From the table below we are able to understand that there were 94 tertiary institutions in total. The Eastern and Northern region reported the highest number of tertiary institutions of 26, followed by Western which had 24 and Central region with the least number of institutions at 18.

Table 32: Performance of Tertiary Institutions

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question 4.19-B.21 : Number of Tertiary Institutions

	Grouped By District Status	Num DS/MC	Has Tertiary Institution (Yes=1, No=2) ?	Number Lecture Rooms/Classrooms	Number S Science Laboratories Constructed
1	Old District	59	59	2,476	143
2	New District	35	35	501	72
TOTAL :		94	94	2,977	215

Question B4.19-B4.21 : Number of Tertiary Institutions

	Grouped By Regions	Num DS/MC	Has Tertiary Institution (Yes=1, No=2) ?	Number Lecture Rooms/Classrooms	Number S Science Laboratories Constructed
1	Western Region	24	24	1,312	44
2	Northern Region	26	26	368	63
3	Eastern Region	26	26	448	41
4	Central Region	18	18	849	67
TOTAL :		94	94	2,977	215

Source: National Planning Authority

The performance of the Roads Sub-sector

The country strategy for the past five FYs has been on financing infrastructure in order to unlock our binding constraint that includes lack of; access to markets, services and many other important issues. At the LG this is captured based on the number of roads opened, maintained, rehabilitated, paved and swamp crossings constructed.

During FY 2013/14 it was reported, that 2,815 Kms of roads were opened, 26,131 Kms were maintained, 4,413 Kms were rehabilitated, 673 were paved and 469 swamp crossings were constructed. A bigger chunk of this was undertaken in the old districts. On a regional basis, 38.8 percent of the road Kms opened took place in Western Ugandan; maintenance generally was undertaken in more less all the districts despite the financing challenges. For example, of the 23,131 Kms of the roads maintained, 7,171 was undertaken in Western region, 5,768 Kms in Northern Uganda, 6,6243KMs were undertaken in Eastern region and 6,950 KMs were maintained in Central region.

With respect to rehabilitation, from the table, a total of 1874KMS were done in Western Region, 1276 KMs were rehabilitated in Central region. Only a paltry 679 and 583 KMs were rehabilitated in Northern and Eastern regions. Paving the roads is the most desired but ultimately very expensive. To this effect, of the 673 KMs paved 490 Kms representing 73 percent of the total took place in Central Uganda and Eastern region from the table had the least number of Kms paved as they were only37Kms. In terms of the swamp crossings constructed, the data analysis shows that majority of these took place in western Uganda and the least in Central Uganda.

Table 33: The performance of the Roads Sub-sector

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B5.1: Number of Kilometers of Roads

	Grouped By District Status	Num DS/MC	Opened	Maintained	Rehabilitated	Paved/Tar-macked	Swamp Crossing Constructed
1	Old District	77	1,574	16,856	2,951	570	276
2	New District	57	1,241	9,275	1,463	103	193
TOTAL :		134	2,815	26,131	4,413	673	469

Question B5.1: Number of Kilometers of Roads

	Grouped By Regions	Num DS/MC	Opened	Maintained	Rehabilitated	Paved/Tar-macked	Swamp Crossing Constructed
1	Western Region	35	1,092	7,171	1,874	99	170
2	Northern Region	34	959	5,768	679	47	92
3	Eastern Region	38	542	6,243	583	37	164
4	Central Region	27	222	6,950	1,276	490	43
TOTAL :		134	2,815	26,131	4,413	673	469

Source: National Planning Authority

Bridges and swamp crossing

During FY 2013/14, the total number of bridges that were constructed was 43 in total. As per table below, 10 were constructed in Western Uganda, 21 in Northern Uganda and 12 were constructed in Eastern Uganda. There is no report of any bridges constructed in Central Uganda for the period under review.

Table 34: Bridges and swamp crossing

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B5.2 : Number of Bridges Constructed

	Grouped By District Status	Num DS/MC	Number
1	Old District	13	17
2	New District	14	26
Total :		27	43

Question B5.2 : Number of Bridges Constructed

	Grouped By Regions	Num DS/MC	Number
1	Western Region	9	10
2	Northern Region	12	21
3	Eastern Region	6	12
Total :		27	43

Source: National Planning Authority

Care for the Environment to address climate change concerns

Under this analysis we discuss on forest cover as it relates to tree planting. Tree planting is key in addressing the challenge of forest cover that is fast disappearing mainly due to human activities and settlement. This therefore recognizes the individual efforts here in captures as private and government efforts toward this cause. Based on the survey data, the private sector planted 3,179 trees during this period of analysis when compared to 1,878 trees that government, bringing this to a total of 5,057 trees planted during the period.

Of the privately planted trees, it is remarkable to note that 75.2 percent of the trees that were planted are in Western and Northern region. Only paltry 598 and 189 trees were planted in Eastern and Central region respectively. There is therefore need to investigate why these huge differences occurred in these two regions.

Table 35: Acreage of Newly Planted Trees

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B6.1 Acreage of Newly Planted Trees

Grouped By District Status	Num DS/MC	Private	Government	Total
1 Old District	77	1,980	1,136	3,117
2 New District	57	1,199	742	1,941
Total :	134	3,179	1,878	5,057

Question B6.1 Acreage of Newly Planted Trees

Grouped By Regions	Num DS/MC	Private	Government	Total
1 Western Region	35	1,215	792	2,007
2 Northern Region	34	1,178	312	1,490
3 Eastern Region	38	598	581	1,179
4 Central Region	27	189	193	382
Total :	134	3,179	1,878	5,057

Source: National Planning Authority

With respect to preserving wetlands, the environment will again go a long way to be preserved. There is tendency for human settlements to encroach on them. In an effort to save the environment, 195 wetlands were demarcated. In Western and Northern region, 52 and 34 wetlands were demarcated and in the Eastern and Central region, 82 and 27 wetlands were demoted respectively.

Table 36: Wetlands demarcated

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B6.2 : Number of Wetlands Demarcated

Grouped By District Status		Num DS/MC	Number
1	Old District	34	100
2	New District	26	95
Total :		60	195

Question B6.2 : Number of Wetlands Demarcated

Grouped By Regions		Num DS/MC	Number
1	Western Region	16	52
2	Northern Region	12	34
3	Eastern Region	22	82
4	Central Region	10	27
Total :		60	195

Source: National Planning Authority

The role of Cooperatives

During the period under review, 5,814 cooperatives were constructed. Ultimately, the breakdown of these is as follows; in Western and Northern Uganda the cooperatives were 1,179 and 6488 in number and in Central and Eastern region these were 2,7754 and 1,238.

Table 37: Primary cooperativesocieties

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B7.2 Number of Primary Cooperative Societies

Grouped By District Status		Num DS/MC	Number
1	Old District	77	4,840
2	New District	57	974
Total :		134	5,814

Question B7.2 Number of Primary Cooperative Societies

Grouped By Regions		Num DS/MC	Number
1	Western Region	35	1,179
2	Northern Region	34	643
3	Eastern Region	38	1,238
4	Central Region	27	2,754
Total :		134	5,814

Source: National Planning Authority

Water and sanitation

Water and sanitation are key inputs and variables for good public health. Therefore this analysis looks at construction and rehabilitation of water sources and public toilets. Based on the evidence in the table below the number of boreholes constructed was 2,472 and 822 boreholes were rehabilitated. Similarly, 1,877 deep and shallow wells and 1, 0554 spring wells constructed. With respect to public toilet constructed these were 322 in number. The highest number of boreholes was constructed in Eastern region, 533 spring wells the highest were constructed again in Eastern region. When compared with other region, Central region had the least number (45) public toilet constructed.

Table 38: Water sources constructed in the district

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B8.1: Boreholes, Deep Shallow Wells, Spring Wells and Public Toilets Constructed, Boreholes Relabilitated

Grouped By District Status	Num DS/MC	Boreholes Constructed	Deep and shallow wells	Spring wells	Public toilets	Number Boreholes Rehabilitated
1 Old District	77	517	510	443	181	414
2 New District	57	1,955	1,367	611	141	408
Total :	134	2,472	1,877	1,054	322	822

Question B8.1: Boreholes, Deep Shallow Wells, Spring Wells and Public Toilets Constructed, Boreholes Relabilitated

Grouped By Regions	Num DS/MC	Boreholes Constructed	Deep and shallow wells	Spring wells	Public toilets	Number Boreholes Rehabilitated
1 Western Region	35	217	396	201	89	177
2 Northern Region	34	822	715	265	98	225
3 Eastern Region	38	1,320	455	533	90	183
4 Central Region	27	113	311	55	45	237
Total :	134	2,472	1,877	1,054	322	822

Source: National Planning Authority

On pit latrine coverage the average was at 69 percent and therefore there is need for sensitization to increase this to 100 percent. Similarly safe water coverage averaged mor less at 68 percent and calls for more efforts to address water coverage. On a regional basis Western Uganda had the highest level of pit latrine coverage of 81 percent when compared with other regions such as Northern region at 63 percent, Central region at 64 percent and Eastern region at 67 percent. However, when it comes to safe water coverage, Northern Uganda took the prize of 81 percent water coverage when compared to 59 percent registered in Central region.

Table 39: Pit Latrine and safe water coverage in the district

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

B8.2- 8.3 : Pit latrine Coverage And Safe Water Coverage

	Grouped By District Status	Num DS/MC	Pit Latrine coverage in your district %	Safe Water Coverage Levels in your district %
1	Old District	77	68	67
2	New District	57	70	68
Total :		134	69	68

B8.2-B8.3: Pit latrine Coverage And Safe Water Coverage

	Grouped By Regions	Num DS/MC	Pit Latrine coverage in your district %	Safe Water Coverage Levels in your district %
1	Western Region	35	81	67
2	Northern Region	34	63	81
3	Eastern Region	38	67	61
4	Central Region	27	64	59
Total :		134	69	67

Source: National Planning Authority

Budget performance

The resource envelope is key as it is used to finance all activities as set out in the work plans. During FY2013/14, the Total approved budget was shs. 1,570,477,278,116 and the actual out turn was Ug.Shs. 1,358,424,603,841. The table below shows the appropriations based on a regional level including the grants.

Table 40: District Approved Budget, Total Budget Outturn and Grants

Region Name	Approved Budget	Budget outturn	Conditional grant	Non-conditional grant
Central Region	342,508,706,484	303,303,909,546	418,313,469,058	67,356,305,636
Eastern Region	445,968,715,197	364,084,352,147	487,875,723,514	62,003,503,093
Northern Region	271,183,331,161	230,334,663,391	366,792,209,688	146,656,494,186
Western Region	510,816,525,274	460,701,678,757	432,739,064,393	61,806,701,011
Total	1,570,477,278,116	1,358,424,603,841	1,705,720,466,653	337,823,003,926

Source: National Planning Authority

Table 41: Existing Council Halls by District

NDP 1: LOCAL GOVERNMENT DEVELOPMENT REVIEW 2013/2014

Question B2.1: Number of Existing Council Halls By District Status

	Grouped ByDistrict Status	Num DS/MC
1	New District	11
2	Old District	32
Total :		43

Question B2.1: Number of Existing Council Halls By Regions

	Grouped By Regions	Num DS/MC
1	Central Region	10
2	Eastern Region	11
3	Northern Region	8
4	Western Region	14
Total :		43

Source: National Planning Authority

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

The Macroeconomic Performance

In FY2013/14, Uganda's economy grew at an estimated rate of 4.7 percent, down from 5.1 percent registered during FY2012/13 and below the NDP growth target of 7.3 percent for the financial year 2013/14. This was on account of the aftereffects of the global financial crisis. Work needs to be done to make sure that these dips in growth do not recur through pursuance of macroeconomic policies that support growth.

In 2014, many African countries continued to exhibit large fiscal deficits even though growth and revenue were back to (or near) pre-crisis levels. However, Uganda's stock of public debt rose to US$ 7 billion by the end of FY 2013/14, from US$6.4 billion in financial year 2012/13. This translates into 13.8 percent as a ratio of GDP. Of this, US$ 4.2 billion of the debt is external and US$ 2.8 billion is domestic. Notwithstanding the increase, the public debt remains sustainable and Uganda is not under debt distress.

Tourism is recognised as one of the key primary growth sectors of Uganda's economy and a number of initiatives and reforms have been implemented aimed at strengthening the sector. As a result of the sustained peace and security within the country's borders and a clear national strategic direction, the tourism arrivals have hit a 1.2 million mark in 2014 coming from 205,000 in 2001. The sector's contribution to GDP currently stands at about 8 per cent and the tourism receipts are estimated at USD 900 million per annum (MFPED). The sector has potential to contribute much more to growth through foreign exchange earning than is currently happening. It will be important to increase investments in tourism marketing and product diversification. The country needs to maintain presence in the key traditional markets such as the United Kingdom and Europe and the upcoming ones such as USA and Asia by contracting firms there to market Uganda throughout the year. There is also need to strengthen the Uganga Tourism Board to undertake the functions under the new Tourism Act, 2008.

Agriculture currently contributes about 25 per cent of Uganda's GDP. This contribution is expected to become less as a share of the country's total GDP due to increased diversification of growth to other sectors of industry and services. The sector has continued to employ more people (66 per cent) despite faster growth of both the services and industry sectors. The sector has continued to register positive growth albeit at a lower rate of 3.2 per cent in 2010/11, 1.3 per cent in 2012/13 and 1.5 per cent in 2013/14. Agriculture will remain the country's backbone for some time to come. It is therefore recommended that deliberate efforts be undertaken to tackle the institutional and conceptual challenges facing the sector. This will include strengthening the agricultural extention services by operationalizing the single spine system alongside the NAADS programme and ensuring availability of quality farm inputs and animal breeds. In order to quickly boost foreign exchange earnings, particular focus should be put on the commodities of coffee, tea, cotton and fish.

The Monetary and Financial Sector

During FY2013/14, Annual headline inflation for the year ending June 2014 was 5.4 per cent. This is higher than the 3.7 per cent registered in the preceding 12-month period ending June 2013, but significantly below the agreed East African Monetary Union convergence criteria benchmark of 8 per cent. The increase in headline inflation was on account of a spike in food crop prices in August and September 2013, due to prolonged dry spells in parts of the country which constrained supply.

The average mid-market exchange rate in April 2014 was Shs. 2,529.8 per US Dollar, which represents an appreciation of 2.4 per cent from Shs. 2,593.1 per US Dollar recorded in June 2013. There was stronger appreciation of 4.7 per cent up to February 2014, but this was partly reversed in March, following the announcements of donor aid cuts prompted by the enactment of new legislation. There is need to increase exports earnings by improving the quality of the coffee exported and diversifying exports by formalizing and supporting SMEs undertaking production in such as areas as gold and other minerals.

During the year under review, the banking sector remained stable and registered rapid asset growth, arising from increased deposits and lending activity by bank customers. However, interest rates have remained high, primarily because of high levels of borrower risk. Profitability in the banking sector declined largely due to non-performing assets which increased from 4 per cent to 6.2 per cent. There will be need for Government to put in place deliberate measures for inceasing mobilization of savings and increasing availability of afforadable credit

Overall implementation Progress on the NDP themes and Objectives

Poverty and inequality remain significant development challenges for the country. However, the proportion of people living in poverty has reduced by nearly 5 per cent point from 24.5 per cent in 2009/10 to 19.7 per cent in 2012/13 (UNHS 2012/13), representing about 7 million people. In addition, income per capita increased from USD 506 to about 612 in the Financial Year 2012/13 below the targeted USD 718. In 2012/13, real GDP per capita declined to USD 260 compared to USD 319 in 2009/10. Also, income inequality has not changed over the first three years of NDP1 implementation and remains high as indicted by the Gini-coefficient of 0.43. Similarly, the same HDR indicates that the country has got a high gender inequality index (0.517) on the dimensions considered in the assessment (maternal mortality, adolescent fertility rates, empowerment and economic activity) ranking 110 out of the 148 countries assessed. Poverty and these various inequality indicators need to be tackled through sustainable measures such as skills development, insustrialization and job creation.

According to the Global Competitiveness Index (GCI) report for 2013/14; Uganda's competitiveness felt to 129th /148 in 2013/14 from 123/148 in 2012/13. This was reported falling primarily due to factors associated with corruption, access to financing, inadequate supply of infrastructure, tax rates and inefficient government bureaucracy. The report indicates Uganda's relative performance fell in starting a business; getting electricity; access to credit; dealing with construction permits; and trading across borders.Competitiveness is critical for growth and industrialization. It is intended that infrastructural development and increased energy supply will lower the cost of doing business, which will lead to increased attraction of investments.

Urbanisation is a key theme of the Vision 2040, which foresees 60 per cent of Ugandan living in urban areas by 2040. The trend is upward, with the estimated urbanisation level moving from 13.0 per cent in 2010/11, 14.7 per cent in 2011/12, 16 per cent in 2012/13 and 23 per cent in 2013/14. The main challenge with industrialization is the weak physical planning, which leads to creation of slums with poor social amenities and high environmental management costs.

Literacy levels in Uganda have dropped over the period from 73 per cent in 2009/10 to 71 per cent in 2012/13. There has been a major recent increase in life expectancy in Uganda, from 51 years to 54.0 between the period 2010 and 2013. This is a result of reduction in infant mortality rate from 76 to 54 deaths per 1000 (UDHS 2011) and improvement of other health outcomes such as increased in percentage of Health Centre IV offering HIV/AIDS care with Anti-retroviral therapy (ART) services

NDP thematic Area Performance

Primary growth sectors

The performance of the key growth sectors such as agricultural and tourism has already been reviewed in the macroeconomic assessment above and earlier in the thematic areas. The decimal performance of the agricultural sector is attributed to low commercialization, weak extension services, inadequate improved agricultural inputs, rain fed agriculture and weak quality assurance and value addition systems. Attention ought to be paid to these issues, including enhancing the mechanization, to improve the production and productivity in the agricultural sector.

Tourism improvement on the other hand, as lready stated above, requires strengthening the marketing and the capacity of the Uganda Tourism Board to effectively play its role in line with the Tourism Act, 2008.

Oil and Gas and mining also promise to be key players and have large potential for increased contribution to the country's GDP and overall transformation of the economy. There is need to take advantage of the the low indebtness of the country to obtain loans for construction of the Oil and gas infrastructure and for exploitation of some of the currently commercially viable minerals. The commercially viable mineral deposits include: Uranium, gold, nickel, cobalt, copper, chromite, platinum, Rare Earth Elements, bentonite, and others.

ICT is another growth sector identified in the NDPI whose performance continues to be decimal. The slow pace of laying and connecting the fibre optic to most districts in the country has affected the efficiency of the public sector responsiveness the private participation in the economic ventures. The limited broad band has also constrained development of BPOs and Call Centres across the country and overall ICT innovations.

The forestry sector had performed fairly with regard to plantations replacement but seen a dramatic reduction of forest cover from over 13 per cent in 2010 to 10 per cent in 2014, which calls for a re-thinking of the forest conservation and climate change strategies.

On housing, the GKMA Physical Plan has been developed and physical plans for the Albertine Graben region are being developed. There is, however, need to undertake comprehensive spatial planning of the country to facilitate optimal use of the available arable land, especially in view of the country's rapid population growth.

Complementary sectors

The total installed energy capacity increased from 778 megawatts in 2011/12 to 835 megawatts in 2012/13, while consumption per capita increased from 75 in 2010/11 to 80 kWh in 2012/13. The construction of Bujagali interconnection transmission infrastructure was completed, and 200-250 MW were connected to the national grid. There is need to more vigorously undertake measures against energy losses in order to improve efficiency in the distribution networks as the country's power generatio capacity expands.

A number of roads have been constructed in 2013/14. A total of 121 km-equivalent were upgraded from gravel to tarmac out of the planned target of 150km translating to a deficit of 39 per cent. In addition, all the 112 districts received road Construction Equipment Units comprising a grader, wheel loader, truck and a pick-up motor vehicle. The rate of construction of paved roads is still low compared to the NDPI target of 220 kilometers. This is attributed to the limited private sector capacity to take on available road contracts. It is recommended that deliberate measures be taken by Government to nurture and develop local capacity for road construction to enable meeting of targets towards the middle income status.

On water for production, the plan to increase the storage capacity in the country with an additional 30 billion litres of water is on track. However, most of the capacity being developed is for the cattle corridor. There is therefore need to also focus on water for irrigation as measure towards commercialized agriculture.

Trade and cooperatives are gradually being strengthened to enable the country tap into the global trade for tradable goods and services. However, the training offered in trade appears to have limited focus on trade negotiations, an area where the country has huge gaps. It is therefore recommended that the country puts more focus on developing professional capacity in trade negotiations. The SACCOs established so far should also be supported to develop linkages to production and value addition.

The number of institutions in the financial services sector has continued to increase: 25 licensed commercial Banks, 4 MDIs and over 100,000 SACCOs. Bank of Uganda supervision and regulation have been strengthened and had action taken timely to avoid default by banks on deposits. The Agricultural Credit Facility (ACF) has been strengthened to provide affordable credit to the agricultural sector and related value addition investments. However, there is need to increase mobilization of savings in the country in order to enable availability of cheap finance and affordable credit.

Social sectors

The UNHS 2012/13 indicates that the percentage of the labour force which is working increased from 75.4 per cent in 2009/10 to 76 per cent (16.3 million) by 2013/14 against the NDP1 target of 76.8 per cent. It is worthwhile to note that about 8.2million workers will be seeking employment by 2015. In the 2013/14, the informal sector was estimated to be having a total annual jobs gap of 412,000 people with an estimated growth in youth labour force of 6.0 per cent per annum. There is need to increase the industrialization and value addition pace in order for job creation to outpace the increase in youth labourforce.

In an effort to strengthen the implementation of the Thematic Curriculum the sector endeavoured to enhance the implementation of the curriculum in the primary sector and undertook a number of initiatives that include: Piloted the Kiswahili school curriculum for P.5 and P.6;Retooled 127; P.5 Teachers for P.5 Kiswahili syllabus;Developed a teaching reading methodology with local language and English teaching and reading materials;Developed P.1 Early grade reading assessment tools and teaching and learning materials in 4 local languages (Ateso, Leblango, Luganda and Runyunkore-Rukiga);Over 2,400 primary school teachers were trained in using this reading methodology;Instituted Area Language Boards for Samia Bugwe, Lusoga and Dhopadhola in ten (10) districts of Eastern Uganda among other interventions. However, there is need to resolve the debate on the thematic curriculum in parliament through sensitization of leaders and parents and guardians. There is also need to galvanize efforts towards handling the current problem of improving quality after largely solving the problem of access by undertaking measures that improve learning outcomes.

Under Health, implementation of plans to provide health workers with decent housing is on-going. Construction of staff houses was completed in the following health facilities: Regional Referral Hospitals - Hoima (30 units), Kabale (30 units), Fort Portal (7 units), Moroto (6 units), General Hospital: Itojo (4), Health centre III: Buyiga (2 units). In addition, several districts have constructed staff accommodation for the health workers using the PHC Development budget. It is recommended that adoption and gradual implementation of the Universal Health Scheme should be speeded as a means to improving health service delivery.

Enabling sectors

The environment sector performance report 2012 recognized that despite a number of mitigation measures, the environment of Uganda is still under threat from natural and man-made drivers of change including poverty, rapid population growth, urbanisation, agricultural expansion, informal settlement development, industrialisation, and the impacts of climate variability among others. The National State of the Environment Report 2010 produced by NEMA asserts the country is facing severe environmental degradation – loss of biodiversity, deforestation, encroachment on wetlands, soil erosion and declining land productivity, pollution of land, water and air resources among others. The most crucial issue that has emerged over the recent years is that of weak governance at all levels, coupled with the increased demand for natural resources. It is therefore critical that leaders urgently galvernize efforts, political will and resources towards environmental protection (of forests, swamps and the remaining eco-systems).

As part of public sector management, the mid-term review of the NDP indicated that some priority projects that are meant to be funded by government from its own finances, there was slow progress in 2012 as GoU had to direct much of it revenue collections to bridge the gaps in recurrent expenditure created by donors' withdraw from budget support. It will be necessary going forward to increase domestic resource mobilization to support implementation of public programmes as opposed to donor dependency.

Strengthening and professionalization of the defence and security sector continues to be a key priority and the force capability has been enhanced to maintain the territorial integrity of the country. The force should be further supported to strengthen its self-sufficiency drive in production of rations such as water and cereals. The sector should also be supported to strengthen its capacity to participate in development of national infrastructure and generation of own resources to supplement government the budget on providing better welfare for soldiers. The medium-term target is to strengthen the Engineering Brigade to the level of a Division should continue to be pursued.

The Local Government performance

The review of the local government performance indicated a number of challenges including: limited central government transfers against low local level resource mobilization; low staffing levels; inadequate capacity to supervise technical fields such as health; rampant degradation of swamps and forests; mixed road status – many were in fair to good condition; high pupil-classroom ratios at primary level, often exceeding 70 in lower primary in Eastern Uganda; among others. The review when collaborated with other UBOS surveys indicate the need for affirmative action in Eastern Uganda, the greater Mpigi and Luwero areas aimed at enhancing equitable development and cronic reducing poverty levels in these areas, in addition to northern Uganda.

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