REPUBLIC OF UGANDA

MID TERM REVIEW OF THE THIRD NATIONAL DEVELOPMENT PLAN (NDPIII)

Policy and Strategic Direction Thematic Report

Uganda Vision 2040

NPA
National Planning Authority

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REPUBLIC OF UGANDA

FOR GOD AND MY COUNTRY

MID TERM REVIEW OF THE THIRD NATIONAL DEVELOPMENT PLAN (NDPIII)

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NPA National Planning Authority

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Acronyms

BUBU	Buy Uganda Build Uganda
CNDPF	Comprehensive National Development Planning Framework
CPI	Corruption Perception Index
GDP	Gross Domestic Product
GNI	Gross National Income
HCI	Human Capital Index
MDA	Ministry, Department, Agency
MFPED	Ministry of Finance, Planning and Economic Development
MIS	Management Information System
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NDPI	National Development Plan I
NDPII	National Development Plan 2
NDPIII	National Development Plan 3
NPA	National Planning Authority
NRM	National Resistance Movement
PEFA	Public Expenditure and Financial Assessment
PIM	Public Investment Management
PS	Policy and Strategic Direction
PSI	Policy Supported Instrument (IMF)
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Achievable, Results-focused, Time-bound
UBOS	Uganda Bureau of Statistics
UDB	Uganda Development Bank
UDC	Uganda Development Corporation
UIA	Uganda Investment Authority

Executive Summary

Theory of Change

1. The theory of change presented in NDPIII is coherent. It is not questionable that adding value to Uganda's resources especially for the agriculture sector and minerals would lead to significant benefits including generating employment would lead to higher incomes. To further enhance the coherence of the theory of change, Government could reduce and prioritize these development strategies by sequencing them overtime to ensure that they are effectively implemented before the end of NDPIII. The number of programs is large with duplicating roles with a possibility of rationalizing some small programs to effectively implement them.

2. Sector clustering around programmes could be strengthened to fully implement the NDPIII strategic direction. Under the programmes there is room for improvement so that sectors continue to rally around common goals and objectives. With clustering and understanding of how individual agencies with different outcomes/objectives interact, it reinforces policy co-ordination within and across sectors. This is particularly important for cross-cutting programmes such as agro-industrialization, tourism and skills development.

Macroeconomic strategy and Inclusive Growth

3. The NDPIII macroeconomic framework during the first two years of implementation faced external shocks that have compromised its results. Key among the external shocks include the COVID-19 pandemic, commodity price shocks, the war between Russia and Ukraine as well as domestic shocks such as the locust invasion and floods. At a macro level, real growth rates for the first two years of the NDP averaged 4.5 percent compared to 5.2 percent that was envisaged in the plan.

4. Accelerated growth in real GDP results into lower poverty rates. This indeed was the case during the period 1992/93-2009/10. However, since then poverty levels have stagnated to levels of 20.3 percent accompanied by lower growth. The MTR notes that there is a need to strike a balance between infrastructure and human capital development as well as re-engage development partners especially under the programme of human capital development. Investments in social sectors especially health, education and social protection have a direct impact on poverty and income inequality.

5. Debt levels continue to increase to unsustainable levels. Within two years debt has increased from 41 to 52 percent of GDP and this is above 50 percent where debt is considered unsustainable. While fiscal expansion to address the infrastructure, needs was the right policy especially in NDPI and NDPII, MTR recommend to use the remaining period of NDPIII rationalizing outstanding projects as well as maintaining the accumulated infrastructure stock. New infrastructure projects should be prioritized and some phased into NDPIV to maintain debt within manageable.

6. Recent surge in commodity prices has resulted into a sharp increase in inflation. By June 2022, core and headline inflation have increased by 5.5 and 6.8 percent respectively. High inflationary environment erodes incomes of the population and could also exacerbate the poverty and income inequality. Priority in maintaining a stable macroeconomic environment and avoiding debt unsustainability should be an overarching objective.
7. The MTR recommends that the NDPIII should focus on incomplete strategic projects carried over from the NDPII. These projects are largely in the roads, energy, and oil and gas sectors. Basing on plans to develop industrial ecosystems around iron ore, oil and gas and phosphates, there is need to continue investing strategically in electricity power generation. To minimize the cost of transmission and distribution of power, industrial clusters should be strategically located in consideration of raw material (e.g. iron ore, oil and gas and phosphates).
8. Investment in human development should be at the core of the remaining 2 years of the plan. The HDI has stagnated at 0.524 ranking Uganda at 166 out of 191 countries. Budgetary shares to education and health sectors have continued to drop over the years since 2008. This trend has decelerated the momentum that was built since mid-1990s. Whereas significant progress has been made towards achieving access to health and education, quality service delivery in the two sectors continue to be undermined by limited budgetary allocations.
9. In light of the increasing level of indebtedness, the macroeconomic strategy for the NDPIII should explore other forms financing projects. Uptake of PPPs as an alternative source of financing for large infrastructure projects has been slow due to lack of capacity within the public sector to design PPP projects. Other sources of financing that could be explored include issuance of long-term infrastructure bonds, green bonds and use of pension funds. This will require enacting the requisite laws and policies for issuance of these instruments by both the central and local government entities.

Production and Productivity of Agriculture Sector

10. Under the Agro-industrialization programme various interventions were undertaken to address the challenges of production and productivity in the agriculture sector. Overall performance under this programme has been characterized by various challenges including: (i) Low absorption of released funds for the programme due to delayed releases and disbursements to implementing agencies resulting in late initiation of procurements; (ii) stalling of construction works and in some cases, abandonment of sites by contractors; disbursement of funds for projects with low readiness for implementation; (iii) COVID-19 pandemic and lack of advisory fund to implementing agencies; (iv) limited translation of the PIAP commitments into the annual approved budgets and work plans to ensure attainment of programme objectives; (v) inadequate staffing especially extension workers in the lower local governments; (vi) Weak linkages, synergy and collaboration between the implementers of the different sub-programmes resulting in duplication of effort and wastage of resources; (vii) missed opportunities for learning from each other for more effective programme implementation.
11. Progress has been made towards mechanised irrigation schemes which are under construction or being rehabilitated. As at 31st December 2021, the Farmers benefiting from the completed schemes (Doho II and Mobuku II) recorded improved production and productivity due to access to water for production in Doho and Mobuku Irrigation schemes. The yield was however lower than the expected due to lack of fertilizer and pesticides application. Interventions should be well coordinated if yields of farmers are to be significantly increased.
12. The construction of 2,311 irrigation schemes under the NDPIII within five years is an ambitious project and worthwhile. Limited progress so far has been achieved with most schemes still under design stage. To revitalize the agriculture sector, infrastructure for irrigation should be made a priority under the NDPIII. Government should champion and invest in irrigation schemes both of large- and small-scale nature. There should be deliberate effort done at local governments to promote small scale irrigation by setting up demonstration gardens and hiring irrigation engineers who can be consulted by the population in design and implementation of these technologies.
13. To enhance inclusive growth, government should continue to play a key role in the agriculture sector to enhance its production and productivity. For production, the MTR noted that MAAIF has adopted the following strategic direction: (i) to have quality seeds

in the country, the production, multiplication, distribution and certification of seeds and other stocking materials like animal breeds and fisheries should be controlled by Government; (ii) there is a need to vaccinate all animals from Foot and Mouth Disease; (iv) to enhance the productivity of farmers the equipment of the rest of the mechanization zones should be acquired; (iv) Irrigation policy should be developed and implemented by MAAIF; (v) MAAIF should champion a massive communication campaign to educate farmers; and, (vi) Government should partner with large scale farmers to enhance economies of scale. The MTR also recommends that Government puts incentives for medium and large scale farmers to use their land. Incentives should include easy access to patient capital through UDB and other lending agencies such as PostBank. As well, government should champion development of insurance products to circumvent the risks in the agriculture sector.

14. To enhance productivity, government should identify a new promoter for the Sukulu fertilizer manufacturing plant. In line with the Quasi-market approach and given the strategic importance of fertilizers, Government should take lead in championing this project by ensuring that the necessary financing in partnership with an implementor with proven experience is arranged.

Effectiveness of Industrialization Strategy

15. Structural transformation of the economy driven by industrialization has not been realized during the first 2 years of implementing NDPIII. The contribution of the industrial sector in total GDP has not fundamentally changed, averaging 26.8 percent in 2020/21-2021/22. Real growth rate of the sector was also affected during the first year of implementing the plan owing to the COVID-19 lockdowns. However, the fiscal year 2021/22 witnessed some recovery of the industrial sector mainly driven by growth in mining and quarrying and manufacturing.

16. Limited progress in value addition in the agriculture sector has been realized during the first two years of NDPIII. The value of production for agro-processing industries has not shown any marked increase as a result of the interventions under this large programme. The MTR notes that for agro-industrialization to be realized—this has to be holistically championed through largescale programs such as the Parish Development Model, private sector development programs centred around production zones and setting up conducive environment for private sector participation.

17. There is no progress towards mineral beneficiation and manufacturing. Apart from Gold, there is limited value addition on minerals. Minerals that can have a profound effect on the fortunes of the country include: oil and gas, iron ore as well as phosphates. Iron ore processing has been hampered by lack of a champion either from the Government (e.g. through UDC) or private sector developers. Phosphates beneficiation in Sukulu was hampered by the developer running out of funds and abandoning the project.
18. While some semblance of light manufacturing is taking place, this is still far from making an impact and creating jobs at a large scale. The recent disruptions in supply chains and escalating costs of these raw materials have constrained production in these industries. The MTR recommends that for light manufacturing to effectively take place, there is a need to review the tax laws that apply to similar products that can be imported at sometimes cheaper cost given the lower cost of production in import countries. The MTR recommends that government should strike a balance between its quest for revenue collection and the need to generate employment for its citizens if light manufacturing is to effectively take place.
19. The MTR recommends that there should be deliberate effort by government to fast track the industrialization agenda through establishment of specialized financial institutions targeting small and large-scale industries. The industrial sector is currently dominated by small and medium enterprises (SMEs), which makes 93.5% of firms operating in the sector. Coupled with the quasi-market approach, there should be deliberate efforts to fast track nurturing of SMEs into large industries. This will require establishing specialized financial institutions to focus on supporting SMEs with a view to transform them into large production units.
20. Development of industrial parks should be at the center of promoting industrialization for the remining period of NDPIII. Out of the 25 parks, land has not been secured for 20 parks. The challenges for establishing the industrial parks include: (i) poor coordination and limited implementation capacities among responsible agencies; (ii) high cost of land acquisition; (iii) lack of financing for most parks, and; (iv) attracting quality investors. The MTR recommends prioritizing these industrial parks with the objective of agglomerating industries related to the resource base. The PDM should provide catchment areas especially for agriculture products to feed the industrial parks.

Sequencing of Infrastructure Development Strategy

21. In view of the industrialization agenda under the NDPIII, it was assumed that the excess additional power generated would be consumed by new large industrial enterprises. This has particularly been hampered by the failure of take-off of large energy consuming industries such as beneficiation of iron ore industry. While the MTR concurs that this was the right strategy as the country prepared for industries to consume the generated power, it is also critical for the government to start sequencing its investments especially in expensive hydro-dams with industrial establishments to off-take the power generated.
22. While generation capacity has substantially increased, this has not transcended into lowering the cost of power especially to industrial users. The MTR recommends that new hydropower dams should be built targeting industrial developments that would uptake the additional power generated. Expediting the development of industrial parks in tandem and attracting investors should be prioritized. The drive to reduce the cost of power to less than US 5 cents per KWh should continue to be vigorously pursued as a key factor for the country's industrialization.

Export Promotion and Import Substitution Strategy

For the country to address its macroeconomic imbalances buoyed by a stronger current account, emphasis on export-oriented growth remains critical. Export earnings are not sufficient to generate enough earnings to meet the increasing import bill. The MTR found that there has been some progress towards expanding the export market. While exports to the European Union and COMESA region remained stagnant, exports to the Middle East doubled during the NDPIII.

23. The average export performance of USD 6.7 billion can be attributed to several factors including: preferential market access in regional trade agreements, government strategic interventions, increased demand for agricultural commodities, increased exports of mineral products and improved transport services, among others. Trade within the EAC alone remained stagnant during the first 2 years on NDPIII partly due to the closure of the border with Rwanda. Trade within COMESA has also been stagnant albeit with some improvements in far off markets like Egypt where exports such as tobacco, butter and coffee have increased. The marked increase was mainly with the Middle East region. Albeit these efforts, Uganda's exports are still dominated by raw commodities. The volumes and value of commodity exports remain relatively low, implying the need to address constraints to competitive trade at international and regional levels.

24. With the EAC and COMESA trading blocs there is room for expansion of manufactured exports. The EAC market has high potential to promote industrial development in Uganda, however realizing this potential requires a lot of efforts due to the lack of complementariness in intra- EAC exports. EAC countries source only about 6% of their total imports from the region and yet produce similar manufactured goods (e.g. corn flour, textiles, sugar, confectionery, beer, salt, fats and oils, iron and steel products, cement, petroleum, paper, plastics and pharmaceuticals). This would therefore require to focus a lot more on value chains where there is demonstrated comparative advantage.
25. The recent admission of DRC to the EAC is a positive step towards increasing the export market for Ugandan goods. DRC has a total population of 90 million. Within the EAC, Uganda is the second largest exporter to DRC next to Rwanda albeit sharing a long border with various entry points to the DRC. DRC provides also a wide market for manufactured goods especially cement, palm oil, rice, sugar, refined petroleum, baked goods, cosmetics and iron materials coffee, tea, mate and spices; beverages, spirits and vinegar, sugars and sugar confectionery. The MTR recommends that for the next two years—Uganda should harness this market as it has more potential especially for manufactured goods. Challenges within this market remain such as poor road networks and insecurity. The MTR notes that for industrialization to take place in the various value chains, attention has to be paid to meeting the required standards of products for the various international markets.
26. Uganda stands to benefit from the AfCFTA through boosting intra-Africa exports, increasing manufacturing exports, job creation and enhanced incomes as well as enhanced transport and logistics services in the region. There is high demand for industrial goods in Africa and this creates an opportunity for Uganda's manufacturing sector. Uganda under this wider market should focus a lot more on where it has comparative advantage especially on agriculture products and their value chains. The MTR notes that to benefit from the AfCFTA several challenges must be addressed including: (i) reducing the high costs of doing business (due to factors such as: high regulatory burden and increased import competition); (ii) meeting the required standards set by import countries; (iii) addressing non-tariff barriers to trade (including political barriers); (iv) enhancing economic complementarity through diversification of exports and production.
27. Government should also consider establishing an export credit guarantee scheme to support exporters against high risks of doing export business in the volatile great lakes region. In addition, government should strengthen the country's trade negotiation capacity

to ensure maximization of benefits from international conventions such as WTO, EBA, COMESA, AGOA, GFT, EAC and other bilateral protocols.

Human Capital Development Strategy

28. Developing the country's human resource is important for structural transformation. Professions and technical skills that are necessary to drive the transformation agenda will be critical. Human capital development builds on existing education and health achievements. A wide gap currently exists of professionals, researchers and technicians that are required to drive the country to middle income status.
29. Significant resources have been committed to establish technical and vocational institutes. Staffing, equipping and providing sufficient budget for training consumables and materials for these institutes are still a challenge. Based on the manpower survey and the preliminary projections, some progress has been made towards addressing the manpower gaps. For instance, new courses have been established to train early childhood educators, vocational education teachers, agricultural extension workers, information technology trainers, tourism and wildlife colleges. This is a step in the right direction. This notwithstanding more needs to be done to address the manpower gaps in the new emerging sectors such as oil and gas and industrial workers.

30. Consultations with the HCD group raised various challenges that have hindered delivery of their outcomes. Key among them are the low unit costs for UPE, USE, UPOLET, Teacher Education and Vocation Education and thus affecting quality of education delivery. Inspection of schools and higher institutions of learning have been particularly hampered by budget cuts. Owing to limited resources, inspection of tertiary institutions is done at the invitation of the institution. The MTR recommends strengthening the current inspection system by completing the roll out of the Teacher Effectiveness and Learners Achievement (TELA) system to improve education quality in the country and e-inspection systems. The MTR noted that there are efforts underway to enhance collection of administrative data within the education subprogram by strengthening the EMIS. Delays in project implementation especially for externally funded projects also hampered the subprogram.
31. For the population, health and safety management sub-programs within HCD various challenges were raised during the consultative meeting. Key among them is the dwindling number of health workers to patient ratio now at 19/1000. This is manifested in congestion

in health facilities especially referral hospitals. This is compounded by the high demand and externalization of labor and the country loosing highly skilled medical personnel. The low per-capita spending on medicines health supplies has led to frequent stock outs. Lack of specialized skills to repair medical equipment has led to abandonment of sometimes newly acquired equipment.

32. Consultations under the MTR revealed an urgent need to expedite the health insurance bill. The target is to have the insurance bill signed into law by end of the year. The key fundamentals for the health insurance scheme include: (i) being mandatory for all; (ii) contribution by all irrespective of income status; and, (iii) coverage will only be for basic services.

33. As reported by Gender and Social Protection subprogram, there are emerging occupational risks including the global COVID-19 pandemic, work related stress, ergonomic risks and other related health risks such as communicable diseases that are affecting labor productivity. Lack of a structured institution to enhance labour productivity and competitiveness is a gap that should be addressed. While externalization of labor is emerging as a key source of non-tax revenue to government, cases of labor exploitation and mistreatment are on the rise. The number of Karamojong children on the streets is now estimated at 25,000. This is on the backdrop of dilapidation of structures for rehabilitation of vulnerable groups including children, youth and persons with disabilities.

Strengthening the private sector to drive growth and investment

34. The private sector in Uganda is mostly comprised of Micro Small and Medium Enterprises (MSMEs) which collectively constitute approximately 90% of private sector production and employ over 2.5 million people. The Cost of doing Business remains high. Some of the factors attributed to the high cost of doing business in Uganda include; the high energy tariffs, bureaucratic business registration processes, inadequate skilled labour force, limited knowledge of business formalization procedures, and high transport related costs among others. The MTR recommends expediting implementation of the existing local content policy, and other related legal and institutional framework, building capacity of local providers to compete favorably in public procurement and enforcing the Implementation of the Guidelines on Preference and Reservation Schemes. The MTR also recommends formulation and implementation of the competition law. This is expected to create a fair and competitive business environment as well as effectively curbing uncompetitive practices.

Quasi-Market Strategy

35. Whereas Government has embraced the Quasi-Market approach in infrastructure development, particularly in the energy sector, there are few noticeable investments in setting up large industries for employment creation and boosting exports as envisaged in the NDPII and NDPIII. Such large investments with requirements of high capital outlays have not attracted private sector investments and would require direct government involvement. The lack of large industrial projects has limited utilization of the existing and still increasing energy generation capacity. Attracting private investments continues to be encumbered by the country's low competitiveness, high cost of domestic capital and lack of requisite skills. The few projects that have been championed by UDC have had mixed progress and their impact considered to be patchy on the structural transformation of Uganda. To-date there are 13 operational projects where government has participated directly and the rest are projects in the pipeline under UDC. Initiatives where government is spending resources are also too small in nature to have any meaningful impact on the transformative agenda of Uganda. Others like in the hospitality industry have limited backward linkages to benefit the larger population and enhance inclusive growth.

36. Government must consider embarking on at least 2-3 large industrial projects in the medium term. Examples of transformative projects where government should have a direct role for the remaining period of NDPIII are: (i) the Iron and Steel for Muko Iron-Ore and other related industries with the objective of setting up an iron and steel based industrial ecosystem for the country—this will result into a spinoff of steel-based industries in the region and absorb the increasing numbers of job seekers; (ii) Government should remain firm on the development of the Oil refinery and also consider investing in the petrochemical industry during the remaining period of the NDPIII. Beyond the oil pipeline—a complete ecosystem of the oil and gas industry should be explored with direct interest on part of government. The petrochemicals industry if properly natured would have a profound effect on sectors such as plastics through production of ethylene and associated by products which are currently imported. The refinery will have large spill over effects with huge multipliers on other products such as fertilizers and pharmaceutical industries within the region. This would hugely impact positively Uganda's balance of payments position. The MTR also recommends that government passes the enabling laws on use of biofuels. By Establishment of large biofuels industry aimed at mixing ethanol with oil would create an enormous market for agriculture products such as maize, sugar

and cassava. In addition, this will stabilize prices for petroleum products as well as enhancing the incomes of households engaged in maize, sugar cane and cassava value chains. At the moment, maize and cassava produced have no large-scale industrial demand apart for domestic consumption and regional exports in raw form with minimal processing.

37. For government to play a role through the Quasi-Market approach, the role of UDC would need to be expanded through provision of necessary human and financial resources. UDC needs to focus more on championing large enterprises where there is clear market failures and challenges of getting the private sector to invest.

Urbanization Strategy

38. To enhance urbanization, Sustainable Urbanization and Housing (SUH) Program is one of the 20 NDP III programmes whose goal is to attain inclusive, productive and livable urban areas for socio-economic development. The delayed approval of the National Physical Development Plan has constrained orderly development in this Country. The MTR recommends prioritization of approving the National Physical Development Plan.
39. Uganda is facing a huge housing deficit of more than 2.5 million units, worse than any Country in the region. Deliberate efforts during the remaining 2 years of the plan should be made to bridge the gap. The MTR recommends the need to capitalize the National Housing Construction Company and the Housing Finance Bank to provide for low cost housing and affordable mortgages respectively. There is also a need to incentivize the private sector to develop low cost housing to reduce the escalating housing deficit. This should be accomplished by government developing the basic social infrastructure around developing housing estates.

Environmental Concerns

40. There is concern on the rapid degradation and loss of wetlands especially in the areas of Busoga, Tororo, Kigezi, Bukedi and some areas of Ankole. The area of wetlands declined by 30 per cent between 1994 and 2008. And although between 2008 and 2014. The extent of decline varies from over 53.8 percent in the Lake Victoria basin to 14.7 percent in the Lake Albert drainage basin. The key drivers for the encroachment on wetlands include population increase growing at 3.2 percent and the need for cheap industrial land.
41. To further conserve the environment, the MTR recommends to unconditionally vacate wetlands encroached on except for the areas of Bukedi, Busoga and Kigezi and manufacturing factories. For the case of Bukedi, Busoga and Kigezi—since the population

were misled into use of swamps by government, relocation should be enforced in an orderly way after fair compensation. Factories should be given 10 years to relocate after identifying alternative land. Cultivation along the shores of the lakes (200 meters) or river banks (50 meters) should also be discouraged. As well, infrastructure developments (residential or commercial) built in wetlands or areas susceptible to floods from the lake should also be vacated.

42. The MTR also noted that the natural forests are being depleted. According to NFA estimates, over 80,000 hectares of Uganda's forest estate is lost annually. To address this challenge, natural forests encroached on should also be vacated immediately and unconditionally. Encroachers on forest reserves which were not natural should be encouraged to undertake agro-forestry activities. Government should also embrace a programme of planting trees alongside its infrastructure development such as national and local feeder roads. In addition, government should popularize tree planting for each household—more so for trees that can be intercropped with for example coffee and banana plantations. Urban dwellers could also be encouraged to plant trees in their compounds through an organized campaign.

Reforms Under the Various Programs

43. To realize the policy and strategic direction, there are reforms which were supposed to be put in place. Progress on these reforms has been slow or non-existent for most programs and this has negatively affected NDPIII performance.

Adoption of the plan as a guiding framework and facilitating implementation

44. The level of understanding of NDPIII by stakeholders appears to be higher. Discussions with stakeholders during this MTR revealed that there is a common understanding on the priorities of NDPIII and some evidence of the broad policy and strategic directions it espouses. However various stakeholders expressed reservations on the functionality of the program approach. Non-state actors, the private sector and development partners have however expressed that they would like to work with Government in a more meaningful way moving forward. To improve buy-in and support to NDPIII, it is recommended that the Government considers strengthening the co-ordination of development partners, enhances the involvement of development partners in preparing NDPIV, streamlines joint sector working groups and ensures that partnership dialogue within the NPF is inclusive and result-orientated. To enhance the level of commitment and buy-in to NDPIII across

Government, the communication plan outlined in the NDPIII Implementation Strategy could be revisited and revised.

1.0 Introduction

45. **The Government of Uganda, through the National Planning Authority, has commissioned a mid-term review of its National Development Plan III 2020/21-2024/25 (NDPIII).** The mid-term review covers the period 2020/21 to 2021/22. The mid-term review, conducted by a team of independent consultants, is comprised of six thematic reports: Economic Management, Program Design and Institutional Framework, Partnerships, Local Economic Development, Monitoring and Evaluation Framework and Policy and Strategic Direction. This is the Policy and Strategic Thematic Report.

46. **The objective of this report is to present an assessment on the quality, suitability and effectiveness of NDPIII's policy and strategic direction, two and half years into implementation.** Policy and strategic direction are defined as the guidance given to the country on its development path. Effective implementation of the guidance given in NDPIII, by Government, citizens, private sector, academia and development partners, is assumed to support Uganda achieve its goal of increasing average household incomes and improving the quality of life of Ugandans. This report provides the Government with a stock-take on how effective the policy and strategic direction of NDPIII to-date has been and an opportunity to take corrective action for the remaining years of the plan.

47. **This report is structured into three parts**. Part one presents a background to the topic and the methodology used to collect and analyse information. Part two presents key findings. Part three provides conclusions and recommendations.

1.1 Methodology

48. For this report, the consultants requested and analysed several documents from Government and Development Partners (Annex 1). In addition, semi-structured interviews were held with Government staff and other stakeholders who are involved in the delivery of NDPIII. Semi-structured interviews and document analysis were framed around five areas of enquiry:

- NDPII's theory of change;
- In light of the new programme design approach we review the existing Government policies, plans and strategies in relation to NDPIII;

- Effectiveness of industrialization strategy, infrastructure development strategy, human capital development strategy; export promotion strategy and import substitution strategy, quasi-market approach its achievements, private sector development and the urbanization strategy;
- Suitability of NDPIII's strategic direction.

1.2 Background

49. This section presents background information on the NDPIII, key stakeholders engaged in shaping the strategic direction and policies under the NDPIII, and overarching structures guiding the NDPIII's policy and strategic direction.

National Development Plan III (2020/21-2024/25)

50. **In line with Uganda's Comprehensive National Development Planning Framework (CNDPF), the NDPIII is the third in a series of six five-year plans aimed at achieving the Uganda Vision 2040.** NDPIII significantly departs in its approach towards development as it uses the programme approach with profound implications on how it was supposed to be implemented and delivered. NDPIII was developed by the National Planning Authority in close consultation with a range of stakeholders across Government, civil society, the private sector and Development Partners among others. NDPIII's goal is to increase average household incomes and improve the quality of life of Ugandans. Achievement of this goal is underpinned by the need to boost industrialization for inclusive growth, employment and sustainable wealth creation.

51. The plan builds on lessons learned and results achieved under NDPI and NDPII as well as recommendations from NDPII's mid-term review. Delivery of the plan is supported by the Development Plan Implementation programme, a results framework and reforms and management systems for NDPIII.

52. From a policy and strategic direction perspective, NDPIII remained focused on a few objectives and very similar to NDPII albeit with a different approach of delivery based on programs rather than sectors.

Table 1: Evolvement of Goals and Objectives

NDPIII Theme: Increase average household incomes and improve the quality of life of Ugandans through sustainable industrialization for inclusive growth, employment and sustainable wealth creation.	**NDPII Theme: To achieve middle-income status by 2020, through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth**	**NDPI Theme: Growth, employment and socio-economic transformation for prosperity.**
• **Enhance value addition in key growth opportunities;** • **Strengthen the private sector capacity to drive growth and create jobs;** • **Consolidate and increase the stock and quality of productive infrastructure;** • **Enhance the productivity and social wellbeing of the population;** • **Strengthen the role of the state in guiding and facilitating development**	• Increase sustainable production, productivity and value addition in key growth opportunities (agriculture, tourism, minerals and oil and gas); • Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness; • Enhance human capital development; and • Strengthen mechanisms for quality, effective and efficient service delivery.	• Increase household incomes and promote equity; • Enhance the availability and quality of gainful employment; • Improve the stock and quality of economic infrastructure; • Increase access to quality social services; • Promote science, technology, innovation and ICT to enhance competitiveness; • Promote sustainable population and use of the environment and natural resources. • Enhance human capital development; and • Strengthen good governance, defence and security.

Source: NDPI, NDPII, NDPIII

1.3 Key stakeholders

53. **The NDPIII is developed and subsequently delivered by several stakeholders within and outside Government.** The Office of the President is tasked with overall leadership and oversight of the plan, the timely communication of cabinet decisions and quality assurance of policies presented to Cabinet. Cabinet, as the highest policy making organ of the Executive, is empowered by the Constitution to determine, formulate and implement the policy of the Government (Article 111(2)). Cabinet ultimately provides the policy and strategic direction for NDPIII, approves the budget allocations and champions implementation. From a policy and strategic direction perspective, key institutions include the Office of the President, Cabinet, Office of the Prime Minister, National Planning

Authority (NPA), Ministry of Finance, Planning and Economic Development (MoFPED), sector ministries, departments and authorities (MDAs) and local Governments. The Office of Prime Minister is tasked with the role of tracking the implementation of priority projects and programmes and for public sector performance information and reports which inform good policy development. The NPA develops national development plans, including NDPIII, ensures alignment of MDA and local Government plans to NDPIII and develops NDPIII performance indicators and targets in liaison with sector. MoFPED is responsible for resource mobilisation and allocation and for ensuring a direct linkage between planning and budgeting. Sector MDAs and local Governments both develop sector plans and policies and align their objectives to national level directives such as NDPIII.

1.4 Situation Analysis and Key Emerging Issues

54. The MTR undertook a high-level consultative process across the 20 programs. The Ministers or their representatives provided the status of the programs, strategic direction and priorities for the next two years. Key emerging issues were also discussed under the plenary sessions for each program. Table 2 below provides a summary of the key emerging issues that need to be urgently addressed during the remaining years of the NDPIII.

Table 2: Achievements, Challenges and Priorities of Programs for NDPIII

Agroindustrialization	
Achievements	Challenges
• 70% recruitment of extension staff with the zonal research institutions • Stoking waterbodies has been made though with limited funding so as to increase fish production • ICT through agriculture extension services is already being undertaken through the curriculum • Resources earmarked for insurance together with MoFPED, and more resources for water for agriculture production is a priority for attracting insurance	• Lower technology generation and research • Lack of synergy and collaboration among agencies • Inadequate extension services • Delay of rains especially West Nile, Lango • Low funds absorption due to low funding • Growing incidences of livestock diseases • Limited progress in Maintenance of standards
Emerging Issue	Recommendations
• Programme level indicators collectively contributed to by various MDAs are not captured in the reporting framework • Slow project implementation • Allocations within the programme do not proportionately follow the agro-industrialisation programme value chain	• Timely release of funds by MoFPED • OPM to coordinate PWGs to ensure their efficiency and effectiveness • Strengthen intra-programme collaboration and synergy in prioritization and implementation • UBOS should be put on board to provide statistics for key programme outcome indicators
Priorities	
Agricultural production and productivity i) Strengthen agricultural research and technology development- focus on demand-driven agriculture technologies, improved animal breed multiplication, seed multiplication, research-extension farmer linkages, fish fingerlings for aquaculture ii) Strengthen the agricultural extension system- focus on equipping extension staff iii) Strengthen the agricultural inputs markets and distribution systems to adhere to quality standards and grades- focus on registration of agro-chemical dealers, e-verification iv) Increase access to and use of agricultural mechanisation –focus on mechanisation in all the 18 production zones from 5 v) Improve land tenure systems and security mechanisms that promote inclusive agriculture investments -focus on land titling and reducing fragmentation, partnering with large-scale land owners vi) Strengthen farmer organizations and cooperatives- support farmers to acquire quality inputs	

vii) Strengthen systems for management of pests, vectors and diseases- focus on certification laboratories, cost sharing for public good diseases like FMD to increase vaccination coverage, disease control infrastructure, the establishment of vaccine cold chain facilities viii) Water for agricultural production: linking producers of high-value export crops like vegetables to Irrigation schemes; construction and maintenance of existing irrigation schemes *Storage, Agro-Processing and Value* addition i) Establish post-harvest handling, storage and processing infrastructure including silos, dryers, warehouses, and cold rooms of various scales –complete and maintain those already established ii) Establish eco-friendly fully serviced agro-industrial parks/export processing zones and equip regional farm service centres- set up infrastructure where land has been secured iii) Establish a strategic mechanism for the importation of agro-processing technology iv) Establish new and rehabilitate existing agro-processing industries- rehabilitate existing ones v) Provide affordable, adequate and reliable electricity in the various production zones of the country vi) Regularly maintain community access and feeder roads for market access *Agricultural Market access and competitiveness* i) Enforcement and adherence to product quality requirements including; food safety, social and environmental standards and grades - ii) Digitalize acquisition and distribution of agricultural market information iii) Negotiation and development of international market opportunities particularly for the priority commodities iv) Complete and maintain the 12 redeveloped agricultural markets in the Urban Councils of Arua, Busia, Entebbe, Tororo, Kasese, Kitgum, Lugazi, Masaka, Soroti, Moroto, Mbarara and Kabale. *Increase the mobilization, equitable access and utilization of Agricultural Finance* i) Finalize and implement the Agricultural Finance and Insurance Policy ii) Increase the coverage of ACF and funding for UDC iii) Coordinate public sector initiatives, mechanisms and institutions (e.g. Postbank, UDB, Pride Microfinance, Housing Finance Bank) *Strengthen Institutional Coordination for Improved Service Delivery* i) Programme and sub-programme working group meetings to promote joint planning and implementation of interventions and projects ii) Increase capacity to develop bankable projects iii) Implement service delivery standards iv) Legal and policy reviews	
Key Emerging Issues	
i) Extensions services has been eroded and should be resuscitated. ii) Agricultural insurance should be given priority as risks are many for example in the dry spell when there is no rain. iii) There is a need of linking budgets to plans targets	

Manufacturing	
Achievements	Challenges
• Registered 2121 cooperatives with special groups of women and youth • Cooperatives were audited and inspected • Trained women entrepreneurs • Facilitated GSOs Development • Validation of National Business services framework	• PWG not fully functional - Program reviews have not been undertaken • Slow project implementation hindering realization of NDPIII targets • Difficulty in accessing credit by small, micro and medium enterprises. • Shortage of skilled labor force for manufacturing
Emerging Issues	Recommendations
• Slow enactment of laws for manufacturing such as the Industrial Licensing Amendment, VAT bill, Industrial Park Guidelines • Narrow range of manufacturing standards and limited enforcement of applicable regulations • Low levels of technology upgrade and transfer across Uganda's manufacturing industry mainly attributed to low innovation skills • Delayed release of GOU funds for KIBP, KMC affected progress • Export earning from raw materials (minerals and coffee) are contributing much more than manufacturing goods	• Provide cheap capital through UDB long term loans with low interest rates • Increase quality monitoring of consumer goods and develop Standards for priority products • Operationalise PWGs • De-risking trade in volatile markets like South Sudan, DRC. Eg establish Ugandan bank, insurance cover for Ugandan businesses.
Priorities	

• Operationalise the existing industrial parks (prioritise 2), construction and maintain infrastructure for the industrial parks (roads, water reticulation, HV power, solid waste management/ waste water system, ICT/CCTV, service ducts, perimeter wall fencing and landscaping, MSME and common user Buildings, one stop centres)
  ○ Kampala Industrial and Business Park
  ○ Mbale Industrial and Business Park
• Establish a Manufacturing Credit Facility, develop and continuously review guidelines and criteria for suitable financing packages for Manufacturers
• Complete construction of one stop border posts between DRC, South Sudan and Uganda
  ○ Mpondwe Border Export Zone
  ○ Bunagana OSBP
• Facilitate local industries to acquire appropriate technologies and product certification
  ○ Prioritize those involved in production of indigenous pharmaceutical remedies
• Equipping Kiira Motor Corporation (KMC)
• Support the Iron and Steel industry value chain

Key Emerging Issues
• Large industries require intervention by government like Maruzi Oil Palm—to access land. Investors on Buvuma island have no access to land to move the heavy equipment. • Cost of power is very high which makes manufacturing in Uganda uncompetitive. • Large scale investments like iron and steel should be championed by government through UDC • Local content law should be operationalized to help local investors participate in manufacturing • There is limited storage capacity for locally produced goods which hinders production

Public Sector Transformation

Achievements	Challenges
• Rationalization of government institutions has been achieved through cabinet consultation • Salary enhancement to be done in a phased way • Enhancing capacity building where a total of 61 pub officers were trained in mindset change. • Discretionary trainings, 10 specialized training conducted • Enhanced e-learning	• Phased implementation of the pay enhancement policy has lowered the motivation levels among those yet to be considered • Attracting and retaining talent especially in LGs • Low coverage of inspection due to failure to fund the E-inspection reform and interventions therein • Difficulty in obtaining performances related statistics from votes • Lack of retooling budget for the LGFC • Information asymmetry between programme implementing agencies • Restricted field visits due to Covid-19 pandemic
Key emerging issues	Recommendations
• There are still coordination gaps among the MDAs directly responsible for achieving the Program's goal • Programme outputs are not mapped to the MTEF provided by MoFPED • Limited funding to facilitate implementation of the reforms and interventions • Partial implementation of the revised salary enhancement across government • Corruption and general outcry over lack of ethics and integrity among public service • Lack of facilitation for the Programme Secretariat	• Continue engaging MoFPED to provide 100% of the approved budget to finance planned activities. • Continue engaging MoPS and MoFPED to lift the wage ceiling and allow for recruitment to improve staffing levels. • During Planning & implementation, there is need for proper coordination with related MDAs • Adherence to the implementation roadmap of the pay policy • There is need to re-align the key implementing MDAs under the programme • There is need to review Programme Indicators
Priorities	
• Rationalization of government Ministries, Departments and Agencies. • Enhancement of Salaries for government employees • Funding intervention that leverage on ICT to increase scope of work completed (E- inspection, e.t.c) • Automation of Performance Management processes • Identifying the development partners to support the E-governance Innitiative	
Key Emerging Issues	
• Inconsistence in PWGs and lack of facilitation to operationalize the programmes • Duplication of human resource service system • The entire government structure needs to be aligned to the Programme Approach • Measures to get back on the roadmap to ensure that people are motivated to work through incentives. • Need a strategy to ensure LGs get the required staff.	

Sustainable Urbanization and Housing

Achievements	Challenges
• Under Markets and Agricultural Trade Improvement Program (MATIP2) - Nine (9) out of the planned 12 markets have been completed and 8 of these are fully operational which has increased job opportunities in the urban area • Established four Free and Industrial Zones(Royal Molasses Ltd, Abbarci Industries Limited, Suntex Textiles Limited, Wagagai Mining) that led to creation of 9,816 jobs out of the targeted 20,000 jobs • Under USMID-AF - completed a total of 9.7km of urban roads and associated infrastructure, 1 urban transport and beautification project, 8 signalized junctions and 2,259 solar streetlights. This has contributed to ease of doing business in Urban centers. • Increase in the proportion of urban green restoration, 10.9% to15.96% for wetlands and 9.1% to 12.3% for forests. • Proportion of urban population using safely managed drinking water services improved from 79.15% at the start of NDPIII to 84% as at March, 2021 • Improved solid waste collection through provision of fourteen (14) garbage trucks. Cities of Arua (2), Lira (2), Hoima (2), Fort Portal (2), Mbale (2), Masaka (2), Tororo (1) and Kasese (1) . There are additional 7 garbage trucks for Gulu(2), Jinja(2), Kamuli(1), Lugazi(1), Busia(1) • Reproduced guidelines for energy efficient, green building design and sensitization done in five (5) districts of Kibuki, Ngora, Sironko, Bulambuli & Kapchorwa	• Lack of data to measure evidence based Programme performance. 43% of indicators were not measured • Misalignment of Land Management Sub Programme which has affected the synergies with SUH Programme performance and reporting • Low levels of funding currently at 22.3% • Low staffing levels of the Programme estimated at 45% • Low levels of physical planning at 15% occasioned by lows levels of funding both at National and local Government • Low level of compliance to physical planning regulatory framework. • Covid19 restrictions affected implementation of Programme interventions • Programme coordination challenges occasioned by inadequate funding
Key emerging issues	**Recommendations**
• Limited understanding, appreciation and low readiness of programmatic approach • Misalignment of Programme Implementation Action Plans(PIAPs) and the Budgeting system • Placement of Land Management Sub Programme to NR delinked the synergies with SUH Programme. International Best practices for planning, policy and legal frameworks recognise that land use and land management are intertwined. • Physical Development Plans (PDPs) are not followed with detailed plans, plan implementation and enforcement • Ambitious targets were set with the expectation that resources would be available • High rate of urbanization without proper planning leading to urban sprawl. • Economic and financial impact of Covid19 continued to impact implementation of SUH Programme interventions.	• Fast-track the ongoing processes to establish the legal and institutional frameworks • Capitalize Housing Finance Bank and National Housing & Construction Company (NHCC) to provide housing for all • Prioritize institutional and social housing. • Review the SUH Programme indicators and targets for the remaining NDPIII period to match the resources available. • Fund the operations of SUH PWG to effectively engage and deliver on the interventions. • Integrate Land Management Sub-programme (currently under NR) with SUH Programme to harness synergies for land use planning, sustainable urbanization and Housing. • Provide for Land banking in cities • Establishment of National Physical Planning Board Implementation Unit (NPPB-IU)

Priorities

Sub Programme 1: Physical Planning and Urbanization

i. Fast tract finalization and approval of the National Physical development Plan
ii. Develop and implement integrated physical and economic development plans in the new cities and issue guidelines for their operationalization
iii. Develop Integrated Urban Development Master Plan for GKMA
iv. Develop and implement bankable projects
v. Scale up the portfolio of urban economic infrastructure e.g markets, roads, and industries.
vi. Scale up solid waste management initiatives inline with solid waste management strategy that include establishment of recycling plants
vii. Establishment of National Physical Planning Board Implementation Unit

Sub Programme 2: Housing Development

i. Capitalize Housing Finance Bank (HFB) to provide affordable mortgages
ii. Capitalize National Housing and Construction Company (NHCC) Ltd to deliver affordable housing for all.
iii. Slum upgrading and redevelopment
iv. Design and build inclusive institutional housing

Sub Programme 3: Institutional Coordination

i. Develop and implement institutional, legal and policy framework for new cities.

ii. Develop & implement individual city investment profiles & bankable projects
iii. Roll out urban information management systems to improve operation efficiencies (PPUMIS, IRAS and e-governance management system)
iv. Implement the staffing structure of SUH Programme(MoWT, NEMA, MoLG, UFZA, MoKCC&MA, KCCA, NHCC,MWE)
v. Improve SUH coordination and evidence based M&E of the Programme

Key Emerging Issues	

- Delayed approval of the National Physical plan which has made the process cumbersome, hence escalation of slums
- Huge housing deficit of 2.5 million and highest in the region
- Digitization-Roll out cooperate portal, public portal to the diaspora, to get rid of fraudsters
- Real Estate Bill is long overdue
- Real Estate Association of Uganda suggested that a data centre should be put in place to organize the data to have standard rate of houses so as to minimize cheating home buyers
- National Master plan is required to help organize development
- Physical planning is very crucial as it provides organized development
- Need to regulate development of real estate
- Provide socio-economic infrastructure, which makes cost of development high like power, water, roads

DEVELOPMENT PLAN IMPLEMENTATION PROGRAMME

Implementation and Coordination Challenges

	Issue	Challenges	Recommendations
Q1	▪ Implementation Challenges	▪ The implementation framework was not well disseminated and therefore not understood and implemented ▪ Confusion over Program Secretariats: Program secretariats are not domiciled at the OPM for proper coordination neither are they active at the implementing agencies ▪ The migration from sector to program based was neither effectively internalized nor appreciated. ▪ The budgets and funds are still at Vote level and not programme level undermining the PBA	▪ Re-examine the legal and policy frameworks for setting up programmes ▪ There is a need to i) understand the mid-term priorities of gov't, ii) agree on the overall coordination and M&E strategy, and iii) Agree on the responsibilities and roles of the concerned institutions.
Q2	▪ Research Agenda	▪ NPA in collaboration with key players should define the national research framework covering scientific, economic, social and other areas of research	▪ EPRC in collaboration with key players will define the economic policy research agenda. ▪ NCS&T in collaboration with key players will define the scientific research agenda. ▪ OPM in collaborating with key players will define the evaluation agenda. ▪ OP in collaboration with stakeholders to define the policy research agenda
	Coordination	▪ There is a disconnect between MOFPED, OPM and Program working groups, thereby affecting the coordination that should happen to create synergies.	▪ OPM should actively participate in the budgeting, planning, monitoring and reporting at the program working group level. ▪ The respective institutions should be equipped with the requisite capacity and resources to effectively coordinate government implementation. ▪ Enhance the Govt Annual Performance Reviews to include expenditure reviews to inform expenditure ceilings for programmes. ▪ DPI should work closely with OPM to effectively carry out the coordination. It is distant and not complimentary to OPM.

Objective 2: Strengthening budgeting and resource mobilization

	Issue	Challenges	Recommendations
Q1	▪ Tax Exemptions	▪ Limited information and misunderstanding between rent and property tax ▪ Double standards on tax exemptions ▪ Selective exemptions between the locals and foreign investors ▪ Abuse of tax exemptions by foreign investors. After the exemption period the foreign firms leave the country ▪ 5% of GDP (UGX 7 Trillion) is lost to tax exemptions ▪ Limited information on tax exemptions	▪ Harmonize rental and property tax ▪ Study by URA (ongoing) to evaluate the effectiveness of tax exemptions ▪ Need to assess the progress of the investments given exemptions ▪ Need to give information on the tax exemptions ▪ Regular reporting and evaluation of the impacts of exemptions ▪ There's need to balance tax exemptions and revenue mobilization

		▪ Inadequate harmonization of tax exemptions at local level and central Government/cities e.g rental tax and property rates.	
Q2	▪ Governance issues around taxation	▪ corruption ▪ No respect for the Integrity, values ▪ Coordination and governance in LGs ▪ Weak Tax administration, efficiency and effectiveness ▪ Lack of demand driven research to inform policy ▪ Inadequate tax education ▪ Limited link between tax returns and service delivery ▪ Out-dated tax laws ▪ Informality ▪ Inadequate information sharing on incentives and beneficiaries	▪ Sensitizing the public about their rights and roles including tax returns ▪ Digitating of processes ▪ Keep upgrading the system ▪ Confiscate property acquired through corruption ▪ Encourage and protect Whistle Blowing ▪ Update the laws periodically to fit the existing situation ▪ Regular legal reforms in the tax systems ▪ Need for research to inform policy ▪ Align taxation to service delivery ▪ URA should share the data set with the researchers ▪ Widen the tax base ▪ Need for demand driven research as opposed to supply driven ▪ Instill integrity and other core values in the tax system
Q3	▪ Reforms to improve Tax to GDP ratio	▪ Low tax to GDP ratio	▪ Revisit tax exemptions ▪ Reduce informalities ▪ Data sharing across government and data standardize is critical ▪ Expand the tax register ▪ Risk management Analysis to reduce leakages ▪ Need to reintroduce graduated tax such that people are under pressure to work ▪ Resources given to LGs should be proportional to the local revenue collected ▪ Sharing profitable business ideas with the public ▪ TIN attached to NIN ▪ Ensure that Government bodies pay taxes in time ▪ Revenue collection should match service delivery
Q4	▪ Reducing the Fiscal Deficit	▪ High fiscal deficit amidst a debt ceiling and increased expenditure	▪ Improve domestic revenue to meet the increasing expenditure ▪ Address Leakages ▪ Categorize tax payers especially in the agriculture sector
Q5	• Growth and Job Responsive Budgets	▪ Weak integration approach	▪ Support (capital) to MSMEs, big enterprises and make follow-ups to ensure increased production and job creation ▪ Promote integrated programme based financing based on the different value chains ▪ Promote government investment in labour intensive industries e.g. textile ▪ Create a framework that tracks growth and job creation ▪ Explore Business outsourcing (internet connectivity, exploit the favourable time zones, good English speaking, youthful population) ▪ Skilling people in business management to enhance their employability ▪ Promote inclusive growth to generate opportunities
Q6	▪ Innovative financing mechanism	▪ Low revenue mobilisation	▪ Registration of Ugandans in the diaspora, sensitising them on existing investment opportunities, bilateral agreements to reduce the cost of business, marketing the diaspora bond, building confidence in the diaspora need for credible investments, set up a desk to handle complaints from the diaspora ▪ Floating the diaspora bonds in partnership with MFPED, BOU establish a climate financing unit to harmonise all climate financing commitments ▪ Negotiate better terms for employment for Ugandans in the diaspora especially ▪ Explore carbon credit- MoWE

Q7	▪ Allocation of resources to votes and not the programmes	▪ Programme working groups not meeting/working ▪	▪ Allocate money/budgets to programmes, for a start wages can remain where they are (sectors, votes) ▪ Revise the legal system to support programmes and away from votes, change management system

<table>
<tr><th colspan="2">Innovation, Technology Development and Transfer</th></tr>
<tr><td>Achievements</td><td>Challenges</td></tr>
<tr><td>

Development of Ugandan Earth observatory satellite PearlAfricaSat1completed. To be launched into the earth low orbit in September 2022
Kiira Motors Corporation (KMC) officially entered the commercialization phase. A partnership was established with Kalita and the first cross boarder commercial trip (Kampala-Naivasha roundtrip), in a Ugandan made bus, was made in April 2022
KMC now manufacturing two types of buses: the fully electric and the low-emission diesel engine buses here in Uganda. The buses have undergone comprehensive market validation and are now market-ready.
So far, 11 buses have been made here (4 fully electric-city, 5 diesel-city and 2 diesel long-haul executive coaches). The 4 electric buses have been on the road, deployed under the Civil Aviation Authority for over two years and have already logged about 50,000 kilometres each, without any technical problems;
Mobilized other players in the mobility value chain; Zembo, Bodawerk, and International University of East Africa are manufacturing electric motorcycles with locally assembled batteries. In June 2022, the Ministry of Energy and Mineral Development and Zembo launched charging stations for electric motorcycles in Mpigi as part of the e-mobility corridor

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Delayed release of funds to subventions due to closure of MoSTI
Governance and coordination challenges: – late appointment of steering committees
STI survey meant to generate important benchmarks and technical needs for STEI was not conducted
There is still no National Research Agenda to prioritize areas of national importance
Weak regulatory framework has failed to curb plagiarism and infringement of IP rights
MDAs not reporting on Programme indicators in the NDP III results framework

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<tr><td>Key Emerging issues</td><td>Recommendations</td></tr>
<tr><td>

The transition from MOSTI to STI-OP took a longer time than anticipated due to the legal requirements that had to be fulfilled and this hindered the progress of activities under this Programme.
STI hasn’t yet played the leading role in driving economic development and industrialization, due to the transition that happened.
No Strategic Plans from key implementing MDAs indicating a lack of commitment to national priorities;– STI-OP, UIRI, UNCST (PBID, KMC Business plans not fully aligned to NDP III)
Lack of proper incubation guidelines has led to “incubates” being permanent residents at incubation centres such as UIRI.
Status of policies/bills started under MOSTI is uncertain: - Innovation Fund Bill; Biosecurity Policy and Bill; Bio economy policy;
Lack of mechanisms for leveraging the diaspora for technology transfer
Uganda’s performance in the 2021 Global Innovation index has declined to 24.4% compared to 25.6% in 2019 (partly due to lack of recent data).
Little effort on indigenous/traditional knowledge interventions
Registration of research has increased (1,500) but the outputs/findings for most of them are not known
Majority of research projects at public universities are still funded by foreign interests
Commercialization product range is very narrow – mostly food and beverages

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Fast track structuring of STI-OP to improve its oversight over the programm. Also STI-OP, UNCST, UIRI should complete their strategic plans (aligned to NDP III)
Develop and Operationalize the Innovation Framework with guidelines and structures that will make STI more productive and better coordinated
Develop an Incubation and Commercialization strategy
Establish/strengthen Incubation Centres at technology institutes
National Research Agender
Conduct the STI survey and Technical needs assessment
Improve coordination with the private sector and diaspora for R&D and Technology Transfer initiatives

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<tr><td colspan="2">Priorities</td></tr>
<tr><td colspan="2">
STI Ecosystem Development
<ol type="i">
Develop and maintain a national STI Information Management System
Internship, Apprenticeship and Exchange Participants in ST&I Strategic Areas

Research and Development
<ol type="i">
Increase investment in R & D in key priority sectors like; agriculture, Oil & Gas, Minerals, Energy, Health, Transport
Strengthen the Intellectual Property (IP) value chain management;

Industrial Value Chain Development
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i. Focus more on transforming research findings and results into targetable products that can drive industrialization
ii. Prioritize value chains with quick returns

Key Emerging Issues	
• ITDT programme is not harmonized with current STI goals and objectives • Key result targets, indicators and priorities are not realistic and non- aligned to the national goals • STI and agro-industrialisation are not well linked which affects innovation and industrialization • Technology importation is not working in tandem with technology development and transfer • Need to prioritize innovations so that they are taken to the market.	

Digital Transformation Programme

Achievements	Challenges
• Coordinated ICT infrastructure development and deployment so as to cure the silo-based approach • Guidelines for infrastructure sharing developed • National broadband infrastructure blueprint produced • Digitalisation and rollout of e-services to all sectors, MDAs and LGs to fully harness the potential of ICT • Many MDAs automated e.g., PDMIS, e-GP, EMIS, HCMS, URSB system, court case administration system, etc.	• High costs of communication services/ devices and digital divide between urban and rural • Heavily taxed sector which discourages consumption of digital services by users • Low digital literacy skills within the entire population at all levels. • Limited coverage of broadband infrastructure and connectivity. • Lengthy procedure of acquiring permits for rights of way from LGs by the Tower companies. •
Key Emerging Issues	**Recommendations**
• Implementation of last mile connectivity to key areas was not prioritized • Upgrade of existing Digital Terrestrial Television transmission sites not achieved. • Implementation of the National Post and Addressing System has not started, yet it was identified as a core	• Last mile connectivity should be prioritized • Government needs to set a policy that positions UICT as the preferred trainer for all MDAs and LGs that require ICT related training courses. • Implementation of the National postcode and addressing system should prioritized • Exempt tower companies from acquisitions of local permits since ICT is a critical national infrastructure and the companies are already licensed nationally by UCC •

Priorities

Subprogram 1: ICT Infrastructure

i. Roll-out of high-speed broadband by Government ensuring all essential services such as health centers and schools are connected. Additionally, provide alternative ways of accessing the internet such as fibre to the home (FTTH) and satellite connections.
ii. Support to the roll out of additional sites by Mobile Network Operators (MNOs) sites to improve capacity and address the degradation of services that has resulted from increased network traffic.
iii. UBC should operationalize all the DTT sites countrywide to increase citizen's access to information and services.

Subprogram 2: E-services

i. Develop a national location registry by implementing the National Postcode and Addressing system.
ii. Develop eService access points for citizens in the districts.
iii. Facilitate the rollout of e-solutions such e-learning, e-health;
iv. Develop a national e-commerce strategy; streamline logistics and courier operations; optimize the use of the Government payment gateway to promote e-commerce.
v. Strengthen cybersecurity through development and awareness of the National Cyber threat intelligence platform, nationwide sensitization campaigns for users of ICTs on online safety.

Subprogram 3: Research, innovation and ICT skills development

i. Support development and commercialization of local ICT products.
ii. Develop innovation and incubation centers and promote utilization of innovation test beds to increase uptake of digital services.
iii. Address the high costs of devices and services by promoting local manufacturing of these digital devices.
iv. Conduct country-wide digital literacy and e-awareness campaigns to encourage more uptake of the digitalization services across the country.
v. Develop a National Digital Skills Framework and a digital skills curricula at all schooling levels.

Key Emerging Issues

- The programme should be able to address social impact problems like addiction to phones and pornography
- Need to do tracer studies on impact of developers who have received grants
- Need to collaborate on start-ups and incubation hubs for mentorship

- Artificial Intelligence should feature in the programme
- Need to work with Private Sector Foundation Uganda on Business Process Out-Sourcing
- Need to enforce compliance on standards

Human Capital Development	
Achievements	Challenges
• SEE APPENDIX	Education, Sports and Skills • Below unit cost financing of education - Capitation for UPE, USE and Tertiary; • Lost learning due to closure of education institutions due to Covid-19; • Sudden surge in enrolment in some government schools due to closure of private schools • Increasing costs of accessing education albeit government abolishing tuition in public day schools; • Low Survival rates - The high repetition and dropout rates from school mainly due to: high teenage pregnancies, child marriages, household poverty, high tuition fees, failure of exams, and increasing opportunity cost of attending school; • Increasing hunger among school children; • Below unit cost financing of education - Capitation for UPE, USE and Tertiary; • Lost learning due to closure of education institutions due to Covid-19; • Sudden surge in enrolment in some government schools due to closure of private schools • Increasing costs of accessing education albeit government abolishing tuition in public day schools; • Low Survival rates - The high repetition and dropout rates from school mainly due to: high teenage pregnancies, child marriages, household poverty, high tuition fees, failure of exams, and increasing opportunity cost of attending school; • Increasing hunger among school children Health, Safety and Population Management • Many NDP III indicators not being tracked in routine Health Management Information System; • Morbidity and Mortality from Malaria remaining very high; • Double disease burden (Both communicable and non-communicable diseases); • Social economic situation affecting the determinants of health like access to safe water, nutrition, education, and housing; • Low health worker patient ratio at 19/10,000 persons; • Medicines and health supplies stock outs in health facilities; • Newly constructed and equipped health facilities requiring high utility and maintenance costs; • Increasing population rate (high fertility and refugees) with reducing per capita budget for health; • Increased number of road traffic accidents with high costs of care and long hospital stay Gender and Social Protection • The demand for services provided by MGLSD is increasing in spite of the dwindling financing levels. This is definitely going to affect the effective implementation of flagships and likelihood programmes such as SAGE, National Special Grant for PWDs, Special Enterprise Grant for Older Persons. • GBV and other social welfare challenges have escalated as a result of increased infrastructural development in the Country • Information on a functional social care and support system that identifies eligible vulnerable persons to access support from Government is inadequate • Effects of the COVID-19. These include but not limited to Gender Based Violence, Child abuse, loss of jobs/opportunities both internally and externally and upscale of labour disputes among others • Inadequate data and information on key NDP III thematic areas, i.e. data on social care and support system that identifies eligible vulnerable persons to access support from Government

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<td>Labour and Employment

Insufficient creation of quality and gainful jobs in the economy, especially for the youth;
Low transition rates from training to employment;
Fragmented employment creation initiatives;
Weak enforcement and implementation of occupational safety and health management regulations;
Lack of a functional labour market information system;
Weak link between TVET, universities and industry;
Limited pace of rolling out international accreditation for TVET institution;
Lack of an effective internship/apprenticeship/on-job training management;

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<th>Emerging Issue</th>
<th>Recommendations</th>
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<td>Education, Sports and Skills

Increasing rates of industrial action by workers in education which are likely to negatively impact on service delivery;
Introduction of Swahili language as one of the official languages which is likely to require emergency recruitment of teachers;
Escalating prices of goods and services including education that are likely to result in lower demand of education and health services;
Limited digitization of the education services against an emergent trend of e-government, e-health, and e-learning
Limited science infrastructure in schools against government strategic direction of prioritizing STEM

Health, Safety and Population Management

Escalating prices of goods and services resulting in declining determinants of health like access to safe water, food and proper housing;
Limited digitization of the health information system affecting quality and timeliness of data on certain indicators;
Increased Morbidity and Mortality from injuries (RTAs) in adults, Malaria and adolescent pregnancies;
Global shortage of health workers leading to labour externalization hence shortage of health workers in the long run;
Low health worker to patient ratio particularly in the rural areas;
Health promotion and disease prevention activities and interventions not adequately funded;
Per capita budget allocation for medicines and health supplies very low leading to frequent stock outs.

Gender and Social Protection

Lack of integrated tracking for the various youth funding and enterprises;
The increasing number of Karimojong children on the streets is alarming and vulnerable persons affected by prolonged drought and famine leading to high demand for social protection support;
Increased GBV prevalence

Labour and Employment

Sectors that employ the largest proportion of the workforce in Uganda have not necessarily achieved high productivity gains;
The poor learning outcomes at basic education levels threaten the development of the required human resources for the country;
The idle youth who are Neither in Employment nor in Education or Training (NEETs). This has further been worsened by the COVID-19 effects;
The quality of jobs in Uganda remains low, with 78% of the labour force engaged in vulnerable employment;
The high school dropout rates, especially at the primary school level;

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Need to provide physical infrastructure to particularly lagging primary, secondary, TVET institutions and universities
Strengthen integration of TVET, and University training with Industry
Digitalization of the health information system from data generation to administration ie e-health services, e-procurement, e-records, e-inspection should be given emphasis
Prioritise rehabilitation, expansion and equipping of HC IIIs, HC IVs, General Hospitals, referral hospitals and specialised care facilities
Support should be given for Gender equality and Equity Responsive Budgeting in all Sectors and Local Governments
Need to emphasize establishment of a functional labour market to reduce on problems in the labour market

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• The existing skills mix cone is inverted. The country has more graduates than technicians and technologists. • Externalisation of labour is emerging as key source of non-tax revenue to Government. By end June, 2022, over Shs12Bn had been collected with no meaningful support from appropriation in aid (AIA). Despite, the revenue generated from this sector, cases of labour exploitation and mistreatment are on the rise; • Effects of the COVID-19 - loss of jobs/opportunities both internally and externally and upscale of labour disputes, among others increasing the burden on the Ministry and its cadre structures in the Local Governments due to inadequate resources; • Absence of Productivity Centres specifically to promote high productivity, mind-set change and positive work culture as well as ethics.	
Priorities	

Education, Sports and Skills sub-programme

i. Construction of primary schools in parishes without and secondary schools in sub counties without a public secondary school;
ii. Provision of physical infrastructure to particularly lagging primary, secondary, TVET institutions and universities (with physical infrastructure, furniture, Instruction materials, Capitation, and Human Resources);
iii. Integration of TVET, and University training with Industry (Industry incentives, Apprenticeships, Modular curriculum, International Certification);
iv. Support of National Sports Teams.
v. Prioritise the full operationalization of the Mountain of the Moon; and phased operationalization of Busoga and Bunyoro Universities;
vi. Ring fence allocations for STEM and TVET Student loans for both Public and Private institutions;
vii. Integration of TVET and University training with industry (Apprenticeships, internships, TVET curriculum modularization);
viii. Review of A'Level curriculum to harmonise it with the recently concluded review of lower secondary curriculum
ix. Expediting the EMIS

Health, Safety and Population Management

i. Digitalization of the health information system from data generation to administration ie e-health services, e-procurement, e-records, e-inspection etc;
ii. Covid-19 Vaccination for all target groups;
iii. Rehabilitation, expansion and equipping of HC IIIs, HC IVs, General Hospitals, referral hospitals and specialised care facilities;
iv. Scholarships for training critical cadres in short supply like anaesthetists and Specialists;
v. Revision of the human resource structure for health workforce at all levels to increase the health worker patient ratio;
vi. Maintain investment in prevention and control interventions for HIV/AIDS, TB and malaria;
vii. Research and Innovation for epidemics and pandemics preparedness.
viii. Implementation of NDP III suggested projects that are feasibility level and have secured funding Oncology centres project and the functionality of lower level facilities project;
ix. Strengthening emergency medical care services in particular establishment of the trauma centre at Naguru and the Regional ambulance call and dispatch centres;
x. Fast track efforts to establish the National health insurance scheme;
xi. Policy shift on management of drugs and supplies to allow health facilities to retain funds to cater for buffer stocks to prevent stockouts;
xii. Increase investment in Community Health programs for health promotion and diseases prevention to reduce on the high burden of preventable diseases.

Gender and Social Protection

i. Expand scope and coverage of care, support and social protection services of the most vulnerable groups and disaster-prone communities;
ii. Establish early warning systems for disaster preparedness including risk reduction;
iii. Scale up Gender Based Violence (GBV) prevention and response interventions;
iv. Support Gender equality and Equity Responsive Budgeting in all Sectors and Local Governments;
v. Expand livelihood support, labour-intensive public works, and labour market programmes to promote green and resilient growth.

Labour and Employment

i. Consolidation of Jua Kali Skills Devt, Business Start-up Kits &Capital, Business Incubation, Common-User facilities;
ii. Establish a functional labour market;
iii. Strengthen regulation of labour externalization;
iv. Decent & productive employment increased;
v. Industrial peace and harmony created;
vi. Develop and implement an apprenticeship and job placement policy and programme (work-based learning);
vii. Extend internship programme to out-of-school youths.

Natural Resource, Environment, Water and Climate Change	
Achievements	Challenges
	<u>Water Resources Management Sub-Programme</u> • Low compliance to drinking water and wastewater standards owing to limited resources to ensure compliance monitoring; • Lack of water vessel equipment thus making regular lake wide monitoring expensive; • Non-cooperation from masses demonstrated by high cases of vandalism of stations rendering the stations non-operational and lead to data gaps. • High frequency and intensity of emerging challenges such as floods, waterborne diseases and COVID-19 with implications on compliance assessments and funding <u>Land Management</u> • Low uptake on land titling by community – much of the work is on already titled land (sub-dividing) thus coverage (penetration) is not growing fast. • COVID-19 pandemic delayed and stagnated the implementation of key activities especially those that involved community engagement and training; • Human capacity gaps, due to delay in concluding recruitment, to implement sub-programme activities; • Funding shortages marred with budget cuts and poor budget outturns which undermined timely implementation of interventions especially for those activities considered as consumptive. <u>Env't and Natural Resources</u> • Coordination mechanism for the many actors in Forestry Management is a big challenge. • Continued encroachment and issue of illegal land titles in Central Forest Reserves and Local Forest Reserves. For example, issuance of illegal land titles in Wetlands, Central Forest Reserves and triggering a swathe of litigation costs. • COVID-19 induced lock downs disrupted implementation of outdoor activities such as boundary surveys and marking, monitoring and evaluation. • Inadequate financing of the Programme especially at national and LG level which undermines enforcement. • Uncoordinated action especially by local leaders and representatives impeding effective management of Central Forest Reserves such as lawful eviction of encroachers
Emerging issues	Recommendations
• The Program has made significant progress in adopting the Program-based approach. As required by the NDPIII M&E Strategy; • There are still gaps in coordination among the agencies directly responsible for achieving the Program's goal especially the Land Management sub-programme Agencies; • There is limited digitization of natural resource management activities to solve the persistent challenge on encroachment. • Participation of the private sector to provide some green finance to supplement the meagre government financing is still inadequate; • There are still data gaps because some of the indicators are new (no. of green jobs); • There are human resource gaps especially on enforcement; • Delayed full implementation of the revised National Env't Act continues to undermine ENR Management – some regulations not yet in place owing to funding challenges	• Improve intra- and inter-program coordination and stakeholder engagement to program agencies issuing land titles in Central Forest Reserves; • Procure water vessel equipment to ease and enable regular lake wide monitoring; • Provide incentives to private natural forest owners and commercial tree investors to reduce degradation and loss of private forests but also foster generation of green jobs from forest activities; • Strengthen Forest Law enforcement and governance with special emphasis on the capacity of the District Forestry Services in the District Local Governments; • Embrace digitization to ensure efficiency of operations in the Programme; • Develop clear data collection tools and improve data collection, storage and analysis; • Establish strategic partnerships with private sector to tap into existing financial and technical opportunities; • Fully provide and operationalize the 15 percent of the Contingency Fund as stipulated by Section 26 (1) – (6) of the Public Finance Management Act, 2015. • Finalize the Disaster Preparedness and Management Bill
Priorities	
• Construction of 700 water management infrastructure – small water harvesting check dams	

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Support and ensure implementation of catchment management measures
Acquire water vessel equipment for lake wide monitoring
Supporting national tree planting and maintenance (target 45.5 million trees annually)
Mobilizing investment financing for ENR
Development of four forest cluster wood-based industries and wetland resource-based ecotourism sites
Promotion of PPP in ENR Management
Implementation of the EBS scheme for ecotourism with communities
Enhance capacities for storage, management & distribution of relief commodities
Establishing a framework for financing climate change responsive innovations & actions
Enforcing Vehicle Emission Standards
Acquisition of sustainable solid waste management equipment in cities & municipalities
Retooling and training land management institutions & acquiring land for public projects/utility corridors
Retooling and training UNMA & LGs for improved generation & uptake of meteorological information

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<tr><td>Key Emerging Issues</td><td></td></tr>
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Enhance coordination between the NRECCLWM and agro-Industrialization programs to ensure integrated planning for availability and access to bulk water for production – particularly agriculture production across the country.
Water for production should go beyond construction of valley dams to include construction of infrastructure to tap water for production directly from water resources especially for communities in the vicinity of lakes and rivers.
Prioritization of availability and access to Water for Agriculture Production should strongly feature in the programme reprioritization in line with the recent Presidential Directive.
NFA should avail a variety of suitable tree species to be planted along road corridors to increase tree cover in the country.
Investors receive enough incentives from government and as such, compliance to wastewater discharge permit conditions should be at 100 percent.
Forestry should be appreciated beyond its ecological contribution to capture its immense job creation, revenue generation and forex exchange potential that lies in the development of timber industry.
There is need for proactive tree planting campaign across the country. Although NFA sells seedlings to the public, it should consider free distribution of tree seedlings to all interested parties.
Prioritizing land titling has direct impacts on revenue generation since every land title is issued at a cost by the Uganda Land Commission.
What measures has NFA and MWE put in place to incentive private forest plantation owners?
The Programme Secretariat should share best practices on how it has registered effective programme coordination.
There is need for further clarity on the indicator on economic loss and human mortality emanating from natural hazards and disasters.
There is need for a mindset change and transition from focus on tree planting to tree growing to ensure a high survival rate.
Natural resources should be a protected programme shielded from budget cuts given that Uganda is a natural resource-based economy

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<tr><td>Community Mobilization and Mindset Change</td><td></td></tr>
<tr><td>Achievements</td><td>Challenges</td></tr>
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Overall, 68 percent of the households participated in public development initiatives such as Emyooga, YLP, UWEP, OWC activates, among others. This performance is lower than that in the FY 2020/21 where 76 percent participated in public initiatives (MGLSD Q4 report 2020/21and Q3report 2021/22).
The percentage of vulnerable and marginalized persons empowered increased from 2.8 percent in FY 2020/21 to 3.7 percent in the FY 2021/22.
The proportion of the youth engaged in national service also increased from 29.5 percent in FY 2020/21 to 34 percent 2021/22 (CoC assessment).
The adult literacy rate has improved from 70.2 percent as the Plan as of 2017/18 to 76 percent in FY 2021/22 (MGLSD quarterly reports) also higher than the 74 percent of the FY 2020/21 attributed ICOLEW programme

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Non prioritization on reporting of the indicators in the PIAP.
Inadequate budget, in addition to budget cuts affected implementation of some of the planned interventions thus impacting outcome performance.
Effects of the COVID-19. These include but not limited to GBV, Child abuse among others. These effects are placing a heavy burden on the Ministry on the programme and its cadre structures in the Local Government due to inadequate resources.
Some of the MDAs like, MoES, MoLG, MoFA, OPM were not allocated funds under the programme to implement the interventions.
Limited use of ICT for execution of programme interventions

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<tr><td>Emerging issues</td><td>Recommendations</td></tr>
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Insufficient funds to facilitate community development functions
Scattered community development functions across MDAs
Parish Development Model
Parish Development Model is primarily concentrating on production by the enterprise groups with a limited focus on investment along the value chain of the enterprises identified,
Enterprise group formation is largely not based on the distribution quotas of the target special interest groups as articulated in the Parish Development Model Guidelines
Licensing of SACCOs under Parish Development Model has not been given the due attention in line with the provision of the Microfinance Act. This need to urgently be tackled
Some budget intermediate outcomes do not have targets or provide lower targets compared to the NDPIII targets which is an indication that some results will not be achieved as planned.
Some key programme actors were not allocated resources under the programme to undertake their activities. (MOFA, OPM, JSC, LGs, MOES and MoLG)

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Prioritize reporting of the programme indicators for easy tracking of performance by all MDAs under the programme.
Designing of special packages on mindset change targeting different population groups.
Fast track feasibility studies of Support to Integrated Community Learning for Wealth Creation (SUICOLEW)
Joint implementation of interventions by the lead and contributing MDAs for better realization of results.
Scale up the use of ICT to combat challenges imposed by COVID 19 restrictions and also for increased community sensitization and service delivery interventions

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• Dilapidated Ministry structures	
Priorities	
• Review and implement a comprehensive community mobilization (CMM) strategy; • Fast track feasibility studies of SUICOLEW • Implement the 15 Household model for social economic empowerment • Develop and implement a national civic education programme aimed at improving the level of awareness of roles and responsibilities of families, communities and individual citizens • Design and implement a programme aimed at promoting household engagement in culture and creative industries for income generation • Equip and operationalize Community Mobilization and Empowerment (CME) institutions/structures of central, local government and non-state actors for effective citizen mobilization and dissemination of information to guide and shape the mindsets/attitudes of the population; • Establish and operationalize Community Development Management Information System (CDMIS) at parish and sub-county level • Develop and implement a national service programme. • Popularize the national vision, interest and common good for the citizenry • Develop and enforce ordinances and by-laws to ensure the national vision and value system is adhered to • Conduct awareness campaigns and enforce laws enacted against negative and/or harmful religious, traditional/cultural practices and beliefs • Promote advocacy, social mobilization and behavioral change communication for community development	

Tourism Development

Achievements	Challenges
• Developed and launched the Destination brand, "The Pearl of Africa". • Domestic Tourism promotional campaigns and events conducted including 5 editions of the ○ "Take on the Pearl" domestic campaign and several influencer campaigns; Pearl of Africa Star search, Pearl of Africa Tourism Expo (POATE), regional festivals) to promote inclusive domestic tourism. • Sustained the deployment of Market Destination Representatives (MDRs) in 6 core and emerging markets to promote Uganda • Tourism products of UWEC in Entebbe, Kagulu Hills in Buyende, Kitagata Hotsprings in Sheema, Mugaba Palace in Mbarara, Rwenzori Mountains trails, Nyero rocks paintings in Kumi developed • 22 Protected Areas (10 National Parks and 12 Wildlife Reserves) managed and sustained. These cover about 10% of Uganda's surface area. Value addition done through establishment and maintenance of infrastructure and facilities (over 2,000 kms of trails and tracks), staff and tourist accommodation, species re-introduction, control and restoration of degraded portions. • The National Museum, 3 regional Museums as well as 10 cultural heritage sites maintained and artefacts preserved • Maintained and rehabilitated two Training institutions of UHTTI in Jinja and UWRTI in Kasese. Upgrade is still ongoing. • 1,050 enrolled at the two institutions, annual graduations held with awards of diplomas and • Certificates. • A total of 1,111 new tour and travel operators registered and 359 accommodation facilities inspected Community Wildlife Committee regulations; Concessions regulation; and Compensation Regulations developed	• Low range/levels of product development to keep the tourists much longer and spend more and low-quality standards in the Tourism Sector with few accommodation facilities registered. • Inadequate skills across the tourism industry which often force tourism establishments to employ foreigners for jobs such as chefs. • Human Wildlife Conflicts, poaching, wildfires and Invasive Species: A number of areas are clogged with invasive species such as dichrostachys cineria that require conscious effort to manage. • Gaps in Tourism statistics, data, and important information on domestic tourism, accommodation facilities and other tourism services; Lack of an automated and online Tourism Information Management System thus making investment and planning decisions very difficult • Low competitiveness of Uganda as a Tourist Destination: Uganda Scored poorly in the health and hygiene category (133/136 countries) and is at 116/136 position in ICT readiness
Emerging issues	Recommendations
• Promotion and Marketing which is key for growth of tourism receipts continue receive budget cuts and categorized under 'consumptive items. • Delay in completion of the center of excellence (UHTTI) thus increasing the skills gap. • Lack of clear criteria for graduating potential attractions into product development and classification. • Lack of appreciation of the industry (programme contribution) to the extent of not getting priority in resource allocation • Statistics are scanty and where available not timely to inform planning and investment decisions	• Funding for marketing and promotion should be ring fenced and be declassified from the list of consumptive items. • Coordinate programme working group meetings to ensure that all implementing MDAs attend programme working group meetings. • MTWA and its agencies should strengthen intra-programme collaboration and synergy in resource prioritization and implementation of the core actions. • MTWA should come up with a Statutory Instrument (SI) making it mandatory for all generators of statistics to submit timely statistics to the Ministry for periodic dissemination.

• Understaffing of tourism entities like UTB due to uncompetitive wage. Currently UTB is operating at 45% (39/85)	• Essential utilities like power and internet, water should be extended to all remote sites (prioritizing National Parks) in order for them to remain competitive • Maintenance of the existing tourism infrastructures to support product development. • Put in place an e-registration and licensing system which tracks number of licensed tour operators and facilities
Priorities	
• Roll out 'Explore Uganda'; the Pearl of Africa brand • Undertake consultations and review/develop the National Tourism Marketing Strategy • Conduct solo-country joint promotion and country branding activities in target markets • Marketing of Tourism products digital content • Development (programming) and broadcasting of promotional materials content for domestic and inbound tourism products (documentaries, feature stories, talk shows, etc.) • Developing and profiling new tourism products • Upgrade the road access to critical national parks and sites • Maintain and improve trails in Protected Areas • Establish buffer areas and corridors around Conservation areas to prevent encroachment on Protected Areas • Developing and profiling new tourism products • Maintain and improve trails in Protected Areas • Maintain existing tourism products • Restore degraded wildlife habitats • Disseminate and implement the new UHTTI Curriculum at UHTTI • Standardization of the training and certifications (scope to include informal sector) • Target enrollment of students from underserved regions especially Busoga, Teso, Bukedi and Karamoja • Engage enterprises to participate in on job trainings. • Training facilities/structures constructed/rehabilitated	
Key Emerging Issues	
• Need to quantify interventions • There is no information on countries identified as major tourism sources • No report has been made on tourism roads • The Ministry of Tourism needs to provide progress on UHTTI in Jinja • Assessment of tourism promotion strategy by foreigners • Digital archiving and preservation of tourism content is critical • Tourism flagship product is missing • Visa delays by Immigration is still a big challenge • There is need to focus on digitization – Tourism Information Management System	

Legislation, Oversight and Representation

Achievements	Challenges
	i. Relevant laws have not been amended to effectively implement the shift from Sectoral planning and budgeting to Programme based planning and budgeting. For example, the PFMA (13[4]) still empowers Parliament to operate through the Budget and Sectoral committees. This has a direct effect on the Parliamentary Rules of Procedure that can only be amended in conformity with the principal legislation which is the PFMA. ii. Lack of integrated data generation systems has affected programme assessment. This makes it hard to report on some of the targets set by the Programme. iii. Lack of synergy and collaboration between Programme implementing agencies (PWG has not yet been constituted). iv. Inadequate facilitation to operationalize the Programme Working Group • v. The Programme is behind on project implementation which greatly affects the overall performance of the programme. The project is ongoing but still below schedule. Performance/ Implementation Status of the project as at June 2022 is at 30percent
Emerging issues	Recommendations
• Existing policy, legal and regulatory framework do not allow full implementation of the Programme Approach for example the PFMA, and the Local Government Act etc. still refer to sectoral approach to planning and budgeting.	• Structural review/realignment of the Parliamentary Committee System from a Sectoral-based approach to meet the requirements of the Programme-based approach for proper budget scrutiny, appropriation and committee oversight. This can best be done by amending the PFMA (S.13[4]) to recognize

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The Programme Working Group has not been fully constituted to execute its core roles of planning, budgeting, implementation and Monitoring and Evaluation.
The composition of the programme is missing some key actors like Office of the Auditor General which is key in supporting Parliamentary Oversight. The addition of OAG shall ease coordination and strengthen the reporting mechanism between Parliament and OAG

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and accommodate programme-based approach to budgeting and also make it possible for Parliament to re-align its Rules of Procedure thus a shift from sectoral committees to committees based on programmes.

Conduct a capacity needs assessment for the 11th Parliament to identify capacity gaps that may inhibit the MPs from performing their roles at Parliament and in the constituencies. Specifically, MoFPED and NPA should arrange to create awareness and build capacity of the MPs and staff of Parliament to appreciate the programme-based approach.
Establish Programme Actors Data generation systems to ease performance assessment.
The Programme should consider partnering with other research institutions in a bid to retain evidence-based legislation. Institutions such as EPRC and MISR among others will be able to support the programme on independent and quality research that shall inform the need for relevant and effective legislation.
Programme players need to prioritize fast tracking legislations that shall aid in the implementation of NDPIII such as oil and gas laws; review of the land acquisition laws; laws and regulations for technology development, transfer and market development, and; regulation of the private sector among others.
Facilitation of the PWG should be prioritized and also consider including OAG as an implementing partner to effectively play its role in implementing the Oversight sub-programme

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<tr><td colspan="2">Priorities</td></tr>
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Legislation Sub-Programme:
i. Conduct Pre and post legislative scrutiny studies
ii. Automate Parliamentary Bill tracking system
iii. Support MPs interested in initiating Private Members bills
iv. Undertake research for review of laws
v. Establish a national consultative framework for Parliament
vi. Develop a system to track LG Council proceedings

Oversight Sub-programme:
i. Build capacity of MPs and staff in PFM reforms under NDP III
ii. Conduct committee oversight field visits
iii. Compilation of parliamentary recommendations
iv. Enhance mechanisms for clearing backlog of constitutional reports
v. Monitoring implementation of Government Policies, Programmes & Projects at LG level by the LG Council.

Representation Sub-Programme
i. Enhance party whipping system for plenary business
ii. Upgrade and maintain the biometric system
iii. Conduct outreach programs
iv. Parliament Engagement framework
v. Facilitate MPs consultations with the electorate
vi. Facilitate engagement between LG councillors and the electorate

Institutional Capacity Sub-Programme:
i. Develop new chamber of parliament
ii. Automate and Upgrade systems for monitoring and evaluation
iii. Train Members of Parliament and Parliamentary Staff
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<tr><td colspan="2">Key Emerging Issues</td></tr>
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OAG had communicated to NPA and MFPED in regard to placing of the OAG under GSP – best suited to be placed under LOR because of its mandate and the requirement to maintain high level of independence which is very critical
Performance of LOR was based on one year instead of two years – among the 2 new programmes that were curved out of GSP
There is need for Parliament to produce an annual oversight report on NDP implementation

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Governance and Security

Achievements	Challenges
• Developed own Programme Strategic Plan • Level of combat readiness was rated high • Proportion of annually planned equipment acquired • Level of public confidence in the security system • Percentage reduction of armed or organized criminal groups Level of response to emerging security threats, as a result of the investment in the security forces as well as advanced training of the security personnel	• Programme is too big and diverse leading to coordination challenges – 66 votes (32 MDAs) • Prison congestion • Staff welfare and wage disparities – selective salary enhancement • Staffing in terms of skills and numbers • Welfare of uniformed personnel especially police and prisons • Votes are independent of the programmes with own ceilings determined by MoFPED, there is therefore limited added value of the programme • Programme level is inconsequential and of no bearing to vote resource allocation and performance. Institutions now wish to belong to multiple programmes seen as avenue for resource forum shopping
Emerging issues	**Recommendations**
• Emerging crimes [extremism, violent crime and white-collar crime and trafficking in persons] • Equalisation of facilitation/funding of actors in the results chain- e.g., the justice chain • The programme is too large with limited synergy among the actors. Some of the votes have no areas of synergy at all.	• Budgets and releases should speak to strategic plans/PIAPs. • Strengthen inter programme coordination, cooperation and communication. • Consider reorganizing the GSP programme into 3 to manage linkages namely; Justice and Accountability, Policy and Democratic Processes, and Security. • Strengthening sub-national structures at regional and national level. • Balancing the resourcing of the justice chain – funding to Judiciary not matched with chain linked actors. • Planning should focus on change and areas of reform to steer socio-economic transformation

Priorities

- Enhancing responsiveness and preparedness of security forces
- Strengthen intelligence gathering, processing and response to crime.
- Salary enhancement and harmonization across the public service including for security personnel
- Finalize and implement the Uganda National Action Plan on Human Rights
- Enhance the demand for accountability and value for money
- Fast track and monitor the implementation of government programmes
- Strengthen Uganda's competitiveness both regionally and internationally and ensure realization of national goals
- National civic education programme
- Address housing and welfare concerns for uniformed personnel
- Strengthening business processes and case management systems in institutions
- Reduce the distances people traverse in search for services
- Efficiency savings – investment in infrastructure (rent), skilling (save on consultants), processes and digitization (faster decision and management), feeding of forces, dressing in uniforms, security guards for public officers (indicator of insecurity)

Key Emerging Issues

- The issue to move OAG from the Governance and Security Programme to Legislature, Oversight and Representation Programme was mooted
- Increase the number of key results from 9 to 10 to include; Increase registration of citizens in to the national register
- National emergencies e.g., locusts, drought, covid-19, etc. have had a negative toll on the programme
- Strengthening Security will create an enabling environment that will ensure that other programs are achieved
- Consider Military Veterans welfare and reducing the pension backlog among priority interventions under the programme

Integrated Transport Infrastructure and Services

Achievements	Challenges
<u>Road sub-sector</u> • Paved national paved road network stock increased to 5,878.5km from 5,370km in FY 2019/20 • 131.5km of town roads were upgraded to bituminous standards, while 199.3km of national roads were rehabilitated • Also, 16 bridges on the national roads network were completed • Road condition of the national roads network in good to fair condition was 96.6% for paved roads and 81.7% for unpaved roads – this was above the NDPIII targets of 85% and 80% respectively. • On the DUCAR network, a total of 1,536km of community access roads were rehabilitated	• A number of programme stakeholders are not allocated funding to implement planned interventions. This negatively impacts on the Programme's performance. • Implementation of all transport infrastructure projects was affected by COVID-19 leading to increased costs and project time. • There is a high road maintenance backlog due to underfunding of road maintenance interventions. • Lack of comprehensive studies and designs continue to cause large variations on project cost as evidenced in a number of road development projects and MGR project.

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- 8.04km of urban roads were rehabilitated and upgraded to bituminous standard out of the targeted 14.7km
- 11 out 15 bridges were substantially completed

<u>Air sub-sector</u>

- Most affected during covid-19 pandemic where traffic greatly dropped (passengers and commercial aircraft movements)
- International passenger traffic performed below target by close to 60%
- Rehabilitation and expansion works of Entebbe International Airport are currently at 75.9% completion
- Works for the development of Kabaale International Airport are at 75%
- The national airlines added 2 Airbus aircraft (A330) to its fleet and 2 destinations of Johannesburg and Dubai

<u>Railway sub-sector</u>

- Government with support of Dev't Partners has prioritised both the rehabilitation of Meter Gauge and development of the Standard Gauge Railway
- Implementing the following key projects; Rehabilitation of Tororo-Gulu MGR line; Rehabilitation of Malaba-Kampala SGR; and Dev't of Gulu Logistics Hub

<u>Inland Water sub-sector</u>

- Processed the Inland Water Transport Bill 2020, which was passed by the Parliament on 10th May 2021
- Completed works for Kiwanataka – Bukasa access road to Bukasa Port

Rehabilitation and operationalized MV Pamba
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- Delayed acquisition of projects Right of Way affects implementation of most projects.
- ITIS budget cuts have greatly affected implementation of software activities especially those related to transport regulation and institutional coordination sub-programs.
- Lack of adequate budget for road equipment maintenance.
- Lack of data on most of the critical indicators arising out of budget cuts
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- The benefits of programmatic approach may not be realized during this planning period. At PWG level, apart from having PIAPs in place, the planning, budgeting, and implementation, and reporting remain typical of sector wide approach. MTEF resource allocation is still done by Vote which affects the resource optimization, and coordination.
- Structuring of loan agreements for some key infrastructure projects delays implementation of projects for example the loan agreement for Bukasa Port has a clause that restricts procurement of the firms to carry out the dredging, swamp removal and reclamation to Belgian firms.
- Related to structuring of loans, projects under pre-financing arrangement such as the critical oil roads make it difficult to determine the cost per km of road constructed.
- Despite having prioritized the development of the trimodal inland port and various railway projects, challenges affecting these projects are likely to hinder the achievement of the envisaged integrated transport infrastructure and services.
- Rising cost of fuel which in turn affects the overall project costs
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- Fast track the full implementation of the Programme approach including, among others, finalization of the upgrade of the PBS system, shifting MTEF resource allocation be done by Programme and strengthening the Programme secretariats so as to improve its effectiveness and increase its associated benefits.
- Government should ensure proper loan structuring to avoid unnecessary delays at implementation of projects
- MOFPED should allocate adequate resources to detailed studies and designs of projects to enable realistic scope and cost estimates.
- Update the NDPIII document to include findings of the Mid-term Review
- MoFPED should minimize Budget cuts towards the software activities of the program
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<u>Transport Infrastructure and Services Development</u>

i) Completion of Kabaale International Airport and operationalization of airport
ii) Completion of Upgrade and Expansion of Entebbe International Airport (Phase I) project
iii) Fast track construction and completion of critical oil, tourism roads and other upgrading and rehabilitation projects
iv) Construction of Bukasa Port

<u>Transport Asset Management</u>

i) Maintenance of National, DUCAR and GKMA road network
ii) Maintenance of Road equipment
iii) Rehabilitation of Tororo-Gulu (375Km) Meter Gauge Railway Project
iv) Ferries rehabilitation
v) Maintenance of aerodromes

<u>Land use &Transport Planning</u>

i) Fast-track approval and implement the NITMP
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Transport Regulation i) Develop an inland water transport vessels' and seafarers' register/licensing system ii) Establishment of a credible motor vehicle registration system iii) Establish a Road Crash Data system Institutional Coordination i) Dissemination, Sensitization and enforcement of the existing regulatory and legal frame work ii) Finalization of legal and regulatory framework that is currently under formulation & review (i.e., URC Act, 1992, ERB Act, Urban mobility policy, & the Railway policy). iii) Strengthening the Programme Secretariat	
Key Emerging Issues	
• High unit costs per kilometre of roads compared to other countries in the region such as Kenya, Tanzania, etc. • Prioritise Kampala-Kasese metre gauge railway • Recommend a ring road around Lake Victoria • Fiscal space taken up by dormant projects i.e., SGR, Ports • We need to a midrange aircraft plan, Cargo aircrafts • Congo roads are ongoing however security issues have hampered progress • Prioritise Tree growing along roads – promote green growth • Prioritise roads in the GKMA as most growth is concentrated here – about 70%	

Mineral Development

Achievements	Challenges
• Establishment of operational mineral beneficiation centers in Ntungamo and Fort-Portal (FY 2021/2022). • The construction process of the mineral beneficiation centres in Ntungamo and Fort-Portal was ongoing with physical progress of 98% and 90% respectively, but behind schedule. • Procurement of laboratory equipment for the Geological Survey and Mines Directorate (GSMD).	• Low release of funds affected most planned activities under the programme such as formalization of ASMs. • The slow pace of procurement hampered acquisition of equipment. • Mineral smuggling especially Tin and Gold affected the programme • 4. Re-organization to attract processing and downstream industrialization to align with the ban on export of unprocessed minerals
Emerging issues	**Recommendations**
• Copper and Phosphates development did not take-off due to: Copper the Tibet's was cancelled due to non-compliance by the investor to the agreed terms and it stalled its progress. There is an on-going process of identification of an investor for Kilembe Mines Limited; and Phosphates-Sukulu never took-off which stalled its progress, proposed for consideration in NDPIV	• MEMD to prioritize funding to the key sub-programme activities for example acquisition of laboratory equipment. • MEMD to fast-track procurement of pending mineral equipment. • The global economy has shifted towards the green economy and de-carbonization of the economy and therefore, Government should focus on investment in exploration and development in the green economy minerals
Priorities	
• Support towards the establishment of the National Mining Company. • Support towards in-country processing of gold to final products • Continued support for development minerals and iron ore • Fast-tracking the biometric registration system • Conclusion of Airborne Geophysical and geological mapping of Karamoja • Infrastructure support towards the promotion of minerals value addition in country to final. • Support for the regulatory framework governing the mineral sector	
Key Emerging Issues	
• Licenses and demand for royalties from mineral resources – holding development of minerals sector • Kilembe Mine Project was hindered by a number of factors including legal issues; etc., however, these have been handled • Need a policy and regulatory framework on new resources • Need to have a proper strategy on declaration of resources • Need to establish a cement factory in Karamoja due to presence of limestone deposits	

Sustainable Petroleum Development

Achievements	Challenges
• Construction of Phase-3 of the Data Centre, Laboratories and Offices for the Directorate of Petroleum and PAU stood at 99% completion, already occupied • Final Investment Decision (FID) for the Tilenga, Kingfisher and East African Crude Oil Pipeline Projects (EACOP) was announced on 2nd February 2022	• Inadequate infrastructure, tools and facilities to support some of the policy and regulatory functions. • Institutional challenges i.e., inadequate funding and human resource capacity to fully undertake the required regulatory functions

• Both the route and the Front-End Engineering and Design, (FEED) for the East African Crude Oil Pipeline (EACOP) were approved. • Two thousand two hundred (2,200) companies now qualified and registered on the National Supplier Database (NSD) in up from five hundred in 2020 • A total area of approximately 4,321Km2 of Geological & Geochemical data, and over 928-line kilometres of Geophysical data acquired representing approximately 76% of the entire Moroto-Kadam Basin acquired. • The Production Sharing Agreement (PSA) between Government and UNOC for Kasuruban block was finalised. • The PSA document between Government and DGR Global in respect of Turaco block is in the final stages of completion. • Formulation of the new National Petroleum Policy is ongoing with formulation of the Strategic Environment Assessment (SEA) for the new policy (NPP). • The EACOP special provisions Act 2021 was passed by Parliament in December 2021 and assented to by H.E The President into Law. • Refinery ESIA development is on-going and progress stands at 90%. • Over 127 Land titles were processed and handed over to PAPs resettled at Kyakaboga in May 2022. • Over1,750 PAPs on the Products' Pipeline corridor have been paid from March to date. • Completion of payments to Refinery land PAPs still stands at 99.9%. • Kabaale International Airport construction continued and currently stands at 80% physical progress. • Implementation and monitoring of the Local Content Policy with the following activities • Printed 34,400 copies of the Local Content regulations (Runyoro, Runyankole, Luganda and Ateso). • Participated in the EACOP National Content engagements across the 10 districts on the EACOP route	a) Changing interests and dynamics of stakeholders b) Competing priorities c) Negative perceptions from some stakeholders d) Energy transition issues affecting investment in the subsector e) Volatility in the international prices of petroleum products and international supply disruptions due to conflicts (geopolitical issues) • Insecurity in the Moroto-Kadam area hindering exploration activities
Emerging issues	Recommendations
• Limited skilled resource pool in the oil and gas industry- The benefit of oil to any host country is only as good as the local content. Uganda is in danger of losing job opportunities to highly skilled foreign expatriates. • Lengthy land acquisition process for projects- Loss of value for the compensation benefit over delayed periods of implementation, Delayed land acquisition. • COVID-19 and unforeseen events- Unforeseen events could lead to shutting down of businesses that result in heavy financial losses • Insufficient funding hindered the progress of planned activities – e.g., RAP (Resettlement Action Plans) implementation of the refined products pipeline registered slow progress as a result of low release... • Insecurity in the Moroto-Kadam area hindering exploration activities. • NGOs and other institutions misinforming the public, donors and funder	• MoFPED should release the allocated capitalisation funds to UNOC for the EACOP 15% shareholding equity. • MoFPED should provide funds in the next two years to UNOC for the 40% shareholding equity for the refinery project. • MEMD should follow up with Ministry of Public Service to fill the vacant positions in the Ministry structure as a matter of urgency • MEMD and MFPED to prioritise funding for Resettlement Action Plans (RAP) activities to hasten the preparations for oil refinery and pipelines
Priorities	
• Complete designs for pre-requisite infrastructure; the construction of the Refinery, EACOP, Upstream facilities for Tilenga and Kingfisher projects and Strategic storage terminals. • Provide affordable, adequate and reliable electricity in the various production zones of the country • Construct and regularly maintain community access & feeder roads for market access • Implement the Workforces skills development strategy and Operationalise the Industry Enhancement Centre • Develop and implement the QHSSE systems and standards, governance, and assurance frameworks. • Develop and implement the Emergency response and disaster recovery plan. • Develop Standards for Petroleum storage infrastructure and restock and manage Jinja Storage Terminal • Undertake New exploration activities. • Conduct feasibility study for the petrochemical industry. • Harmonise laws and regulations in the oil and gas industry. • Implement the National Content Policy, develop and implement the Innovation strategy and put in place and operationalize the National Content Fund • Accredit Vocational Training Institutions so that local suppliers internationally accredited in ISO and related certifications. • Develop and implement the Marketing strategy for oil and gas projects and the Financing strategy.	

Energy Development	
Achievements	Challenges
• Nyagak III HPP EPC works progressed to 71%. • Muzizi HPP RAP implementation progressed to 54% after a re-evaluation initiated by KfW. The KfW financing for the project was cancelled and the Project is being re-packaged as a PPP. • Karuma HPP EPC works progressed to 99.6% and majority of the identified snags have been addressed. Commissioning of Units 1 and 3 is scheduled for October 2022. • The Feasibility Studies and Environmental Impact Assessment for the proposed Kiteezi 4MW biogas digester Plant submitted to ERA and NEMA respectively for approval. • Four (4) community water pumps installed in Kasese and Bulambuli Districts as part of the Wind and Solar Energy Solutions Promotion. • Commissioned the 4MW Busitema Solar Plant. • Principles for Amendment of Atomic Energy Act, 2008 prepared and consultations on going. • Preferred Candidate site for the Nuclear Power Plant Project selected and project preparatory activities peer reviewed by the IAEA Integrated Nuclear Infrastructure Review Mission. • Preferred Candidate site for establishment of a Centre for Nuclear Science and Technology selected. • Nuclear fuel supply strategy for the planned nuclear power plant prepared and consultations are ongoing. • Opuyo – Moroto Transmission Line and associated substations commissioned • Karuma - Kawanda Transmission Line and associated substations competed and pending commissioning. • Karuma - Olwiyo Transmission Line and associated substations completed and pending commissioning. • Karuma - Lira Transmission Line and associated substation EPC works progressed to 87%. • Entebbe - Mutundwe Expansion Project progressed to 89.1%. • Kampala Metropolitan Transmission System Improvement Project progressed to 9%. • Masaka - Mbarara Transmission Project progressed to 6%. • Electrification of Industrial Parks Phase II progressed to 92.3% • Gulu - Agago 132kv Transmission Line and associated substations project progressed to 37.5% • Grid Expansion and Reinforcement Project progressed to 66.5%. • Mirama – Kabaale Transmission Line and associated substations project progressed to 43%. • Grid Rural Electrification Project completed. • Distribution component under the Opuyo – Moroto Transmission Line Project completed. • Distribution component under the Mirama – Kabale Transmission Line Project funded commissioned. • Electrification of Refugee settlements in Yumbe, Koboko, Adjumani, and environments of Northern Uganda commissioned. • Electrification of cross border towns of Kaya, Nimule and environs commissioned and under DLP monitoring. • ERT III Lines 1 and 2 commissioned. Lines 3 (Wandi – Yumbe – Moyo, Teregu, Yumbe, Moyo) and 4 (Onduparaka – Odramacaku – Abiria, Arua District) progressed to 87% and 78% respectively. Lots B, C, D and E works are expected to be complete by November 2022. • GoU priority schemes progressed to 70% completion. • 115,720 Connections made under the Electricity Connections Policy and 2,200 consumer connections made under the mini-grids project in Lamwo District. • Facilitated the construction of aver 240kW of solar mini-grids and 345 connections. • Bridging the Demand Gap through the Accelerated Rural Electrification Programme progressed to 78.8%. • Uganda Rural Electrification Access Project progressed to 75.93%. • Promoted Ethanol and electricity as alternative cooking fuels. • Launched the distribution of LPG cylinder kits as an initiative to raise awareness on LPG and encourage its adoption.	• Insufficient counterpart funding • Protracted and lengthy financing negotiations which has affected project implementation • Land acquisition challenges • Increased vandalism on ongoing and existing electricity transmission and distribution infrastructure due to high demand for metal scrap from steel factories. • Weak national infrastructure for safe usage of nuclear energy in electricity generation, medical, industry, research and development

Signed an MoU with Total Energies and Kakira Sugar Limited for establishment of a biofuels blending pilot.	
Emerging issues	Recommendations
•	• Structure the power generation projects to include the transmission lines in order to address challenges associated with power evacuation. • Legislation to regulate the scrap market should be worked on immediately • MEMD with the Ministry of Public Services should expedite the mainstreaming of the Rural Electrification Agency. • An objective on increasing the safe usage of nuclear energy should be added in the programme
Priorities 1. Establish mechanisms to reduce the end-user tariffs. 2. Develop ICT solution to enable efficient and effective cascade Management of the dams along the Nile. 3. Review the existing Acts and develop legislation for geothermal to promote exploration, development and utilization of Uganda's geothermal resources for social and economic transformation and energy efficiency	
Key Emerging Issues • Use of Biomass energy has a negative effect on environmental conservation • Vandalism should be taken as a serious issue • There is need to establish the implication of excess power generation and focusing more on distribution infrastructure	

Regional Development	
Achievements	Challenges
	• Need for improvement as it is disjointed • Delivery of services becomes hard with some parts of the country having Insecurity eg Karamoja • Infrastructure Bottlenecks eg from Karuma falls to the North • Low funding for road maintenance • Corruption • Global challenges e.g., COVID-19 and skyrocketing prices • Inadequate financing-budget for MoLG whose budget was cut from 15 billion to 11 billion. • Absence of regional development plans • Tourism and Mining activities were severely affected during the COVID-19 lockddown • Budgeting by MoFPED is still done in line with votes contrary to the programme approach as envisaged in the NDPIII • Delay of RDP projects in the development committee • Most outcome indicators lack baseline data and targets because the indictors are new • PDM has taken priority over all programmes including the RDP • Delay in developing special programmes for Bukedi, Busoga and Bugisu • PWGs have no budget allocations to contribute to achieving programme outcomes • Only 15% of the NDPIII funding requirements for the FY2022/23 has been allocated to the programme which is going to highly affect poverty reduction efforts in the eight sub-regions • Only a few votes, including MoLG, OPM and some LGs have budget allocations to implement the prioritized programme interventions.
Emerging issues	Recommendations
• Need to get updated poverty figures • PDM needs to capture data on Production • Each Ministry should indicate what they contribute to the different regions in the country • Data insufficiency • Low level of coordination at regional level given the increasing demand for service delivery in regions • There is poor Coordination of regional development programmes • Loose networks in the regional forums.	• Appeal to present and non-present sectors; • Prioritize increased incomes for the households • Come-up with regional development Sub-Programmes with regional leaders taking leader • Develop comprehensive anti-corruption strategy • Strengthen the role of LGs • There is need for a linkage between local production and the MOTIC to enhance value addition

• What strategies can we come up with to enhance revenue resource mobilization to support the LG development • How do we fully induct the district chairpersons to fully take up the PDM? • Strategy to fully fund the PDM Secretariat, integrate a formal national mode of communication on the PDM. • There is need to come up with a methodology to collect data on a daily basis case in study is MoH. • Need to get Karimojong's off the streets. • There is poor performance of the PWGs. • Other than poor funding of the PWGs, what are the other inhabitants limiting the functionality of the PWGs (See page 14 of the presentation for reponse) • Some variables are left out when computing the poverty level • There is need to conduct mindset change on poverty • There is need to either formalize the operation of the regional platforms • Interventions should be regionally structured • Besides having strategies of elevating the poor on the prosperity path, there should also be mechanisms of sustaining those who are above the threshold • What are the dimensions used to present the current poverty levels?	
Priorities	
• Extend power transmission lines to key growth opportunity areas of the sub-regions • Develop and implement evidence based Regional Development Plans • Construction of roads leading to key growth opportunity areas, particularly tourism sites • Design and construct infrastructure facilities (Roads, Hydropower, solid waste management/water waste system, ICT/CCTV, service ducts, etc.) • Distribute quality inputs, livestock, storage facilities and processing equipment's to farmer groups • Procurement and distribution of tractors, ox-ploughs, identification and training of beneficiary cooperatives, monitoring of beneficiary cooperatives • Capitalize SACCOs at parish level -	
Key Emerging Issues	
• The need for Regional Development Plans for the different regions • There is need to come up with intermediate variables that can be used to compute the poverty levels at high level • PDM has taken priority over all programmes including regional development programme • PWGs have no budget allocations to contribute to achieving programme outcomes • There is data insufficiency hindering the tracking of progress for the different indicators	

Private Sector Development	
Achievements	Challenges
• A National Business Development Services (BDS) Framework was developed • UDB launched a Special Program to provide Business Advisory Services for Start-ups and existing businesses with appropriate financial and non-financial solutions • Implementation of a holistic Local Content policy, legal and institutional framework • UFZA completed the construction of Phase-1 works at the Entebbe International Airport free zone • MoFPED in conjunction with PPDA began the implementation of the government e-procurement systems • Accreditations Services Act, 2021 was amended which seeks to create a Uganda National Accreditation Service Establishment of an electronic movable Collateral Registry in FY2021/22	• Slow adoption of programmatic approach: The implementation of the PSD PIAP is characterized by adoption challenges. • Additionally, there has been significant coordination and harmonization challenges especially within institutions that have to deliver on private sector programmes. • The Covid19 pandemic greatly impacted many areas for the growth and development of the private sector. • The promotion of local content in public programs faces several challenges. • Secondly, the capacity of local contractors is still weak. • There is limited engagement with LGs which poses a challenge of undertaking the activities stipulated in the PIAP with minimum participation of LGs. • In fulfilling the programme objective of strengthening the enabling environment and enforcement of standards, a number of challenges have been experienced and these include: • The legal restrictions which have affected the efforts to increase accessibility to free zones. • Inadequate fully built industrial infrastructure for private developers and operators. • Insufficient budget for completion of Entebbe International Airport free zone and construction of other public free zones in Jinja, Kasese, Soroti and Buwaya. • Lack of strategic industrial land for the development of public free zones.
Emerging issues	Recommendations

• The economic and financial impact of the Coronavirus pandemic continues to be felt across the world • The large informal sector continues to be a major blockade to private sector development • The Cost of doing Business remains high. • There is weak capacity with regard to the programmatic approach to planning and budgeting among the implementing MDAs. • Escalating commodity prices also continue to be a threat to the private sector •	• MoFPED and other implementation agencies should strengthen intra-programme collaboration and synergy in resource prioritization and implementation of the core actions. • Strengthening the engagement with LGs since are frontline service providers who directly interact with the targeted stakeholders. • Expand the covid-19 recovery fund to enable firms recover from covid effects • Capitalization of UDB, UDC and other public banks to lower the cost of doing business. • There is need to strengthen capacities of BDS providers • Intensifying the works of UNBS so as to improve the standards of goods • Promotion of Digitalization and e-commerce in the private sector to improve efficiency as well as reduce the cost of doing business.

Priorities

- Continue to Capitalize government owned financial institutions to reduce the cost of credit in key growth areas
- Establishment of Regional OSCs in Mbale, Mbarara, Gulu and Arua.
- Continue supporting and promoting local content through conducting of an inventory of locally produced goods services and works that can be purchased by government.
- Implementation of the existing local content policy, and other related legal and institutional framework, building capacity of local providers to compete favorably in public procurement and enforcing the Implementation of the Guidelines on Preference and Reservation Schemes.
- Establishment of the micro-pension scheme to facilitate extension of pension coverage to Informal Sector through initiating the amendment of the Retirement Benefits Sector Investment Regulations.
- Expand the existing scope for accreditation to ensure recognition of UNBS certification services, testing and metrology services as well as inclusion of import Inspection, market surveillances and Legal Metrology.
- Fast track formulation and implementation of a competition law. This is expected to create a fair and competitive business environment as well as effectively curbing uncompetitive practices.
- Facilitate mainstreaming of strategies for private sector development into local level development programs especially the parish development model.
- Fast track a review and development of an export development strategy and ensure that such a strategy is aligned with operational arrangements of regional and continental economic blocks like the AfCFTA.
- Harmonize legal framework for full operationalization of the use of Security Interest in Movable registry (SIMPO) system

Key Emerging Issues

- The program's relevance was questioned, pointing out that many of the issues are already catered for in other programs.
- There is need for government to collaborate with the private sector to generate development
- The recommendations made during the presentation focus mainly on the regulatory side.
- The logical framework of the programs, which has to do with the connection between PIAPs transiting into the various indicators and how they connect to the final objectives of the NDP III, may be where the problem lies.
- Inter-programme synergies must be worked on to ensure that the indicators are well connected.
- Objective 5 *(strengthening the Organisational and Institution Capacity of the Private Sector)* should be recast as it overlooks a critical component of private sector development.
- GOU has not addressed Business Development Support (BDS), which if left unchecked can impede Private Sector access to credit.
- Implementation of local content should cut-across both the public and private sector, particularly in the areas of procurement.
- The logistics sector has been ignored. GOU should capitalize URC to reduce transportation costs
- The secretariat needs to be more practical in the execution of its duties. There's need for increased public-private sector interactions.
- Review the domestic tariffs and the cost of certification for formalisation for micro industries.
- Develop a collaboration framework among stakeholders in the Private Sector so that they can easily work together.
- The CBR was raised to 8.5 percent due to shocks.
- There is also a limited number of credible businesses to lend to, so there is need to formalise.
- It was suggested that the Private Sector Development Program should be merged with manufacturing and some parts of Agro-Industrialisation programs to create synergies and avoid duplication.
- There's duplication in Private sector membership Associations.
- The Private Sector requested to be involved in the implementation of the projects in this program, especially the projects where private sector could play a significant role.
- There's an overlap of Mandates across the MDAs. In response it was highlighted that the overlap of mandates will happen, however, PWGs should determine who does what.
- Capitalization of Government banks should be tied to BDS.
- The Planning Framework was disorganised by COVID.
- There are serious data issues therefore the relevance of indicators selected needs to be revised, also some key indicators are not captured.
- The mandate issues surrounding the one stop centre should be addressed if the use of the One stop centre is to be successful.
- Budget cuts on activities like travel affect institutions like UNBS which need to travel and participate in international standards meetings.
- There's need to collect information or undertake a study on the outcome and impact of the funds which Government provides to key institutions in form of capitalization

ADMINISTRATION OF JUSTIICE PROGRAMME	
Achievements	Challenges
• The construction of the super structure of the Supreme Court and Court of Appeal buildings is complete • The renovation of Hoima, Luwero and Masindi Chief Magistrates (CM) Courts was completed • A total of 211 Judicial and Non-Judicial officers were recruited	• There is no link between MTEF ceilings provided by MoFPED and the PIAPs and releases; • Member institutions are independent in terms of funding from MoFPED, they are not motivated to be active under the Programme arrangement; • Resource allocation is not done at Programme level so the participation of MDAs in the Programme is weak; • Institutions would wish to belong to Programmes where they are provided with resources as it used to be under JLOS. • Disparities in staff welfare (salaries) – selective salary enhancement (Inequity in salary structure); • Inadequate staffing levels - Field-based staff to meet the demand for prosecution services in an ever increasing network of courts across the country; • No clear collaboration arrangement with other Programmes.
KeyEmerging issues	Recommendations
• Some of the key institutions under the Justice value chain e.g. MoJCA, Government Analytical Laboratory, Community Service are not members of the Programme • A number of institutions under the Programme have limited interventions planned for in the Programme • Expansion of Judiciary operations (i.e. decentralizing Court of Appeal, operationalizing High Court circuits and gazetted Magistrates Courts) is incommensurate with ODDP	• There is need for AJP to prioritize interventions aimed at fostering commercial justice to help resolve legal disputes that have locked up sh5 Trillion. • Retable and push through the Judicial Service Commission Bill. One of its aims is to make members of the Judicial Service Commission permanent to cease costly outlay on their retainer. • Harmonize salaries of judiciary and Office of the Directorate of Public Prosecution (ODPP) to dissuade ODPP staff from joining judiciary in droves. • Come up with suitable indicators and data to measure key deliverables in AJP. For example, reducing per capita cost of access to justice. • MoJCA and DGAL should be transferred from Governance and Security Programme to AJP because of their integral in the justice value chain.
Priorities	
i. Fast-track the recruitment of staff; ii. Strengthening business processes and case management systems; iii. Reduce the distances people traverse in search for services by establishing or operationalizing more justice service points; iv. Investment more in infrastructure – Construct more court buildings, ODPP offices, Remand homes and Police Stations; v. Address housing, welfare and security concerns; vi. Automate our business processes e.g Roll out ECCMIS & PROCAMIS, procure and install Video conferencing system, Court recording and transcription equipment; vii. Capacity building of staff – training and retooling with ICT and transport equipment among others; viii. Lobby for Salary enhancement and harmonization.	
Key Emerging Issues	
• Some of the key institutions under the Justice value chain e.g. MoJCA, Government Analytical Laboratory, Community Service are not members of the Programme. This makes coordination of interventions in the justice chain challenging; • A number of institutions under the Programme have limited interventions planned for in the Programme e.g UPS has only Video Conferencing system captured in the PIAP of this programme. Compiling performance in line with the goal of the Programme is challenging; • Expansion of Judiciary operations (i.e. decentralizing Court of Appeal, operationalizing High Court circuits and gazetted Magistrates Courts) is incommensurate with ODDP.	

2.0 Findings

55. This chapter is structured into four parts, reflecting the areas of enquiry outlined in the methodology. Each part describes the current situation in relation to: NDPIII's theory of change and the quality, effectiveness of the various strategies and suitability of the strategies in relation to NDPIII. Conclusions on areas which could be strengthened, are drawn out in the subsequent chapter (conclusions and recommendations).

2.1 NDPIII's theory of change

56. A theory of change (ToC) is a causal framework which explains how and why a change process can happen in a particular context. It should be coherent, plausible, feasible and testable. This section assesses: whether there is a valid theory of change behind NDPIII that informs its logic and underpins a coherent appropriate and credible strategy map, and if NDPIII was comprehensive in addressing its overall target of increasing household incomes and improving quality of life of Ugandans by 2025, through sustainable industrialization for inclusive growth, employment and sustainable wealth creation. In the context of NDPIII, the theory of change should indicate how changes in the economy, society and environment will contribute to Uganda's goal of increasing the average income and improve the quality of life of Ugandans. It should also underpin and guide supporting strategy and policy development across Government. There are several ways to develop theories of change, however five steps are typically followed. These are:

(i) Define the long-term state you want (goal);

(ii) Define what has to change for the long-term goal to happen (outcomes);

(iii) Determine interventions which will lead to the relevant outcome (inputs and outputs);

(iv) Articulate what assumptions are in place for the theory to hold true; and

(v) Develop indicators which will assist in monitoring the theory's validity and success.

57. **The theory of change presented in NDPIII is coherent**. It is not questionable that adding value to Uganda's resources especially for the agriculture sector and minerals would lead to significant benefits including generating employment would lead to higher incomes. The theory of change is supported by 20 development strategies with a clear link with the main goal. However, Government could reduce and prioritize these development strategies

by sequencing them overtime to ensure that they are effectively implemented before the end of NDPIII.

58. **The overall goal of the theory of change in the NDPIII is measurable and with time limit. Undoubtedly, all nations aspire to increase the average income and well-being of their citizens.** Compared to NDPII where the goal was to join middle income status by 2020, the NDPIII goal is broad within the plan and when it will be realised.

59. **Clear indicators, baseline and targets are developed—and they can all be related to the goal of increasing household incomes.** The Government of Uganda has developed a comprehensive results framework. To strengthen the ability to test the theory of change, the Government could consider explicitly state what assumptions are in place for each building block of the theory of change to hold true and could test and monitor assumptions throughout implementation. It would also be useful to ascertain the extent to which each program contributes to the overall goal of increasing incomes. This would be the basis for rationalising these programs and perhaps focus on a few that can be effectively implemented.

60. **NDPIII's theory of change provides 20 development strategies which culminate into 20 integrated programs.** These programs incorporate the country's regional and international development commitments and also address the 13 strategic bottlenecks. Implementing all the 20 programs within the past 2 years has been a challenge owing to various factor such as lack of proper institutional framework within which the programs are coordinated and implemented. The number of programs is large with duplicating roles with a possibility of rationalizing some small programs to effectively implement them.

61. **Sector clustering around programs could be strengthened to fully implement the NDPIII strategic direction.** Challenges under this new approach have been registered but as highlighted in the Programme design approach thematic area—there is room for improvement so that sectors continue to rally around common goals. With clustering and understanding of how individual agencies with different outcomes/objectives interact, it reinforces policy co-ordination within and across programmes. This is particularly important for cross-cutting programmes such as agro-industrialization, tourism and skills development.

Table 2: NDPIII's Theory of Change

ToC building block		Assessment
Vision/goal: What is the desired long-term state?	• <u>Vision 2040:</u> “A transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years” • <u>NDPIII theme:</u> “Sustainable Industrialization for Inclusive Growth, Employment and Wealth Creation” • <u>NDPIII goal defined in Plan:</u> “Increased Household Incomes and Improved Quality of Life of Ugandans.	The goal defined in NDPIII is broad. The challenge with such a broad goal is to ascertain the contributions of the various interventions towards meeting this broad goal
Outcomes: What has to change for the long-term goal to happen?	To achieve the long-term goal of increased households incomes and improved quality of life of Ugandans: 1. Enhance value addition in key growth opportunities; 2. Strengthen the private sector capacity to drive growth and create jobs; 3. Consolidate and increase the stock and quality of productive infrastructure; 4. Enhance the productivity and social wellbeing of the population; and. 5. Strengthen the role of the state in guiding and facilitating development.	The logic proposed in NDPIII is that by enhancing production and productivity and value addition in key growth areas, increase and consolidate the stock of infrastructure, strengthen private sector capacity to drive growth and create jobs, enhance productivity and social well being of the population and strengthening the role of state in guiding development, this will increase household incomes and their quality of life. , **This is plausible and testable logic.** The objectives, if successfully implemented, should enhance the welfare of the population. .

Inputs and outputs: What *interventions* will lead to the desired outcomes?	To achieve the five objectives, 21 development strategies will be pursued (Page 43). These are: 1. Agro-Industrialization to create backward and forward linkages between the farm and the market. 2. Fast-track Oil, Gas and Mineral based industrialization. 3. Import substitution and promotion of local manufacturing. 4. Export promotion to increase Uganda's foreign exchange 5. Harness the tourism potential. 6. Provide suitable fiscal, monetary and regulatory environment for the private sector to invest. 7. Increase local content participation 8. Institutionalise infrastructure maintenance 9. Develop intermodal transport infrastructure to enhance interoperability. 10. Increase access to stable, reliable and affordable energy. 11. Leverage urbanization as a driver for socio-economic transformation. 12. Improve access and quality of social services. 13. Institutionalize human resource planning for the economy.	The logic proposed in NDPIII is that by pursuing the 21 development strategies then the 5 Objectives will have been achieved. **This logic is testable and plausible.** A focus on agro-industrialisation will arguably help increase sustainable production especially for the agriculture sector. Fast-tracking the oil and gas sector as well as beneficiation of minerals would generate significant income for the economy. Import substitution strategy would lead to more jobs created. **The logic could however be strengthened by explicitly stating how the interventions (21 development strategies) will help in the achievement of the objectives**. First the number of development strategies are too many with a lack of strategic focus. Implementing all the 21 development strategies in 3 years would be inconceivable. This is analogous to the NDPI which attempted to address all the development challenges in five years without any sense of prioritization or sequencing the interventions over the Vision 2040 period. **The logic could also be supported by providing evidence** as to why Government believes the interventions will help bring about the objectives. E.g. has the logic been shown to hold true in other contexts?

	14. Enhance skills and vocational development. 15. Promote science, technology, engineering and innovation as well as ICT. 16. Increase access to social protection 17. Promote development oriented mind-set 18. Increase government participation in strategic sectors. 19. Increase resource mobilisation for implementation of National Development Programmes. 20. Re-enginerr the public sector to promote investment. 21. Enhance partnerships with non-state actors for effective service delivery.	
Indicators: What indicators will assist in monitoring the theory's validity and success?	• Development indicators, baselines and targets, have been developed for each stage of the theory of change. Ten indicators were developed for the Goal, nine for Objective one, seven for Objective two, 18 for Objective three, 32 for Objective 4 and 3 for objective 5.	• The NDPIII Implementation Strategy further articulates indicators, baselines and targets for each stage of the theory of change.

Source: Compiled by author through analysis of NDPIII

2.2 NDPIII macroeconomic strategy and inclusive economic growth

62. The NDPIII macroeconomic framework during the first two years of implementation faced external shocks that have compromised its results. Key among the external shocks include the COVID-19 pandemic, commodity price shocks, the war between Russia and Ukraine as well as domestic shocks such as the locust invasion and floods. This section answers the following questions of the MTR.

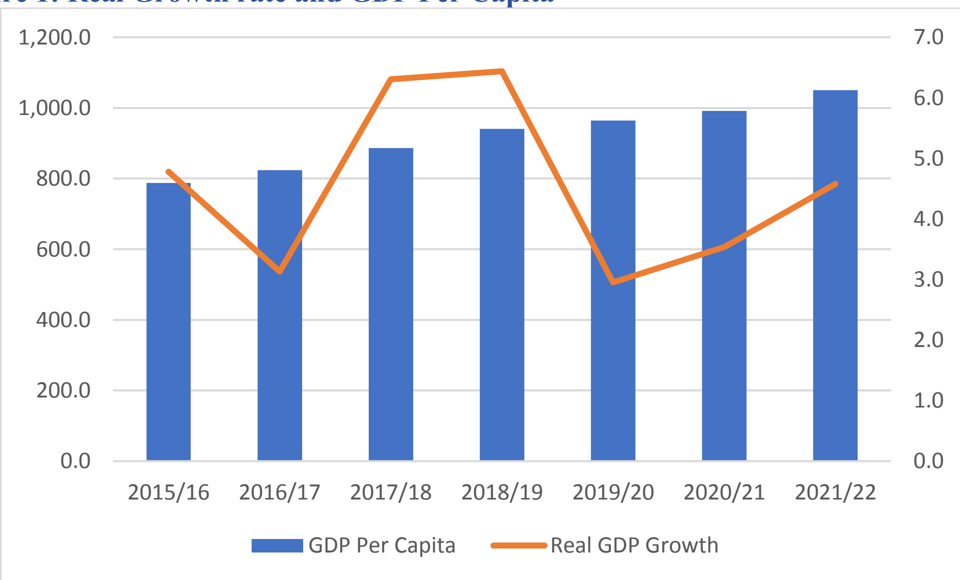
    (i) To what extent has the NDPIII macroeconomic framework led to accelerated and sustained inclusive economic growth;

    (ii)Has the NDPIII macroeconomic framework led to macroeconomic stability and debt sustainability?

    (iii)Has the NDPIII macroeconomic framework led to increased household income and improved quality of lives?

63. At a macro level, real growth rates for the first two years of the NDP averaged 4. percent compared to 5.2 percent that was envisaged in the plan. These growth rates have resulted into Uganda attaining a per capita income of US$1,051 in 2021/22 which would need to be sustained to be declared the status of Middle-income country. The MTR noted that Uganda uses Gross Domestic Product per capita as a measure for per capita income a departure from the internationally accepted norm of using Gross National Income per capita.

Figure 1: Real Growth rate and GDP Per Capita



Source: UBOS

64. Research findings show that overall poverty levels worsened during two years of implementing the NDPIII owing to the lockdowns.

Decomposing the effects of the pandemic on povertyand inequality, Uganda

	No COVID scenario	COVID scenario	Total change (pp.)	Total change (%)
	(A)	(B)	(C)	(D)
Poverty				
Poverty rate	21.62	22.49	+0.87***	+4.0
Poverty gap	7.71	8.04	+0.33***	+4.2
Inequality				
Gini coefficient	39.77	39.47	-0.30***	-0.7

Notes: the table presents consumption-based estimates of the impact of theCOVID-19 pandemic on the poverty rate (FGT0), poverty gap (FGT1) and Gini coefficient in Uganda. Columns (A) and (B) show the outcomes in scenarios without and with the economic shock from COVID, respectively. Columns (C) and (D) show the overall impact in percentage points and percentages, respectively. The national equivalence scale and national poverty line of 53,995 Ugandan shillings per month (roughly US$1.4 per day, using international dollar equivalents) are used in the poverty calculations. Statistical significance isbased on bootstrapped standard errors after 200 replications. Significance levelsindicated as * p < 0:1, ** p < 0:05, *** p < 0:01.

Source: authors' elaboration using UGAMOD v.1.6, the Uganda National Household Survey (2016–2017), and the World Bank High-Frequency PhoneSurveys in Uganda (2020).

This is not surprising due to the prevailing conditions that were exacerbated by the COVID-19 pandemic which resulted into loss of incomes. As illustrated in Figure 2 below—it can be argued that accelerated growth in real GDP results into lower poverty rates. This indeed was the case during the period 1992/93-2009/10. However, since then poverty levels have stagnated to levels of 20.3 percent accompanied by lower growth. It should be noted that the rapid reductions in poverty during the PEAP period also coincided with massive investments in social sectors especially education and health. A switch to infrastructure projects in 2010 was also accompanied by less engagement from bilateral development partners who were more engaged in social sectors. The MTR notes that there is a need to strike a balance between infrastructure and human capital development as well as re-engage development partners especially under the programme of human capital development. Investments in social sectors especially health, education and social protection have a direct impact on poverty and income inequality.

Figure 2: Real Growth and Poverty Dynamics

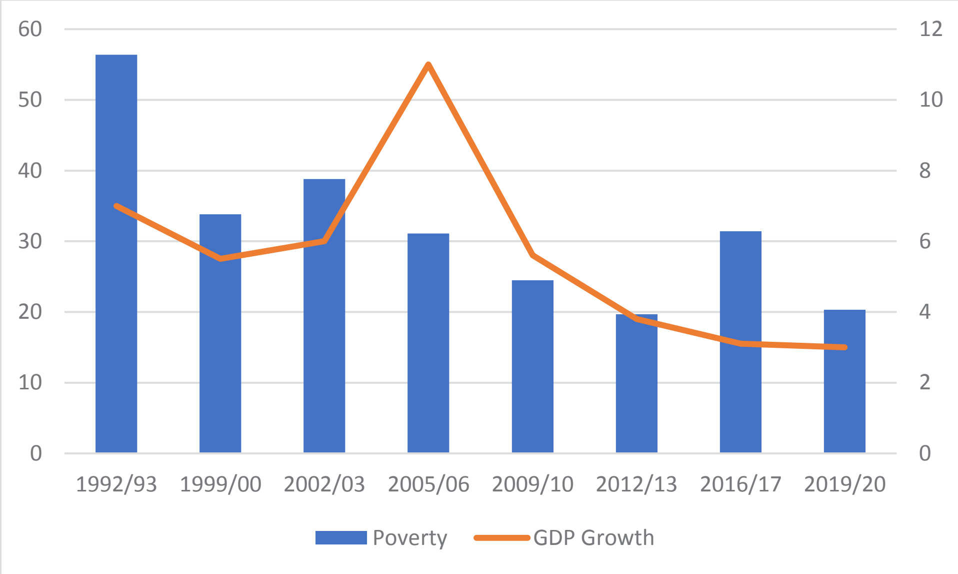
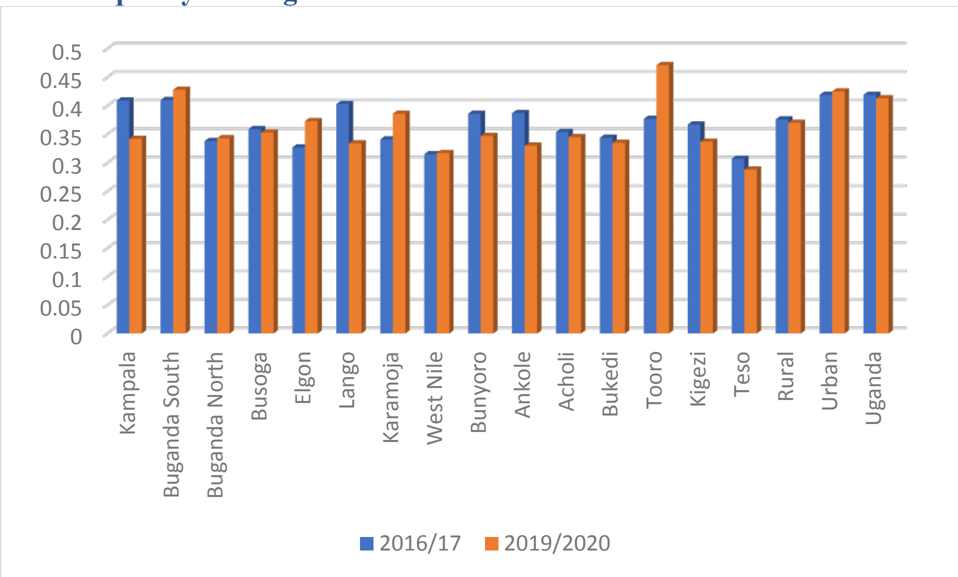


Figure 3: Inequality at a regional level-Gini Coefficient

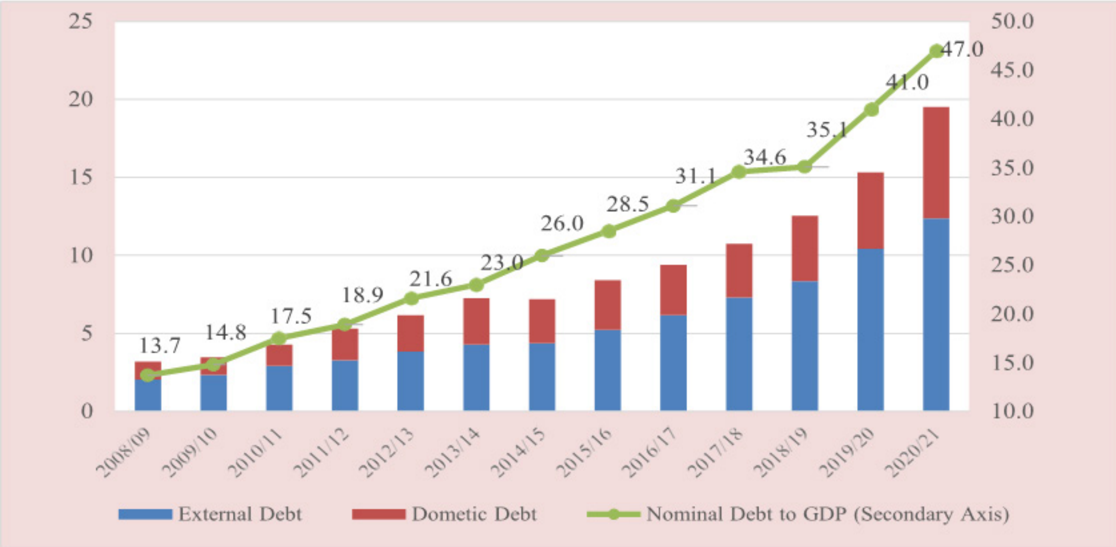


Source: UBOS

65. Debt levels continue to increase to unsustainable levels. Within two years debt has increased from 41 to 52 percent of GDP and this is above 50 percent where debt is considered unsustainable. The build-up in debt has also been driven by the push to address the infrastructure gaps that were identified in NDPI and NDPII. This has also come with other additional challenges like increase in interest payments which have reduced the available fiscal space for other expenditures. While fiscal expansion to address the infrastructure, needs was the right policy especially in NDPI and NDPII, MTR would recommend to use the remaining period of NDPIII rationalizing outstanding projects as

well as maintaining the accumulated infrastructure stock. New infrastructure projects should be prioritized and some phased into NDPIV to maintain debt within manageable.

Figure 4: Public Debt to GDP



Source: MoFPED

66. While the first year of the NDPIII was characterized by a stable macroeconomic environment, recent surge in commodity prices has resulted into a sharp increase in inflation. By June 2022, core and headline inflation have increased by 5.5 and 6.8 percent respectively. High inflationary environment erodes incomes of the population and could also exacerbate the poverty and income inequality. To circumvent further increase in prices, BOU increased the CBR rate to 8.5 percent as well as containing the volatility of the exchange rate. Priority in maintaining a stable macroeconomic environment and avoiding debt unsustainability should be an overarching objective. Some of the steps found critical for NDPIII macroeconomic strategy to achieve this objective are highlighted in the economic management theme.

67. **Macroeconomic strategy should focus on strengthening tax administration with a view to increase domestically generated resources to finance the NDPIII and also meet our debt obligations in a sustainable manner**. The few measures highlighted in the Economic Management report include: (i) expanding the tax net including the informal sector coverage; (ii) introduce well studied new tax policy measures to minimize impact on business growth, economic growth, employment and income; (iv) improving tax morale through well-articulated and implemented service delivery programmes that benefit tax payers. This will increase tax compliance and the cost of tax evasion or avoidance.

68. **The MTR recommends that the NDPIII should focus on incomplete strategic projects carried over from the NDPI and NDPII**. These projects are largely in the roads and railway, energy, and oil and gas sectors. Basing on plans to develop industrial ecosystems around iron ore, oil and gas and phosphates, there is need to continue investing in electricity power transmission and distribution. To minimize the cost of transmission and distribution of power, industrial clusters should be strategically located around raw materials (e.g. iron ore, oil and gas and phosphates). Rural electrification should be reconsidered in light of new cheaper technologies like solar technologies, urbanization drive and high cost of distribution especially in scarcely populated areas.

69. **Investment in human development should be at the core of the remaining 2 years of the plan**. The HDI index has stagnated at 0.524 and positioning the country at 166 out of 191 countries. Budgetary shares to education and health sectors have continued to drop over the years since 2008. This trend has decelerated the momentum that was built since mid-1990s. Whereas significant progress has been made towards achieving access to health and education, quality service delivery in the two sectors continue to be undermined by limited budgetary allocations. Performance on education indicators, in particular, have lagged behind, especially primary and secondary completion rates. More resources are required for enhancement of salaries of both primary and secondary school teachers and health workers.

70. **In light of the increasing level of indebtedness, the macroeconomic strategy for the NDPIII should explore other forms financing projects**. Uptake of PPPs as an alternative source of financing for large infrastructure projects has been slow due to lack of capacity within the public sector to design PPP projects. Other alternative sources of financing that could be explored include issuance of long-term infrastructure bonds for green growth and use of pension funds. This will require enacting the requisite laws and policies for issuance of these instruments by both the central and local government entities. In addition, it will be necessary to strengthen Uganda's capital markets with the objective mobilizing resources for long and medium-term financing. Developed capital markets could also be used to intermediate investment for pension funds into long-term infrastructure projects.

2.3 Increasing Agriculture Production and Productivity

71. Agriculture production growth stagnated at 4.3 percent during the past two years. Under the agro-industrialization programme various interventions were undertaken to address the challenges of production and productivity in the agriculture sector. Overall performance

under this programme has been characterized by various challenges including: (i) Low absorption of released funds for the programme due to delayed releases and disbursements to implementing agencies resulting in late initiation of procurements; (ii) stalling of construction works and in some cases, abandonment of sites by contractors; disbursement of funds for projects with low readiness for implementation; (iii) COVID-19 pandemic and lack of advisory fund to implementing agencies; (iv) limited translation of the PIAP commitments into the annual approved budgets and work plans to ensure attainment of programme objectives; (v) inadequate staffing especially extension workers in the lower local governments; (vi) Weak linkages, synergy and collaboration between the implementers of the different sub-programmes resulting in duplication of effort and wastage of resources; (vii) missed opportunities for learning from each other for more effective programme implementation.

72. Progress has been made towards mechanised irrigation schemes which are under construction or being rehabilitated. As at 31st December 2021, the Farmers benefiting from the completed schemes (Doho II and Mobuku II) recorded improved production and productivity due to access to water for production in Doho and Mobuku Irrigation schemes. In Doho II scheme the farmers recorded improvement from 700kg of yield per acre to between 1,100kg to 1,200kg which is a significant increase in yields. The yield was however lower than the expected due to lack of fertiliser and pesticides application. The MTR therefore notes that such interventions should be well coordinated if yields of farmers are to be significantly increased. Provision of irrigation services at a large scale should be accompanied by the required fertilizers and pesticides for maximum output to be realized. The MWE planned to construct 95 small scale solar powered irrigation schemes to benefit small holder farmers countrywide, and 32 of these were at different completion levels. The land area for these schemes ranges between 5-10ha. The general observation is that the works were ongoing at a very slow pace. The contract periods ranged between six months to one year per scheme, however, none was completed within the contract period as they lasted for about six months.

73. **The construction of 2,311 irrigation under the NDPIII within five years is an ambitious project and worthwhile**. Limited progress so far has been achieved with most schemes still under design stage. To revitalize the agriculture sector, infrastructure for irrigation should be made a priority under the NDPIII. Owing to the changing climate patterns that have resulted into unpredictable rainfalls, Government should champion and invest in irrigation schemes both of large- and small-scale nature. There should be

deliberate effort done at local governments to promote small scale irrigation by setting up demonstration gardens and hiring irrigation engineers who can be consulted by the population in design and implementation of these technologies. Going forward, it will be important to include the post of irrigation engineer in the local government staff structures. Regional agronomy laboratory infrastructure should also be established to timely provide support to farmers.

74. **To enhance inclusive growth, government should continue to play a key role in the agriculture sector to enhance its production and productivity**. To enhance production, the MTR noted that MAAIF has adopted the following strategic direction:

    (a) **In order to have quality seeds in the country, the production, multiplication, distribution and certification of seeds and other stocking materials like animal breeds and fisheries should be controlled by Government**. This also calls for the support of research centers like NARO and NAGRIC.in the development seeds and stocking material.

    (b) **There is a need to vaccinate all animals from FMD, Lumpy skin, CBPP and tick fever**. This is critical as outbreaks of these diseases affect the markets of dairy and beef products. A cost sharing arrangement between Government and the farmers should be considered. A single dose of vaccine costs UGX 7000 shillings and two doses a year would require UGX 14,000. The MTR recommends that MAAIF should champion this initiative after assessing what the farmers can able to afford under a cost sharing arrangement.

    (c) **The Ministry of agriculture is having 18 mechanization zones of which only 5 are equipped**. To enhance the productivity of farmers, the MTR recommends prioritizing the equipment of the rest of the mechanization zones.

    (d) **Irrigation Policy should be implemented by MAAIF**. There is also a need to spell out the roles for Ministry of Water an Environment in providing large water facilities for human consumption and MAAIF who is responsible for water for production. Under irrigation schemes, the guiding principal should be to promote high value crops.

    (e) **MAAIF will champion a massive communication campaign to educate farmers**. In particular agronomists and veterinary practitioners should provide farmers with necessary information to enhance their productivity. The MTR also notes that given that irrigation is a new concept—there is a need to deploy irrigation technologists to enhance the uptake of this technology leveraging the already existing government structures.

(f) **Partnering with large scale farmers to enhance economies of scale should be encouraged.** This is particularly the case for low value crops like maize, sugarcane and beans. The MTR recommends that Government puts incentives for medium and large-scale farmers to use their land. Incentives should include easy access to patient capital through UDB. As well government should champion development of insurance products to circumvent the risks in the agriculture sector.

(g) **To enhance productivity, government should identify a new promoter for the Sukulu fertilizer manufacturing plant.** In line with the Quasi-market approach and given the strategic importance of fertilizers, Government should take lead in championing this project by ensuring that the necessary financing in partnership with an implementor with proven experience is arranged.

2.3 Effectiveness of Industrialization Strategy

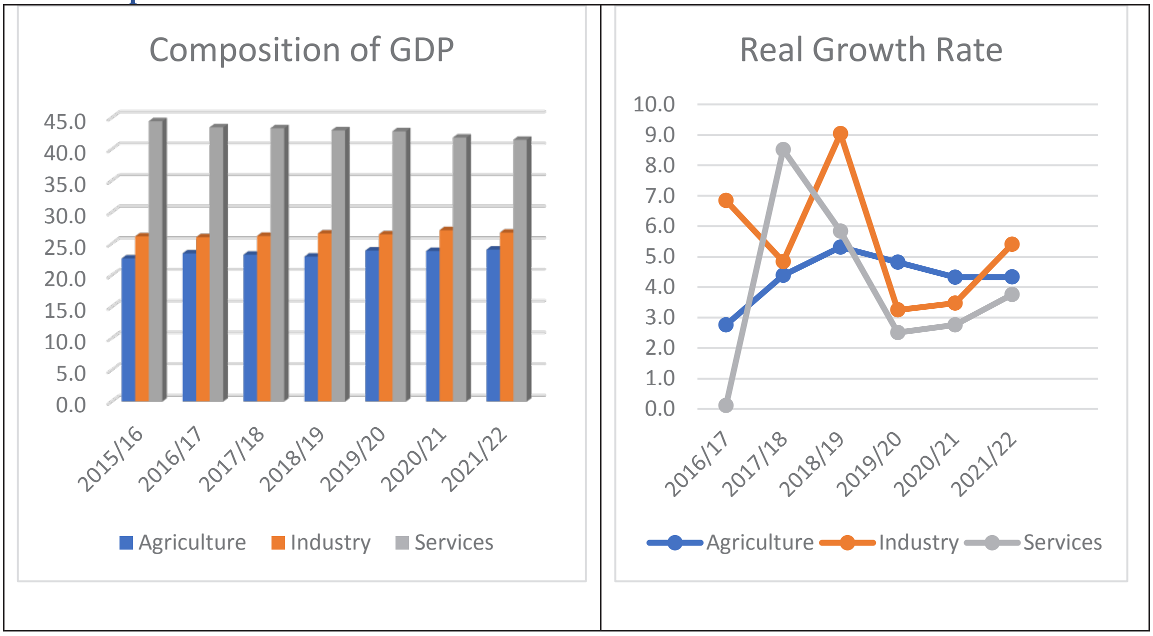
75. Having conducted an assessment on NDPIII's theory of change and the impact of macroeconomic framework on incomes and welfare of the population, this section provides an analysis on the industrialization strategy and extent to which it is contributing towards the NDPIII objectives. It answers following questions:

Is the new additional manufacturing led to any structural change in the composition of GDP?

Has industrialization through increased agricultural production and productivity, agro-processing, mineral beneficiation and mineral-led industrialization, oil refining, digitalization, and labor-intensive light manufacturing (including cottage industries) been actualized?

76. **Structural transformation of the economy driven by industrialization is yet to be realized during the implementation NDPIII**. The contribution of the industrial sector in total GDP has not fundamentally changed, averaging 26.8 percent in 2020/21-2021/22. Real growth rate of the sector was also affected during the first year of implementing the plan owing to the COVID-19 lockdowns. However, the fiscal year 2021/22 witnessed some recovery of the industrial sector mainly driven by growth in mining and quarrying and manufacturing.

Figure 5: Composition of GDP and Real Growth Rate



Source: UBOS

77. **Limited progress on value addition in the agriculture sector has been realized during the first two years of NDPIII.** As noted in table 3 below, the value of production for agro-processing industries exported has not shown any marked increase as a result of the interventions under this large programme. Interventions under agro-processing remain scattered to have any meaningful impact on the sector.

Table 3: Exports of agro-processed products (USD millions)

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Agro-Processed Products						
Fish & its prod.	115.15	131.60	146.31	186.05	146.60	118.66
Tea	74.50	67.86	91.61	88.73	71.04	85.49
Crude Veg. Oils	41.15	50.04	57.25	61.83	60.98	60.33
Sugar	61.46	126.68	84.83	95.92	92.56	88.13
Hides & Skins (Wet blue)	56.01	50.94	54.64	31.93	11.97	12.06

Source: BOU

Consultations with stakeholders revealed large-scale initiatives limited by access to services such as power (e.g. Cassava production facility in Nwoya using a diesel generator and Buvuma farmers of Palm oil with no access to the mainland to move heavy agricultural equipment). The MTR notes that for agro-industrialization to be realized—this has to be holistically championed through other large-scale programs such as the Parish Development Based model, private sector development programs centred around production zones and setting up conducive environment for private sector participation. With the recent roll out of the PDM, implementation of the area-based commodity planning, government should focus on addressing the challenges affecting the private sector to participate in agro-processing such as access to patient capital, access to affordable energy and a supportive regulatory environment.

78. **Under the quasi market approach it was envisaged that government through UDC would invest directly in large scale agro-processing industries such as Atiak sugar factory and Soroti juice factory**. Such enterprises were envisaged to stimulate production of raw materials through out-growers schemes in the surrounding areas. Soroti juice factory has been a success attracting other private investors to engage in juice processing. Installation of a second line by UDC would also enhance the uptake of fruits in the Soroti region. Given the impact of such a project on growth and employment in the Soroti region, government should take initiatives to protect the industry from imported substitutes by using appropriate tax laws. Importation of coloured fruit concentrates should be discouraged to enhance domestic production. The MTR also learnt from UDC that Madhvani group of companies and UDC are to develop Amuru sugar plant which will produce sugar, ethanol and electricity. This should be supported given the obvious impact of such a project on the region and the economy.

79. **There is no evidence of increased mining and beneficiation during the first 2 years of the NDPIII apart from Gold which is partly imported**. The contribution of mining in total GDP has stagnated at an average of 1.7 percent. Growth in mining and quarrying has been erratic registering 22 percent in 2021/22 and 7 percent in 2020/21 albeit from a very low base. There is limited value addition apart from Gold. The NDPIII identifies three categories for the use of minerals including: primary, secondary and tertiary use. Minerals that can have a profound effect on the fortunes of the country include: oil and gas, iron ore as well as phosphates. Iron ore processing has been hampered by lack of a champion either from the Government (e.g. through UDC) or private sector developers. There was a lot of optimism on the Phosphates in Sukulu and Bukusu and the impact this would have on the agriculture sector through fertilizer production. This was hampered by the developer running out of funds and abandoning the project. The MTR notes that there is unnecessary

delays in implementation of projects even within the private sector. For such large-scale projects, the MTR found that some developers lacked the capacity to execute the projects within the planned timeframe largely due to financing challenges. Government should undertake thorough due diligence on private developers before being awarded such large scale projects to implement.

80. **While some semblance of light manufacturing is taking place, this is still far from making an impact and creating jobs at a large scale.** Manufacturing growth slowed down during the first two years of the NDPIII at 3 percent on average compared to 3.5 percent average during the NDPII. This can be attributed to the COVID 19 pandemic which resulted into shutting down the economy twice for almost 2 years. Within the list of exports there are no emerging exports associated with light manufacturing. Light manufacturing industries continue to be dependent on imported raw materials. The recent disruptions in supply chains and escalating costs of these raw materials have further constrained production in these industries. It is assumed that light manufactured products using raw materials from countries like China can be competitive in the market. The MTR recommends that for light manufacturing to effectively take place, there is a need to review the tax laws that apply to similar products that can be imported at sometimes cheaper cost given the lower cost of production. High taxes on imported parts was also raised during the digital transformation consultative meeting on the manufacturing of telephones and computers locally. The MTR recommends that government should strike a balance between its quest for revenue collection and the need to generate employment for its citizens if light manufacturing is to effectively take place. For instance, all parts or raw materials geared towards light manufacturing could be zero rated. The foregone revenues could be compensated through direct taxes on income as more jobs are created.

81. **The MTR recommends that there should be deliberate effort by government to fast track the industrialization agenda through establishment of specialized financial institutions targeting small and large-scale industries**. The industrial sector is currently dominated by small and medium enterprises (SMEs), which makes 93.5% of firms operating in the sector. This in itself represents a serious challenge as firms are usually not able to reap the benefits of economies of scale. Given the strong correlation between firm size and export capacity, firms have difficulties competing internationally. Coupled with the quasi-market approach, there should be deliberate efforts to fast track nurturing of SMEs into large industries. This will require establishing industrial banks to focus on supporting SMEs with a view to transform them into large production units. From best

practice, the industrial bank will ensure meeting the peculiar needs of industrialists particular in providing long-term and affordable financing. Government should embark on undertaking feasibility studies for these specialized banks for the remaining NDPIII.

82. **Development of industrial parks should be at the center of promoting industrialization for the remining period of NDPIII**. The challenges for establishing the industrial parks include: (i) poor coordination and limited implementation capacities among responsible agencies; (ii) high cost of land acquisition; (iii) lack of financing for most parks, and; (iv) attracting quality investors. The objective is to agglomerate industries in one location with all the required infrastructure such as electricity, industrial water, waste disposal and management facility, ICT infrastructure, roads and modern lighting systems, parking facilities. This is also meant to foster efficient and low-cost production of goods by manufacturers. Eight industrial parks have been set up and operated by Uganda Investment Authority. This has resulted into creating of 166 operational industries, 42,488 direct jobs and 59,800 indirect jobs, totalling 102,288 jobs. A presidential directive to set up 25 new industrial parks across the country is a step towards achieving industrialization. Albeit this progress, the MTR noted that setting up these industrial parks under UIA has moved at a very slow pace. Out of the 25 parks, land has not been secured for 20 parks. The MTR recommends prioritizing these industrial parks with the objective of agglomerating industries related to the resource base. The PDM should provide catchment areas especially for agriculture products to feed the industrial parks.

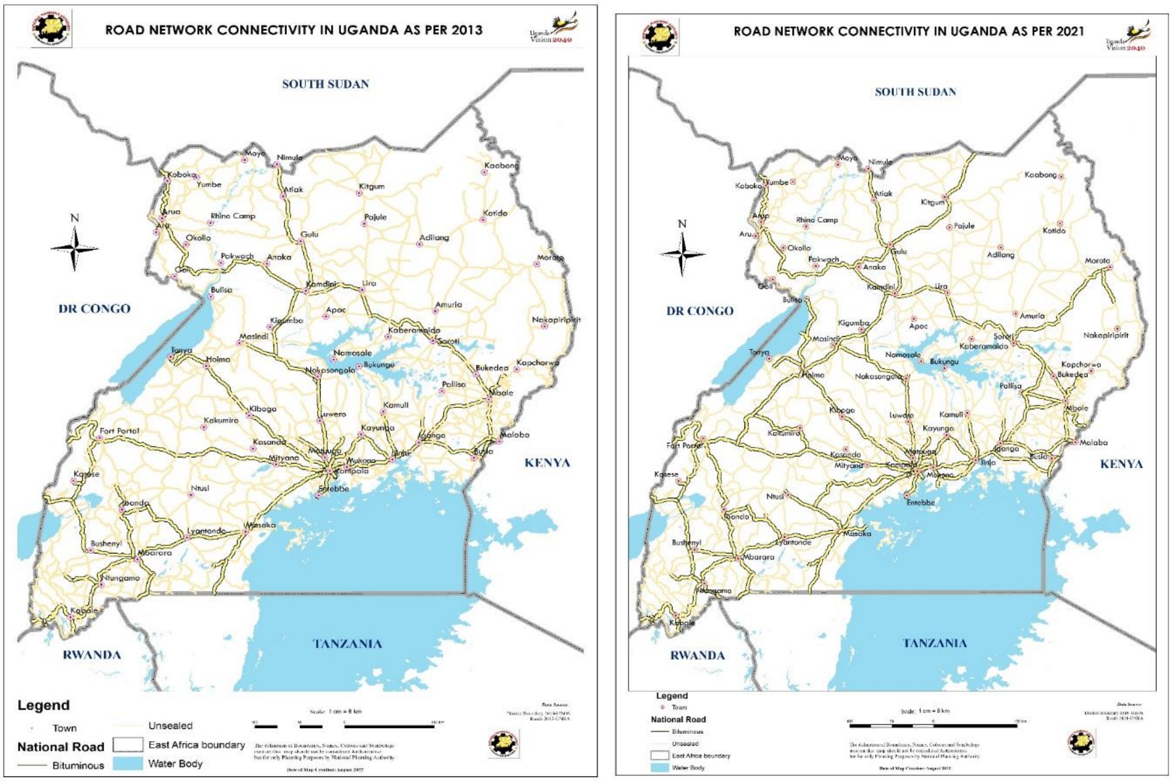
2.4 Sequencing of Infrastructure Development Strategy

83. Considerable emphasis during the NDP1 and NDP2 was put on addressing the infrastructure deficit. NDPIII embarked on finishing projects that were carried over from NDPII as well as implementing new ones. Indeed, significant progress has been made to increase the stock of paved road network, energy generation capacity and distribution, expansion of the ICT broad band and increasing access to piped water and water for production. Under this section we address the following question:

Has there been any sequencing and coordinated infrastructure investment in energy, roads, water, rail, industrial parks, and mechanized irrigation schemes?

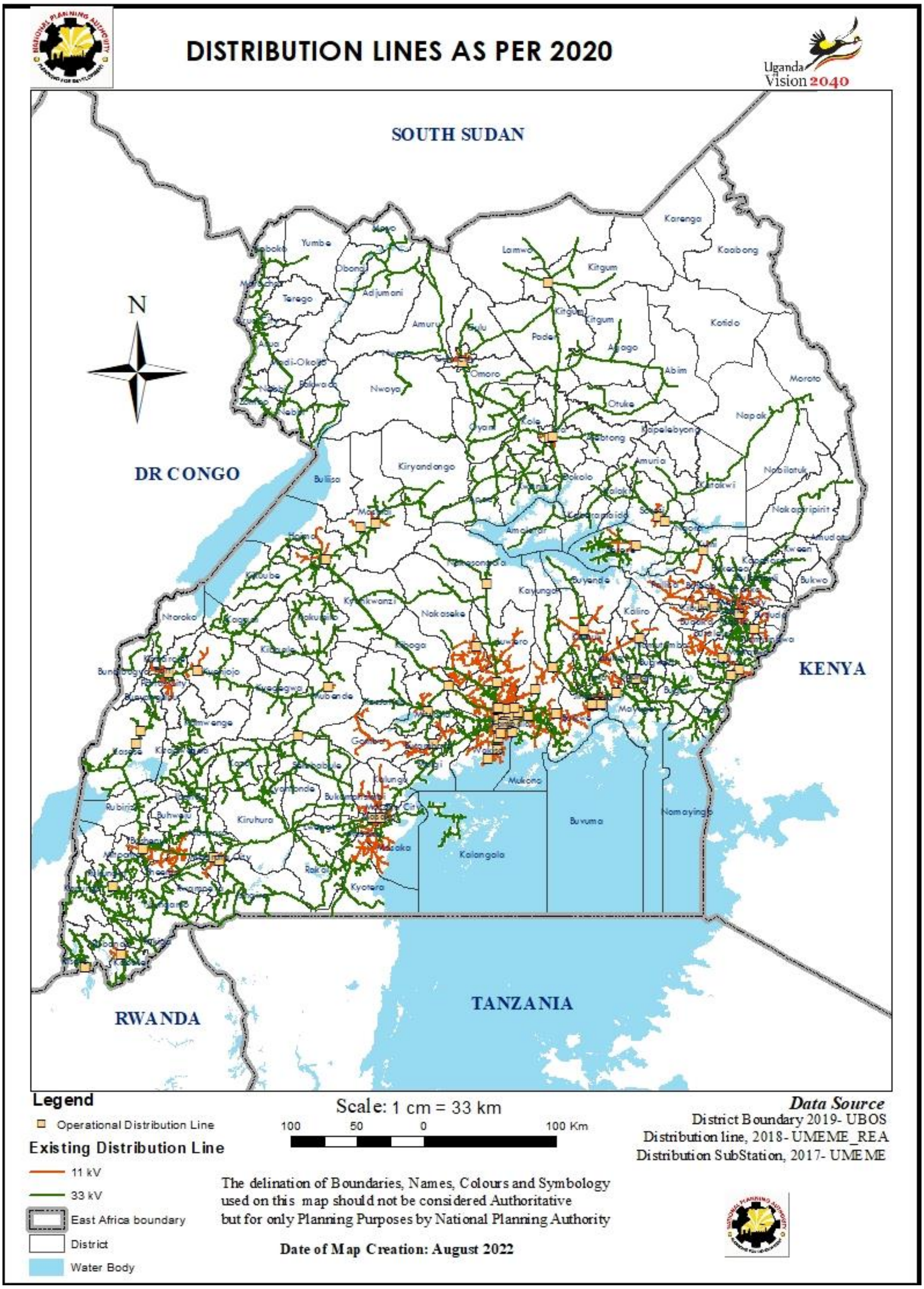
84. Progress has been made to address road transport through development of the national roads. By the end of December 2021, construction of 114.45km had been achieved against a target of 415km by June 2022. UNRA's Strategic Plan targets to construct 500km annually.

Figure 6: Road Network Connectivity (2013-21)



85. **Uganda is currently generating surplus electricity and as Karuma(600 MW) Isimb(1**
86. **83 MW) and Achwa-Agogo Phase 1 (41MW) hydros come on stream the excess capacity will require corresponding industrial growth to consume this power**. In view of the industrialization agenda under the NDPIII, it was assumed that the excess additional power generated would be consumed by new large industrial enterprises. This has particularly been hampered by the failure of take-off of large energy consuming industries such as beneficiation of iron ore industry. While the MTR concurs that this was the right strategy as the country prepared for industries to consume the generated power, it is also critical for the government to start sequencing its investments especially in expensive hydro-dams with industrial establishments to off-take the power generated.
87. **More focus should be put on both transmission and distribution of power to both industrial and household users**. The map below shows wide distribution of transmission lines of 33 KVA and concentration of 11 KVA around few urban centres.

88. **Figure 7: Electricity Connectivity**



89. **While generation capacity has substantially increased, this has not transcended into lowering the cost of power especially to industrial users**. The MTR recommends that new hydropower dams should be built targeting industrial developments that would uptake

the additional power generated. Expediting the development of industrial parks and attracting investors should be prioritized. The drive to reduce the cost of power to less than US 5 cents per KWh should continue to be vigorously persued as a key factor for the country's industrialization. In consideration of the high cost for the distribution of power in rural areas, household, commercial and industrial rooftop solar PV should be popularized especially in areas where there is sparse population settlements.

90. **Limited progress has been made towards the development of the standard gauge railway.** The high cost of transporting goods from Mombasa to Uganda and the attendant damage done to the roads is untenable in the long-run. Government with support of development partners has prioritised both the rehabilitation of Meter Gauge and development of the Standard Gauge Railway. In particular, emphasis will be put on implementing the following key projects; Rehabilitation of Tororo-Gulu MGR line; Rehabilitation of Malaba-Kampala SGR; and Dev't of Gulu Logistics Hub. The Kampala Kasese rail line has been completely vandalized and would require an SGR in the future beyond NDPIII.

Table 4: Sequencing of Infrastructure Projects and Impact on Industrialization

#	Indicators of effectiveness	Status
1	**Energy infrastructure** **NDPIII Target:** **Progress: Positive progress towards increasing access to power by households. Limited progress on lowering the unit of power to foster the competitiveness of the industrial sector.**	• Total generation capacity is now at 1,346.7MW and further expected to to increase to 1,925.9 MW following completion of Karuma Hydro Power Plant (600MW), Nyagak III HPP (6MW) and Kikagati HPP (14MW). • Government continues to promote use of alternative energy sources such as solar energy, wind energy and nuclear energy to diversify the country's energy mix and be able to meet the NDP III target of 3,500 MW. • The electricity distribution network also expanded to 8,931km of medium voltage (11kv) lines; 28,157 km of low voltage lines (LV) and 17,555km high voltage (33kv), resulting in a mixed total of 76,922 km of national distribution network. • The share of the population with access to electricity increased from 22percent in FY2016/17 to 57percent, where 27percent are connected on solar kits and 19percent on the grid. Currently 364,428 households are connected to the national grid through the ECP. This accounts for 20 percent of households, against a 60percent target by 2030, connected on the national grid. • Albeit these investments in the energy sector, the Unit cost of power continues to be high at XX and directly affecting the industrialization process
2	**Roads infrastructure** **NDPIII Target:** **Progress:**is Some progress attained but below the targets of constructing 500km annualy.	• In FY2021/22, Government undertook upgrading and construction of 27 road projects totalling 1,437 km.By the end of December 2021, construction of 114.45km had been achieved against a target of 415km by June 2022. UNRA's Strategic Plan targets to construct 500km annually. The cumulative paved road network in Uganda now stands at 5,591km, which represents 26.6 percent of the total national road network. • The share of district roads in fair to good condition by December 2021 was recorded at 70percent. Whereas this is a marked improvement, there is need to further improve the conditions of both district and community access roads.
3	**Water Transport**	• Development of the Bukasa Port is ongoing. The port will provide an alternative route from Mwanza in Tanzania to Kampala and will reduce dependence on the northern corridor.

	NDPIII Target: **Progress:**	• UNRA continued to operate ferry services on major water bodies that link to national roads and islands.
4	**Rail Transport infrastructure** **NDPIII Target:** **Progress: Some progress attained on the metre gauge and very slow progress on the SGR apart from compensation of affected persons.**	• Government is committed to improving rail and water transport in order to facilitate cross border trade by reducing the cost of transporting cargo from partner states to Uganda and reduce transit time. • Procured four locomotives to support operations on the existing Kampala–Naivasha route • Commenced rehabilitation of the metre gauge railway from Malaba to Kampala (243km) in January 2022 • Continued with civil works on the Tororo–Gulu rail line whose progress stands at 16.1percent. The Tororo–Gulu railway connects to the Gulu Logistics Hub, which will improve connectivity to the Northern region as well as facilitate trade between Uganda; South Sudan and the Democratic Republic of Congo (DRC). • Will continue to pursue the plan to implement the Standard Gauge Railway (SGR) project. By December 2021, a total of 120 Project Affected Persons (PAPs) had been compensated on the SGR routes in Jinja and Tororo, covering an area of 1.246 hectares.
	Industrial Parks infrastructure **NDPIII Target: 20 industrial parks**	• 5 Operational industrial parks including Namanve, Luzira, Bweyogerere, Mbale and Soroti • 5 industrial parks land secured but not yet operational • 20 industrial parks planned but with no land secured yet.

2.4 Export Promotion and Import Substitution Strategy

91. For the country to address its macroeconomic imbalances buoyed by a stronger current account, emphasis on export-oriented growth remains critical. The country remains a net exporter of low value primary products such as coffee, tea and tobacco. Other key foreign exchange earners include Tourism, remittances by Ugandan's in the diaspora, gold and fish. Uganda's exports to the region have significantly increased. However, the export earnings are not sufficient to generate enough earnings to meet the increasing import bill.
92. NDPIII focus was to increase and sustain Uganda's market share in four key markets including : (i) EAC, COMESA and AfCFTA for building materials and fast moving items as well as cereals and grains; (ii) Middle East for export of livestock, fruits and vegetables; (iii) China for export of poultry, beef, dairy, fish, hides and skins, processed coffee, and; (iv) European Union for export of fish, coffee, coffee and flowers. The MTR found that there has been some progress towards expanding the export market as demonstrated in the Table 5 below. While exports to the European Union and COMESA region remained stagnant, exports to the Middle East doubled during the NDPIII.
93. Growth in export performance can be attributed to several factors including: preferential market access in regional trade agreements, government strategic interventions, increased demand for agricultural commodities, increased exports of mineral products and improved transport services, among others. Exports in Uganda have staggered around USD 4.8 billion dollars in 2020/21. Based on the data below, Uganda's involvement in various regional and international trade agreements has had a minimal impact on trade performance. Trade within the EAC alone remained stagnant during the first 2 years on NDPIII partly due to the closure of the border with Rwanda. Trade within COMESA has also been stagnant albeit with some improvements in far off markets like Egypt where exports such as tobacco, butter and coffee have increased. The marked increase was mainly with the Middle East region.

Table 5: Uganda's Export Markets by Destination (US$ millions)

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
European Union	414.29	519.29	569.27	504.09	512.52	563.45
Rest of Europe	51.85	42.15	35.26	175.52	40.44	52.77
The Americas	48.04	53.13	68.55	49.00	60.32	59.76
Middle East	356.61	585.72	417.78	1,050.36	1,178.83	2,297.95
Asia	196.23	194.56	225.83	289.79	264.94	266.41
COMESA	1,129.95	1,262.94	1,534.02	1,289.63	1,201.06	1,445.53
Rest of Africa	98.70	130.42	95.18	102.78	126.51	160.85
Unclassified	2.46	2.20	1.72	1.95	2.57	1.49
Total	2,298.13	2,790.41	2,947.62	3,463.13	3,387.19	4,848.22
Exports Within EAC						
Kenya	414.73	475.06	678.47	433.98	423.62	544.64
Tanzania	61.97	71.14	46.75	67.69	94.70	90.02
Rwanda	206.90	188.37	198.00	149.94	5.48	2.06
Burundi	50.41	48.11	36.53	44.63	56.18	64.99
Total	**734.01**	**782.68**	**959.75**	**696.24**	**579.98**	**701.71**

Source: BOU

94. Albeit these efforts, Uganda's exports are still dominated by raw commodities. More recently, there was marked growth in exports of gold to the tune of US$ 2.2 millions. The share of Gold exports to total export was 45 percent and this was followed by Coffee. Base metals were the third largest export followed by fish products.

Table 6: Exports by Products (US$ millions)

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Manufactured Products						
Base Metals & products	99.56	106.09	111.08	121.76	102.36	119.15
Cement	68.48	50.16	45.37	61.55	59.93	78.04
Beer	9.25	11.70	10.57	17.12	23.21	28.87

Plastics	28.50	24.56	27.22	35.45	28.97	31.13
Soap	24.73	23.53	27.11	23.43	16.13	16.96
Agro-Processed Products						
Fish & its prod.	115.15	131.60	146.31	186.05	146.60	118.66
Tea	74.50	67.86	91.61	88.73	71.04	85.49
Crude Veg. Oils	41.15	50.04	57.25	61.83	60.98	60.33
Sugar	61.46	126.68	84.83	95.92	92.56	88.13
Hides & Skins (Wet blue)	56.01	50.94	54.64	31.93	11.97	12.06
Agricultural Products						
Coffee	352.03	490.51	492.47	416.19	497.41	554.89
Beans	49.05	55.45	123.41	39.84	32.75	71.10
Maize	81.97	78.49	124.81	59.66	100.95	79.64
Flowers	49.10	53.58	61.86	58.19	50.93	62.41
Fruits & Vegetables	40.76	34.55	45.45	35.76	40.10	43.80
Minerals						
Gold	204.26	433.66	343.31	1,069.11	1,118.38	2,249.73

Source: BOU

95. Based on the analysis in Table 6, the export strategy as espoused in the NDPIII is yet to show substantial dividends. The MTR finds that there has been little progress in enhancing manufactured exports. Largely—with the exception of Gold exports, the composition of exports has not changed substantially. The volumes and value of commodity exports remain relatively low, implying the need to address constraints to competitive trade at international and regional levels.

96. With the EAC and COMESA trading blocs there is room for expansion of manufactured exports. The EAC market has high potential to promote industrial development in Uganda, however realizing this potential requires a lot of efforts due to the lack of complementariness in intra- EAC exports. EAC countries source only about 6% of their total imports from the region and yet produce similar manufactured goods (e.g. corn flour, textiles, sugar, confectionery, beer, salt, fats and oils, iron and steel products, cement, petroleum, paper, plastics and pharmaceuticals). This would therefore require to focus a lot more on value chains where there is demonstrated comparative advantage.

97. The recent admission of DRC to the EAC is a positive step towards increasing the export market for Ugandan goods. DRC has a total population of 90 million. Within the EAC, Uganda is the second largest exporter to DRC next to Rwanda albeit sharing a long border

with various entry points to the DRC. The admission of DRC into EAC is expected to link Uganda to the Atlantic Ocean trade corridor, the Central Africa region and other continental sub-regions. Exports to DRC increased to USD 74.3 million in January 2022 compared to USD 40.9 million earned from exports to Kenya during the same period. DRC provides also a wide market for manufactured goods especially cement, palm oil, rice, sugar, refined petroleum, baked goods, cosmetics and iron materials coffee, tea, mate and spices; beverages, spirits and vinegar, sugars and sugar confectionery. The MTR recommends that for the next two years—Uganda should harness this market as it has more potential especially for manufactured goods. Challenges within this market remain such as poor road networks and insecurity.

98. More advanced markets such as China and the EU would require higher standards compliance. Standards on health and safety of products have been the major roadblock in international markets. For instance, China has over 60 quality standards in the entire coffee value chain that Ugandan exporters must comply with. These include disclosure of information on all stages of production including recordkeeping, processing methods and/or equipment and materials used. The MTR notes that for industrialization to take place in the various value chains, attention has to be paid to meeting the required standards of products for the various international markets.

99. Uganda stands to benefit from the AfCFTA through boosting intra-Africa exports, increasing manufacturing exports, job creation and enhanced incomes as well as enhanced transport and logistics services in the region. There is high demand for industrial goods in Africa and this creates an opportunity for Uganda's manufacturing sector. Uganda under this wider market should focus a lot more on where it has comparative advantage especially on agriculture products and their value chains. The MTR notes that to benefit from the AfCFTA several challenges must be addressed including: (i) reducing the high costs of doing business (due to factors such as: high regulatory burden and increased import competition); (ii) meeting the required standards set by import countries; (iii) addressing non-tariff barriers to trade (including political barriers); (iv) enhancing economic complementarity through diversification of exports and production.

100. Government has established Free Zones Authority to promote export of duty-free processed goods in order to enhance their competitiveness. Free Export processing zones is a welcome step, however it remains restrictive to qualify, as 80% of the output has to be exported outside the EAC region. However, Special Economic Zones would be more

relevant to Uganda's situation where domestic industries would benefit from the EAC regional market.

101. Government should consider establishing an export credit guarantee scheme to support exporters against high risks of doing export business in the volatile great lakes region. In addition, government should strengthen the country's trade negotiation capacity to ensure maximization of benefits from international conventions such as WTO, EBA, COMESA, AGOA, GFT, EAC and other bilateral protocols.

102. The bulk of the imports was composed of Mineral products (including Gold), machinery equipment, vehicles and accessories. The composition of imports during the first half of NDPIII has not changed. There is room to implement the import substitution if government strategically put more effort especially on the following products: petroleum products by expediting the refinery, chemical products by investing in petrochemical ecosystem, vegetable oil products, and the base metals and their products. This is expounded in the section of quasi-market approach.

Table 7: Import by Products (US$ millions)

Description	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Animal & Animal Products	21.3	24.9	32.3	41.6	35.9	39.0
Vegetable Products, Animal, Beverages,Fats & Oil	352.7	452.2	461.1	451.7	483.1	722.9
Prepared Foodstuff, Beverages & Tobacco	187.8	181.1	200.6	209.4	209.6	253.1
Mineral Products (excluding Petroleum products)	133.4	129.5	133.3	1,076.0	1,093.3	2,169.1
Petroleum Products	645.9	693.8	910.7	979.8	850.5	830.4
Chemical & Related Products	438.5	435.9	549.3	571.3	551.6	684.1
Plastics,Rubber, & Related Products	261.1	278.9	327.7	391.5	363.2	440.5
Wood & Wood Products	113.3	112.2	142.9	158.7	122.4	95.3
Textile & Textile Products	148.8	164.6	187.6	231.3	217.5	259.0
Miscelanneous Manufactured Articles	212.6	232.9	266.9	270.7	259.1	270.5
Base Metals & their Products	286.7	335.2	399.4	427.5	420.8	582.1
Machinery Equipments, Vehicles & Accessories	1,054.7	900.6	1,081.3	1,252.5	1,154.4	1,437.9
Arms & Ammunitions & Accessories	0.1	0.1	0.1	0.4	0.1	0.4

Electricity	6.0	2.8	3.4	5.1	2.0	1.6
TOTAL	**3,862.7**	**3,944.7**	**4,696.5**	**6,067.3**	**5,763.4**	**7,786.0**

Source: BOU

2.5 Human Capital Development Strategy

103. **Developing the country's human resource is important for structural transformation. Professions and technical skills that are necessary to drive the transformation agenda will be critical.** Human capital development builds on existing education and health achievements. A wide gap currently exists of professionals, researchers and technicians that are required to drive the country to middle income status. For a country that aspires to transform society from a peasant to a modern and prosperous one, Uganda will need to fast-track all interventions that are aimed at building human capabilities for innovation and enhancing productivity. This section attempts to answer the following question:

What progress has been made on generation of more skilled, better motivated and healthier workforce for all sectors of the economy, but particularly for industrial sector as well as modernized agricultural sector?

104. Significant resources have been committed to establish technical and vocational institutes. Staffing, equipping and providing sufficient budget for training consumables and materials for these institutes are still a challenge. There is also a need for a change in mind-set to appreciate the usefulness of technical training in economic empowerment of children. In addition, there is need to diversify the training courses which have remained largely traditional. In line with the Vision 2040 framework, technical courses should be based on information technology trends, needs of new and expected industries as well as the emerging iron and steel; and oil and gas.

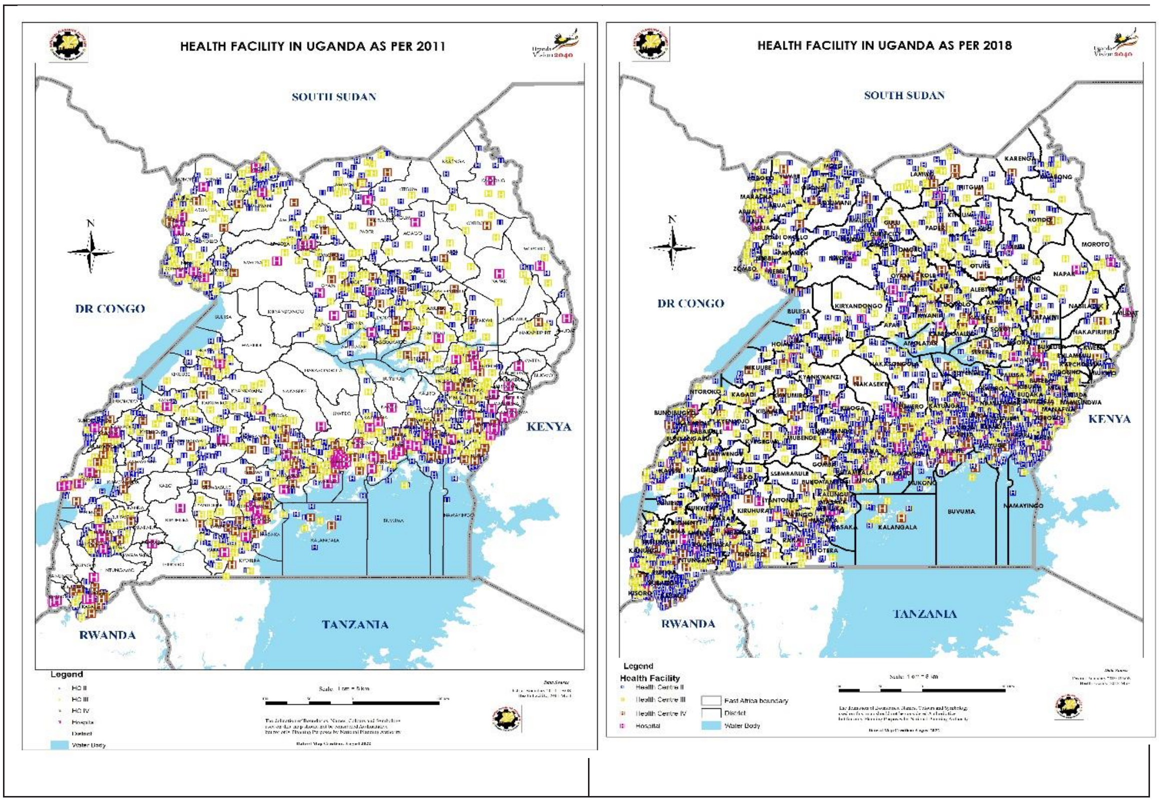
105. Based on the manpower survey and the preliminary projections, progress has been made towards addressing the manpower gaps. For instance, new courses have been established to train early childhood educators, vocational education teachers, agricultural extension workers, information technology trainers, tourism and wildlife colleges. This is a step in the right direction. This notwithstanding more needs to be done to address the manpower gaps in the new emerging sectors such as oil and gas and industrial workers.

106. Consultations with the HCD program raised various challenges that have hindered delivery of their outcomes. Key among them are the low unit costs for UPE, USE, UPOLET, Techer Education and Vocation Education and thus affecting quality of education delivery. Some key NDPIII priorities like the establishment of primary schools in parishes without and rehabilitation of traditional schools have not received any funding. Inspection of schools

and higher institutions of learning have been particularly hampered by budget cuts. Owing to limited resources, inspection of tertiary institutions is done by invitation of the institution. The MTR recommends strengthening the current inspection system by completing the roll out of the Teacher Effectiveness and Learners Achievement (TELA) system to improve education quality in the country and e-inspection systems. Lack of data for some key outcome indicators is also an impediment to planning and reporting. The MTR noted that there are efforts underway to enhance collection of administrative data within the education subprogram by strengthening the EMIS. There was also weak coordination due to the absence of a substantive programme secretariat as the structure and financing were not provided during the first two years of NDPIII. Delays in project implementation especially for externally funded projects also hampered the subprogram. For instance, the Uganda Secondary Education Expansion Project (USEEP) that was granted approval by World Bank in 2019 received Parliamentary approval in May 2022.

107. Considerable progress has been made in developing the health infrastructure across the country. This was also confirmed during the field visits. The challenge that remains is running these health facilities with the requisite health personnel, equipment and necessary drugs to make them functional hospitals.

Figure 8: Health Facilities in 2011 and 2018



108. For the population, health and safety management sub-programs various challenges were raised during the consultative meeting. Key among them is the dwindling number of health workers to patient ratio now at 19/1000. This is manifested in congestion in health facilities especially referral hospitals. This is compounded by the high demand and externalization of labor and the country loosing highly skilled medical personnel. It was also noted that health promotion and disease prevention activities are inadequately funded and always subject to budget cuts being considered of consumptive nature. The low per-capita spending on medicines health supplies has led to frequent stock outs. There is also increased number of accidents of road traffic accidents with high cost of care and long stay in hospitals. The Naguru trauma center should be strengthened as well as regional ambulance call and dispatch centers. Lack of specialized skills to repair medical equipment has led to abandonment of sometimes newly acquired equipment. In addition, there is a need to coordinate with UMEME supplier to provide adequate power supply as some equipment requires 3-phase.

109. Consultations under the MTR revealed an urgent need to expedite the health insurance bill. The target is to have the insurance bill signed into law by end of the year. The key fundamentals for the health insurance scheme include: (i) being mandatory for all; (ii) contribution by all irrespective of income status; and, (iii) coverage will only be for basic services.

110. As reported by Gender and Social Protetion subprogram, there are emerging occupational risks including the global COVID-19 pandemic, work related stress, ergonomic risks and other related health risks such as communicable diseases that are affecting labor productivity. Lack of structured institution to enhance labour productivity and competitiveness is gap that should be addressed. Economic shocks as a result of COVID-19 have led to growing numbers of vulnerable populations putting pressure on the demand for cash transfers for livelihood enhancement. Cases of Gender Based Violence, teenage pregnancies, child abuse, loss of jobs/opportunities both internally and externally as well as upscale of labour disputes among others are on the rise. While externalization of labor is emerging as a key source of non-tax revenue to government, cases of labor exploitation and mistreatment are on the rise. The number of Karamojong children on the streets is now estimated at 25,000. This is on the backdrop of dilapidation of structures for rehabilitation of vulnerable groups including children, youth and persons with disabilities.

2.6 Strengthening the private sector to drive growth and investment

111. **The private sector in Uganda is mostly comprised of Micro Small and Medium Enterprises (MSMEs) which collectively constitute approximately 90% of private sector production and employ over 2.5 million people**. The large enterprises are few, estimated at 0.1 percent of total private sector enterprises. There's a high level of informality which eliminates private enterprises from markets for credit, government assistance during crises, among others. This ultimately hamstrings their growth and competitiveness. The major binding constraint to private sector development include; the high cost of doing business, low productivity, absence of a strong supporting environment for the local entrepreneur, inadequate infrastructure including power, water and transport and weak enforcement of standards and proliferation of counterfeits among others.

112. The Cost of doing Business remains high. Some of the factors attributed to the high cost of doing business in Uganda include; the high energy tariffs, bureaucratic business registration processes, inadequate skilled labour force, limited knowledge of business formalization procedures, and high transport related costs among others.

113. The economic and financial impact of the Coronavirus pandemic continues to be felt across the world leading to uncertainty and damaging near-term economic prospects. The COVID 19 effects include; a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and weaker commodity prices. These have had great impact on the operations of the private sector activities.

114. The MTR recommends expediting implementation of the existing local content policy, and other related legal and institutional framework, building capacity of local providers to compete favorably in public procurement and enforcing the Implementation of the Guidelines on Preference and Reservation Schemes. The MTR also recommends formulation and implementation of the competition law. This is expected to create a fair and competitive business environment as well as effectively curbing uncompetitive practices. Fast tracking of the Business Development Services (BDS) framework to improve the management capacities of local enterprises will complement the industrialization agenda, drive growth, jobs and wealth creation. As well, mainstreaming of strategies for private sector development into local level development programs especially the parish development model should be prioritized. Lastly, the private sector has to be positioned to benefit from regional and continental economic blocks like the AfCFTA through an export development.

2.7 Quasi-Market Strategy

115. Whereas Government has embraced the Quasi-Market approach in infrastructure development, particularly in the energy sector, there are few noticeable investments in setting up large industries for employment creation and boosting exports as envisaged in the NDPII and NDPIII. Such large investments with requirements of high capital outlays have not attracted private sector investments and would require direct government involvement. The lack of large industrial projects has limited utilization of the existing and still increasing energy generation capacity. Attracting private investments continues to be encumbered by the country's low competitiveness, high cost of domestic capital and lack of requisite skills. The few projects that have been championed by UDC have had mixed progress and their impact considered to be patchy on the structural transformation of Uganda.

116. Government embarked on the quasi-market approach in the NDPI in 2010/11. To-date there are only 13 operational projects where government has participated directly and the rest are projects in the pipeline under UDC. Even within the 13 projects their progress and socio-economic impact has been mixed. Atiak sugar factory has had challenges to settle as an industry and growing a formidable nearby out-growers scheme. Some of the initiatives where government is spending resources are also too small in nature to have any meaningful impact on the transformative agenda of Uganda. Others like in the hospitality industry have limited backward linkages to benefit the larger population

117. **Government must consider embarking on at least 2-3 large industrial projects in the medium term**. Examples of transformative projects where government should have a direct role for the remaining period of NDPIII are listed below. Government should embark on identification of capable investment private partners of the Iron and Steel for Muko Iron-Ore and other related industries with the objective of setting up an iron and steel based industrial ecosystem for the country. This will result into a spinoff of steel-based industries in the region and absorb the increasing numbers of job seekers. Government should also champion the development of the Sukulu fertilizer plant and identify private partner to implement the project.

118. **Government should remain firm on the development of the Oil refinery and also consider investing in the petrochemical industry during the remaining period of the NDPIII**. Beyond the oil pipeline—a complete ecosystem of the oil and gas industry should be explored with direct interest on part of government. The petrochemicals industry if

properly natured would have a profound effect on sectors such as plastics through production of ethylene and associated by products which are currently imported. The refinery will have large spill over effects with huge multipliers on other products such as fertilizers and pharmaceutical industries within the region. This would hugely impact positively Uganda's balance of payments position.

119. **The MTR recommends that government passes the enabling laws on use of biofuels**. By Establishment of large biofuels industry aimed at mixing ethanol with oil would create an enormous market for agriculture products such as maize, sugar and cassava. In addition, this will stabilize prices for petroleum products as well as enhancing the incomes of households engaged in maize, sugar cane and cassava value chains. These industries would also have other associated products such as starch, glucose, animal feeds and fertilizers. At the moment, maize and cassava produced have no large-scale industrial demand apart for domestic consumption and regional exports in raw form with minimal processing.

120. **For government to play a role through the Quasi-Market approach, the role of UDC would need to be expanded through provision of necessary human and financial resources**. UDC needs to focus more on championing large enterprises where there is clear market failures and challenges of getting the private sector to invest. Industrial developments where UDC could play a role include: (i) value chains within the oil and gas sector such as petrochemicals; (ii) iron ore beneficiation; (iii) largescale bio-fuels supported with enabling laws to stimulate demand. In addition, within the budget—meaningful resources should be targeted to particular industrial developments and channelled through UDC. Syndicated financing between UDC, UDB and other local banks should be promoted to invest in large enterprises that would have impact on growth and employment.

Table 8: Quasi-Market Approach Projects Under UDC and their Status

#	Project	Objective and Status
1	**Agro-Manufacturing**	**Atiak Sugar Factory** • **Objective:** UDC in partnership with the private sector (Horyal Investment Holding Company Ltd (HIHC) has invested in setting up 1,650 Tons of cane crushed per day (TCD) sugar processing plant in Atiak , Amuru district. The capacity will be scaled up to 3,500TCD in phases 2 and 5,000 TCD in phase 3. The proposed plant will also produce by –products such as molasses and bagasse to produce ethanol and up to 6MW of electricity in phase 1. UDC holds 40% shareholding in HIHC and this first large investment by Government in northern Uganda post-conflict. Approximately 15,000 out-growers are integrated into the investment and are expected to supply cane to the factory. • **Status: Non-operational**
		Soroti Fruit factory • Objective: The factory is a US$ 11.4m investment set up to process mainly oranges and mangoes to produce ready-to-drink juice and puree. It has a processing capacity of six (6) metric tons per hour for oranges and two (2) metric tons per hour for mangoes. • **Status: Operstional**
		Kigezi Highland Tea Factory • Objective: UDC has partnered with the private sector in three tea factories in Kabale, Kisoro and Kanungu. UDC partnered with Kigezi Highland Tea Ltd (KHTL) in two tea factories with a 450kilogram per hour production capacity. UDC has now embarked to facilitate the planting by outgrower farmers of an additional 10 million tea seedlings by farmers in areas adjacent to the two factories located in Kabale and Kisoro. • Status: Operational
2	**Mineral Beneficiation**	Cement Plant in Moroto • Objective: Uganda Development Corporation (UDC) in partnership with the private sector is adding value to the existing limestone/marble deposits in the licensed area in Loyoro - Kaabong district through setting up an integrated lime, cement and marble plants in Moroto district. A special Purpose vehicle - Moroto Ateker Cement Company Ltd (MACCL) was set up to implement the project. The plants will utilize 80% of local raw materials in the production of clinker, cement, lime and marble.. • Status: Not-opertational
		• Sheet Glass Project

		• Objective: The proposed sheet glass project is intended to add value to the silica sand and other raw materials like limestone, dolomite, feldspar, soda ash to produce sheet glass and glassware products that are extensively used in construction, motor vehicle industry and vials. The intervention is proposed to establish a plant capacity of 200 metric tons/day in Masaka district to fully exploit the abundant pure white silica sand deposits that exist on the shores of Lake Victoria, particularly Dimu beach in Masaka. The project is to be implemented as a joint venture partnership between UDC and Kimu investments through a Special Purpose Vehicle (Lake Victoria Sheet Glass Company) which was incorporated. • Status: Not operational
3	**Pipeline Projects**	• Luwero Fruit Factory; Lake Katwe Salt Project; Cocoa Factory Project ;Kaaro Coffee Factory ;Tea Processing Plants; Mutuma Commercial Agencies ; Paper Manufacturing Project; Uganda Development Construction.

2.8 Urbanization Strategy

121.Urbanization agenda as clearly articulated in the Vision 2040 should be at the core of the development agenda for the NDPIII. The agenda outlines four metropolitan and five strategic cities. The metropolitan cities are Kampala, Mbarara, Gulu and Arua. The strategic cities are Fort-portal, Hoima, Jinja, Nakasongola and Mbale. In addition, government has increased the number of municipalities to 33. Uganda's level of urbanisation is estimated at 23.8% (10.7 million approx.) and growing at 5.7% over the 2015-2025 period. Even with a relatively low rate of urbanisation, the country's urban areas are already responsible for 70% of GDP with almost one third of that from Kampala alone.

122.To enhance urbanization, Sustainable Urbanization and Housing (SUH) Program is one of the 20 NDP III programmes whose goal is to attain inclusive, productive and livable urban areas for socio-economic development. Its key objectives include: (i) Enhance economic opportunities in cities and urban areas; (ii) Promote urban housing market and provide decent housing for all; (iii) Promote green and inclusive cities and urban areas; (iv) Enable balanced and productive national urban system; and, (v) Strengthen urban policies, governance, planning and finance.

123.The program has had challenges of which some are of institutional nature. The placement of Land management under Natural resources delinked the synergies for Sustainable Urbanization and Housing Program and therefore lands subprogram could not be prioritized under the Natural resources as was noted under the Budget Circulars for FY2022/23. It should be noted that, Land use planning and land management are intertwined to complete the results chain. Additionally, Land should not only be treated as a mere natural resource rather but rather the synergies it provides to the National Development, just like the case for oil and other minerals. The MTR recommends that the Land management subprogram should be integrated under Sustainable Urbanization and Housing Program to attain sustainable land tenure security and land use.

124.The delayed approval of the National Physical Development Plan has constrained orderly development in this Country. It should be noted that the Physical Planning Act declares the entire Country a Planning area; however, the physical planning levels of this country are still too low estimated at 15%. This is too low by the global standards. The low levels of physical planning compounded with high level of urbanization have led to escalation of urban sprawl and mushrooming slums. The MTR recommends prioritization of approving the National Physical Development Plan. Furthermore, Parishes where the Parish Development Model (PDM) is anchored are grossly unplanned up to only 2%. Following the rationalization of Government Agencies and the need to enhance sustainable urbanization, Cabinet recommended for the establishment of National Physical Planning Board Implementation Unit (NPPB-IU) at Ministry of Lands, Housing and Housing. This would certainly enhance Physical Planning.

125. Uganda is facing a huge housing deficit of more than 2.5million units, worse than any country in the region. Deliberate efforts under this midterm review should be made to bridge the gap. Housing development is both a basic need and a biggest contributor to the Development of the Country. The MTR recommends the need to capitalize the National Housing Construction Company and the Housing Finance Bank to provide for low cost housing and affordable mortgages respectively. There is also a need to incentivize the private sector to develop low cost housing to reduce the escalating housing deficit. This should be accomplished by government developing the basic social infrastructure around developing housing estates.

2.9 Environment

126. There is concern on the rapid degradation and loss of wetlands especially in the areas of Busoga, Tororo, Kigezi, Bukedi and some areas of Ankole. The area of wetlands declined by 30 per cent between 1994 and 2008. The extent of decline varies from over 53.8 percent in the Lake Victoria basin to 14.7 percent in the Lake Albert drainage basin. The key drivers for the encroachment on wetlands include population increase growing at 3.2 percent and the need for cheap industrial land. Wetlands are important for the role they play in society providing a range of ecological and socio-economic functions. Ecological and regulating services include erosion prevention, moderation of extreme flows, sediment traps, climate modification, soil formation, maintenance of water tables in surrounding lands, and as centres of biodiversity and wildlife habitat.

127. To further conserve the environment, the MTR recommends to unconditionally vacate wetlands encroached on except for the areas of Bukedi, Busoga and Kigezi and manufacturing factories. For the case of Bukedi, Busoga and Kigezi—since the population were misled into use of swamps by government, relocation should be enforced in an orderly way after fair compensation. Factories should be given 10 years to relocate after identifying alternative land. Cultivation along the shores of the lakes (200 meters) or river banks (50 meters) should also be discouraged. As well, infrastructure developments

(residential or commercial) built in wetlands or areas susceptible to floods from the lake should also be vacated.

128.The MTR also noted that the natural forests are being depleted. According to NFA estimates, over 80,000 hectares of Uganda's forest estate is lost annually. To address this challenge, natural forests encroached on should also be vacated immediately and unconditionally. Encroachers on forest reserves which were not natural should be encouraged to undertake agro-forestry activities. Government should also embrace a programme of planting trees alongside its infrastructure development such as national and local feeder roads. In addition, government should popularize tree planting for each household—more so for trees that can be intercropped with for example coffee and banana plantations. Urban dwellers could also be encouraged to plant trees in their compounds through an organized campaign. Those clearing their ranches or other fields should be encouraged to preserve some tree species such as albezia, acacia, abyssinica, acacia gerrardii, erythrina abyssinica, erythrina abyssinica, sesbania esban and ficus species. Rural land owner should be encouraged to plant wind breaking boundary fences using trees like Vassiar-Siamese, Luceana, Calleandra which can also be used as livestock fodder.

2.10 Required Reforms Under the Various Programs

129.To realise the policy and strategic direction, there are reforms which were supposed to be put in place. Progress on these reforms has been slow or non-existent for most programs. This has hampered progress of the strategic direction of the NDPIII.

Table 9: Proposed Implementation Reforms

NDPIII Programme	Proposed Implementation Reforms	Progress
Agro-Industrialisation	Streamline Operation Wealth Creation (OWC) coordination role into Government systems and legalize it.	OWC performing some coordination roles but largely informal with no legal frameworks
	Incorporate BTVET institutions (engaged in agroindustry) into the agricultural extension system to ensure that what is taught in these institutions is adopted and utilized by farmers.	No action taken
	Increase decision making autonomy of BTVET institutions to increase relevance of programmes conducted by these institutions for the geographical areas they operate in.	No action taken
	Promote joint planning and implementation of projects and other interventions in agro-industrialisation	No action taken
	Establish the Agro-industrialization Programme Technical and Steering Committees to lead and coordinate the implementation of the programme	No action taken

	Operationalize the parish model. Under this model, farmers will be organized and supported to increase production/productivity, bulk and market agricultural produce and for data-collection. Parishes will be used as the centres for delivery of production, marketing and financial services to farmers.	No action taken
	Develop and implement service and service delivery standards for the sectors	Service standards not developed
Mineral Development	Develop and implement service and service delivery standards for the sector	Service standards not developed
Tourism Development	Develop service delivery standards to set benchmark against which to assess performance	Service standards not developed
	Uganda Tourism Board (UTB) should be put in charge of all tourism marketing efforts given the diversity of tourism products. UWA should concentrate on conservation and wildlife management only	UTB already undertaking the marketing
Natural Resources, Environment, Climate Change, Land and Water Management	Transfer the command of environment police force from Ministry of Internal Affairs to NEMA and NFA to streamline appropriate swift response towards enforcement of environmental laws and curbing environment offenders	The transfer was effected
	Establish environment courts within the judicial system. The backlog in courts derails judgement on environmental crimes which require swift conclusion to avert irreversible cumulative environment degradation effects that continue to occur in the face of slow court processes.	No courts established
	Establish district focal points for the Uganda National Meteorological Authority to enhance dissemination of meteorological climate information in the local governments. Currently, this responsibility falls on the district Natural resource and environmental officers who already have a wide range of tasks and this approach has proven ineffective over the yea	Focal Points not established
Private Sector Development	Empowering the one-stop centres already established at UIA to make prompt decisions on matters raised by the private sector without delay	Not Operationalized
Integrated Transport Infrastructure and Services	Develop and implement service and service delivery standards against which performance will be accessed	Service standards not developed
	Consolidate all railway projects under the Uganda Railways Corporation that is mandated with implementation of railway construction.	Yet to be effected
Sustainable Energy Development	Government should consider restructuring the sector to reduce the multiplicity of players to lower costs, increase efficiency and improve coordination	No action taken
Digital Transformation	Government should take lead in the coordination of ICT infrastructure development and deployment so as to cure the silo-based approach to planning and development of infrastructure	Government leading in coordinating deployment of some key ICT Infrastructure
	Government should digitalize and roll out e-services to all sectors, MDAs and Local Governments to be able to harness the potential of ICT. All sectors, MDAs and LGs will adopt new ways of delivering services, re-engineer their business processes ensuring that they are simplified, streamlined and optimized and develop e-solutions such as e-health, e-education, e-extension, services among other.	Digitalization and roll out e-services across MDAs and LGs ongoing
	There is need to rationalize agencies under the ICT sector to remove duplications and overlaps of mandate	No action taken
Sustainable Urbanization and Housing	Restructure Ministry of Kampala Capital City and Metropolitan Affairs and corresponding Ministries to effectively handle metropolitan affairs in the country	Ministry still trying to establish itself to implement its mandate
Human Capital Development	Fast-track the legal and policy reforms required for curriculum synchronization and implementation as well as assessment/examination across the entire education system	Curriculum for Primary and Lower Secondary reviewed

	Introduce a minimum of one year of compulsory TVET training immediately after A'level before enrolling for further education to be delivered through a compulsory National Service programme framework.	No action taken
	Recentralize some of the critical cadres in the health sector such as specialists, anaesthetists, hospital managers, DHOs.	No action taken
	In line with the National Human Resource Development Plan the education and government scholarship policy should address the human resource gaps identified by the plan. Government internal scholarships and the loan scheme should be targeted to addressing training needs in areas where the country has gaps but can be delivered within the country. While foreign scholarships should be provided in areas that address staffing gaps in areas that are not available in the country.	Human resource plan yet to be operationalized Na action taken
	In line with the National Human Resource Development Plan the Government issuance of work permits must be based on human resource gaps identified by the plan. In this regard, work permits should be provided in only the areas where the country is facing staffing shortages.	Issuance of work permits not aligned to the HR Plan
	Establish and implement a National Central Admission System for higher education and link higher education admissions and financing to the critical skill needs identified in the Plan	No action on implementing National Central Admission System for higher education and link higher education admissions and financing to the critical skill needs identified in the Plan
	Link allocation of scholarships and loan financing to critical skill needs identified in the plan	No action taken
	Put in place a mechanism that provides opportunities for short working visits to the country's highly specialized professionals abroad to address the acute staffing needs.	No action taken
	Mainstream off-budget financing into budgets.	No action taken
Innovation, Technology Development and Transfer	Develop and implement service and service delivery standards for the STI	Service standards not developed
	Establish a framework where MDAs implement STEI joint initiatives between their R&D departments, academia and industry.	No action taken
	Review the education curriculum to mainstream STEI and R&D to produce globally competitive human resource.	Review undertaken for Primary and Lower Secondary
Community Mobilization and Mindset Change	Establish a Technical Coordination Committee of the Community Mobilization and Mind-set change programme at Ministry of Gender, Labour and Social Development (MGLSD) to coordinate joint activities with the Ministry of ICT and National guidance (MoICT&NG), Office of the President and Ministry of Defence and Veteran Affairs.	No action taken
Governance and Security	Develop and implement service and service delivery standards for Governance and security sector MDAs.	Service standards not developed
Public Sector Transformation	Develop and enforce service and service delivery standard across the public sector	Service standards not developed
Regional Development	Develop and implement regional development programmes in Busoga, Teso, Bukedi, and Karamoja, similar to the approach taken in Rwenzori, West Nile and Bunyoro.	Regional Plans not developed. However, there are working drafts for Karamoja, Acholi and Rwenzori Sub-regions No action taken

	Transfer the implementation and management of the programme to the Ministries of Local Government and Gender, Labour and Social Development to enable OPM focus on its primary mandate of coordination.	No action taken
Development Plan Implementation	APEX platform should be operationalized to perform the oversight role and hence be accountable for delivery of results	APEX Operationalized
	Strengthen the capacity of the Office of the Prime Minister to lead the overall coordination and reporting on implementation of NDPIII programmes and implied results. The programme coordination framework will be at three levels: Policy Level by the Prime Minister; Programme Coordinating level through Programme Coordinators; and at Sector level.	No action taken but there are some ongoing discussions
NDPIII M&E Reforms	• Automated and integrated NDP M&E system • M&E Institutional Architecture. **(i)** Creation of an Executive Oversight Platform for uptake, learning and utilization of results for evidence-based decision making (Apex Platform) and **(ii).** Establishment of programme coordinators. • Enforce service and service delivery standards to provide a benchmark for monitoring. • Operationalize and strengthen functionality of the M&E and statistical units within the Planning departments. • Strengthen inspection and supervision function for M&E • Promote the Partnership Policy.	Automated and integrated NDP M&E system developed

2.11 Adoption of the plan as a guiding framework and facilitating implementation

(h) To assess if there is a common understanding of NDPIII strategy and policy among Government, Development Partners, Civil Society, Private Sector and others an assessment has been undertaken to see if NDPIII is reflected in stakeholders' documents and actions. Discussion with stakeholders during the MTR also helped elicit how high the level of buy-in is to NDPII.

(i) **Overall, the understanding of NDPIII by stakeholders appears to be high.** For effective national development in Uganda, there needs to be a collective understanding and agreement on the objectives of NDPIII, coupled with strong buy-in from a range of key stakeholders in central Government, local Government, civil society, the private sector, media, academia and development partners. Discussions with stakeholders during this MTR revealed that there is a common understanding on the priorities of NDPIII and some evidence of the broad policy and strategic directions it espouses. Stakeholders noted that NDPIII moving towards the programme approach was a step in the right direction.

(j) **There have been challenges operationalising the programme approach.** Discussions with stakeholders suggest that the programme approach was rather rushed and should have been done on a pilot basis before fully rolling it out. This has been worsened by the fact that resources are still being disbursed based on the mandates of sectors rather than the contributions of the sectors towards a particular programme. Reports are still being produced based on the mandates as well. The sectors are also scattered in various programmes and this complicated coordination effective implementation.

(k) **Consultation with Development Partners, as part of this MTR, also revealed that there was strong ownership by the Government in developing NDPIII**; consultation was also extensive across a range of stakeholders. Development Partners however noted that their influence on NDPIII formulation was not significant, and the NDPIII does contain details regarding NDPIII regarding development partnerships and funding commitments. At present, it is noted that regular development partnership dialogue is in place, however effective dialogue has been challenging in the post Joint Budget Support era. Non-traditional development partners are also not bound by the National Partnership Forum (NPF) arrangements. To ensure effective buy-in and coordination with development partners there is a need to: ensure more effective co-ordination of development partners, enhance the involvement of development partners in preparing NDPIII, streamline joint program working groups and ensure that partnership dialogue within the NPF is inclusive and result-orientated. Overall, alignment of development assistance to national priorities could be strengthened through structured consultation with development partners on priorities, aligned to the country's budget calendar. In addition,

2.12 Suitability of NDPII's Strategic Direction

(l) The policy and strategic direction of the country is suitable. As noted in the various themes, implementation of Government policy has not, to date, delivered the desired results under NDPIII. Weaker than expected performance has occurred due to slow or ineffective policy implementation, a challenging operating context and persistent weaknesses in the efficiency and effectiveness of Government. Alongside improving the coherence, quality, alignment and effectiveness of government, NDPIII's strategic direction is *suitable*. This will require to have functioning programmes to fully implement the NDPIII.

3 Conclusions and recommendations

This report has presented an assessment on the quality and effectiveness of NDPIII's policy and strategic direction, two years into implementation. Considering progress so far and the short-medium term macroeconomic outlook, this section provides conclusions and recommendations for the Government to consider, for the remaining years of NDPIII and future plans, in how best to provide guidance in Uganda's development path.

(i) **The theory of change presented in NDPIII is coherent. Uptake of lessons learned from NDPII by planners has led to a better designed NDPIII.** However, the goal under the NDPIII appears very broad compared to NDPII. The logic and evidence base for NDPIII's theory of change is also clear. NDPIII has sought to focus attention on areas which will have the greatest multiplier effects for the country. This is a positive step.

Recommendation 1: To further enhance the theory's coherence, Government could consider clearly articulating the *evidence* behind the logic and clearly documenting the causal framework to aid buy-in across stakeholders. To strengthen the ability to test the theory of change, the Government could also consider explicitly state what assumptions are in place for each building block of the theory of change to hold true and could test and monitor assumptions throughout implementation. The monitoring framework could also be expanded to ensure that *processes* e.g. engaging with the private sector are also be assessed and not just the outputs of those processes.

(ii) The theory assumed that the prevailing conditions would prevail not taking into account other potential exogenous shocks such as increase in commodity shocks and distortions in the supply chain.

Recommendation 2: In the remaining two years of NDPII, the Government of Uganda may wish to reflect on, and revisit, some of the assumptions and targets set-out in the Plan. Some targets e.g. GDP growth, inflation targets, debt ceilings are unlikely to be achieved. Looking ahead to NDPIV, the Government of Uganda should continue to try and formulate realistic targets but also consider building in an adjustment or risk mitigation strategy should the assumptions behind the theory of change not hold true, and it appears that the targets may not be met. An adjustment or risk mitigation strategy would allow the Government to adjust the plan through the PIAPS in line with available financial resources and the external environment. The need to review the assumptions under the current NDPIII is a welcome initiative in light of the recent economic developments.

(iii) **Macroeconomic stability during the first two years of implementation faced external shocks that have compromised its results.** It is noted that the low economic activity affected the welfare of the population in form of loosing jobs and associated income. Recent commodity price increases have worsened the economic environment by putting more pressure on domestic prices. The sustained increases in spending also has resulted into high deficits resulting into high debt that will soon be unsustainable.

Recommendation 3: Albeit challenges of instability emanating from external shocks, government also needs to do some fiscal consolidation for the remaining two years of the plan. This should be done by reprioritization of spending, scaling back on unproductive spending within the budget as well as sequencing investment projects to levels that they can be sustainably financed.

Recommendation 4: Macroeconomic strategy should focus on strengthening tax administration with a view to increase domestically generated resources to finance the NDPIII and also meet our debt obligations in a sustainable manner.

(iv) In light of the increasing level of indebtedness, the macroeconomic strategy for the NDPIII should explore other forms financing projects. Uptake of PPPs as an alternative source of financing for large infrastructure projects has been slow due to lack of capacity within the public sector to design PPP projects. Other sources of financing that could be explored include issuance of long-term infrastructure bonds and use of pension funds.

Recommendation 5: This will require enacting the requisite laws and policies for issuance of these instruments by both the central and local government entities. In addition, it will be necessary to strengthen Uganda's capital markets with the objective mobilizing resources for long and medium-term financing. Developed capital markets could also be used to intermediate investment for pension funds into long-term infrastructure projects. Alternative financing mechanisms like green bonds should be explored.

(v) **Infrastructure projects continue to lack proper sequencing to have the desired impact on growth.** An example is where considerable capacity to generate energy continues to be built—without potential off-takers to use the power. Albeit the excess capacity this has not resulted into reduction of tariffs as earlier envisaged to less than 5c per unit for manufacturers. This is partly due to poor planning where for example industrial parks to attract large industrial users of power are only being thought of midway through the plan. Quick implementation of the 20 industrial parks should be realised and supported within government.

Recommendation 6: Better sequencing of investment projects should be encouraged. Government should develop industrial ecosystems around large industries such as iron ore, oil and gas and phosphates—to be the largest off-takers of the power generated. To minimize the cost of transmission and distribution of power, industrial clusters should be strategically located with the exception of raw material considerations (e.g. iron ore, oil and gas and phosphates).

(vi) **As some infrastructure projects wind-up, more focus should be put on human capital development to support the industrialization process.** Whereas significant progress has been made towards achieving access to health and education, quality service delivery in the two sectors continue to be undermined by limited budgetary allocations. Performance on education indicators, in particular, have lagged behind, especially primary and secondary completion rates. More resources are required for recruitment of both primary and secondary school teachers and health workers. There are challenges of skills mismatches between graduates and new emerging industries. The experience in countries like South Korea shows that human capital development was a requirement to industrial development. The recent pandemic also showed how distressed Uganda's health facilities are in terms of service delivery.

Recommendation 7: Government should focus on investing in institutions to meet the skills requirements for new emerging sectors such as oil and gas. There is a need to devote more resources to education and health care to build a more resilient and healthier labour force.

(vii) Despite all the interventions implemented especially for the enabling sectors such as energy and roads infrastructure, the pace of industrialization remains low and not generating the required jobs that were envisaged under the NDPIII. There is a missing link between the actual infrastructure investments undertaken and the positive signalling this provides to potential investors. The cost of doing business in Uganda is highest in the region with escalating interest rates. Absence of patient capital for investors is another factor.

Recommendation 8: Government should work on the current investment climate to make it more favourable for industrialists as a total package. The cost of doing business should be addressed by government considering having stake in financial institutions that are promoting strategic industries. Public officials should work hand in hand with industrialists to address the peculiar challenges.

Recommendation 9: Government needs to engage meaningfully in large industrial setups through the Quasi market approach. The current number and scale of industrial setups promoted through UDC is indicative of a lack of commitment by government to fully industrialize. Small agro-processing industries should be a preserve of the private sector and government should only provide the enabling environment for them to flourish. However, for large-scale enterprises where there are clear market failures for the private sector to implement such projects, government should take the lead and ensure that impactful industrial projects are implemented. In particular, for large industrial clusters involving value addition to minerals such as iron ore, phosphates, oil and gas, government should play an active role in being the champion of such projects through the entire investment cycle.

(viii) To enhance the productivity of the agriculture sector government should be steadfast in promoting irrigation technologies (both large and small). The level of uptake for irrigation is still low characterized by very slow implementation especially for the micro irrigation projects.

Recommendation 10: Government should champion scientific farming under the Parish Development Model by promoting the use of irrigation, fertilizers and provision of both irrigation engineers and agronomists at districts to provide scientific advice to farmers.

(ix) Export promotion is still constrained by the lack of progress on industrialization especially in areas where the country has comparative advantage. The bulk of the exports are still in raw form with minimal value addition. The unique geographical positioning of Uganda provides opportunities to benefit from the expanding regional market. This has not been fully exploited as industrialization is not fully underpinned to the raw material where the country has comparative advantage especially in agriculture and minerals.

Recommendation 11: Government should take advantage of the ever-increasing regional market by putting more emphasis on exporting products with high value. The programs under agro-industrialization, beneficiation of minerals and manufacturing (both light and heavy) should be prioritized in resources and implementation. By boosting exports this will also improve Uganda's debt liquidity indicators.

(x) Interest rates continue to be high and have resulted into making business in Uganda practically unviable for the private sector. Part of the quasi-market approach by government should include taking bold steps by government setting up specialized banks in priority areas such as agriculture, industry and tourism. Commercial banks which are largely foreign owned and profit driven are not the most suitable financial intermediaries to transform the country especially in risky sectors such as agriculture where they have continued to play a minimal role.

Recommendation 12: There is need for government to support and strengthen its Banks such as Posta Bank and Housing Finance to leverage access to affordable credit, private sector growth and faster export growth and diversification. In addition, it is recommended that the UDB should be further recapitalized so that it can be able to provide loans to the private sector at reasonable cost.

A1: STATUS OF AGRO-INDUSTRIALIZATION PROGRAMME

Subprogram	Intervention	Performance	Challenges	Recommendations
Agricultural Production and Productivity Sub-Programme	Strengthen Agricultural Research and Technology Development	**Animal breeding** Several actions were undertaken on the NAGRC&DB farms to promote animal breeding and increase access to genetic resources by farmers. **Breeding and administrative infrastructure** By 31st December 2021, various infrastructures were at different stages of construction or rehabilitation on NAGRC&DB farms to aid the animal breeding work. **Community breeding using artificial insemination (A.I.) technology was promoted by some of the NAGRC&DB farms to increase access by farmers to good genetic animals.** For example, by 31st December 2021, Rubona Stock Farm enabled 34 farmers (13 females and 21 males) to access breeding services; 207 inseminations were conducted (74 on farm and 127 in communities); and 151 farmers and 15 interns were trained in improved animal breeding technologies. COVID-19 restrictions led to less farmers being reached by the programme. **Semen and liquid nitrogen production Nitrogen production improved** with recruitment of three additional staff and timely delivery of reagents at the NAGRC&DB Bullstud in Lunnyo Village, Entebbe Municipality Wakiso District. By 3rd February 2022, a total of 137,000 doses of semen (100%) were produced out of the annual target of 75,000 doses. However, only 17,800 doses of semen (12%) were dispatched to the districts and NAGRC&DB Centres as there was low utilisation of artificial insemination services. This posed a challenge as there was no working space in the semen laboratory as it was hosting many cans of uncollected semen. **Research and technology development** New and old agricultural research and administrative facilities were constructed/rehabilitated and equipped, staff were recruited and demonstrations and multiplication centres were set up at the Zonal Agriculture Research and Development Institutes (ZARDIs). **Research and agricultural infrastructure** By 31st December 2021, research laboratories, demonstration facilities, mini-irrigation systems and offices were established and equipped at the NARO Institutes and ZARDIs. The procurements for projects to commence in FY2021/22 were either at initiation, approval, evaluation stage or in a few cases at site handover for contractors. Construction works for the vaccine production unit at NALIRRI were behind schedule due to changes in scope and interruptions in importation of materials during the COVID-19 pandemic period. The facility was at 55% completion and would not be completed by the contract end date of June 2022. Duplication was noted at the NAGRC&DB Bullstud and NALIRRI in production of nitrogen and semen; there was no collaboration between the sister institutions in offering similar services. **Agricultural technologies developed:** Overall, four new rice varieties were released for farmer use. Additionally, 18 new varieties were submitted to the NARO Variety Release Committee for release. The release of completed varieties was slow due to the Variety Release Committee not meeting during the COVID-19 period. The pandemic restrictions negatively affected processes of generating the technologies. A total of 85 technologies were generated and tested across the NARO Institutes and ZARDIs. Demonstration sites were established at the ZARDIs for climate smart technology. At the National Livestock Resources Research Institute (NaLIRRI) in Nakyesesa village Wakiso district, three animal vaccination products were produced for Anti-Tick, Foot and Mouth Disease (FMD) and African swine fever. Bio-technology research was undertaken at the National Agricultural Research Laboratories (NARL) in Kawanda Village, Nansana Municipality, Wakiso District, involving raising tissue culture of planting materials to increase their rate of production. At the National Crop Resources Institute	1) Lower technology generation and research due to inadequate staff especially in new emerging areas such as agri-business, value addition and technology promotion. ii) Inadequate research and breeding infrastructure and equipment. iii) Inadequate focus by programme on prioritization and funding the entire value chains. The bulk of funding was at production level with less for technology generation and promotion. iv) Lack of synergy and collaboration between implementing agencies leading to resource wastage.	) The MAAIF and implementing agencies should review and re-align staff placement with the programme approach, paying attention to new emerging areas in the value chains. ii) The MAAIF and agencies should strengthen inter-agency collaboration on areas of shared interest to reduce resource wastage.

		(NaCRRI) in Namulonge Village, Kikoko Parish, Busukuma Sub-county in Wakiso District, research and technology generation was undertaken to generate high yielding climate and disease tolerant varieties for rice, maize, beans cassava, yams, sweet potatoes, horticulture and oil palm, among other commodities. However, low production and yields at the farm level were noted due to distribution of low quality seeds especially through the NAADS. **Innovations for food nutrition, agro-processing and industry** There were some efforts to address the upper value chain by the programme stakeholders. The Food Biosciences and Agribusiness Department in National Agricultural Research Laboratories (NARL) collaborated with MAAIF, Uganda National Bureau of Standards (UNBS) and to transform research outputs into commercial products for the market, in collaboration with the private sector, UNBS and MAAIF. Prototypes of different research products were quality assured along the value chain of food preservation, storage, post-harvest management, packaging and food safety, market testing and approval by the UNBS.		

	Strengthen the Agricultural Extension System	**Staffing of extension workers:** Staffing of extension workers at national level was lower at 3,790 (77%) compared to the required staffing number of 4898. This is similarly lower than the recommended ratio of one extension worker to 1800 households in Uganda with 8.933 million households. The effectiveness of the extension system continues to be affected by limited staffing, facilitation and transport equipment. For instance, in Mbale district, the extension worker to farmer ratio under the LG extension system was at 1: 30,000 against the approved 1:500; similarly, in Iganga district, the extension worker to farmer ratio was at 1:5000. Overall, there was low outreach of extension services to farmers under the LG sectoral conditional grant due to under staffing; inadequate facilitation to carryout extension activities; lack of community access roads; and impassable roads in hard to reach areas. **Training, demonstrations and mentorship** The MAAIF in collaboration with the DLGs provided training and mentorship to extension workers country wide. Technical and routine support supervision was undertaken. Model farmers were established in the districts as part of the measures to enhance access to agricultural extension services. Through the Uganda Intergovernmental Fiscal Transfer Program (UGIFT), demonstration sites for irrigation systems were established and knowledge sharing was ongoing in 40 districts. A total of 65,000 farmers were trained by extension workers and Lead Farmers to ensure adoption of productivity and sustainable land management (SLM) technologies. **Extension policy** The Agriculture Extension Bill was reviewed and a draft shared with stakeholders before discussion in the Top Policy Management; regional structures for extension delivery based at ZARDIs were strengthened; and Agricultural Extension Strategy accredited; coordinated meetings with Operation Wealth Creation and prepared draft guidelines for the parish development model.	Challenges i) In adequate extension service access due to under staffing and limited transport means for the available staff. ii) Failure to conduct farmer's mobilisation and training due to COVID-19 restrictions. iii) Budget cuts and late disbursements to the Department of Agriculture Extension and Skills Management (DAESM) led to limited implementation of some planned activities. iv) Lack of field operational tools and equipment such as GPS and weather forecast tools for work in local governments v) lock of coordination between DAES and other sister departments like NAADS-OWC affected the effectiveness of extension service delivery	i) The MFPED, MoPS, MAAIF and LGs should priorities recruitment and equipping more extension workers. ii) The MAAIF and other agencies should further strengthen and support extension services and farmer group cohesion. iii) The MFPED and MAAIF should review and revise the budget ceiling for extension services to cater for increased staff recruitment and their operational expenses at the LG level. iv) The MAAIF should strengthen internal collaboration between its associated agencies to improve extension delivery at the LG level.

	Strengthen the Agricultural Input Markets and Distribution Systems to Adhere to quality Standards and Grades	The National Oil Palm Programme (NOPP) supplied inputs to 67 oil palm out growers in Buvuma District, the majority being male farmers 41 (61.2%) compared to females 26 (38.8%). Planting materials and inputs were not easily available for female farmers as they lacked land and were not growing oil palm. **The MAAIF spent Ug shs 72.8bn in scaling up the E-voucher system under the Agriculture Cluster Development Project (ACDP)** complemented by farmer contributions worth Ug shs 36.8bn. As of December 2021, 37,199 farmers were enrolled on the system. Cumulatively, a total of 463,274 farmers of which 267,317 (57.70%) were male had been enrolled between FY2018/19 to FY2021/22 December 2021; 274,046 (59%) redeemed (accessing subsidized inputs on system) their inputs. **The NAADS/OWC procured and distributed**; 2,742,844 kg of maize seed, 500,000 kg of bean seed, 166 bags of Irish potato seed, 354,828 tissue cultured banana suckers, 145 in calf heifers delivered to 145 beneficiaries targeting youth groups and women leaders in 13 DLGs10 and 2,404 improved pigs. However, the seeds were inadequate and delivered late in August instead of July, this affected crop performance in sub counties of; Lomeli, Lodonga, Dragjini and Kochi among others. **Pader DLG received 10,000kg of maize seed and 182 piglets**. The maize and piglets were of good quality; maize germination was at 95%. However, the commodities were delivered in small quantities and on a very short notice when the eligible farmers had not prepared their gardens. **Mukono DLG received and distributed**, a total of 6,000kg of bean seed, 10,000kg of maize seed, 11,000plantlets of banana, 1,500bags of cassava, 30,000 cat fish fingerings, 30,000 tilapia fingerings, 1,900kg of fish feeds to farmers. The quantities distributed were however inadequate as farmers in Nama and Kyampisi sub-counties did not receive bean seeds. The key challenges were inconsistence in supply dates of inputs by different suppliers, delays in supply of aquaculture inputs and prolonged dry spells that affected the yields. **Kikuube DLG received and distributed** 395,878plantlets of pineapple suckers, 10,340kg of maize seed, 1,321bags of cassava cuttings, 120 pigs, 30,000 fish fingerings and 950kg of fish feeds. The quantities of inputs distributed were inadequate and received late by the farmers which negatively affected production, household income and food security **The NOPP procured and distributed seedlings, fertilizers and farm equipment** to farmers and farmer organisations to increase production and higher yields. For instance, in Buvuma District, Oil Palm Buvuma Limited (OPBL) procured 370,000 seedlings to be distributed to outgrowers. Of the 7,875.4 hectares paid for by GoU, a total of 5,043.48 ha were handed to BIDCO by Uganda Land Commission. **The CDO procured and distributed a total of 2,037 Mt of planting seed to 72 cotton growing districts** in Busoga, South Bukedi, North Bukedi, Bugisu, Teso, Lango, Acholi, West Nile, Bunyoro and Rwenzori Regions. Out of the 2,037 Mt, about 106 Mt of cotton planting seed were distributed to farmers in the 10 hard-to-reach districts, namely Amuria, Katakwi, Abim, Koboko, Karenga, Zombo, Adjumani, Moyo, Yumbe and Ntoroko. A further 365 Mt of cotton planting seed were distributed to members of the 350 women groups, 210 youth groups and 120 PWDs and 250 elderly persons in the above regions. **The UGCEA procured and distributed the following inputs to seed growers:** 386 Mt of fertilisers, 157 spray pumps (48 motorized sprayers, 72 knapsack sprayers & 37 ULV pumps), 50,000 oneacre units of pesticides and 4,975 litres of herbicides. The inputs enhanced farm production and household income.	i) Inadequate quantity of planting materials/inputs supplied to the beneficiary farmers affected production, household incomes and food security. Most were delivered late and without advance notification to farmers leading to wastages. ii) Low survival of crop based enterprises due to weather vagaries and high prevalence of pests and diseases. iii) Inadequate/lack of transport for the extension staff led to low outreach to farmers, more especially in the hard to reach areas	i) The MFPED, MAAIF and programme agencies should re-purpose the funds for free inputs to the interventions under the Parish Development Model. ii) The MAAIF and LGs should promote climate smart agriculture, including farmer adoption of drought resistant varieties and appropriate irrigation systems. iii) The MAAIF, agencies and LGs should continue filling the staffing gaps of extension workers and equip them adequately to undertake their responsibilities more effectively.

		The UCDA procured and distributed 3,814,541 CWD-r plantlets to 557 large and medium scale commercial farmers for establishing 5 acres and above in; Central, Eastern, Greater Masaka, Rwenzori, South Western and Western regions. Additionally, the UCDA procured and distributed 153,333 bags of organic fertilisers, 38,500 CWD-r plantlets to establish 20 CWD-r mother, 4,350kg of Arabica seed to 164 nursery operators, 513,496 CWD-r plantlets to 411 demo host farmers at parish level across the coffee growing regions, and 47,600 kg of Copper Nodox. distributed total of 13,750 kg were distributed to 2,688 coffee farmers in Elgon region. ***The production and productivity of the cotton and other commodities across the country was affected by: (i) the late delivery of farm inputs, for example the South Eastern region CDO delivered pesticides a month to harvesting time, farmers had already lost 70% of the cotton crop to pests; ii) distribution of inadequate inputs compared to the planned inputs under OWC iii)Seed uptake by farmers was affected by the delayed on-set of the second rains (rains started at the end of August/beginning of September).***		
	Increase Access and Use of Water for Agricultural Production	**Irrigation schemes under construction/ rehabilitation completed** The planned action was to complete defects liability monitoring of the five irrigation schemes of Doho phase II, Mobuku phase II, Wadelai, Tochi, and Ngenge. Three schemes were monitored namely: Wadelai, Doho phase II and Mobuku phase II. As at 31st December 2021, the Farmers benefiting from the completed schemes (Doho II and Mobuku II) recorded improved production and productivity due to access to water for production in Doho and Mobuku Irrigation schemes. **In Doho II scheme the farmers recorded improvement from 700kg of yield per acre to between 1,100kg to 1,200kg.** The yield was however lower than the expected due to lack of fertiliser and pesticides application. Other beneficiary farmers however noted that provision of water at night was not appropriate as they could not use it in the night for irrigation. The beneficiaries also noted that at least 20% of the farmers do not effectively access the water as before with some them having dry lands due to inadequacies in scheme designs. **New irrigation schemes constructed** The construction of 2311 schemes is planned within the NDP III span of five years to be constructed. The target for FY 2021/22 was to start construction of at least one scheme. Construction started for Acomai Irrigation Scheme and the findings are presented below. For the other schemes, progress was at various levels of feasibility studies and detailed design. The only completed detailed design was that of Kabuyanda Irrigation Scheme in Isingiro District. Twelve (12) schemes had detailed designs ongoing, and 10 designs had not commenced. Some of the planned schemes have prospects of funding from ADB, World Bank and Islamic Development Bank, whereas others are yet to get funding. **The formation of sustainable management structures for effective utilisation of the schemes was pending** construction commencement. **MAAIF through the Agriculture Value Chain Development Project (AVCP) commenced the construction of the Acomai Irrigation Scheme covering 1,608 Ha with associated infrastructure including**: an administrative block; 2 drying yards; a ware house; a workshop; a bridge; 58 km of access roads. The scheme serves Bukedea District (Kamutur Sub-county) and Bulambuli District. The overall physical progress was estimated at 4% as at 9th February 2022. The Resettlement Action Plan implementation was slow due to resistance from the Project Affected Persons (PAPs). **Various water for production infrastructures were under establishment through interventions implemented by MWE, MAAIF and LGs through collaborative partnerships with other**		

		stakeholders. Under the MWE, the programme planned to commence construction of 22 new multipurpose water development schemes. Three earth dams Kyenshama and Rushozi in Mbarara; Geregere in Agago are to commence in FY 2021/22, including feasibility study/design of 13 others. By 31st December 2021, feasibility studies and preliminary designs of fourteen (14) multipurpose earth dams and watering facilities in Karamoja sub-region had reached the final stages. The feasibility study and detailed design of three (3) earth dams and water facilities of Geregere in Agago District; Kyenshama and Rushozi and Mbarara District were completed. Detailed designs for Kyahi, Makokwa and Ojama Earth Dams in the districts of Gomba and Serere respectively were in the final stages of completion. Planned construction of three (3) earth dams and watering facilities of Geregere, Kyenshama and Rushozi awaits design completions; however, procurement of works contractors was also underway. **Out of the 35 planned community valley tanks for livestock watering construction countrywide under MWE**, only one (1) in Kapelebyong District was completed by end of Q2 2020/21. The filling of the valley tank in Moroto District awaited the onset of rains. Grass planting around the tank was yet to be done. The tank size was 20,000CM, which is expected to serve the community for three months when filled. **Valley Tanks, Dams, Fish ponds constructed and desilted (302) assorted:** MAAIF completed a total of 112 sites out of the targeted 302. The MAAIF also completed designs 10 water facilitates (valley tank/dams and on farm water harvesting and storage infrastructure in Northern Uganda, Rehabilitated and Operationalised Small Scale Water and Irrigation Facilities in western and Eastern Uganda. **Irrigation system at NaCRRI** Agricultural Value Chain Development Project under MAAIF, supported establishment of an irrigation facility on 1.2 hectares at the National Crops Resources Research Institute (NaCRRI) in Namulonge, Wakiso District to help in the production of rice breeder and foundation seed. By 7th February 2022, the facility was not in use with some parts full of weeds and silted due to delayed disbursement of maintenance funds for more than eight months. There were some broken walls on the canals awaiting the contractor's receipt of payment before rectification. **Microscale Irrigation with support under UgIFT** MFPED disbursed funds for micro-scale irrigation to support the purchase of the irrigation equipment. By 31st December 2021, procurements had not been completed in all the monitored districts in the North and Eastern Uganda. The roll out in Western region had however commenced though at a slow pace. The key challenge was delayed initiation of procurements, delayed co-financing by the farmers to the districts partly due to poverty, lack of access to credit and the 100% requirement that did not allow farmers to contribute in instalments. By 31st December 2021, only establishment of demonstration sites had been completed an activity that spilled over FY2020/21. The demonstrations were made in coffee and horticulture enterprises. **The MWE planned to construct 95 small scale solar powered irrigation schemes to benefit small holder farmers countrywide**, and 32 of these were at different completion levels. The land area for these schemes ranges between 5-10ha. The general observation was that the works were ongoing at a very slow pace. The contract periods ranged between six months to one year per scheme, however, none was completed within the contract period. lasted for about six months.		
	Increase Access and Use of	**The 5 regional centres in Bushenyi/Kiruhura, Mbale, Kiryadongo, Agwata and Buwama and Namalere National Referral Agriculture Mech Centre constructed and equipped**. Overall progress averaged at 60% as at 31st December 2021 at the different sites. The percent progress varied with Buwama in Mpigi at 90% completion, Mbale at 60%, Bushenyi, and Kiryandongo 0% (still at design	Procurement delays affecting attainment of the planned outputs. Low	MAAIF should fast track the procurements including adopting

	Agricultural Mechanisation	stage). Renovation works at the National Referral Agriculture Centre in Namalele in Wakiso and the Agwata station in Dokolo was 100% completed. The works at Mbale however stalled and the contractor was off site. This was attributed to delayed payments to the service providers. **Agriculture mechanisation equipment procured**: As at 31st December 2021, contracts were signed for the supply and delivery of 100 tractors and matching implements; and the earth moving equipment (4 excavators, 2 wheel loaders and 2 motor graders). The process of procuring additional sets of earth moving equipment was at bid evaluation by the 31st December 2021. **Heavy equipment (101) unit's equipment/accessories including tractors, implements, other machinery, motor vehicles, and workshop machinery in Namalere and Regional centers maintained**. A total of 51 out of the targeted 61 units of equipment were maintained. Maintenance of all the equipment was not achieved due to limited funding.	prioritisation in MAAIF to commit funds to the completion of the mechanisation workshops. The local contractor in Mbale was not paid any funds in this financial year despite the release of funds totaling to Ug shs 18 billion to the Project 1357 of improving access and use of agricultural equipment and mechanisation through the use of Mechanisation workshop in Mbale with some of the materials redundant on site . The project had absorbed only Ug shs 8.8 billion as at 31st December 2021.	a good practice of early initiation. • The Agro-Industrialisation Programme Working Group through the MAAIF should prioritise funding for the ongoing works at the mechanisation centres.
	Increase access and use of digital technologies in agriculture	**ICT modules for extension service and input delivery scaled up With support from the World Bank UgIFT intervention**, the MAAIF developed the 'IrriTrack' (an online irrigation app) as a planning and support supervision tool to record awareness events, land size, soil types, collect farmer expressions of interest, prepare for farm visits, and collect geotagged farm data during the farm visit. By 31st December 2021, 300 technical staff in 40 UgIFT implementing districts were trained in the use of the app to collect data which they are using to-date. **Under the ACDP sub-intervention, the MAAIF designed the Electronic Voucher Management System to provide subsidised inputs to farmers by issuance of e-vouchers**. The system was used for farmer registration, placing orders, loading the farmer wallets and redemption of vouchers. Cumulatively, a total of 463,274 farmers had been enrolled between FY2018/19 to FY2021/22 December 2021; 274,046 (59%) accessed subsidised inputs on the system. The sub-programme performance was behind schedule due to frequent system break down, poor internet connectivity, inadequate staff to operate the system and low capacity of users to redeem the inputs. **The MAAIF continued digitalising the registration and issuance of electronic phyto sanitary certificates to exporters**		

		The MAAIF continued the processes of designing a National Livestock Identification and Traceability System for surveillance and control of trade related animal diseases. The Livestock Identification and Traceability Policy was developed and discussed in Top Policy Management of MAAIF. Reformatted the digital animal disease control data analysis and reporting system awaiting dissemination and pretesting with the stakeholders. **Developed digital epidemiology reporting forms that were shared with District Local Governments and subcounties**. A national GIS data base on beekeeping established and maintained for decision support. **Efforts were made to strengthen agricultural statistics and Geographical Information System (GIS) data base at MAAIF to improve access to information on farmers and agricultural infrastructure**. By 31st December 2021, registrations on system included 156,497 farming households in 2,862 villages in five districts; 3,000 agricultural infrastructures and 700 agro-input dealers mapped in 50 districts. Over 3,000 Android Smart Phone Tablets were given to districts to strengthen digital data collection.		
	Strengthen farmer organisations and cooperatives	**MAAIF through ACDP facilitated Uganda Cooperative Alliance (UCA) to strengthen the targeted 5,000 Farmer** Organisations on commodity value chain development (cumulative total of 25,000 groups as 31st December 2021). **Farmers/farmer groups registered and trained Twenty-one (21) dairy farmer groups were registered in the districts of Kakumiro, Kagadi** among others in mid-western, Tororo, Namutumba in Eastern region, Masaka, Mukono and Nakaseke in Central region Akajumbura, Rwetamu, Kasaana and Kinoni Cooperatives in Southwest.		
	Strengthen Systems for Management of Pests, Vectors and Diseases	**Vaccines provided** As at 31st December 2021, the need for Foot and Mouth Vaccines was met by only 47% among the 112 districts. The MAAIF also issued out to selected districts a total of 261,200 doses of Rabbies Vaccines. Some districts received the Peste des Petits Ruminants (PPR) vaccines for vaccination of goats and sheep. In terms of livestock diseases prevention, the MAAIF issued a total of 490,000 doses of Foot and Mouth Disease to the 112 districts compared to the request of 1,039,439 doses. **All the districts visited decried of the poor cold chain system.** Some districts were using cold boxes with no temperature monitors for storage of vaccines instead of the recommended refrigerators, others kept the vaccines in private vet drug shops that had refrigeration services while others sought help from the District Health Offices where they had more than one refrigerator for storage of the vaccines. **The MAAIF through Livestock Disease Control Project Phase 2 procured and distributed 6,660 liters of eprinomectin for Tick cleansing and 700,000 doses of rabies vaccine across the country**. It also initiated the procurement of assorted vaccines: Foot and Mouth Disease (FMD) 5 million doses, 3 million dozes for PPR, 2 million doses of contagious bovine pleuropneumonia (CBPP), and 2 Million doses of Blantharax, and 1 million doses of lumpy skin disease. However, the adjuvant used in the manufacture of the FMD vaccine is the same used in the manufacture of the COVID-19 vaccine which led to a scarcity of the vaccine. Rabies, FMD, and PPR vaccines was distributed in all the monitored districts of Nebbi, Arua, Yumbe, Buikwe, Jinja, Serere, and Pader. **Technical and support supervision, and equipping to districts for crop pests control** MAAIF Crop Pests and Diseases Control projects provided technical advice, motorized pumps and protective clothing/gears and pesticides for pest control to Adjumani DLG, monitored plant clinic operations in the DLGs, and interacted with the trained plant doctors of (Luwero, Buvuma, Mubende, Kagadi, Mbarara and Kazo DLGs).	i) Lack of operational funds and transportation means for the District Veterinary Officers. ii) Understaffing of the District Veterinary Officers. iii) Lack of cold chain facilities, temperature tags, and ice boxes for field based activities.	i)The MAAIF should facilitate transport means for the DVOs. ii) The MAAIF should strengthen cold chain system to preserve vaccines.

		Equip plant clinic diagnostic mini labs to feed into the national plant health laboratory The districts including Luwero, Buvuma, Mubende, Kagadi, Mbarara and Kazo DLGs were equipped with full sets of plant clinics (Set of items; plant clinic tent, chairs, bucket, hand lenses, laboratory coats, dissecting knife, diagnostic guides/ manuals and prescription books among others). **The MAAIF through Crop Pest and Disease Control Project carried out inspection of crop pests and diseases of mother gardens and nurseries to ensure pest and disease-free planting materials** in Apac, Lira, Kole, Soroti, Kumi, Bukedea, Masaka, Kalungu and Mpigi; results indicated that 73% of cassava mother gardens were free from key diseases like Cassava Brown Streak Virus and Cassava Mosaic Virus. As at 31st December 2021 the designs and bidding documents for the zonal animal disease control centres were completed and approved by the Directorate of Animal Resources and the user districts. The contract for the construction of the Zonal Animal Disease Control Centre in Nwoya was signed but works were yet to commence.		
Storage, Agro-Processing and Value Addition Sub-Programme	Establish post-harvest handling and storage infrastructure	**The 500 Metric Ton Multi Grain Pre-Cleaning, Processing & Storage Complex in Arua was completed.** All machine installations and testing was done. The contractor handed over the value addition facility on the 20th January 2022 to the Arua City Authorities. The contractor however noted that the Defects Liability Period (DLP) for the facility including equipment would commence after training of the users. The facility has a capacity of multigrain sorting of 3 to 5 tonnes per hour. **1,000 metric Ton Capacity, Pre-Cleaning, Drying and Storage Complex in Soroti was at 75% physical progress against 35% financial and 99%-time progress**. The Project is thus, behind schedule. Consequently, an application for extension to enable installation and testing of machines was still under review by the donor and the MoLG. **ACDP matching grants** As at 31st December 2021, a cumulative total of 167 stores were established and 146 value addition equipment installed by 192 farmer organisations in 24 districts at a cost of Ug shs 68.6 billion. The total storage capacity established was 42,714 MT (94%) against the 45,000 MT target. The value addition facilities installed include: 58 coffee hullers, 39 maize mills, 27 rice mills, 15 cassava mills and 7 bean seed sorters, 58 weighing scales, 64 moisture meters and 27 grain driers.		
	Establish and rehabilitate existing agro-processing industries	**The Cotton Development Organisation (CDO) completed the construction of the processed seed store and ancillary machine workshop in Akwara West village, Laput Sub-County, Pader District**. The store was operational with the eight gin stands fully installed and functioning. The maintenance equipment for workshop had however was not installed awaiting the supplier whose arrival was disrupted by COVID-19 safety restrictions in India and Uganda. Construction works for the six units of staff quarters was similarly substantially complete pending final connection to the sewer system. The storage facilities for both processed cotton and raw seed cotton however remained insufficient at the cotton seed plant. The processing facility was also affected by rampant power outages. **The breeding and storage facilities at the Livestock Experimental Station located in Old Entebbe Village Katabi Sub-County, Wakiso District was completed**. The completed infrastructure included: one (1) feed storage facility for hay and silage, two (2) cowshed, and one (1) spray race and biogas plant and all were operational.	Breeding and storage key challenge was shortage of land following the allocation of a part of the NAGRIC &DB land to Civil Aviation Authority for airport expansion. This was further exacerbated by the rampant encroachers.	

		Entebbe Diary Training School (EDTS) revived with focus on enhancing dairy market access and value addition Assorted equipment was installed and functional for milk reception, chilling, heat generation and milk processing. The milk processing factory at EDTS however was not fully functioning as some key equipment was not procured due to inadequate funding. Such equipment included the butter, ghee and milk parking machine among others. The factory also lacked the waste treatment line and was temporarily using soak pit.		
	Improve the transportation and logistics infrastructure	**Construction of Bugala Ferry Landing Site** Project was behind schedule at 8% physical progress against more than 200%-time progress (behind schedule for more than two years). The project implemented by MAAIF under the National Oil Palm Program (NOPP) is located in Nkusi Village, Bujumba Sub-county. The project was mainly affected by inadequate capacity of contractors. **Ferry landing sites at Kiyindi and Buvuma** The works for design and build of two ferry landing sites at Kiyindi and Buvuma under NOPP commenced in June 2019 with an expected completion of May 2021. Overall, the project was behind schedule with a physical progress of 24.8% against over 100%-time progress. The slow progress was attributed to inadequate financial capacity of the contractor exacerbated by the change in scope from 500 tons to a 604-ton ferry. As at 31st December 2021, the contractor was not on site at Buvuma landing site with only minor works completed.	i) Inadequate financial capacity of contractors to timely complete the works. ii) Capacity gap in MAAIF in addition to lack of clear legal mandate to handle infrastructural works especially for roads and ferry landing sites.	i) The MAAIF contracts committee should enhance due diligence during selection of contractors to ensure that only competent contractors are engaged. ii) The MAAIF should collaborate with MoWT/UNRA to handle the technical aspects of construction and supervision.
	Equip regional farm centres	**Tractors distributed among benefiting districts** The GoU through NAADS delivered 16 tractors to different DLGs by the Engineering Solutions (U) Ltd at a cost of Ug shs 191,314,123 during the period under review. The procurement initiated in FY2020/21 was not fully complete with 15 tractors not yet delivered to the beneficiary LGs/Regions. Further analysis revealed regional disparity among the allocated tractors with the Eastern Region not benefiting from the 31 tractors		
	Construct and regularly maintain community access and feeder roads for market access	The semi-annual target of opening up and improving the 25 farm access roads16 in Sironko, Kayunga, Kiruhura, Wakiso, Kumi, Nakasongola, Mukono, Mpigi, Buvuma, Kalangala, Abim, Mayuge, Jinja, Nwoya, Isingiro, Serere, Bulambuli, Sembabule, Kiruhura, Kazo, Rwampara, Lyantonde, Mbarara, Apac, and Dokolo was met. A total of 65km of the 85km annual was completed. **National Oil Palm Project- Access road component** As at 31st December 2021, the survey of the roads to be demarcated as farm roads was completed in Buvuma District. Maintenance of 60km of farm roads in Buvuma however was not achieved. In Kalangala Hub, a total of 16.5km of farm roads were maintained out of the annual targeted 40kms. The low achievement (41%) was attributed to the denial of approval from the IFAD to support the maintenance works of the roads. This led to reduction in scope in line with the GoU allocated funds. **Agriculture Cluster Development Project (ACDP)- Road chokes component** As at 31st December 2021, a cumulative 244.3km (24%) of road chokes were either fully complete or substantially complete under the different clusters out of the targeted 1,011.7km aimed at enhancing farm and market access	Budget suppressions leading to a scale down of the planned road chokes in the different benefiting districts. The Budget for Mbale was reduced from Ug shs 6.4billion to Ug shs 1billion. • Procurement delays affecting commencement of	MAAIF should reprioritise funding to ensure that the farm and market access roads are complete. • MAAIF ACDP Project Implementation Unit should fast track procurements in addition to adoption of a

		among the 57 benefiting districts (Table 3.12). A total of 353.4km out of the 1,011.7km were at contract signing stage17 while 414km were at bid evaluation stage	works at various sites.	recommended practice of early initiation of procurements
Agricultural Market Access and Competitiveness Sub-Programme	Strengthen enforcement, and adherence to product quality requirements	**National Metrology Laboratory constructed and equipped at UNBS headquarters** As at 10th February 2022, the progress was 65% against the annual target of 90%. Financial progress on the other hand was 93%, against the allocation of Ug shs 2.976 billion. The works at site located in Butto Village, Kira Municipality in Wakiso District was slightly behind schedule in part due to disruptions of rainfall and COVID-19 pandemic lock down when workers were unable to report on duty. The laboratory at completion will ensure accurate measurements and calibration of all equipment and packaging used in the certification of agro-products and testing for accuracy of food compositions. **National Dairy Analytical Laboratory (NDAL) rehabilitated at Lugogo** As at 31st December 2021, the rehabilitation of the National Dairy Analytical Laboratory (NDAL) located in Lugogo UMA Show Grounds in Nakawa Division Kampala district was completed and functional. The laboratory was also equipped and provided with reagents to effectively offer testing of milk and milk products for quality and safety and compliance to export standards. **National Seed Testing and Certification Laboratory constructed and rehabilitated at Kawanda** The physical progress was estimated at 30%. The contractor was on site located in Kawanda at the NARL premises undertaking construction works. **Quality regulation and certification of agricultural products** As at 31st December 2021, the DDA inspected a total of 507 targeted milk handling premises and executed the targeted 18 enforcement operations country wide to ensure adherence to food safety and handling standards.	The performance of the NDAL was partly affected by limited maintenance budget for the testing equipment; budget suppression; delayed disbursement of funds for reagents leading to limited testing of samples; and inadequate laboratory technicians especially for the regional mini-labs in Mbarara, Gulu, Soroti and Kiboga	
	Improve agricultural market infrastructure in rural and urban areas	**Twelve markets redeveloped in 12 Urban Councils** of Arua, Busia, Entebbe, Kabale, Kases, Kitgum, Lugazi, Masaka, Mbarara, Moroto, Soroti and Tororo Overall the project is behind schedule characterised by several requests for extensions at different project sites. As at 1st February 2022 however the construction of nine20 out of the 12 20 Lugazi, Kitoro Entebbe, Tororo, Busia, Kasese, Mbarara, Moroto, Soroti 84 | markets(75%) were completed and operationalised/near operationalisation and the remaining three21 were at varying stages of completion.		
	Strengthen capacity of public institutions in analysis, negotiation and development of domestic, regional and international market opportunities	**Dairy products promoted abroad As at 31st December 2021, the DDA contributed to the marketing of milk, and facilitated increased international trade of dairy products.** Uganda exported more dairy products both in quantity and value than it imported, hence a favorable balance of trade. In the diary subsector, the export value of milk products totaled Ug shs 148,119,531,050. The products included milk cream, butter, cheese, UHT and yoghurt. Conversely the import value totaled Ug shs 2,802,823,303. The imported products included; diary machinery, parts of milking machines, refrigerating equipment among others. In relation to markets, most of the products were exported to Kenya and South Sudan while imports were mainly from Netherlands, Kenya and United Arab Emirates. The highest value of imports was from Netherlands, while the lowest value was from Nigeria. The COVID-19 pandemic however disrupted the diary global supply chain.		

	for selected commodities			

A2: STATUS OF MANUFRACTURING PROGRAMME

Subprogram	Intervention	Performance	Challenges	Recommendations
Enabling Environment	Enforce the laws on counterfeits and poor-quality products	• Law enforcement; the counterfeits law amendment was ongoing by MoTIC in collaboration with UNBS. • A regulatory impact assessment to review and amend the weights and measures rules and regulations for Quality products was ongoing. • The UNBS inspected 7,154 and 106,152 market outlets and 8 import consignments, verified 690,874 weighing equipment and calibrated 2,495 industrial equipment.	• The EAC CET consultations were however derailed by the COVID-19 pandemic. • Inadequate staffing and funding of the key implementing agencies	• The Manufacturing Programme Working Group and MFPED should review the recurrent Medium Term Expenditure Framework (MTEF) for the M0TIC and UNBS to fill the critical vacant posts. • The MoTIC should expeditiously enact laws and regulations that promote and nurture manufacturing.
	Change the tax regime to attract more investors in manufacturing	• Under taxation, a review of the EAC Common External Tariff (EACCET) was concluded, existing Double Tax Agreements (DTAs) reviewed and new ones negotiated, amendments to the domestic tax laws initiated and EAC domestic tax harmonisation reviewed. • Consultations review process ongoing with partner states for the EAC CET, Kenya, Rwanda and Burundi proposed a rate of 30% due to concerns of consumer welfare while Uganda and Tanzania proposed a rate of 35%, due to the industrialisation growth and import substitution strategy. • Draft VAT Bill was Proposed for amendment and stakeholder engagements on the Tax Expenditure Governance Framework was		

		ongoing. Proposals under the Income Tax Act, VAT and Excise Duty Act submitted to the EAC Harmonisation framework and tracking of directives of the 39th Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) and other regional decisions was ongoing.		
	Formulate, implement and enforce standards, laws, and regulations to facilitate adoption to green manufacturing	• National Industrial Policy (NIP) developed, capacity building for Jua Kali and private sector, industries and value chain technologies profiled and industries availed with technical guidance in environmental. • Compliance and Industrial Licensing Act Amendment Bill presented to Cabinet. • Designed a draft Cotton, Textiles and Apparels (CTA) strategy and zero draft for Industrial Park. • Guidelines were developed. • Nine consultative meetings were held to disseminate the NIP in the districts of Oyam, Nebbi, Koboko, Dokolo, Lira, Gulu, Pader, and Madi-Okollo. • The commemoration of the Africa Industrialisation Day was conducted. • The industries were availed with technical guidance on environmental, quality and gender and equity compliance. The industrial licensing act amendment bill was yet to be presented to the Cabinet due to lack of usable guidelines and regulations. • Implementation of recurrent outputs under the headquarters and administration department of MTIC was on track.		

Industrial and Technological Development	Construct four (4) fully serviced industrial parks (1 per region)	• The MoTIC developed a zero draft of Industrial Park Guidelines and monitored 27 industries (in Lira, Mukono, Nakaseke, Kampala, Wakiso, Buikwe, Yumbe, Koboko, Mukono, and Nebbi) • Uganda Investment Authority (UIA) acquired approximately 3,298 acres of encumbrance free land in West Nile, Acholi, Lango, Ankole, Kigezi, and Tooro sub-regions for the establishment of Regional Industrial and Business Parks. • Under the KIBP Infrastructure development, there are progress on Mobilisation, Conditions Precedent, Design, Supervision and other specialised consultants, Investigations/Studies and Surveys, Infrastructure Design, Design Packages, Final Design and Permanent Infrastructure Works. • By February 2022, the contractor was working on the base layers and rock fills for eight and five roads in the North and South estates. • Mbale Industrial and Business Park Infrastructure development at Mbale by Tian Tang Group was ongoing, and three more factories had started operations thus increasing the number of operational factories to eight. Construction of the hotel and dormitory was completed and in use. • UIA maintained the gravel road network in Kasese Industrial and Business Park during the period under review and also in the process of procuring a contractor for the	• Delayed finalisation of engineering designs, low mobilisation by the contractor (equipment and personnel) at KIBP. • Inadequate budgetary releases for development projects like the KIBP Infrastructure Development Project. • Lack of functional steering and technical committees for the KIBP Infrastructure Development Project. • Delayed release of finances to KMC due to the transition process of the MoSTI activities and projects. • The COVID-19 travel restrictions during Quarter one negatively affected the implementation of planned activities	• The UIA should always engage the contractor to stick to project delivery timelines. • The MFPED should provide timely funding for development projects. • The MFPED and UIA should expeditiously operationalise the KIBP Infrastructure Development Project committees to resolve some of the emerging and urgent issues that are likely to derail the project

		works for the construction of a wall fence at Mbarara SME Park.		
	Provide government support for installation of recycling facilities for Polyethylene terephthalate (PET)	• UNBS revised one standard and developed six standards for assorted plastic products to facilitate certification of plastic products on Ugandan market. • 37 facilities in plastic carrier bags were inspected, ten (10) factories were sealed off for non-compliance and 819.85kg of plastic carrier bags were seized.		
	Support local automotive assembling and manufacturing	• UNBS developed two standards for the Automotive Assemble and Manufacturing Industry. • Development on specifications for portable reflective triangles and light vehicle towed trailers by UNBS • Development of the terms of reference (ToR) for the technical working group, and criteria for issuance of VIN and the criteria was approved for use by UNBS • The civil works for the Kiira Motor Corporation Manufacturing and Assembly Infrastructure (phase 1) at the Jinja Industrial Park was substantially completed (96%) by 31st December 2021. However, installation of the assembly line was not yet done due to the abolition of the Ministry of Science,		

		Technology and Innovations (MoSTI) creating inadequate funds		
	Provide appropriate financing mechanisms to support manufacturing	The planned outputs for the FY2021/22 included: • 300 FDI companies compliment aftercare services given to 200 companies; coordinated 38 presidential investors round table (PIRT); strengthened legal and regulatory framework for Private Equity and Venture Capital; dissemination of reviewed Compendium of Diaspora bankable projects; organised forum investment; feasibility studies for bankable projects undertaken; developed savings mobilisation strategy; 4,000 cooperatives registered and 500 cooperatives audited; funds disbursed to cooperatives; and commercial and economic infrastructure developed (UDC). • UIA licensed 404 projects, 127 companies were provided with aftercare and 30 Presidential Investors Round Table meetings held. 500 hard copies of bankable projects printed and disseminated to 20 embassies and missions. 50 SME business ideas on edible oil, pharmaceuticals, and electronics uploaded to the website. Investment profiles for West Nile and South • Western sub-regions were developed and uploaded on the website. The UIA conducted a competitiveness study on the mineral sector and pre-feasibilities and investment promotion packages for 10 potential minerals. • The MoTIC reviewed registered and audited 1,152 and 188 cooperatives. Ug shs 19.967bn		

		was disbursed to 15 cooperatives as compensation. • The MFPED through the United States African Development Foundation developed and funded five cooperatives at Ug shs 1,651,654,572 to promote Ugandan owned farmer cooperatives and producer associations and increase market competitiveness, through Enterprise Development Investment (EDI) and Enterprise Expansion Investment (EEI). • The monitoring was carried out on seven cooperatives that had received funding in the previous FY. • The MoTIC disbursed Ug shs 13.615bn out of UDC's annual budget to undertake initiatives towards industrialisation and development of commercial economic infrastructure. • Ongoing consultations with the partner states for EAC CET • Consultation on the draft VAT bill, stakeholder engagement on the tax expenditure governance framework is ongoing		
Trade Development Sub-programme	Expand the range of manufacturing standards and enforce applicable regulations	• UNBS developed 284 standards and held 15 stakeholder engagements and sensitisations to educate the public, processors and manufacturers on standards. • UNBS certified 2,192 products and issued quality distinctive mark (Q mark); tested 13,505 product samples and inspected 7,154 and 106,152 market outlets and import consignments.	• High prevalence of sub-standard goods on the Ugandan market. • Delayed completion of key infrastructure projects that increases the eventual cost.	• The UNBS should scale up quality monitoring of products on the market and promote implementation of mandatory certification scheme for high-risk products. • The MoTIC should expedite the completion of the

		• The MoTIC conducted stakeholder consultations on the draft Consumer Protection Bill and printed and issued Non-Citizen Trader's licenses, Tobacco licenses and hire purchase licenses. • 2,170 MSMEs were trained and provided with technical guidance on product development and certification processes in the districts of Pakwach, Nabbi, Arua, Maracha, Rubanda, Kisoro, Wakiso, Gulu, Mpigi, Gomba, Kasese and Masindi	• COVID-19 disruptions that restricted movement and stakeholder consultations. • Low staffing levels at the UNBS.	Mpondwe Border Export Zone. • Implementing agencies such as the MoTIC, MFPED and UNBS should embrace the use of ICTs to facilitate and implement activities like meetings, consultations and sensitizations for improved service delivery.
	Establish 4 border markets to facilitate trade with regional neighbours (Especially at the South Sudan and Congo borders)	The MoTIC is implementing the Regional Integration Implementation Programme (RIIP) support for the Uganda project and the planned outputs are: • Communication and public relations strategy Implemented; Mpondwe Border Export Zone completed; Bunagana Border Export Zone detailed designs developed, resettlement action plan implemented, and market negotiations carried out. • The MoTIC carried out dissemination, visibility and awareness of the Great Lakes Trade Facilitation Project (GLTFP), issued information and communication materials, and conducted, stakeholder engagements on cross border trade. • It also supported Trade Information Desk Officers and members of the Cross-border Traders Association to use simplified online software system for data collection at various borders.		
	Sign bilateral agreements to guarantee market	During this FY;		

	access, especially to DRC & South Sudan	• Implementation of the National Export Development Strategy (NEDS) within key MDAs, reviewed and updated. • Sanitary and Phyto-sanitary Standards (SPS) developed and implemented • Trade negotiations within EAC, COMESA, AfCFTA carried out, trade institutions capacity built, trade and product market research done, implement economic integration and market access and AGOA secretariat supported. MoTIC in collaboration with other MDAs implemented the following activities; • Enterprise development, promotion of value addition and quality assurance and building the export mindset that aim to increase exports. • Exporters and potential exporters were trained in the export management process to create a pool of knowledgeable exporters. • Stakeholder engagements on the formation of the apex body for fruits and vegetables in Uganda (Hot Fresh Association) were conducted. • The Ministry participated in the launch of the Dubai 2020 Expo and engaged stakeholders on reviewing the Rules of Origin under the AfCFTA. • The MoTIC participated in the negotiations of the Joint Permanent Commissions with Tanzania and Democratic Republic of Congo.		

		• The Ministry provided guidance to local manufacturers on how best to benefit from the America Growth and Opportunities Act (AGOA). • The External Trade Department conducted assessment of Non-Tariff Barriers along main trade transit routes to the borders as a result of measures to manage the spread of COVID-19 particularly in Katuna and Bunagana main transit-routes.		
	Strengthen information management and negotiation for greater access to targeted markets	During the FY2021/22 below are some of the achievements; • The MoTIC sensitised 25 stakeholders from five cities on hire purchase act for increased compliance. • 200 copies of the National Competition and Consumer Protection Policy were printed and distributed to 10 Local Governments (LGs). • 100 application forms and certificates were printed and some issued to non-Citizen Traders. • Trade Licensing (Amendment) Act implementation were monitored and assessed in three of the New Cities. • Tobacco Markets and Stores verified in 21 Tobacco growing districts in Southwestern, West Nile and Northern regions. • The MoTIC sensitised 30 stakeholders from selected LGs and the new cities on their roles in Buy Uganda Build Uganda (BUBU) Policy Implementation and Trade Licensing data from 3 LGs/cities collected and assessed for development of the Business Register		

	Support the national conformity assessment system to attain international recognition through Accreditation	During the FY 2021/2022: • The UNBS maintained accreditation for Microbiology and Chemistry laboratories was ongoing through acquiring engineering materials. • The UNBS procured specialised equipment for the analytical and electrical laboratories for appliance safety analyser, certified reference solar cells and gas chromatography and its related accessories. • Gulu Regional Analytical Laboratory had installed equipment and deployed staff but it is not operating. Procurement of other assets was differed to Q3.		

A2: STATUS OF MINERAL DEVELOPMENT PROGRAMME

Subprogram	Intervention	Performance	Challenges	Recommendations
Mineral **Exploration, Development and Value Addition**	Establishment and equip a dedicated exploration unit, with access to functional laboratories	**Establishment of operational mineral beneficiation centers in Ntungamo and Fort-Portal** (FY 2021/2022). The construction process of the mineral beneficiation centres in Ntungamo and Fort-Portal was ongoing with physical progress of 98% and 90% respectively, but behind schedule. MEMD should fast track equipping the facilities with staff and equipment so as to operationalize these exploration units.	The procurement of other laboratory equipment planned for this FY was yet to be done pending availability of funds.	MEMD should fast track equipping the facilities with staff and equipment so as to operationalize these exploration units. There is need to complete installation of the newly acquired equipment for mineral sample analysis since this will lead to faster ascertaining of the country's mineral potential.

		Procurement of laboratory equipment for the Geological Survey and Mines Directorate (GSMD). On equipping of the mineral laboratory at the GSMD, the newly procured Mineral Jig was installed pending manufacturer training before it could start. Installation of the dust extract and chemical venting system installation was ongoing at 70%, testing of the mineral jig was successfully completed in December 2021. The sites for the weighbridges for quantification of minerals were identified in Bulambuli, Katakwi and Napak districts, installation had not begun. Installation of assorted new equipment such as shaking table, new rock lab pulverisers, laboratory dry, drum magnetic separator, density balance and the particle size analyser were also still not yet done. There is need to complete installation of the newly acquired equipment for mineral sample analysis since this will lead to faster ascertaining of the country's mineral potential. However, the procurement of other laboratory equipment planned for this FY was yet to be done pending availability of funds. In order to modernise the laboratory facilities at the DGSM, the second draft design of the Strategic Minerals Research Facility (SMRF) was undertaken and reviewed by MEMD. The DGSM continued with preparation of		

		documentation for ISO/IEC 17025:2017 accreditation of the Mineral laboratories		
	Undertake a detailed exploration and quantification of minerals and geothermal resources in the country	Under mineral exploration, In the FY2021/2022 first half, Geophysical Airborne Survey of Karamoja and Lamwo regions achieved 100% gravity data acquired under phase 1 and 2, 82% of Magnetic and Radiometric data was acquired over Karamoja. The department staff participated in an online course on Introduction to Geophysical Interpretation Course conducted and facilitated by Xcalibur Geophysics SL, Spain from 8th to 12th November 2021 who are undertaking the airborne survey. Under exploration of geothermal potential, a Reconnaissance Survey around Kanangorok in Karamoja was undertaken as recommended by the East African Geothermal Energy Resources (EAGER). Analysis of geological data for Ihimbo, Rukungiri geothermal prospect was also undertaken in preparation for detailed geological and structural analysis. Additionally, preparations for Temperature Gradient Hole (TGH) drilling for Panyimur, Nebbi were ongoing but behind schedule with drilling planned to start in Q3 of the FY 2021/22. The geothermal exploration activities were being constrained by limited funding.		

	Organise, formalise and regulate the artisanal and small-scale miners	By December 2021, the biometric registration of Artisanal and Small-scale Miners (ASMs) was launched by the Ministry in Gulu in partnership with the Africa Center for Energy and Mineral Policy (ACEMP). Only 130 miners were registered against the half year target of 2,500. On sensitisation of ASMs, a total of 960 out of 1,000 artisanal miners were trained on Occupational Safety and Health (OSH), legal and regulatory framework as well as social economic transformation. Of the trained miners 760 were male and 200 females. Other activities such as identifying and gazetting mining areas for ASMs had not progressed pending funds. More therefore needs to be done to sensitise and train ASMs so they can and transform their working conditions.	Other activities such as identifying and gazetting mining areas for ASMs had not progressed pending funds.	More therefore needs to be done to sensitise and train Artisanal and Small-scale Miners so they can and transform their working conditions.
	Review of the Mining Act 2003 and develop other relevant laws and regulations	The revised Mining and Minerals Bill was approved by Cabinet with amendments in April 2021, and was tabled before Parliament for debate. The bill was expected to be passed before the end of February 2022.		
	Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation and enforcement	During the half year performance, regarding maintenance of mineral testing equipment, calibration, and servicing of three fume hoods were undertaken while the procurement for gas supply, chemicals, reagents, apparatus and re-installation of the Savaata Atomic Absorption	The procurement for gas supply, chemicals, reagents, apparatus and re-installation of the Savaata Atomic Absorption Spectrophotometer were pending contract signing due to insufficient funds.	

		Spectrophotometer were pending contract signing due to insufficient funds. For the management of Mineral Geo data, the Geological and Mineral Information System (GMIS), Mineral Cadastre and Registry System (MCRS) and Laboratory Management Information System (LMIS) were maintained and fully functioning. An inspection and data cleaning exercise was undertaken in Entebbe to clean and maintain an up-to date MCRS for effective management of mineral rights. On skills development, a total of 35 staff were internally trained on mineral certification mechanisms while seven (6 males, and 1 female) undertook long term trainings in the different specialised areas of the Mineral Subsector. Eight staffs continued with Masters Studies in both local and international studies in mineral skills. The laboratory technical team from the analytical section also had a training on the newly acquired Inductively Coupled Plasma-Optical Emission Spectroscopy (ICP-OES) in November 2021.		
	Strengthen capacity to monitor, inspect and enforce health, safety and	During the half year progress. The Mines Inspection Manual and template were developed and updated to streamline monitoring of compliance during inspection and 10 staff from the GSMD were trained on usage of the inspection	The release was low (23.2%) and the half year target for different outputs areas could not be achieved. However, the MEMD achieved the targets for activities	

	environmental provisions	template. An inspection and data cleaning exercise was also undertaken in Entebbe to clean and maintain an up-to date Mineral Cadaster and Registry System (MCRS). To promote enforcement and compliance to ensure safe working conditions of miners, inspection and awareness campaigns were conducted in a total of thirty-seven (37)2 out of fifty (50) targeted districts. These included: Logori, Arua District, Atiak Gulu District, Kisiita and Kitende in Mudende District. Additionally, mining operations were monitored for compliance by the Police Minerals Protection Unit. The Police Minerals Protection Unit also undertook enforcement in Kasanda with the eviction of illegal miners from Kisiita and control of the gold rush in Kitanda, Mubende District.	undertaken under the funding availed with absorption at 94%.	
	Strengthen monitoring and inspection of mining operations to minimise negative social and environmental impacts	The technical guidelines for the standard on HSE were developed and reviewed to minimise social impacts and degradation of environment by mining activities and ensure safety of miners, with benchmarking on HSE standards ongoing. Sensitisation and consultations with miners on issues related to Environment, Health and Safety and Gender Mainstreaming in		The MEMD should therefore fast track the development of the HSE standard to improve the safety of the mining areas.

		selected mining sites in Kabarole District were undertaken.		
	Establish and strengthen earthquake, landslides and other geohazard monitoring systems	Inorder to establish and strengthen earthquake, landslides and other geohazard monitoring systems, the Geology Directorate continued with data collection, analysis and interpretation of earthquake data from local stations (Entebbe, Kilembe, Kyahi, Hoima and Nakawuka). 20 sites were identified and surveyed to host temporary stations for monitoring seismic events in the Western Arm of the Rift Valley. However, installation of the infrasound system in Entebbe for early warning of geo-hazards was not implemented due to delayed procurement.		

A4: STATUS OF SUSTAINABLE ENERGY DEVELOPMENT PROGRAMME

Subprogram	Intervention	Performance	Challenges	Recommendations
Generation Sub-Programme - The sub-programme performance was 56.38%.	Develop small and medium sized hydropower generation plants	1. **A Construction works on Nyagak III Hydropower Plant** were ongoing in Zombo District with overall progress at 55%. a. The project budget was Ug shs11.77bn, of which Ug shs5.86bn was released by half year. The scope of the works includes construction of 5.5MW Hydropower Plant and a 5km of 33kV interconnection line. b. For the civil works, one out of five blocks for the dam structure were completed and works on the other four blocks was in progress. c. Laying of the pipe conduit from the dam intake to the surge chamber was over 50% complete. d. The foundations work for the powerhouse were also ongoing.	1. The major challenge facing Nyagak III project was delay by the project private partners to obtain loan financing from the banks. This will be a major limitation when it is time to order the electromechanical and hydro mechanical equipment. 2. Muzizi HPP procurement process had not been completed.	1. The MEMD should prioritise funding to key sub-programme activities/outputs. 2. The MEMD should follow up with Ministry of Public Service to fill the vacant positions in the Ministry structure as a matter of urgency.

		e. Works on the site access roads for both the dam site and power house were completed. 2. **Construction of the 14MW Muzizi HPP..** a. The budget for FY2021/22 is Ug shs 17.91bn, of which Ug shs15.39bn is external funding. Only Ug shs 0.25bn was released and spent from the GoU component of the funding. b. The project works did not commence since procurement of the EPC contractor was not concluded. Negotiations with the best evaluated bidder were unsuccessful after their bid price and retendering of the works was recommended. c. The RAP for the Muzizi HPP did not progress much during the FY because the funder (KfW) demanded that re-evaluation of the affected properties, and approximately 37% compensation had been undertaken.		
	Develop large power generation plants	1. **Construction works for Karuma HPP at half year were found to be behind schedule.** a. The project completion date was revised from December 2021 to June 2022. a. Overall progress of the works were estimated at 99% by 31st December 2021 up from 98.98% in the previous FY. b. None of the six generation units at the site were ready for commissioning by end of Quarter 2 FY2021/22. c. All major civil, electrical and electromechanical works at Karuma were completed. d. Works on the permanent roads at the dam site and employers camp were ongoing with several sections tarmacked and drainage works being undertaken. e. Works to fix non-conformities in some of the completed sections or activities was on-going with so far 160 defects identified f. Works on the Karuma-Kawanda and Karuma Olwiyo transmission lines for evacuating electricity from Karuma HPP were completed pending inspection.	1. Construction of the resettlement houses for Karuma HPP had not commenced due to prolonged procurement processes. 2. Funding for the CDAP for Karuma HPP had was not prioritised, yet project works were almost complete. Failure to fund this component will produce bad publicity for the Government. 3. Contract management issues on the Karuma HPP continue to linger as evidenced by the several project completion date extensions. The issue of how the identified defects will be handled and other contract disputes with the EPC contractor if unresolved threaten to derail the planned completion in June 2022.	1. The MEMD should reallocate funds from within its budget so that the CDAP activities planned under the Karuma HPP can progress before the project is fully commissioned. 2. The appointment of an adjudicator to help resolve the various contract disputes on the Karuma HPP should done by MEMD so that the issues can be resolved.

		g. The substations at Karuma and Kawanda were completed, while Olwiyo was at 95% progress. h. The Karuma-Lira Transmission Line works were still held up by the unresolved Right of Way (RoW) issues. i. Works on the employer's camp were behind schedule with the water treatment plant at less than 40% progress. j. Other components of the employer's camp such as the club house, staff houses, administration block, and hostel were complete. k. The Environmental and Social Impact Assessment of the project was ongoing and procurement of a consultant to undertake the Environmental Audit was not yet completed. l. The Community Development Action Plan (CDAP) for project commenced on small scale and works on the three selected schools was underway at Nora Primary School in Oyam District, Diima Primary School in Kiryandongo District, and Purungo Primary School in Nwoya District.		
Transmission and Distribution Sub-Programme - The sub-programme performance was 50.47%.	Expand and Rehabilitate the Transmission Network	1. The transmission network increased from 3,100km to 3,385km after the completion and commissioning of the Karuma-Kawanda and Karuma-Olwiyo transmission sections under the Karuma Interconnection Project. 2. **Under the Entebbe-Mutundwe Expansion Project,** the scope of works is construction of a 24km double circuit 132kV transmission line from Mutundwe to Entebbe. a. Overall performance of the Entebbe-Mutundwe Project at half year was poor, although the cumulative progress of the works was 85%. Works on the transmission line had not progressed much during the FY2021/22 due the RoW issues on the remaining tower spots. However, at the end of December 2021, UETCL finally secured access to all the tower sites and works were	1. Transmission line and rural electrification projects continue to experience delays due to land acquisition challenges as a result of speculation and landowners who exaggerate the value of their property. Delayed works is leading to cost overruns. 2. Increased vandalism on ongoing and existing electricity transmission and distribution infrastructure due to high demand for metal scrap from steel factories. 3. Failure to complete transmission projects in time is putting a heavy financial burden of deemed energy costs for un-dispatched electricity	1. The Electricity Regulatory Authority (ERA) should take more caution when licensing private power producers in areas where the electricity evacuation infrastructure has not been constructed to avoid burdening the Government with deemed energy costs. 2. Parliament should draft legislation making it illegal to trade in materials vandalised from power infrastructure, and sentences for offenders should be more punitive. This demand for scrap is driving up the rate of theft and vandalism of infrastructure.

		ongoing to complete the pending tower foundations. b. Overall progress of the substation works on the Entebbe-Mutundwe Project was 87%. Works on the substations at Mutundwe and Entebbe were delayed by late payment of the contractor's invoices. c. The electromechanical and most electrical works at the two substations were complete. d. The major pending works included access roads and the switchyard gravel. 3. **Construction works Kabale-Mirama Transmission Line** during the first half of the FY2021/22 was poor. Works on the transmission line progressed very slowly and overall works were at 35.6% with only six tower foundations completed by half year. The contractor experienced challenges in project implementation due to a hike in prices of materials and logistics. 4. **Mirama and Kabale substations** a. Works had not commenced because UETCL decided to re tender the works in November 2021 after the previously procured contractor failed in execution. b. **The RAP implementation on the Mirama–Kabale Transmission Project** was progressing well with 2,126 of the 2,497 (85%) of the PAPs for the transmission line compensated, while for the substation site in Kabale was yet to be finalised although a suitable site was identified. **5. Grid Extension and Re-enforcement Project (GERP)** a. Works were ongoing to connect West Nile to the national grid through construction of 294 km of 132kV double circuit transmission line from Kole, through Gulu and Nebbi, to Arua as well as new four substations at Kole, Gulu, Nebbi and Arua. a. Overall progress of works on all components for the project was 55%. The design and engineering for all components was estimated at 92%, while	from several licensed independent power producers. 4. The transfer of the mandate of the Rural Electrification Agency (REA) MEMD negatively affected the implementation of all ongoing rural electrification projects due to uncertainty in the contract management.	1. The MEMD should quickly streamline functions previously undertaken by the defunct REA to avoid disruption of ongoing works due to uncertainty.

		the procurement was at 64%. Acquisition of land and resettlement of PAPs on the Kole-Gulu-Nebbi-Arua Transmission Line corridor had progressed and 86% of the 3,356 PAPs were compensated. **b. On the Gulu-Agago Transmission Project.** The project works started in FY 2021/22 but had delayed due to loan effectiveness conditions that had not yet been met. However, by the end of the first half of the FY2021/22 designs for the transmission line and the substations were at 65% and 25% respectively. The line route survey transmission line was completed and levelling of the Agago substations was ongoing. Progress of the RAP was at 95% compensation and construction of the four planned houses for vulnerable PAPs had commenced. 6. **Kampala-Metropolitan transmission project.** The procurement process was still at preparation of tender documents, and approval was awaited from JICA before documents could be issued to bidders. **7. Power Supply to Industrial Parks and Extension of Transmission Line Project,** the contractor was still undertaking design review, and acquisition of land for the WobulenziKapeeka and Nakasongola-Kaweeweta-Kapeeka Transmission Lines was yet to commence		
	Expand and Rehabilitate the Distribution Network	1. **Under the Free Connection Policy**, a total of 58,860 connections were done countrywide using GoU funding and financial support from several development partners. 2. **Under the Rural Electrification Project (REP),** works implemented with the Islamic Development Bank Phase II funding in Northern region (Agago, Apac, Dokolo, Katakwi, Kitgum, Kole, Lira, Pader) and Western region (Ibanda, Isingiro, Kabale, Kanungu, Kisoro, Kyenjojo, Mbarara, Mitooma, Kabarole, Kamwenge, Ntungamo,		

		Rukungiri, Rubirizi) was completed in FY 2020/21. 3. **For the Kuwait-funded projects**, works under Lot 1a in the districts of Kibaale, Kiryandongo and Nebbi were completed and commissioned. Stringing for Lot 1b in the South Western region (Bushenyi, Kasese, Mitooma and Rukungiri) was partially done and works were stack due lack of materials. 4. **Grid Rural Electrification Project.** During the first half if the FY2021/22, the schemes implemented under the with funding from the Islamic Development Bank Phase I (IDB I) in Karamoja region (Abim, Amudat, Kaabong, Moroto, Kotido, Nabilatuk, Nakapiripirit,) werecompleted and commissioned after long implementation delays. A total of 726km and 290.1km of medium voltage and low voltage lines were extended in the various towns, trading centres within the Karamoja region. Additionally, 132 distribution transformers were installed. **5. Construction of rural grid extensions under the Energy for Rural Transformation (ERT) Phase III.** Works for the line 1 in Mubende and line 2 in Mbarara and Kiruhura were completed in FY2021/22 and were now under DLP monitoring. Schemes for lines 3 and 4 in Arua, Moyo and Yumbe were ongoing with conductor stringing ongoing in the project areas. For other packages, the schemes in Ibanda, Gomba and Butambala were completed and pre-commissioned. Construction works for other ERT III lines (11 to 21) under Packages B, C, D and E were progressing slowly in the Western, South Western, Central, Northern and Eastern regions and were behind schedule. Construction works for other ERT III lines (11 to 21) under Packages B, C, D and E were progressing slowly in the Western, South Western, Central, Northern and Eastern regions and were behind schedule.		

		For works under Package C, pole erection and stringing was ongoing for line 14 in Mubende, while stringing for line 15 in Kamwenge was completed and transformer earthing works were underway. For package D, line 19 in Ibanda was completed and commissioned. Pole erection and medium voltage (MV)stringing works for line 16 in Rwampara and line 17 in Rukungiri and Kanungu were also nearing completion with low voltage (LV)stringing works ongoing. In addition, most works for line 18 in Ntoroko werecompleted pending transformer installation. Delays to acquire RoW led to slow progress of the schemes Under Package E, works in Northern (Agago, Alebtong, Apala, Lira and Otuke) and Eastern regions (Amuria, Dokolo, Kaberamaido, Kalaki, Soroti) were under pole erection with stringing ongoing in some areas. **6. Bridging the Demand Gap through the Accelerated Rural Electrification Programme (BDAREP).** Overall progress of BDAREP was at 78.8%, with constructions of electricity networks completed in 94 of the planned 106 districts. This has added a total of 2,471.4km out of 3,449.1km of medium voltage, 4,224.1(59%) out of 7,131.61km of low voltage lines, and installation of 813(42%) out of 1,926 distribution transformers. **7. Uganda Rural Electrification Access Project (UREAP).** Overall progress of UREAP was 75.93%. a. Construction works under UREAP Lot 1 and Lot 5 in the districts of Nakasongola, Luuka, Bugweri and Iganga were completed with some of the schemes already commissioned. **b.** Works under Lot 2 in Central region (Luwero and Wakiso) were also underway with stringing and transformer installation completed.		

		c. In the Northern region under UREAP Lot 7, pole erection for section A (Gulu Custom Corner –Anaka Town) and section B (Olwiyo 132/33kV substation –Pakwach Town) was advanced with stringing ongoing in some sections. d. Schemes in the Eastern region under Lot 4 in Kaliro District were progressing with pole erection and stringing underway. e. Additionally, under UREAP Lot 3 in the districts of Bukedea, Mbale, Manafwa, Ngora, Serere, Soroti, works had been completed in Bukedea, while those in Soroti and Serere were almost complete. f. Under UREAP Lot 6 in Kalangala, the engineering designs for the switching station and inland distribution network were finalised.		
Renewable Energy Development Sub-Programme - The sub-programme performance was 48.30%.	Construction of mini grids based on renewable energy technologies	1. Installation of the 4 MW solar plant on grid system located at Busitema was completed. The commissioningawaited attainment of certificates to enable connection to the grid 2. The construction of 25 solar mini-grids in Lamwo, Northern Uganda was launched in November 2021 and 85% of the network was completed. Six of the planned 25 solar mini grids were completed. **3.** Construction of the 15 planned solar mini-grids in the Southern service territory was ongoing, and 50% of the network was completed.	The sub-programme performance was hampered by low funding which affected implementation of some planned activities.	The MEMD should allocate enough funding in the Medium-Term Expenditure Framework (MTEF) for implementation of the activities under the sub-programme such as promotion of LPG and use of renewable energy to reduce on the reliance of biomass
	Promotion of use of new and renewable energy solutions	1. As part of promotion of alternative energy sources, the MEMD continued with feasibility studies for the 4MW grid biogas digester plant to be constructed in Kiteezi and the technical were submitted to the Electricity Regulatory Authority (ERA) and NEMA for approval. 2. A detailed technical feasibility study and Environmental and Social Impact Assessment (ESIA)for the additional generation of biogas through co-digestion for the NWSC, Bugolobi plant was concluded. 3. To promote use of solar and wind energy solutions, four (04) solar water pumps were installed in Kasese and Bulambuli.		

		4. More data was collected at the two wind masts installed in Napak and Kotido district in the Karamoja region for further assessment of the wind resource potential.		
	Building local technical capacity in renewable energy solutions	**By half year**, 1. Training of 20 engineers and technicians on maintenance of completed solar plant continued. 2. Three (3) Renewable Energy Department staff continued training in Masters of Renewable Energy. 3. The training of eight biogas artisans in construction of one bio-latrine in a school on cost sharing model was undertaken. 4. A total of 15 artisans trained on construction of high efficient energy stoves in schools was undertaken.		
	Promote uptake of alternative and efficient cooking technologies (electric cooking, domestic and institutional biogas and LPG)	1. Discussions were held with Nansana Municipal Council for identification of beneficiaries and training of household in the use of ethanol as an alternative cooking fuel. 2. Consultations were also held with Total Energies and Kakira Sugar Limited for establishment of a biofuels blending pilot. **3.** A study to undertake an energy needs assessment in over 800 educational health, prison and police institutions to understand their energy cooking needs was planned and a consultant was being procured. This study will feed into the implementation framework for the Energy Access Scale up project (EASP).		
Energy Efficiency and Conservation Sub-Programme - The sub-programme performance was 47.10%.	Promote uptake of efficient cooking technologies	An alternative fuel feasibility study was ongoing and two appliances were identified as the most efficient fuel for cooking (electric pressure cooker and the electric solar cooker). Demonstrations using the tow technology was conducted for MEMD staff before outreach to other stakeholders could be undertaken.	The sub-programme performance was affected by a very low funds release of only Ug shs 0.44bn (3.4%) of the budgeted Ug shs 12.91bn released by half year.	The MEMD planning unit should allocate adequate funds for implementation of activities under the sub-programme. The current allocations are very low for the sub-programme activities to have any impact.

	Invest in Liquefied Petroleum Gas (LPG) Infrastructure	1. The plan for the FY2021/22 is to procure a total of 29,400 promotional LPG cylinder kits, but only of 902 kits were procured at half year which are to be distributed free of charge. 2. Awareness campaigns to promote the use of LPG were not carried in the first half of the FY 2021/22 due to funding constraints and were rescheduled to the third quarter of the FY. 3. The feasibility study report to guide in setting up the LPG infrastructure was completed and it recommended need for two storage terminals. 4. Acquisition of sites for two LPG storage terminals, the procurement of land for storage terminals in Mukono and Kampala was ongoing with the process at bid evaluation stage.		
	Promote the use of energy efficient equipment for both industrial and residential consumers	1. The Readiness Assessment for Energy Audits was conducted for ten (10) industries and procurement of a consultant to support the conducting of energy audits in the 10 selected large energy consuming facilities has commenced. 2. The ISO 50001 implementation preparedness and awareness was conducted for five (5) industries. 3. The procurement of a consultant to support the five facilities in implementation of an Energy Management System in accordance with ISO 50001 commenced and related to this the procurement of another consultant to develop an implementation strategy for Eco Industrial Parks in three industrial parks commenced.		
	Introduce minimum Performance Standards for selected electrical appliances	1. Five appliances were identified for consideration when developing the minimum energy performance standards (MEPS). The appliances identified include: personal computers (pcs); television sets (TVs); electric fans; electric cookers; and distribution transformers. 2. Regional harmonisation of MEPS for lighting appliances conducted, necessitated by the need for harmonizing requirements governing quality of products and services in the East African Community.		

A5: STATUS OF SUSTAINABLE DEVELOPMENT OF PETROLEUM RESOURCES PROGRAMME

Subprogram	Intervention	Performance	Challenges	Recommendations
Upstream Sub-Programme - The sub-programme performance was fair at 67.5%.	Undertake further exploration and ventures of the Albertine Graben	**The performance of the intervention was fair**. 3. A total of 140-line km of geophysical data and 297 sq. km of geological and geochemical mapping data was carried out in the Moroto-Kadam basin representing 75% of the basin. 4. Petroleum Authority of Uganda (PAU) undertook two basin evaluations for Semliki and Southern Lake Albert basins and prepared the 2021 Annual Resources Petroleum Report. 5. On promotion of the country's petroleum potential in order to attract ventures for the Albertine Graben, the evaluation of the bid applications for the second licensing round for the five (5) blocks (Aviv, Omuka, Ngaji, Kasurubani, and Turaco) was undertaken. The MEMD had also commenced negotiation of Production Sharing Agreements (PSAs) with successful companies for two out of five blocks (Kasurubani and Turaco). 6. The Petroleum Exploration and Production Department (PEPD) acquired and installed the Hawk analyzer to aid in analysis of samples collected from the exploration activities.	3. Insufficient funding constrained activities/outputs such as renewal of software licenses and equipping of the National Petroleum Data Repository. 4. Inadequate staffing at both the Petroleum Directorate and PAU hindered progress of exploration activities.	3. The MEMD should prioritise funding to key sub-programme activities/outputs. 4. The MEMD should follow up with Ministry of Public Service to fill the vacant positions in the Ministry structure as a matter of urgency.
	Undertake construction and operationalisation of infrastructure projects (National Petroleum Data Repository and data repository centre for Petroleum directorate and PAU) to ease monitoring of upstream activities	**The performance was poor.** 1. Construction of phase-3 of the laboratories and offices for the Directorate of Petroleum (PEPD) and PAU was at 97% set to be completed in the third quarter of the FY. The construction was behind schedule by three years. 2. No progress was registered on equipping of the National Petroleum Data Repository as funds required for completion had not been availed.	Insufficient funding constrained the equipping of the National Petroleum Data Repository and data repository centre.	
	Review, update relevant policies, and harmonise conflicting laws and regulations	**The intervention performance was good.** 1. **Conclusion of the East African Crude Oil Pipeline (EACOP) Bill.** Stakeholder engagements for the EACOP Bill were concluded, and it was approved by Cabinet, passed by Parliament and assented to by the President. The EACOP Bill aims at facilitating the implementation of Uganda's obligations under the Host Government Agreement (HGA) signed between		

		Uganda, Tanzania and the East African Crude Oil Pipeline Company Ltd. 2. **Review of both the Energy Policy 2002 and National Oil and Gas Policy 2008 to formulate the National Petroleum Policy (NPP)**. a. This was ongoing and the first draft of the NPP was produced. b. Drafting of the Strategic Environmental Assessment (SEA) for the NPP had commenced. c. The draft regulations on fiscal metering, tariff, third party access and decommissioning under the oil refinery were also being reviewed by MEMD and other relevant key Government entities.		
	Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects	**The performance of the intervention was fair.** 1. The Environment and Social Impact Assessment and the Front-End Engineering Design studies for the Kingfisher and Tilenga Development Projects and all the necessary commercial agreements were successfully concluded. 2. A total of 2 (two) Field Development Plans (FDPs) and 2 (two) Petroleum Reservoir Reports were jointly reviewed by MEMD and PAU. 3. On development of the facilities, the Tilenga Industrial site preparations works were at 36% against a target of 65% with construction of one of the operation support base camp underway and drilling ongoing for 6 out of the 7 planned wells. 4. PAU continued reviewing technical reports, statutory reports, and approving upstream designs and permit applications for construction of drilling support bases and other facilities.		
Midstream Sub-Programme - The midstream performance was fair at 56.1%.	Undertake construction, operationalisation and RAP implementation of infrastructure projects (EACOP and Oil Refinery).	**The performance was fair.** 1. By 31st December 2021, the final Front End Engineering Design (FEED) studies for the Oil Refinery were still under review by the Lead Investor, M/s Albertine Graben Refinery Consortium (AGRC) with progress at 85%. 2. On the development of EACOP, the Final Investment Decision (FID) was underway. Conclusion of the FEED studies will mark the start of the detailed	1. Limited funding negatively affected the progress of RAP implementation for the pipelines and other planned midstream infrastructure such as the central processing facilities.	The MEMD and MFPED should prioritise funding for RAP activities.

		Engineering, Procurement and Construction (EPC) phase by the Joint Venture Partners. 3. On compensation for the pipeline corridors, the RAP studies for the EACOP and products pipeline (Hoima – Kampala) were reviewed, approved by government and the paymentprocess commenced. Disclosures were undertaken for 1,686 of the 4,270 PAPs and only 62 PAPs were paid in the districts of Hoima, Kikuube, Kyankwanzi and Kiboga along the refined products pipeline route. 4. Construction of the resettlement infrastructure for the pipelines was yet to start pending availability of funds. RAP. A supplementary budget of Ug shs 30bn was approved for the RAP implementation, however, only Ug shs 1.16bn (3.9%) was released and all funds were expended. 5. Approximately 300 acres of land for establishment of the Kampala Fuel Storage Terminals were acquired in Wakiso, and the Environment and Social Impact Assessment (ESIA) for the project was reviewed and submitted to NEMA for approval. 6. Uganda National Oil Company (UNOC) was set to secure a development partner to undertake the works.		
	Fast-track skilling, training and international accreditation of Ugandans for employment and service provision in the development/phase of the oil and gas sector.	**The performance was poor.** 1. Training of two vocational institutions (Uganda Petroleum Institute Kigumba, Kiryandongo and Uganda Technical Institute Kyema, Masindi) in oil and gas skills was also undertaken. 2. A total of 430 talents (347 males, 83 female) were also registered on the National Oil and Gas Talent Register (NOGTR) bringing the total number of talents to 5,946. 3. Seven supplier development workshops for training Ugandans were held in Kingfisher and Tilenga Development areas. 4. Regional meetings were also held in Hoima and Nebbi to publicise the opportunities available in the oil and gas sector for local companies, and to date a total of 2,084 Ugandans are employed in the oil and gas sector.		
	Provide SMEs both technical (training) and financial support to enhance their participation in	1. Only 40 of the annual target of 300 SMEs were trained in ISO 14001 HSE standards. More Ugandans will be employed in the sector if additional		

	tendering and of delivery of contracts	institutions and SMEs are skilled, thus the need to prioritise funding for this output.		
	Capitalise and/or license UNOC to execute its mandate as an investment arm of government in oil and gas industry	**The performance was fair.** 1. UNOC participated in the Tilenga and Kingfisher technical committee meetings, and had commenced the search for a marketing consultant in preparation for a Joint Venture Partner for exploration licenses. However, the Ministry of Finance has not yet availed UNOC's 15% shareholding in the East African Crude Oil Pipeline.	Government was yet to provide funds to cater for the 15% shareholding in the EACOP.	MoFPED and MEMD should prioritise funding for the capitalisation of UNOC in order to hasten the preparations for oil refinery and pipelines.
Downstream Sub-Programme - The sub-programme performance was fair at 58.9%.	Development of standards for storage infrastructure and other facilities	**The performance was fair** 1. The UNBS was developing a standard on petroleum, petrochemical and natural gas industries. 2. Two additional standards on preparation of steel substrates before application of paints and related products were also being developed. 3. Under monitoring of petroleum quality, the development of a quality management system in line with ISO standards was ongoing. In line with this, the MEMD planned to monitor 80% (2,138) of the retail outlets in the first half of FY. 4. Only 562 of the retail outlets were monitored and 295 outlets identified to be noncompliant with respect to fuel quality. Penalties were issued for the non-compliant retail outlets in accordance with the petroleum regulations and they resumed operations after upgrading their fuel quality.		
	Restock and manage Jinja Storage Terminal	**The performance was poor.** 1. Only 3 million litres were restocked in the first half of FY compared to the planned target of 6 million litres. 2. The stock levels at the storage facility remained very low for most of the half year period. 3. No strategic volumes were kept in the facility due to funding shortfalls. 4. On the development of a fuel pipeline and an oil jetty to link the JST to water transport from Kisumu in Kenya, the pipeline route was surveyed with key stakeholders and approved by UNOC.	Insufficient funding to UNOC and the Petroleum Directorate.	There is need to fast track the development of the pipeline and avail more funds for the operation of the JST in order to ensure the supply of petroleum.

A6: Digital transformation

Subprogram	Intervention	Performance	Challenges	Recommendation
Enabling environment	Regulate, coordinate and harmonize ICT infrastructure planning, sharing and deployment within the public and private sector	-MoICT&NG formulated requirements for the development of a database (tool) for the ICT infrastructure blueprint; developed the first draft of the National Broadband Baseline Survey and provided technical support and guidance on parameters and data collection for the development of ICT infrastructure blueprint. -The MoICT&NG in collaboration with SIGNET undertook due diligence on the operational status of Add-Drop Multiplexer (ADM) transmission sites. -Evaluation of proof of concept using satellite for broadband connectivity in the rural areas of Bufundi in Rubanda and Kibuku in Ntoroko was undertaken. -The MoICT&NG provided technical guidance on the following: Planning and extension of National Backbone Infrastructure/Electronic Government Infrastructure (NBI/EGI) to selected DLGs; development of East African Regional Space Strategy; inclusion of ICT infrastructure in the design and upgrade of road projects to UNRA; development of National ICT Development Strategy; review of performance for activities in the Sustainable Energy Development Programme Working Group to Ministry of Energy and Mineral Development; and development of UDAP-Govnet Project provided to MDAs. - -The MoICT&NG carried out a baseline survey on content storage methodologies in selected DLGs	Inadequate budget releases and suppression during the first two quarters led to the postponement of planned activities.	The DT Programme Working Group should engage MFPED to ensure timely disbursement of funds.
	Review and develop appropriate policies, strategies, standards and regulations that respond to industry needs	-The MoICT&NG initiated the process of developing the National ICT Policy and also developed the first draft of the National Cyber Security Strategy. -The MoICT&NG developed a zero draft of the implementation plan for the National ICT Innovation Policy. -Development of the National Spectrum Management Policy was ongoing and a zero draft report on spectrum usage rights, spectrum assignment and pricing models was prepared. -The MoICT&NG developed guidelines and a plan to implement the National Broadband Policy, and surveyed 15 private sector organisations in Central and Eastern Uganda for Broadband Policy - The ICT & National Guidance strategic plan was reviewed in line with the NDP III and so was the E-Commerce Strategy. -A total of 66 MoICT&NG staff were trained in Gender and Equity Budgeting, and Programme-Based Budgeting in collaboration with the Ministry of Finance, Planning and Economic Development. -The UCC in collaboration with MoICT&NG developed the following regulatory frameworks: band policies for the 2300MHz, 3300-3600MHz, 700MHz and E-band; channel assignment in 2100MHz; spectrum variation and withdrawal; guidelines for use of short-range radio communication (SRD) and Ultra-Wide Band (UWB) devices and infrastructure deployment and sharing guidelines.		

E-services	Mainstream ICT in all sectors of the economy and digitize service delivery	-A total of 97 applications were added to the government cloud, bringing the total number of applications hosted on the Government cloud to 178 applications. -The NITA-U developed and revamped an additional 10 MDA/DLG websites and a total of 358 domains were supported and managed. -Technical support was provided to a total of 388 Government MDAs/LGs, & TUGs on the adoption of e-services. -The SMS Gateway was rolled out in an additional 5 entities (Judiciary, Ministry of Works and Transport, Personal Data Protection Office (PDPO), Uganda National Roads Authority (UNRA), UPSC) with 5,211 SMSs pushed through the gateway by 31st December 2021. -The Interoperability Framework and Enterprise Architecture was developed by NITA-U. but not yet operationalised pending integration of systems like e-GP and NIRA. -An additional 11 MDAs and eight (8) financial institutions/banks were integrated into the Whole-of-Government Integration and data-sharing platform. -A total of 16 MDAs were onboarded onto the UMCS bringing the total number of MDAs enrolled to 99. -The electronic Government procurement system was developed and is being managed by MFPED/PPDA and piloted in the selected MDAs - The NITA-U connected an additional 35 sites onto the NBI bringing the total number of sites connected to 1,394. - A total of 196 Wi-Fi sites were installed under the Last Mile Project and 150 of the connected sites were activated. - The NITA-U developed the Agro-traceability In-put System and integrated the SMS Gateway and NFASS. -Bulk internet was delivered to 604 sites connected on the NBI	The Interoperability Framework and Enterprise Architecture has not yet operationalised pending integration of systems like e-GP and NIRA.	For Uganda to reap from the economies of scale of the prepaid internet services over the NBI, reduce the cost of transacting with the government and improve efficiency there is a need to extend and expand NBI coverage

	Strengthen Cyber Security in the country	-The NITA-U completed the implementation of the NISF components for the following MDAs under Phase 3 and 4: ULC, HESFB, DGSM, NCDC and DEI. -The stakeholder consultation report on the development of the National Cybersecurity Strategy and Implementation Plan was completed. -The National Data Centre was ISO 27001:2013 certified and a risk assessment for the data centre services was undertaken. -Cloud storage infrastructure (153Terabytes) with licenses and management switches for both the Primary Data Centre (PDC) and Secondary Data Centre (SDC) was upgraded and a new 275/250kVA (Cummins) Generator for the Disaster Recovery sites (DR) was procured and installed to provide an alternative source of power. -Canopy/shade for generators at both the PDC and DR sites was also constructed to provide protection. - The NITA-U conducted and disseminated two cyber security advisory alerts; VMware Security Update and Log4j Vulnerability Alert and eleven (11) cyber security awareness sessions. -Technical support was provided to: Directorate of Citizenship and Immigration Control (DCIC), Uganda Police Force, Public Service Commission, Lotteries and Gaming Board and Ministry of Public Service.	Some of the planned activities were postponed to Q3 and 4 due to delays in initiating procurements, inadequate budget releases and running valid licenses/subscriptions.	
ICT infrastructure	Extend broadband ICT infrastructure coverage countrywide in partnership with the private sector and implement last mile connectivity to key areas	-The NITA-U procured 25 units of solar panels and accessories for the 25 transmission sites. -Pole erection was completed for 24 transmission sites. A total of 196 Wi-Fi sites were installed under the Last Mile Project, of which 150 sites were activated. -Relocation of the NBI fibre cable was conducted during Q2 at the Hima-Katunguru Road Section.		
	Expand the Digital Terrestrial Television and Radio Broadcasting network	- The UBC procured and installed two Live-U units and renovated structures at Arua and Mbarara sites and the radio studios for Mbarara were relocated. - Renovation of UBC Namatala-Mbale station was ongoing, and so was the procurement of assorted equipment for Buruli FM. -Utilities and operational bills for the UBC Station and sub-stations for the period under review were paid for. -Most of the planned outputs were yet to be implemented due to inadequate budget releases.	-The fair performance was attributed to delayed initiation of procurements and inadequate budget releases affected the implementation of planned activities. -That notwithstanding, renovation of satellite UBC stations was ongoing but at a rather slow pace.	
Research, innovation and	Develop and implement ICT Research and Innovation ecosystem	-The MoICT&NG coordinated and facilitated internship training programs and developed a draft internship coordination plan.		

ICT skills development		-Training needs assessment and capacity building for ministry staff was undertaken. -The NITA-U supported three 1MDAs to adopt IT standards and regulations and supported review of four (4) draft guidelines and papers from the Uganda Communication Commission (UCC). -The NITA-U also finalised and piloted data collection tools for the national IT survey and notification letters sent out to respective stakeholders.		
	Develop innovation and incubation Centers	-The MoICT&NG supported activities for developing the Integrated Health Management Information System (iHMIS) by Integrated Intelligent Computer Systems (IICS), and conducted M & E activities on the deployment of the IICS system in selected health centers in Uganda. -A total of 31 phase three (cohort 3) innovators received 50% of the award amount from the National ICT Initiative Support Programme (NIISP) and the call for the fourth cohort was advertised and applications received. -The MoICT&NG updated and maintained NIISP system and database for ICT Innovators. The ministry (NSIIP) provided technical and system enhancement support to the development of the Education Management Information System (EMIS), electronic government procurement (e-GP,) EDMS, IICS, XENTE, Uganda National Examinations Board Application (UNEB App) in partnership with the developing companies. -A needs assessment to identify the requirements for the innovation spaces and finalised MoUs to guide the establishment of innovation spaces at selected universities across the country was undertaken, while a research proposal for a study on both the demand BPO services by Government and capacity of the private was developed.	Most activities under the iHMIS were differed to Q3 FY2021/22.	
	Support local innovation and promote export of knowledge products	-The National ICT Innovations Hub at Nakawa is being managed by the Uganda Institute of Communication Technology (UICT) and is operational although at a low scale. -The MoICT&NG is undertaking consultations on a value for money operationalisation model for the hub at Nakawa alongside the private-owned ICT innovation hubs.	The procurement of equipment for the university and other planned innovation spaces was differed to Q3 and 4 FY2021/22.	
	Promote local manufacturing and assembly of ICT products	-The MoICT&NG in collaboration with the Johannesburg Centre for Software Engineering (JCSE) updated the draft strategy for the operationalisation of the National ICT Innovation Hub. -The following private ICT innovation Hubs were monitored: RAN Lab, MIIC, CAMTech, Outbox, Hive Colab, Techbuzz Hubs and Outbox. The database for ICT innovators and content was updated. -The NIISP Selection Committee activities were facilitated and coordinated; implementation of the decisions of the selection committee was also monitored. -Grants to Phase 3 awardees were processed and paid out in time and NIISP Annual Performance Progress Report for FY 2019/20 was produced. Support to the electronics manufacture and assembly was postponed to Q3.	Limited resources	

	Develop a well-grounded ICT professional workforce	-The MoICT&NG in conjunction with Enabel enhanced ICT capacity of government officers and training needs assessment for Ministry staff on ICT was undertaken. -Engagement of relevant MDAs3 to institutionalise ICT Functions was ongoing. -UICT reviewed its approach to delivering its mission by enhancing online training as one of the methods of delivering content to students. -A total of 764 participants from 95 districts were trained in ICT Digital Literacy using e-Learning. -A total of 1,292 participants were trained in the Coursera Workforce Recovery Initiative. A total of 325 participants were certified in International Computer Driving Licence (ICDL) of which 12 were Training of Trainers (ToTs). The UCC conducted refresher courses for secondary school ICT teachers in the selected schools	The target for admission of students for the diploma and certificate courses was affected by the COVID-19 lockdown of academic institutions.	
	Develop an ICT professional's quality assurance framework	-The NITA-U certified 69 companies bringing the total to 531 in line with IT Certification Framework. -The NITA-U inspected and audited 47 and 83 companies involved in IT services provision respectively. -Twenty (20) sensitisation engagements were held to create awareness about ICT legislation in the public and private sector. -Compliance assessment for four (4) MDAs was completed.		

A6: STATUS OF HUMAN CAPITAL DEVELOPMENT

Subprogram	Intervention	Performance	Challenges	Recommendations
Education, sports and skills	Institutionalise training of ECD caregivers at Public PTCs and enforce the regulatory and quality assurance system of ECD standards	Majority of the activities planned to achieve this intervention were not funded leading to less than 30% of the half year targets being achieved. The un-accomplished outputs included: roll out of the ECD delivery framework, monitoring delivery of integrated ECD services in LGs, strengthening coordination of ECD service providers at National and Local Governments levels, and training of Center Management Committees (CMCs) to enhance school level inspections.	Only 4.8% of the budget released and less than 30% of half year targets achieved with support from UNICEF and other partners. Given the limited funding, the existing challenges such as limited access to ECCE services, ineffective regulation of ECCE delivery, limited awareness of the importance of ECCE, inconsistent levels of family and	There is need to fast-track the cabinet approval of the ECCE policy and its enforcement.

			community engagement, uncoordinated efforts in ECCE delivery among others will persistently continue to affect the quality of ECD service delivery.	
	Increase access to immunisation against childhood diseases	By February 2022, 88% of girls targeted for the first dose of the HPV- vaccine (HPV-1) and 50.1% of girls targeted for the second dose (HPV-II) were immunized. Additionally, the polio vaccination campaign under the theme, “Keep Uganda Polio Free” was launched and children under the age of five years targeting especially the pre-primary school section were successfully immunized with an achievement of over 100% performance.	Achieved with 100% target population immunised.	There is need for continued collaboration with amongst actors particularly the MoES, MoH and front line staff in schools
	Improve adolescent and youth health	Activities for this intervention are mainly funded by off-budget with support from UNFPA,GIZ, FAWE. Some of the achievements include: Development of the costed implementation plan for the school health policy, holding key stakeholder consultations on the National School Health Policy and with extra funding from GIZ and FAWE, the Senior Women and Male Teachers Guidelines were disseminated in the districts of Kapchorwa, Kasese, Ntoroko, Kasanda, Mubende, Mukono, Namayingo, Namutumba, Mayuge and Lamwo in the refugee host areas. However, due to non-release of funds the joint support supervision and mentorship on school health programs was not conducted	Whereas the intervention is on-track with additional support from UNFPA, GIZ FAWE, a number of barriers continue to undermine effective provision of key adolescent and youth health services both in schools and in the health care systems. Adolescents continue to face hostile and judgmental reception from teachers and health workers, limited privacy and confidentiality of services attributed to inadequate specific training of health workers and teachers on how to relate appropriately with adolescents, an adolescent non- responsive infrastructure and an expensive health care system often leaves them a forgotten target group of health programs.	
	Equip and support all lagging primary, secondary schools	(i)65.1% progress has been registered on this intervention. Forinstance, capitation grants were revised and provided at all levels of education as follows: Universal Primary Education (UPE) schools	Construction delays attributed to the Presidential directive and long procurement processes.	There is need for proper sequencing of subprogramme activities to avoid delays caused by lengthy procurement processes

	and higher education institutions to meet the basic requirements and minimum standards	from Ug shs 15,000 to Ug shs 17,000, Universal Secondary Education (USE) "O" Level to Ug shs 174,000 "A" level is Ug shs 255,000, Special Needs Education at Ug shs 400,000 while Technical Colleges are at Ug shs 163,800. (ii) All the education institutions were monitored in preparation for school re-opening, compliance to standards, pedagogy and usage of instructional materials as per the plan. (iii) The teacher and learner attendance averaged at 80% and 60% respectively during the first week; however, attendance improved in the second and third weeks of the term. (iv) Assorted textbooks (7,704,658) were distributed to 157 secondary schools and distribution of 19,377,177 copies of home study materials was ongoing. (v) The Education Service Commission (ESC) appointed 1,718 personnel (1,022 males, 696 females), confirmed 1,186 personnel (809 males, 377 females) and granted study leave to 11 personnel (7 males, 4 females). The ESC overachieved on the appointment targets because of the recruitments in UgIFT schools. (vi) The National Council for Higher Education monitored 30 institutions for compliance to the set Open Distance e-Learning (ODeL) standards, accredited and/or re-accredited 157 programmes, verified and approved physical facilities that were compliant to the set standards that will accommodate 43 academic programmes.		
	Roll out Early Grade Reading (EGR) and Early Grade Maths (EGM) in all primary schools to enhance proficiency in literacy and numeracy	Performance of the intervention was poor as over 80% of the planned output targets had not been achieved by February 2022. Training teachers was not conducted, support supervision not done and procurement of printing materials was at bid evaluation stage.	No funds released for the Implementation of planned outputs	There is need for the activity to be funded with particular focus being on those schools in rural areas where performance is lagging

	Implement a National Strategy against Child Marriage and Teenage Pregnancy	Overall performance of the intervention was good as over 80% of the half year targets were achieved. The National Strategy against Child Marriage and Teenage Pregnancy Guidelines were disseminated to 2,405 participants in 37 districts across the country. The Terms of Reference (ToRs) for the review of the National Strategy for Violence against Children were also presented and approved by the Monitoring and Evaluation Working Group. The procurement process of the lead consultant for this activity was under way	On track. Nonetheless, the lockdown due to Covid reversed the gains on teenage pregnancies and mothers. According to UNFP (Fact Sheet on Teenage Pregnancy, 2021), a total of 290,219 teenage pregnancies were recorded from January to September 2021, translating to over 32,000 monthly teenage pregnancies).	There is need to enforce the existing laws and policies on child marriages. This requires addressing inefficiencies in the justice system
	Provide early exposure of STEM/STEI to children (e.g. introduction of innovative science projects to primary schools)	Not much progress beyond planned procurement of 400 science kits has been registered on this transaction	Procurement of Science Kits was at Contract Award level	Proper sequencing of subprogramme interventions is required
	Prioritize investment in STEI/STEM Research and incubation to transform it into goods and services for national growth and societal wellbeing	The performance of the intervention was 57.2% and this was attributed to the inadequate release of funds and COVID-19 disruptions that affected the implementation of research and innovation activities in Public Universities.	Implementation of planned activities was delayed by inadequate release of funds and COVID-19 disruptions	There is need to scale up research and innovation funding from the current 0.5% to the recommended 1% of GDP
	Develop and implement a framework for institutionalising talent identification, development, and professionalisation	Overall performance of the intervention was fair (51.4%). By February 2022, the procurement process was ongoing to hire a consultant for the Talent Identification and Nurturing Framework. The framework will inform the council on the requirements needed for sports promotion at the grassroots.	Procurement for a consultant for talent identification process and nurturing framework had commenced. In addition, the high taxes on sports equipment has been identified as a barrier to talent development and nurturing	There is need for proper sequencing of subprogramme interventions. In addition, there is need to consider tax exemption of sports equipment just as the case is for ICT equipment used for education purposes
	Introduce accredited sports and physical education as	This intervention poorly performed due to lack of money released.	Most of the activities were not	There is need to fund the regulation impact assessment for the ongoing curriculum and placement policy. In

	stand-alone curricular subject(s) in schools and for sports coaches, administrators, and technical officials		done due to inadequate release of funds and COVID restrictions.	addition, there is need to fund the review of the National Sports policy and NCS ACT
	Maintain existing facilities and construct appropriate and standardized recreation and sports infrastructure at national, regional, local government and schools in line with the country's niche' sports (i.e. football, netball, athletics, and boxing)	Overall intervention performance was fair (60.8%) and below are the findings: -commencement of upgrading and renovation of the Mandela national stadium -completion of the Makerere University Indoor stadium	The quality and number of sports facilities available is still inadequate.	There is need to provide funding to the NCS for fast-track the refurbishment of NCS tennis court and hockey pitch
	Develop and implement professional sports club structures to promote formal sports participation	Overall intervention performance was good at 81% -funds were disbursed to FUFA for club operations -Tokyo 2020 Olympic and Paralympic national teams were financed	NCS disbursed statutory funds to sports federations including FUFA	

1 Number/change in skilled personnel (graduating/completion) by sector

Total Enrollment by level of Education and Training (2016-2022)

Level	2016	2017	2018	2019	2020	2021	2022
Certificate	102,806	111,031	116,582	122412	132,205	142,781	154,203
Diploma	45,894	49,565	52,044	54,646	59,018	63,739	68,838
Degree	129,643	140,014	147,015	154,366	166,715	180,052	194,456
Master's	7,007	7,567	7,945	8,343	9,010	9,731	10,509
PhD	280	302	317	333	360	389	420
Total	**285,543**	**308,386**	**323,806**	**339,996**	**367,195**	**396,571**	**428,297**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Enrollment into Education and Training related programs (2016-2022)

	2015	2016	2017	2018	2019	2020	2021	2022
Education science	23,360	27,455	29,651	32,023	34,585	37,352	40,340	43,567
Training for pre-school teachers	5,370	5,175	5,589	6,036	6,519	7,040	7,604	8,212
Teacher training without subject specialization	2,770	2,142	2,313	2,498	2,698	2,914	3,147	3,398
Teacher training with subject specialization	1,020	945	1,020	1,102	1,190	1,285	1,388	1,499
Education not elsewhere classified	1,700	1,242	1,341	1,449	1,564	1,690	1,825	1,971
Total	**34,220**	**36,958**	**39,914**	**43,107**	**46,556**	**50,280**	**54,303**	**58,647**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Total Graduate Passouts From Uganda's Education And Training Institutions (2016-2022)

Sector	2016	2017	2018	2019	2020	2021	2022
Public	76,096	82,184	86,293	90,608	97,856	105,685	114,139
Private	62,494	67,494	70,868	74,412	80,365	86,794	93,737
Institution type							
Universities and Affiliated Colleges	65,506	70,747	74,284	77,998	84,238	90,977	98,255
Agriculture Colleges	1,418	1,532	1,609	1,689	1,824	1,970	2,128
Health Colleges	10,693	11,548	12,126	12,732	13,751	14,851	16,039
Theological Colleges	1,181	1,276	1,340	1,407	1,519	1,641	1,772
Media and communication Colleges	1,292	1,395	1,465	1,538	1,661	1,794	1,938
Colleges of Commerce and Business Studies	14,886	16,076	16,880	17,724	19,142	20,674	22,328

Teachers Colleges	12,254	11,082	11,636	12,218	13,195	14,251	15,391
Tourism and Wildlife Colleges	385	416	437	459	495	535	578
Vocational and Technical Colleges	30,795	33,259	34,922	36,668	39,602	42,770	46,191
Other training Institutions	226	244	256	269	291	314	339
Total	**138,637**	**149,728**	**157,215**	**165,076**	**178,282**	**192,544**	**207,948**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Total Graduate Passouts by level of education in Uganda (2015-2022)

Graduates by level of education	2016	2017	2018	2019	2020	2021	2022
Certificate	56,367	60,876	63,920	67,116	72,485	78,284	84,546
Diploma	26,375	28,485	29,909	31,405	33,917	36,630	39,561
Degree	51,567	55,693	58,477	61,401	66,313	71,618	77,348
Master's	3,939	4,254	4,467	4,690	5,065	5,470	5,908
PhD	420	454	477	500	540	584	630
Total	**138,637**	**149,728**	**157,215**	**165,076**	**178,282**	**192,544**	**207,948**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Graduate pass outs with teaching related programs (2016-2022)

	2015	2016	2017	2018	2019	2020	2021	2022
Education science	10,040	12,368	13,296	14,293	15,365	16,518	17,756	19,088
Training for pre-school teachers	2,470	2,476	2,661	2,861	3,076	3,306	3,554	3,821
Teacher training without subject specialization	1,650	1,406	1,511	1,624	1,746	1,877	2,018	2,169
Teacher training with subject specialization	960	594	638	686	737	793	852	916
Education not elsewhere classified	1570	1,098	1,181	1,269	1,364	1,467	1,577	1,695
Total	**16,690**	**17,942**	**19,287**	**20,734**	**22,289**	**23,961**	**25,758**	**27,690**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Graduates with Teaching as a Possible Occupation (2016-2022)

Graduates with Teaching as a Possible Occupation	2016	2017	2018	2019	2020	2021	2022
Early childhood educators	2,105	2,263	2,433	2,615	2,811	3,022	3,249

Primary School Teachers	9,492	10,204	10,969	11,792	12,676	13,627	14,649
Secondary Education Teachers	8,742	9,398	10,103	10,861	11,675	12,551	13,492
Music Teachers	432	464	499	536	577	620	666
Vocational Education Teachers	512	550	592	636	684	735	790
University and Higher Education Teachers	291	313	336	361	389	418	449
Teaching professionals not elsewhere classified	235	253	272	292	314	338	363
Agriculture Education Services specialists	221	238	255	275	295	317	341
Other arts teachers	231	248	267	287	308	331	356
Education Managers	335	360	388	417	448	481	518
Information technology trainers	136	146	157	169	181	195	210
Agricultural Extension Education specialists	196	210	226	243	261	281	302
Special needs teachers	44	47	51	55	59	63	68
Education methods specialists	13	13	14	16	17	18	19
Language Teachers	20	21	23	24	26	28	30
Total	**23,004**	**24,729**	**26,584**	**28,578**	**30,721**	**33,025**	**35,502**

Source: NPA Study Projections Based Manpower Survey Data (2016/17)

Status of Industrial Parks in Uganda and institutional set-up at national level

No	Area	Status	Acreage (acres)	Potential Sectors targeted	Direct Jobs	Budget for completion of the Park (UGX-Billion)
CENTRAL REGION						
1(a)	**Kampala Industrial and Business Park, Namanve**	Operational 62 industries in operation, 141 projects started construction. 84 companies in pre-start stages. KIBP infrastructure and utilities development in the KIBP from UK Export Finance and contractor Lagan-Dott Namanve Ltd. Consortium contractors of four companies led by ROUGHTON International Ltd from UK. The loan Euros 246 Million. Inception works started in June 2020. Infrastructure Designs have commenced and it is	2200 acres	Agro-processing, Mineral processing, Pharmaceutical, tourism, wood processing, logistics hub, Light and Heavy Manufacturing. Currently operational: Beverages, agro, coffee,tea processing, leather, seeds, spices and snacks, soap and vegetable oil, storage (free zone), housing estate, assembly, wood, motor vehicles repair, warehouses, water pumping station, cold storage, veterinary	216,000	Euro 246 Million financed by UKEF and under construction

		anticipated that the physical works will commence in January 2021. Proposal: GGGI designs revision to integrate Industrial Ecology.		pharmaceuticals, plastics, packaging, ICT, blankets, rice, steel and scrap metling, furniture, metal tins, logistics, minerals, incubation center for SMEs, feed meal, tobacco, cosmetics, building materials, mobile phone, textile, vehicles assembly. Under newly allocated land in 2020: steel, plastics, packaging, hotels, oils, electronics, dairy, agro chemicals.		
1(b)	**Luzira IBP**	Operational Adjacent to the Luzira Women's Prison. The Park is fully allocated with a total number of 12 investors	70 acres	Pharmaceuticals (antimalarials), agro processing, wood processing (paper, furniture), Light Manufacturing, LPG (liquefied Petroleum Gas	12,000	1.32 Bn

				Plant), mineral bottle, disinfectants, plastics and foam, irrigation conducts, grain trading, warehousing, textile and printing, electric cable.		
1(c)	**Bweyogerere IBP**	Operational Park fully allocated, 10 investors, 6 of whom are operational including Uganda National Bureau of Standards (UNBS), 2 are under Construction stage and 2 are doing pre-start phase studies.	50 acres	Pharmaceuticals, agro processing (paper bags, grain), warehousing and logistics, Light Manufacturing, private hospital, building materials, paint, hospital furniture and repackaging lab. Chemicals,	11,000	7.57 Bn
2	**Masaka**	Land earmarked but title for the land not yet secured	800 acres	Fruit processing, fish processing, pork processing, tea processing and beef industry	116,000	82.67 Bn
3	**Rakai**	Land not yet secured	500 acres	Sugar, fish processing, fruit processing, honey, dairy products processing	45,000	54.7 Bn

4	**Mubende**	Land not yet secured	500 acres	Tea processing, fruit processing, honey, dairy products processing	45,000	54.7 Bn
5	**Luwero**	Land not yet secured	500 acres	Tomato processing, fruit processing, dairy coolers, fish farming and processing, poultry farming, dairy farming and processing	45,000	45.0 Bn
7	**Nakasongola**	Land not yet secured	500 acres	Textiles, military industries, fish farming and dairy industries	45,000	54.7 Bn
8	**Mukono – Kyetume (Ind park along the SGR line)**	Land not yet secured	3,000 acres	Agro-processing, Light and Heavy Industries	183,000 0	387.7 Bn
WESTERN REGION						
9(a)	**Mbarara (SME Park)**	Operational	12 acres	Agro-processing, SMEs development and light manufacturing	1200	14.07 Bn
9 (b)	**Mbarara Main Industrial Park**	Land not yet secured There are 42 lockups within the park and out	500 acres	Dairy industry, beef industry, leather industry, banana	45,000	45.3 Bn

		of these, 27 workspaces are so far occupied, 6 are awaiting renovation and 9 locked up Mbarara Gatsby club members.		processing, wood processing industries, fruit processing, and honey processing, paint, beverages, waste recycling, hardware, mattress, tissue, milling.		
10	**Kasese**	Land secured UIA with OWC through the Agri-Led project in the NAADS secretariat are working with the Kasese District administration to upgrade the infrastructure in this park.	216 acres	Fruit processing, cement production, cobalt, copper, dairy industry, tourism and fish processing. Cocoa, coffee, wood treatment, automobile.	35,000	29.52 Bn
11	**Hoima**	Land not yet secured	500 acres	Petroleum byproducts, tobacco factories, sugar processing, fish processing and rice hurling	45,000	57.2 Bn
12	**Kabarole**	Land being secured with OWC, NAADS, UIA, UIRI and	502 acres	Dairy processing, tea processing, fruit processing, wood processing	45,000	54.7 Bn

		Kabarole District		industries, cocoa processing (Bundibugyo sector), vanilla processing and Grain-milling (Kamwenge)		
13	**Kabale**	Land not yet secured	500 acres	Fish processing, dairy processing, flower processing, temperate fruit processing and pyrethrum	45,000	56.2 Bn
14	**Bushenyi**	Land not yet secured	500 acres	Dairy processing industries, tea processing (Kyamuhunga , Buhweju), wood processing industries, banana processing (Nyaruzinga), fish processing and beef processing industries	45,000	57.7 Bn
15	**Buliisa**	Land not yet secured	500 acres	Petroleum byproducts, tobacco factories, sugar processing, fish processing,	45,000	57.2 Bn

				SME development workspaces		
EASTERN REGION						
16	**Jinja**	Land secured This Industrial Park was established with the purpose of serving the Eastern Region. The Master Plan and EIA studies were completed. Boundary Opening and Installation of Boarder Markers completed. Existing railway line (Jinja-Namasagali) not currently operational. UIA signed an MoU with Kiira Motors Corporation to develop the infrastructure in the entire Park. Kiira Motors Corporation has extended water and power to the park and they have begun on the	182 acres	Textiles, pharmaceuticals, steel processing, grain milling, vegetable oil industries and leather processing, vehicle manufacturing (Kiira Motors Limited), electricity poles, marine assembly plant, Free Trade Zone (pre start studies), warehouse, plywoods.	22,000	33.31Bn DFID through Trade Mark East Africa are finalizing the feasibility study on the 20 acres of land allocated to UFZA and costing of infrastructure development on the remaining 82 acres since Kiira Motors Corporation have already done their feasibility on the 100 acres.

		construction of their factory facilities. Kiira Motors Corporation (KMC) is the key investor in Jinja Industrial and Business Park. As per GGGI field trip: Site 1: Jinja IBP/Kiira motors site Site 2: Jinja city IBP greenfield Site 3: Budondo Agro processing				
17	**Soroti**	Operational 2 active investors (Teso Fruit Factory & Uganda Free Zones Authority). Out of the 20 investors, Soroti Fruit Factory is the only factory operational so far, 3 others are under construction which includes Sanqua Engineering, Asalalamaal Ltd and Soroti District Local Government.	219 acres	Fruit processing, dairy processing, leather processing, SME workspace development, export-oriented industries, concrete products, Free Zone Area, Hotel, medical cotton, warehouse, grain, vegetable and animal oils & fats, youth skill center.	22,500	23.33 Bn

		M/S PELA Commodities Ltd. has also taken possession of their site. Master Plan and EIA completed. Solid waste management plant is not available. As per GGGI field trip: Operational but UFZA site not yet planned. 20 Acres of UFZA physical master planning, undertaking feasibility and operationalization modalities.		Teso fruit factory importing oranges for juice as local production variety doesn't match the company equipment specifications.		
18	**Mbale (Now Tangshan Mbale Industrial Park, ex sino-ugandan)**	Operational Handed over to M/S Tangshan in 2018, to provide serviced plots.. Tangshan is to undertake landscaping and develop key infrastructure in the entire industrial park. 37 people not yet compensated for land but no squatter on site. GoZ technical	619 acres	Grain milling especially wheat, fruit processing, dairy industry and coffee processing, optoelectronic, photoelectric energy products, cosmetics (Vaseline, baby products), paper, concrete additive materials, cable and electrical	216,000	Budget being development by Inter Government Committee (UNRA,UETCL,NWSC)

		agencies to design, build & finance contract for piped industrial water, waste treatment plants, roads and drainage channels. 7 investors and more than 15 strategic cooperation agreements signed between Chinese enterprises and Tangshan Mbale Industrial park.		wires, communication towers, steel and machinery.		
19	**Moroto** **(KARAMOJA INDUSTRIAL AND BUSINESS PARK)**	Land secured M/S Savimaxx Limited contracted by UIA for Master Plan and Environmental Impact Assessment Study.. The Master Planning and EIA Process not yet presented to the National Physical Planning Board for approval due to the land conflict in the Park due to the industrial park lying in two	417 acres	Cement manufacturing, green marble polishing, aloe-vera and herbal medicine processing, gum-Arabica processing, dairy products, fruit processing and leather industry.	85,000	53.32 Bn The developer has so far invested approximately 15M dollars

		districts. The community of Kautakou in Napak District did not agree to the industrial park proposal and have now petitioned the Commission of Inquiry into land matters and the inquiries on how the land was sold to UIA are still on-going.				
20	**Tororo** **(SGR industrial park for heavy processing industries)**	Land not yet secured	6000 acres	Cement manufacturing, fertilizer manufacturing, steel manufacturing from the iron ore deposits in the area, gold processing, fish processing and fruit processing	320,000	488 Bn
21	**Iganga**	Land not yet secured	500 acres	Fruit processing, dairy processing, fish processing and fish processing industries.	45,000	54.7 Bn
NORTHERN REGION						
22	**Lira**	Land not yet secured	500 acres	Textiles, cassava processing, oil	45,000	54.2 Bn

				seeds processing including Soya oil, fruit processing, fish processing		
23	**Gulu**	Land not yet secured As per GGGI field trip: Site 1: URC Logistics Hub Site 2: Official UIA industrial business park Site. Undertake further greening of design or physical plan 3: Proposed industrial business park greenfield	500 acres	Fruit processing, rice hurling, oil seeds processing and sugar processing	45,000	54.2 Bn
24	**Arua**	Land not yet secured. As per GGGI field visit: Launched as SEZ/FZ in 2016 but currently inactive	500 acres	Honey, fruits, coffee processing, textiles and SME work space development	55,000	55.2 Bn
25	**Yumbe**	Land not yet secured	200 acres	Honey, fruits, coffee processing, textiles and SME development workspaces	31,500	29.52 Bn

26	**Koboko**	Land Secured	193 acres	Honey processing, Fruits processing, Logistics centre	31,000	29.52 Bn
		Sub Total 1		**1,942,200Jobs**		**1,991.93 Billion**
REGIONAL SCIENCE AND TECHNOLOGY PARKS						
27	**Kamuli – Eastern Region**	Land not yet secured	500 acres	Research and Developments of various innovations.	45,000	20.32 Bn
28	**Pakwach – Northern Region**	Land not yet secured As per GGGI Field trip: Prepare the masterplan and operationalization modalities	500 acres	Research and Developments of various innovations.	45,000	18.19 Bn
29	**Kyankwanzi – Central Region**	Land not yet secured	500 acres	Research and Developments of various innovations.	45,000	18.82 Bn
30	**Rubirizi – Western Region**	Land not yet secured	500 acres	Research and Developments of various innovations.	45,000	20.49 Bn
				Sub total 2 – 180,000 jobs		**77.82 Billion**

Annex 2: List of Participants

Sno	Programme	Minister	Other Actors
1	Agro-industrialisation	State Minister for Agriculture	OP, MAAIF, OWC, NAADS, MoFPED, UBOS, EPRC, OPM, UCAA, MEACA, ULGA, UNDP, CSBAG, CDO, UCDA, ACODE, LGs(2), NAGRC & DB, MoICT&NG, Merchandize Uganda, PFSU, DDA, Public Policy Society, WELDE, NPA
2	Manufacturing	Minister of Trade Industry and Cooperatives	UNBS, MoTIC, MoFPED
3	Public Sector Transformation	Permanent Secretary for Public service	NPA, MoPS, MoFPED, Climate Change Action, MoKCC&MA, MoWT, KCCA, PSC, OPM, MoLG, MoFPED
4	Sustainable Urbanisation and Housing	Minister of Lands, Housing and Urban Development	AREA-U, MoLHUD, PSFU, MGL, NHCC, MoKCC&MA, East Africa Food Security Sympos, NBRB, OWC, GGGI, Cities Alliance, MoICT&NG, AFD, MGLSD, CIG, Shelter & Settlements Alternative, MoLG, UN-Habitat, CREDO Management Association of Real Estate Agents, Women Leadership Development, MoPS, National Physical Planning Board, ULGA, UFZA, NPA, MoFPED
5	Development Plan Implementation		PPDA, URA, UBOS, UNBS, UIA, NPA, OPM, UWRSA, PSFU, OP, UNCST, EOC, LGFC, KCCA, UDB, URBRA, MoFPED, MUK, NPC, EPRC, UNCS, Enterprise Uganda, MoTIC, USSIA, UFZA, NIRA, UNDP, MoFPED
6	Digital Transformation	Minister for ICT &NG	NPA, United Cities of Africa, MoICT&NG, UICT, UCC, STI, GCF, Posta UG, NITA-U, PSFU, PIBID, BIRDC, MIIC, GIZ, URA, EPRC, UNATCOM, MoFPED
7	Innovation, Technology and Digital Transfer	Minster for STI	KMC, UNCST, EPRC, MoFPED, OP, UNATCOM, UIRI, PIBID, UICT, EOC, Government Communication Forum, NPA
8	Human Capital Development	Minister of Education and Sports	MOES, FLMES, MOH, UET, UBTEB, UAHEB, DIT, NCDC, ESC, HTVET, UNFPA, IMU, Butabika Hospital, MGLSD, UHI, UNATCOM, DES, MOWE, NPA
9	Natural Resource, Environment, Water and Climate Change	State Minister for Water	UWASNET, MoLHUD, MWE, OPM, UNESCO, UNDP, NFA, ULC, UNMA, MGLSD, MoFPED, NEMA, GGGI, NPA
10	Community Mobilisation and Mindset Change		MoICT&NG, DEI, NLU, KCCA, UNCC, MGLSD, UNFPA, MWE, EMLI, UNESCO, NPA, MoFPED
11	Tourism Development	State Minister for Tourism	MOFA, MTWA, UTA, OPM, UTB, MoWT, MoIA, AUTO, UNRA, NPA, MoICT&NG, MoDVA, UMA, UBC, UWA, KCCA, Uganda Safari Guides Association, UPF, UCAA
12	Legislation, Oversight, and Representation	Clerk to Parliament	JSC, ISO, MUK, OAG, MoFPED, DCIC, ULRC, POU, UHRC, FIA, OPM, GIZ, MoLG, UPS, International Association of Strategy Planning Uganda
13	Governance and Security		NIRA, MoFPED, MoIA, MoLG, NPA, UPDF, JSC, LDC, PPDA, URSB, IG, State House, FIA, MODVA, UPS, URA, EC, OAG, ESO, MEACA, EOC, UPF, MoJCA, NGO Bureau, GIZ, DEI, ISO, JLOS, MOFA, OP
14	Integrated Transport Infrastructure and Services	Minister of Works &Transport	MoFPED, UCAA, KCCA, MEMD, MUK, MoWT, OPM, UNACL, SGR, UNRA, UFZA, POU, ULGA, URC, NPA
15	Mineral Development	State Minister for Minerals	MEMD, UETCL, ACEMP, SAWA Energy, Atomic Energy Council, MoWT, NPA, MoFPED
16	Petroleum Development	State Minister for Minerals	MEMD, UETCL, ACEMP, SAWA Energy, Atomic Energy Council, MoWT, NPA, MoFPED
17	Sustainable Energy Development	State Minister for Minerals	MEMD, UETCL, ACEMP, SAWA Energy, Atomic Energy Council, MoWT, NPA, MoFPED
18	Regional Development	Minister for Local Government	MoLG, NARO, UAAU, ULGA, MoTIC, NPA, LGFC, MoFPED, MoPS, MTWA, OPMA, MWE
19	Private Sector Development	State Minister for Planning	MoTIC, MoFPED, NPA, UEPB, IRA, BOU, UIA, MOFA, Enterprise Uganda, UDB, USSIA, UDC, UMA
20	Administration of Justice	Permanent Secretary for Judiciary	Judiciary, JSC, MGLSD, ODPP, MoFPED, NPA, Tax Appeals Tribunal

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