



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

**MONITORING AND EVALUATION FRAMEWORK  
THEMATIC REPORT**

**DECEMBER 2022**

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## LIST OF ACRONYMS

AfCFTA	African Continental Free Trade Area
BUBU	Buy-Uganda-Build-Uganda (BUBU)
CIS	Community Information System
CNDPF	Comprehensive National Development Planning Framework
COVID 19	Corona Virus Disease
COMESA	Common Market for Eastern and Southern Africa
CSOs	Civil Society Organization
EAC	East African Community
FGM	Female Genital Mutilation
GBV	Gender based violence
GEF	Government Evaluation Facility
LG	Local Governments
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTR	Mid-term Review
MoFPED	Ministry of Finance, Planning and Economic Development
NDPIII	Third National Development Plan
NPA	National Planning Authority
OPM	Office of the Prime Minister
OWC	Operation Wealth Creation
PDM	Parish Development Model
PIAP	Programme Implementation Action Plans
PFMA	Public Finance and Management Act
RRF	Results and Reporting Framework
TWG	Technical Working Groups
UBOS	Uganda Bureau of Statistics
UWEP	Uganda Women Entrepreneurship Programme
YLP	Youth Livelihood Programme.



## EXECUTIVE SUMMARY

### 1. Introduction

The Midterm Review of the NDPIII is a requirement under the Comprehensive National Development Planning Framework (CNDPF). This report is the last of the six thematic reports that include: Policy and Strategic Direction; Programme Design and Institutional Framework; Economic Management; Monitoring and Evaluation Framework; Partnerships; and Local Economic Development. It is therefore, majorly guided by the NDPIII Results and Reporting framework and the Programme Implementation Action Plans (PIAPs).

Over the years, Uganda continued to grapple with peculiar and emerging development challenges in the struggle to end poverty and achieve sustainable development. The Third National Development Plan (NDPIII) ushered in FY2020/21 was received with the outbreak of the COVID19 pandemic. The NDPIII introduced the programme approach, which replaced the Sector wide with the main purpose of achieving common development results, remove duplication and working under silos. The programme approach uses the value chain life cycle approaches to ensure identification of challenges and the realisation of common results under the twenty programmes clustered along the five objectives of the plan.

The introduction of the National Development Plan (NDP) in 2010 provided an opportunity for better integration of monitoring and evaluation aspects into planning at national and sub-national levels. The NDP framework also set the path for the development of a coordinated planning and budgeting system for the country, with the Medium Term Expenditure Framework (MTEF) as the resource allocation mechanism for it.

### 2. Progress on NDPIII M&E reforms

- **Integrated NDP M&E system.** The system was developed and partially operationalized. MDA planners at the central government level have been trained in the system in its roll out. It will inform the National Development Report (NDR) and Government Annual Performance Report (GAPR) for FY2021/22. The system has also been integrated /interfaced with the Integrated Bank of Projects. However, the system is yet to be integrated with IFMIS and also be rolled out to Local Governments.
- **APEX.** The platform was operationalized and an Inaugural APEX Report FY2020/21 produced. The APEX platform was launched on Wednesday 13th July 2022 by H.E the President of Uganda with a maiden report produced on implementation of the Presidential guidelines and directives. The recommendations therein are however, not being implemented as anticipated.
- **Establishment of programme coordinators.** To fast track coordination of implementation of the 20 programmes, 20 M&E specialists and coordinators were not recruited as planned. This has translated to a slow start to the implementation of the NDPIII.
- **Annual Programme Reviews.** Only four (4) programmes out of twenty (20) have undertaken annual programme reviews, these are: Integrated Transport and Infrastructure Services, Development Plan Implementation, Private Sector Development, and Tourism Development. Some programme secretariats are non-functional while those that are functional are not well resourced both financially and technically. The failure to undertake annual reviews results into failure to assess the programme performance.
- **Strengthening functionality of the M&E and statistical units within the Planning departments.** The M&E function is a non-funded activity and always taken as recurrent

thus prone to budget cuts. Proposals to establish M&E cadres and statisticians in all planning units is yet to be implemented. This continues to constrain data availability.

- **Data systems at MDA and LG levels. There is no data system at the Local Government level.** Community Information System (CIS) was introduced by UBOS and NPA as a household based statistical register aimed at measuring economic progress and other population related dynamics among households. However, CIS is non-functional and LGs have no means to generate data and provide evidenced based decisions.
- **Programme Based System (PBS) has not fully transited to the NDPIII programme approach.** Whereas the Budget Call Circular for FY2022/23 indicates that the development of new budget outputs and coding process in the PBS and IFMIS was finalised, the MTR indicates that this process happened (through restructuring the Chart of Accounts) but was never operationalized in the budgeting systems and consequently, there is still misalignment in the PFM system and NDPIII results.

### 3. Theory of Change

**The theory of change is found to be relevant in translating the outputs into the intended results.** The theory of change for NDPIII is based on the achievement of higher household incomes and improved well-being through resource led sustainable industrialization. It is conceptualized along the results framework with a logical sequence from which results by LGs and MDAs through their respective LGDPs and MDA Strategic Plans aggregation aggregate to achieve the main NDPIII results and eventually the UV2040 targets.

### 4. Summary performance

#### a. Macroeconomic level

**Improvements in key macroeconomic indicators was registered.** This follows government's effort to redirect the economy from shocks such as COVID-19. To this end, GDP growth rebounded to 4.6 percent in FY2021/22 from 3.5 percent in FY2020/21, although below the target 5.9 percent. Real GDP per capita increased to USD 1,052 in FY2021/22 from USD932 in FY2020/21 above the NDPIII target of USD 985. Core and headline inflation averaged below the 5 percent target. Government expenditure contracted from 23.7 percent of GDP to 20.4 percent of GDP in line with the need for fiscal consolidation to ensure fiscal and debt sustainability. The revenue and grants as percent of GDP stood at 14.69 percent and 14.71 percent and surpassed the NDPIII targets of 13.73 and 14.02 percent by end of FY2021/22.

**The debt to GDP ratio increased from 41 percent of GDP in FY2019/20 to 47 percent of GDP in FY2020/21 and is projected to rise to 51.6 percent of GDP by the end of FY2021/22.** This is above the NDPIII targets of 45.7 percent and 47.8 percent of GDP in FY2020/21 and FY2021/22 respectively and also risen above the EAC Monetary Union convergence criteria and Charter of Fiscal Responsibility benchmark of 50 percent of GDP. The drastic rise in debt was attributed to the increased need for financing by Government to mitigate the impact of the COVID-19 Pandemic as well as meet the revenue shortfall caused by the lockdown and subsequent decline in economic activity.

#### b. NDPIII Goal

**The income per capita increased from USD936 in FY2020/21 to USD1052 in FY2021/22** surpassing the NDPIII targets. This improvement is attributed to increased government targeted expenditure to support economic recovery to offset shocks such as Covid-19. Economic growth gradually improved over the first two years of NPDIII implementation with

the annual real GDP growth rate increasing to 4.6 percent in FY2021/22 from 3.3 percent in FY2020/21 to although below the Plan target of 6percent.

**Poverty and inequality remain critical development challenges for the country.** Whereas the proportion of people living on less than a dollar per day marginally improved to 20.3 percent in FY2021/22 from 21.4 percent in FY2016/17 (UNHS, 2019/20) and 41.8 percent of the population was living below the international poverty line of USD 1.9 in FY2019/20, the incidence in income poverty increased during the covid-19 from 19 percent pre-pandemic to 22 percent during the pandemic implying that a significant part of the population remains vulnerable.

**The quality of life of Ugandans still falls short of the minimum standards despite growth in the income per capita.** The growth in incomes has not translated to improved access to quality basic services such as education, health care, and equal opportunities. The Uganda Human Development Index marginally adjusted from 0.528 FY2019/20 to 0.544 in FY2020/21. The homicide rate per 100,000 people increased from 10.52 percent in FY2020/21 to 11 percent in FY2021/22 above the NDPIII target of 10 percent.

### **c. NDPIII Objectives**

#### **Objective 1: Enhance value addition in Key Growth Opportunities**

**The average monthly nominal household income for an employee in Uganda marginally improved to UGX. 200,000 in FY2019/20 from UGX 176,000 in 2016/17.** According to the National Household Survey FY2019/20 with males earning more than twice (UGX 250,000) as much as their female counterparts (UGX 120,000). The ratio of manufactured exports to total exports stagnated at 13.5 for the first two years of the NDPIII. This performance is however below the plan's target of 14.9 percent by end of the second year.

**The foreign exchange earnings from Tourism slightly improved to \$1.32 billion from \$1.2 billion in FY2020/2 below the Plan's target of \$1.6billion.** Similarly, the tourism sector's contribution to GDP marginally improved to 3.1 percent from 2.9 in the same period and below the Plan's target of 7.9percent. This performance was on account of full reopening of the sector which was greatly affected by the shocks of covid-19 where 1.3 million tourist arrivals were registered in 2020 compared to 2.3 million 2019.

**Internet and mobile telephone penetration still remain low in Uganda in comparison to Kenya** with 122 percent internet penetration and 133 percent mobile penetration, Rwanda with 64.4 percent internet penetration and 84.2 percent mobile penetration, and Tanzania with 50 percent internet penetration and 91percent mobile penetration.

#### **Objective 2: Strengthen private sector capacity to drive growth and create jobs**

**Uganda's saving as a percentage of GDP marginally improved from 19 percent in FY2020/21 to 19.2 percent, surpassing the NDPIII target of 16.8percent.** The **private sector credit and its contribution to GDP improved to 8.5 percent and 15.2percent from 7.1 percent and 14.4 percent in FY2020/21**, respectively. The below Plan target performance (12.9 percent) for private sector credit growth is attributed to the persistently high lending rates, risk aversion by banks due to the poor performance of many businesses as well as the negative effect of the lockdown on the performance of many SMEs. Nonetheless, the private sector as a percentage of GDP surpassed the NDPIII target of 10.5 for the review period.

#### **Objective 3: Consolidate & increase stock and quality of Productive Infrastructure**

The Energy Generation Capacity was reported at 1,254.2 indicating a below NDPII target performance. The percentage of households with access to electricity increased to 28 percent in FY2020/21 from 23 percent in FY2017/18 although far below the Plan target of 40

percent. Internet penetration rate (internet users per 100 people) was 46 percent above the Plan target of 30 percent.

**The proportion of paved roads to total national road network increased from 21.1 percent in FY 2017/18 to 33 percent in FY 2020/21.** The percentage of roads in fair to good condition increased to 69 in FY 2020/21 from 67 in FY 2019/20. On the other hand, the freight transportation cost from Mombasa to Kampala by road increased to 1.88USD per ton per km in 2019/20, as compared to 1.79USD per ton per km in the previous year 2018/19. The volume of international air passenger traffic considerably reduced to 0.58 million by close of FY 2020/21 on account of covid-19 related effects. Whereas NDPIII projected an increase in freight traffic on Lake Victoria from 45,338 tones in FY2017/18 to 42,723 tones in FY 2020/21, the traffic stood at 32,216.5 tones by close of FY 2020/21. This performance comprised 16,430.9 tons of exports, and 15,785.5 tons of imports.

#### **Objective 4: Enhance productivity and wellbeing of Population**

**Health.** The life expectancy at birth was 63.3 years below the target of 64.6 years in FY2020/21. The Infant Mortality Rate/1000 was 43 against the FY 2020/21 target of 41.2. Maternal Mortality Ratio/100,000 was 336 against the target of 311 for FY2020/21. The Neonatal Mortality Rate (per 1,000) was 27 against the FY target of 24. The Total Fertility Rate and U5 Mortality Ratio/1000 were 5.4 and 64, respectively (Statistical Abstract, 2020). This was against the respective targets of 5 and 42 for FY2020/21. The proportion of stunted children U5 was 29% against the target of 27 for the FY.

**Education.** The primary to secondary school transition rate was 61 percent against the target of 65. The survival rate for primary was 34.2 percent against the target of 40 percent for the FY2020/21. The quality adjusted years of schooling was estimated at 4.5 against the FY target of 4.6. The literacy rate was 73.5 percent against the target of 74.1 percent for the FY. The electricity consumption per capita (Kwh) was 108.8 kwh against the target of 150 kwh for the FY.

#### **Objective 5: Strengthen the role of the State in guiding and facilitating development**

The ratio of tax to GDP reduced to 11.4 percent in FY2021/22 from 11.99 percent in the FY2020/21, which was below the Plan's target of 12.3 percent for the period. This performance is on account of unmet revenue targets

The share of central government transfers to Local Government stagnated at 13.7 percent over the two years of NDPII below the Plan target of 20.1 percent for the review period. The inadequate allocations to LGs has greatly affected the delivery of decentralized services. The average cost of electricity was estimated at \$5 cents meeting the NDPII target for the review period.

#### **d. Core projects**

**Out of the 69 NDP III core projects, 20 projects are under implementation,** 14 projects are still under preparation (Proposal, Profile, Pre-Feasibility, Feasibility), 14 are at the project concepts stage and 21 are still at project idea awaiting approval from the Development Committee (DC) by end of the second year of the NDPIII.

#### **e. Progress on job creation**

**During the NDPII period (2015/16 and 2019/20), Uganda's economy created approximately 1,600,000 jobs.** This translated into an average of 320,000 new jobs created per year. The new jobs created reached the highest climax in FY2017/18, resulting in the creation of approximately 420,000 new jobs before dropping to 392,000 in FY2018/19 and

eventually to 263,000 jobs in FY2019/20. Employment expanded by an average of 33% in the first three years of NDPII but dropped at an average of 20 percent per annum in the last two years of the plan on account of the covid-19 pandemic that hit the global economy and employment is yet to recover fully.

**To date, the country boasts of a total of 1,538,641 Pay as You Earn (PAYE) jobs, but 124,399 of them were lost between FY2019/20 and FY2020/21.** Despite registering a 4.5 percent job growth between FY2018/19 and FY2019/20-the final FY of NDPII, about 8.1 percent of total PAYE jobs were lost in the first year of NDPIII. The trend of PAYE jobs in Uganda indicates that PAYE jobs increased from 1,314,155 in FY 2015/16 to a record high of 1,538,641 in FY2019/20 before shrinking to 1,414,242 in FY 2020/21. FY2017/18 registered the highest PAYE job growth of approximately 15 percent, which increased PAYE jobs from 1,297,541 to 1,487,584. However, a critical analysis indicates that the country has registered fluctuations in total PAYE jobs on a year-to-year basis, which illustrates the instability of the country's labour market.

**During the first two years of NDPIII period, Uganda's economy created approximately 603,000 jobs against a target of 1,040,000 jobs.** This translated into an average of 301,600 new jobs created per year against an annual target of 520,000 jobs. Since the pick of jobs performance in the 3<sup>rd</sup> year of NDPII (FY2017/18), there has been a downward course until the first year of NDPIII, and jobs started recovery in the second year of NDPIII. Net job creation contracted from 419536 to in FY2017/18 to 258286 in FY2020/21. However, there was a positive job recovery between the first and the second years of NDPIII. As a result, the new jobs increased from 258,286 in FY2020/21 to 345,039 in FY 2021/22, and is projected to reach 399,083 if the recent growth trajectories are not revised downwards.

**The private sector continues to account for the largest share (83 percent) of the total formal sector jobs, currently estimated at 2.3 million.** The private sector is estimated to contribute approximately 80% to Uganda's GDP (National Private Sector Development Strategy (FY 2017/18-2021/22)). There is a recorded concentration of private sector employment in agriculture and fishing, accounting for about 69.4 percent of the total private sector jobs, manufacturing at 5.6 percent, trade and repairs at 8.9 percent, hotels and restaurants at 2.0 percent, transport and communication at 2.3 percent, construction at 2.0 percent as well as education at 3.0 percent. Other critical sectors where recorded employment opportunities exist include mining and quarrying, utilities, posts and telecommunications, financial intermediation, insurance, business services, health and social works, and community and personal services. These sectors employ approximately 1.9 million people, representing 12% of the working population.

**The public sector employs approximately 400,000 public servants, contributing about 17 percent of the total formal sector jobs (NPA 2022).** The civil service reforms and the privatization process of the 1990s led to a decline in employment in the public sector from 300,000 in 1990 to 150,000 by 1998, although employment rose to 259,650 by 2009 and to about 400,000 in 2022. Employment opportunities in the public sector are limited and the annual average growth rate of government formal wage employment over the period 1992 to 2022 was negative (-0.165 percent).

**The informal sector in Uganda continues to employ the largest portion (13.3 million people out of the 15.8 million) of the working population representing about 85 percent of total employment.** The informal sector units are typically run at a low level of organization, with little or no division between labour and capital as factors of production and

operate on a small scale. Labour relations in the sector are primarily based on casual employment, kinships and social relations rather than contractual arrangements with formal guarantees. The Sector is also characterized by the absence of final accounts and is typically unregistered entities without permanent addresses. The informal sector in Uganda generates more wage employment than paid-employment opportunities, but largely operates small and micro enterprises.

**On external employment, a total of 217,258 Ugandan workers have been externalized to the Middle East alone between 2016 and 2022.** Saudi Arabia accounts for about 77 percent of the total migrant in the last three years. Labour externalization is becoming an important agenda for the Government of Uganda and thus needs to be streamlined to make it safer for Ugandan migrant workers. On average, about 55,000 Ugandan migrant workers have been externalized on a year-to-year basis apart from 2020, mainly due to covid-19 restrictions. The demand for migrant workers in the Middle East increased by 5.2 percent between 2015 and 2020. This is mainly attributed to the need for workers in the construction and services sectors.

## **5. Progress on Presidential Directives**

**The 23 presidential directives and guidelines are 90.1 percent aligned to the NDPIII.** Overall, 13 percent of the Presidential directives and guidelines have been achieved, 9 percent are above average, 17 percent at average, majority 35 percent below average and 26 percent not achieved. The presidential directives 8, 14 and 17 were fully achieved while 6, 10, 12, 15, 22 and 23 were not achieved.

## **6. Summary emerging issues**

**Limited learning and use of M&E results.** Utilization of data and evidence to strengthen performance and accountability has been inadequate suggesting the need to enhance systems for evidence policy making.

**Inadequate capacity in government to undertake M&E.** There is a mismatch between supervision and inspection as functions of M&E across government. Also, there are no dedicated trained M&E experts in most MDAs to undertake M&E functions

**Inadequate funding for M&E functions.** Resource usually voted for M&E activities suffer budget cuts and are inadequate to support M&E activities whose data is critical to inform planning and budgeting processes.

## **7. Recommendations**

- 1. Align the timelines for data collection period by Uganda Bureau of Statistics (UBOS) and the planning horizon.** Key of the outcome level results have no data as a result of a mismatch between the time of the NDP Mid term review and the surveys undertaken by UBOS. This has limited reporting on some critical indicators. For instance, proportion of the population under subsistence agriculture is critical for assessing the progress on Parish Development Model (PDM) and this takes about 3 years to collect. There is therefore need to revise the data collection period to be able to inform the planning process.
- 2. Identify and incorporate NDPIII programme level results in the statistical surveys undertaken by the Uganda Bureau of Statistics and thereafter provide statistics consistently.** In particular, those beyond implementing MDA mandates.
- 3. Review the PFMA, 2015 to foster alignment of the budget to the National Development Plan.** Review the Law (PFMA, 2015) to ensure that the compliance

certificate is undertaken on the current Budget. The certificate of Compliance issued by National Planning Authority has no rewards and sanctions and therefore, the business as usual performance continues. There is therefore need to come up with measures that are binding for areas that are faulted to enable attainment of intended results.

4. **Performance agreements should be hinged on the NDPIII results.** To ensure that plans are implemented, performance agreements should be derived from the corresponding results.
5. **Build MDA and LG capacity in M&E.** Monitoring performance concerns the performance accountability system covering the monitoring framework of the NDPIII, results framework, PIAPs, MDA Strategic Plans and LGDPs which includes indicators and targets. These have since been inconsistent at not uniform at all levels. A manual providing detailed levels of performance should therefore be developed.
6. **Increase resource allocation to the M&E function.** Monitoring and Evaluation activities are taken as recurrent and are prone to budget cuts. This has therefore, reduced utilization of evidenced based policies and programmes.
7. **Provide operational guidelines on** new reforms introduced in NDP such as APEX, OPM Delivery unit, PDM introduced from inception. The new reforms when implemented divert from the original concept and generate their own focus areas.
8. **Local Governments should start producing annual performance reports.** LGs have scattered information on their performance and in particular performance on projects in their respective areas of jurisdiction. There's need to have annual performance reports to be able to take stock of any emerging issues. The LGs' information is provided in the Local Government Plans (LGDPs) which is one in 5 years.
9. 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.

# **1. INTRODUCTION**

## **1.1 Background**

1. In line with the Comprehensive National Development Planning Framework (CNDPF), the Government of Uganda, through the National Planning Authority, has commissioned a mid-term review of its third National Development Plan III 2019/20-2020/21 (NDPIII). This mid-term review, is structured along six thematic reports: Policy and Strategic Direction; Programme Design and Institutional Framework; Economic Management; Monitoring and Evaluation Framework; Partnerships; and Local Economic Development. This is the Monitoring and Evaluation Framework Thematic Report.
2. Over the years, developing countries have continued to grapple with peculiar and emerging development challenges in their efforts to end poverty and achieve sustainable development. The NDPIII introduced the programme approach which replaced the Sector wide approach with the main purpose of achieving common development results, remove duplication and working under silos. The programme approach uses the value chain to ensure identification of challenges and the realisation of common results guiding the implementation of activities under twenty programmes clustered along the five objectives of the Plan.
3. At the onset of the NDPIII implementation, the world was struck by the COVID–19 pandemic with effects including; two lock downs of the economy and, in addition to other disasters such as locusts, which constrained implementation of the NDPIII thereby distorting and affecting the assumptions and performance trajectories. Whereas the NDPIII anticipated and integrated COVID19 risks to the economy, the immediate and long-term effects were not fully estimated at that time. This MTR presents an opportunity for full integration of the recovery-oriented actions into the private sector activities supported by the pick-up in private sector credit; and domestic demand growth to counter the impact of the pandemic and facilitate the recovery of the rest of the economy.

## **1.2 Objectives of the MTR**

### **1.2.1 NDPIII Mid-Term Review**

4. The overall objective of the NDPIII MTR is to determine the extent of the progress made at the mid-point of the implementation of the NDPIII, including its attendant programmes and projects. The specific objectives are as follows:
  - i) Assess the extent of progress made towards achievement of the NDPIII goal, theme, objectives, and Programme-level targets and result, and validity of the underlying assumptions;
  - ii) Assess progress towards the achievement of the NDPIII macroeconomic and socio-economic indicator targets, and the validity of the underlying assumptions;
  - iii) Assess for the consistency and progress in areas of focus/Key Performance Areas at national, Programme, MDA and local government levels including major reforms such as



the Parish Development Model (PDM); Area Based Commodity Planning Approach as a major driver for LED;

- iv) Assess the extent to which the national budget has addressed the NDPIII priorities with a view of reprioritization and redirection of the economy.
- v) Assess the efficiency gains realised through implementation of the Programme approach to planning, budgeting, reporting and coordination within Government and with the private sector, development partners, the civil society and other non-state actors in line with its presumed advantages; and
- vi) Make actionable, realistic, results-oriented and concrete recommendations on changes required to achieve the NDPIII targets.

### **1.2.2 M&E Thematic Area**

- 5. The M&E Framework thematic report reviews the results framework for NDPIII by assessing results theory of change at various levels of the Plan as well as factors and conditions that have contributed to the results. It also makes recommendations for amendments in planning, coordination of implementation, monitoring and evaluation for NDPII and subsequent Plans. The thematic areas will focus on:
  - i) Review the NDPIII theory of change using the logical framework
  - ii) Review the assumptions, results chain in achieving the overall goal of the Plan
  - iii) Assess assumptions of the development results remain valid especially with COVID19 effects
  - iv) Review the extent of project implementation;
  - v) Review the M&E framework (roles & responsibilities of stakeholders, NDPIII M&E reforms; events, performance reporting and dissemination, capacity requirements and results framework).

### **1.3 Scope of MTR**

- 6. Overall, the mid-term independent review of the NDPIII assesses the level of its implementation, within the framework of the envisaged strategic direction, economic and social structural changes and emerging challenges and opportunities. The review will cover progress on cross-cutting issues, including regional and international commitments that include the Africa Agenda 2063, EAC Agenda 2050, and the 2030 Agenda on Sustainable Development Goals.

### **1.4 Approach/Methodology**

- 7. The review adopted a combination of desk reviews of performance on each outcome, intermediate outcomes, and outputs mapped on the interventions, projects and budget, on each indicator of the NDPIII Results and Reporting Framework matrices. The assessment framework was majorly the NDPIII Results and Reporting Framework.

8. The NDPIII document sets out a number of indicators related to the Programme aims, core investment projects and financing for the Plan period. The review of progress against NDPIII goal, objectives, Programmes and Sub programmes has been based on data extracted from the best primary sources available including UBOS (Statistical Abstracts, cross-sectional household and panel survey datasets and reports), human development reports, other global survey publications, annual Programme performance reports, Budget performance reports, Government Annual Performance Reports, among others.
9. The method used draws on the OECD-DAC evaluation criteria of relevance, coherence, efficiency, effectiveness, impact and sustainability. The MTR is also based on a number of guiding questions reflecting the OECD criteria to guide the assessment.

### **1.5 Limitations of the study**

10. Critical data gaps still exist on most results of the Plan especially at outcome and output levels since the study commenced at the end of third quarter in the second year of the Plan and given the non-functional administrative data systems for most MDAs.

### **1.6 Structure of the Report**

11. This report is comprised of five (5) chapters, namely: chapter one gives the introduction of the mid-term review assessment. Chapter two provides the situational analysis of Monitoring and Evaluation. Chapter three discusses the Theory of Change providing coherence in linking priorities to results. Chapter four provides progress on the overall performance of the NDPIII. Chapter five provides conclusion and recommendation.

## **2. SITUATION ANALYSIS OF M&E**

### **2.1 Overview**

12. Monitoring and Evaluation (M&E) plays a critical role in identifying the most valuable and efficient use of resources. It is critical for developing objective conclusions regarding the extent to which government programmes and projects are facilitating the transformation of the economy. This section, therefore, presents the existing Monitoring and Evaluation arrangements in government.

### **2.2 Policy, Legal, Institutional and Regulatory frameworks/Context**

#### **2.2.1 Evolution of M&E in Government**

13. The country's need to monitor and evaluate the performance of programs and policies has been growing over the years. This is mainly attributed to the increase in demand for accountability and efficiency in service delivery, resulting from higher literacy levels and awareness and democratic changes taking place in the country as well as increased demand for accountability on Development partners' support. The rapidly growing population against constrained resources has also contributed to the need to enhance efficiency through the institutionalization of monitoring and evaluation in development practices.
14. A key national mark on result-oriented performance monitoring was achieved with the adoption of the public sector Results Oriented Management (ROM) programme in the mid-1990s. Additional effort by Government on monitoring and evaluation culminated into the cabinet directive to develop a National Integrated Monitoring and Evaluation Strategy (NIMES). The effort was, however, constrained by lack of pre-requisite instruments such as comprehensive development plans that are elaborated in terms of logical frameworks and budgeting.
15. The periods pre-dating the restructuring of Government in 1997 were mainly characterized by recovery and rehabilitation programs aimed at providing urgently needed relief goods and social services. A part from the micro-level management information systems of Non-Government agencies, minimal Government focus, effort and resources were dedicated to monitoring and evaluation. It is also worth noting that the first Poverty Eradication Action Plan (PEAP) (1997–2000) did not have a monitoring framework. Notable effort was only marked by the introduction of the Poverty Monitoring and Evaluation Strategy (PMES) by the Ministry of Finance, Planning and Economic Development (MFPED) in 2000. The output being biennial Poverty Analysis Reports (PAR).
16. In the 2003/4 PEAP, there were further improvements in the M&E with the Government directive to have a National Integrated Monitoring and Evaluation Strategy (NIMES), in 2003. The strategy defined a performance measurement framework in which all key PEAP results, indicators, targets, baselines, and methods and responsibilities for data collection and analysis were to be specified. However, from the beginning, the NIMES Secretariat, at the

Office of Prime Minister (OPM), suffered from capacity problems especially the lack of staff.

17. The introduction of the National Development Plan (NDP) in 2010 provided an opportunity for better integration of monitoring and evaluation aspects into planning at national and sub-national levels. The NDP framework also set the path for the development of a coordinated planning and budgeting system for the country, with the Medium Term Expenditure Framework (MTEF) as the resource allocation mechanism for it. NPA has defined its role in national Monitoring and Evaluation (M&E) to involve the development of the M&E strategies and Results Framework, providing guidance on the M&E strategies and periodically assessing progress on the NDP and other Plans.

### **2.2.2 Policy legal and regulatory frameworks**

18. The country's Monitoring and Evaluation frameworks are underscored by a supportive legal and policy environment that provides for service delivery in a result-oriented manner. This environment is constituted by an existing legal and policy framework that includes: The constitution of the Republic of Uganda (1995), Local Government Act (1997), Uganda Bureau of Statistics Act (1998), Budget Act (2001), National planning Authority Act (2002), Public Finance and Management Act (2015), and the National Audit Act (2008).
19. On the other hand, the policy framework includes:- National Policy on Public Sector Monitoring and Evaluation (2013); Results/Performance-Based Budgeting, Results-Oriented Management, Budget Framework papers, Ministerial Policy statements, and Performance Contracts for accounting officers in the different ministries.

### **2.2.3 Coordination/ Institutional frameworks**

20. Coordination of implementation of Government policies across Ministries, Departments, Agencies (MDAs) and other public institutions is vested in the Office of the Prime Minister (OPM). Enhanced coordination of Government is undertaken through the following platforms: Presidential Investors Round Table (PIRT); National Partnership Forum (NPF); Sustainable Development Goals (SDGs)-2030 Agenda Coordination Framework; and Inter Agency Coordination Committees. The slow start of the NDPIII Programmes indicates a gap in the coordination of the National Development Plan (NDPIII). OPM should therefore be strengthened to fast track coordination of implementation of the Plan.

## **2.3 Review the M&E Framework**

21. The NDPIII M&E Strategy articulates the NDPIII M&E reforms, the roles and responsibilities of stakeholders, reporting and dissemination mechanisms, processes, required M&E capacities and events and the results framework. The progress performance is provided in the subsections below

### **2.3.1 Roles and Responsibilities of M&E Players**

22. Under the NDPIII M&E strategy, Office of the President (OP) has a responsibility of oversight of the Plan. OP will provide overall leadership in public policy Management and

promotion of good governance practices. OP is also responsible for all recommendations made to improve effectiveness and achievement of desired results. In addition, OP is responsible for Executive Policy Decision report and reporting on Programme Spot Inspections. The MTR findings show that OP has provided leadership on the Plan through coordinating the inaugural APEX report which is yet to be launched by H.E the President. Several service delivery inspections have been undertaken by the Minister in charge of Economic Monitoring to ascertain the extent of delivery of services.

23. The Parliament is responsible for programme oversight, independent monitoring and evaluation of the budget to inform resource utilisation. Whereas, Parliament has registered tremendous progress on its M&E core roles, its committees have not fully transformed to the programme approach as it still operates sector committees. This has a bearing on resources allocation towards NDPIII programme priorities.
24. The Office of the Prime Minister is responsible for overseeing the coordination and implementation of the Plan through: develop an M&E and Coordination framework for MDAs and LGs for performance assessment; internally review implementation of government policies, projects and programmes through production of GAPR, LG and Annual Performance Reports; profile evaluations approved by Cabinet and policy and programme evaluations from MDAs; Assess compliance to the M&E guidelines on project identification. The MTR notes that OPM has registered tremendous progress which includes: operationalisation and coordination of Programme Working Groups; review of the GAPR and issuing of guidelines for reporting under the NDPIII. However, OPM is still faced with challenges of inadequate human and financial resources to effectively coordinate NDPIII implementation.
25. Ministry of Finance, Planning and Economic Development (MoFPED) is responsible for conducting budget monitoring in line with the Plan, resource allocation in the Charter of Accounts to support the M&E function. The certificate of budget compliance indicates improvements in alignment of the budget to the NDPIII priorities over the financial years from 58 percent to 64 percent in FY2020/21 and FY2021/22, respectively. Whereas the chart of Account was reviewed to reflect the NDPIII programme approach, the budget has not fully transited to the NDPIII programme approach. For instance, some programme Actors' contributions are not reflected in the programme budgets, some MDA's and LGs failed to complete their FY2022/23 budgets because their results are not reflected in the PBS, among others.
26. The National Planning Authority (NPA) has a responsibility of assessing the implementation progress of the Plan at the strategic level through annual, mid-term and end programme results (Outcome and Impact) assessments, Certificate of Budget compliance to NDP and the annual National Development Report that is laid on the floor of Parliament. The MTR shows that the Authority has registered tremendous progress on its roles, however, some MDAs and LGs don't have Plans that are aligned to the NDPIII. This implies that their budgeting and

expenditure is not based on NDPIII priorities thus affecting the attainment of the Plan's results.

27. The Uganda Bureau of Statistics (UBOS) is in charge of statistics production which will be used in the NDP implementation as well as production of manpower, skills and employment status, survey reports and statistical abstracts to inform planning. The MTR indicates a mismatch between the time of release of Survey data by UBOS and NDP reporting requirements.
28. MDAs and LGs are in charge of undertaking M&E activities based on their strategic and development plans as well as assessing programme performance, identify challenges and solutions. In addition, they are in charge of assessing mid-term progress of NDPIII programmes and projects to ensure consistency of implementation with overall focus on objectives. The MTR found that majority of the MDAs and LGs don't have approved Plans aligned to the NDPIII. Further, most MDAs and LGs have not undertaken mid-term reviews for their Plans which should have informed the NDPIII MTR process.

### **2.3.2 Progress on NDPIII M&E Reforms**

#### **a) Automated and integrated NDP M&E system.**

29. The integrated Web based performance monitoring system was developed and partially operationalized. It has been interfaced with the Integrated Bank of Projects. MDA planners and the M&E officers at the central government level have been trained in the system at it was being rolled out. The system will be fully operationalised in FY2022/23 and will be used to generate Government Annual Performance Report (GAPR) and National Development Report (NDR) for FY2021/22. However, system integration with the PBS and IFMIS is yet to be done including roll out to Local Governments. Further, most MDA and LG MISs are not functional yet they key data sources for the system. The functional MDA MISs include: Health Management Information System (HMIS); Education Management Information System (EMIS); Water and Environment among others.

#### **Parish Development Model Management Information System (PDMIS)**

30. Full implementation of the PDMIS will ensure increased incomes and demand for agricultural output, quality education and health services by the population. PDMIS will provide System related business analysis, design, development, implementation, maintenance and profiling of all parishes and households in the Country. To-date, the PDMIS-System development ongoing as per schedule with 3 out of 6 PDM systems modules developed. H.E launched the PDM in north Bukedi (launched in 5 districts- 1,920 villages, 200,000 households and 1.53m people profiled).

#### **b) 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).**

31. The APEX Platform was operationalized and an Inaugural APEX Report FY2020/21 was jointly prepared by OP, NPA, OPM, MoFPED and MDAs and the APEX meeting chaired by the President was conducted. The evaluations notes issues around good leaders under the OP. for instance, some key actors of the platform noted that they were not able to fully implemented their roles as stipulated in the APEX platform guidelines.

**ii Establishment of programme coordinators.**

32. The Office of the Prime Minister (OPM) has coordinated NDPII implementation through internally reorganising itself around the NDPIII programmes. In particular, the following are the achievements registered: a National Secretariat for the coordination and monitoring of the implementation of NDP III was established and governing structures for the function of the Programme Secretariats developed; Guidelines on the establishment of governance structures at programme level were issued including ToRs for Program Secretariats, Technical Working Groups, Program Working groups (PSs) and Leadership Committees (Ministers); The Ministry of Public Service, working with OPM, approved a structure of programme secretariats to support the overall coordination, monitoring, evaluation and reporting of NDPIII programmes; Quarterly meetings of Programme Secretariats to share lessons, experiences and coordination issues in the respective programs and provide guidance were held. An assessment of the functionality of established NDPIII governance structures for 2021 was conducted and by time of the review, only 4 out of the 20 programs had functional secretariats and conducted Annual Programme reviews.

33. These achievements notwithstanding, OPM still has challenges of inadequate human and financial resources to effectively coordinate NDPIII implementation. For instance, the 20 M&E specialists and coordinators have not been recruited. In the last 6 financial years, the average annual budget for OPM is Shs. 320bn of which the function of Strategic Coordination and M&E are allocated only Shs.5.64bn and Shs.10.69bn on average which is just 2.15% and 4.46% of the OPM Budget over the period, respectively. This budget caters for general staff salaries, allowances and core directorate activities.

**iii Develop guidelines for the Parliamentary Session Committees to utilize the findings of the Certificate of Compliance when vetting and approving budgets of MDAs.**

34. The NPA has continuously furnished committees of Parliament with relevant information on NDPIII prioritisation during budget appropriations. The evaluation however, found that there is slow transition to the programme approach. For instance, the committees of Parliament are still sector based which demeans the objective of working towards achieving common results through elimination of the Silo approach.

**c) Annual Programme Reviews.**

35. Only four (4) programmes out of twenty (20) have undertaken annual programme reviews, these are: Integrated Transport and Infrastructure Services, Development Plan Implementation, Private Sector Development, and Tourism Development. This is attributed to the fact that some

programme secretariats are non-functional whereas those that are functional are not well resourced both financially and technically.

**d) Enforce service and service delivery standards to provide a benchmark for monitoring.**

36. Whereas some services (education, health, housing, transport, etc) have standards, enforcement remains a challenge. The MTR shows that the existing service and service delivery standards have not been fully enforced thus the continued delivery of poor or low quality services, which affects the attainment of the Plan's results.

**e) Develop the National Evaluation Agenda (NEA).**

37. The MTR shows that the NEA has not developed. This agenda is critical in to coordinating the design, commission, quality controls and dissemination of national policies, programmes and projects evaluations across MDAs, LGs, CSOs and private sector

**f) Operationalise and strengthen functionality of the M&E and statistical units within the Planning departments.**

38. The operationalisation of M&E and statistical units within the Planning departments in MDAs and LGs has not been fully implemented. However the Ministry of Public Service (MoPS) in collaboration with OPM and OP were working on mechanisms to institutionalise M&E cadres in government.

39. The implementation of NDP III requires a strong and supportive system that generates and provides the data required to support planning, budgeting, implementation, coordination and evaluation of functions. Therefore, there is an urgent need to streamline the M&E functions, supporting UBOS to establish functional Information System to support the Parish Development Model, and monitoring service delivery through *Barazas* and other mechanisms at the Community level.

**g) Strengthen inspection and supervision function for M&E.**

40. Efforts are ongoing to review the financing and implementation mechanism, human resource, and follow up of inspection and supervision of the implementation of the Plan by MoPS in collaboration with OP, OPM, MoLG, MoES, MoH.

**h) Promote the Partnership Policy.**

41. OPM has promoted the partnership policy among the several players to align their activities for the effective implementation of the Plan. The programme approach has necessitated the reorganization and restructuring of the way partners relate with government. Therefore, the partnership policy has guided the reorganization and functioning of the government arrangement with partners.

**2.3.3 M&E Events and Key Actors**

42. The NDPIII articulated key M&E events organised by different actors to provide progress on the implementation of the Plan these are: Annual APEX NDP Forum; Government Annual Performance Review; Government Evaluation Agenda; Alignment of Plans, BFPs and



budgets to the NDPIII; Budgeting and Financial monitoring; Monitoring, Coordination and Evaluation along the Project Cycle; Statistics Production and use in the NDP implementation; Programme and Sector Annual Reviews; NDPIII/Project Mid-Term Review; NDPIII and Projects ex-post evaluations; and Impact Evaluations

43. The MTR indicates that most of the events have been undertaken and reports prepared to inform Planning and budgeting. However, the existence of data gaps has affected the quality of reports. Further, the inadequate human and financial resources has hindered the some events such as annual programme reviews.
44. Government has also undertaken a series of evaluations to ascertain the contribution of government programmes. NPA undertook a number of these evaluations including: Evaluation of the Universal Primary Education (UPE) policy; Evaluation of the first National Development Plan among others. A Midterm review (MTR) of the first and second National Development plans was undertaken and this informed the formulation of NDPIII. Independent reviews have also been undertaken for cross cutting issues despite being part of the overall NDP MTR. Key among include: climate change, Environment, Human Rights etc.

#### **2.3.4 Performance Reporting and Dissemination of Results**

45. The NDPIII provided for production of performance monitoring reports that will be produced and disseminated at various levels, these are: Certificate of Compliance; National Development Reports; Government Annual and Half Annual Performance Reports; Annual Budget Performance Report; Manpower, skills and Employment Status Report; Annual & Quarterly Performance Reports for Programme, MDA and Local Governments
46. Government has continued to produce and disseminate economy wide, programme, and MDA annual performance reports except for Manpower, skills and Employment Status Report and Annual Programme Reports (only 4 out of 20 programmes produced annual reports). These reports have informed the planning and budgeting processes aimed at attaining the NDPIII results.

#### **2.3.5 M&E Processes**

##### **a) Operationalising the NDPIII M&E Systems**

47. Whereas the integrated Web based NDP M&E system has been developed, majority of the MDAs don't have functional MISs. Only one (1) MDA MIS is function (HMIS for Ministry of Health), implying that the NDP M&E system will have challenges in providing timely progress performance.
48. MDA administrative data systems are key for informing planning, budgeting, M&E and implementation processes of governments. However, about 10 percent of Management Information Systems are operational. Most MDAs have databases which are excel based and not integrated with key performance systems used in government such PBS, IFMIS, PIMIS and the NDP M&E system.

49. Government in 2003 introduced the Local Government Information Communication System (LOGICS) to provide profile and performance data on districts. LOGICS is an e-Government application chosen for developing national output and outcome indicators along the e-Government domains of e-administration, e-services, e-citizen and e-society. LOGICS was developed along the three subsystems of M&E, Compliance Inspection and the Computerized Software Sub-system. It was designed as a multi-sectoral information system covering all sectors in Local Government (LG) including: Education, Health, Water, Roads, Prisons, Police, Production, Planning, Finance and Administration, Council and Social Services among others. It was developed to monitor and evaluate service delivery in LGs and also to disseminate the Local Government service delivery and compliance reports to various stakeholders involved in the implementation, via an online (internet-based) One-stop Information Resource Centre facility located at the Ministry of Local Government (MoLG) headquarters. It covered areas like service delivery, area profile, compliance inspection, resource usage, availability, activity planning and completion.
50. However, LOGICS was unsuccessful due to a number of weaknesses such as: i) inadequate capacity of ICT skills at the LGs to handle information systems, ii) limited ICT infrastructure, iii) inadequate rollout and follow up by the MoLG, iv) inadequate and erratic power supply, v) lack of ICT staff to support Information Systems and ICT equipment in LGs, vi) staff turn-over coupled with staff restructuring that led to loss of skilled and experienced staff in Local Governments, vii) attitude, resistance and fear of change, viii) inadequate funding in LGs; and (ix) inadequate technical capacity at the MoLG1.
51. Community Information System (CIS). In addition, Community Information System (CIS) was introduced by UBOS and NPA as a household based statistical register aimed at measuring economic progress and other population related dynamics among households. However, all these efforts have since become non-functional and to-date, LGs have no means to generate data and provide evidenced based decisions. Majorly used are the budgeting systems i.e. IFMIS.
52. To ensure that public resources for service delivery are properly accounted for, Government designed a system for assessing the performance of LGs to establish adherence to budgeting and accountability requirements and provide incentives to improve LG institutional and service delivery performance. To facilitate assessment, a LG performance assessment manual was jointly developed with MDAs in consultation with LGs. the Office of the Prime Minister in collaboration with the Ministry of LG have continued to assess LGs on their performance using the LG system. The system however, assess/scores the processes rather than focusing on results.
53. OPM still faces challenges of inadequate human and financial resources to effectively coordinate the 20 NDPIII programmes, as the staffing level for the coordination and M&E function stands at 30 percent.

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<sup>11</sup> E-government for Uganda: Challenges and Opportunities (Rwangoga & Baryayetunga, 2007)

54. **The PBS has not fully transited to the NDPIII programme approach.** Whereas the Budget Call Circular for FY2022/23 indicates that the development of new budget outputs and coding process in the PBS and IFMIS was finalised, the MTR indicates that this process happened (through restructuring the Chart of Accounts) but was never operationalized in the budgeting systems, as such there is still misalignment in the PFM system and NDPIII results. For instance some MDAs and LGs have failed to finalise their budgets for FY2022/23 because their results (some PIAP results) are not reflected in the PBS. Despite the fact that the budget was passed, 108/161 Central government votes had prepared budgets and 32/176 LGs had submitted budget (29 approved, 23 rejected and 120 had not submitted budget estimate) according to Daily Monitor of 4<sup>th</sup> July 2022 article by the PSST on accounting officers who failed to finalize the budget.

**b) NDPIII M&E Stakeholders Participation**

55. Stakeholder participation in has been increasing in NDPIII M&E activities. Several joint project field visits have been undertaken, stakeholder M&E consultation and validation workshops have been undertaken.

**2.3.6 Capacity Building**

56. Whereas the NDPIII development process was consultative, there is limited appreciation of the NDPIII. The MTR found that some stakeholders especially the Political leadership at LG level have limited knowledge on the NDPIII programme approach despite the various capacity building sessions undertaken at MDA and LG levels. There is therefore, need for continuous capacity building of stakeholders at all levels especially on the programme approach.

**2.3.7 NDPIII Results Framework**

57. Whereas the NDPIII Result Framework has comprehensive results for tracking NDPIII implementation at all levels, the MTR established that: some indicators have missing baseline information & targets and are not SMART; missing MDAs; inconsistencies of the results chain, among others. A review of the Results and Reporting Framework (RRF) is recommended to address the identified issues.

### **3. THEORY OF CHANGE**

#### **3.1 Overview**

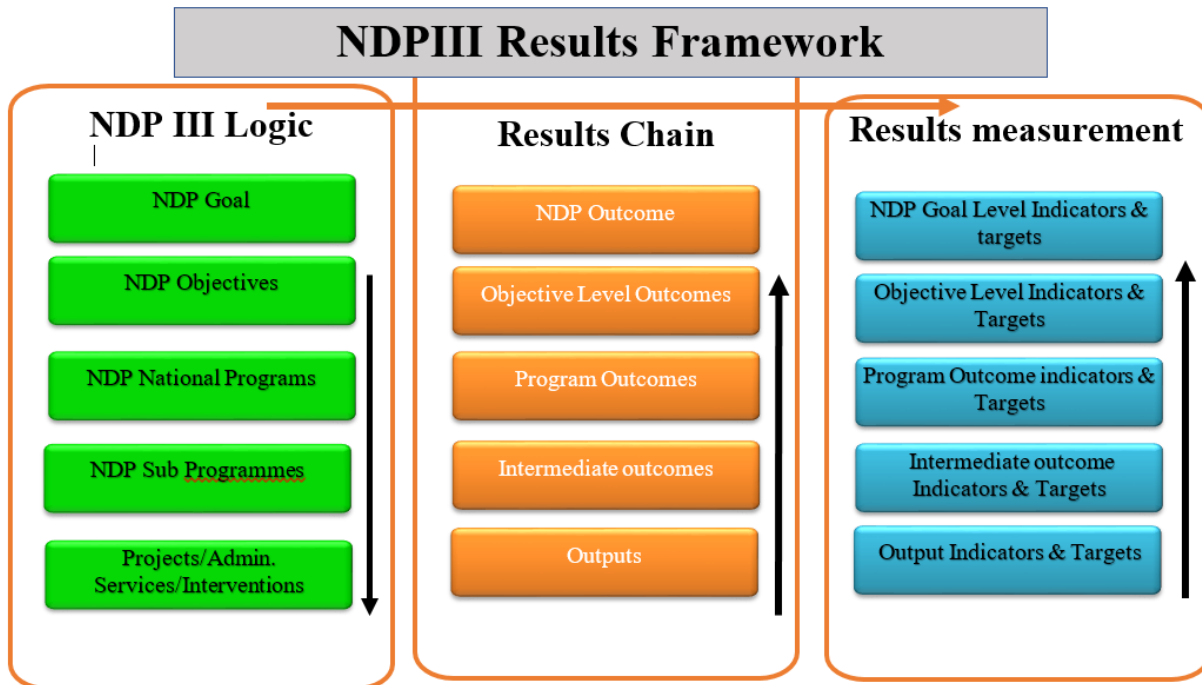
58. The Goal of NDP III is to increase household incomes and improve the quality of life. The increase in household incomes and improvement in quality of life is expected to be achieved through sustainable resource-led industrialization hinged on value addition in key growth sectors. Industrialization is expected to trigger structural transformation and movement of labour from low-paid agricultural jobs to relatively high-paid industrial employment. The transition from low-paid agricultural jobs to high-paid industrial employment is expected to stimulate income growth and improve quality of life.
59. NDPIII has five strategic objectives and the objectives are based on the country's comparative advantages, which are assumed to lie in abundant natural resources and young population, available productive infrastructure and the partnership between the public and private sectors. The five objectives are:
- a) Enhance value addition in key growth opportunities;
  - b) Strengthen the private sector capacity to drive growth and create jobs;
  - c) Consolidate and increase the stock and quality of productive infrastructure;
  - d) Enhance the productivity and social wellbeing of the population; and
  - e) Strengthen the role of the state in guiding and facilitating development.
60. These strategic objectives were envisaged to provide the framework for streamlining and directing government, private sector, and civil society and development partners' investments towards:
- a) Increased agricultural production/productivity and agro-processing, mineral beneficiation and mineral-led industrialization, oil refining, digitalisation, and labour-intensive light manufacturing (including cottage industries);
  - b) Sequential and coordinated infrastructure investments in energy, roads, water, air, rail, industrial parks, and mechanized irrigation schemes to support increased production/productivity for export expansion and the production of goods that are otherwise imported;
  - c) Increased generation of more skilled, better motivated and healthier workforce for all sectors of the economy, but particularly for industrial sector as well as a modernized agricultural sector; and
  - d) A strengthened private sector that is able to drive growth and investment in collaboration with the state.

#### **3.2 Theory of change**

61. The theory of change for NDP III is based on the achievement of higher household incomes and improved well-being through resource led sustainable industrialization. Resource led sustainable industrialization is envisaged to address the challenges of low value addition, low gainful employment, low technology importation and uptake. The development of

manufacturing would accelerate value addition, creation of better jobs that will lead to higher household incomes and thus a better quality of life for Ugandans. To track the envisaged chain of changes, NDP III's theory of change is reconstructed in form of a flow chart as illustrated in Figure 3.1

**Figure 3. 1: NDP Results frameworks**



**3.2.1 Relevance of the TOC concerning linking the objectives and strategies to the development results**

62. The NDP III TOC is still relevant and was well-conceived toward the goal of the plan which includes increasing household incomes and improving the quality of life for Ugandans, resonating in line with the Comprehensive National Development Planning Framework (CNDPF) of Vision2040 on transforming Uganda from peasantry to a modern and prosperous country. In light of the strategic relevance of the development results, this was to be realized using the Programme approach articulated through; value addition, strengthening the private sector to drive growth and create jobs, consolidation of the productive infrastructure, enhancing productivity and well-being of Ugandans, and strengthening the role of the state in facilitating development, the key objectives of this plan. This addresses the challenges that manifest in poverty dynamics across the geographical regions of the country while addressing the human development requirements because during this mid-term review, despite the shocks per capita GDP stood at 1046 (UBOS, 2022) against a target of 1049 in the plan and poverty stands at 20.3 percent against a targeted 20.5 in the Plan.

63. **Implementation of LGDPs, MDA strategic Plans aligned to NDPIII translates to the achievement of overall NDP goal and consequently Uganda Vision 2040 targets.** The TOC is relevant given that the programme conceptualization was highly participatory; Strategic Plans are aligned to the NDPIII in terms of goal, objectives, and enhancing core sectors that contribute to the quality of life; the indicators are clear and easy to compile especially at outcome level where data is obtained from censuses and surveys.
64. **Although the NDPIII identifies the priorities as: agriculture, ICT, minerals and petroleum development, manufacturing, human capital and infrastructure development, this remains general.** This presents the weaknesses of the design of the Plan. The Plan does not provide Key Result Areas i.e. priority areas, which makes the Plan lose the required focus. Objectives are too general to act as priorities. It is from key result/ focus areas that we would tackle household income, poverty, employment and value-addition for export and import substitution, etc.
65. **Slow plan implementation has created a gap in achieving Uganda Vision 2040 aspirations. Uganda Vision 2040 provided a framework for sequencing of its interventions/ priorities such as fertilizers, Oil/Gas pipeline but has remained below the target.** What remains a paradox and remains to be addressed is the review of the trajectory to realizing the Vision targets, which seems ambitious and therefore requires a heavy jump-start leveraging on key growth sectors that are expected to depend on the country's capacity to strengthen the fundamentals including infrastructure (energy, transport, water, oil and gas, and ICT); Science, Technology, Engineering and Innovation (STEI); land use and management; urbanisation; human resource; and peace, security, and defence, dependent of implementing the core projects and pursuance of key strategies and policy reforms must take place.
66. **The NDPIII integrates and is inline with both the national and international policy-planning frameworks, namely; Vision 2040, EAC Vision 2050, Africa agenda 2063 and Sustainable Development Goals (SDGs).** The alignment of these frameworks indeed stands at 96 percent, although performance against these targets falls short partly on the account of the; shocks that affected resource reprioritization as well as the slow transition and recovery post-shock period.
67. **Albeit the shocks to the economy that include covid-19, locusts, and the Ukrainian-Russian war, this affected the performance against the targets in the plan.** These global-wide shocks occasioned by lock-down, freeze in movement constraining supply and demand value chain, means that meeting the targets of the plan despite recovery measures and full-opening of the economy, need to be revised in that context for the last two years of the plan. However, this exercise will mean re-costing of the plan guided by the revised MTEF to reflect the realities on the ground especially in light of the challenges to increasing revenue to finance the budget.

68. On the same note, given the shortfalls in revenue mobilization, a reprioritization is eminent as has been for the last two financial years, following a laid down criteria. Based on these criteria, the non-prioritised will be rolled to NDPIV especially since all these Plans should sync into the CNDPF and Vision 2040.

### **3.2.2 Relevance of the Assumptions of the Plan**

69. Concerning alignment to the Vision 2040, the NDP III assumptions were well conventionalized, and the international planning and development frameworks such as the EAC Vision 2050, Africa agenda 2063 and international Agenda 2030 on SDGs.

70. However, from the stakeholder consultations on the theory of change, the following were the challenges that require redress; Too many indicators and some targets are unachievable in light of the shocks, Programmes and strategies need to be summarized, and Implementation modalities were not well articulated to drive this approach, Silo approach in some programmes, Some MDAs contribution across programmes is not clear, Resource allocation is still tied to sectors and PWGs have not been fully operationalized for most programmes. Under the Programme based approach, we should focus and monitor only key few indicators, leaving the details to the lower results chain.

71. The 5 objectives of the plan and 21 development strategies indeed confirm government commitment toward prosperity. However, in light of the recent shocks such as the covid-19 pandemic and its attendant lockdowns and the Ukrainian war, there is a need to review these assumptions to resonate well with the ongoing path to the economic recovery while also looking at the NDP III objectives, there is no need to have more than one indicator measuring a key result. For example, indicators on tourism, private sector credit, cost of power, travel time across modes and exports are over-segmented, whose detail could have gone to the Programme level.

### **3.2.3 Assumptions of the results chain**

72. The objective of the Programme Based Approach (PBA), is premised on 3 objectives focusing on; the implementation of common results, strengthening alignment and eliminating the silo approach and providing a framework for the already existing programme-based budgeting.

73. While the Programme Based Approach focuses on the delivery of common results through the value chain approach, the performance has been weak on account of the failure of Programme to apply the value chain across. For example under agro-industrialisation, the plan articulated the initial financial resources to be allocated to production and productivity in the first two years and prioritise agro-processing in the last two years.

74. Budget alignment to results remains low and is still at the outcome level when resources are voted on outputs. An analysis of the Ministerial Policy Statements for alignment with the PIAPs indicated that alignment was minimal, as the PBS still captures resources being allocated to old budget lines whose results can hardly be found. Therefore, there is a need for

scrutiny from the Parliament Budget Committee to look at this alignment of the Ministerial Policy Statements to the PIAPs.

75. Strengthening alignment and elimination of the silo approach is rated weak because, several programme secretariats were operationalized however, only four PWGs are functional. The functional ones included; Development Plan implementation, Private Sector Development, Natural Resources Environment and Climate Change and Integrated Transport and Infrastructure Services. However, our interaction with their Secretariat indicated the failure of the Steering Committee headed by the Permanent Secretary and the Heads of Agencies to convene their meetings. However, only Secretariats were meeting with pending decisions awaiting the Steering Committee.
76. The institutional roles along the programmes have not sunk in well with most programmes. Albeit resource challenges, findings indicate that some MDAs have refused deliberately to attend the Programme Working group meetings. This has not only undermined the Programme based approach but rendered it ineffective to implement.
77. The Programme approach didn't trickle down to local governments and as result, many Local Governments have failed to finalise their budgets. On 5th July 2022, the PS/ST released a list of 110 Local Governments Accounting Officers who were suggested for replacement due to failure to finalise the budget. When we discussed with them, many indicated the challenges related to the failure of the PBS to fully migrate to the Programme approach
78. The last objective of the Programme approach is to provide a framework for already existing programme budgeting is rated moderate due to; the Chart of Accounts that reflects the Programme Approach. However, the PBS is still undergoing restructuring as well as budget instruments (MPS, BFPs, Quarterly reports, etc) explaining the misalignment of budgets

#### **3.2.4 Coherence of the ToC coherent with the development results**

79. The NDP III sought to fully implement the Programmatic approach as a hallmark to deliver common results. As a result, 20 Programmes were created following the value chain approach. This is well articulated in the goal and objectives of each programme. As such the Program interventions are mapped on their respective objectives and identify the lead MDA and key players. This, therefore, made it easy to prepare the Programme Implementation Action Plans (PIAPs) that articulate the; annual activities, budget and result targets as a benchmark.
80. However, the budgeting apart from including the NDP III results has failed to fully align the PIAPs into their budgeting systems that include the IFMIS and PBS, despite the Chart of Accounts fully aligning to the NDP III Programmes.

#### **3.2.5 Review of the Development strategies**

81. To achieve the five objectives of the plan, 21 development strategies were proposed and below we provide an analysis of these based on the need to address the 13 bottlenecks and 23



directives issued by the H.E. President to inform the Plan. Below is an account of the 21 development strategies of the NDPIII.

82. **Regional Approach to Planning and Implementation was a key strategy for the realization of results.** The regional approach was meant to address area-specific priorities and inequities in growth and household incomes, and local government planning and implementation will be strengthened as the major driver of Local Economic Development (LED). However, apart from the Parish Development Model (PDM) as a special purpose vehicle being launched to ensure an especially increase in household incomes and well-being under the agro-productivity and financial pillar, the regional plans did not effectively take off apart from the ones being prepared for Western Uganda partly due to limited capacity and appreciation of regional Planning across the country.
83. **Area Based Commodity Planning was critical** and using the experience of success obtained from Kalangala, Ankole, Kigezi and Toro in the commercial production of vegetable oil, dairy and tea (respectively); the Area Based Commodity Planning approach was to be utilized to replicate this success. Studies have been done on value chains but need to be operationalized. In light of the shocks to the economy such as Covid-19 and the Ukraine war, there is a need to reprioritize and focus on commodities like vegetable oil as part of our import substitution strategy. There is a need to fully operationalize industrial parks within the remaining 2 years with supporting infrastructure, but those requiring feasibilities and purchase of the land (in Northern Uganda) need to be fast-tracked.
84. **Agro-industrialization:** To achieve the goal of the Plan, value addition is critical. However, a look at the PIAP corresponding to this focuses on allocating resources towards agriculture production and productivity with few resources allocated towards manufacturing and agro-processing, marketing and agro-financing. To get back on course we noted the need to;
- i.) Invest in small-scale agro-based cottage industries as engines of growth,
  - ii.) Support progressive farmers and nucleus processors as off-takers to provide on-farm jobs to Youth and market for farm produce.
  - iii.) Consolidate all different GoU funds (ACF, MSC, PRIDE, POSTBANK etc) and establish a One-Stop-Centre (AGRIC BANK/FARMERS BANK) for Agro-based financing, in line with the ruling Party, National Resistance Movement (NRM) Manifesto.
  - iv.) Strategic Interventions targeting Agricultural productivity along the Value Chain should be effectively Conceptualized, Coordinated, Designed and Implemented by all key Sector Players to avoid Silo Mentality Syndrome in the Implementation of Agricultural Programs and Projects.
  - v.) Invest in logistics hubs and Farmer Service Centers to address access to quality inputs, Post-harvest handling and quality controls.
85. **Import Substitution/Promotion of Local Manufacturing:** This is geared toward efforts of boosting local production. They include the introduction of the Buy-Uganda-Build-Uganda

(BUBU) initiative to boost local production and consumption of domestically-manufactured products. This has been done in some areas amidst the Covid-19 for example masks and sanitisers were produced locally. To attain its intended results, the following ought to be done:

- i.) Re-evaluation and consolidation of the Economic Viability of the existing Industrial and Business Parks (phased Approach to Development of Industrial/Business Parks aligned to available Resource Envelope).
- ii.) Strategic Interventions for the development of Key Industrial and Business Parks in Uganda should be aligned to the EAC Country-specific comparative advantages to mitigate unhealthy competition among member States with similar Industries. This will help to reduce market entry restrictions in the region.

86. **Export Promotion:** An export-oriented strategy is important as a means to increase Uganda's foreign exchange earnings which will play a significant role in financing development projects and repaying external debts. While fostering Uganda's Export Promotion Strategy ensures that all the necessary investment licenses are issued within two days. Currently, licensing businesses is within 2 days if all criteria are met, UIA's Virtual One-Stop Electronic Business Portal (eBIZ) for Online Services is still under development to integrate all agency functions on one Platform to address licensing service delays. The following ought to be done if the intended results are to be attained:

- i.) Fast-track integration of all Agency functions/ services under one Platform to mitigate Inter-Agency operational delays and ease the licensing process.

87. The entry of DRC, with a population of approximately 94.5 million people, into the EAC has a multiplier effect on the EAC market. There is a need to expand the capacity of the economy by positioning Uganda in these new markets. Currently, Uganda is the 2nd largest exporter to DRC after Rwanda and she must position herself to take advantage of the market. Uganda can therefore prioritise the export of products such as coffee, tea, cotton, maize, cassava, vegetable oils, fish, dairy, beef, bananas, sugar and cocoa.

88. The African Continental Free Trade Area (AfCFTA), to which Uganda is a member country, is the flagship project of the African Union's Agenda 2063, a blueprint for attaining inclusive and sustainable development across the continent over the next 50 years. It aims to boost intra-African trade by providing a comprehensive and mutually beneficial trade agreement among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy.

89. AfCFTA has developed nine (09) value chains namely, Automotive, Leather & LP, Cocoa Products, Soya Bean, textile & Apparel, Pharmaceuticals, Vaccine Manufacturing, Mobile Financial Services, and Cultural Industries. However, there is a need to invest and sensitize the private sector but also invest in industrial parks and create an enabling environment and incentives.

90. Uganda should continue to leverage the COMESA, Middle East, China, and European Union markets, by focusing on the following areas:

- (i) Commercialization of agriculture/organization of farmers to ensure consistency in the supply of agriculture commodities exported to these markets;
- (ii) Development and enforcement of standards through regulation, certification, and enforcement of phytosanitary standards to ensure consistency in the quality of commodities exported;
- (iii) Strengthening commercial diplomacy and aggressive marketing to create awareness of Ugandan-made commodities, and lay the groundwork for negotiating bilateral trade agreements, especially with China and the Middle East;
- (iv) Link-local producers/manufacturers to external markets, and support negotiation of joint ventures between local producers/manufacturers and foreign suppliers;
- (v) Development of free zones;
- (vi) Introduction of export guarantee schemes; and,
- (vii) Strengthening institutional framework to support export development.

91. **Harness the Tourism Potential:** Tourism is Uganda's main foreign exchange earner. However, in light of the Covid-19 pandemic and its induced lockdowns, the industry was badly hit and this affected its revenues. The sector's contribution to GDP decreased from 6.5% in 2019 to 2.5% in 2022 and a decline in jobs from 589,300 as of 2019 to 386,200 today. In order to reach considerable potential, the following measures are advised:

- i.) Mobilize Uganda's Diplomatic Missions to promote the Country's Tourism Potential Overseas.
- ii.) Enhance regulation, Coordination and Management of the Tourism Sector to facilitate the development of the Tourism Infrastructure along the Value Chain to support Sector growth.
- iii.) Support the Private Sector to provide low-cost Accommodation Facilities in protected Areas and Tourism Zones to increase the stock of Tourist Accommodation in line with the ruling party Manifesto 2021- 2026. Additionally, to address the non-affordable park entry fees to foreign tourists/visitors for the protected areas. There is need to review park entry fee level and the respective revenue uses.

92. **To increase access to stable, reliable and affordable energy, power costs for manufacturing during the NDP III was reduced to (or by) USD 5 cents.** The following is recommended to harness the benefits including;

- i.) Full Evacuation of generated energy from all Dams to the Grid to mitigate high-deemed energy costs and environmental degradation.
- ii.) Prioritize Improvement of Distribution Infrastructure for Operational Efficiency.

- iii.) Strengthen the Negotiation process for Power Generation Contracts by Private Players to mitigate the burden of Unfair Terms and Conditions to the Country and final Consumer.
- iv.) Consider restricting Large Power Generation Projects (>20MW) to Government through Public Investment measures for energy savings, renewable energy sources, ("green" or "blue" energy) to mitigate Socio-Economic Impact related to exorbitant energy unit Cost Charges and unnecessary Costs accruing from Deemed Energy Compensations.
- v.) Review UMEME/ GoU Contracts to provide for Direct Power extension to Industrial Parks and other key Government Installations through UECDL.

93. **Enhance skills and vocational Development:** Youth unemployment remains high at approximately 12 percent of all employable Youth (UBOS, 2020). The government has continued to prioritize skills and vocational development to address unemployment, especially among the youth, for example, TVET and reviewing the school/University curriculum. The planners have been trained on Human Resource Development planning guidelines to help with their respective MDA and LG Human Resource Development Plans.

### **3.2.6 Relevance all the 20 programmes to deliver the development results**

94. The Programmes as conceptualized during the planning period are relevant with well-articulated value chains. However, at implementation, certain over-laps were realized and for NDPIV we propose to merge Agro-industrialization and Manufacturing, Mineral, Energy and Oil into one as well as Digital Transformation with ITD to fully harness their contributions towards achieving development results. We propose to disentangle HCD and Governance and Security.

## 4. PROGRESS PERFORMANCE

### 4.0 Overview

95. This section provides an assessment of progress or level of achievement on the NDPIII results for the Goal, Objectives, Programmes and attendant projects. The overall goal of NDPIII is to “increase household incomes and improved quality of life of Ugandans” envisaged to be achieved through the overall theme of pursuance of resource-led sustainable industrialization.
96. The Plan set out five (5) objectives of: (i) Enhance value addition in key growth opportunities; (ii) Strengthen the private sector to create jobs; (iii) Consolidate and increase the stock and quality of productive infrastructure; (iv) Enhance the productivity and social wellbeing of the population; and (v) Strengthen the role of the state in guiding and facilitating development.
97. The Plan’s results were to be delivered through implementation of twenty (20) NDPIII Programmes, these are: (i) Agro-industrialisation: (ii) Mineral Development : (iii) Sustainable Development of Petroleum Resources : (iv) Tourism Development: (v) Natural Resources, Environment, Climate Change, Land and Water Management: (vi) Private Sector Development: (vii) Manufacturing: (viii) Integrated Transport Infrastructure and Services: (ix) Energy Development: (x) Digital Transformation: (xi) Sustainable Urbanization and Housing: (xii) Human Capital Development : (xiii) Innovation, Technology Development and Transfer: (xiv) Community Mobilisation and Mindset: (xv) Governance and Security: (xvi) Public Sector Transformation: (xvii) Regional Development: (xviii) Development Plan Implementation: (xix) Access to Justice: and (xx) Legislature. The NDPIII further earmarks sixty-eight (68) Core Projects for fast tracking, as overriding critical investment areas.
98. The progress assessment was undertaken through measuring performance against targets of identified development indicators for the Goal, Objectives and Programmes.
99. A three-category color-coding criteria was adopted to give an independent view of achievement against various NDP results: Green if targets are achieved, Red if not achieved and Orange if no data/no assessment.

### 4.1 Overall Progress

100. **Overall, 17 percent of the NDPIII results were achieved by end of the second year.** This performance is attributed to challenges of fully transitioning to the programme approach, covid-19 effects and the existence of data gaps as well as weak planning and budgeting for core projects. Table 4.1 illustrates progress performance at the different levels of the NDPIII Results and Reporting Framework of Goal, Objectives and programme level (Outcomes, Intermediate outcome and outputs) by end of the second year of the NDPIII.

**Table 4. 1: Overall NDPIII Progress Performance**

S/N	Key Results Areas	Achieved		Not Achieved		No Data		Total
		Indicators	%	Indicators	%	Indicators	%	Total Indicators
	<b>Overall Performance</b>	<b>771</b>	<b>17%</b>	<b>1235</b>	<b>27%</b>	<b>2592</b>	<b>56%</b>	<b>4598</b>
1	NDPIII Goal	5	45%	6	55%	0	0%	11
2	NDPIII Objectives	13	16%	66	84%	0	0%	79
3	Programme Outcomes	126	22%	178	31%	263	46%	567
4	Programme Intermediate Outcomes	140	25%	193	35%	222	40%	555
5	Programme Outputs	487	14%	792	23%	2107	62%	3386

## 4.2 Progress at Macro-economic Level

101. **At the macroeconomic level, improvements key macroeconomic indicators was registered, following government introducing policy measures to deal with shocks such as COVID-19, disasters, among others.** For instance, GDP growth rebounded to 4.6 percent in FY2021/22 from 3.5 percent in FY2020/21, although below the target 5.9 percent. Real GDP per capita increased to USD 1052 in FY2021/22 from USD932 in FY2020/21 above the NDPIII target of USD 985. Core and headline inflation averaged below the 5 percent target.
102. Government expenditure contracted from 23.7 percent of GDP to 20.4 percent of GDP in line with the need for fiscal consolidation to ensure fiscal and debt sustainability. The revenue and grants as percent of GDP of 14.69 percent and 14.71 percent surpassed the NDPIII targets of 13.73 and 14.02 percent by end of FY2021/22. The debt to GDP ratio increased from 41 percent of GDP in FY2019/20 to 47 percent of GDP in FY2020/21 and is projected to rise to 51.6 percent of GDP by the end of FY2021/22. This is above the NDPIII targets of 45.7 percent and 47.8 percent of GDP in FY2020/21 and FY2021/22 respectively and also risen above the EAC Monetary Union convergence criteria and Charter of Fiscal Responsibility benchmark of 50 percent of GDP. The drastic rise in debt was attributed to the increased need for financing by Government to mitigate the impact of the Corona Virus Pandemic as well as meet the revenue shortfall caused by the lockdown and subsequent decline in economic activity.
103. The CBR reduced from 7.0 percent in FY 2020/21 and 6.5 percent in FY 2021/22, although the Lending rates remain relatively high and are sticky downwards which has greatly affected private sector credit. There has been a decline in private sector credit growth from 12.5percent in FY2019/20 to 7.1percent in FY2020/21. This performance was attributed to a slowdown in economic activity as a result of the global pandemic.
104. While the capital account balance declined from USD99.7million in FY2018/19 to USD66.3million in FY2019/20 the drop in the financial account deficit from USD2, 427.54 million to USD2, and 121.83million during the same time signalled an increase in inflows especially in form of budget support in the midst of the pandemic.

### 4.3 Progress on the NDPIII Goal

#### A) Household income

105. Uganda's efforts to enhance household incomes have registered significant but mixed results (table 4.2). **The per capita income has increased from \$992 in FY2020/21 to \$1,052 in FY2021/22 surpassing the NDPIII targets for the periods under review.** NDPIII aimed at transforming Uganda to attain lower middle-income status, with a targeted GDP per capita of \$1,198 by 2024/25. The per capita income targets have been achieved. However, to this must be sustained for 3 consecutive years for full graduation to middle income country. The improvement is attributed to increased government targeted expenditure to support economic recovery to offset shocks such as Covid-19, disasters and civil wars.
106. **Economic growth gradually improved over the first two years of NPDIII implementation with the annual real GDP growth rate increasing to 4.6 percent in FY2021/22 from 3.3 percent in FY2020/21 to although below the Plan target of 6 percent.** This improvement is attributed to increased government efforts to redirect the country on the development trajectory caused by shocks such as covid-19 coupled with unfavourable global and regional economic development (particularly the war in Congo and Ukraine), which have posed a challenging macroeconomic environment and affected economic growth prospects.
107. Poverty and inequality remain critical development challenges for the country. Whereas the **proportion of people living on less than a dollar per day marginally improved to 20.3 percent in FY2021/22 from 21.4 percent in FY2016/17** according to the Uganda National Household Survey 2019/20 and 41.8 percent of the population was living below the international poverty line of USD 1.9 in FY2019/20, the incidence in income poverty increased during the covid-19 from 19 percent pre-pandemic to 22 percent during the pandemic implying that a significant part of the population remains vulnerable.
108. Whereas the country is recovering from the effected of covid-19, **there is slow progress in reducing inequality. The Gini coefficient and Inequality Index which are some of the measures of inequality have largely remained constant at 0.43 and 0.72 since 2015 and have been worsened with the covid-19.** This inequality was largely attributed to large household sizes, disparities in access to education, inequalities in employment opportunities, urbanisation and generational poverty. Therefore, there is an urgent need to implement corrective measures such as inclusive growth strategies to abate the effects of inequality corrective measures
109. Total employment stood at 78.8 percent above the NDP target of 22.5 percent. The agricultural sector that is the largest sector, dropped by 3.1 percentage points to 2016/17, reaching 68 percent of total employment, and the service sector increased from 22 percent to 25 percent in the same period.

110. The share of the **working population reduced from 60 percent FY2015/16 to 52 percent in FY2019/20**. However, the working population in subsistence agriculture increased from 36 percent in 2016/17 to 47 percent in 2019/20. This implies that persons that lost their employment resorted to subsistence agriculture thus leading to an increase in the subsistence economy from 3.3m persons in 2016/17 to 3.5m persons in 2019/20. This is further explained by the contraction of employment opportunities as household enterprises reduced from 38 percent in 2016/17 to 31 percent in 2019/20. The Covid-19 pandemic has been one of the major negative impacts on both employment and household enterprises.

## B) Quality of life

111. Evidence from the Human Development Report (HDR) indicates that the quality of life of Ugandans still falls short of the minimum standards despite growth in the income per capita. For instance, the growth in incomes has not translated to improved access to quality basic services such as education, health care, and equal opportunities. In addition, the way incomes are distributed across individuals indicates that most Ugandans miss out on the development opportunities available to society.

112. Uganda's HDR 2021 revealed that inequality remains a major development issue in the country despite improvements in income per capita. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2020. The Uganda Human Development Index marginally adjusted from 0.528 FY2019/20 to 0.544 in FY2020/21. The marginal performance is largely attributed to impacts of Covid-19 and high population growth of 3 percent.

113. The homicide rate per 100,000 people increased from 10.52 percent in FY2020/21 to 11 percent in FY2021/22 above the NDPIII target of 10 percent. The increase in homicides was largely influenced by the COVID-19 pandemic and the subsequent opening of all sectors of the economy.

**Table 4. 2: Progress on NDPIII Goal Indicators**

Development Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Income per Capita (USD)	864	936	992	991	1,051	Achieved
Real GDP growth rate	6.2	4.51	3.5	5.99	4.6	Not Achieved
Population below the poverty line (%)	21.4	25.39	20.3	21.4	20.3	Achieved
Population below international poverty line (\$1.9 per day)	41.7	49.47	41.8	30.71	41.8	Not Achieved
Income Inequality (Gini coefficient)	0.42	0.49	0.41	0.43	0.43	Achieved
Gender Inequality Index (GII)	0.52	0.52	0.71	0.52	0.72	Not Achieved
Share of working population (%)	79	80.6	78.8	82.2	78.8	Not Achieved
Share of national labor force employed less subsistence (%)	47.5	48.5	52	49.4	52	Achieved
Human Development Index Score	0.52	0.56	0.54	0.58	0.54	Not Achieved
Population growth rate (%)	3	3	3.1	3	3	Achieved
Homicide rate per 100,000 people	11	10.54	10	10.08	11	Not Achieved

<sup>2</sup> Uganda National Housing Survey 2019/20



## 4.4 Progress on NDPIII Objectives

### Objective 1: Enhance value addition in Key Growth Opportunities

114. The key indicators for assessing progress against this objective include: Average monthly nominal household Income (Ugx); Sectoral contribution to GDP (%); High technology exports (% of manufactured exports); Share of intermediate goods (inputs) in total imports (%); Foreign exchange earnings from Tourism (USD billion); Share of Tourism to GDP (%); Contribution of ICT to GDP; Percentage of titled land; Saving as a % of GDP; Contribution of ICT to GDP; and Percentage of titled land. Table 4.3 provides progress on objective one key development results and targets.
115. The **average monthly nominal household income for an employee in Uganda marginally improved to UGX. 200,000 in FY2019/20 from UGX 176,000 in 2016/17** according to the National household survey FY2019/20 with males earning more than twice (UGX 250,000) as much as their female counterparts (UGX 120,000). In addition, employees in the urban area earned more than double (UGX 300,000) what employees in the rural areas earned (UGX 130,000). Additionally, employees in the public sector earned more (UGX 510,000) than those in the private sector (UGX 150,000). This performance was short of the Plan target of UGX 482,297 for average monthly nominal household income in the reporting period. This is on account of an increase in the number of poor persons from 8.0 million in FY2016/17 to 8.3 million in FY2019/20.
116. The agriculture sector contribution to GDP increased to 24.1 percent FY2021/22 from 23.7 percent FY2020/21 over and above the Plan target of 20.8 percent. The contribution of the industry sector to GDP was 26.8 percent, which is below the Plan target of 27.8 percent, which is decline from the previous year at 27.1 percent. The services sector continued to be the biggest contributor to GDP at 41.8 percent an increment from 41.5 percent in FY2020/21 but below the Plan's target of 45.1 percent.
117. The ratio of manufactured exports to total exports stagnated at 13.5 for the first two years of the NDPIII. This performance is however, below the plan's target of 14.9 percent by end of the second year. Similarly, high-technology exports (% of manufactured exports) stagnated at 2.1 percent in the same period well below the Plan's target of 4.3 percent.
118. The foreign exchange earnings from Tourism slightly improved to \$1.32 billion from \$1.2 billion in FY2020/21 though still below the Plan's target of \$1.6billion. Similarly, the tourism sector's contribution to GDP marginally improved to 3.1 percent from 2.9 in the same period and well below the Plan's target of 7.9percent. This performance was on account of full reopening of the sector which was greatly affected by the shocks of covid-19 given that only 1.3 million tourist arrivals were registered in 2020 compared to 2.3 million arrivals in 2019.
119. The contribution of ICT to GDP was 9.8percent a small increase from 9 percent in the FY2020/21over the Plan's target of 2.9 percent for the review period. However, universal,

affordable access remains largely unattained due to the high and multiple taxes on digital products and services. According to the Uganda Communications Commission (UCC), by September 2021, the country had 29.1 million telephone subscriptions that translate into a national penetration of seven connections for every 10 Ugandans. However, the proportion of Ugandans who actually own or use mobile phones is less than 70percent due to multiple SIM card ownership. Internet subscriptions stood at 22 million, or a penetration of 52percent, yet the percentage of the population that actually uses the internet is much lower, as many users have multiple subscriptions.

120. Internet and mobile telephone penetration are still low in Uganda in comparison to Kenya with 122percent internet penetration and 133percent mobile penetration, Rwanda with 64.4percent internet penetration and 84.2percent mobile penetration, and Tanzania with 50percent internet penetration and 91percent mobile penetration. The average phone subscriber in Uganda spends just UGX 10,500 (about USD 2.8) per month on voice, data and SMS services. This average revenue per user (ARPU) in Uganda is significantly lower than in other African countries.

*Table 4. 3: Progress on key development results and targets for objective one of NDP*

Key Development Indicators	Baseline7/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Average monthly nominal household Income (Ugx)	416,000	401667	200000	482297	200000	Not Acheived
Sectoral contribution to GDP	Agriculture	21.22	20.88	20.88	24.07311	Acheived
	Industry	27.55	27.81	27.81	26.8	Not Acheived
	Services	44.18	45.07	45.07	41.8	Not Acheived
Manufactured exports as a % of total exports	12.3	13.53	13.5	14.88	13.5	Not Acheived
High technology exports (% of manufactured exports)	3.54	3.89	2.1	4.28	2.1	Not Acheived
Share of intermediate goods (inputs) in total imports (%)	18.6	22.14		22.97		No Data
Foreign exchange earnings from Tourism (USD billion)	1.45	1.584	1.2	1.631	1.32	Not Acheived
Share of Tourism to GDP (%)	7.3	7.8	2.9	7.9	3.2	Not Acheived
Contribution of ICT to GDP	2	2.67	9	2.89	9.8	Achieved
Percentage of titled land	21	24	23	29	23	Not Acheived

121. The percentage of titled land was 23 percent, which was below the Plan target of 24 percent. This was attributed to various interventions undertaken in the land sector to enhance the land tenure system such as reforms for new Certificates or Land Titles and issuance of land titles.

## **Objective 2: Strengthen private sector capacity to drive growth and create jobs**

122. The key indicators for assessing progress against objective two are: Saving as a % of GDP; Foreign Direct Investment (% of GDP); Gross Capital Formation as % of GDP; Private sector credit; Exports as % of GDP; Youth unemployment rate (%); and Net annual no. of jobs created.
123. Uganda's saving as a percentage of GDP marginally improved from 19percent in FY2020/21 to 19.2percent surpassing the NDPIII target of 16.8percent. On the other hand, FDI fell, averaged about 2.1percent and 2.3percent of GDP over the first two years of the plan below the targets of 3.0percent and 3.2 percent respectively. Similarly, the Gross

capital formation as a percentage to GDP declined to 22.5percent in FY2021/22 from 25.2 percent, which was less than the target of 26.8 percent.

124. The private sector credit and its contribution to GDP improved to 8.5 percent and 15.2percent from 7.1 percent and 14.4 percent in FY2020/21, respectively. The below Plan target performance (12.9 percent) for private sector credit growth is attributed to the persistently high lending rates, risk aversion by banks due to the poor performance of many businesses as well as the negative effect of the lockdown on the performance of many SMEs. Nonetheless, the private sector as a percentage of GDP surpassed the NDPIII target of 10.5 percent for the review period.
125. The exports as a percentage of GDP, in terms of export of merchandise and goods & services were reported at 12.1percent and 16.7percent, improvement from 11.4 percent and 14.35 percent in the first year of the NDPIII, respectively. The performance was however below the NPDIII targets of 14.8 percent and 29.5 percent for the period under review.
126. The youth unemployment rate was 13 percent according to the 2019/20 Uganda National Household Survey, implying that the NDPIII target of 11.6 percent was not met. This performance is attributed to the effect of Covid-19, which pushed most people out of employments. 39,511jobs were created an improvement from the previous year at 32,007jobs but below the Plan target of 477,262 Jobs. This was on account of unexpected lockdowns in the country which were as a result of the COVID-19 pandemic.

*Table 4. 4: Progress on key development results and targets for objective two of NDP*

Key Development Indicators	Baseline7/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Saving as a % of GDP	16	16.35	19	16.79	19.2	Acheived
Foreign Direct Investment (% of GDP)	2.96	3.069	2.1	3.176	2.3	Not Acheived
Gross Capital Formation as % of GDP	24.2	26.44	25.2	26.76	22.4	Not Acheived
Private Sector Credit (%)	11.2	8.4	7.1	12.9	8.5	Not Acheived
Private Sector Credit (% of GDP)	11.7	10.9	14.35	10.5	15.2	Acheived
Exports as % of GDP (Merchandize)	12.7	14.33	11.4	14.83	12.1	Not Acheived
Exports as % of GDP (Goods & Services)	26.24	28.67	14.35	29.53	16.7	Not Acheived
Youth unemployment rate (%)	13.3	12.2	13	11.6	13	Not Acheived
Net annual no. of Jobs created	424,125	412588	32,007	477262	39,511	Not Acheived

### **Objective 3: Consolidate & increase stock and quality of Productive Infrastructure**

127. The sub-sectors/key result areas for assessing progress under this objective are: Energy; Roads; Railway; Air; Water transport; ICT; and Water for production. Table 4.4 provides progress on objective three key development results and targets.
128. Under the energy results area, the NDPIII target for Energy generation capacity (MW) was 1,884MW in FY2020/21. During the FY, the Energy Generation Capacity was reported at 1,254.2 indicating a well below NDPII target performance. The percentage of households with access to electricity increased to 28 percent in FY2020/21 from 23 percent in FY2017/18 although far below the Plan target of 40 percent.

129. There was an increase in the cost of electricity during the FY2020/21. The costs in USD cents for residential, industrial (Large), industrial (Extra-large), and commercial were 23, 9.8, 8 and 17 cents, respectively. The performance failed to meet the respective was below the targets of 19.4, 8, 7 and 14.6 USD cents. This under performance was as a result of the outbreak of the COVID 19 pandemic This fall in demand put extra financial pressure on Government to pay deemed electricity for the available generation capacity that is not being utilized hence since the operational costs were high as well, all consumers of electricity had to carry the burden, which explains the high charges as opposed to the NDP III target.
130. Under ICT, internet penetration rate (internet users per 100 people) was 46 percent above the Plan target of 30 percent. The good performance was a result of the total lockdown of the economy as a way to curb COVID 19 virus which led to shifting work culture, with many businesses adopting remote working methods thus the increased internet penetration.
131. With regards to water for production, the target for Cumulative WfP Storage Capacity (million m3) was estimated at 41.48 below the Plan target of 54.32 in FY20020/21.

*Table 4. 5: Progress on key development results and targets for objective three ne of NDP*

Key Development Indicators		Baseline207/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Energy generation capacity (mw)		984	1884	1254	1990.4	1254	Not Achieved
Households with access to electricity (%)		21	40	23	45	28	Not Achieved
Cost of Electricity (USD Cents)	Residential	23	19.4	23	15.8	23	Not Achieved
	Industrial -Large	9.8	8	9.8	7	9.8	Not Achieved
	Industrial -Extra Large	8	7	8	6.5	8	Not Achieved
	Commercial	17	14.6	17	12.2	17	Not Achieved
% of paved roads to total national road network		21.1	27	33	30	33	Achieved
Travel time within GKMA (min/km)		4.14	3.98	4.1	3.86	4.1	Not Achieved
Freight transportation costs (per ton per km) from coast to Kampala - USD		0.77	0.034	1.88	0.702	1.88	Not Achieved
%age of District roads in Fair to good condition		61	64.8	69	68.6	69	Achieved
Proportion of freight cargo by rail (%)		3.5	7.8	3.7	11.2	3.7	Not Achieved
Travel Time on Railway network (Days)	Mombasa - Kampala	19	17	15	15	15	Achieved
	Mwanza -Dar-Kampala	20	20	6	19	6	Achieved
Volume of international air passenger traffic (Mn)		1.7	1.763	0.58	1.939	0.58	Not Achieved
Volume of domestic air passenger traffic		22301	28152	3601	30967	3601	Not Achieved
Freight Cargo Traffic (tones)	Exported (tones)	39594	42166	38941	44274	38941	Not Achieved
	Imported(tones)	22499	21204	25039	22264	25039	Achieved
Freight Traffic on Lake Victoria (tons)		45338	42723	32216.5	46996	32216.5	Not Achieved
Proportion of area covered by broad band services		41	50.8	45	60.6	45	Not Achieved
Internet penetration rate (internet users per 100 people)		25	30	46	35	46	Achieved
Unit cost of internet (USD)		237	210.6	205	177.2	205	Not Achieved
Water usage (m3 per capita)		30.27	41.82	41.5	42.9	41.5	Not Achieved
Cumulative WfP Storage capacity (million m3)		39.32	54.32	41.48	55.72	41.48	Not Achieved

132. Performance under road transport result area during the FY2020/21 indicates that the proportion of paved roads to total national road network increased to 33 percent from 21.1 percent in FY 2017/18, while the percentage of roads in fair to good condition increased to 69 in FY 2020/21 from 67 in FY 2019/20. On the other hand, the freight transportation cost from Mombasa to Kampala by road increased to 1.88USD per ton per km in 2019/20, as

compared to 1.79USD per ton per km in the previous year 2018/19. Travel time within GKMA could not be established since road surveys were not conducted due to budget cuts in favor of COVID-19 related activities.

133. For railway transport, the proportion of freight cargo carried by rail during FY2020/21 could not be established because there were no relevant statistics on freight carried by road; the mode that estimating transports more than 90 percent of the freight. However, during the year of assessment, freight of 224,414 tons was transported by rail. Further, travel time from Kampala to Mombasa by railway transport was reduced 15 days in FY 2020/21 from 19 days in 2017/18. This performance was against the NDPIII target of 17days. Also, the average travel time for freight rail services along the Southern route of Mwanza -Dar-Kampala reduced to 6days from 20days of FY2017/18. This greatly improved performance is explained by the change in management of railway services.
134. On air transport, the third National Development Plan (NDPIII) anticipated an increase in the volume of international air passenger traffic from 1,700 million in FY2017/18 to 1,763Million in FY2020/21. On the contrary, the volume of international air passenger traffic was considerably reduced to 0.58 million by close of FY 2020/21 on account of covid-19 related effects. Also, the NDPIII projected an increase in volume of domestic air passenger traffic to 28,152 passengers by close of FY 2020/21 from the baseline of 22,301 passengers in FY 2017/18, but an actual performance of 3,601 passengers was achieved. This negative performance is also attributed to travel restrictions for controlling the spread of COVID-19.
135. On the other hand, by close of FY2020/21 the freight cargo traffic of exports and imports changed to 39,594 tons and 22,499 tons to 38,941 tons and 25,039 tons in FY2017/18, respectively. This performance was against the NDPIII targets of 42,166 tons and 21,204 tons of exports and imports, respectively.
136. Under water transport, whereas NDPIII anticipated an increase in freight traffic on Lake Victoria from 45,338 tones in FY2017/18 to 42,723 tones in FY 2020/21, the traffic stood at 32,216.5 tones by close of FY 2020/21. This performance comprised 16,430.9 tons of exports, and 15,785.5 tons of imports.

#### **Objective 4: Enhance productivity and wellbeing of Population**

137. The sub-sectors/key result areas for assessing progress under this objective are: Labour productivity & Employment; Health; Education; Energy; Water and Environment; Social Protection Coverage (%); Extent of hunger in the population (%); and Stunted children U5 Table 2.5 provides progress on objective four key development results and targets.
138. According to the UBOS Statistical Abstract, 2020, the labour productivity (GDP per worker) was USD 945 (Agriculture), 7,542 USD (Industry) and 3,150 USD (Services). This was below the FY target of 2,527 USD, 8,162 USD and 3,925 USD for Agriculture, Industry and Services, respectively. The Labour Force Participation Rate (LFPR) was 57 percent against the target of 56 percent for the FY (Labour Force Survey, 2018/19).

Additionally, the Employment Population Ratio was 43 percent against the year’s target of 51.3 percent (UNHS, 2020).

139. With regards to Health key performance indicators according to the Statistical Abstract 2020, the life expectancy at birth was 63.3 years below the target of 64.6 years in FY2020/21. The Infant Mortality Rate/1000 was 43 against the FY 2020/21 target of 41.2. Maternal Mortality Ratio/100,000 was 336 against the target of 311 for FY2020/21. The Neonatal Mortality Rate (per 1,000) was 27 against the FY target of 24. The Total Fertility Rate and U5 Mortality Ratio/1000 were 5.4 and 64, respectively. This was against the respective targets of 5 and 42 for FY2020/21. The proportion of stunted children U5 was 29% against the target of 27 for the FY.
140. Regarding Education, the performance on key indicators according to the Statistical Abstract 2020 indicates that the primary to secondary school transition rate was 61 percent against the target of 65 for the FY. The survival rate for primary was 34.2 percent against the target of 40 percent for the FY2020/21. The quality adjusted years of schooling was estimated at 4.5 against the FY target of 4.6. The literacy rate was 73.5 percent against the target of 74.1percent for the FY. The electricity consumption per capita (Kwh) was 108.8 kwh against the target of 150 kwh for the FY.
141. On water and environment, the forest and wetland cover, were reported at 8.1 percent and 3 percent in the FY2020/21 against the targets of 12.5 percent and 9.08 percent, respectively. The percentage Safe water coverage for Rural & Urban was 69 percent and 79.1 percent, respectively. This was against the respective target of 75.4 percent and 79.2 percent. the sanitation coverage (improved toilet) and hygiene (hand washing) performance was reported at 42.8 percent and 40 percent respectively. This was against the targets of 23 and 36, respectively on account of impacts of covid-19 hand washing practices.

**Table 4. 6: Progress on key development results and targets for objective four of NDP**

Key Development Indicators		Baseline7/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Labor productivity (GDP per worker USD)	Agriculture	2527	2212	945	2656	945	Not Acheived
	Industry	8162	7281	7542	8446	7542	Not Acheived
	Services	3925	3654	3150	4063	3150	Not Acheived
Labor productivity (GDP per worker USD)							
Labor productivity (GDP per worker USD)							
Labour Force Participation Rate (LFPR)		52.3	56	57	59.9	57	Not Acheived
Employment Population Ratio		47.5	51.3	43	55.4	43	Not Acheived
Life expectancy at birth (years)		63.3	64.6	63.3	66	63.3	Not Acheived
Infant Mortality Rate/1000		43	41.2	43	39.4	43	Not Acheived
Maternal Mortality Ratio/100,000		336	311	336	286	336	Not Acheived
Neonatal Mortality Rate (per 1,000)		27	24	27	22	27	Not Acheived
Total Fertility Rate		5.4	5	5.4	4.9	5.4	Not Acheived
U5 Mortality Ratio/1000		64	42	64	39	46	Not Acheived
Primary to secondary school transition rate		61	65	61	68	61	Not Acheived
Survival rates Primary		38	40	34.2	41	34.2	Not Acheived
Survival rates Secondary		77	79	75	82	75	Not Acheived
Ratio of STEI/ STEM graduates to Humanities		0.09	0.09		0.13		No Data
Quality adjusted years of schooling		4.5	4.6	4.5	5	4.5	Not Acheived
Proportion of primary schools attaining the BRMS, %		50	54	52	58	52	Not Acheived
Literacy rate		73.5	74.1	73.5	75.3	73.5	Not Acheived

Proportion of the population participating in sports and physical exercises	40.9	43		45.1		No Data
Employers satisfied with the TVET training (%)	40	44		48.4		No Data
Electricity consumption per capita (Kwh)	100	150	108.8	200	108.8	Not Achieved
Forest cover (% of total land area)	12.4	12.5	8.1	12.8	8.1	Not Achieved
Wetland cover (%)	8.9	9.08	3	9.2	3	Not Achieved
Safe water coverage Rural	73	75.4	69	77.8	69	Not Achieved
Safe water coverage Urban	74	79.2	79.1	84.4	79.1	Not Achieved
Sanitation coverage (Improved toilet)	19	23	42.8	28	42.8	Achieved
Hygiene (Hand washing)	34	36	40	38	40	Achieved
Proportion of population accessing social insurance, %	5	7.5	5	10	5	Not Achieved
Health insurance	2	7.5	2	10	2	Not Achieved
% population receiving direct income support	0.5	0.7	0.5	2.5	0.5	Not Achieved
Proportion of eligible population with access to social care services, %	N/A	5	2.1	7.5	2.1	Not Achieved
Extent of hunger in the population (%)	40	36	39	32	39	Achieved
Stunted children U5 (%)	29	27	29	25	29	Not Achieved

### Objective 5: Strengthen the role of the State in guiding and facilitating development

142. The key results areas for assessing progress against this objective are Tax Revenue to GDP ratio (%), Public resources allocated to Local Government (%) and Cost of electricity for all processing and manufacturing enterprises (USD cents). Table 4.6 provides progress on objective five key development results and targets.

143. The ratio of tax to GDP reduced to 11.4 percent in FY2021/22 from 11.99 percent in the FY2020/21, which was below the Plan's target of 12.3percent for the period. This performance is on account unmet revenue targets

144. The share of central government transfers to Local Government stagnated at 13.7 percent over the two years of NDPII well below the Plan target of 20.1 percent for the review period. The inadequate allocations to LGs has greatly affected the delivery of decentralized services. The average cost of electricity was estimated at \$5 cents meeting the NDPII target for the review period.

Table 4. 7: Progress on key development results and targets for objective five of NDP

Key Development Indicators	Baseline 2017/18	Target 20/21	Actual 20/21	Target 2021/22	Actual 2021/22	Rating
Tax Revenue to GDP ratio (%)	12.58	11.96	13	12.28	11.4	Not Achieved
Public resources allocated to Local Government (%)	12.25	18.38	13.7	22.05	13.7	Not Achieved
Cost of electricity for all processing and manufacturing enterprises (USD cents)	8	7	8	5	5	Achieved

### 4.5 Progress on Core projects

145. The NDPIII earmarked 69 core projects across the 20 NDPIII programmes as the key drivers of the transformation. The Core projects have interventions that directly contribute to delivering key results of the Plan and are indeed consistent with the Plan's logic framework that is the results and reporting framework as well as the Plan's goal of increasing household income and quality of life of Ugandans.

146. Out of the 69 NDP III core projects, 34 projects are under implementation, 16 projects are still under preparation (Proposal, Profile, Pre-Feasibility, and Feasibility), 4 are at the project concepts stage, 13 are at idea stage and 3 are still at project idea awaiting approval from the Development Committee (DC) by end of the second year of the NDPIII. The summary progress of the core projects by programme and the detailed progress is presented in the table below and Annex.

**Table 4. 8: Core Projects Implementation progress by programme as of May 2022**

Sno	Programme	Idea/ Wish List	Concept	Preparation <sup>3</sup>	Awaiting Financing	Behind Schedule in Implementation	On Schedule	Total
1	Agro-industrialisation	6		3		3		12
2	Mineral Development				1			1
3	Sustainable Development of Petroleum Resources		1			3		4
4	Manufacturing						3	3
5	Tourism Development			2		2		4
6	Natural Resources, Environment, Climate Change, Land and Water Management			2		2		4
7	Private Sector Development	2					2	4
8	Energy Development			1		2		3
9	Integrated Transport Infrastructure and Services			2		13	1	16
10	Sustainable Urbanisation and Housing		2					2
11	Digital Transformation		1		1			2
12	Human Capital Development	4		4	1	1		10
13	Innovation, Technology Development and Transfer			2				2
14	Community Mobilisation and Mindset Change					1		1
15	Regional Development	1						1
	<b>TOTAL</b>	<b>13</b>	<b>4</b>	<b>16</b>	<b>3</b>	<b>27</b>	<b>7</b>	<b>69</b>

#### **a) Agro-industrialisation**

147. The Agro-industrialisation programme has 12 core projects of which 6 are still project ideas, 3 are under prefeasibility studies and 3 are under implementation though behind schedule. Below is the status of implementation on the individual projects. The following are the projects with ideas: (i) Tea value chain development project (Research & Development and Processing Plants); (ii) Cotton, Textiles, apparels and leather value chains development project; (iii) Tractor Assembly Plant; (iv) Regional Agricultural Processing and Marketing (cassava, meat, grains, dairy, potatoes and Rice); (v) Agriculture Storage and Post-harvest handling Infrastructure; and (vi) Fertilizer marketing, distribution and utilization project.

148. The projects that were undertaking pre-feasibility studies included: (i) Fish and Fish products value chain development project. (Restocking endangered species, preservation of breeding grounds and aquaculture parks); (ii) Coffee value chain development project; and (iii) Production, Testing and Commercialization of pesticides, acaricides, and herbicides project. The detailed performance of the key projects is presented below.

#### **1. Improving Access to and use of agricultural equipment and mechanization through the use of labor-Saving Technologies**

<sup>3</sup> Proposal, Profile, Pre-Feasibility, Feasibility



149. The key intervention area is to increasing farmers' access to agricultural equipment such as tractors, bulldozers, graders, combine harvesters, forklifts, agro-processing machinery, farm tools, straw choppers, excavators, bowsers, transformers, among other equipment. MAAIF plans to procure more 6 new sets of heavy equipment that will be used on a cost recovery basis were farmers pay a dry hire rate and fuel and MAIIF provides the equipment, pay operators and engineering teams. The project outcomes include: 389 valley tanks constructed in 29 districts; 4890 acres of bush cleared in 19 districts; 80 farm/community roads of 320 km length opened; and 800 Acres of land opened using the tractors. Other services will include delivering water for livestock in the dry corridor dry spell using water bowsers and delivering construction materials for farm structures.
150. By the end of the FY2021/22, the project had: (i) Procured and distributed 320 tractors and matching implements to 119 DLGs; (ii) Piloted provision of tractor hire services using 16 tractors and implements; (iii) Opened/ rehabilitated 521km of farm access roads; (iv) Completed construction of Agwata regional mechanization centres; and (v) Opened and cleared 12,271hectares of bush to facilitate production.

## **2. Markets and Agricultural Trade Improvements Programme (MATIP 2)**

151. The Markets and Agricultural Trade Improvement Project (MATIP) aims to boost markets in 21 municipalities and urban communities in Uganda. This intervention is based on the findings of a feasibility study commissioned by the Government of Uganda, in March 2008, to review and assess local markets' infrastructure and functional status across the country. The study concluded that markets throughout Uganda are poorly managed, in a state of disrepair and overcrowded with merchants, which far outnumber their capacity. MATIP-I enabled the Government to rebuild seven major modern markets in Kampala, Jinja, Mbale, Gulu, Lira, Hoima, and Fort Portal.
152. MATIP-II is therefore an extension of MATIP-I and involves the reconstruction of 11 additional markets. This second phase focuses on improving marketplace infrastructure, adding value and facilitating trade (including capacity building) in nine municipalities and two urban communities located in the four regions of the country, namely Entebbe (Kitoro), Masaka, Mbarara, Arua, Moroto (Lopedru), Soroti and Tororo on the one hand, and Kasese, Busia, Kitgum and Lugazi, on the other hand.
153. By the end of the FY2021/22, the project was under implementation but behind schedule with construction of 12 markets. Physical progress as follows: Lugazi (95 percent); Kitooro (96 percent); Tororo Central (100 percent); Busia (92 percent); Kasese Central (99 percent); Masaka Central (82 percent); Mbarara Central (82 percent); Moroto (99 percent); Soroti Central (92 percent); Arua Central (82 percent); Kitgum (33 percent); Kabale Main (25 percent).

## **3. Establishment of irrigation systems project**

154. The main purpose of the project is contributing to improvement of livelihood of farmers cultivating rice in the lowland (wetland) areas of the country through the development of sustainable irrigated agriculture for the rice production taking into account the wise use of wetlands. The project's development objective is to draw up a road map to increase the beneficial area under sustainable irrigation in Central and Eastern Uganda.
155. The project was behind schedule in implementation. Complete feasibility studies for two proposed schemes (Atari in Bulambuli/Kween Districts) and (Acomai in

Bukedea/Bulambuli Districts) were carried out with support from JICA; Complete Environment Impact Assessments were carried out for the two proposed schemes (Atari in Bulambuli/Kween Districts and Sironko in Bukedea/Bulambuli Districts); A Resettlement Action Plan (RAP) study was ongoing for the Atari Irrigation scheme and construction is expected to begin next financial year with joint funding from the Government of Uganda and the Government of Japan (GRANT AID); A detailed long term development plan for the Namatala wetland system covering the Districts of Butaleja, Budaka and Mbale was also being crafted and will focus on institutional development of farmer groups and water user association in preparation for future infrastructure development; A number of gauging stations and hydro-metrological stations were established in the target catchments to collect meteorological data for project use; Capacities of MAAIF/MWE and District local government staff on irrigation scheme planning and design is being continually enriched; and lastly, Detailed design for the Sironko-Acomai Irrigation Scheme was underway.

## **b) Tourism Development**

156. The Tourism Development programme has 4 core projects of which 2 were behind schedule in implementation; 1 was undergoing feasibility studies; and 1 was still at profile stage. Below is the status of implementation on the individual projects.

### **1. Development of Source of the Nile and Kagulu hills**

157. Developing the Source of the Nile infrastructure will improve Uganda's competitiveness and attractiveness in the region and on the continent. The developments envisaged will enhance socio economic benefits of communities as well as increase tourist range of activities and services. By developing state of the art public infrastructure at the Source of the Nile, the country will have prepared fertile grounds to increase tourist numbers as well as attract private investments needed to make the eastern tourism circuit vibrant, hence able to claim a fair share of the tourism national cake, a factor that will contribute to wealth and well being of the communities around and the country at large.

158. By the end of the FY2021/22, implementation was behind schedule in implementation with development at 70 percent at Kagulu hills. The Kagulu Hills was developed with concrete steps, rail guard, chain link, starting platform and two viewpoints constructed.

159. On the other hand, the Source of the Nile was still undergoing feasibility studies with modern docking piers designs and BoQs prepared.

160. However, project funding was very low at 10 percent with only UGX 2bn released out of the UGX 26 bn that was required in the FY2021/22.

### **2. Mt. Rwenzori Tourism Infrastructure Development Project (Phase II)**

161. Following the conclusion of the NDPII and the end of Phase I of Mount Rwenzori Tourism Infrastructure Development Project, the Ministry of Tourism Wildlife and Antiquities (MTWA) is set to build on progress achieved under Phase I by implementing Phase II of the project under the NDPIII. Efforts to improve Mt. Rwenzori Tourism Infrastructure began in FY2015/16, when Government of Uganda through MTWA and Uganda Wildlife Authority (UWA) commenced implementation of Phase I of the project. The goal of the project is to increase the attractiveness of Mt. Rwenzori as a preferred tourist destination. Implementation of the project will translate into improved visitor experience rating at Mt. Rwenzori.

162. By the end of the FY2021/22, implementation was behind schedule in implementation. A 50 pax (20 tourist and 30 guides/porters) cold-proof accommodation facility was constructed at Nyabitaba tourist camp. The facility will improve visitor comfort and experience and includes 2 executive rooms, 2 dormitories, 2 dining, and 2 kitchens. Additionally, a board walk with length of 100 meters was established at Kicuucu point along the central circuit. This is an effort towards improving accessibility, safety and experience. Other achievements include: over 3,100 metres of boardwalks constructed in various boggy/swampy areas which allows for navigation of the flooded areas along the trails, this has improved hiking of the mountain since the trails are less tedious and friendlier; Climbing ladders (635 metres) were installed at Mghule pass, Karyarupiha; Camping sites have been established so far 3 camps have been established at Lamia, Kasanzi and Green Lake points; Resting Shelters (5) were established at Scot Elliot, Nyamulejjuu, Kicucu, Omwihembe and Fresh Field; and lastly, a total of 18 mountaineering guides were given specialised training.
163. However, project funding was very low with only UGX 1bn released out of the UGX 13bn that was required in the FY2021/22.

### **3. Mt. Elgon Tourism Infrastructure Development Project**

164. Developing the full potential of the Mount Elgon National Park will provide a visitor with more activities, experiences, attractions to enjoy, satisfaction and safety. It will break the monotony of consuming only savannah-based and primate related products. The aim is to develop, brand and position Mount Elgon National Park as a viable product with potential to generate visitor traffic, revenue and engender local-economic development. The project intends to do this by constructing 2 visitor information centers, establishing 2 camping sites, 15 raised bridge walkways, rest shelters and signages. The project will also procure digital repeater systems, base radios, generators and solar panels to improve communication and electricity accessibility on the mountain. This project will also procure drones and construct tourism ranger outposts to aid in the monitoring of the National Park.
165. By the end of the FY2021/22, the project was still under preparation with feasibility studies having been concluded. The project appraisal was ongoing and the project was before the DC awaiting further development.

### **4. Improve and upgrade Kidepo Aerodrome**

166. The aerodrome is located at Lomej, approximately 3 kilometres south of Kidepo Valley National Park, headquarters in extreme north-eastern Uganda. The airport is gazetted as an Entry/ Exit point for international traffic and has a substantial bearing on regional and international tourism in the area. The aerodrome has a Gravel runway designated as 09/27, 1500m long and 30m wide. It has a small terminal building with capacity of 30 passengers and is equipped with portable fire extinguishers (no fire tender). The aerodrome is fenced with an electric perimeter fence, powered by solar energy to prevent intrusion by wildlife. By the end of the NDPIII period, the project is expected to: Construct of the runway, 2500 by 45m; Apron to paved surface. 10,000sqm; Construct a new Passenger Terminal building; Construct a new access road (3km) and car park (5000sqm); and lastly, procure a fire fighting vehicle.
167. By the end of the FY2021/22, the project had not started and was still in the process of developing a project profile.

### **c) Sustainable Energy Development**

168. The Sustainable Energy Development programme has 3 core projects but these projects have many components within them which were at different stages of implementation at the time of the MTR, below is the progress registered.

#### **1. Expansion and rehabilitation of the following transmission and distribution network**

##### **i. Masaka – Mwanza 220kV; (Transmission for export to Tanzania)**

169. The project involves the following components: Update of the feasibility study including technical, economic/financial feasibility; Carrying out a detailed Resettlement Action Plan study; Consultancy services for design and tender document update, procurement of EPC and supervision of Works during Implementation; Acquisition of wayleaves corridor; EPC Works; and Commissioning of Works. By the end of the FY2021/22, feasibility studies were still ongoing.

##### **ii. Nkenda – Mpondwe - Beni 220kV;(Transmission for export to Democratic Republic of Congo)**

170. The project components include: Carrying out a detailed Resettlement Action Plan study; Consultancy services for design and tender document preparation, procurement of EPC and supervision of Works during Implementation; Construction of a 72.5km, 220kV double circuit transmission line on steel tower structures from Nkenda (Uganda) Mpondwe (Uganda-D.R. Congo Border); Extension of the Nkenda 220/132/33kV substation to accommodate two line bays to D.R.Congo; and, Installation of 2 x 250MVA transformers complete with transformer bays, protection, control, communication and civil works. By the end of the FY2021/22, feasibility studies were still ongoing.

##### **iii. Olwiyo – Nimule – Juba 400kV; (Transmission for export to South Sudan)**

171. The project components include: undertaking Feasibility study; EPC Supervision; and EPC Works. By the end of the FY2021/22, feasibility studies were still ongoing.

##### **iv. Grid Extension in North East, Lira and Buvuma Islands**

172. By the end of the FY2021/22, the project was behind schedule in implementation.

##### **v. Kabaale-Mirama Transmission Line**

173. GoU under MEMD received funding from Islamic Development Bank towards the implementation of Mirama-Kabale 132kV Transmission Line and Associated Substations. The funding from IsDB is a loan of USD 83.75million and was signed on 22nd June 2015. The project shall extend the national electricity grid by construction of approximately 85 km of 132kV transmission line backbone from the Mirama 132/33kV substation to the proposed new 132/33kV- 2 x 40 MVA substation in Kabale town, 904 km of 33kV lines, and 131 km of Low Voltage (LV) network in 121 villages. By the end of the FY2021/22, the project was behind schedule in implementation. RAP Implementation was 90percent complete with 2,254 out of 2,511 PAPs compensated. Additionally, the construction of the transmission line (Lot A) was at 43percent completion, that is, Design & Engineering 100percent complete, Equipment procurement 82percent complete, and Construction 34percent complete.

174. Regarding Lot 2 (Substations), the component was re-tendered following annulment of the previously signed Contract. Pre- award contract negotiations were held on July 6, 2022

following which approval for Contract Signature will be sought from the Solicitor General and the UETCL Board.

**vi. Masaka -Mbarara Grid Expansion Line (400kv); transmission of industrial electricity to Mbarara and for expansion to Muko to aid exploitation of iron ore)**

175. UETCL is implementing the project with financing from AfD and KfW for Establishment of Plant, Design, Supply, Installation, and Commissioning with Significant Environmental and Social Impact for the Establishment of the Substations and its terminal bays. By the end of the FY2021/22, the project was behind schedule in implementation. RAP Implementation was at 32percent with 847 out of 2,654 PAPs compensated. Additionally, prequalification of EPC Contractors had been concluded and tender document preparation was concluded and approved. The tender documents were issued to prequalified firms in April 2022 and the bid closing date was 22nd July 2022.

**vii. Opuyo-Moroto 220Kv (Transmission of Industrial power to Karamoja)**

176. By the end of the FY2021/22, the project was on schedule in implementation. The transmission line and substations were commissioned and energized in July, 2021 and the identified snags were being addressed. The project was being fast-tracked for exit/ closure.

**2. Industrial Substations Upgrade (rehabilitating the existing substation to accommodate industrial power supply 320kv and 400kv) (Lugogo; Mutundwe; Nkongwe; Nkenda; Kawanda; Lira; Opuyo; Tororo; Mbarara North; Masaka West; Kawaala, Kampala North Substations; Luzira, Iganga, Mukono, Namanve Upgrade)**

177. By the end of the FY2021/22, the project was behind schedule in implementation. The following substations were completed and had been energized as follows: Namanve South on 26th January 2021; Mukono on 4th July 2019; Iganga on 8th December 2019; and Luzira was complete but awaiting energization upon the completion of the Namanve - Luzira power line.

178. Regarding Mutundwe substation, by the end of the FY2021/22, the project was behind schedule in implementation. The designs were 96percent complete, procurement was 95percent complete and construction was 94percent complete with Equipment Site Acceptance Tests (SAT) set to commence in July 2022. The benefits and development changes are expected to be realized after completion of construction of the transmission line scheduled for December 2022.

179. Regarding Kampala substation, Tender Documents preparation and approval had been completed. The tender documents were issued in April 2022 and bid closing was slated for August 2022. RAP implementation was 86percent with 110 out of 128 PAPs compensated. The major challenges reported on the project were cash flow issues and the COVID-19 Pandemic which affected project activities.

**3. Feasibility studies for selected HPPs**

**i. Ayago (840MW)**

180. Feasibility studies were being updated.

**ii. Oriang HPP (392MW)**

181. Feasibility studies were ongoing.

**iii. Kiba HPP (330MW)**

182. By the end of the FY2021/22, technical feasibility studies and ESIA studies had been completed by the project developer.

#### **d) Integrated Transport Infrastructure and Services**

183. The Integrated Transport Infrastructure and Services programme has 14 core projects of which 11 were under implementation but behind schedule; 1 was on schedule in implementation; and 2 was undertaking feasibility studies. Below is the progress registered.

##### **1. Standard - Gauge Railway**

184. The SGR project will stretch from Mombasa through Nairobi to Kampala, Kigali and Juba. In May 2014, the four Partner States signed a regional SGR Protocol. The Protocol provides mechanisms for cooperation between Partner States and stipulates key timelines for project completion. The following routes will be developed in a phased manner in Uganda: Eastern Route (Malaba-Kampala), 271.643km; Northern Route (Tororo-Gulu-Nimule with a branch from Gulu-Pakwach-Vurra), 762km; Western Route (Kampala-Bihanga-Kasese-Mpondwe with a spur to Hima cement factory), 383.12km; and, Southern Route (Bihanga-Mirama Hills, with a spur to Muko), 280.3km. In addition, outside the NCIP arrangement, the SGR network will also connect to the Tanzania SGR through the planned Bukasa port on Lake Victoria.

185. By the end of the FY2021/22, the project was behind schedule in implementation. Feasibility study, RAP and negotiation of financing were ongoing and 81.990 hectares acquired of ROW for eastern route with 61km of demolition done. Additionally, 36percent construction works for Gulu Logistics hub had been completed; 83Km of Kampala-Malaba Railway Line maintained; and 154 wagons and one locomotive maintained.

186. Furthermore, a detailed inspection of the track for Tororo-Gulu Railway line to determine track materials required for replacement and those required for refurbishment was completed; the Contractor acquired quarry site at peta in Tororo district; and 1.63percent overall physical progress for rehabilitation of Tororo was made.

##### **2. Rehabilitation of the Meter Gauge Railway (Relief of Road Transport of Cargo transportation)**

187. By the end of the FY2021/22, the project was behind schedule in implementation. Works commenced in February 2020 on Tororo- Gulu and progressed to 18.8percent but were halted in Q3 of 2021/22 to allow for design and cost variation. It should be noted that 3200 PAPs for the Tororo-Gulu MGR line are to be compensated.

##### **3. Kampala-Jinja Express Highway**

188. The Government of Uganda has received financing from the African Development Bank towards the cost of the Kampala-Jinja Expressway (KJE) Project on Public Private Partnership (PPP) basis. The KJE project is intended to relieve traffic congestion, improve road safety, and spur economic growth in the region. As such, it will support regional integration between the Port of Mombasa, in Kenya, and the landlocked countries of Uganda, Rwanda, Burundi, and the Democratic Republic of the Congo. Combined, Phases 1 and 2 are expected to generate up to 1,500 jobs during construction and 250 jobs during operations, most of which are expected to be filled by Ugandans. Once operational, the KJE is expected to reduce travel time between Kampala and Jinja by approximately 70 minutes. The KJE will also support government revenue through toll road fees and taxes. By the end of the

FY2021/22, the project was behind schedule in implementation. The project was under procurement, interested bidders submitted financial and technical proposals in March 2022.

#### **4. Busega - Mpigi Expressway (City decongestion)**

189. The proposed Busega – Mpigi Expressway (23.7km) is located within the central region of Uganda. The Project area is located on the Northern Multimodal Corridor and it is expected to facilitate the logistics within GKMA and also improvement of traffic flow on the Northern Multimodal Corridor. The Project starts at Busega (at the Kampala Entebbe Expressway approximately 12.5kms from Kampala City Center) and moves in a south-westerly direction following predominantly a greenfield to the northern side of the existing Kampala – Masaka Road up to Mpigi town. (Approximately 40km southwest of Kampala). By the end of the FY2021/22, the project was behind schedule in implementation. Works commenced in November 2019 and are expected to be completed in May 2023. Design update was completed, a design workshop was held on 10 March 2021. However, physical progress was at 17.94percent by end of June 2022.

#### **5. Kibuye-Busega Express Highway**

190. By the end of the FY2021/22, the project was undertaking pre-feasibility studies.

#### **6. Kampala Flyover Construction and Road Upgrading Project (City decongestion)**

191. The Kampala Flyover Project is part of the Measures for Improvement of Traffic Flow within the Greater Kampala Metropolitan Area (GKMA) as proposed by the National Transport Master Plan (NTMP). The Project provides linkage between multilane highways in line with GKMA Transport Study recommendation for Transit Oriented development. The objective of the Project is to mitigate traffic congestion and facilitate urban transportation in Kampala city, through construction of flyovers, widening of road and improvement of junctions in Kampala city, thereby contributing to sustainable economic and social development of Uganda, as well as to vitalization of logistics and transport across the neighbouring countries.

192. By the end of the FY2021/22, the project was behind schedule in implementation. The project commenced in May, 2019 and was expected to be completed in August 2022, however, physical progress was at 65.42percent, at the end of June 2022.

#### **7. Bukasa Inland Port**

193. In the first phase, GAUFF Engineering will establish a master plan and, on this basis, further develop the preliminary design of the port, including its connectivity to the Kampala Industrial and Business Park. Construction measures, such as exploitation, site installation and first construction measures for the future quay wall will follow. In the more advanced phases, the construction of the actual port will be implemented, including the docklands and the whole infrastructure. By the end of FY2021/22, the project was behind schedule in implementation. Phase I implementation was ongoing and 90percent of payments for PAPs along Kinawataka Bukasa road had been undertaken. It should be noted that the planned 25percent of Dredging, Piling and swamp charging works for Bukasa Port was not undertaken because the procurement process was cancelled because the bidders quoted a price higher than the budgeted amount.

#### **8. Kabaale International Airport**

194. The proposed Kabaale airport with a runway length of 3500m and a width of 75m including shoulders will be constructed within the already acquired refinery land of approximately 29

square kilometers. The airport will comprise a taxiway of width of 25 m and 60 m length including shoulders. A taxi lane will be constructed along the western edge of the apron to facilitate access to stands. New access roads shall be constructed in order to access the airport facilities. However, some of the roads including the perimeter road, regular access roads to the land side, circulation roads, access road to the apron, will have a larger width than the general road network because it will facilitate the movement and manoeuvring of trucks with wide loads being transported directly from the apron to the refinery construction site or other sites in the 29 km<sup>2</sup> area.

195. By the end of the FY2021/22, the project was under implementation with physical progress at 75percent.

### **9. Improvement of Ferry Services Project**

196. By the end of FY2021/22, the project was behind schedule in implementation. The progress of implementation on the different project components is given below.

#### **a. Kalangala**

197. By the end of the FY2020/21, the Marine insurance policy for MV Kalangala had been renewed, and the Assessment of qualifications and training needs for MV Kalangala crew members had been conducted.

#### **b. Kumi-Agule Ferry**

198. By the end of the FY2020/21, draft contracts for the consultancy services for detailed Engineering design for Kumi-Agule Ferry Landing (17 Km) forwarded to SG clearance

#### **c. Sigulu Ferry Project**

199. By the end of the FY2020/21, the designs were approved by DNPE; Bumalenge waiting shed substructure completed and ongoing finishes on the toilet superstructure. Additionally, Watega staff quarters, Guardhouse and Toilet were under final finishes. The Watega and Bumalenge coffer dam structures sipped in water after excavation and re-design was ongoing to achieve a dry working platform. Contract delivery time was extended to February 2022.

#### **d. Buyende-Kagwara-Kaberaido (BKK) Project**

200. The contract was signed on 29th June 2020 and was expiring on 28th Feb 2022. By the end of the FY2020/21, the contract was at design review stage. Request for change order for the new design was submitted and was being processed. The Dredger production completed and classification society approved by MoWT. Physical progress by March 2021 was at 15percent.

#### **e. Amuru-Rhino Camp Project**

201. This in part involves repair of an aged ferry to provide a shorter link between Amuru and Arua Districts through the River Nile.

202. By the end of FY2020/21, Preparation of the ferry equipment (engines, pontoons and tail ends) was ongoing in the ferry workshop at Luwero. Pontoons at Rhino camp were retrieved from the water and they had been planned for repair and assembly. Physical progress by March 2021 was at 30percent.



#### **f. Kiyindi – Buvuma Ferry**

203. Contract was signed in December 2018. By March 2021, construction was being done in Mwanza at the contractor's shipyard. In addition, the construction of Hull had been completed. The construction of Superstructure was ongoing. Physical progress stood at 60percent.

#### **g. Lake Bunyonyi Ferries**

204. Two vessels are to be constructed for the Lake Bunyonyi under the funding of AfDB. By end March 2021, the bidding document had been submitted to the funder for approval.

### **10. Bridge Project (including Karuma, Laropi, Mpondwe, & Semliki Bridges among others, to promote connectivity across the country)**

205. By the end of the FY2021/22, the project was behind schedule in implementation. The progress of implementation on the different project components is given below.

#### **a. Karuma Bridge & Access Roads**

206. The proposed project involves development interventions required to construct a new bridge at Karuma bridge that include: Construction of a new 240m, two-lane Extradosed Concrete Bridge structure across the Victoria Nile at Karuma; Construction of 2km access roads to connect the new bridge to the existing paved Kampala – Gulu Highway; and Installation of road furniture and non-motorized transport facilities for the safe and efficient operation along the bridge. By the end of the FY2020/21, documentation of the design of the bridge and culverts had been completed.

#### **b. Laropi/ Umi Bridge**

207. The project involves construction of a bridge of 7m carriage width, 2m shoulders, 2m walkway and standard Paved Class II approach roads of 7m carriageway. The project activities include construction of temporary bridge. The temporary bridge shall be erected using steel across the river. It serves as a platform for constructing the permanent bridge and also transporting materials across the river. The permanent bridge is made of piles driven into the riverbed, abutments on either side of the river and a bridge deck. Construction activities for a permanent bridge follow a water tight watertight system to prevent contamination of the river with wastewater, mud, and concrete among others. Following the completion of the permanent bridge, the temporary bridge will be decommissioned and all steel removed from the river following a clear decommissioning plan while observing Occupational Health and Safety Standards. By the end of the FY2020/21, the detailed Engineering Design and Project Preparation for Financing of 2km bridge was ongoing.

#### **c. Semiliki bridge**

208. The Semiliki bridge component was rejected by the DC because UNRA submitted the integrated project of Rwebisengo- Budida- Bunia Road where the bridge had been captured as a component.

### **11. Rwenkunya-Apac-Lira (Regional interconnectivity)**

209. By the end of the FY2021/22, both Rwenkunya-Apac (90.0Km), and Apac – Lira - Puranga (100.1km) sections were at 4percent physical progress.

### **12. Iganga-Bulopa/Buwenge-Kaliro/Bugembe-Kakira-Bulongo**

210. By the end of the FY2020/21, feasibility studies and preliminary engineering design were ongoing. Progress was at 39.45 percent against a planned progress of 32.92 percent as at June 2021.

**13. Community Roads Improvement Project (Total 7,905 Kms; North 1,975Kms, East 2,300Kms, Central 1,540Kms, West 2,090Kms)**

211. The Community Roads Improvement Project will be implemented in 135 districts of Uganda. Following spatial analysis by the Ministry GIS unit, maps showing the percentage of Community Access Roads in poor to bad condition and GDP per capita per district will be developed. The maps will be used as a basis of categorizing the districts and thereafter based on population density and targets, the prioritization will be carried out. The average population density of Uganda was established as 170 persons per square km and will also facilitate the distribution. Consultation meetings will be held with the district local governments/ local leaders to identify the exact roads of interest. Assessments of the particular roads to be rehabilitated or opened will be carried out prior to commencement of procurement of Contractors and Bills of Quantities developed. Class III district roads of generally less than 20 vehicles per day, carriage width of 4.0 - 5.4m with well compacted gravel as the wearing course and properly drained will be considered. The design speed will be 50km/h. Local road construction contractors will be procured to undertake the works. This will develop their capacity and also utilize locally available resources.

212. By the end of the FY2021/22, the project was behind schedule in implementation. 646 km of roads rehabilitated (equivalent to 82.8 percent progress) at end of Q3. These community access roads were in the following districts; Butaleja, Buyende, Luwero, Kamuli, Mayuge, Serere, Kyankwanzi, Buhweju, Dokolo, Hoima, Kapchorwa, Moroto, Kasese, Arua, Adjumani, Sironko, Bulambuli, Rubanda, Kayunga, Mukono, Kaliro, and Rakai.

**14. Regional Trade Roads**

**a. Rakai – Isingiro- Kafunjo- Kikagati (135km)**

213. By the end of the FY2021/22, the concept note for the road had been submitted to DC for consideration.

**b. Koboko – Yumbe – Moyo (105Km)**

214. By the end of the FY2021/22, the procurement of civil works contractor had commenced and was under bidding until 28th July 2022. World Bank field mission was held between 21 and 25 February 2022.

**c. Nabumali Corner- Butaleja-Namutumba**

215. By the end of the FY2021/22, the procurement of civil works contractor had commenced and was under negotiations.

**d. Rukungiri-Ishasha- Ruthuru**

216. By the end of the FY2021/22, the project was on schedule in implementation with physical progress at 68.35 percent.

**15. Tourism Roads Development Project (Kabale - Lake Bunyonyi (8.0km); Kisoro - Mgahinga National Park Headquarters (14.0km); Kisoro - Nkuringo - Rubuguri -**

**Muko (54.0km); Rubuguri-Nteko Road (22.0km); Hamurwa-Kerere-Kanungu/Buleme-Buhoma-Butogota-Hamayanja-Ifasha-Ikumba (149.0Km); Ishasha-Katunguru (88.0Km); Kitgum-olumu-Kalenga-Kapedo-Kaabong (184Km); Kebisoni-Kisizi-Muhanga/Kambuga Road (117km))**

217. The project will involve upgrading the existing gravel road to paved standard with a minimum of 7m carriageway width and a design life of 20 years. Works will include sufficient drainage structures and bridges, provision of Non-Motorized Transport Facilities, installation of road signage and road safety facilities. The road will have pedestrian and cycle lanes, parking spaces for tourist vehicles and street lighting in urban centres.

218. By the end of the FY2021/22, the project was undergoing feasibility studies. Detailed project designs and studies were still ongoing as shown below.

**a. Kisoro - Mgahinga National Park Headquarters (14.0km)**

219. The project will involve: upgrading the existing gravel road to Class II paved standard with a minimum of 6/7m carriageway width and a design life of 20 years. Works will include sufficient drainage structures and bridges, provision of Non-Motorized Transport Facilities, installation of road signage, road safety facilities and Tourist Viewpoints; Construction of 4 No. landing sites on lake Bunyonyi; Construction of two roadside markets; provision of street lighting at Lake Loop area; extension of electricity connection to Bwama Island, Kachwekano and Mgahinga trading Centre; Supply and delivery of two (2) merchant vessels (ferries) to transport passengers and cargo across Lake Bunyonyi; and, Supply and delivery of two (2) search and rescue boats including associated call and rescue/navigation equipment on lake Bunyonyi. The road will have pedestrian and cycle lanes, parking spaces for tourist vehicles and street lighting in urban centres. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on. Consultancy Services for Monitoring & Evaluation, Technical Audit and Road Safety Audit and Sensitization of the project were under evaluation.

**b. Kisoro - Nkuringo - Rubuguri - Muko (54.0km)**

220. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on. Procurement of civil works contractor commended and was under evaluation. Revised bid evaluation report was submitted to the Bank on 29th June 2022 for no objection. The procurement of design review and construction supervision consultant also commenced and was under evaluation and was submitted to the Bank for No objection on 1st June 2022.

**c. Hamurwa-Kerere-Kanungu/Buleme-Buhoma-Butogota-Hamayanja-Ifasha-Ikumba (149.0Km)**

221. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on. Final RAP report was submitted for review in November 2021, comments on the valuation roll and Strip-maps were received in March 2022 and were currently being addressed by the Consultant.

**d. Ishasha-Katunguru (88.0Km):**

222. The project will involve upgrading the existing gravel road to Class II paved standard with a minimum of 7m carriageway width and a design life of 20 years. Works will include sufficient drainage structures and bridges, provision of Non-Motorized Transport Facilities,

installation of road signage and road safety facilities. Adequate provisions for the road to function as a park road will be provided. The road will be constructed in such a way to provide a reasonable, leisurely and safe tourist access to natural, scenic, historic and recreational features within Queen Elizabeth National Park. Animal Crossing Tunnels will be provided. Speed cameras will also be installed. Raised Animal Sighting Platforms to allow tourists view and enjoy scenic areas and panoramic views of Rwenzori Mountains and Lake Edward will be provided. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on.

**e. Kabale - Lake Bunyonyi (8.0km)**

223. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on. Consultancy Services for Monitoring & Evaluation, Technical Audit and Road Safety Audit and Sensitization of the project were under evaluation.

**f. Kitgum-olumu-Kalenga-Kapedo-Kaabong (184Km)**

224. By the end of the FY2021/22, the project was still under preparation with feasibility studies going on. Commercial contract and the negotiations for financing were ongoing.

**g. Kebisoni-Kisizi-Muhanga/Kambuga Road (117km)**

225. The project is still a concept awaiting DC decision for further development.

**e) Natural Resources, Environment, Climate Change, Land and Water Management**

226. The Natural Resources, Environment, Climate Change, Land and Water Management programme has 4 core projects of which 2 were behind schedule in implementation while 2 were undergoing feasibility studies. Below is the status of implementation on the individual projects.

**16. National Community Tree Planting Project (restore & maintain 102,000 ha of degraded forests & Establish 200,000 ha of community tree planting-woodlots; 6,320 of urban planting-greening)**

227. By the end of the FY2021/22, the project was undergoing feasibility studies.

**17. Comprehensive Inventory of Land**

228. By the end of the FY2021/22, the project was undergoing feasibility studies.

**18. Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda**

229. By the end of the FY2020/21, the project was behind schedule in implementation. A cumulative total of 531Km of critical wetlands were demarcated. Additionally, wetland inventory for Nwoya was completed, inventory for Kitgum was still on going with field activities being undertaken, though at a slow progress, due to the country lock down and Covid 19 related challenges. Additionally, a total of 59 wetland maps were produced on request, in the four wetlands regional centers (North, East, Central, West). A communication strategy for the cancellation of titles in wetlands was developed and technical teams from Ministry of Water and Environment, National Environment Management Authority, Ministry of Local Government, Ministry of Justice and Constitutional Affairs, Ministry of Trade, Industries and Commerce, etc, set up to undertake sensitization on the cancellation of titles in

wetlands. The sensitization process was completed in Wakiso. A total of 330 titles in wetlands were cancelled in Kampala, Mukono and Wakiso.

230. Likewise, restoration needs assessment for Nyamuro and Kashambya Rushebeya wetlands located in Rukiga and Rubanda districts in Western Uganda and Lwere and Orapada wetland located in Butebo and Kumi districts in Eastern Uganda were undertaken. And lastly, assessment of Nyakabirizi demonstration site and Shuuku site in Bushenyi and Sheema districts respectively was conducted.

### **19. Support to rural water supply and sanitation project**

231. This project will support the development of the Multi-Village Large Pipe Water Supply Schemes initiative that focuses on exploiting the economies of scale principles in the provision of water supply and sanitation services to small rural communities who would otherwise not receive services due to limitations of capital investments financing. The project shall on top of increasing safe water coverage greatly improve sanitation levels in the area, construct public waterborne toilet facilities located within the respective town centres, VIP school toilets shall be constructed, supplying rubbish bins of capacity 75litres each and Procuring Cesspool Emptier trucks in the project areas. Access to safe water will reduce the occurrence of the water borne diseases. By the time of the MTR, feasibility studies had been concluded on 23rd March 2020 from which an assessment was conducted to the proposed sites in the 17 districts to ascertain viability and sustainability of the water sources once converted into solar systems.

#### **f) Human Capital Development**

232. The Human Capital Development programme has 7 core projects from the NDPIII and 3 core projects they took on from the Community Mobilization and Mindset Change programme, namely: National Service Scheme; Establishment of the National Productivity Centre (GKMA and Regional Cities); and National apprenticeship scheme, which brings the total number of core projects to 10 at the time of the MTR. Of these; 4 were project ideas, 4 were under preparation at different stages, 1 was awaiting financing, and 1 was behind schedule in implementation. Below is the status of implementation on the individual projects.
233. The project ideas included: Labour Market Information System Project; Basic Requirements and Minimum Standards (BRMS) for education institutions; Health Facilities Functionality and Referral system Project; and Multi-sectoral community Health Promotion & Prevention Project.
234. Furthermore, the projects that were under preparation at feasibility studies stage included: Skills for Employment and Productivity; National Service Scheme; and National apprenticeship scheme, while the project at profile stage of preparation was, the Establishment of the National Productivity Centre (GKMA and Regional Cities).

#### **1. Uganda Heart Institute Infrastructure Development**

235. The Project will contribute to improvement in access to quality health services at all levels in both the public and private sectors through provision of specialized care and expansion and upgrading of the infrastructure in Uganda Heart Institute and other tertiary care units so as to facilitate a functional National referral system. The project will further strengthen health

systems to ensure reduction of morbidity and mortality attributable to non-communicable diseases through appropriate health interventions targeting the entire population of Uganda.

236. Feasibility studies were approved on 21st March 2019 and by the end of the FY2021/22, the project was awaiting financing.

## **2. Establishment of oncology and diagnostic center in Mbarara and Gulu regional referral hospitals**

237. The establishment of the centres was informed by the increased patient burden at Uganda Cancer Institute, in Kampala where 4,500 to 6,000 new cancer patients are registered annually. Of these, an estimated 78.3 percent patients die of their disease within one year, partly due to late diagnosis and inappropriate treatment. The project will strengthen health systems and ensure universal access to Specialized Services in order to achieve the objective of reducing morbidity and mortality from the major causes of ill health and premature death. By the end of FY2021/22, the projects were both behind schedule in implementation.

### **a. Establishment of oncology and diagnostic center in Gulu regional referral hospital**

238. By the end of the FY2021/22, the project was behind schedule in implementation. The Prime Minister Robinah Nabanja launched the multibillion construction on Friday 13th August, 2021.

### **b. Establishment of oncology and diagnostic center in Mbarara regional referral hospital**

239. By the end of the FY2021/22, the concept note had been submitted to PAP for review before it goes to DC for approval.

## **g) Sustainable Development of Petroleum Resources**

240. The Sustainable Development of Petroleum Resources programme has 3 core projects of which all were behind schedule in implementation. Below is the status of implementation on the individual projects.

### **1. LPG Promotion, Supplies & Infrastructure Intervention**

241. The LPG Promotion, Supply and Infrastructure Intervention Project seeks to bridge the demand supply imbalance through the construction of seven regional LPG storage terminal, procure 72 LPG train wagons and spur LPG demand through the direct injection into the market of 1,000,000 LPG kits. (LPG cylinder and burner).

242. By the end of FY2021/22, the project was behind schedule in implementation. The procurement processes for the promotional cylinder kits contractors had been completed and the framework contracts had been signed; the National LPG communication strategy had been developed; land for Kampala LPG storage terminal had been identified and the procurement processes were in advanced stages; and lastly, 4,456 LPG promotional cylinder kits had been procured and dissemination had commenced.

243. However, the project is faced with insufficient allocations which has hindered project implementation, for example, out of the approved UGX 11.5bn only UGX 2.63bn was released in the FY2021/22.

### **2. East Africa Crude Oil Pipeline (EACOP)**

244. The EACOP project consists of a 24-inch, 1445 km long buried pipeline starting from Kabaale in Hoima district running to Chongoleani near Tanga in Tanzania. Of the overall 1445km, a total of 297km of the Pipeline is in Uganda traversing the districts of Hoima, Kikuube, Kyankwanzi, Kakumiro, Mubende, Gomba, Sembabule, Lwengo, Rakai and Kyotera.
245. By the end of the FY2021/22, the project was behind schedule in implementation. The Resettlement Action Study had been completed. Others studies completed include; routing studies, geotechnical studies, feasibility studies, valuation of properties, stakeholder engagements, title rectifications, wetland verification exercise, Forests and Woodlots assessment, Gazettement of the EACOP corridor, Approval of change of land use, Return of assessment forms and establishment of the management structure for RAP implementation. RAP implementation had started in May 2021 and was still ongoing.
246. Additionally, the EACOP Front-End Engineering Design (FEED) study had been submitted by TOTAL E & P to GoU and was reviewed by a team comprising of the MEMD, PAU and UNOC. The study was approved and is ready for implementation. Furthermore, the ESIA for EACOP was completed and submitted to NEMA for approval. The report was approved by NEMA and a certificate issued for the project on 30th November 2020.
247. Lastly, the negotiation of the HGA resumed in the month of June 2020 and the agreement was concluded and signed on 11th April 2021. The Ministry also participated in negotiations for the Shareholding Agreements (SHA) and Tariff and Transportation Agreements (TTA) which were concluded and also signed on 11th April 2021.

### **3. Investment in the Oil Refinery through Construction of Oil Refinery Project**

248. The refinery in Uganda will boost the region's refining capacity and ensure the security of supply of petroleum products especially for the landlocked Partner States such as Rwanda and Burundi. Besides being a strategic investment for the country and the region, developing a refinery in the country will improve Uganda's balance of payments by reducing the petroleum products import bill. The Project will also contribute to economic gains for Ugandans as the construction of the refinery alone is estimated to create 4,000 to 6,000 temporary jobs. Once complete, ongoing refinery operations are expected to create more than 650 permanent jobs. The development of attendant industries such as the petrochemical and manufacturing industries will also create jobs for Ugandans and ensure the transfer of technology in the refining and associated industries.
249. By the end of the FY2020/21, the project was behind schedule in implementation. The registered performance included: (i) a total number of 2,662 out of 2,680 property owners who opted for cash compensation, that is about 99.3percent, had been fully compensated; (ii) land titles for the acquired land was transferred to Uganda Land Commission and the process of payment of stamp duty was underway; (iii) the refinery FEED was being undertaken by SAIPEM in Italy and stood at 97percent completion; (iv) all the houses for the seventy-two (72) PAPs were completed and handed over; (v) social economic baseline survey and detailed study of the petroleum products pipeline from Hoima to Kampala was completed; (vi) an estimated 62 PAPs (out of 4270 registered PAPs) had so far been paid their cash compensations; and the ESIA stood at 80percent completion.

## **h) Mineral Development**

### **1. Establishment of Steel Industry**

250. A strong integrated iron and steel industry will facilitate industrial take-off in the country as well as lead to saving of forex expenditure, increase employment opportunities and form a strong basis to support the growth of other sectors through forward-back ward linkages. The industry will also increase local content in on-going and planned projects like the SGR, motor vehicle assembly plant, Kabaale airport and expressways, oil roads, new Karuma bridge among other projects, through the supply of the needed steel from local production. By the end of the FY2021/22, the project was awaiting financing since the feasibility studies had been completed.

### **i) Manufacturing**

251. The Manufacturing programme has 3 core projects of which all three were on schedule in implementation. Below is the status of implementation on the individual projects.

#### **1. Construction of Border Export Markets especially for South Sudan and Eastern DRC**

252. The border markets under construction in the zones include Busia, Lwakhakha, Oraba and Katuna. In particular, Oraba is a very peaceful place, good security and very convenient for business making it the perfect location for the market project that will help the people of Koboko. It is situated 2km from South Sudan and 26km from DRC. The project will help increase and fasten cross border flows of exports and services, promote value addition, improve capacity of cross border trade through increased compliance to standards, provision of employment, and promote investments through Public Private Partnership.

253. By the end of the FY2020/21, construction of Border Export Zones in the four sites in Uganda had reached 85 percent completion. The works done at the Busia and Lwakhakha were at 85 percent, Oraba at 77 percent and Katuna at 45 percent. The lag at Katuna was because of adverse weather pattern in the area, which prompted the change of construction site although overall, structural works had been completed and the floors and external works were the only ones remaining.

#### **2. Automotive Assembly Project**

254. Government of Uganda, acting through the UIA, allocated 100 acres for the establishment of the Kiira Vehicle Plant, located at the Jinja Industrial and Business Park, Plot No. 701, Block 2 Kagogwa Village, Mawoito Parish, Kakira Town Council, Jinja District. Kiira Motors Corporation and National Enterprise Corporation (NEC) signed an MOU for Construction of the Kiira Vehicle Plant Start-Up Facilities (Phase I). The Site was handed over to NEC on 18th January, 2019, who deployed security and commenced work on 11th February, 2019.

255. At the time of the MTR, completion of Phase I was scheduled for December 2022 and construction works of Phase II had started in March 2022 and were ongoing. The construction and installation of a 3.7km long 33kV medium voltage electricity line connecting the Kiira Vehicle Plant Site to the national electricity grid had been completed, tested and commissioned by UMEME. Additionally, the construction and installation of a 5.4km long 6-inch water pipeline connecting the plant site to the municipal water supply system had also been completed, tested and commissioned by National Water and Sewerage Corporation.

#### **3. Industrial Parks Development**

256. By the end of the FY2020/21, only one out of the 26 industrial parks had undertaken feasibility studies, that is, Kampala Industrial and Business Park, Namanve and therefore, to



be able to complete the industrial parks development phase, UIA needs to work with NPA and other Government lead agencies to undertake feasibility studies for the 25 industrial parks under development. Additionally, only 6 industrial parks were operational even though they were still under development, that is, Namanve, Luzira, Bweyogerere, Mbarara, Soroti and Mbale.

257. It should also be noted that 19 industrial parks had not yet secured land, that is, Kamuli, Pakwach, Kyankwanzi, Rubirizi, Koboko, Yumbe, Arua, Gulu, Iganga, Tororo, Buliisa, Bushyeni, Kabale, Hoima, Mukono, Nakasongola, Luwero, Mubende and Rakai by the end of the FY2020/21. Below is the detailed performance and implementation of industrial parks.

#### **a. Kampala Industrial and Business Park, Namanve**

258. The Kampala Industrial and Business Park (KIBP) located 11 km East of Kampala in Namanve, is a 2,200 -acre facility located partly in Wakiso and Mukono Districts. To date, all the land has been allocated to 328 prospective investors for development in various sub-sectors such as agro processing, mineral processing, ICT, logistics and freight, warehousing, general manufacturing as well as Tourism promotion activities. Feasibility studies for the industrial park were completed and project implementation was ongoing with support from UKEF to the tune of Euro 246 million.

259. By the end of the FY2020/21, Seventy-One (71) industries were currently in operation within the Park directly employing 30,000 Ugandans; 151 projects had commenced construction creating an additional 17,500 indirect/ short term/ contract/ technical jobs while 78 companies were still in the pre-start stages (surveying, processing deed plans and titles, environmental impact assessment certificates, architectural designs, geotechnical and hydrological studies). These too create employment to the various white collar professional job opportunities for Architects, physical planners, Environmental Consultants, Civil Engineers, Quantity Surveyors etc.

#### **b. Bweyogerere Industrial Park**

260. Bweyogerere Industrial Park is located in Bweyogerere, Wakiso, 10 km North East of Kampala and covers 50 acres of land. The potential sectors targeted are; Pharmaceuticals, agro processing, warehousing and logistics and Light Manufacturing.

261. By the end of the FY2020/21, the Park was fully allocated consisting of 10 investors, 8 of whom were operational and 2 were under construction stage. Roads and other utilities were in good shape and functional. However, the industrial park was still lacking a central sewerage treatment plant, solid waste plant, ICT network and street lighting.

#### **c. Luzira Industrial Park**

262. Luzira Industrial and Business Park is located in Nakawa Division in Kampala District. The Park is located 5 km East of Kampala and covers 70 acres of land adjacent to the Luzira Women's Prison. The Park is fully allocated with a total number of 12 investors, 10 of whom are operational. The potential sectors targeted are; Pharmaceuticals, agro processing, warehousing and logistics and Light Manufacturing. By the end of the FY2020/21, the entire park was serviced with 3.7Km of tarmac road network, power and water. The industrial park was still lacking a central sewerage treatment plant and street lighting.

#### **d. Soroti Industrial Park**

263. Soroti IBP is 350 km North East of Kampala and is 219 acres in size. The Park has access roads opened up, roads and power are also available. There is 2km of tarmac and 4.4km of murrum roads opened and are all under maintenance. The potential sectors targeted are; Fruit processing, dairy processing, leather processing, SME workspace development, export-oriented industries. Out of the 20 investors, Soroti Fruit Factory is the only factory operational so far, 4 others are under construction which include; Sanqua Engineering, Asalalamaal Ltd, the National Industrial hub under Office of the President and PELA Commodities Ltd.
264. By the end of FY2020/21, the following had been completed; the Master-plan & EIA, Cadastral survey of the plots and Installation of Boarder Markers around the Park. Additionally, water and power had been extended to the Park; Construction of Lot1 roads (2.2 Km) to tarmac level i.e. (Temele Industrial Road, Pineapple Lane, and Palm Tree close) had been completed; 4.4km of murrum roads at Soroti Industrial and Business Park (Lot 2) had been opened up. However, the Park is faced with challenges that include lack of a solid waste management plant and sewerage/effluent treatment plant which has hindered Teso Fruit Factory from fully operating.

#### **e. Moroto Industrial Park**

265. The proposed Karamoja Industrial and Business Park is located in Moroto and Napak Districts. It is 12 km South of Moroto Municipality along Moroto–Soroti Highway. It is located in Kautokou and Nadunget Parishes of Ngoleriet and Nadunget Sub counties respectively. The Park covers an area of 417 acres, along the boundaries of Moroto and Napak Districts. The potential sectors targeted are; Cement manufacturing, green marble polishing, aloe-vera and herbal medicine processing, gum-Arabica processing, dairy products, fruit processing and leather industry.
266. By the end of FY2020/21, the exercise for the installation of Border Markers had been completed. Additionally, M/S Savimaxx Limited was contracted by Uganda Investment Authority (UIA) to carry out Consultancy Services for Master Plan and Environmental Impact Assessment Study for the Industrial and Business Park. The Master Planning and EIA Process reached the final stage although they had not yet presented to the National Physical Planning Board for approval due to the land conflict in the Park.
267. However, the Park is faced with challenges that include land conflict. UIA acquired land for the IBP while it was still under Moroto District and the acquisition process was done formally with the district until the title of the land was transferred to UIA. However, when Napak District was annexed from Moroto District, there arose a problem of the proposed land for the industrial park lying in two districts.

#### **f. Mbale Industrial Park**

268. Tangshan Mbale Industrial Park is located in Mbale District covering 619 acres of land. The potential sectors targeted are; Grain milling especially wheat, fruit processing, dairy industry and coffee processing. The entire park was handed over to M/S Tangshan in 2018, to provide serviced plots to individual developers. Tangshan will undertake landscaping and develop key infrastructure in the entire industrial park including, office premises, exhibition areas, access roads, drainage, power substation and distribution system, water supply system, sewerage drainage and treatment, water handling and treatment system.

269. By the end of FY2020/21, a total of 32 people had not yet been compensated i.e; 10 members were still in court, and 22 had contested values attached to their properties. However, there was no squatter on site and the industrial park was 100 percent in control of the developer.
270. Additionally, the developer had so far invested approximately USD 15 million to cover the following costs: Investment promotion (USD 3m); Purchase of heavy equipment and machinery i.e., rollers, excavators and dump trucks USD 3m; Industrial design of the park and public infrastructure works i.e., roads, water channels, river expansion and drainage, and ground leveling and construction of the main gate (USD 9m).
271. Furthermore, the following utilities had been constructed as well; 8.5km of access roads at murrum level, 1.1km of water channel, 3.2km of power lines, and construction of temporary residential houses for the project team and warehouses for construction tools had been completed as well.
272. Lastly, Tangshan had successfully brought on board 16 investors who will be operating within the park and more than 15 strategic cooperation agreements signed between Chinese enterprises and Tangshan Mbale Industrial Park.

#### **g. Masaka Industrial Park**

273. The industrial park has land earmarked for 800 acres but title for the land had not yet secured by the end of the FY2020/21. The potential sectors targeted are; Fruit processing, fish processing, pork processing, tea processing and beef industry.

#### **h. Jinja Industrial Park**

274. Jinja Industrial and Business Park is 182 acres located in Kagogwa Village, Mutai Parish, bordering Buwenge Sub County; 11 Kms from Jinja Town Centre along Jinja- Kamuli highway.
275. By the end of the FY2020/21, the Master Plan and EIA studies were completed. Boundary Opening and Installation of Boarder Markers had been completed. UIA signed an MoU with Kiira Motors Corporation to develop the infrastructure in the entire Park. KMC through National enterprise corporation (NEC) has extended water and power to the park and they had begun on the construction of their factory facilities. Additionally, DFID through Trade Mark East Africa were in advanced stages of finalizing the feasibility study on the 20 acres of land allocated to UFZA and would handle the costing of infrastructure development on the remaining 82 acres since Kiira Motors Corporation had already done their feasibility on the 100 acres. Furthermore, water (by National water & Sewerage Corporation) and power (by UMEME) had been extended in the industrial park. Lastly, the vehicle assembly building sitting on 20,000sq meters and warehouse were already under construction.

#### **i. Mbarara Industrial Park**

276. Mbarara SME Park is a 12-acre facility built up to cater for small scale enterprises adjacent to Mbarara Municipality 280 km southwest of Kampala. The Park has access roads opened within, has water and power supply. There are 42 workspace units of 60m<sup>2</sup> and 120m<sup>2</sup> referred to as single and double workspaces respectively within the park. The potential sectors targeted are; Dairy industry, beef industry, leather industry, banana processing, wood processing industries, fruit processing, and honey processing.

277. By the end of the FY2020/21, 35 workspaces had so far been occupied by 23 entities including UIA totaling to 83 percent of the occupancy rate, 2 were vacant and 5 were currently locked up by former Mbarara Gatsby Club members.

#### **j. Kasese Industrial Park**

278. Kasese Industrial and Business Park is approximately 216.96 acres (87.8 Ha) located in Kasese District along Kasese - Mbarara Highway and Kilembe Road, Kasese Municipality. The Park borders with Kasese Cobalt Company Limited (KCCL) in the East; Nyakatozi Co-operative Union in the West; Queen Elizabeth National Park in the South and the Rwenzori Ranges in the North. The entire park is serviced with 6.5km of murram road, and power and water have been extended to the park. The potential sectors targeted are; fruit processing, cement production, cobalt, copper, dairy industry, tourism and fish processing.

279. By the end of the FY2020/21, Up to 90 percent of the roads had been opened with power line extension so far on Main Commercial Street and 2nd Street. Additionally, there are 17 investors that had been allocated land however, only 5 companies had taken possession of their sites.

#### **k. Luwero-Nakaseke Industrial Park**

280. Liao Shen Industrial Park (LSIP) is located about 55 Km from Kampala, in Kapeeka Sub-country, Nakaseke District. Liao Shen Industrial Park Co. Ltd. was issued an investment license on 24th May 2017 with China as a Country of origin and planned to invest about USD 100 Million into the Park's development. According to the company, the industrial park of 2 square miles will be developed in phases. The first phase was planned to occupy about 1 square mile and establish 20 factories by the end of 2019. The potential sectors targeted are; Tomato processing, fruit processing, dairy coolers, fish farming and processing, poultry farming, dairy farming and processing.

281. By the end of the FY2020/21, some progress had been registered and five factories were operational which include; Good Will Ceramics (U) Ltd, Ho & Mo Food Technology Ltd, Gaga Foods (U) Co. Ltd, Lurtex Textiles Ltd and Dragon and Phoenix Electronic Development Co. Ltd. Another eight companies are were nearing completion.

#### **l. Arua Industrial Park**

282. The industrial park has land earmarked for 500 acres but title for the land had not yet secured by the end of the FY2020/21. The potential sectors targeted are; Honey, fruits, coffee processing, textiles and SME work space development.

#### **m. Gulu Industrial Park**

283. The industrial park has land earmarked for 500 acres but title for the land had not yet secured by the end of the FY2020/21. The potential sectors targeted are; Fruit processing, rice hurling, oil seeds processing and sugar processing.

#### **n. Fort-Portal Industrial Park**

284. The industrial park has land earmarked for 502 acres and by the end of the FY2020/21, the land was being secured with OWC, NAADS, UIA, UIRI and Kabarole District. The potential sectors targeted are; Dairy processing, tea processing, fruit processing, wood processing

industries, cocoa processing (Bundibugyo sector), vanilla processing and Grain-milling (Kamwenge).

**o. Kabale Industrial Park**

285. The industrial park has land earmarked for 500 acres but title for the land had not yet secured by the end of the FY2020/21. The potential sectors targeted are; Fish processing, dairy processing, flower processing, temperate fruit processing and pyrethrum.

**p. Hoima Industrial Park**

286. The industrial park has land earmarked for 500 acres but title for the land had not yet secured by the end of the FY2020/21. The potential sectors targeted are; Petroleum byproducts, tobacco factories, sugar processing, fish processing and rice hurling.

**q. Oraba Industrial Park**

287. The industrial park is located in Koboko District and had secured land of 193 acres by the end of FY2020/21. The potential sectors targeted are; Honey processing, Fruits processing, Logistics centre.

**r. Anaka Industrial Park**

288. The industrial park is located in Nwoya District. By the end of the FY2020/21, the proposed Park was under the Forum on China Africa Cooperation (FOCAC) Programme. The potential sectors targeted are; Honey, fruits, coffee processing, textiles and SME work space development.

**s. MMP Industrial Park**

289. The Park is located in Buikwe district on 956 acres and is being developed under Public Private Partnerships. By the end of the FY2020/21, four factories were under construction, these include: Modern Rubber and Cable Ltd to manufacture tyres and cables; Modern Allied and Footwear Ltd to make Footware, Wheel barrows and metal drums; Modern Heavy Engineering Ltd to make pre-fabricated houses, H-Beams, Z-Purlin, Pipes, Heavy Machining work; and Modern Agrichem Ltd to produce Insecticides, Pesticides Herbicides and Fertilizers.

**t. Lugazi Industrial Park**

290. Lugazi Industrial Park (LIP) is located 2 kilometres from Lugazi Town, strategically located along Uganda's main import and export route, that is, the Kampala-Jinja Highway on 150 acres. The Park is being developed under Public Private Partnerships. By the end of the FY2020/21, proprietors of this park had developed a Master Plan which shows the demarcation of plots that will be allocated to Investors.

**j) Private Sector Development**

291. The Private Sector Development programme has 4 core projects of which 2 were on schedule in implementation while 2 were still project ideas. The project ideas with no preparatory documents were: Cooperatives revitalization for increased production and productivity; and MSMEs Nurturing for Youth Employment Project. Below is the status of implementation on the individual projects.

**1. Micro, Small and Medium Enterprise (MSME) Competitiveness Project**

292. This is a GoU project financed by the International Development Agency of the World Bank. The aim of the project is to improve the competitiveness of enterprises in Uganda through supporting reforms in priority productive and service sectors geared towards a better investment climate with particular focus on Micro, Small & Medium Enterprises (MSMEs). The overall objective of the project is to support measures that facilitate increased private sector investment in the tourism sector and strengthen effectiveness of the land administration system.
293. By the end of the FY2020/21, the project was on schedule in implementation. The review of procurement process for furniture, fittings and equipment (FFE) for UHTTI had been concluded; the revised curriculum for UHTTI was approved by NCHE; pedagogy training for 32 UHTTI staff was undertaken by Kyambogo University and lastly, the project supported procurement of one pick-up truck, computers and photocopier for the institute.

## **2. Capitalisation of strategic Public Corporations (UDB, UDC and UNOC)**

294. By the end of the FY2021/22, capitalization of Uganda Development Bank, Uganda Development Corporation and Uganda National Oil Company was on schedule in implementation.

## **k) Sustainable Urbanisation and Housing**

295. The Sustainable Urbanization and Housing programme has 2 core projects, both of which were still concepts at the time of the Midterm review. Below is the status of implementation on the individual projects.

### **1. Redevelopment of Slums And Informal Settlements Project**

296. The overall housing situation in GKMA is characterised by inadequate housing both in terms of quality and quantity especially in the low- and medium-income groups. Out of the 2.4 million residential housing units required, 420,000 are urgently needed in the GKMA. The housing units needed in GKMA is further estimated to be increasing by 23,520 units per year. It therefore becomes imperative for government to implement interventions to solve the growing affordability problems and improve access to social infrastructure in GKMA. This project will establish serviced sites for housing development and contribute to addressing the acute housing deficit and decreasing the percentage of urban dwellers living in slums and informal settlements.
297. By the end of the FY2021/22, the project concept was still with the Programme Working Group (PWG) secretariat and had not yet been submitted to the Development Committee for review and subsequent approval.

### **2. GKMA High density affordable housing**

298. By the end of the FY2021/22, the project concept had been submitted to the Department of Projects Analysis and Public Investment (PAP) at MOFPED for review before the project is submitted to the Development Committee for review and subsequent approval.

## **l) Digital Transformation**

299. The Digital Transformation programme has two core projects of which 1 was awaiting financing and the other was still under preparation at concept stage. Below is the status of implementation on the individual projects.

### **1. IT Shared Platform (GOVNET)**

300. The overall objective of the project is to increase access to affordable and secure IT services over a high speed Government Network. Upon implementation of the GOVNET, Government will deliver the e-Government services and applications such as e-Government Procurement system (e-GPS), Human Capital Management (HCM), IFMS, IPPS, LOGREV, UMCS, Internet Bandwidth, Data Centre Cloud services, e-Office Solutions/system and e-Voucher ,among others to the Government Administrative units and service centres across the Country.
301. By the end of FY2021/22, the project was awaiting financing from World Bank under the component of Uganda Digital Acceleration Project (UDAP). It should be noted that the revised feasibility was completed in FY2020/21.

## **2. National Postcode and addressing Geographic Information System**

302. The project goal is to develop and adopt a GIS supported National Postcode and Addressing database for Uganda that is logical, unambiguous, reliable, scalable and updatable and the project objectives are: Capture all existing physical addresses into a spatial database; Assign addresses to all locations in Uganda without a physical address; Link the all the addresses to National Identification Information database; and Develop a framework for update of the developed addressing database.
303. By the end of the FY2021/22, the project was still as a concept as the Development Committee had requested the programme secretariat to make some revisions within the concept before it is approved.

## **m) Innovation, Technology Development and Transfer**

304. The Innovation, Technology Development and Transfer programme has two core projects which were both still at profile stage by the Midterm review. This was on account of the dissolution of the Ministry of Science, Technology and Innovation which stalled project preparations. Below is the status of implementation on the individual projects.

### **1. Technology and Business Incubators development project (TBI)**

305. The state of the art Technology and Business incubators (TBI) will be established in 40 districts throughout the country in the medium term. The project phase one was expected to start in FY2021/22 and run for five years to FY2025/26. The project will establish and pilot the first batch of 08 TBIs in the sub regions of Uganda comprising of Ankole, Rwenjori, Lango, Karamoja, Busoga, Acholi, Greater Masaka and Kigezi. By the end of the FY2021/22, the project was still under preparation, the concept note was approved on 9th December 2020 and the project was at profile stage.

### **2. Four (4) Science and Technology Parks**

306. The overall goal of this project is to Increase the productivity of Uganda's science and technology sector by improving access to advanced infrastructure for research, technology transfer, product development and commercialization. Science and Technology Parks will avail the much needed shared-use infrastructure for research and technology development in Uganda. In addition to the state-of-the-art facilities, the Biotechnology and Agro-technology Science and Technology Parks will create an environment where resource expertise (academia/ knowledge/ideas creators) are brought together with the commercial resources to commercialize Ugandan technologies. By the end of the FY2021/22, the project was still under preparation, the concept note was approved on 7th April 2021 and the project is at profile stage.

## **n) Community Mobilisation and Mindset Change**

307. The NDPIII identified 3 core projects under this programme but by FY2021/22, the projects had been moved to the programme of Human Capital Development, these are: National Service Scheme; Establishment of the National Productivity centre (GKMA and Regional Cities); and the National apprenticeship scheme.
308. Instead, the CMMC programme adopted a new core project called Strengthening Culture and Creative Industry. This is yet to be verified and approved by the Development Committee as a core project, however, below is the performance as at June FY2021/22.

### **1. Strengthening Culture and Creative Industry**

309. The project was on schedule in implementation and by the end of the FY2021/22, a mapping exercise of the Culture and Creative Sector in Uganda had been conducted to provide authoritative culture and creative sector information and statistics to inform planning, and inspire public and private sector investments in the development of the culture and creative sector.

## **o) Regional Development**

310. The Regional Development Programme has only one core project which is still an idea/ wish list.

### **1. Labour Intensive Public Works**

By the end of the FY2021/22, the project was still an idea/ wish list with no preparatory documents in place.

## **4.6 Employment Performance during NDPII and NDPIII Period**

The NDPIII adopted a growth and job creation strategy that focused more on expanding and diversifying economic growth and job creation. The NDPIII thus targeted creating 2.5 million jobs throughout the 5-years, translating into an average of 512,000 jobs per year. More jobs are expected to come from the services sector (1.313 million) followed by Agriculture (796 411 jobs). To keep track of the number of jobs created/lost as well as skills developed during the plan period, the NDPIII required the National Planning Authority (NPA) to produce a National Employment and Skills Status Report (ESSR). The NPA produced the first ESSR in 2022 which provides an assessment of employment and skills development performance for Uganda between 2015/16 and 2021/22. The employment and skills development performance assessments were based on available data sets collected by the UBOS as well as administrative data from URA, MoGLSD, MoPS, Academia as well as certification and examination bodies.

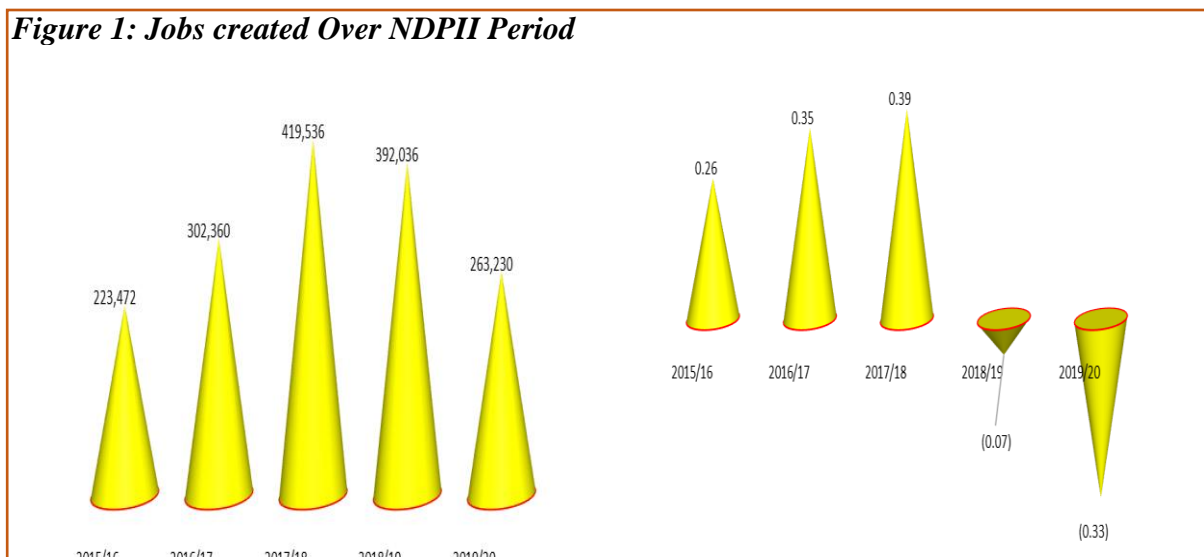
### **4.6.1 Job Creation Status Over the NDPII Period**

**During the NDPII period (2015/16 and 2019/20), Uganda's economy created approximately 1,600,000 jobs.** This translated into an average of 320,000 new jobs created per year. The new jobs created reached the highest climax in FY2017/18, resulting in the creation of approximately 420,000 new jobs before dropping to 392,000 in FY2018/19 and eventually to 263,000 jobs in FY2019/20 (*see figure 1*). The analysis shows that employment expanded by an average of 33% in the first three years of NDPII but dropped at an average of 20 percent per annum in the last



two years of the plan on account of the covid-19 pandemic that hit the global economy and employment is yet to recover fully.

**The growth in employment in the last two years of NDPII was sharply curtailed by the COVID-19 crisis, which reduced economic activities and overall demand for labour.** Policy efforts have been undertaken to tackle the crisis by the government and development partners and workers’ and employers’ organizations. However, such measures are still insufficient due to continued budgetary constraints. *Figure 1* shows that employment contracted by approximately 7 percent in FY2018/19 before registering an all-time record decline of 33 percent in FY 2019/20.



Source: UNHS Various years, NPA Macro Model

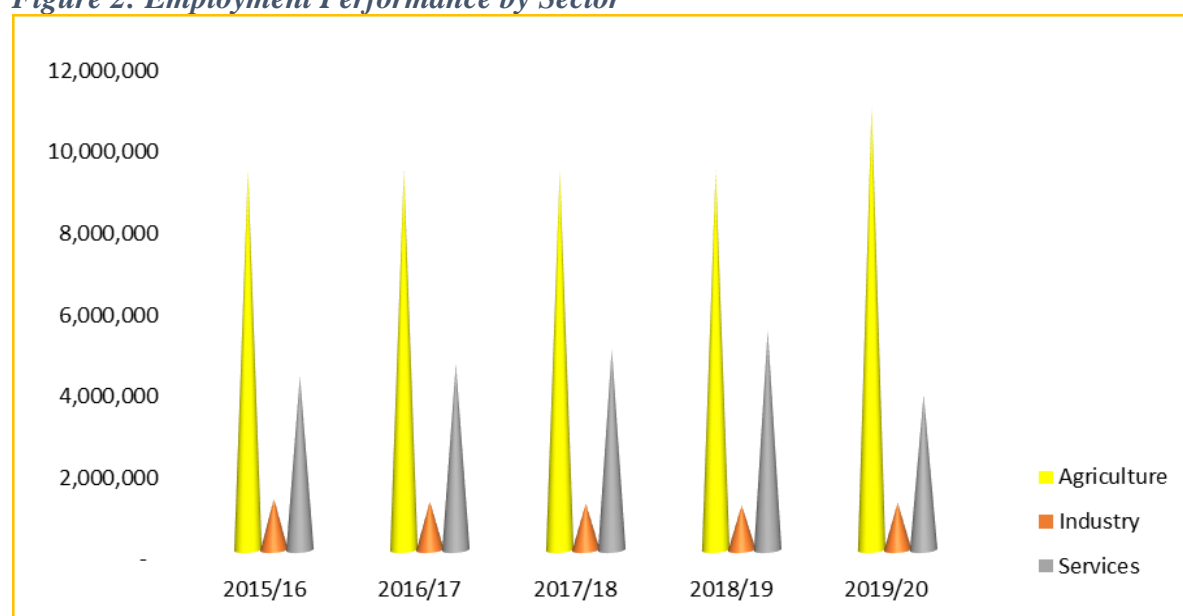
**Although most jobs have continued to come from agriculture, followed by services and industry, the net growth of agricultural and industrial jobs was negative for the first four years of NDPII, with a rebound in the year 2019/20** (see table 1). The above situation was, however, the exact opposite for the service sector, which registered positive job growth for the first four years of NDPII and a reversal (job destruction) in FY2019/20 of approximately 30 percent. As a result, the agriculture sector currently employs approximately 10.85 million Ugandans, followed by the service sector at 3.8 million and industry at about 1.15 million Ugandans (see figure 2).

**The covid-19 pandemic containment measures primarily explain the identified sectoral job creation reversals.** The government of Uganda issued several covid containment measures, including suspension of all forms of public gatherings, school closures, restriction of cross-border movement of non-residents, suspension of public transport means, including buses, taxis, coasters, passenger trains, and all Boda Boda and the sale of non-food items in markets was also suspended. These covid-19 containment measures impacted the production of goods and services (supply) and consumption and investment (demand). As a result, all businesses, regardless of size, faced severe challenges, especially those in the aviation, tourism and hospitality industries, with significant declines in revenue, insolvencies and job losses. This explains the sharp decline (negative job growth) of 29.2 percent in the service sector for FY2019/20 (see table 1).

**Table 1: Sectoral employment growth**

FY	Agriculture	Industry	Services
2015/16	(0.0019)	(0.0545)	0.0635
2016/17	(0.0014)	(0.0488)	0.0706
2017/18	(0.0009)	(0.0426)	0.0799
2018/19	(0.0003)	(0.0359)	0.0922
2019/20	0.1689	0.0511	(0.2922)

Source: UNHS Various years, NPA Macro Model. \*in parenthesis are negative values

**Figure 2: Employment Performance by Sector**

Source: UNHS Various years, NPA Macro Model0700316383

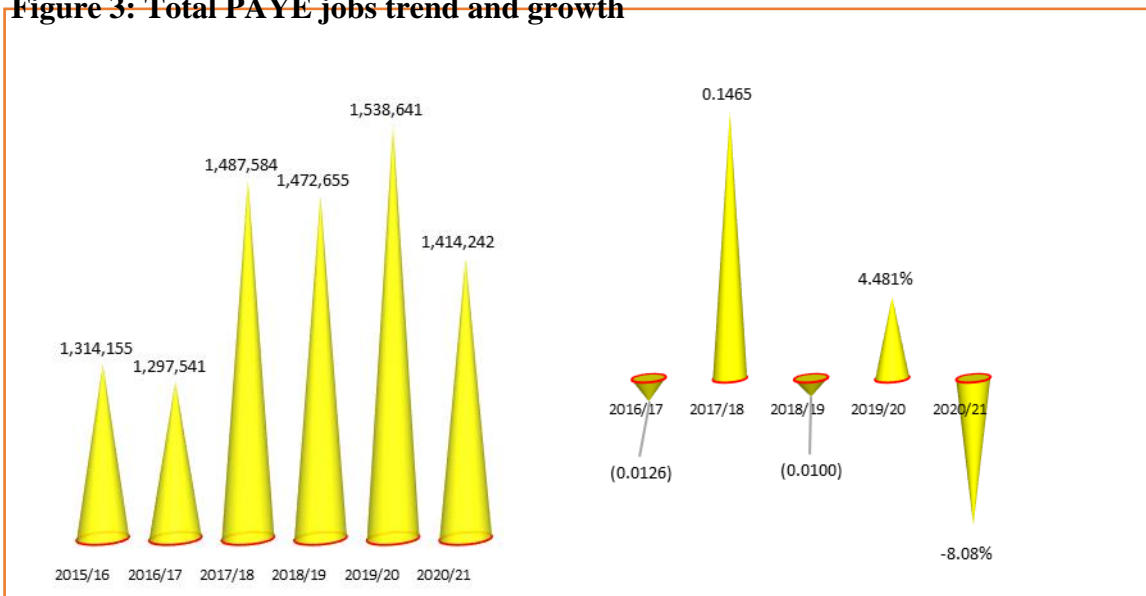
**The unprecedented job losses/decline in the service sector can be attributed to the covid-19 pandemic that continued to frustrate government measures of reducing unemployment.** However, Uganda's government has implemented several interventions and measures to curb the unemployment problem, especially among young people, over the years. These interventions and measures include; the Youth Livelihood Program (YLP), Skilling Uganda, Students Loan Scheme, Youth Venture Capital Funds (YVCF), Uganda Women Entrepreneurship programme (UWEP), Youth Entrepreneurship Scheme (YES), Micro Finance Support Programme (MFSP), PRDP, NAADS, NUSAF I and II, UPE, USE, CDD and externalization of labour.

**However, with the outbreak of COVID-19, some of these strategies were suspended.** For example, the externalization of labour to countries like the United Arab Emirates, Qatar, Jordan, Kuwait, Bahrain, Afghanistan and Iraq was suspended. This prompted recruitment agencies to suspend all activities concerning externalization. People working in the aviation, tourism and hotel business were terminated because their employers were not making any profits and thus unable to pay salary obligations during the pandemic. The entertainment industry, including

musicians, comedians, and bar owners, among other sections of workers, were not working and thus unable to sustain their employees. The COVID-19 pandemic heavily affected the horticulture industry, and many farms exporting flowers laid off their workforce due to the inability to sustain salary payments.

**To date, the country boasts of a total of 1,538,641 Pay as You Earn (PAYE) jobs, but 124,399 of them were lost between FY2019/20 and FY2020/21.** Despite registering a 4.5 percent job growth between FY2018/19 and FY2019/20-the final FY of NDPII, about 8.1 percent of total PAYE jobs were lost in the first year of NDPIII. The trend of PAYE jobs in Uganda indicates that PAYE jobs increased from 1,314,155 in FY 2015/16 to a record high of 1,538,641 in FY2019/20 before shrinking to 1,414,242 in FY 2020/21(see figure 3). FY2017/18 registered the highest PAYE job growth of approximately 15 percent, which increased PAYE jobs from 1,297,541 to 1,487,584. However, a critical analysis indicates that the country has registered fluctuations in total PAYE jobs on a year-to-year basis, which illustrates the instability of the country’s labour market.

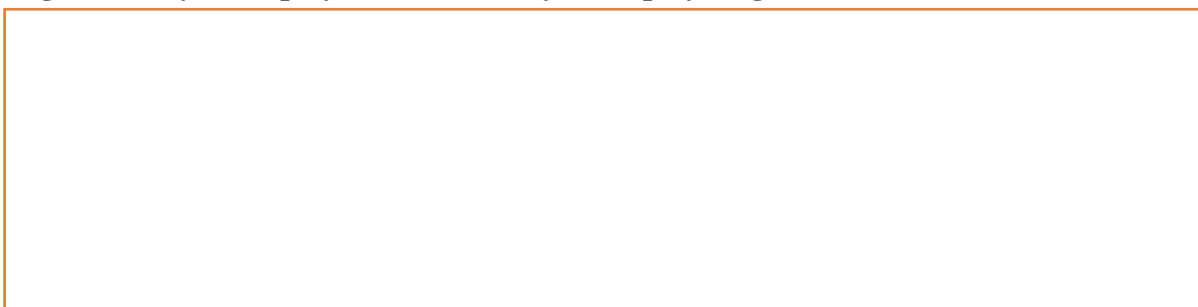
**Figure 3: Total PAYE jobs trend and growth**

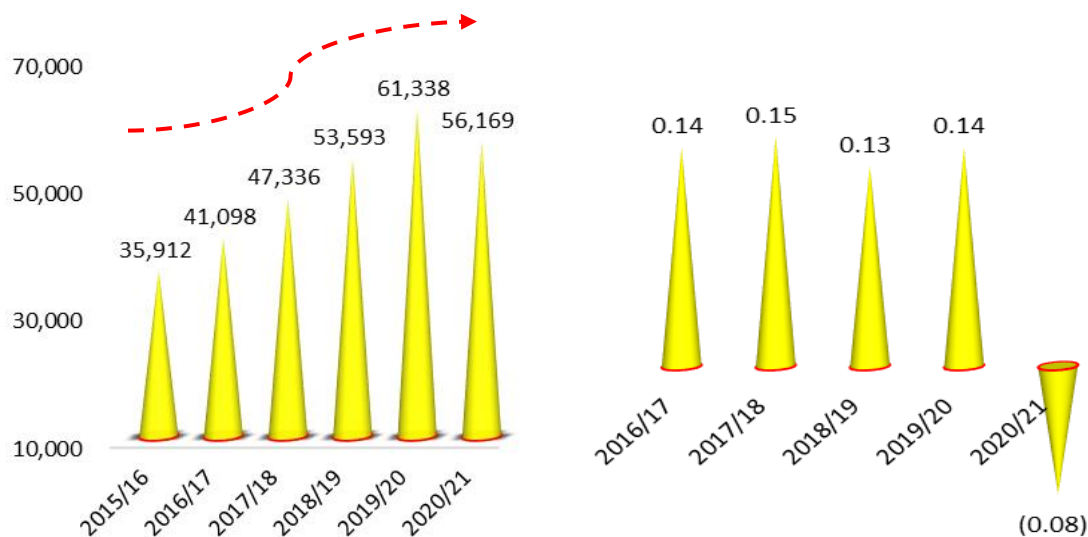


Source: URA

**Many firms closed down due to the Covid-19 pandemic and the resultant lockdown but have since reopened, although they still operate below their installed capacities.** The country currently boasts over 56,000 PAYE-paying business enterprises, although this dropped from over 61,000 businesses in 2019/20. As illustrated in figure 4, PAYE paying employer base registered persistent growth over the NDPII period but dropped by 8 percent in the first year of NDPIII. The decline in total PAYE-paying businesses corresponds to the performance of the PAYE-paying jobs over the same period. Many business enterprises have experienced a significant drop in demand, revenue, and profits, which explains the contraction in employment.

**Figure 4: Payee Employer Base and Payee Employers growth**





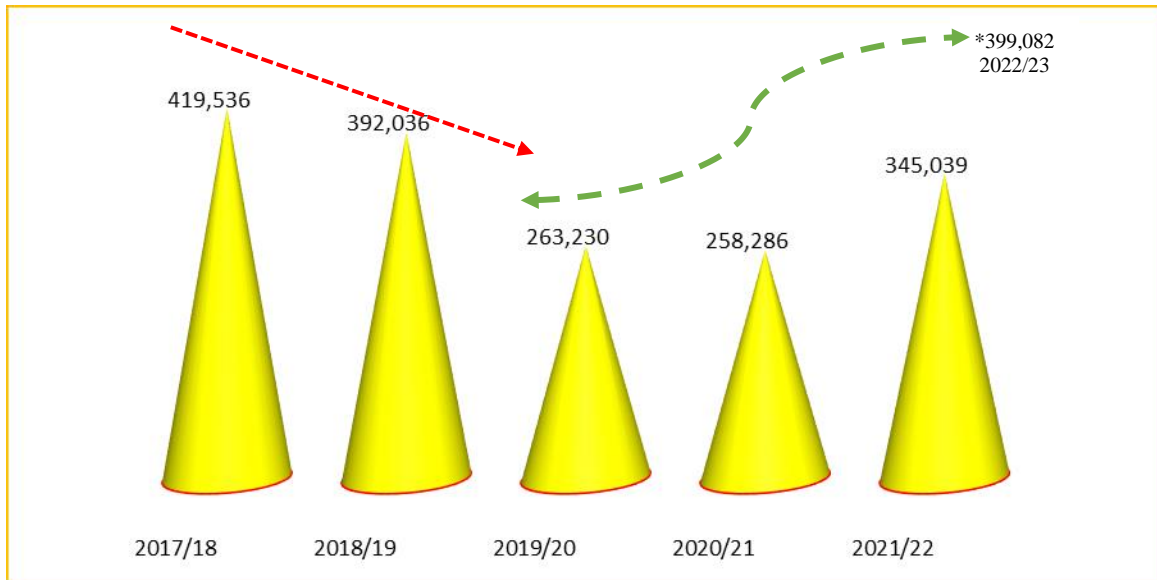
Source: URA

**The contraction in PAYE-paying enterprises is linked to a lack of liquidity and difficulties accessing customers, inputs, and suppliers, especially during the lockdown days.** In the EPRC study (2021), micro and small businesses experienced a larger decline in business activity compared to medium and large firms. These Covid-19 preventive measures resulted in an increase in operating expenses for businesses that continued to stay open. Consequently, most micro and small businesses closed within one to three months of the pandemic, particularly in the service sector. It should be noted that agriculture and manufacturing enterprises showed slightly higher resilience compared to service sector firms. The overall business expansion over the NDPII period peaked in 2017/18, registering a year-on-year annual growth rate of 15 percent but contracted between 2017/18 and 2018/19 before a rebound in 2019/20 and the subsequent worst contraction by 2020/21 (*see figure 4*).

#### 4.6.2 Jobs Performance Under the NDPIII Period

**During the first two years of NDPIII period, Uganda’s economy created approximately 603,000 jobs against a target of 1,040,000 jobs.** This translated into an average of 301,600 new jobs created per year against an annual target of 520,000 jobs. Since the pick of job performance in the 3<sup>rd</sup> year of NDPII (FY2017/18), there has been a downward course until the first year of NDPIII, and jobs started recovery in the second year of NDPIII (*see figure 5*). Net job creation contracted from 419536 to in FY2017/18 to 258286 in FY2020/21. However, there was a positive job recovery between the first and the second years of NDPIII. As a result, the new jobs increased from 258,286 in FY2020/21 to 345,039 in FY 2021/22, and is projected to reach 399,083 if the recent growth trajectories are not revised downwards.

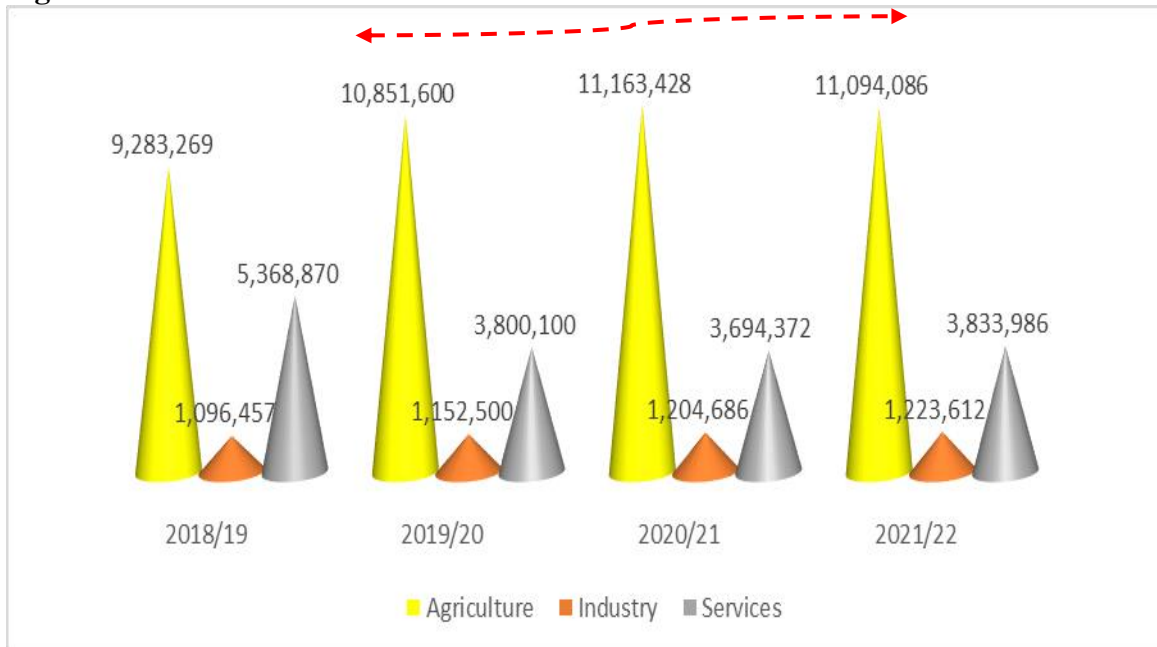
**Figure 5: Net Jobs created under NDPIII**



Source: NPA HR Macro Model 2022

Although the impacts of covid-19 on the service sector jobs were instantaneous, as many people lost jobs, recovery is likely to occur with lags. While covid-19 restrictions have been relaxed and or almost removed, the total number of jobs in the service sector is yet to return to the pre-covid-19 peak. Sectoral analysis shows that total jobs in the service sector increased from 3,694,372 in FY2020/21 to 3,833,986 in FY2021/22, but the jobs are yet to recover to the highest recorded service sector jobs of 5,368,870 in 2017/18 (see figure 6). The implication is that there are signs of job recovery in the service and industrial sectors. However, full recovery is likely to take a bit more time, estimated at 2 to 3 years of uninterrupted growth and development.

Figure 6: Sectoral Jobs Performance under NDPIII



Source: NPA HR Macro Model 2022

**The total number of agricultural jobs dropped in the 2<sup>nd</sup> year of NDPIII despite an earlier increase in the past 5 years.** Although the agriculture sector remained the biggest employer, nearly 70,000 agricultural-related jobs were lost in FY2021/22. This can be accounted for by the continued recovery of the service and industrial sectors after the second year of easing the covid-19 containment measures, and this thus explains the labour switching or the transitory movement of labour between sectors. It should be noted that the service sector alone lost approximately 1.5 million jobs in FY2019/20 due to covid-19 containment measures, including the total lock down and the restriction on travel in and out of the country. Although this hit all sectors of the economy in one way or another, the service sector was hit most challenging, and a rebound to its pre-covid-19 job numbers is yet to happen even with positive growth in the first two years of NDPIII. Similarly, industrial sector-related jobs have continued to register positive growth in the first two years of NDPIII. However, the job increase has decreased from 5.11%, 4.53% and 1.57% between 2019, 2020 and 2021, respectively.

**The private sector contributes about 83 percent of the total formal sector jobs, currently estimated at 2.3 million (NPA 2022).** The private sector is estimated to contribute approximately 80% to Uganda's GDP (National Private Sector Development Strategy (FY 2017/18-2021/22)). There is a recorded concentration of private sector employment in agriculture and fishing, accounting for about 69.4 percent of the total private sector jobs, manufacturing at 5.6 percent, trade and repairs at 8.9 percent, hotels and restaurants at 2.0 percent, transport and communication at 2.3 percent, construction at 2.0 percent as well as education at 3.0 percent. Other critical sectors where recorded employment opportunities exist include mining and quarrying, utilities, posts and telecommunications, financial intermediation, insurance, business services, health and social works, and community and personal services. These sectors employ approximately 1.9 million people, representing 12% of the working population.

**The public sector employs approximately 400,000 public servants, contributing about 17 percent of the total formal sector jobs (NPA 2022).** Employment in the public sector comprises persons employed in the traditional civil service, teaching service at all levels, the Police, Prisons, the Public and the staff in Local Governments. To-date, the Public sector is no longer the most significant source of recorded formal wage employment. The civil service reforms and the privatization process of the 1990s led to a decline in employment in the public sector from 300,000 in 1990 to 150,000 by 1998, although employment rose to 259,650 by 2009 and to about 400,000 in 2022. Employment opportunities in the public sector are limited, especially for women, who account for only about 37 percent of the total public sector employment. The annual average growth rate of government formal wage employment over the period 1992 to 2022 was negative (-0.165 percent). The above scenario indicates that employment in the public sector is limited and unlikely to grow. Therefore, emphasis should be put on promoting an enabling environment to create more jobs in the private sector to meet the growing numbers of new labour market entrants into the job market on an annual basis.

**The informal sector in Uganda employs about 13.3 million people out of the 15.8 million working population representing about 85 percent of total employment.** The International Labour Organization (ILO) defines the Informal Sector as one that consists of units engaged in producing goods or services with the primary objective of generating employment and income for the persons concerned. The units are typically run at a low level of organization, with little or no division between labour and capital as factors of production and operate on a small scale. Labour relations in the sector are primarily based on casual employment, kinship or personal and

social relations rather than contractual arrangements with formal guarantees. In addition, the Sector is characterized by the absence of final accounts and is typically unregistered entities without permanent addresses. The informal sector in Uganda generates more wage employment than paid-employment opportunities, as seen in table 2, but largely operates small and micro enterprises.

**Table 2: Informal sector employment characteristics**

Background Characteristics	Self Employed	Paid Employed	Contributing Family Workers	Uganda's Total
<b>Sex of Employee</b>				
Male	50.5	53.6	40	52.1
Female	49.5	46.4	60	47.9
<b>Education</b>				
Bachelors	5.8	0.2	4.1	2.4
Diploma Level	2.8	0.8	1.4	1.6
Certificate Level (TVET)	12.2	6.6	1	7.4
Secondary-A Level	3.7	3.7	6.5	3.8
Secondary-O Level	24.7	31.6	31.3	28.4
Primary	40.5	47.6	47.8	46.6
None	7.1	7.2	4.1	7.3
Other	3.2	2.2	3.8	2.4
<b>Region</b>				
Central	30.2	23.5	27.8	29.3
Eastern	23.3	17.1	25.1	19.1
Northern	27.6	47.3	28.4	35.8
Western	18.9	12.1	18.7	15.7
<b>Age</b>				
<18	0.9	5.3	19.5	18.6
18-30	46.3	79.5	66.8	57.1
31-59	48.6	14.9	13.4	22.9
60+	4.2	0.3	0.3	1.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: UBOS

**About 82.3 percent of the total employees in the informal sector have only completed ordinary secondary education and below, which has implications for the formalization strategies by government.** While majority of employees in the informal sector are males (52%) and with primary education (46.6%), there is a rising number of graduates with bachelor's and above (2.4%) that are wedged in this sector. Uncensored information indicates that the continued engaging of part-time and casual workers by registered formal enterprises seems to encourage the expansion of the informal sector. However, many enterprises in this sector are still characterized by low labour productivity, limited training, the use of basic technology, limited access to credit and finance, difficulties obtaining raw materials and other inputs, and inadequate markets for semi-processed products (UBOS, 2020).

**There is growing interest in the externalization of employment as the number of labour emigrants and remittances from Ugandans in the diaspora has increased over the years.**



The Middle East continues to provide the largest opportunities for Ugandans in several categories, including drivers, domestic workers, factory workers, and security. The Uganda Association of External Recruitment Agencies report (UAERA 2020) indicates that, to date, at least 165,000 Ugandans work in these categories in the Middle East. About 98 percent of migrant workers are employed as casual Labourers, with only 0.2 percent holding professional jobs and 1.8 percent working in semi-professional placements. According to the MoGLSD, between 2018 and 2020, more than 70 percent of migrant workers travelled predominantly to Saudi Arabia and UAE, respectively.

**Between 2016 and 2022, a total of 217,258 Ugandan workers have been externalized to the Middle East alone, with Saudi Arabia accounting for about 77 percent of the total migrant in the last three years.** Table 3 shows that, on average, about 55,000 Ugandan migrant workers have been externalized on a year-to-year basis apart from 2020, mainly due to covid-19 restrictions. Consequently, remittances into the country from Ugandans in the diaspora have increased over the same period to approximately \$1 billion every year. This is a drop of \$300million, from close to \$1.4 billion, generated before the COVID-19 pandemic hit the world and Uganda’s economy in particular. According to the International Labour Organisation (ILO) reports, the demand for migrant workers in the Middle East increased by 5.2 percent between 2015 and 2020. This is mainly attributed to the need for workers in the construction and services sectors. Labour externalization is becoming an important agenda for the Government of Uganda and thus needs to be streamlined to make it safer for Ugandan migrant workers. External employment in the Middle East has been largely a success for Ugandans, notwithstanding some individual challenges.

**Over the years, government and private recruitment agencies have endeavored to streamline this sector, and many engagements have taken place.** Policies have been put in place, procedures laid down and ministerial statements issued, among others. In addition, the government has involved Middle Eastern governments to ensure fair, equitable trade among the major stakeholders. As part of deliberate government efforts to streamline external employment, the Prime Minister’s office recently organized a retreat for major players in this sector. More than 200 employment agency owners and senior employees attended the retreat, creating an external deployment desk in the Ministry of Foreign Affairs.

**Table 3: Number of Ugandan Migrant Workers Deployed by Year and Country of Destination**

<b>Destination</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
IRAQ	646	217	2,189	485	36	677	576
Afghanistan	342	416	228	414	50	0	0
Saudi Arabia	175	1,621	12,366	13,537	4,538	79,742	58,920
Qatar	487	520	923	256	1148	4,136	3,282
UAE	383	303	2,556	10,182	2,585	3,110	1,584
Bahrain	410	451	23	6	183	24	4
Somalia	96	162	745	139	172	832	582
Kuwait	0	0	0	38	109	21	89
Jordan	0	1,427	2,582	306	205	0	0
Poland	0	0	0	0	0	11	7
Romania	0	0	0	0	0	0	4



<b>Total</b>	<b>2,539</b>	<b>5,117</b>	<b>21,612</b>	<b>25,363</b>	<b>9,026</b>	<b>88,553</b>	<b>65,048</b>
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*Source: MoGLSD*

**The Ministry of Gender, Labour and Social Development continues to implement systems that guarantee decent, safe and secure jobs for Ugandans abroad.** For example, the Employment (Recruitment of Ugandan Migrant Workers) Regulations, 2021 Statutory Instrument No. 47 of 2021, came into effect on 13 August 2021. The Regulations, among others, provide for the Verification of all job orders by Uganda’s Missions abroad; Accreditation of all foreign recruitment Agencies by Uganda’s Missions abroad; Prohibits non-Ugandans from owning external recruitment agencies; A penalty of imprisonment not exceeding five years or a fine not exceeding one thousand currency points, or both for persons found guilty of illegal recruitment activities. The 2005 Regulations provided for imprisonment for only three months.

**Further, the East African Common Market Protocol on the free movement of labour has increased the demand for migrant workers in the region.** With the diversification of East African economies, such as the Kenyan and Rwandan economies, the demand for workers has increased (for example, in the services industry) and has drawn migrant workers from other East African countries, including Uganda. The East African Common Market Protocol, allowing for the free movement of labour, has assisted in facilitating labour migration within the East African subregion. Several countries have ratified the Protocol, and some have already abolished work permits for East African citizens, making it easier for people to work across the subregion.

## 4.7 MIDTERM PERFORMANCE OF THE NRM MANIFESTO 2021 – 2026

Underpinned by a stable security, political and macroeconomic environment ushered in by the National Resistance Movement (NRM) government, the country has registered significant economy-wide achievements over the last decade that have laid a foundation for delivering an industrialization agenda for Uganda. The NRM ideology and priorities are enshrined in the Third National Development Plan (NDPIII) whose goal is to increase household incomes and improve the quality of life for Ugandans. The 2021- 2026 NRM Manifesto theme is “Securing your Future”.

The 2021-2026 NRM Manifesto builds on the previous achievements and seeks to address the unfinished business aware that economic prosperity and stability guarantee national security and political stability. The performance along the five NRM Manifesto objectives is presented below.

### 1. Broadening the economic base

The NRM government aimed to provide and create economic opportunities in all regions of the country to able to achieve this objective. To-date, the agricultural landscape has since significantly improved with the sector registering steady growth between 2.8% and 5.3% compared to 1% and 2% a decade before. In particular, the sector, including forestry and fishing growth improved from 0.9 percent in FY2010/11 to 4.3 percent in FY2021/22. The real GDP growth rates in agriculture achieved are however, below the Uganda Vision 2040 projections of 5.24% between 2012 and 2015 (NDPI), 5.37% between 2016 and 2020 (NDPII), and 5.15% between 2021 and 2025.

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. While generation capacity has substantially increased, this has not transcended into lowering the cost of power especially to small and mid-sized industrial users. Expediting the development of industrial parks in tandem with attracting investors (to provide bulk consumption of energy) 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

### 2. Creating an integrated and self-sustaining economy based on import substitution and export-oriented growth.

**The import substitution strategy is a worthwhile strategy that government should continue pursuing vigorously.** There is room to implement the import substitution if government strategically puts more effort, especially into the following products: petroleum products by expediting the refinery, chemical products by investing in the Petro-chemical ecosystem, vegetable oil products, pharmaceuticals, paper products, and base metals and their products

**Uganda stands to benefit from the AfCFTA by boosting intra-Africa exports, increasing manufacturing exports, job creation, and enhanced incomes as well as enhanced transport and logistics services in the region.** 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.

### 3. Establishing a monetized and formalized economy.

The NRM government aimed to graduate households from the informal and subsistence levels into the commercial economy. **The proportion of households dependent on subsistence agriculture as a main source of livelihood has improved insignificantly from 41.8 percent in FY2009/10 to 39 percent in FY19/20 (UNHS, 2019/20).** A household's main source of earning usually gives an indication of its consumption capacity. Commercial farming's contribution to the household's source of improved from 2.5 percent in FY2016/17 to 19 percent in FY2019/20. Government's focus has been to move the population to a modern economy through the Parish Development Model (PDM) reform in the Third National Development Plan (NDPIII). Land ownership is almost universal in rural areas, but most rural households own less than three hectares of agricultural land, leading to a fragmented land structure.

#### **4. Achieving the lower middle-income status**

**The country is yet to attain middle-income status.** Despite this, Income per capita increased to USD1,052 in FY2021/22 from from USD936 in FY2020/21 surpassing the NDP III target of USD991 (table 1). This improvement is attributed to increased government-targeted expenditure to support economic recovery to offset shocks such as Covid-19. Economic growth gradually improved over the first two years of NPDIII implementation with the annual real GDP growth rate increasing to 4.6 percent in FY2021/22 from 3.3 percent in FY2020/21 although below the Plan target of 6 percent.

#### **5. Generating productive jobs**

**During the first two years of the NDP III period, Uganda's economy created approximately 603,000 jobs against a target of 1,040,000 jobs.** This translated into an average of 301,600 new jobs created per year against an annual target of 520,000 jobs. Since the pick of job performance in the 3rd year of NDPII (FY2017/18), there has been a downward course until the first year of NDP III, and jobs started recovery in the second year of NDP III. Net job creation contracted from 419,536 in FY2017/18 to 258,286 in FY2020/21. However, there was a positive job recovery between the first and the second years of NDP III. As a result, the new jobs increased from 258,286 in FY2020/21 to 345,039 in FY 2021/22, and is projected to reach 399,083 if the recent growth trajectories are not revised downwards

**There is growing externalization of labour. About 98 percent of migrant workers are employed as casual Labourers,** with only 0.2 percent holding professional jobs and 1.8 percent working in semi-professional placements mainly in the Middle East. However, there is need for better enforcement of the bilateral agreements regarding the outsourcing of labour in Uganda.

**Despite the Share of national labor force employed less subsistence improving from 49.4 percent to 52 percent between FY2020/21 and FY2021/22, the share of the working population and youth un employment rate continues to be below targets (table 1).**

## KEY OUTCOME RESULTS

N o.	Key Result Areas/Outcomes	Indicators	Base line	Targ ets	Actu al	Targ et	Actu al	Rati ng	Commen t/ source
			2019 /20	2020 /21	2020 /21	2021 /22	2021/ 22	2021 /22	2021/22
1	The 68.9% of households still stuck in subsistence agriculture	Proportion of households dependent on subsistence agriculture as a main source of livelihood (%)	68.9	67	39	65	39		UNHS, 19/20
2	Low productivity (yield per acre), output and quality of agricultural commodities to sustain domestic and export markets	Agricultural Real GDP growth rate (%)	3.8	5.2	4.3	5.4	4.3		BTB, 2022/23
3	High levels of post-harvest losses	Post-harvest losses for priority commodities (%)	37	33	18.4	30	18.4		MAAIF
4	Low household incomes and rising income inequality leading to low purchasing power	Income per Capita (USD)	864	936	954	991	1,051		UBOS
		Average monthly nominal household Income (Ugx)	416,000	401,667	200,000	482,297	190,000 <sup>4</sup>		UBOS
		Population below the poverty line (%)	21.4	25.39	20.3	21.4	20.3		UBOS
		Income Inequality (Gini coefficient)	0.42	0.49	0.41	0.43	0.43		UBOS
5	High unemployment and underemployment of the young	Share of working population (%)	79	80.6	78.8	82.2	78.8		MTR
		Share of national labor force employed less subsistence (%)	47.5	48.5	52	49.4	52		MTR

<sup>4</sup> Residents in Kampala City had the highest median monthly household income of UGX 667,000. This was more than double the median monthly household income in each of the other sub-regions

N o.	Key Result Areas/Outcomes	Indicators		Base line	Targ ets	Actu al	Targ et	Actu al	Rati ng	Commen t/ source
				2019 /20	2020 /21	2020 /21	2021 /22	2021/ 22	2021 /22	2021/22
	people	Youth unemployment rate (%)		13.3	12.2	13	11.6	12		UBOS
6	High cost of credit, electricity and transport — which lowers competitiveness of Ugandan products.	Private sector credit	Annual % change	11.2	8.4	7.1	12.9	8.5		MTR
			% of GDP	11.7	10.9	14.35	10.5	15.2		MTR
		Households with access to electricity, %		21	40	23	45	28		MTR
		Cost of electricity (USD cents)	Residential	23	19.4	23	15.8	23		MTR
			Industrial (large)	9.8	8	9.8	7	9.8		MTR
			Industrial (Extra-large)	8	7	8	6.5	8		MTR
			Commercial	17	14.6	17	12.2	17		MTR
		% of paved roads to total national road network		21.1	27	26.6	30	27.97		MWT
		Travel time within GKMA (min/km)		4.14	3.98	4.1	3.86	4.1		
		Freight transportation costs (per ton per km) from coast to Kampala - USD		0.77	0.034	No data	0.702	No data		
%age of District roads in Fair to good condition		61	64.8	69	68.6	70		MWT		
7	Low investment in scientific research and development (R&D) that is	Percentage expenditure on R&D		0.01	0.05	No data	0.05	No data		

N o.	Key Result Areas/Outcomes	Indicators	Base line	Targ ets	Actu al	Targ et	Actu al	Rati ng	Commen t/ source
			2019 /20	2020 /21	2020 /21	2021 /22	2021/ 22	2021 /22	2021/22
	necessary in informing innovation and policy								
8	Landownership and security, land use and land fragmentation	Percentage of titled land	21	24	22	29	22.4		NRECC LWM
9	High levels of corruption in government and private sector	Corruption perception index	26	28.7	27	30.1	27		Transparency International
10	Low level of industrialisation	Manufactured exports as a % of total exports	12.3	13.53		14.88	13.5		MTR
11	Low labour productivity.	Labor productivity (GDP per worker - USD)							
		Agriculture	2,212	2,527	945	2,656	945.0		MTR
		Industry	7,281	8,162	7542	8,446	7,542.0		MTR
		Services	3,654	3,925	3150	4,063	3,150.0		MTR
12	Limited export markets	Export of goods and services as % of GDP	26.24	28.67	14.35	29.53	16.7		MTR
13	Quality of healthcare and education services	Quality adjusted years of schooling	4.5	4.6	No data	5	No data		
		Primary to secondary school transition rate	61	65	61	68	61		
		Infant Mortality Rate/1000	43	41.2	43	39.4	43		UDHS
		Maternal Mortality Ratio/100,000	336	311	336	286	336		

No.	Key Result Areas/Outcomes	Indicators	Base line	Targ ets	Actu al	Targ et	Actu al	Rati ng	Commen t/ source
			2019 /20	2020 /21	2020 /21	2021 /22	2021/ 22	2021 /22	2021/22
		Neonatal Mortality Rate (per 1,000)	27	24	27	22	27		
		U5 Mortality Ratio/1000	64	42	64	39	64		
14	Environmental degradation and climate change	Forest cover (% of total land area)	12.4	12.5	12.3	12.8	13.3		NRECC LWM
		Wetland cover (%)	8.9	9.08	8.9	9.2	8.9		NRECC LWM
		Climate Change Vulnerability Index	2.5	3	3.45	3.5	1.07		

## 4.8 PROGRESS ON PROGRAMME RESULTS

### 4.8.1 Agro - Industrialization

311. **The Agro-industrialisation programme aims to enhance commercialisation and improving competitiveness of agricultural output and agro-processing.** Key expected results include: increasing export value of selected agricultural commodities, increasing the agricultural sector growth rate, increasing labour productivity along the agro-industrial value chain, creating jobs in agro-industry, and increasing the proportion of households that are food secure. The programme performance at half must be discussed below.

#### a) Overall Score

312. **Overall, the Agro - Industrialization programme performance at midterm is at 48 percent (table 4.9).** However, a mismatch between the time of the NDP Midterm review is conducted and surveys undertaken by UBOS presents data gaps on key indicators. This has constrained reporting on critical indicators. For instance, proportion of the population under subsistence agriculture is critical for assessing the progress on Parish Development Model and this takes about 3 years to collect.

**Table 4. 9: Summary performance of Agro-industrialization programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	6	21	12	43	10	36	28
Intermediate level	9	41	1	5	12	55	22
Output level	33	10	78	24	208	65	319
<b>Overall Performance</b>	<b>48</b>	<b>13</b>	<b>91</b>	<b>25</b>	<b>230</b>	<b>62</b>	<b>369</b>

#### b) Outcome level performance

Performance at outcome level was below average at 21 percent. Table 4.10 presents a summary of performance for key results at outcome level.

**Table 4. 10: Outcome level performance**

Programme Outcomes	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating	
Increased production volumes of agro-enterprises	Agricultural Real GDP growth rate (%)	3.8	5.2	3.5	5.4	3.5	Not Achieved	
	Export value of priority agricultural commodities (USD Billion)	Total	0.935	1.217	0.988	1.482	1.096	On course
		Coffee	0.492	0.619	0.555	0.747	0.718	On course
		Tea	0.091	0.136	0.085	0.171	0.085	Not Achieved
		Fish	0.146	0.28	0.147	0.353	0.117	Not Achieved
		Diary	0.077	0.101	0.101	0.118	0.104	On course
		Meat	0.003	0.004	0.02	0.004	0.02	Achieved
	Maize	0.125	0.076	0.098	0.089	0.052	Not Achieved	
Change in production volumes in priority agricultural commodities	10	25	26.1	30	26.1	Not Achieved		
% change in yield of priority agricultural commodities	0	10.57	5.9	19.5	5.9	Not Achieved		
Increased Water for Production Storage and utilization	Cumulative water for production storage capacity (Mcm)	39.3	54.32	50.17	55.72	50.17	Not Achieved	
	Area under formal irrigation (ha)	15,147	19,776	22,504	19,938	22,504	Achieved	
Increased food security	% of food secure households	69	75.2	78.3	80.16	78.3	Not Achieved	
Increased employment and labour productivity in agro-industry	Proportion of households dependent on subsistence agriculture as a main source of livelihood (%)	68	67	39	65	39	Not Achieved	
	Number of jobs created in the agro-industrial value chain	0	75,000	160,508	150,000		No Data	
	Labour productivity in agriculture (USD)	2,212	2,527	945	2,656		No Data	



Improved post-harvest management	Post-harvest losses for priority commodities (%)	37	33	18.4	30		No Data
Increased storage capacity	Storage capacity (MT)	550,000	750,000	792,714	1050000		No Data
Increased processed agricultural products	Agriculture Value added in current prices (billion Ugx)	27,993	33,883	35,144	35238		No Data
	Export value of priority agricultural commodities (USD Billion)	1.65	2.1	1.689	2.3	1096	Achieved
	Manufacturing value added as a proportion of GDP	8.3	8.6	10.99	9		No Data
Increased agricultural exports	Share of agricultural exports to total exports (%)	26	29	32.1	30	34.5	Achieved
Improved quality and standards of agricultural products	Value of agricultural imports (\$ billion)	1.2	1.1	0.06	0.92	0.871	Achieved
Increased access and utilization of agricultural finance	Share of agricultural financing to total financing	2	5.6	3	9.2	12.25	Achieved
Improved service delivery	Level of satisfaction with service delivery in agroindustry	20	40	61.1	43	61.1	Achieved

### Increased production volumes of agro-enterprises.

313. **Agriculture is central to Uganda's economic growth, poverty reduction and employment with an estimate of about 68 percent of Uganda's working population being employed in the sector**<sup>5</sup>. The agriculture real GDP growth rate declined from 3.8 percent in 2017/18 to 3.5 percent in FY2021/2022 below the NDPIII target of 5.4%. The growth was affected by the triple effect of the COVID-19 pandemic, locusts' invasion and floods. Agriculture remained resilient with reasonable food production in spite of the COVID-19 pandemic and the resultant lockdown. While operationalizing the Parish Development Model (PDM), government recruited 70 percent of extension staff at zonal research institutions and over 90 percent of Parish chiefs.
314. The production volumes in priority agricultural commodities increased by 26.1% in FY2021/22 from 10 percent in FY2017/18. This follows the use of improved technologies disseminated by the recruited extension workers, and also increased farmer access to water for agriculture production, mechanization. The production of all the priority commodities i.e. maize, cassava, bananas, oil palm, oilseeds, rice, coffee, tea, cocoa performed well, however production volumes of cotton and millet decreased by 73 and 25 percent respectively due to the flooding in the main growing areas.
315. **Increase in water for production storage and utilization.** The area under formal irrigation increased from 15,147 cubic metres to 22,504 cubic metres in FY2021/2022 against the NDPIII target of 19,938 cubic metres. This follows completion in construction of a number of dams. These include: Tochi (500 ha in Oyam District), Rwengaaju (152 ha in Kabarole District) and Ngenge (880 ha in Kween District) Mubuku II (480 ha in Kasese District), Doho II including Wapala (1,178 ha in Butaleja District); and Wadelai (1,000 ha Pakwach/ Nebbi). This has greatly contributed to the performance.
316. Labour productivity in agriculture was USD 945, performing below the NDPIII target of USD 2,656 due to migration of labour from other sectors of the economy like industry into farming.

### Improved post-harvest management

317. The post-harvest handling losses for priority commodities reduced from 37 percent in FY2018/19 to 18.4 percent in 2021/22, performing better than the NDPIII target of 33 percent. This was attributed to increased farmer awareness in post-harvest losses and support with post-harvest handling equipment. Government through the Matching grant

<sup>5</sup> UBOS, 2021

scheme has supported farmer groups to establish storage facilities in 57 districts. The storage capacity stands at 792,714 metric tons from 550,000 MT in FY2017/18, which is 5.6 percent above the NDPIII target of 750,000 metric tons.

#### **Increased processed agricultural products**

318. The agricultural value added was Ugx 35 billion above the NDPIII target of 30 billion. This was due to increase in the processing level of agricultural commodities witnessed by a high agricultural manufacturing to GDP ratio of 10.99 beyond the NDPIII target of 8.6.

#### **Increased agricultural exports**

319. The export value of priority agricultural commodities was USD 1.096 billion in FY2020/21 against the NDPIII year II target of 1.482 billion USD. Overall export value dropped because of the reduced export volume of the key export commodities of fish and cotton because of effects of COVID-19, floods and locusts' invasion for example cotton export value reduced from US \$ 41.699M to US\$ 29.01M. Fish dropped from US\$ 178.95 to US\$ 147.

#### **Increased access to and utilization of agricultural finance**

320. **The proportion of farmers that accessed agricultural finance reduced to 10 percent from 38 percent in FY2017/18 and below the NDPIII target of 40 percent.** The main stream lending institutions are not favourable to the small holder farmers. A considerable amount of agricultural finance and most of the financing provided to smallholders is delivered through savings and credit cooperative organizations (SACCOs) and banks whose funds are sourced and need to be serviced in foreign currencies. These institutions had some deterioration in their non-performing asset portfolios due to the reduced revenue of borrowers during the COVID-19 pandemic resulting into a decline in agricultural lending.

#### **Improved service delivery**

321. **The level of satisfaction with service delivery in agro-industry improved from 20 percent in FY2017/18 to 61.1 percent in FY2021/22 above the NDPIII target of 30 percent.** The result is due to government bridging the gap between research institutes and farmers through strengthening the extension service function. Government recruited and equipped 4100 Agricultural extension Staff with 1,061 motorcycles and 126 vehicles to support mobility of agricultural extension staff to offer the good agricultural practices to farmers. This has increased farmer awareness of the services in agro-industry and increased the response time of the extension-officer- farmer interaction.

### **c) Challenges**

#### **Sub programme: Agro-processing and Value addition**

- i. Limited production volumes of raw materials leading to underutilization of installed capacities of established processing factories e.g. Kigezi tea factory receives 25Mt tea per day against 40Mt, major milk processing plants at 60 percent capacity, Bombo abattoir less than 30 percent capacity
- ii. Poor post-harvest handling and storage
- iii. **Inadequate extension services.** Although government in FY2021/22 rolled out ICT-enabled agricultural extension solutions including the e-Diary, and other e-Extension tools to improve delivery of extension services, the extension service remains inadequate.

### **Sub programme: Agricultural financing**

- iv. **Limited farmer awareness on available agricultural financing packages.** Government has provided interventions focused on increasing access to affordable credit and long-term finance for MSMEs and large enterprises respectively. In particular, government has recapitalized Uganda Development Bank (UDB) with US\$103 billion, the Agricultural Credit Facility (ACF) with US\$ 50 billion and the Microfinance Support Centre Ltd (MSCL) with US\$ 100bn (Emyooga) and US\$ 27.3 billion (Operations - other lending) to provide more funding for private sector MSMEs projects. However, these are not known to the public.
- v. Limited capitalization of Uganda Development Corporation
- vi. Few financial institutions to support ACF in rural areas
- vii. Prolonged procedure requirements to access ACF funds affects project progress

### **Sub programme: Market access and competitiveness**

- i. Limited progress in maintenance of standards (SPS) which affects competitiveness of products in regional and international markets- flowers, maize, milk, meat, poultry day old. e.g. Algerian dairy market & FMD; Kenya ban on maize exports due to aflatoxins; flower, fruits and vegetable export interceptions in the EU due to pesticide residues .

### **Sub programme: Institutional strengthening and coordination**

- i. Lack of synergy and collaboration between implementing agencies leading to resource wastage. E.g. anti-tick vaccine research in MAK & NARO
- ii. Programme review meetings not regular

### **d) Emerging issues**

- i. **Budget allocations within the programme do not proportionately follow the whole programme value chain, which hinders the realization of programme outcomes.** For the FY2022/23 Agro-industrialization budget, 81 percent of the funds were allocated to agricultural production and productivity sub programme as the rest of the sub-programmes shared the remaining 19% as follows; storage, agro-processing and value addition 4%; agricultural market access and competitiveness 6%; agricultural financing 0%; and institutional strengthening and coordination, 9%.
- ii. Programme level indicators that are collectively contributed to by various MDAs are not captured in the reporting framework. eg labour productivity in agriculture, % of food secure households.
- iii. **Slow project implementation.** Majority of NDPIII planned projects have not been developed and are therefore not ready for implementation. This points to the limited capacities at MDAs. Only 10 of the 59 NDPIII programme projects are being implemented. 4 of them are core projects (Establishment of new irrigations schemes - Acomai, Establishment of value addition and agro processing plants in Uganda –Yumbe fruit & Kayunga pineapple factories, Integrated cassava industry-Nwoya Ethanol processing factory from Cassava)

### **e) Recommendations**

- ii. MAAIF and its agencies should strengthen intra-programme collaboration and synergy in resource prioritization and implementation of the core actions. In addition, OPM should strengthen coordination of programme working group meetings to ensure that all implementing MDAs attend programme working group meetings.

- iii. Resources should be allocated proportionately across the whole programme value chain as per the NDPIII targets to ensure the balanced development of the programme.
- iv. UBOS should incorporate all programme indicators and provide statistics for them, especially those beyond implementing MDA mandate e.g. labor productivity in agriculture.
- v. Fast track implementation of the Parish Development Model (PDM). The PDM is an avenue to boost agricultural productivity. This should include recruiting and empowering the extension system.

#### 4.8.2 Mineral Development

322. The goal of the programme is to **increase the exploitation and value addition to selected resources for job rich industrialisation**. The programme performance during the first two years of the NDPIII is discussed below.

##### a) Overall score

323. Overall, the Mineral development programme performance at midterm is at 14 percent as summarised and discussed in the table 11 and subsections below.

**Table 4. 11: Summary performance of Mineral Development programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	6	23	6	23	15	58	26
Intermediate level	2	29	4	57	1	14	7
Output level	6	13	4	8	38	79	48
<b>Overall Performance</b>	<b>14</b>	<b>17</b>	<b>14</b>	<b>17</b>	<b>54</b>	<b>67</b>	<b>81</b>

##### b) Outcome level performance

Performance at outcome level was below average at 23 percent while 29 percent was achieved at intermediate level. Table 4.12 presents a summary of performance for key outcome level results.

**Table 4. 12: Outcome level performance**

Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating	
Value of investment (UGX Bn)	5,800	7,300	2,800	14600		No Data	
Share of the global investment in mining, %		0.1	0.01	0.5		No Data	
Volume of minerals produced by type (tonnes)-	Limestone (Mn tons)	1.2	1.4	26.1	1.6	27.1	Achieved
	Gold	0.0039	0.0041	0.00254	43	0.00062	Not Achieved
	Iron Ore	100,000	500,000	150,000	1000000	450	Not Achieved
	Graphite	0	1,000	0	2000		No Data
	Copper	0	0	0	6	6	Achieved
Volume of refined Gold exports (USD Bn)	343	550	8,392.50	0.7		No Data	
Contribution of mining sector to GDP (%)	0.3	1	1.4	2	1.4	Not Achieved	
NTR (UGX Bn)	16.984	16.984	11.8	26		No Data	
Carbon emissions per value added	0	1	2	2	0.14	Not Achieved	
Number of mineral beneficiation facilities	9	10	19	11	110	Achieved	
Proportion of licensees adhering to requirements (%)	40	50	75	60		No Data	
No of skilled human resource	105	111	140	117		No Data	
Geoscientists trained	108	120	125	140		No Data	
No of functional laboratory techniques	8	12	39	16	38	Achieved	
No of regional offices and beneficiation centers	4	5	4	6	4	Not Achieved	
No of geophysical techniques	5	6	5	7	7	Achieved	

No of functional seismological stations	5	6	5	7	5	Not Acheived
Value of investment into the exploration and processing of selected minerals (Bn USD)	0.8	0.9	2,800	1.2		No Data
Contribution of processed minerals to total manufactured exports (%)	5	5.5	4.1	5.8		No Data
Number of people employed mineral sector (million)	1.6	1.8	0.85	2		No Data
Volume of imported Iron and Steel	Tonnes	700,000	600,000	794,626	450000	No Data
	USD Mn	370	253	190.2	214	No Data
Volume of imported inorganic fertilizers	Tonnes	75,000	49,198.30	99,921	42169.9	No Data
	USD Mn	26	18.1	16.5	15.4	No Data

### Increased investment in the mining sector.

324. **In the medium term, this programme aimed to increase exploration and quantification of priority minerals and geothermal resources across the country.** The real GDP growth in mining and quarrying increased from 6.9 in FY2020/21 to 21.8 in FY2021/22. The increase in mineral exploration activities drove growth in the mining and quarrying sub-sector. However, the value of investment was UGX 2,800 Bn far below the NDPIII target of UGX 7,300 Bn in FY2020/21. This further educed to 540billion in FY2021/22. In particular, government undertook detailed geological studies to establish the quality and quantity of the limestone/ marble in its licensed exploration site in Layoro-Kaabong district. Provisional results indicate the availability of over 50 million tonnes of marble in the licensed area. Additionally, the percentage share of the global investment in mining stood at 0.01% against the target of 0.1 percent in the reporting period. This is because of the limited investment in the mining industry.

### Increased mineral production and earnings

325. **There is slow adoption and use of appropriate and affordable technology along the value chain.** By the end of the FY2021/22, volume of minerals produced for Limestone, Gold, Iron Ore, Graphite, and Copper was recorded at 0.584 Mn Tonnes, 0.00865 Tonnes, 142,545 Tonnes, 0 Tonnes and 0 Tonnes, respectively. It is only limestone that met the target. This low outturn was because of low investment in the mining industry, limited processing of the minerals and slowed mining activities due to Covid-19 pandemic.

326. Similarly, the value of refined gold exports was recorded at UGX 8,392.5 billion against the NDPIII target of UGX 2,079 Bn. This exceptional performance was due to increased monitoring and inspection activities that drastically reduced illegal and informal gold dealers. The contribution of the mining sector to GDP was 1.4 percent against the FY target of 1 percent. This was because of increased monitoring and inspection activities, and the increased trade in gold and gold mining, which earnings go direct into the economy.

327. **There has been continued earnings from minerals over the years though decreasing.** The Non-Tax Revenue (NTR) collected decreased from UGX 16Bn in the FY2017/18 to UGX 11.8 Bn in FY202021 against the target of 16.984. By Q3 2021/22, this was at UGX10.161 Billion. This was because of Covid-19 that hampered mining activities.

328. The carbon emissions per value added in the reporting period was 2 against the visualized target of 1. This was because of the continued use of rudimentary mining methods and non-carbon efficient technologies. The number of mineral beneficiation facilities were 19 and above the NDPIII target of 10. This is because of the ministry's drive to increase processing of minerals and continued ban on the exportation of raw materials out of Uganda.

### Effective regulatory framework

329. In FY2021/22, the proportion of licensees adhering to requirements was 60% against the target of 60%. This however, dropped from the 75 percent score. This follows from increased monitoring and inspection activities the Ministry of Energy and Mineral Development. There has been a more than double in the skilled human resources from 105 in FY2017/18 to 312 in FY2021/22. The recruitment has majorly been in the inspectors for mineral certification, mining lawyers and IT staff. Improvement in the human resource capacity also entailed training of the 125 geoscientists. The training areas include; GIS, database management, health and safety, mining engineering, environmental management among others. In addition, government has invested to ensure functional and sustainable physical infrastructure. To this end, the number of functional laboratory techniques increased to 39 against the target of 16 in FY2021/22. This follows acquisition of equipment that uses several techniques such as iron chromatography, ICT-MS, among others. The number of regional offices and beneficiation centres were 4 as planned. The number of geophysical techniques were 5 against the targeted 4. These were the magnetic survey, the gamma surveys, and seismographs. In addition, 5 seismological stations were functional and these are at Mbarara, Entebbe, Wakiso, Hoima and Mubende, however, there are several installed temporary stations in other regions that are intended to increase coverage and accuracy of data collection.

#### **Increased investment in mining and value addition**

330. The percentage contribution of processed minerals to total manufactured exports was 4.1% against the FY target of 5.5%. This was because of delayed completion of mineral processing and beneficiation centres in Mbarara and Fort Portal. The number of people employed in the mineral sector was 0.85 million against the target of 1.8 million. This was because of reduced activities and operations in the mining sector due to Covid-19.

#### **Reduced importation of mineral products**

331. Although government's focus is to reduce importation of mineral products, this is yet to be realized. The volume of imported iron and Steel increased from 700, 000 tonnes in FY2017/18 to 794,626 tonnes in FY2020/21 against a target of 600 tonnes. The volume was at 694,755 tonnes by Q3 in FY2021/22. There is slow progress in investing in priority mineral processing /value addition through PPPs as planned. Additionally, the value of imported Iron and Steel increased from USD 190.2 Mn in FY2020/21 to USD570 Mn in FY2021/22. This was because some of the iron and steel is imported as ingot which is treated as raw material that attracts less monetary value. Similarly, the volume of imported inorganic fertilizers increased from 99,921 tonnes against the targeted 49,198.30 tonnes in FY2020/21 to 11,097 tonnes in FY2021/22. This was due to the increased in modernized and commercialized agriculture and also given that since there was a prolonged lockdown, more people were engaged in agricultural activities. Conversely, the value of imported inorganic fertilizers reduced in the reporting period. This was because of increased knowledge for organic agriculture and more use of organic foods rather than inorganic foods and, also, the increased requirements and standards associated with inorganic foods.

#### **c) Challenges**

- i. Low release of funds affected most planned activities under the programme such as formalisation of ASMs.
- ii. The slow pace of procurement hampered acquisition of equipment.
- iii. Mineral Smuggling especially Tin and Gold affected the sector

iv. Insecurity in the Moroto-Kadam area hindering exploration activities.

**d) Emerging issues**

- i. Copper and Phosphates development didn't take-off, because:
  - a. Copper-the license to Tibet was cancelled due to non-compliance by the investor to the agreed terms and it stalled its progress, proposed for consideration in the NDPIV. There is however, an on-going process of identification of an investor for Kilembe Mines Limited.
  - b. Phosphates-Sukulu never took-off which stalled its progress, proposed for consideration in NDPIV.

**e) Recommendations**

- i. The global economy has shifted towards the green economy and de-carbonization of the economy. Government should focus on investment in exploration and development in the green economy minerals;
- ii. Fast track procurement of pending mineral equipment, establishment of the National Mining Company, and biometric registration system;
- iii. Investment in exploration and development is in the green economy minerals.
- iv. Conclude the Airborne Geophysical and geological mapping of Karamoja and other mineral rich areas

**4.8.3 Sustainable Development of Petroleum Resources**

332. **The goal of this programme is to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner.** The key results to be achieved over the next five years are: (i) Percentage change in the amount of revenue from oil and gas by 2%; and (ii) Increasing Ugandans employed in the oil and gas and related industries, from 3,400 jobs in 2019 to 200,000 jobs. The Programme performance is provided in the section below.

**a) Overall score**

333. Overall, the Sustainable Development of Petroleum Resources programme performance at midterm is at 16 percent (table 4.13).

**Table 4. 13: Summary performance of SDP programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	6	35	5	29	6	35	17
Intermediate level	1	14	3	43	3	43	7
Output level	6	11	5	9	46	81	57
<b>Overall Performance</b>	<b>13</b>	<b>16</b>	<b>13</b>	<b>16</b>	<b>55</b>	<b>68</b>	<b>81</b>

**b) Outcome level performance**

334. At this level, 35 percent of the targets were achieved. Outcome level results that have progressed in line with the plan include amount of revenue received from oil and gas (Ugx 74.12 bn); Level of compliance to environmental, health and safety standards; Number of contracts awarded to local companies, among others (table 4.14). Uganda has approximately 6.5 billion barrels of oil reserves, with at least 1.4 billion estimated to be economically recoverable. Uganda plans to build a refinery to produce petroleum products



for the domestic and EAC markets in addition to exporting crude oil through the East African Crude Oil Pipeline (EACOP).

**Table 4.14: Outcome level performance**

Description	Base	Target	Actual	Target	Actual	Rating
	FY2017/18	2020/21	2020/21	2021/22	2021/22	
Amount of revenue from oil and gas sector (UGX Bn)	62.98	60	52	63	74.12	
Contribution of the Oil & Gas to GDP (%)	3	0		0		
Number of Ugandans employed in the oil and gas and related industries	3,400	9,000	1,751	17,000	4,723	
Proportion of investment in oil and gas to GDP (%)	20	22	0.32	24	1.05%	
Level of compliance to	Environmental standards (%)	100	100	100	100	
	Health and safety standards (%)	100	100	100	100	
Number of contracts awarded to local companies	50	70	438	80	399	
Number of local Companies on National Suppliers Database	513	1,768	1,600	1,471	1,627	
FDI in the oil and gas sector (UGX Billions)	697.847	449.719	443.79	785.553		
Number of licenses issued	3	1	0	3		
Private sector Investment in oil and gas to GDP (%)		14	30	10		
Zero tolerance to fatalities	0	0	0	0	2	
Lost time injury frequency rates (LTIFR)	-	0.29	0.1	0.29	0	
Total Recordable Injury frequency rate (TRIFR)	-	1	0	1	0.51	

### Increased revenue from oil and gas resources

335. **In the medium term, government strives to sustainably produce and utilize the country's oil and gas resources.** The amount of revenue from oil and gas sector increased from 62.98 in FY2017/18 to 74.12 in FY2021/22. The opportunities to expand the base of the economy opened up in the oil and gas sector after Uganda reached the Final Investment Decision (FID) for its oils and gas projects in this period. The decision unlocked a US\$ 20-billion-dollar investment that is expected to create more than 30,000 jobs. In particular, the number of Ugandans employed in the Oil and gas and related industries increased from 3,400 in FY2017/18 to 4,723 in FY2021/22 though against the target of 17,000. The 4,723 Ugandans employed in the oil industries were found to be in the fields of explorations, health and safety and environment, among others.

### Sustainable management of oil and gas resources

336. **Through strengthening the policy, legal and regulatory frameworks as well as institutional capacity of oil and gas industry, government is on track to sustainably manage its oil and gas resources.** The stringent legal requirements have ensured maximum compliance to environmental, health and safety standards. In particular, level of compliance remained at 100 percent. Parliament passed the critical pieces of legislation required to take forward development of the country's oil and gas sector. These are: The EACOP (Special Provisions) Bill, 2021; Income Tax (Amendment) Bill, 2021; and Public Finance Management Act (Amendment) 2021. In addition, Cabinet approved the EACOP Bill, 2021 on 30<sup>th</sup> August 2021.

337. **Increased investment in the oil and gas industry.** The proportion of investment in oil and gas to GDP slightly increased from 0.32 percent in FY2020/21 to 1.05 percent in FY2021/22. This is however, far much below the target of 24 percent. This was because of



delayed signing of the Final Investment Decision that prevented the International Oil Companies from investing in the industry.

### **Increased participation of the local companies in the oil and gas industry**

338. **In the medium term, government focusses on enhancing local capacity to participate in oil and gas operations.** The number of contracts awarded to local companies have since increased from 50 in FY2020/21 to 399 in FY2021/22 surpassing a target of 80.. The local content policy requires 30% of the total value of Government Infrastructure projects to be awarded to local Contractors and Consultant's. However, local firms have been known to lack the financial and in some instances human capacity to execute the projects. This has affected their ability to prepare bankable bids and engage favorably in public infrastructure procurement processes. These challenges have forced many out of business. In FY2021/22, a cohort of two hundred seven (207) out of the of six hundred ninety (690) learners from thirteen (13) districts were selected to benefit from bursaries for skills training from accredited public and private institutions through the Albertine Region Bursary Scheme (ARSDP), training commenced on 25th January 2021. These are to be assessed by different accreditation bodies depending on their areas of specialization. Two hundred (200) learners targeted for International Vocational Qualifications under ARSDP were admitted.

### **Increased private investment in the oil and gas sector**

339. **The objective is to promote private investment in oil and gas industry.** Government's announcement of the FID for Uganda's oil and gas projects on 1st February 2022 signified the commitment of the oil companies to invest close to US\$ 10 billion to develop Uganda's oil and gas resources through the implementation of the Tilenga Project in Buliisa and Nwoya districts; the Kingfisher project in Hoima and Kikuube districts, and the EACOP. This officially marked the beginning of detailed Engineering, Procurement and Construction (EPC) phase by the Joint Venture Partners and therefore a commitment to see first oil by 2025. By the end of the FY2020/21, the FDI in the oil and gas sector was UGX 443.79 billion against the target UGX 449.719 billion. There were no licenses issued in the FY. Private sector investment in oil and gas to GDP was 30% against the year target of 14%. The Mota Engil Uganda commenced preparation of 700 acres of Industrial area.

### **Improved safety in oil and gas industry**

340. **This outcome is to achieved through enhancing the Quality Health, Safety, Security and Environment (QHSSE).** Two (2) fatalities were registered in FY2021/22, against the planned zero tolerance to fatalities. The low fatality is attributed to increased precautionary measures instituted by the international oil companies in issues related to health, safety, and the environment. In FY2021/22, the lost time injury frequency rates (LTIFR) reduced to 0 percent against the target of 0.29% while the total recordable injury frequency rate also declined from 1 in FY2020/21 to 0.51 in FY2021/22. This was because of slowed activities in the industry, increased awareness and rigorous trainings related to health, safety and the environment. Furthermore, the number of days of stock levels in the country was 20 days. This was because of the revamping of the Jinja Storage Terminal, Nakasongola National Storage reserves. Lastly, the level of quality compliance of refined petroleum products was at 99.5% against the set target of 99.3%. This is because of stringent measures by the National Standards body, increased surveillance, quality assurance and quality control operations and requirements.

### **c) Challenges**

- i. Weak national infrastructure for safe usage of nuclear energy in electricity generation, medical, industry, research and development
- ii. Inadequate infrastructure, tools and facilities to support some of the policy and regulatory functions. In addition, there is increased vandalism on electricity transmission and distribution infrastructure.
- iii. Institutional challenges i.e., inadequate funding and human resource capacity to fully undertake the required regulatory functions
  - Changing interests and dynamics of stakeholders
  - Competing priorities
  - Negative perceptions from some stakeholders
  - Energy transition issues affecting investment in the subsector
  - Volatility in the international prices of petroleum products and international supply disruptions due to conflicts (geopolitical issues)
- iv. Protracted and lengthy financing negotiations
- v. Insufficient counterpart funding

**d) Emerging issues**

- i. 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.
- ii. Lengthy land acquisition process for projects- Loss of value for the compensation benefit over delayed periods of implementation, Delayed land acquisition.
- iii. COVID-19 and unforeseen events- Unforeseen events could lead to shutting down of businesses that result in heavy financial losses
- iv. Insufficient funding hindered the progress of planned activities – e.g., RAP (Resettlement Action Plans) implementation of the refined products pipeline registered slow progress because of low release.
- v. Insecurity in the Moroto-Kadam area hindering exploration activities.
- vi. NGOs and other institutions misinforming the public, donors and funder

**e) Recommendations**

- i. Structure the power generation projects to include the transmission lines in order to address challenges associated with power evacuation.
- ii. Fast track a legislation to regulate the scrap market
- iii. An objective on increasing the safe usage of nuclear energy should be added in the next NDPIV
- iv. Government through the Ministry of Finance, Planning and Economic Development (MoFPED) Should;
  - a) Release the allocated capitalisation funds to UNOC for the EACOP 15% shareholding equity.
  - b) Provide funds in the next two years to UNOIC for the 40% shareholding equity for the refinery project.

## 4.8.4 Tourism Development

341. **The Tourism Development Programme aims to increase Uganda’s attractiveness as a preferred tourism destination.** Government completed the development and launch of the Destination brand, ‘*The Pearl of Africa*’ to position Uganda favorably as a potential tourist destination, both domestically and internationally. The expected results are; (i) Increase annual tourism revenues from USD 1.45 billion to USD 1.862 billion; (ii) Maintain the contribution of tourism to total employment at 667,600; (iii) Maintain the average number of International Tourist arrivals from U.S, Europe, Middle East, China and Japan at 225,300 tourists; (iv) Increase inbound tourism revenues per visitor from USD 1,052 to USD 1,500 (v) Increase the proportion of leisure to total tourists from 20.1 percent to 30 percent, and (vi) Increase the number of direct flight routes to Europe and Asia from 6 to 15. The programme performance during the first two years of the NDPIII is discussed below.

### a) Overall score

342. Overall, the Tourism development programme performance at midterm is at 35 percent as summarised and discussed in the table and subsections below.

**Table 4. 15: Summary performance of Tourism Development programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	7	29	17	71	-	-	24
Intermediate level	6	55	5	45	-	-	11
Output level	34	34	37	37	28	28	99
<b>Overall Performance</b>	<b>47</b>	<b>35</b>	<b>59</b>	<b>44</b>	<b>28</b>	<b>21</b>	<b>134</b>

### b) Outcome level performance

343. At this level, 29 percent of the results were achieved. During NDPI and NDPII, tourism remained to be one of the best performing sectors under service exports contributing revenue and employment to the economy. At the onset of NDPIII, Tourism was hit by covid19 where most tourist sites were closed. Uganda has potential to position herself as a high-value destination that offers exceptional wildlife, adventure and cultural experiences, which match or exceed those of its neighbors. Table 4.16 presents key outcome results in the tourism programme. Tourism is considered to be one of the key growth opportunities which indicates government’s commitment towards tourism development.

**Table 4. 16: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Increased tourism receipts	Contribution of Tourism to GDP (%)	7.3	7.8	2.5	7.9	4.2	Not Achieved
	Annual Foreign exchange earnings (USD - Bn)	1.45	1.584	0.44	1.631	0.53	Not Achieved
	Average Inbound tourism revenues per leisure tourist (USD)	1,036	1,223	1,052	1292	1,052	Not Achieved
	Number of International Tourist arrivals from the US, Europe and China	212,616	1.584	34,489	1.631	85,246	Not Achieved
	Number of direct flight routes to Europe and Asia	6	8	6	10	7	Not Achieved
	Average annual Hotel occupancy rate (room occupancy rate, %)	49	52.3	20	54.2	30	Not Achieved
	Tourism arrivals	1,402,409	785,349	473,085	1126976	512,945	Not Achieved
Improved accessibility to	Number of Ugandans visiting key tourist attractions	646,099	710,709	201,158	767566	372,304	Not Achieved
	Length of stay/ overnights in all types of accommodation	7.5	8.3	8.3	8.6	6	Not Achieved

tourism goods and services	Proportion of leisure to total tourists (%)	20.1	22	2.3	24	9	Not Achieved
	Accommodation Capacity (No of rooms)	106,553	133,191	133,614	146,510	146,620	Achieved
	Tourist accommodation capacity (No of beds)	103,261	152,564	141,492	160,192	155,266	Not Achieved
Increased employment/ jobs created along the tourism value chain	Contribution of tourism to total employment (%)	6.3	6.8	2.4	7.1	3.1	Not Achieved
	Visitor satisfaction (%)	71	74	75	78	79	Achieved
	Number of people directly employed along the tourism value chain	220,000	250,000	122,000	270,000	175,000	Not Achieved
Improved Wildlife Ecosystems	Population of Elephants	5,739	6,313	5,739	6,818	7,975	Achieved
	Population of Antelopes	127,196	139,916	127,196	151,109	275,911	Achieved
	Population of Lions	493	542	493	586	493	Not Achieved
	Population of Mountain Gorillas	400	440	459	484	459	Not Achieved
	Incidences of human Wildlife Conflicts (number)	2,120	1,823	5,779	1,568	7,795	Achieved
	Number of visitors to Museums and cultural sites	54,290	62,434	3,910	74,920	3,863	Not Achieved
	Number of visitors to National Parks and UWEC	617,296	740,755.2	169,120	800,016	321,105	Not Achieved
Increased employment/ jobs created along the tourism value chain	Contribution of tourism to total employment (%)	6.3	6.8	2.4	7.1	3.1	
	Number of people directly employed along the tourism value chain	220,000	250,000	122,000	270,000	175,000	Not Achieved
Improved compliance to Tourism service standards	Visitor satisfaction (%)	71	74	75	78	79	Achieved
	Level of Compliance to Tourism Service Standards (% enterprises)	35	40	32	45	55	Achieved

### Increase in tourism receipts

344. **Inadequate exploitation of Uganda's tourism potential was identified as a key development challenge in NDPIII.** Due to spread of COVID-19 and its effects globally, Uganda's foreign exchange earnings from tourism reduced by 73 percent from US\$ 1.6 billion in 2019 to a record low of US\$ 0.5 billion in 2020/21. The number of in bound tourism arrivals significantly reduced from 1,036 in FY2018/19 to 512, 945 in FY2021/22 against a target of 1,126,976. In addition, the number of domestic Visitors to Uganda's Key Tourist destinations reduced by 42 percent from 646,099 in FY2017/18 to 372,304 in FY2021/22. Government's strategy is to boost domestic tourism by encouraging many Ugandan residents to explore local touristic destinations. Some of the incentives provided include tax incentives/ exemptions on specific imports and investments under the tourism sector. Government completed the development and launch of the Destination brand, '*The Pearl of Africa*' to position Uganda favorably as a potential tourist destination, both domestically and internationally.

### Improved accessibility to tourism goods and services

345. **Increasing the stock and quality of tourism infrastructure involves investment of both the public and private sector.** Government therefore continues to provide the requisite environment to the private sector to operate. In FY2021/22, government maintained 2,000 km of tourism roads (trails and tracks) in protected areas. Civil works on Rukungiri-Kihihi-Ishasha/ Kanungu (78.5km) road project currently stand at 79percent completion rate. In terms of accommodation capacity, the number of hotel rooms was 9.65 percent above the target having improved from 106,553 rooms in FY2017/18 to 146,510 rooms in FY2021/22. This moderately satisfactory performance is attributed to the increase in private sector investment in accommodation across the country. Other interventions undertaken by government include: construction of Pakwach Tourism Information Centre; launch of the first electronic permitting system in July 2021 to

regulate trade in wildlife and wildlife products in Uganda; launch of a new e-passport system by Uganda's High Commission in London to reduce time taken in acquiring a new passport by Ugandans in Diaspora.

346. There was equally a reduction in the length of stay/overnights in all types of accommodation from 7.5 day in FY2017/18 to 6 days in FY2021/22 below the 8.3 days target. In addition, the proportion of leisure to total tourists was 2.3% in FY2020/21 against a target of 22%.

#### **Increased employment/ jobs created along the tourism value chain**

347. Development and diversification of various tourism products beyond the traditional ones is key in enabling the country to have increased numbers of tourist arrivals, revenue collection and job creation in the tourism sector. During FY2020/21, the contribution of tourism to total employment was 2.4 percent against a target of 6.8 percent. The number of number of people directly employed along the tourism value chain was 122,000 against 250,000. This failure to meet targets is largely attributed to layoffs of workers during the Covid19 pandemic lockdown.

#### **Improved Wildlife Ecosystems**

348. During FY 2020/21, the population of elephants was 5,739 against a target of 6,313, while for lions the population was 493 against a target of 542, antelope's population was 127,196 against a target of 139,916 and mountain gorilla's population was 459 against a target of 440. The below target performance of populations of elephants, lions and antelopes is largely attributed to human wildlife conflicts that resulted in encroachments on habitats of wildlife while for mountain gorillas the increase in population is due to conservation efforts of Uganda Wildlife Authority
349. The East Africa Tourism Platform (EATP) introduced the East Africa Destination web portal as part of its efforts to promote the region as a single tourist destination and COVID-19 recovery efforts. The portal allows tourists to check for tour packages and operators to provide quotation for selected packages. In addition, Uganda Wildlife Authority (UWA) launched an online payment platform option for guests visiting any of the country's national parks. It replaces the old Wildlife Card system established in 2017 and accepts Visa, MasterCard and American Express.

#### **Increased employment along the tourism value chain**

350. The objective in the medium term is to develop a pool of skilled personnel along the tourism value chain. In March 2020, government closed all academic institutions among which were tourism training institutions. At least 70 percent of the workers in the tourism industry lost their jobs and 91percent of the tourism entities downsized on the workforce. The average number of workers employed in the tourism industry dropped from 9 in January to only 2 workers per establishment by June 2020, representing a 74.4 percent loss in jobs in the tourism sector. Nonetheless, historically, tourism has shown a strong ability to adapt, innovate and recover from adversity.
351. To promote community involvement in Tourism development, Government conducted 4 community conservation education programs. These included Lake Victoria Conservation Education Program; Snake Conservation Education Program; Makanaga Wetland Ecotourism Program; and 2 thematic guided tours reaching out to 1,399 visitors.

#### **Improved compliance to Tourism service standards**

352. Government has devoted effort to regulate, coordinate and manage the tourism industry. To this end, the level of tourist satisfaction improved from 71 percent in FY2017/28 to 79

percent in FY2021/22 against a target of 78 percent. On the other hand, the level of compliance of planning and budgeting instruments to NDP3 was 68 percent against a target of 63 percent in FY2021/22. This satisfactory level of performance is attributed to formation of Tourism Development Working Group that brings together key players under tourism for planning and budgeting purposes.

**c) Challenges**

- i. 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.
- ii. Inadequate skills across the tourism industry which often force tourism establishments to employ foreigners for jobs such as chefs.
- iii. 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.
- iv. 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
- v. 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.

**d) Emerging issues**

- i. Promotion and Marketing which is key for growth of tourism receipts continues to receive budget cuts and categorized under '*consumptive items*'.
- ii. Delay in completion of the center of excellence (UHTTI) thus increasing the skills gap.
- iii. Lack of clear criteria for graduating potential attractions into product development and classification.
- iv. Lack of appreciation of the industry (programme contribution) to the extent of not getting priority in resource allocation
- v. Statistics are scanty and where available not timely to inform planning and investment decisions
- vi. Understaffing of tourism entities like UTB due to uncompetitive wage. Currently UTB is operating at 45% (39/85)

**e) Tourism recommendations**

- i. Funding for marketing and promotion should be ring fenced and be declassified from the list of *consumptive items*.
- ii. 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. In addition, 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.

- iii. Essential utilities like power and internet, water should be extended to all remote sites (prioritising National Parks) in order for them to remain competitive
- iv. Maintain the existing tourism infrastructures to support product development.
- v. Put in place an e-registration and licensing system which tracks number of licensed tour operators and facilities.

#### 4.8.5 Natural Resources, Environment, Climate Change, Land and Water Management

353. **The goal of the programme is to stop and reverse the degradation of Water Resources, Environment, Natural Resources as well as the effects of Climate Change on economic growth and livelihood security.** The key expected are: (i) Increase land area covered by wetlands from 10.9% to 12%; (ii) Increase permit holders complying with EIA conditions at the time of spot check from 40% to 90%; (iii) Increase the accuracy of meteorological information from 80% to 90%; (iv) Increase the percentage of automation of weather and climate network from 30% to 80%; among others. The Programme performance at mid point is provided in the sections below.

##### a) Overall score

354. Overall, the Natural Resources, Environment, Climate Change, Land and Water Management programme performance at midterm is 27 percent as summarized and discussed in the table and subsections below.

**Table 4. 17: Summary performance of ENR programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	13	50	13	50	-	-	26
Intermediate level	8	27	22	73	-	-	30
Output level	29	23	54	43	43	34	126
<b>Overall Performance</b>	<b>50</b>	<b>27</b>	<b>89</b>	<b>49</b>	<b>43</b>	<b>24</b>	<b>182</b>

##### b) Outcome level performance

Performance at outcome level was average at 50 percent while 27 percent was achieved at intermediate level. Table 4.18 presents a summary of performance for key outcome level results.

**Table 4. 18: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Adequate Quantity and Improved Quality of Water Resources for all uses	Compliance to abstraction permit conditions- Ground water	76	77	76.8	78	76.8	Not Achieved
	Compliance to abstraction permit conditions- Surface water	78	78.5	78.4	79.5	78.4	Not achieved
	Compliance to waste water discharge permit conditions	63	64	65.3	66	65.3	Achieved
Increased protection and productivity of the environment and natural resources	% of land area covered by forests	12.4	12.5	12.3	12.8	12.3	Not Achieved
	o/w - natural forests	9.1	9.1		9.3	9.07	Not Achieved
	o/w – plantations	0.4	1.22		2.04	3.9	Achieved
	% of land area covered by wetlands	8.9	9.08	8.9	9.2	8.9	Not Achieved
Improved productivity of land resources	Percentage of titled land	21	24	22	29	22	Not Achieved
	Percentage of Government Land titled	22	27.6	22.5	33.2	32	Not Achieved
	Proportion of LGs with approved PDPs, %	43.9	50		55	3.98	Not

							Achieved
	Turnaround time for titling of land (days)	14	12	11	15		Achieved
	Portfolio of land and properties valued in trillions UGX (e.g. projects and programs, etc.)	2	3.5	4.2	0		Not Achieved
Clean and productive environment	% of permit holders complying with ESIA conditions at the time of spot check	40	50	80	60	80	Achieved
	% of Municipal solid waste disposed off safely	45	51	40	57	40	Not Achieved
	% of key biodiversity areas covered by protected areas	28	30.4	20	32.8	10	Not Achieved
	Percentage area of degraded catchment areas protected	30	32	27	36	26	Not Achieved
	Air Quality Index PM	147	155	154	150	90	Not Achieved
Strengthened, coordination, resilience, adaptive and mitigation capacity to climate change	Climate Change Vulnerability Index	2.5	3	3.45	3.5	1.07	Not Achieved
	% of sectors integrating climate change in their development plans	30	40.4	20	82	60	Not Achieved
	Accuracy of Meteorological Information (%)	60	66	75-80	72	75-80	Achieved
	% of Automation of Weather and Climate Network	30	40	62	50	62	Achieved
	Average Annual Change in a Green House Gas (GHG) emissions (MtCOe)	1.39	1.31	1.3	1.23	1.3	Achieved
Reduced human and economic loss from natural hazards and disaster	No of deaths and missing persons and directly affected persons attributed to disasters per , population	150	130	120	110	100	Not Achieved
	Economic loss (USD incurred per disaster as a % of GDP)	7.5	7		6.5	0	Not Achieved
	Percentage automation of weather and climate network	56	64.8	75	73.6	75	Achieved
Increased incomes and employment from natural resources	Proportion of green jobs to total jobs	25	28	35	32	35	Achieved

## Water resources

### a. Adequate Quantity and Improved Quality of Water Resources for all uses

355. The programme has managed to increase compliance with ground water abstraction permit conditions to 76.8 percent in FY2020/21 from 76 percent against a target of 77 percent. A total of 187 new water permit applications were received and assessed, of which 89 percent were issued. The compliance to abstraction permit conditions for (Surface water) was 78.4% against the target of 78.5% in FY2020/21. In addition, compliance to waste water discharge improved from 63 percent in FY2017/18 to 65.3 percent in FY2020/21. This performance is attributed to the enhanced enforcement of water laws and policies through establishment of a feedback mechanism that provided technical advice on how to improve compliance. As a result, there was an increase in the number of permit holders who paid annual charges and submitted quarterly data on daily volumes of water abstracted thereby resulting into increased compliance.

## Environment and Natural Resources

### b. Increased protection and productivity of the environment and natural resources

356. Government in the medium term aims to increase forest, tree and wetland coverage, restore bare hills and protect mountainous areas and rangelands. By the end of the FY 2020/21, the percentage of land area covered by forests and wetlands was 12.3 percent and 8.9 percent against their respective targets of 12.5% and 9.57%. Cabinet in July 2021 directed National Environment Management Authority (NEMA) to stop issuance of licenses to investors aiming to develop land located in wetlands. This performance that falls short of the NDPIII targets is attributed to the increasing land use changes triggered



by agriculture expansion, lack of affordable alternatives to wood fuel causing deforestation and weak enforcement of environmental regulations.

357. The Ministry of Water and Environment (MoWE) procured services of the Supply Masters (U) Limited to restore forest cover in the Northern region through supplying, planting and maintaining tree seedlings and Bamboo for River and Stream banks. To that effect, 13,530 seedlings were distributed in 28 sub-counties as of March 2022.

## **Land use and management**

### **c. Improved productivity of land resources**

358. The total land titled/registered increased from 21.73 percent in FY2019/20 to 22 percent in FY2020/21 against the FY target of 24%. The low achievement was partly because of the COVID-19 pandemic which led to closure for land offices.
359. In improving land management, government: i) commenced the process aimed at reforming the Mailo land tenure as well as the ‘kibanja’ land ownership system, with the intention to convert both the former and the latter to the Freehold land tenure system; ii) Launched the National Call Centre on Land Issues in August 2021, at the National Information Land Centre. The facility is intended to enable the public to report any land issues happening on their locality for these issues to be addressed by the concerned authorities; and iii) Launched an online public portal in March 2022, to allow for instant searches relating to Land Titles, transaction status and parcel information. The portal is currently available to Kampala areas, and will be expanded to other parts of the country.

## **Climate change**

### **d. Clean and productive environment**

360. Government has continued with efforts to maintain and/or restore a clean, healthy, and productive environment. By the end of the FY2020/21, the percentage of permit holders complying with ESIA conditions at the time of spot check was doubled from 40 percent in FY2019/20 to 80 percent in FY2020/21 against the NDPIII target of 50%. The Air Quality Index PM2.5 was noted at 154 against the target of 155 for the financial year which is an improvement from 150 for FY 2020/19. This is attributed to increase in the number of air quality monitors installed in Kampala.

### **e. Strengthened, resilience, adaptive and mitigation capacity to climate change**

361. By the end of the FY2020/21, the Climate Change Vulnerability Index was 3.45 against the target of 3 for the year, which represents a slight reduction in climate change vulnerability. This is attributed to increased access to climate information coupled with a good rain season, which reduced the risk to climate induced food insecurity. The percentage of sectors/ programmes integrating climate change in their development plans (Programme Implementation Action Plans) was 20 percent against the target of 40.4%. This underperformance is largely driven by the discrepancy between the extent of integration in planning and budgeting. Whilst several programmes are sufficiently integrated in planning, this was not replicated at budgeting level due to budget cuts triggered by the COVID-19 economic meltdown, which compelled agencies to spend the available meagre resources on core mandate activities rather than crosscutting issues such as climate change.
362. There has been an improvement in the accuracy of meteorological services. The accuracy of meteorological information improved from 60 percent in FY2019/20 to 75-80 percent in

FY2020/21 against the target of 66%. This remarkable performance is attributed to the procurement and installation of a new Radar which enhanced climate information accuracy. The percentage of automation of weather and climate network improved to 62 percent from 30 percent against the target of 40 percent. This is attributed to an additional 116 extra weather stations installed by Tahmo, Prelnor, Twiga and KCCA. In addition, the average annual change in greenhouse gas emissions was 1.3MtCO<sub>2</sub>e against the target of 1.31 MtCO<sub>2</sub>e for the FY, and the decrease in emissions is attributed to the reduced economic activity during lockdowns which caused reduced emissions emitted by the transport sector.

#### **f. Reduced human and economic loss from natural hazards and disaster**

363. Fires, heavy storms/ hailstorms, floods, lightning and drought were the main disasters experienced in 2020/21. In FY2020/21, the Economic loss (USD incurred per disaster as a % of GDP) significantly improved from 7.5 in FY2019/20 to 0.4. Additionally, the number of deaths and missing persons and directly affected persons attributed to disasters per 100,000 populations, reduced from 150 in FY2019/20 to 0.06 in FY2020/21. Many parts of Uganda are prone to disasters caused by natural hazards and epidemic outbreaks.

#### **g. Increased incomes and employment from natural resources**

364. By the end of the FY 2020/21, the proportion of green jobs to total jobs was recorded at 35 percent against the targeted 28% for the year. These jobs were largely created under the Sawlog Production Scheme III (SPGS 3) project, under which jobs in commercial tree planting and harvesting were created with 362 private tree growers – majority of whom were small and medium scale growers with acreage ranging from 15-500 ha that were trained and given commercial tree seedlings. Also, 130 nurseries were certified and awarded certificates to produce seedlings for sale. Other Jobs were created in ecotourism, and sustainable harvesting of prunus Africana as a competitive livelihood option for communities. 252.567kgs of prunus African were cleared for export during the period under review.

### **c) Challenges**

#### **Water Resources Management Sub-Programme**

- i. Low compliance to drinking water and wastewater standards owing to limited resources to ensure compliance monitoring;
- ii. Lack of water vessel equipment thus making regular lake wide monitoring expensive;
- iii. Non-cooperation from masses demonstrated by high cases of vandalism of stations rendering the stations non-operational and lead to data gaps.
- iv. High frequency and intensity of emerging challenges such as floods, waterborne diseases and COVID-19 with implications on compliance assessments and funding;

#### **Land Management**

- i. 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.
- ii. COVID-19 pandemic delayed and stagnated the implementation of key activities especially those that involved community engagement and training;
- iii. Human capacity gaps, due to delay in concluding recruitment, to implement sub-programme activities;

- iv. Funding shortages marred with budget cuts and poor budget outturns which undermined timely implementation of interventions especially for those activities considered as consumptive.

### **Environment and Natural Resources**

- i. Coordination mechanism for the many actors in Forestry Management.
- ii. 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.
- iii. COVID-19 induced lock downs disrupted implementation of outdoor activities such as boundary surveys and marking, monitoring and evaluation.
- iv. Inadequate financing of the Programme especially at national and LG level which undermines enforcement.
- v. Uncoordinated action especially by local leaders and representatives impeding effective management of Central Forest Reserves such as lawful eviction of encroachers.

#### **d) Emerging issues**

- i. The Program has made significant progress in adopting the Program-based approach as required by the NDPIII M&E Strategy;
- ii. There are still gaps in coordination among the agencies directly responsible for achieving the Program's goal especially the Land Management sub-programme Agencies;
- iii. There is limited digitization of natural resource management activities to solve the persistent challenge on encroachment.
- iv. Participation of the private sector to provide some green finance to supplement the meagre government financing is still inadequate;
- v. There are still data gaps because some of the indicators are new (no. of green jobs);
- vi. There are human resource gaps especially on enforcement;
- vii. Delayed full implementation of the revised National Environment Act continues to undermine ENR Management – some regulations not yet in place owing to funding challenges.

#### **e) Recommendations**

- i. Improve intra- and inter-program coordination and stakeholder engagement to program agencies issuing land titles in Central Forest Reserves;
- ii. Procure water vessel equipment to ease and enable regular lake wide monitoring;
- iii. 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;
- iv. Strengthen Forest Law enforcement and governance with special emphasis on the capacity of the District Forestry Services in the District Local Governments;
- v. Embrace digitization to ensure efficiency of operations in the Programme;
- vi. Develop clear data collection tools and improve data collection, storage and analysis;

- vii. Establish strategic partnerships with private sector to tap into existing financial and technical opportunities;
- viii. 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.
- ix. Finalize the Disaster Preparedness and Management Bill.

#### 4.8.6 Private Sector Development

365. **The Private Sector Development Programme aims to increase competitiveness of the private sector to drive sustainable inclusive growth.** The key expected results include: reduction of the informal sector, increase in non-commercial lending to the private sector in key growth sectors, increased value of public contracts and sub-contracts that are awarded to local firms, and increased volume of private sector investment in key growth areas. The programme performance during the first two years of the NDPIII is discussed below.

##### a) Overall score

366. Overall, the Private Sector Development programme performance at midterm is 8 percent as summarised and discussed in the table and subsections below.

**Table 4. 19: Summary performance of Private Sector Development programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	4	7	6	11	45	82	55
Intermediate level	1	6	5	29	11	65	17
Output level	13	9	16	11	120	81	149
<b>Overall Performance</b>	<b>18</b>	<b>8</b>	<b>27</b>	<b>12</b>	<b>176</b>	<b>80</b>	<b>221</b>

##### b) Outcome level performance

Performance at outcome level was average at 7 percent while 6 percent was registered at intermediate outcome level. Table 4.20 presents summary outcome level results.

**Table 4. 20: Outcome level performance**

Indicator	Base	Target	Actual	Target	Actual	Rating
	FY2017/18	2020/21	2020/21	2021/22	2021/22	
Domestic market capitalization due to new listings-(UGX, Billion)	-	4.5	4.5	4.7	4.6	Red
CIS assets under management (in UGX Trillion)	-	0.48	0.57	0.61	1.15	Green
Retirement Assets to GDP, %	9.47	12	11.1	13.5	11.3	Red
Global Competitiveness Index	48.9	51	48.94	52.2	48.94	Red
Global Competitiveness Index, ranking	115/140	114/141	115/140	114/141	92/141	Green
Value of merchandise exports (Million USD)		4,011.20	4100	4,233.80	2,825.50	Red
Proportion of the total procurement value awarded to local contractors, %	30	60	74	65	65.8	Green
Number of certified products accessing foreign markets	259	4,000	3576	4,500	4,080	Red
No of businesses using the industrial parks		94	132	491	502	Green

##### 1. Costs of doing business sustainably lowered

367. In lowering the cost of doing business both financial and non-financial factors are targeted. Among the financial -related outcomes considered include: the share of domestic credit to

key growth areas in private sector credit; private sector credit as percent of GDP; total value of outstanding long-term loans (maturity above 5 years) at DFI; domestic market capitalization to GDP; domestic market capitalization due to new listing.; number of private equity deals availing funding to local companies per year; collective Investment Schemes (CIS) assets under management (in UGX Trillion) among others. The non-financial related outcomes on electricity and transport and logistics are mainly captured in other programs results.

368. There is underperformance in the share of domestic credit to key growth areas in private sector credit since the outturn is 13.2 percent compared to the NDPIII target of 29.2 percent for 2020/21. Similarly, total private sector credit to GDP was 12 percent which was below the NDPIII target of 15.4 percent. This low uptake of private sector credit most especially in key growth sectors slows down private investment and economic growth as well as full economic recovery. The source of the low uptake of private sector credit is due to the high interest rates charged by commercial banks, coupled with the increased uncertainty in the business environment due to the COVID-19 pandemic challenges.
369. With regards to the total value of outstanding long-term loans (maturity above 5 years) at Development Finance Institution (DFI), the outturn exceeded the NDPIII target largely due to the funds disbursed by the Uganda Development Bank in response to COVID-19. The NDPIII target of UGX481 bn was surpassed by the UGX555Bn disbursed to UDB for lending to agriculture, tourism and hospitality, industry, infrastructure and human capital development. However, UDB reports that as of December 2020, it had disbursed UGX242.02Bn, exceeding its target by 12 percent.<sup>6</sup>
370. The target for domestic equity market capitalization to GDP ratio (3.4 percent) for the FY 2020/21 was surpassed since the actual outturn is 4.5 percent. Further, domestic market capitalization (representing the value of locally listed companies) closed higher at UGX 4.33 trillion in the FY 2020/21- against a target of 4.55 trillion, representing a gain of 1.5%, from UGX 4.27 trillion at the close of 2019/20. This growth was mainly due to the gains in share prices registered on Stanbic Holdings Ltd (10.4%) and Bank of Baroda (9.1%). Nevertheless, there were no new listings during the period under review, hence total market capitalization stood at UGX 4.33 trillion at the end of the FY 2020/21, although one telecom listing is expected in the foreseeable future which is likely to increase market capitalisation by UGX 3.5 trillion.
371. Regarding the collective investment schemes (CIS), the CIS Managers had a total of UGX 731.9 billion in Assets Under Management (AUM) at the end of the financial year 2020/21, performing well above the NDPIII target of UGX480 billion. For the retirement assets to GDP the outturn was 11.1 percent against a target of 12 percent, suggesting that the performance of retirement assets to GDP for the FY2020/21 slightly fell short of the target. However, the total assets of the Sector increased by 16.4% during the FY 2020/21, increasing from UGX 13.2 trillion in FY2019/20 to UGX 15.4 trillion and accounting for 11.1% of the Gross Domestic Product (2019: 10.3%). This indicates that total retirement assets in the economy are on an increase, thus the country needs to monitor how they are managed and can best be used in easing the challenge of limited long-term financing in Uganda.

## **2. Improved business capacity and local entrepreneurship skills**

372. The actual performance regarding businesses that accessed BDS in past 3 years in FY2020/21 was 13percent against an NDPIII target of 7percent. This good performance

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<sup>6</sup> UDB, 2020, Annual Report 2020.

was attributed to massive provision of business development services by Enterprise Uganda and Uganda Investment Authority. Overall, a total of 3,090 beneficiaries received a wide range of business development services ranging from Entrepreneurship and Mind-set change training, Business growth Oriented training of which 45% were females and 1,948 were youth.

373. There has been an improvement in the percentage of businesses in possession of business expansion plans. As of the end of FY2020/21, 19.1% of the businesses possessed an expansion plan against an NDPIII target of 10 percent. These were mainly companies registered with UIA, since this was a pre-requisite for an investment license. In addition, the target of the percentage of existing businesses expanded was surpassed, as it turned out at 45 percent against a target of 18 percent. This was so because Enterprise Uganda has been providing BDS aimed at expanding SMEs within selected value chains to grow from micro to small and medium-sized enterprises. For example, 198 entrepreneurs (96 males and 102 female) from the Lango sub region went through the GROW Tool training that exposed them to the 5 pillars for business growth including; the Entrepreneur & Business Leadership; Human Resource; Operations Management; Marketing & Customer Care; and Business Finance.
374. The average life of enterprises in Uganda remains low. In FY2020/21 the average life of enterprises was estimated at 1.5 years against a target of 2.4 years. This target non-attainment is attributed to the challenges of COVID-19 which has destabilized business flows and reduced profitability, thereby causing solvency and liquidity problems. This has therefore led to a closure of some enterprises and non-opening of new ones.
375. The value of merchandise exports was USD 4,100 million in FY2020/21 against a target of USD 4,011.20. This good performance was a result of increases mainly in coffee exports and gold. The proportion of SMEs using digital solutions for key business processes was 25% against a target of 29% which is moderate performance. The increased use of digital solutions is attributed to the popularization of this approach in the fight against COVID-19.
376. The number of firms using market information systems was 3500 which was below the target of 4000. This underperformance is largely attributed to limited platforms for market information (eBiz and UIA Website). However, with the development of the SME Portal the number of firms using market information systems - most especially MSMEs - is likely to grow. Also, the number of firms accessing and using incubation service centers was 400 which was below the target of 1000.

### **3. Increased local firms' participation in public investment programmes across sectors**

377. By end of the FY2020/21, the proportion of the total procurement value awarded to local contractors was 74 percent against a target of 60%. The good performance was attributed to PPDA's implementation of the e-GP system that stood at 92% by end of the FY2020/21. PPDA has rolled out this system to 12 pilot entities. It has also undertaken various in-house and online trainings in the navigation of the e-GP system, as well as the use of different user groups in the respective Procurement and Disposal Entities largely due to limited information among the SMEs regarding the incubation and business hubs.
378. Furthermore, developing and publicizing a transparent incentive framework that supports local investors, UIA licensed 93 projects with an investment value of USD340,779,029 projected to create 8,478 jobs. This comprised of 24 (26%) Ugandan companies, 47 (51%) Foreign and 22 (23%) Joint Ventures. In addition, the proportion of jobs taken on by Ugandans in foreign-owned enterprises is 45 percent higher than the target of 5 percent.

And lastly, the proportion of Ugandan goods and services utilized by foreign firms in public projects is estimated at 18 percent which is less than the 20 percent target for the period under review. It is recommended that the local content bill at Parliament be fast-tracked, to strengthen most initiatives intended to supporting local content development.

#### **4. Government's role in unlocking investment in strategic economic sectors strengthened**

379. By the end of the FY2020/21, the proportion of Domestic private sector investment was 55.7% above a target of 48.7% as a result of support and building of public private partnerships between UDC and private entities with the objective of boosting investment. UDC acquired 40percent shareholding in Bukona Agro Processors Ltd located in Koch Goma-Nwoya district which processes ethanol from fresh Cassava. This partnership is projected to realize an annual injection of at least UGX13.1 billion per year into the local economy, just from the purchase of fresh cassava alone as well as create approximately 10,000 employment opportunities (both direct and indirect) associated with the industrialization of the cassava crop into denatured ethanol.
380. The usage of research and innovations by the private sector has continued to perform dismally. The percentage of MSMEs utilizing the services of Research and innovation facilities in FY2020/21 is 20 percent lower than the NDPIII target of 25percent for the period. This is so because there are limited resources in Government allocated for conducting research to enhance innovations.

#### **5. Enabling environment strengthened and standards enforced**

381. Regarding standards development and or enforcement of standards, UNBS has made some strides. The annual percentage change in products certified by UNBS in FY2020/21 was 26percent, surpassing the 10percent target. Similarly, the number of certified products accessing foreign markets was estimated at 3,576 just slightly below the target of 4,000 products. The better performance posted in standards and certification improvement is a result of continued support to UNBS and other players enforcing standards. UNBS also undertook a number of activities to intensify the tracking and elimination of substandard goods and services. Inspection of 130,192 import consignments was undertaken which resulted into 356,483 non-conforming units to be barred entry into the country. However, UNBS still faces a challenge of limited staff numbers in relation to existing demand of the certification service and this needs to be addressed.
382. The number of businesses using the industrial parks exceeded the target for the period, that is 132 business enterprises were able to access business parks against a target of 94. The distribution of businesses in the industrial parks is as follows: Namanve (77), Luzira (11), Bweyogerere (08), Mbale (06), Soroti (01), Mbarara (22), Kasese (01) and Masindi (6). However, there is need to scale up efforts to incentivize firms to operate in well serviced parks. Besides, Government needs to fully develop the infrastructure and other logistics in the parks to make the parks more attractive to the investors.
383. Similarly, the targets of accessibility to export processing zones in FY2020/21 were achieved, that is the number of firms accessing the export free zones was 27 above the target of 15. This is because Uganda Free Zones Authority (UFZA) succeeded in declaring, gazetting and licensing 3 new export free zones which increased the total number of licensed private Free Zones to 27. Also 10 new applications for Free Zones Developers which require licenses are under evaluation. In addition, the performance was attributed to the principles developed for the amendment of the Free Zones Act, 2014 to provide for Special Economic Zones and the Free Zones module was configured on the

Uganda Electronic Single Window to facilitate electronic application and licensing of Free Zones

384. Regarding the formalization of the economy, the country's formal GDP percentage contribution of 46.3percent exceeded the target of 44percent in FY2020/21. However, the percentage change in the tax payer register turned out at 11.9percent below the 15percent target. 189,377 new taxpayers were added onto the register representing a growth of 11.88 percent during the FY 2020/21 against a targeted tax register growth of 15.0 despite the improvement in the formal sector contribution.

#### c) Challenges

- i. Slow adoption of programmatic approach: The implementation of the PSD PIAP is characterized by adoption challenges. This poses a number of setbacks arising from low adoption of the programmatic approach to planning and budgeting.
- ii. Additionally, there has been significant coordination and harmonization challenges especially within institutions that have to deliver on private sector programmes. This is because of the multiple Private Sector programmes under the NDP III.
- iii. The Covid19 pandemic greatly impacted many areas for the growth and development of the private sector. The first and last half of FY2020/21 kicked off in the midst of the COVID-19 pandemic and lockdown, resulting in slowdown of economic activity.
- iv. The promotion of local content in public programs faces several challenges. First, there is still reluctance to implement it in externally funded projects and of late, contractor financed projects. Secondly, the capacity of local contractors is still weak. Many of these contractors either have not embraced measures like forming joint ventures amongst themselves to enhance their capacity or are not aware about participation requirements under the policy.
- v. **There is limited engagement with LGs which poses a challenge of undertaking the activities stipulated in the PIAP with minimum participation of LGs yet they are the frontline service providers who directly interact with the targeted stakeholders/ beneficiaries. Particularly, the collaboration with District Commercial Officers is low.**
- vi. **In fulfilling the programme objective of strengthening the enabling environment and enforcement of standards, a number of challenges have been experienced and these include:**
  - a) The legal restrictions which have affected the efforts to increase accessibility to free zones.
  - b) Inadequate fully built industrial infrastructure for private developers and operators.
  - c) Insufficient budget for completion of Entebbe International Airport free zone and construction of other public free zones in Jinja, Kasese, Soroti and Buwaya.
  - d) Lack of strategic industrial land for the development of public free zones. However, engagements with MALGs are ongoing to obtain Government land for the development of public Zones

#### d) Emerging issues

- i. **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 a great impact on the operations of the private sector activities.

- ii. **The large informal sector continues to be a major blockade to private sector development** including in bringing down unemployment, expanding standards compliance, reducing cost of credit, improving access to business/ market information, and in growth of national revenues.
- iii. **The Cost of doing Business remains high.** Some of the factors attributed to the high cost of doing business in Uganda include; persisted high lending rates, 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
- iv. **There is Weak capacity with regard to the programmatic** approach to planning and budgeting among the implementing MDAs. Additionally, there is also a ripple effect of low understanding of the NDP III among the members of the public. This directly limits on their demand for the deliverables of the Plan like capitalization efforts.
- v. **Escalating commodity prices also continue to be a threat to the private sector**

e) **Recommendations**

- i. The MoFPED and other implementation agencies should strengthen intra-programme collaboration and synergy in resource prioritization and implementation of the core actions.
- ii. Strengthening the engagement with LGs since are frontline service providers who directly interact with the targeted stakeholders/ beneficiaries; especially District Commercial Officers.
- iii. Expand the covid-19 recovery fund to enable firms recover from covid effects so as to stimulate export volumes in the next 5 years.
- iv. Capitalization of UDB, UDC and other public banks to lower the cost of doing business.
- v. There is need to strengthen capacities of BDS providers by ensuring that they are certified and approved to operate at district level and association levels.
- vi. Intensifying the works of UNBS so as to improve the standards of good produced in Uganda
- vii. Promotion of Digitalization and e-commerce in the private sector to improve efficiency as well as reduce the cost of doing business.

#### **4.8.7 Manufacturing**

385. **The Manufacturing Programme aims to increase the product range and scale for import substitution and improved terms of trade.** The key expected results include: increased share of manufactured exports in total exports, growth in the industrial sector contribution to GDP, and increased share of labour force employed in the industrial sector. The programme performance during the first two years of the NDPIII is discussed below.

a) **Overall score**

386. Overall, the Manufacturing programme performance at midterm is 7 percent as summarised and discussed in the table and subsections below.

**Table 4. 21: Summary performance of manufacturing programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	3	38	2	25	3	38	8
Intermediate level	4	40	6	60	-	-	10
Output level	4	3	2	2	124	95	130
<b>Overall Performance</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>7</b>	<b>127</b>	<b>86</b>	<b>148</b>

**b) Outcome level performance**

Performance at outcome level was average at 38 percent while 40 percent was achieved at intermediate level. Key outcome level results are presented in table 4.22.

**Table 4. 22: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Increased number of jobs in the economy	Industrial sector contribution to GDP (%)	27.1	27.4	26.18	17	26.5	Achieved
	Contribution of manufacturing to industrial GDP (%)	15.4	16	26	12	16.5	Achieved
Increased number of SMEs producing for the local and international markets	Share of manufacturing jobs to total formal jobs (%)	9.8	11		8.2	9.5	Achieved
	Share of labour force employed in the industrial sector (%)	7.4	7.8		14	7.2	Not Achieved
Better terms of trade	Share of manufactured exports to total exports (%)	12.3	13	13	2250		No Data
	Manufacturing value added (USD million)	2,142	2,200	5900	9		No Data
	Manufacturing value added as a percentage of GDP	8.3	8.6	16	16	15.5	Not Achieved

**1. Requisite infrastructure to support manufacturing in line with Uganda's planned growth corridors (triangle) developed**

387. The expected outcome of this objective is to increase the number of jobs in the economy by targeting an industrial sector contribution to GDP of 27.4% and a contribution of manufacturing to industrial GDP of 16% for FY2020/21.

388. The programme achieved 26.18% industrial sector contribution to GDP according to data from Statista and 26% contribution of manufacturing to industrial GDP as at UBOS Statistical Abstract for 2021.

**2. Increased SMEs producing for the local and international markets**

388. The expected outcome of this objective is to increase the number of SMEs producing for the local and international markets. NDP III targeted 11% share of manufacturing jobs to total formal jobs and 7.8% share of labour force employed in the industrial sector.

**3. Better terms of trade**

389. These are to be achieved through increasing access to regional and international markets. While NDP III targeted 13% share of manufactured exports to total exports, 8.6% Manufacturing value added as a percentage of GDP and USD 2.2B of Manufacturing value added, World Bank data indicates that 13%, 16% and USD 5.9B respectively which is higher than what was expected.

**4. Improved legal and institutional framework to support manufacturing**

### **c) Challenges**

- i. PWG not fully functional - Program reviews have not been undertaken
- ii. Majority of the planned projects have not been developed and are therefore not ready for implementation thus hindering the realization of the NDPIII targets.
- iii. Difficulty in accessing Credit by small, micro and medium enterprises.
- iv. Shortage of skilled labor force and low absorption
- v. There is still a high number of sub-standard and counterfeit goods in the Ugandan market

### **d) Emerging issues**

- i. Many SMEs were badly affected by COVID-19 control measures. Unknown impact, effectiveness of Economic recovery efforts such as UGX 50 billion released to the Microfinance Support Centre for the small-scale enterprises and 455 billion released to UDB. Only 1.3B accessed from 100B Small Business Recovery Fund (SBRF) through BOU.
- ii. Some important laws and regulations for Manufacturing need to be enacted/completed such as the Industrial Licensing Amendment, VAT bill, Industrial Park Guidelines
- iii. Narrow range of manufacturing standards and limited enforcement of applicable regulations
- iv. Low levels of technology upgrade and transfer across Uganda's manufacturing industry mainly attributed to low innovation skills
- v. Boundary opening and titling of the land acquired for the establishment of Regional Industrial and Business Parks is yet to be done
- vi. New infrastructure designs (roads and drainage) for the Kampala Industrial and Business Park did not take into account the already existing infrastructure by the developers
- vii. Delayed release of GOU funds for KIBP, KMC affected progress
- viii. Major constraints including low production levels, uncompetitive products and services, sub-optimal use of factors of production need to be addressed
- ix. There is need to fast-track Negotiations of trade agreements, NTBs, Regional quotas to quickly capitalize on EAC Trade protocols and Africa Free Trade Area
- x. Identify products for import substitution or replacement and ensure SMEs and Coops can fill in
- xi. Export earning from raw materials (minerals and coffee) are contributing much more than manufacturing

### **e) Recommendations**

- i. Improve Programme Approach i.e. Balance funding of interventions across all sub-programs; Regular meetings of PWG to agree on priorities for implementation; and operationalize sub-programme level TWGs
- ii. Provide cheap capital through UDB long term loans with low interest rates

- iii. Provide an enabling environment with low uniform tariffs for manufacturing including MSMEs including supporting them to get certification for market access
- iv. Increase quality monitoring of consumer goods and develop Standards for priority products
- v. De-risking trade in volatile markets like South Sudan, DRC. Eg establish Ugandan bank, insurance cover for Ugandan businesses

#### 4.8.8 Integrated Transport Infrastructure and Services

390. **The Integrated Transport Infrastructure and Services (ITIS) Programme aims to have a seamless, safe, inclusive and sustainable multi-modal transport system.** The FY2020/21 NDPIII target for the ITIS programme and the key results areas for assessing progress against this programme are: reduced the average travel time; reduced freight transportation costs; increasing the stock of transport infrastructure; increased average infrastructure life span, and reduced fatality and casualties from transport accidents. The programme performance during the first two years of the NDPIII is discussed below.

##### a) Overall score

391. Overall, the Integrated Transport Infrastructure and Services programme performance at midterm is 37 percent as summarised and discussed in the table and subsections below.

**Table 4. 23: Summary performance of ITIS programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	21	46.67	3	6.67	21	46.67	45
Intermediate level	15	42.86	6	17.14	14	40.00	35
Output level	37	21.26	66	37.93	71	40.80	174
<b>Overall Performance</b>	<b>73</b>	<b>37</b>	<b>75</b>	<b>21</b>	<b>106</b>	<b>42.00</b>	<b>254</b>

##### b) Outcome level performance

Performance at outcome level was average at 46.67 percent while 42.9 percent was achieved at intermediate level. Key outcome level results are presented in table 4.24.

**Table 4. 24: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating	
Improved accessibility to goods and services	Reduce average travel time (min/km)	Within GKMA	4.14	3.98		3.86	No Data	
		Within other Cities		2.4		2.3	2.57	Achieved
		National roads	1.13	1		1	1.17	Achieved
		District Roads	4	3		2.4		No Data
	Reduce average travel time (min/km) Inland water transport (MW to PB in Hrs)	18Hrs	16.8	16.8		15.6	15.6	Achieved
	Reduce average travel time (min/km) Passenger rail services	0.75	0.7	0.67		0.65	0.45	Not Acheived
	Reduce average travel time (min/km) (Freight rail services (Days) Mombasa -Kampala)	19	17	17		15	14	Not Acheived
Reduce average travel time (min/km) (Freight rail services (Days) Southern route)	20	20	0.75		19	0.5	Not Acheived	
Freight transportation costs (per ton per km)	Inland (on Road): Murrum (UGX)	1,130	1,125		1120		No Data	
	Inland (on Road): tarmac	802	741.6		681.2		No Data	
	Inland (on Rail) USD	0.04	0.038	0.034		0.036	0.0035	Not Acheived
	Inland (on water): UGX	500	460		420		No Data	
	From coast to Kampala (on Road) - USD	0.77	0.034		0.702		No Data	
	From coast to Kampala (on Rail) (in USD):	0.05	0.046	0.044		0.042	0.0068	Not Acheived
	From coast (MW) to Kampala (PB) on water -USD	0.06	0.056	0.017		0.052	0.0063	Not

							Achieved	
Stock of transport infrastructure	Paved National Roads (km)	4,971	5,717	5522	6163	5,979	Not Achieved	
	Paved urban roads (km)	1,253	1,348	725	1448		No Data	
	Permanent way /railway road (Km)	262	302	325	342	270	Not Achieved	
	Freight Cargo - Central Corridor-	Export	9,168.00	10,084.80	17454.72	11001.6	41,858.30	Achieved
		Import	4,141.50	4,555.65		4969.8	15,329.60	Achieved
	Freight Cargo Northern Corridor-	Export	10,243.61	11,267.97		12292.33	19,910.67	Achieved
		Import	25,360.47	27,896.52		30432.56	130,992.96	Achieved
	Number of Roll-on Roll-off vessels (international)	2	2	2	1	2		Achieved
Construction of domestic (Ro'Pax) passenger ferries	10	11	11	12			No Data	
Reduced cost of transport infrastructure and services	Unit cost of building transport infrastructure, per Km (Upgrading roads to paved standard (Mn/per Km)	3.1	2.98	4.29	2.86		No Data	
	Unit cost of building transport infrastructure, per Km (Rehabilitation/ reconstruction of paved roads (Mn/per Km)	1.8	1.79	1.56	1.78		No Data	
	Unit cost of building transport infrastructure, per Km (Average cost for construction of unpaved/ gravel road (in million)	40	38	60	36		No Data	
	Unit cost of building transport infrastructure, per Km (Rehabilitation of metre gauge rail infrastructure (Bn/ Km)	5	4.9	5.6	4.8		No Data	
Improved National transport planning	% Actual progress vs planned implementation of the Programme		20		40	35	Not Achieved	
Longer service life of transport investment	Average infrastructure life span in years (Tarmac roads)	18	20	20	20	20	Achieved	
	Average infrastructure life span in years (First class murrum roads)	2	2	2	2	2	Achieved	
Improved safety of transport services	Fatality per , vehicles (road transport)	26	25	6.9	24		No Data	
	Total Fatalities on road transport	3500	3300	3,269	3100	757	Not Achieved	
	Serious Injuries on road transport	10,420	8320	5,803	6220	9,070	Achieved	
	Total fatalities (Water transport)	160	138	431	116	92	Not Achieved	
	Total Fatalities on Railway Transport	1	0	1	0		No Data	

## 1. Improved accessibility to goods and services

392. The NDPIII targeted a reduction of travel time by inland water transport from Mwanza to Port-Bell, by railway from Mombasa -Kampala, and by railway through Southern route; from 18 hours, 19 days and 20 days respectively in FY2017/18 to 16.8hours, 17days and 20days in FY 2020/21. The actual performance for these indicators was 12 hours, 15 days and 6 days respectively. Travel time for passenger railway services was 0.67min/km surpassing the Plan target of 0.7min/km. This performance is attributed to the change in management of railways from Rift Valley Railways (RVR) to Uganda Railways Corporation, after cancellation of the concession with RVR in 2018.
393. It should however be noted that travel time on roads within the GKMA, other cities, national roads, and district roads could not be established since road surveys were not conducted. This resulted from budget cuts in favor of COVID-19 related activities.
394. In the year of assessment, the freight transportation costs were reduced to USD 0.034 from USD0.038 in FY 2017/18 using inland railway. Similarly, the cost of freight transportation from the coast (Mombasa) to Kampala was reduced to USD 0.44 from USD 0.46, and that of water transport from Mwanza to Port-Bell was reduced to USD 0.017 from USD 0.056 in the base year, respectively. This good performance is mainly attributed to increased freight transportation during the COVID-19 period.
395. Conversely, the cost of freight transportation from the coast (Mombasa) to Kampala by road, increased to USD 1.88 (per ton per km) from USD 0.77 (per ton per km) in FY

2017/18. The high increase in cost is explained by two factors that relate to COVID-19; (i) High border post procedure time that resulted from closure of some border posts . This increased the total average travel time to 154 hours in 2020 from 116 hours in 2019; and (ii) There was diversion of considerable freight from road to water and railway transportation. It should be noted that the cost of transportation by inland water transport and inland road transport for FY 2020/21 could not be established due to budget constraints.

396. In FY 2020/21, the stock of paved national roads increased to 5,522km while that of paved urban roads increased to 1,367km from 4,971km and 1,253km respectively, in FY 2017/18. However, this performance was below the Plan targets of 5,717km and 1,348km for national and urban roads respectively. The shortfall of 195km on national roads is attributed to the observance of COVID-19 standard operating procedures, such as closure of work camps and the reduction of workers to avoid overcrowding.
397. Furthermore, the stock of functional permanent railway /railway road increased to 325km in 2020/21 over and above the NDPIII target of 302km. The additional length in stock is explained by reprioritization made by the new management of URC.
398. In addition, the number of Roll-on Roll-off vessels (international) acquired, and domestic (Ro'Pax) passenger ferries constructed were two (2) and eleven (11) respectively, both as anticipated in NDPIII.

## **2. Reduced cost of transport infrastructure and services**

399. Overall, the unit cost of building transport infrastructure increased in FY 2020/21. Specifically, the cost of upgrading roads to paved standard increased to 4.29 million/per km in 2020/21 from 3.1 million/per km in FY2017/18. This performance was against the NDPIII target of 2.98 million/per km. Similarly, the average unit cost for construction of unpaved/ gravel roads increased to 60 million against the NDPIII target of 40 million. Also, average unit cost of rehabilitation of metre gauge rail infrastructure increased to 5.6 billion per km against the NDPIII target of 4.9 billion per km. The increase in cost is explained by the delayed completion of most projects, that accrued from observance of COVID-19 standard operating procedures that resulted in reduced output. Such projects include; rehabilitation of Tororo-Gulu Railway line, Kabaale airport, and the critical oil roads.
400. However, the average unit cost of rehabilitation/ reconstruction of paved roads decreased to 1.56 billion per Km surpassing the NDPIII target of 1.79 billion per km. This is attributed to the reduced number of procurements made during the financial year.

## **3. Improved National transport planning**

400. The NDPIII targeted 20 percent of actual progress on planned implementation of the programme (National Integrated Transport Master Plan) but this was not achieved. The National Integrated Transport Master Plan 2020/21 - 2039/40 that was supposed to be prepared, reviewed, and disseminated, is still under preparation. Hence, the number of relevant MDAs using the National transport master planning systems, and the proportion of alignment of the National Transport Masterplan to the National Physical Development Plan could not be ascertained.

## **4. Longer service life of transport investment**

402. By close of FY 2020/21, NDPIII anticipated an increase in the life span of tarmac roads to 20years from 18years and in FY 2017/18, while that of gravel roads would remain 2years. However, there was no progress reported on these indicators.

## **5. Improved safety of transport services**

403. There was a general improvement in road safety during FY 2020/21. Particularly, there was a reduction in fatality per 100,000 vehicles from 26 persons to 6.9 persons. Total fatalities on road transport were reduced to 3,269 persons, while serious injuries were reduced to 5,803 persons. This was against NDPIII targets of 3,300 persons and 8,320 persons respectively. This is attributed to the increased number of road safety campaigns carried out, increased number of motor vehicles inspected annually, and inspection or assessment of road condition conducted. There was also a reduction in motor vehicles on the road due to enforcement of the public service vehicle (PSV) registration exercise, where 10,779 PSV only out of a total of 16,500 PSV vehicles in the Greater Kampala Metropolitan Area (GKMA); were allowed to operate.
404. Nevertheless, the total number of fatalities on water transport was 431 persons. This was much higher than the NDPIII target of 138 persons, thus a 212% divergence. Under improved coordination and implementation of infrastructure and services, there was 100 percent compliance of Local Governments (LGs) to road standards.

## **6. Increased access to regional and international markets**

405. Performance of this objective was negatively impacted by Covid-19 border restrictions and observation of SOPs. Also, all planned interventions for this particular financial year were not implemented.
406. By close of FY 2020/21, the ratio of Export to GDP (%) was reduced to 11.18 from 12.7 in FY 2017/18. This performance was below the NDPIII target of 14.16. Similarly, there was a general reduction in the value of exports in the region. Particularly, exports reduced to 161,336,000 USD, 414,224,000 USD, 236,000 USD, 264,296,000 USD, 67, 476,000 USD, against the NDPIII targets of 480,000,000 USD, 800,000,000 USD, 261,102,000USD, 352,100,000 USD, 132,500,000USD, for Congo, Kenya, Rwanda, South Sudan, and Tanzania respectively.

### **c) Challenges**

- i. A number of programme stakeholders are not allocated funding to implement planned interventions. This negatively impacts on the programme's performance.
- ii. Implementation of all transport infrastructure projects was affected by COVID-19 leading to increased costs and project time.
- iii. There is a high road maintenance backlog due to underfunding of road maintenance interventions.
- iv. 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.
- v. Delayed acquisition of projects RoW affects implementation of most projects.
- vi. ITIS budget cuts have greatly affected implementation of software activities especially those related to transport regulation and institutional coordination sub-programs. Thus affecting achievement of anticipated results.
- vii. Lack of adequate budget for road equipment maintenance.
- viii. Lack of data on most of the critical indicators arising out of budget cuts.

### **d) Emerging issues**

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. Rising cost of fuel which in turn affects the overall project costs

**e) Recommendations**

- i. 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.
- ii. Government should ensure proper loan structuring to avoid unnecessary delays at implementation of projects
- iii. The MOFPED should allocate adequate resources to detailed studies and designs of projects to enable realistic scope and cost estimates.
- iv. Update the NDPIII document to include findings of the Mid term Review
- v. MoFPED should minimize Budget cuts towards the software activities of the program.

#### 4.6.9 Sustainable Energy Development

407. **The goal of the programme is to increase access and consumption of clean energy.**

The key results to be achieved over the next five years are: (i) Increase primary energy consumption from 15.20 million tonnes of oil equivalent to 21.74 million tonnes in 2025; (ii) Increase proportion of the population with access to electricity from 24% in FY2018/19 to 60%; (iii) Increase per capita electricity consumption from 100 kWh in FY2018/19 to 578kWh; (iv) Reduce share of biomass Energy used for cooking from 85% in FY2018/19 to 50%; (v) Increase the share of clean energy used for cooking from 15% in FY2018/19 to 50%; (vi) Increase Transmission capacity from 2354km in 2018/19 to 4354km of High voltage transmission lines; and (vii) Increase grid reliability to 90%. The programme performance during the first two years of the NDPIII is discussed below.

**a)Overall score**

408. Overall, the Sustainable Energy Development programme performance at midterm is 24 percent as summarised and discussed in the table and subsections below.

**Table 4. 25: Summary performance of Sustainable Energy Development programme**

Level	Achieved	Not Achieved	No Data	Total
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	Indicators	%	Indicators	%	Indicators	%	
Outcome level	4	27	6	40	5	33	15
Intermediate level	7	47	8	53	-	-	15
Output level	6	14	16	38	20	48	42
Overall Performance	17	24	30	42	25	35	72

### b) Outcome level performance

Performance at outcome level was average at 27 percent while 47 percent was achieved at intermediate level. Key outcome level results are presented in table 4.26.

**Table 4. 26: Outcome level performance**

Key Result Area	Baseline	FY2020/21		FY2021/22		Rating
	FY2017/18	Target	Actual	Target	Actual	
Increase primary energy consumption	15.2	16	15.8	17	16.7	
Proportion of the population with access to electricity	24%	30%	57%	35%	57 %	
Per capita electricity consumption	100	150	110	200	112.3	
Biomass energy used for cooking		80%	82%	75%	80%	
Share of clean energy used for cooking	15	20%	18 %	25%	20%	
Increase transmission capacity	2,354	2,600	2,989	3,000	3,431	
Grid reliability to 90 percent.	90	90%	98%	90%	98%	
Increase national LPG uptake from the current 0.8% to 8% on the energy balance	0.8	2%	1%	2%	1.2%	

### 1. Increased access and utilization of electricity

409. By the end of the FY2020/21, the Percentage of households with access to electricity (on grid and off-grid) stood at 57% above the NDPIII target of 50%. This was because of increased transmission and distribution networks for example, transmission network increased by over 389kms and also there was increased uptake of off-grid energy sources like solar systems especially in rural areas. Primary energy consumption (million tonnes of oil equivalent) was at 15.8 just slightly below the NDPIII target of 16. The transmission capacity of high voltage (132kV-400kV) transmission lines (km) was noted at 2,989. This was above the NDPIII target of 2,600 because of several running evacuation projects from power generation plants like Isimba. Additionally, grid reliability was at 98% against the NDPIII target of 90%. The unit cost of power (USD) - cents for Medium, Large and Extra-Large industrial consumers at the end of the FY 2020/21 was 10.62 USD, 7.91 USD and 5 USD, respectively against the targeted 12 USD, 8 USD and 7 USD for the financial year. This was mainly because of increased generation and transmission lines which increased access to electricity especially for industrial parks.

410. With regards to increased electricity consumption, the electricity consumption per capita was 120 kwh per capita against the FY target of 150 kwh per capita. This was because there is still low per capita consumption due to low household incomes and limited access to electricity especially in rural areas.

### 2. Increased energy generation capacity

401. By the end of the FY2020/21, the energy generation capacity was 1,266.7MW against the FY target of 1,884MW. This low capacity was because of Karuma Dam which was expected to be commissioned in 2021 at a capacity of over 600MW but the commissioning was moved to 2022.

### 3. Increased consumption of alternative clean cooking energy

401. By the end of the FY, the percentage of households and institutions cooking with LPG, Biogas, Solar thermal applications, etc. stood at 1% against the targeted 2% for the FY. This was because of the closure of the schools, institutions of higher learning and other institutions that could partly use LPG, Biogas for lighting and cooking activities. Secondly, the share of clean energy used for cooking stood at 18% against the FY target of 20%. This was because of the lockdown of schools and other related institutions that use clean energy for cooking due to Covid-19. Lastly, the share of biomass energy used for cooking was 82% against the envisaged target of 80%. This underperformance was attributed to the increased use of charcoal and firewood for cooking, due to inaccessibility and the mindset that cleaner energy options are more expensive than biomass which is not the case.

#### **4. Efficient energy utilization**

389. By the end of the FY2020/21, the MW of energy saved was at 3.3MW against the targeted 7.7MW. This very low performance was mainly because increased theft and use of old-fashioned and non-energy efficient technologies. Additionally, the percentage of energy losses and wastage in transmission and distribution was noted at 17%. This is above the targeted 16.01% for the FY. These reduced energy losses and wastages were due to reduced theft and illegal electricity connections. It was also due to increased surveillance and monitoring of transmission and distribution networks by transmission and distribution companies.

##### **c) Challenges**

- i. Insufficient counterpart funding
- ii. Protracted and lengthy financing negotiations which has affected project implementation
- iii. Land acquisition challenges
- iv. Increased vandalism on ongoing and existing electricity transmission and distribution infrastructure due to high demand for metal scrap from steel factories.
- v. Weak national infrastructure for safe usage of nuclear energy in electricity generation, medical, industry, research and development.

##### **d) Recommendations**

- i. Structure the power generation projects to include the transmission lines in order to address challenges associated with power evacuation.
- ii. Legislation to regulate the scrap market should be worked on immediately
- iii. The MEMD with the Ministry of Public Services should expedite the mainstreaming of the Rural Electrification Agency.
- iv. An objective on increasing the safe usage of nuclear energy should be added in the programme.

#### **4.6.10 Digital Transformation**

390. **The Digital Transformation Programme aims to increase ICT penetration and use of ICT services for social and economic development.** The key results to be achieved over the next five years include increased ICT penetration, reduction of the cost of ICT devices and services, job creation, increased local ICT innovation products developed and

commercialized, and provision of government services online. The programme performance during the first two years of the NDPIII is discussed below.

**a) Overall score**

391. Overall, the digital Transformation programme performance at midterm is 24 percent as summarised and discussed in the table and subsections below.

**Table 4. 27: Summary performance of Digital transformation programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	8	53	4	27	3	20	15
Intermediate level	3	27	3	27	5	45	11
Output level	24	20	24	20	73	60	121
<b>Overall Performance</b>	<b>35</b>	<b>24</b>	<b>31</b>	<b>21</b>	<b>81</b>	<b>55</b>	<b>147</b>

**b) Outcome level performance**

Performance at outcome level was average at 53 percent while 27 percent was achieved at intermediate level. Key outcome level results are presented in table 4.28.

**Table 4. 28: Outcome level performance**

Indicators	Base	Target	Actual	Target	Actual	Rating
	2017/18	2020/21	2020/21	2021/22	2021/22	
Internet penetration	25	30	51	35	55	Green
Population covered by broadband services (%)	74	79	85	79	89	Green
Digital Terrestrial TV signal coverage	56	79	60	79	62	Red
Radio signal coverage (%)	80	85	80	87	81	Red
Fixed broad band connectivity	8,868	11,144	12,544	13,038	19,241	Green
Unit cost of 1Mbps/month of internet	237	200	205	140	161	Red
Proportion of government services online	20	25		40	13.5	Red
ICT contribution to GDP	2	2.67	2.4	2.89	9.8	Green
National broadband coverage with minimum speed of 8 Mbps, %	31	41	31	51	53.1	Green
Unit cost of low entry smart phones (UGX '000s)	100	95	50	87	45	Green
Cost of a computer -(UGX '000s)	1,600	1,550		1,300		Grey
ICT Development Index (IDI value)	2.19	2.5		3.2		
ICT directly created jobs ('000s)	0	30		30		
No. of Legal and regulatory framework in place	0	1	2	1	3	

**1. Increased ICT penetration**

392. The internet penetration increased to 51% in FY 2020/21 from 25% in FY 2017/18 indicating very good performance compared to the 30% target for the period under review. Fixed broadband connectivity also registered an increase 12,554 subscriptions which is above the target of 11,144 subscriptions. This is attributed to the covid 19 restrictions that limited physical contact and forced many to embrace digitization and adopt digital survival strategies to maintain operations and survive the times.

393. With regards to the internet connectivity at the district and parish level, the percentage of parishes with broadband connectivity (3G network population coverage) increased to 85

percent which is above the NDPIII target of 74 percent and the Percentage of district headquarters connected to the NBI also increased to 54.8 percent. The covid 19 lockdown limited access to some of the district headquarter offices however the performance was still above the NDP target of 44 percent. The overall percentage of the population covered by broadband services stood at 85 percent and this is was also above the target of 74 percent in FY 2020/21.

394. The Digital Terrestrial TV signal coverage stood at 60 percent which was below the NDPII target of 79 percent. Radio signal coverage remained at 80 percent and the target of 85 percent was not met. This is mainly because funds were not provided in FY 2020/21 to complete the digital migration phase 3 and upgrade of radio transmission sites.

## **2. Increased ICT usage**

395. There was an increase in the online transactions as a result of the work from home restrictions and by FY 2020/21, 197,864 transactions had been conducted through the shared public service delivery system (e-payment gateway) worth 74 billion,

396. Regarding the National broadband coverage with minimum speed of 8 Mbps (4G network population coverage), the target of 41 percent was not realised and the coverage remained the same as it was in FY 2017/18 at 31 percent. This implies that only 31 percent of the populace have access to high-speed and quality connectivity being demanded by the existing platforms. The percentage of beneficiaries satisfied with the quality of service over the NBI was 77.3 percent and this was above the FY 2020/21 target of 60 percent.

## **3. Reduced costs of ICT services**

397. The Unit cost of 1Mbps/month of internet on the retail market reduced from USD 237 in FY 2017/18 to USD 205 in FY 2020/21. This is slightly below the target of USD 205 for that same year. The unit cost of low entry smart phones also reduced from UGX 100,000 to UGX 50,000. The cost is lower than the FY 2020/21 target of UGX 95,000 and target was therefore achieved.

398. Under the National ICT Initiatives Support Programme (NIISP), the number of Innovations supported by Government and commercialized were 112 which was as planned and target for FY 2020/21 achieved. The national ICT hub was operationalized, mentorship activities for innovators were supported and support and maintenance activities of innovation hubs undertaken however, the FY 2020/21 target to establish one regional ICT hub was not realised.

## **4. Enhanced efficiency and productivity in service delivery**

399. International Telecommunications Union (ITU) is conducting a review of the ICT Development Index (IDI value) and the IDI value for this has not been computed yet however, the target for FY 2020/21 is 2.5.

## **5. Effective regulatory framework**

400. The FY2020/21 target to review two ICT sector laws and policies was realised. The National E-commerce strategy was updated and the data protection and privacy regulations finalized and approved.

### **c) Challenges**

- i. Potential obstacles to a wider use of the Internet for work purposes cited by LGs included high cost (or inadequate budget), slow and unreliable internet, inadequate number of computers for staff and lack of access to electricity

- ii. High costs of communication services/ devices and digital divide between urban and rural
- iii. Heavily taxed sector. MTN and Airtel alone made up 40% of excise duty revenues and 12.7% of VAT revenues in the financial year 2019/2020. Yet the sector's GDP contribution is only 1.8%.
- iv. Low digital literacy skills within the entire population at all levels.
- v. Limited coverage of broadband infrastructure and connectivity.
- vi. Lengthy procedure of acquiring permits for rights of way from LGs by the Tower companies.

**d) Emerging issues**

- i. Implementation of last mile connectivity to key areas (Districts, sub counties, schools, hospitals, post offices, tourism sites, police, LGs etc.) was not prioritized
- ii. Upgrade of existing Digital Terrestrial Television transmission sites not achieved. UBC being the sole signal distributor for free to air television is now experiencing high failure rates and private sector is dissatisfied with the service.
- iii. Implementation of the National Post and Addressing System has not started, yet it was identified as a core project and priority under the Digital Transformation Programme.

**e) Recommendations**

- i. Last mile connectivity should be prioritized.
  - The rollout in districts should be extended to cover the last inch (departments and units)
  - Payment of internet fees for MDAs and LGs should be deducted by MoFPED centrally
  - Recruit ICT officers at LG level to support the digitalization efforts
  - Supervisory committee that includes the OPM, MoFPED, NPA and MoICT&NG should be setup to oversee the rollout of critical e-services that involve various players such as the Health MIS, Education MIS, NID.
- ii. Government needs to set a policy that positions UICT should position itself as the preferred trainer for all MDAs and LGs that require ICT related training courses.
- iii. Implementation of the National postcode and addressing system should be prioritized
- iv. Exempt tower companies from acquisitions of local permits since ICT is a critical national infrastructure and the companies are already licensed nationally by UCC

**4.6.11 Sustainable Urbanization & Housing**

401. **The Sustainable Urbanization and Housing Programme aims to attain inclusive, productive and livable urban areas for socio-economic transformation.** The key outcome areas for assessing progress against this programme are: high levels of investment, competitiveness and employment; access to decent housing; sustainable, livable and inclusive cities; organized urban development; and orderly, secure and safe urban areas. The programme performance during the first two years of the NDPIII is discussed below.

**a) Overall score**

402. Overall, the Sustainable Urbanization & Housing programme performance at midterm is at 24 percent as summarised and discussed in the table and subsections below.

**Table 4. 29: Summary performance of Sustainable Urbanization & Housing programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	4	27	6	40	5	33	15
Intermediate level	7	47	8	53	-	-	15
Output level	6	14	16	38	20	48	42
<b>Overall Performance</b>	<b>17</b>	<b>24</b>	<b>30</b>	<b>42</b>	<b>25</b>	<b>35</b>	<b>72</b>

**b) Outcome level performance**

Performance at outcome level was average at 27 percent while 47 percent was achieved at intermediate level. Key outcome level results are presented in table 4.30.

**Table 4. 30: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
High levels of investment, competitiveness and employment	Percentage of urban population with convenient access to public transport	9	20	18.02	34	18.02	Not Achieved
	Average travel time in GKMA (min/km)	4.14	3.98	N/A	3.86		No Data
	Kms of paved urban roads	1,253.69	1,348		1448		No Data
	Proportion of paved urban roads to total urban roads, %	6.1	7.32	725	8.54		No Data
	Urban unemployment rate, %	14.41	13.5	25.3	12.3		No Data
	Population resident and working in an urban area per population	605	653	8.2	703		No Data
	Urban Poverty rate (P)	9.6	9.05		8.56		No Data
	Average commute time	43	34		26		No Data
	Level of urban informal employment in non-agricultural employment (%)	81	78		77		No Data
Access to decent housing	Proportion of urban population living in slums and informal settlements	60	58		55		No Data
	Housing deficit (Million)	2.2	2.112	2.1	2.024	2.1	Achieved
	Proportion of urban population with affordable housing (US\$.)	4.4	5.04		5.68		No Data
	Cost of housing materials (Construction index for residential buildings)	245	220	221.9	200		No Data
	Proportion of slums upgraded	0	3		8		No Data
	Mortgage debt to GDP ratio	47	38	2.45	27	5	Not Achieved
Sustainable, liveable and inclusive cities	Percentage of preserved areas/ reservoirs /waterways/parks in relation to total urban land area	5	10		16		No Data
	Per capita Green House Gas (GHG) as emissions (tons of CO)	1.39	1.34		1.3		No Data
	Proportion of urban population using safely managed drinking water services (Av Annual increase of %)	79.1	83	86.5	88	90	Achieved
	% of Municipal solid waste disposed off safely	45	50		56		No Data
Organized urban development	Integrated physical and economic development plans for Cities	0	10	100	50	100	Achieved
	Integrated physical and economic development plans for Regions	0	10	3	50	0	Not Achieved
	Integrated physical and economic development plans for Districts	0	10	0.41	50	0	Not Achieved
	Integrated physical and economic development plans for Municipalities	0	10	34.1	50	0	Not Achieved

	Proportion of LG plans aligned to the National Physical Development plan	0	50	0	100	0	Not Acheived
	Ratio of land consumption rate to population growth rate	0.82	1		1.4		No Data
	Level of compliance of development projects to GKMA arrangement, %	0	10		50		No Data
	Number of nucleated settlement models	0	1		1		No Data
Orderly, secure and safe urban areas	Compliance to physical planning regulatory framework in the urban areas (%)	48	58	48.3	69.2	48.3	Not Acheived
	Compliance to the urban physical development plans, %	43	47	51.14	50	51.14	Acheived
	Percentage of housing units with approved housing plans	65	71		83		No Data
	Reported theft rate per , population	310	280		250		No Data

### 1. High levels of investment, competitiveness and employment

403. There was no progress reported on: urban unemployment rate; urban population with convenient access to public transport; average travel time in GKMA (min/km). This is attributed to data gaps.

404. The target for the population resident and working in an urban area per 1000 population was 653 up from 605. For the FY2020/21, the related survey was not conducted due to lack of funds and Covid-19 restrictions. The target for average commute time for FY2020/21 was 34 minutes from 43. Like the above, the survey was not conducted due to lack of funds and Covid-19 restrictions. The level of urban informal employment in non-agricultural employment (%) target was 78 percent from 81 percent in FY2021/22.

### 2. Access to decent housing

405. The target for the proportion of urban population living in slums and informal settlements was set to reduce from 60 percent to 55 percent in FY2020/21. However, a survey was not conducted due to lack of funds and Covid-19 restrictions to establish the status.

406. The housing deficit (Million) was set to be reduced from 2.2 million to 2.112 million. Again, a survey was not conducted due to lack of funds and Covid-19 restrictions. The proportion of urban population with affordable housing (US\$20,000) was expected to increase from 4.4% to 5.04%. However, due to lack of funds and Covid-19 restrictions to establish the status, the survey was not conducted to establish the status.

407. Cost of housing materials (construction index for residential buildings) was set to reduce from 245 to 220 in the FY2020/21. However, no survey was conducted due to lack of funds and Covid-19 restrictions. The proportion of slums upgraded was targeted to increase from 3 to 8, however, no slum was upgraded, and the survey was not conducted due to lack of funds and Covid-19 restrictions. Mortgage debt to GDP ratio was set to reduce from 47 to 38, but the survey was not conducted due to lack of funds and Covid-19 restrictions

### 3. Sustainable, liveable and inclusive cities

408. The target for preserved areas/ reservoirs /waterways/parks in relation to total urban land area was set to increase from 5 percent to 10percent in FY2020/21. However, this cannot be ascertained because a survey was not conducted due to lack of funds and covid19 restrictions. Per capita Green House Gas (GHG) as emissions (tons of CO2) target was set to reduce from 1.39 to 1.34. Again, a survey was not conducted due to lack of funds and covid19 restrictions

409. Proportion of urban population using safely managed drinking water services (Av. Annual increase of 3.5%) was set to increase from 79.1 percent to 83 percent. However, a survey was not conducted due to lack of funds and covid-19 restrictions. The percentage of Municipal solid waste disposed off safely was set to improve from 45 percent to 50 percent in FY2020/21 but the survey was not conducted due to lack of funds and covid19 restrictions.

#### **4. Organized urban development**

410. The target for the proportion of cities, regions, districts and municipalities with integrated physical and economic development plans was set at 10 percent for the FY2020/21. However, survey was not conducted due to lack of funds and covid19 restrictions. Proportion of local governments whose plans are aligned to the National Physical Development plan target was set at 50 percent for the FY2021. Survey was not conducted due to lack of funds and covid19 restrictions.

411. The ratio of land consumption rate to population growth rate was set at 1 in FY2020/21. However, survey was not conducted due to lack of funds and covid19 restrictions. Level of compliance of development projects to GKMA arrangement was set at 10 percent. However, this cannot be ascertained sine a survey was not conducted due to lack of funds and covid19 restrictions. The target for developing nucleated settlement models was set to 1. However, this was not achieved due to lack of funds and covid19 restrictions.

#### **5. Orderly, secure and safe urban areas**

412. Compliance to physical planning regulatory framework in the urban areas target was set at 58 percent up from 48 percent. The exact level of compliance cannot be ascertained since a survey was not conducted due to lack of funds and covid19 restrictions. However, most urban area jurisdictions are aware of the physical planning regulatory framework and endeavor to comply by establishing the necessary institutions to comply with the regulatory framework.

413. Compliance to the urban physical development plans target was set at 47 percent up from 43 percent. Although a survey has not been undertaken due to lack of funds and covid19 restrictions, implementation of urban physical development plans has remained a challenge due to multiple land tenure systems, high costs of compensation required in implementation of planned development and the lack of resources allocated by the government and local governments to implement planned development.

414. Percentage of housing units with approved housing plans target was set to increase from 65 percent to 71 percent. However, a survey has not been conducted due to lack of funds and covid19 restrictions

415. Reported theft rate per 100,000 population target was set to reduce from 310 to 280. However, survey was not conducted in FY2020/21 due to covid-19 restrictions.

#### **c) Challenges**

- i. Lack of data to measure evidence based Programme performance. 43% of indicators were not measured
- ii. Misalignment of Land Management Sub Programme which has affected the synergies with SUH Programme performance and reporting
- iii. Low levels of funding currently at 22.3%
- iv. Low staffing levels of the Programme estimated at 45%



- v. Low levels of physical planning at 15% occasioned by low levels of funding both at National and local Government
- vi. Low level of compliance to physical planning regulatory framework.
- vii. Covid19 restrictions affected implementation of Programme interventions
- viii. Programme coordination challenges occasioned by inadequate funding.

**d) Emerging issues**

- i. Limited understanding, appreciation and low readiness of programmatic approach
- ii. Misalignment of Programme Implementation Action Plans (PIAPs) and the Budgeting system
- iii. 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.
- iv. Physical Development Plans (PDPs) are not followed with detailed plans, plan implementation and enforcement
- v. Ambitious targets were set with the expectation that resources would be available
- vi. High rate of urbanization without proper planning leading to urban sprawl.
- vii. Economic and financial impact of Covid19 continued to impact implementation of SUH Programme interventions.

**e) Recommendations**

- i. Fast-track the ongoing processes to establish the legal and institutional frameworks
- ii. Capitalize Housing Finance Bank and National Housing & Construction Company (NHCC) to provide housing for all
- iii. Prioritize institutional and social housing.
- iv. Review the SUH Programme indicators and targets for the remaining NDPIII period to match the resources available.
- v. Fund the operations of SUH PWG to effectively engage and deliver on the interventions.
- vi. Integrate Land Management Sub-programme (currently under NR) with SUH Programme to harness synergies for land use planning, sustainable urbanization and Housing.
- vii. Provide for Land banking in cities
- viii. Establishment of National Physical Planning Board Implementation Unit (NPPB-IU)

#### **4.6.12 Human Capital Development**

416. **The Human Capital Development Program (HCDP) programme aims at improving productivity of labour for increased competitiveness and better quality of life for all.** Key expected results include: increased proportion of labour force transiting to gainful employment; increased years of schooling; improved child and maternal outcomes; increased life expectancy; increased access to safe and clean water and sanitation; and

increased access by population to social protection. The programme performance during the first two years of the NDPIII is discussed below.

**a) Overall score**

417. Overall, the Human Capital Development Programme performance at midterm is 18 percent as summarised and discussed in the table and subsections below.

**Table 4. 31: Summary performance of Human Capital Development programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	16	15.09%	26	24.53%	64	60.38%	106
Intermediate level	12	20.69%	9	15.52%	37	63.79%	58
Output level	95	17.40%	89	16.30%	362	66.30%	546
<b>Overall Performance</b>	<b>123</b>	<b>18%</b>	<b>124</b>	<b>19%</b>	<b>463</b>	<b>63%</b>	<b>710</b>

**b) Outcome level performance**

Performance at outcome level was average at 15 percent while 20.7 percent was achieved at intermediate level. Key outcome level results are presented in table 4.32.

**Table 4. 32: Outcome level performance**

S/N	Outcome	Baseline 2017/18	Target 2021/22	Actual 2021/22	Rating
1	Proportion of labour force transiting into gainful employment and enterprise development	34.5	35.5		No Data
2	Average Years of schooling from 6.1 to 11 years	6.1	7.3	6.1	Not Achieved
3	Learning adjusted Years of Schooling	4.5	5	4.5	Not Achieved
4	Percentage of employers satisfied with the training provided by the TVET institutions	40	48.4		No Data
5	Prevalence of under 5 stunting %	28.9	25	25	Achieved
6	Under 5 mortality/1000 live births	64	39	46	Not achieved
7	Maternal Mortality/100,000	336	286	336	Not achieved
8	Unmet need of family planning	28	22	20.9	Achieved
9	Mortality due to NCDs				No Data
10	Teenage pregnancy rate	25	20	25	Not Achieved
11	Age-related dependency ratio	95.6	90	92	Not Achieved
12	Life expectancy of the population	63		63	
13	Gender gap index	0.565	0.46		No Data
14	Access to safe water supply (Rural) %	73	77.8	75	Not Achieved
15	Access to safe water supply (Urban) %	74	84.4	91	Not Achieved
16	Proportion of the Population accessing health Insurance%	2	12	3.9	Not Achieved
17	Access to social insurance %	5.0	10		No Data
18	World sports ranking (Football)	77	74	83	Not Achieved
19	World sports ranking (Netball)	6	5	6	Not Achieved
20	World sports ranking (Athletics)	9	7		No Data

## **1. Improved Learning outcomes**

418. By the end of FY 2021/21 the percentage of children protected from abuse and violence stood at 28 percent against the NDP III target of 28.9 percent. There was a 12.9% decrease in child related offences in 2020 which include neglect, abuse and torture compared to 2019. On education, despite unavailability of data, closure of schools and institutions due to COVID-19 adversely affected the achievements of learning outcomes (literacy and numeracy), enrolment, and transitions through the systems. No data is available in regards to the proportion of schools/ training institutions and programmes attaining the Basic Requirements and Minimum Standards (BRMS). Further, there is no data on the Child poverty rate; Proportion of children protected from abuse and violence; Prevalence of under 5 Stunting; Proportion of children able to learn, play and grow up in safe, clean and stimulating environment; and Prevalence of Violence Against Children (VAC). This is mainly because most of the outcome indicators are not reported on annually but in the medium term, making it not possible to report on progress by end of FY.

## **2. Increased Labour force in decent employment**

419. The employment to population ratio (EPR) stood at 48% percent against the NDP III target of 51.3 percent; the unemployment rate however increased from a targeted 8.5 percent to 9.7 percent as a result of closure of some businesses due to the COVID 19 pandemic. There has been a decline in the Unionization density, from 9 percent to 6 percent in the FY 2020/21. Other outcome indicators like the proportion of Labour force in the informal sector; and the employment elasticity of growth/ Jobs percent change in GDP will be reported on in the medium term. No credible data exists on percentage of employers satisfied with the training provided by the TVET as well as the employability of TVET graduates.

## **3. Increased innovativeness of labour force**

402. The expected outcome from this objective is: increased innovativeness of labour force. It should be noted that, closure of schools and institutions have negatively affected education and training of the country's labor force. Data on the proportion of the country's labour force transitioning into decent employment is not available.

403. Much as lack of reliable data constrained the assessment of progress streamlining STEI/STEM in the education system especially in curriculum implementation, accreditation, infrastructural development, and skills development. Significant progress has been registered by higher education in development of Science and technology infrastructures such as laboratory and incubation centers. Construction and equipping of multifunctional laboratories were completed at Kyambogo, Gulu, Busitema, Muni, Soroti, and Mbarara universities. At least two incubation centers were established by Makerere University. Establishments of fully equipped multifunctional workshop were completed in four (4) regional centers of excellence in TVET. Whereas most higher institutions of learning adopted digital learning modalities during the COVID-19 pandemic, learning outcomes especially in science and technology courses were also interrupted by closure of schools and institutions as practical skills and workshop practices could hardly be conducted.

## **4. Reduced Morbidity and Mortality of the population**

404. By the end of the FY 2020/21, the number of new HIV infections per 1,000 susceptible population was 1.72 against the target of 3.5. This is the continued trajectory of reducing HIV infections due to the robust HIV prevention interventions that the country has been taking up. Tuberculosis incidence per 100,000 population was 192 against the target of

204. This was because Tuberculosis prevention interventions have also been scaled up in addition some of the COVID 19 preventive measure like use of masks are also very critical in HIV prevention. Malaria incidence per 1,000 population was 302 against the target of 263 because some of the Malaria preventive measures like mosquito net distribution were interrupted and delayed by COVID lockdown. This was mainly because of the COVID 19 lockdowns and travel restrictions.
405. Additionally, the under 5 illnesses attributed to Diarrheal diseases was 8.6% against the target of 60%. This was mainly because the improved hygiene due to COVID-19 prevention activities. Neonatal Mortality Rate per 1,000 was 20 against the target of 24 persons for the year. This performance was because improvement of Neonatal care in the regional referrals with many of them setting up Neonatal Intensive Care Units (NICUs). Under five mortality rate per 1,000 was 46 children against the target of 42 for the year. This was because one of the leading causes of high Maternal Mortality that had not changed over the years is the neonatal mortality, which only recently has it shown signs of abating. The reduction in NCDs rates due to hypertension, diabetes and all injuries were 3.5%, 0.8% and 11% against the respective targets of 3%, 2.4% and 6.8%. Reduced mortality due to Malaria, AIDS and TB were 43%, 4% and 4% against their respective targets of 11%, 4% and 3.5%. This performance was mainly due to reduction in mortality from HIV and TB attributed to increased access to effective Antiretroviral drugs with introduction of more efficacious drugs, and improved viral suppression amongst people living with HIV.
406. Prevalence of teenage pregnancy, stunting U5 and wasting U5 was 11%, 27.9% and 4% against the target of 22%, 24% and 12 %, respectively. This performance is mainly because of adolescent and nutrition related interventions. Mortality attributed to Injuries was 11% against the FY target of 12% because of traffic restrictions during lock downs. Prevalence of overweight/ obesity in children U5 was 4% against the targets of 7%. This was mainly because of the nutrition interventions.
407. Alcohol abuse rate was 2.5% against the target of 5.6%. This is due to mainly COVID 19 prevention measures which has seen bars and other recreational facilities being closed and inhibited from operating. Access to safe water supply in rural and urban areas was 69% and 71.6% against their respective targets of 70% and 74.8 %. This performance was because of COVID 19 lockdown which slowed down project works leading to underperformance in addition to reallocation of funds into rehabilitating of existing water sources to address emergencies created by the COVID 19 pandemic. This lead to halting of most of the newly planned infrastructural projects. Equally, access to basic sanitation in terms of improved sanitation coverage (toilet) and Improved handwashing facilities was 24.5% and 44.7% against the respective targets of 44.7%. This good performance was because due to the COVID 19 prevention measures that the community has embraced.
408. Total and adolescent fertility rates were 5% and 11% against the targets of 5% and 13%. This performance was because improvement in the meeting the family planning needs of women in reproductive age.
409. The proportion of the population accessing health Insurance was 3.9% against the set target of 7%. This was because of loss of Jobs and sources of income due to the COVID 19 pandemic. Out of pocket health expenditure (financial protection for ill health) was 41 against the target of 38%. This under performance has not improved much over the years due to the reduced range of services offered by the public facilities. The percentage readiness capacity of health facilities to provide general services was 58% against the

target of 60%. This was because can mainly be attributed to focus on COVID 19 interventions.

## **5. Increased human resilience to shocks**

410. Other outcome indicators like the proportion of population with access to social insurance; Gender gap index; and Gender inequality index were assumed to be the same as the previous financial year as no credible data exists to give a clear picture of the current situation.

## **6. Improved health, income and national image**

411. The Economic Contribution of Creative Industry (% GDP) fell below the NDP III targeted 0.3% and stood at 0.2% in FY 2020/21. This was mainly due to closure of most operations of these industries. However, the country has registered significant progress in sports, achieving an international ranking of 8th position (from 9th) in Athletics. Significant improvement has been registered in Basketball, Netball, and Rugby despite unavailability of credible data in relation to the country's international ranking in these sports. Participation of schools and institutions in games and sports were equally interrupted by closure of schools and institutions.

412. The percentage of persons employed in the creative industry; and the Percentage of artists accessing affordable training and empowerment to improve on their skilling and talents are yet to be reported in the medium term.

### **c) Challenges**

#### **General**

- i. Limited synergy and collaboration between implementing agencies leading to poor alignment of the PIAP commitments into the Annualized Budgets;
- ii. Late procurement and low absorption of funds particularly due to the delayed issuance of implementation guidelines for construction projects to be handled by the UPDF Engineering Brigade as directed by the President;
- iii. Challenges in planning, prioritization and sequencing of activities leading to over commitment amidst inadequate funding;
- iv. Staffing shortages across majority of health and education institutions which negatively impacts service delivery;
- v. Limited progress on NDPIII HCD Core Projects (*Majority are at concept stage*).
- vi. Limited synergy and collaboration between implementing agencies leading to poor alignment of the PIAP commitments into the Annualized Budgets;
- vii. Late procurement and low absorption of funds particularly due to the delayed issuance of implementation guidelines for construction projects to be handled by the UPDF Engineering Brigade as directed by the President;
- viii. Challenges in planning, prioritization and sequencing of activities leading to over commitment amidst inadequate funding;
- ix. Staffing shortages across majority of health and education institutions which negatively impacts service delivery;
- x. Limited progress on NDPIII HCD Core Projects (*Majority are at concept stage*).

### **Education, Sports and Skills sub-programme**

- i. Below unit cost financing of education - Capitation for UPE, USE and Tertiary;
- ii. Lost learning due to closure of education institutions due to Covid-19;
- iii. Sudden surge in enrolment in some government schools due to closure of private schools
- iv. Increasing costs of accessing education albeit government abolishing tuition in public day schools;
- v. 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;
- vi. Increasing hunger among school children;
- vii. Below unit cost financing of education - Capitation for UPE, USE and Tertiary;
- viii. Lost learning due to closure of education institutions due to Covid-19;
- ix. Sudden surge in enrolment in some government schools due to closure of private schools
- x. Increasing costs of accessing education albeit government abolishing tuition in public day schools;
- xi. 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;
- xii. Increasing hunger among school children;

### **Health, Safety and Population Management**

- i. Many NDP III indicators not being tracked in routine Health Management Information System;
- ii. Morbidity and Mortality from Malaria remaining very high;
- iii. Double disease burden (Both communicable and non-communicable diseases);
- iv. Social economic situation affecting the determinants of health like access to safe water, nutrition, education, and housing;
- v. Low health worker patient ratio at 19/10,000 persons;
- vi. Medicines and health supplies stock outs in health facilities;
- vii. Newly constructed and equipped health facilities requiring high utility and maintenance costs;
- viii. Increasing population rate (high fertility and refugees) with reducing per capita budget for health;
- ix. Increased number of road traffic accidents with high costs of care and long hospital stay

### **Gender and Social Protection**

- i. 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.
- ii. GBV and other social welfare challenges have escalated as a result of increased infrastructural development in the Country
- iii. Information on a functional social care and support system that identifies eligible vulnerable persons to access support from Government is inadequate
- iv. 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
- v. 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

### **Labour and Employment**

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

### **Key emerging issues**

#### **Education, Sports and Skills sub-programme**

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

#### **Health, Safety and Population Management**

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

### **Gender and Social Protection**

- i. Lack of integrated tracking for the various youth funding and enterprises;
- ii. 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;
- iii. Increased GBV prevalence

### **Labour and Employment**

- i. Sectors that employ the largest proportion of the workforce in Uganda have not necessarily achieved high productivity gains;
- ii. The poor learning outcomes at basic education levels threaten the development of the required human resources for the country;
- iii. The idle youth who are Neither in Employment nor in Education or Training (NEETs). This has further been worsened by the COVID-19 effects;
- iv. The quality of jobs in Uganda remains low, with 78% of the labour force engaged in vulnerable employment;
- v. The high school dropout rates, especially at the primary school level;
- vi. The existing skills mix cone is inverted. The country has more graduates than technicians and technologists.
- vii. 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;
- viii. 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;
- ix. Absence of Productivity Centres specifically to promote high productivity, mind-set change and positive work culture as well as ethics.



#### 4.6.13 Innovation, Technology Development & Transfer

413. **The Innovation, Technology Development and Transfer Programme aims to increase the application of appropriate technology in the production and service delivery processes through the development of a well-coordinated STI eco-system.** The key expected results include: Increase the Global Innovation Index; Gross Expenditure on R&D and business enterprise sector spending on R&D and Increase the number of Intellectual Property Rights registered. The programme performance during the first two years of the NDPIII is discussed below.

##### a) Overall score

414. Overall, the Innovation, Technology Development & Transfer Programme performance at midterm is 59 percent as summarised and discussed in the table and subsections below.

**Table 4. 33: Summary performance of ITDT programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	2	10%	8	38%	11	52%	21
Intermediate level	12	57%	7	33%	1	5%	20
Output level	25	119%	12	57%	11	22%	48
<b>Overall Performance</b>	<b>37</b>	<b>59%</b>	<b>28</b>	<b>44%</b>	<b>24</b>	<b>28%</b>	<b>89</b>

##### b) Outcome level performance

Performance at outcome level was average at 10 percent while 57 percent was achieved at intermediate level. Key outcome level results are presented in table 4.34.

**Table 4. 34: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Increased innovation in all sectors of the economy	No of incubators established and operationalized	2		0	4	30	Not Achieved
	No of Science and Technology Parks established and operationalized	0			0	1	No Data
	No of technology transfer centres established and operationalized	0			5	10	No Data
	No of laboratories/ R&D facilities improved or established	0		3	4	4	Not Achieved
Enhanced development of appropriate technologies	Number of intellectual properties registered	2	4	13	6	10	Achieved
	Value of International payments for the use of intellectual property- Receipts - (USD Mn)	1.8		5	5	10	Not Achieved
	Value of International payments for the use of intellectual property- Payments - (USD Mn)	20		12	50	100	Not Achieved
	Proportion of the population using appropriate technologies	0			0.1	0.15	No Data
Increased R&D activities	Global Innovation Index (%)	25.32	20.54	24.4	27	29	Not Achieved
	Gross Expenditure on R&D (GERD) as a % of GDP	0.4	0.2		0.5	0.6	No Data
	Business enterprise sector spending on R&D (% of GDP)	0.01			0.05	0.09	No Data
	Number of applications for IP protections per annum	200		110	400	600	Not Achieved
	Technicians in R&D (per million people)	20			40	60	No Data

	Researchers in R&D (per million people)	50			100	200	No Data
Increased utilization of appropriate technologies	No of firms graduating to S&T parks	0			0	0	No Data
	No of firms graduating from incubators	0	8	10	10	20	Not Achieved
	Percentage of new technologies or research results commercialized	0	3		1	2	No Data
	No of new technologies adopted	0			0	3	No Data
	Percentage of firms using innovative technologies	0			5	10	No Data
	No of ST&I Laws and Regulations drafted and submitted to cabinet/parliament	1	1	0	2	2	Not Achieved
	Percentage of inspected entities that are compliant to ST&I regulations	0	20		0	10	No Data

### 1. Increased innovation in all sectors of the economy

415. The expected outcome of this objective is to have increased innovation in all sectors of the economy. For FY2020/2021, the NDPIII targeted to establish 4 incubators, 5 technology transfer centres, and 4 R&D facilities or laboratories. Through the Ministry of Science Technology and Innovation (MoSTI), 8 laboratories were equipped with specialized tools to support the country's COVID-19 response. Makerere University received equipment for Nanotechnology research while Mbarara University of Science and Technology received tools to boost research in Biotechnology and Traditional medicines.

### 2. Enhanced development of appropriate technologies

416. In order to enhance development of new technologies in the country, the NDP III targeted an increase to 6 in the number of intellectual property registrations. Kiira Motor Corporation (KMC) registered 4 intellectual properties. There was no data on value of international payments resulting from use of Ugandan intellectual properties but this was targeted to reach USD 50m in payments for FY2020/2021.

### 3. Increased R&D activities

417. In FY2020/2021, investment in R&D was generally lower than targeted in the NDP III. The plan targeted an increase Gross Domestic Expenditure on Research and Development (GERD) to 0.5% of GDP however only 0.2% was achieved according to World Bank data. Uganda's score in the Global Innovation index also fell to 20.54 which is below the NDP III target of 27.

### 4. Increased utilization of appropriate technologies

418. The NDPIII targeted an increase to 10 in the number of graduating firms however the number of startup enterprises incubated through Uganda Industrial Research Institute (UIRI) were 8. The number of new technologies commercialised was 3. One new technology was adapted.

### 5. Improve the legal and regulatory framework

419. There was an improvement in compliance to STI standards and guidelines accounting to MoSTI reports. 20% of inspected entities were found to be compliant in the FY2020/21. While the NDP III targeted to submit 2 STI laws or regulations for cabinet approval, only the revised National Science Technology and Innovation Policy was submitted.

### c) Challenges

- i. Delayed release of funds to subventions following closure of MOSTI hindered progress of Programme activities
- ii. Governance and coordination challenges:– late appointment of steering committees for some projects like PIBID, NSTEI-SEC; slow transition from MOSTI to STI-OP
- iii. STI survey meant to generate important benchmarks and technical needs for STEI was not conducted
- iv. There is still no National Research Agender to prioritize areas of national importance
- v. Weak regulatory framework has failed to curb plagiarism, infringement of IP rights
- vi. MDAs not reporting on Programme indicators in the NDP III results framework despite being part of the team that drafted them

#### d) **Emerging issues**

##### STI Ecosystem Sub-programme

- i. 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. The transitional team for the STI-OP Secretariat came in place in March 2022 and effective implementation of the prioritized interventions and actions is resuming in July 2022
- ii. STI hasn't yet played the leading role in driving economic development and industrialization as anticipated by NDP III, due to the transition that happened.
- iii. 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 )
- iv. Lack of proper incubation guidelines has led to “incubatees” being permanent residents at incubation centres such as UIRI.
- v. Status of policies/bills started under MOSTI is uncertain:- Innovation Fund Bill; Biosecurity Policy and Bill; Bio economy policy; Technology development and transfer policy; Silk industry Policy
- vi. Lack of mechanisms for leveraging the diaspora for technology transfer

##### **Research and Development Sub-programme**

- i. 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). Performed best in Institutions and Infrastructure pillars and weakest in Human capital and research. It is critical to streamline the issue of data management for STI
- ii. Government Funding to R&D is still low, NRIP only 10B, ITDT program 0.5% of national budget. No data on business sector spending on R&D (STI Survey not conducted)
- iii. Little effort on indigenous/traditional knowledge interventions
- iv. Registration of research has increased (1,500) but the outputs/findings for most of them are not known.
- v. Majority of research projects at public universities are still funded by foreign interests

## Industrial Value-chain Development Sub-programme

- i. Commercialization product range is very narrow – mostly food and beverages. Should this be Uganda’s niche?
- ii. Uganda has not yet fully built up its potential to become attractive for international collaborations with global innovators and OEMs such as IBM, Microsoft, among others

### e) Recommendations

- i. Fast track structuring of STI-OP to improve its oversight over the programme
  - Also STI-OP, UNCST, UIRI should complete their strategic plans (aligned to NDP III)
- ii. Develop and Operationalise 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
- iii. Conduct the STI survey and Technical needs assessment
- iv. Improve coordination with the private sector and diaspora for R&D and Technology Transfer initiatives.

## 4.6.14 Community Mobilization & Transport Change

420. **The Community Mobilization and Mindset Change Programme (CMMC) aims at empowering citizens, families and communities for increased responsibility and effective participation in sustainable national development.** Key expected results include: increased participation of families, communities and citizens in development initiatives; enhanced media coverage of national programmes; increased household savings; increased social cohesion and civic competence; and better uptake and/or utilization of public services (education, health, child protection etc.) at the community and district level. The programme performance during the first two years of the NDPIII is discussed below.

### a) Overall score

421. Overall, the Community Mobilization & Transport Change Programme performance at midterm is 14 percent as summarised and discussed in the table and subsections below.

**Table 4. 35: Summary performance of CM&MC programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	9	43	7	33	5	24	21
Intermediate level	4	50	2	25	2	25	8
Output level	4	4	8	9	78	87	90
<b>Overall Performance</b>	<b>17</b>	<b>14</b>	<b>17</b>	<b>14</b>	<b>85</b>	<b>71</b>	<b>119</b>

### b) Outcome level performance

Performance at outcome level was average at 43 percent while 50 percent was achieved at intermediate level. Key outcome level results are presented in table 4.36.

**Table 4. 36: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Informed and active citizenry and uptake of development interventions	Percentage of Households participating in public development initiatives	60	76	68	62	68	Achieved
	Proportion of the population informed about national programmes	30	50	50	50	60	Not Achieved
	Adult literacy rate Total	70.2	72	76	72	73	Achieved
	Adult literacy rate Male	79.1		81	80.28	81.46	Not Achieved
	Adult literacy rate Female	62		72	65.6	69.2	Achieved
	Level of participation in electoral processes (voter turnout)	69	94.4	94.4	80	85	Achieved
Increased household saving	Household's participation in a saving schemes (%)	10	15.6	15.6	20	30	Not Achieved
Increased investment in family and parenting agenda	Proportion of population accessing the minimum family care package	0			2	5	No Data
Increased participation of the diaspora community in development processes	Ratio of diaspora remittances to GDP	5	2.8	2.8	6	8	Not Achieved
	Value of diaspora investment (USD)	1.3	1.05	1.05	1.3	1.4	Not Achieved
Empowered communities for participation in the development process	% of vulnerable and marginalized persons empowered	1.5	2.8	5.7	2.6	3.7	Achieved
	Staffing levels for national guidance and community mobilization functions at all levels-Central Level	84	69	69	86	88	Not Achieved
	Staffing levels for national guidance and community mobilization functions at all levels-LG Level	86	88	88	88	90	Not Achieved
Improved morals, positive mindsets, attitudes and patriotism	Proportion of population engaged in nationalistic and patriotic initiatives		29.5	29.5	30	29.5	Achieved
	Proportion of the youth engaged in national service	16	29.5	34	24	28	Achieved
	Incidence of unethical behavior (corruption, crime rate, theft, immorality)-Corruption perception index	26	28.7	28.7	28.7	30.1	Not Achieved
	Incidence of unethical behavior (corruption, crime rate, theft, immorality)- Crime rate per , persons	612			460	400	No Data
	A shared national value system in place	0			-	-	No Data
Increased accountability and transparency	Level of satisfaction with public service delivery	50			60	70	No Data
	Government effectiveness index	0.5	-0.39	-0.39	-0.39	-0.11	Achieved
Kiswahili as an official language in Uganda promoted	Proportion of population able to speak, write and read Kiswahili	1	72	72	5	10	Achieved

### 1. Informed and active citizenry and uptake of development interventions

422. Overall, 76 percent of the households participated in public development initiatives such as Emyooga, YLP, UWEP, OWC activates, among others. This performance was above and over the Plan target of 62 percent for FY2020/21. Similarly, the proportion of the population informed about national programmes was 50 percent which was above the Plan target of 30 percent for the same period. The adult literacy rate was still at 72 percent as the Plan target for FY2020/21. This was attributed to various adult literacy programmes implemented in the review period.

423. With regards to participation in electoral processes, the voter turnout in elections was 57 percent below the plan target of 80 percent. Under household saving, 15.6 percent of households participated in a saving schemes against the Plan target of 20 percent for FY2020/21. The below average performance is attributed to increased expenditure by households to mitigate the impacts of Covid-19.

424. The ratio of diaspora remittances to GDP was at 2.8 against the target of 6 in 2020/21; and Value of diaspora investment (USD) was at 1.05 against the 1.3 target. Most of the outcome indicators are not reported on annually but in the medium term, making it unlikely to report on progress by end FY.

## **2. Empowered communities for participation in the development process**

402. Regarding empowering communities for participation in the development process, 2.8 percent of the vulnerable and marginalized persons were empowered against the target of 2.6 percent. The staffing levels for national guidance and community mobilization functions at central levels has reduced from 86 percent targeted in FY2020/21 to 69 percent due to limited staff recruitments for replacement; and Staffing levels for national guidance and community mobilization functions at LG levels stagnated at 88 percent.

## **3. Improved morals, positive mindsets, attitudes and patriotism**

425. The proportion of population engaged in nationalistic and patriotic initiatives stood at 29.5 percent against the NDPIII target of 30 percent; the Proportion of youth engaged in national service was at 29.5 percent due to various youth engagements carried out against the NDPIII target of 24 percent; Incidence of unethical behavior (corruption perception index) stagnated at 28.7 percent; Incidence of unethical behavior (crime rate per 100,000 persons, theft) data was not available but the annual police report (2021) indicated a decrease in crime rates due to prolonged lockdown, installation of CCTVs and provision of resources for equipment, vehicles and management cases. Government effectiveness index stagnated at -0.39 percent; and Proportion of population able to speak, write and read Kiswahili greatly improved to 72 percent against the 5 percent target due to roll out under the education curriculum in most primary schools.

## **4. Enhanced social cohesion and participation in cultural life**

426. The proportion of population practicing negative cultural practices didn't have available data at outcome level since most of the information is provided at output level such as proportion of reduced cases of murder, proportion of child sacrifices, child marriages and female genital mutilation (FGM). However, there was increased incidences due to Gender based violence (GBV) caused by lock down due to Covid-19 pandemic making it had to closely monitor community practices coupled by continued school closures and religious institutions that support in sensitization programmes.

### **c) Challenges**

- i. Non prioritization on reporting of the indicators in the PIAP.
- ii. Inadequate budget, in addition to budget cuts affected implementation of some of the planned interventions thus impacting outcome performance.
- iii. 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.
- iv. Some of the MDAs like, MoES, MoLG, MoFA, OPM were not allocated funds under the programme to implement the interventions.

- v. Limited use of ICT for execution of programme interventions.

**d) Emerging issues**

i. Insufficient funds to facilitate community development functions Cont'd...

- The total budget allocation for the Community Mobilization and Mindset Change Programme for FY2022/23 is Shs. 61.56Bn for non-Wage(excluding arrears),of which Ministry of Gender, Labour and Social Development is contributing Shs20.03Bn and Shs17.8Bn and Shs9.10Bn are contributed to by Ministry of Information, Communication and Technology & National Guidance and Office of the Prime Minister respectively.
- However, it should be noted that these budget allocations under the various MDAs are majorly catering for finance and administration expenses leaving much less or not at all for community mobilization functions,
- Specifically, for the Ministry of Gender, Labour and Social Development, the approved non-wage budget allocation under the CMMC Programme is Shs20.032Bn excluding arrears, representing 33% of the budget allocation to the programme;
- However, Shs7.378Bn out of the Shs20.032Bn allocated representing 36.8% is meant for Community sensitization and empowerment while the remaining 63.2% (Shs16.94Bn) is to cater for finance and administration expenses including but not limited to; Rent – Shs4.451Bn, Pension and Gratuity – Shs3.727Bn, Ministers facilitation, utilities among others.
- More so, Shs7.378Bn that is allocated for community sensitization and empowerment is largely sub-vented to Ministry's semi-autonomous institutions (National Library of Uganda –Shs0.941Bn, Inter-Religious Council –Shs2.5Bn, Uganda National Culture Centre –Shs1.57Bn, Traditional Leaders –Shs0.840Bn) leaving little funds for departmental operations,
- Shs7.64Bn is the Non-Wage Recurrent Transfers to all the 176 local governments for mobilization of communities for uptake and ownership of government programmes. With this resource, community mobilization for uptake of government programmes is not attainable.
- This therefore, leaves the Ministry and Local governments with meager resources for community development functions as well as scaling up mobilization of Local Governments on the implementation of the Parish Development Model.

**ii. Dilapidated Ministry structures**

- Although Government of Uganda is committed to promoting socio-economic wellbeing of communities through active participation through the establishment of 668 vibrant Community Centres at Sub County levels countrywide to: support the sensitization, empowerment and training of citizens for improvement of literacy and numeracy skills, livelihoods and life skills so as to better their socio-economic wellbeing and contribute to national development.
- To date, only 213 Community Centres are in existence with varying status of physical structure and use; majority of the Centres have either collapsed or have been converted to other use such as housing police posts, accommodating LG

offices while those available are dilapidated and in need of renovation/rehabilitation, equipping and furnishing. The Community Centres in their current status have been rendered dysfunctional and cannot deliver intended services.

- Consequently, this is likely to result into low participation and uptake of development programmes, poverty stricken communities, high incidences of diseases, cycle of illiteracy and high levels of Gender Based Violence (GBV).

### iii. **Scattered community development functions across MDAs**

- The Ministry of Gender, Labour and Social Development has the Constitutional mandate to undertake community mobilization activities to increase uptake of various services including; health, education, works and technical services, production and marketing amongst others.
- However, there is low community response and uptake of Government programmes as a result of disjointed nature of community mobilization undertaken by different MDAs which has led to duplicated efforts and wastage of resources since similar activities are funded by different MDAs.

### iv. **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 needs to urgently be tackled.
- v. 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.
- vi. Some key programme actors were not allocated resources under the programme to undertake their activities. (MOFA, OPM, JSC, LGs, MOES and MoLG).

### e) **Recommendations**

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



#### 4.6.15 Governance & Security

427. **The Governance and Security Programme overarching goal is to improve adherence to the rule of law and capacity to contain prevailing and emerging security threats.** Key expected results include: improvement in the corruption perception and democratic indices. The programme performance is discussed below.

##### a) Overall score

428. Overall, the Governance & Security Programme performance at midterm is 24 percent as summarised and discussed in the table and subsections below.

**Table 4. 37: Summary performance of Governance and Security programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	18	49	10	27	9	24	37
Intermediate level	24	35	23	34	21	31	68
Output level	4	4	8	9	78	87	90
<b>Overall Performance</b>	<b>46</b>	<b>24</b>	<b>41</b>	<b>21</b>	<b>108</b>	<b>55</b>	<b>195</b>

##### b) Outcome level performance

Performance at outcome level was average at 49 percent while 35 percent was achieved at intermediate level. Key outcome level results are presented in table 4.38.

**Table 4. 38: Outcome level performance**

Outcome	Indicators	Base	Target	Actual	Rating
		FY2017/18	FY2021/22	FY2021/22	
Efficiency and effectiveness of institutions responsible for security, law, and order	1.1 Turnaround time (hours/days)	12	5	N/A	
	1.2 Proportion of annually planned equipment acquired, %	50	100	100	
	1.3 Proportion of security personnel with advanced training, %	50	60	70	
	1.4 Level of Combat readiness, %	100	High	High	
	1.5 Level of Compliance by security agencies to Security planning and budgeting instruments to NDP III (%)	70	80	70.2	
	1.6 Average time taken to respond to emergencies	6	3	N/A	
	1.7 Level of public trust in JLOS, %	59	60	69	
Increased peace and stability	1.8 Peace Index	2.196	1.9	2.196	
	1.9 Level of public confidence in the security system, %	68	High	High	
	1.10 Proportion of armed or organized criminal groups (%)	50	30	85	
	1.11 Level of response to emerging security threats	40	100	100	
	1.12 Enrolment in the National service	0	10	0	
Increased safety of person and security of property	1.13 Absence of IDPs due to conflicts	0	0		
	1.14 Crime rate	667	476	502	
	1.15 Incidence of crime committed using small arms and light weapons	262	242	256	
Effective governance and security	2.1 Laws enacted as a % of those presented	40	50	68.6	
Increased access to Justice	3.1 Index of Judicial independence	3.41	3.6	N/A	
	3.2 % of backlog cases in the system	18	13.2	31	

	3.3 Rate of recidivism	17.2	14.6	14.7	
Effective and efficient JLOS business processes	4.1 Public satisfaction in the Justice system	40	70	69.9	
	4.2 Disposal rate of cases	52	67.1	N/A	
	4.3 Percentage of districts with one stop frontline JLOS service points	67.5	79.5	72.4	
	4.4 Conviction rate	61	61	72	
Reduced corruption	5.1 Corruption Perception Index	26	30.1	27	
Increased transparency and accountability	5.2 Clearance rate of corruption cases	107	115	115	
	5.3 IG conviction rate of Corruption cases	73.5	75	35	
	5.4 ODDP conviction rate of Corruption cases	74	85	72	
	5.5 ACD conviction rate of Corruption cases	57	65	46.6	
Effective citizen participation in the governance and democratic processes	6.1 % expenditure on R&D by Security Sector (Ugx Bn)	7	8.2	9	
	6.2 Percentage expenditure on R&D	0.01	0.05	N/A	
	6.3 Democratic index	6.5	7.3	4.94	
Free and fair elections	6.4 Proportion of eligible voters registered	89	91	92.8	
	6.5 % of citizens engaged in electoral process	80	90	94.4	
	6.6 Proportion of registered election disputes analysed and resolved	75	84	100	
Increased observance of Human Rights	7.1 Proportion of human rights recommendations implemented	19	25	19	
	7.2 Disposal rate of Human Rights cases, %	30	20	8.2	
	7.3 Proportion of remand prisoners	48	44.9	50.6	
Enhanced National response to refugee protection and management	8.1 Level of implementation of the Settlement Transformative Agenda, %	40	50		

## 1. Efficiency and effectiveness of institutions responsible for security, law, and order

429. Improving performance in terms of efficiency and effectiveness of institutions responsible for security, law, and order is achieved by reducing turnaround time for cases (in days). Actual performance indicates that the target was achieved as turnaround time was reduced from the baseline of 90 (2017/18) to 30 days.

### Increased peace and stability

430. Regarding level of Compliance by security agencies to Security planning and budgeting instruments to NDP III (%), the target of 70% was exceeded by 0.2%. As for Peace Index, 2.196 exceeded the 1.9 target. Incidents of crimes committed using small arms under indicator 1.15 was not met as the target for FY2021/22 was 252 against an actual of 256

## 2. Effective governance and security

403. Regarding the number of Anti-corruption laws, policies developed/reviewed during the year under review, only one (1) was translated/reviewed against the target of 2; The pass rate completion target at LDC was 70% but the actual was 47%; The percentage of students graduating at the Bar course as a percentage of those who enrolled was 10% against the target of 70%; Percentage of cases referred to Legal Aid Clinic for reconciliation that are concluded was 66% (target) against 71% actual; The target of

number of juvenile diverted from the criminal justice system by LDC was not met as the actual was 938 against 1000.

### **3. Increased access to Justice**

404. The target set regarding turnaround time for issuance of Birth, Death and Adoption Orders certificates (in days) under this objective has been met. The target was 7 days, just like the actual. Other indicators under this objective performed as follows: Percentage of eligible citizens issued with National ID cards was exceeded at 88.9% actual against 72.5% target; Turnaround time for production & Issuance of NID Cards (in days) exceeded at 14 days (actual) against 60 days (target); Proportion of work permits issued for investments, in terms of percentage, too, exceeded at 12.5% actual against 12% target; Average time taken to issue passports (days) met at 4 days actual against 4 days target ; Proportion of cases taken to court that result into conviction of 0.19 exceeded by the 0.28 actual; Proportion of sub counties with at least one standard police station of 0.6 against 0.7 actual; and percentage level of public satisfaction with policing services of 60 against 72 actual.

405. However, the following targets were not met. These include: The target for recidivism was 14% but the actual was 14.7%; The target of percentage of gazetted immigration border posts automated was 40 but those actually automated were 32; The targeted percentage of citizens registered into the National Identification Register was 63 against the actual of 61; Targeted proportion of aliens registered of 30 against 0 actual; Proportion of reported cases taken to court 0.37 against actual of 0.29; Detective case load 1.39 against 1:42 actual; Proportion of case backlog cleared 1.27 against 0.08 actual; and Average time taken to respond to emergencies (Minutes) of 20 against 22 actual.

### **4. Effective and efficient JLOS business processes**

406. Under percentage of districts with one stop frontline JLOS service points, the actual of 72.4% fell short of the 76.3 target, while targeted conviction rate of 61% was eclipsed by the 71% actual. In the year under review, the targeted public satisfaction with the justice system was 65% yet the actual was 69.5%.

### **5. Increased transparency and accountability**

407. Corruption continued to increase despite existence of institutions and legal frameworks required to curb down the vice.

408. Among the intermediate outcomes under this objective include increased conviction of public officials involved in corrupt practices and improved recovery of illicitly acquired wealth. Regarding conviction rate, ODPP did not meet the set target of 75% as the actual rate turned out to be 67%. Regarding value of assets and funds recovered by the Inspectorate of Government (IG) (in billions), the target was sh2.8b against the actual of sh2.2b; Value of money saved as a result of IG interventions (Bn) was sh18b against a target of sh20b; while the percentage of IG recommendations Implemented were 43 against a target of 50.

### **6. Effective citizen participation in the governance and democratic processes**

#### **Free and fair elections**

The proportion of eligible voters registered increased from 89 percent to 92.8 percent in FY2021/22. EC conducted Local Government Council and Committee by-elections in 117 Districts and updated the Voters' Register for areas that had by-elections. In addition, the percentage of citizens engaged in the electoral process also increased from 80 percent to 94.4 percent in FY2021/22.

## **7. Increased observance of Human Rights**

409. During this review period, the picture is more of a mixed bag, indicating hits and misses. The proportion of Human Rights recommendations have remained constant at 19 percent while the disposal rate of Human Rights cases has since dropped from 30 percent in FY2019/20 to 8.2 percent in FY2021/22. There is therefore need for a quick disposal of Human Rights cases for justice to prevail. There has also been an increase in the proportion of prisoners on remand from 48 percent in FY2017/18 to 50.6 percent in FY2021/22. This has caused congested prison facilities. Uganda has highest remand inmates in East Africa. Rwanda has 7 percent of the remands, Tanzania has 45 percent and Kenya has 35 per cent.

## **8. Enhanced National response to refugee protection and management**

410. The country has continued to receive an influx of refugees from the neighboring countries. In this review period, OPM received and settled 14,909 number of refugees against a target of 7000 in FY2021/22. The target for number of refugees identification documents processed was 35,000 against the actual of 16, 634, while the number of refugee asylum application was 16023 (actual) against 2500 target.

### **c) Challenges**

- i. Weak inter programme collaboration –across programmes
- ii. Weak link between MTEF ceilings, the PIAPs and releases.
- iii. Programme is too big and diverse leading to coordination challenges – 66 votes (32 MDAs)
- iv. Prison congestion
- v. Staff welfare and wage disparities – selective salary enhancement
- vi. Staffing in terms of skills and numbers
- vii. Welfare of uniformed personnel especially police and prisons
- viii. Votes are independent of the programmes with own ceilings determined by MoFPED, there is therefore limited added value of the programme
- ix. 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.

### **d) Emerging issues**

- i. Emerging crimes [extremism, violent crime and white-collar crime and trafficking in persons]
- ii. Equalisation of facilitation/funding of actors in the results chain- e.g. the justice chain
- iii. The programme is too large with limited synergy among the actors. Some of the votes have no areas of synergy at all.

### **e) Recommendations**

- i. Budgets and releases should speak to strategic plans/ PIAPs.
- ii. Strengthen inter programme coordination, cooperation and communication.
- iii. Consider reorganizing the GSP programme into 3 to manage linkages namely; Justice and Accountability, Policy and Democratic Processes, and Security.

- iv. Strengthening sub-national structures at regional and national level.
- v. Balancing the resourcing of the justice chain – funding to Judiciary not matched with chain linked actors.
- vi. Planning should focus on change and areas of reform to steer socio-economic transformation.

#### 4.6.16 Public Sector Transformation

411. **The Public Sector Transformation Programme overarching goal is to improve public sector response to the needs of the citizens and the private sector.** The PST programme expected results include: improvements in the indices of; government effectiveness, public service productivity, global competitiveness and corruption perception indices. In addition, there will be increased proportion of the population satisfied with public services. The programme performance during the first two years of the NDPIII is discussed below.

##### a) Overall score

412. Overall, the Public Sector Transformation Programme performance at midterm is 19 percent as summarised and discussed in the table and subsections below.

**Table 4. 39: Summary performance of Public Sector Transformation programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	3	50	3	50	-	-	6
Intermediate level	11	20	28	50	17	30	56
Output level	15	17	73	83	-	-	88
<b>Overall Performance</b>	<b>29</b>	<b>19</b>	<b>104</b>	<b>69</b>	<b>17</b>	<b>11</b>	<b>150</b>

##### b) Outcome level performance

Performance at outcome level was average at 50 percent while 20 percent was achieved at intermediate level. Key outcome level results are presented in table 4.40.

**Table 4. 40: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Target 20/21	Actual 20/21	Target 21/22	Actual 21/22	Rating
Improved government effectiveness	Proportion of the population satisfied with their last experience of public services	66	66	54	75	54	Not Achieved
	Government effectiveness index	0.58	-0.39	-0.59	-0.11	-0.59	Achieved
Improved public service productivity	Global competitiveness index	48.9	51	48.94	52.2	48.94	Not Achieved
Increased local participation in the economy	Proportion of MDA Plans aligned to the NDP, %	94	100	44	100	72	Not Achieved
	Proportion of Local Government Development Plans aligned to the NDP, %	94.7	100	40	100	54	Not Achieved
Reduced corruption incidences	Corruption perception index	26	28.7	27	30.1	30.1	Achieved

#### 1. Improved responsiveness of public services to the needs of citizens

413. By end of FY2020/21, the proportion of the population satisfied with their last experience of public services stood at 54 percent below the NDPIII target of 66 percent. This performance was attributed to a number of interventions executed by such as: 49 MDAs and LGs developed and implemented client charters; 6 service delivery standards were

developed; public sector performance management was strengthened through providing technical support to 17 out of 89 MDA translating into (19%), among others.

## **2. Improved government effectiveness**

414. Government effectiveness index was -0.597 at the end of the review period. This performance was below the target of -0.39 for the same period. This performance is explained by dissatisfaction with prevailing economic conditions and declining personal living conditions fueled by Covid-19 pandemic. Additionally, the slow pace of rational ion of government agencies to align with new program planning, budgeting and implementation also affected Government's effectiveness.

## **3. Improved public service productivity**

415. The country's competitive worsened. Uganda scored 48.94 percent in the 2020 Global Competitiveness Report published by the World Economic Forum. This was below the NDPII target of 51 percent for the review period.

## **4. Increased local participation in the economy**

416. In the review period, 70 LGs out of 176 (40%) and 55 MDAs out of 125 (44%) had their Plans reviewed for alignment to the NDPIII. This was on account of MDA and LG capacity building workshops aimed at aligning Plans to the NDPIII.

## **5. Reduced corruption incidences**

417. Uganda slightly improved in the global corruption ranking to 27 in FY2020/21 from 26 in FY2019/20 according to the Corruption Perceptions Index reported by Transparency International. This performance is however below the NDPIII target of 28.7 for the review period.

### **c) Challenges**

- i. Phased implementation of the pay enhancement policy has lowered the motivation levels among those yet to be considered
- ii. Attracting and retaining talent especially in LGs
- iii. Low coverage of inspection due to failure to fund the E- inspection reform and interventions therein
- iv. Difficulty in obtaining performances related statistics from votes
- v. Inconsistency in the program implementation action plan (PIAP) and program budgeting systems (PBS). Due to many changes that have ensued since the start of NDPIII i.e. budgets and targets
- vi. Difficult in implementing program based approach to planning and budgeting. Appropriation has majorly remained votes based.
- vii. Staffing gaps at the LGs (Inability of LG's to attract and retain staff due to wage bill limitation)
- viii. Lack of retooling budget for the LGFC
- ix. Information asymmetry between programme implementing agencies
- x. Restricted field visits due to covid-19 pandemic

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<sup>7</sup> World Bank, 2021

- xi. Inadequate logistics support .i.e vehicles for field travel and other tools like office equipment
- xii. Under staffing in some in some of the institutions e.g. NITA-U at 35.3% staffing

**d) Emerging issues**

- i. The Program has made significant progress in adopting the Program-based approach as required by the NDPIII M&E Strategy
- ii. There are still coordination gaps among the MDAs directly responsible for achieving the Program's goal
- iii. Programme outputs are not mapped to the MTEF provided by MoFPED
- iv. Limited funding to facilitate implementation of the reforms and interventions
- v. Partial implementation of the revised salary enhancement across government
- vi. Corruption and general outcry over lack of ethics and integrity among public service
- vii. Anxiety among public servants who are likely to be affected by the Rationalization of government (agencies , departments and ministries)
- viii. Government’s failure to Operationalization of the proposed National Salaries Review Commission
- ix. Lack of facilitation for the Programme Secretariat

**e) Recommendations**

- i. Continue engaging MoFPED to provide 100% of the approved budget to finance planned activities.
- ii. Continue engaging MoPS and MoFPED to lift the wage ceiling and allow for recruitment to improve staffing levels.
- iii. During Planning & implementation, there is need for proper coordination with related MDAs
- iv. Adherence to the implementation roadmap of the pay policy
- v. There is need to re-align the key implementing MDAs under the programme
- vi. There is need to review Programme Indicators

**4.6.17 Regional Development**

418. **The Regional Development Programme aims to accelerate equitable regional economic growth and development.** Key expected results include reducing poverty in lagging sub-regions of: Karamoja, Bukedi, Bugisu, Busoga, West Nile, Acholi, Teso and Bunyoro. The programme performance in the medium term is discussed below.

**a) Overall score**

419. Overall, the Regional Development Programme performance at midterm is 13 percent as summarised and discussed in the table and subsections below.

**Table 4. 41: Summary performance of Regional Development programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	2	8	20	77	4	15	26

Intermediate level	3	30	7	70	-	-	10
Output level	5	12	-	-	37	88	42
<b>Overall Performance</b>	<b>10</b>	<b>13</b>	<b>27</b>	<b>35</b>	<b>41</b>	<b>53</b>	<b>78</b>

## b) Outcome level performance

Performance at outcome level was average at 8 percent while 30 percent was achieved at intermediate level. Key outcome level results are presented in table 4.42.

**Table 4.42: Outcome level performance**

Outcome	Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Increased production capacity of key growth opportunities	Percentage of households involved in commercial scale agriculture	30		25.4	35.7	41.3	Not Acheived
	Average monthly household income (UGX)	416,000			401,667	482,297	No Data
	Irrigated agriculture land as a total cultivated land (%)	1.3		1.3	3.4	3.9	Not Acheived
	Regional poverty rates Bukedi	43.7	34.7	34.7	40.7	37.7	Not Acheived
	Regional poverty rates Busoga	37.5	29.4	29.4	34.4	31.4	Not Acheived
	Regional poverty rates Bugisu	34.5	13.2	13.2	32.7	30.8	Not Acheived
	Regional poverty rates West Nile	34.9	16.9	16.9	33.4	31.9	Not Acheived
	Regional poverty rates Karamoja	60.2	65.7	65.7	57.2	54.2	Acheived
	Regional poverty rates Acholi	33.4	67.7	67.7	30.9	28.4	Acheived
	Regional poverty rates Teso	25.1	21.9	21.9	24.2	23.3	Not Acheived
	Regional poverty rates Bunyoro	17.3	9.8	9.8	15.5	13.6	Not Acheived
	Share of private sector credit for the selected agricultural enterprises (%)	17		6.3	20.8	24.7	Not Acheived
	Average farm size for selected enterprises (ha)	2.5			2.8	3	No Data
	Proportion of smallholder farmers accessing credits (%)	7		10	10.8	14.7	Not Acheived
	Registered customary tenure land (%)	20		20	23.3	26.7	Not Acheived
Increased household earnings in the sub-regions from Agribusiness, Tourism, Minerals (ATM)	Proportion of farmers whose agricultural income has increased, %	17		17	28.5	31.4	Not Acheived
	Share of tourism earnings in household income				5	8	No Data
	Share of earnings from mining in household income				3	5	No Data
Increased market access and value addition	Coverage of the District road network, %	24.4		24.4	25	27	Not Acheived
	Agricultural households accessing local produce markets	58.8		58.8	60	61	Not Acheived
Enhanced agro-LED business	% increase in number of commercial farmers	2		2	4	6	Not Acheived
	Proportion of processed agricultural outputs, %	1		1	2	3	Not Acheived
Improved leadership capacity for transformative rural development	% increase in number of Agro – LED Enterprises	1		1	2	3	Not Acheived
	% increase in Community Participation in the planning process	3		3	6	7	Not Acheived
	Average score of LGs in service delivery performance	55		55	65	70	Not Acheived
	% of LGs with Unqualified Annual Audit Reports from the OAG	91		91	93	94	Not Acheived

## 1. Increased production capacity of key growth opportunities



420. Harnessing Agri-business, Tourism, Minerals (ATM) potentials in the sub-regions is to result into increased production capacity, increased household earnings and increased market access and value addition. However, progress towards achieving this programme result is presented on the basis of the strategic interventions that have been implemented in the sub-regions and not against the indicators due to data/statistics gaps.
421. During the period under review, production of Maize, Cassava, Banana, Citrus increased across the target sub-regions. This is attributed mainly to distribution of improved seeds by Government and the relatively stable rainfall. However, less focus has been given to Cashew nuts growing in Acholi sub-region. During the period under review, Government constructed and rehabilitated Valley tanks/Dams for provision of water for livestock, aquaculture and irrigation in the Northern and West Nile.
422. Generally, tourism and mining activities were severely affected due to COVID-19. This was attributed to less travels during the lockdown and employment layoff of workers across the country. For instance, number of Ugandans visiting key tourist attractions (Museums, National Parks, Source of the Nile and UWEC) baseline 646,099, target 710,709 and actual 201,158. Equally, the tourism potentials i.e., Mt. Elgon, Teso rocks and Karamoja cultural potential in the target sub-regions were not exploited. The mineral potentials are yet to be exploited. For examples inferred Nickel in Kitgum; an unquantified volume of gold in Busia, Namayingo, Karamoja, Kitgum and Moyo.
423. Despite several poverty reduction interventions, progress has been mixed across regions and sub-regions. While poverty remains unchanged for Uganda as a country, poverty in Eastern region significantly reduced regardless of the poverty indicator. In the Northern region, the share of persons living below the national poverty line remained unchanged. However, poverty deepened from 8.9% in 2016/17 to 11.3% in 2019/20 and so is the inequalities among the poor persons from 3.4% to 4.9%. Poverty in the region is driven by a significant increase in urban poverty from 16.1% in 2016/17 to 28% in 2019/20.
424. Two sub-regions, Bugisu and West-Nile attained the set targets. Bugisu registered the highest reduction in poverty from 35.3 to 13.2%. While West Nile, poverty reduced from 34.9 to 16.9 percent in 2019/2020 compared to the NDPIII 2019/20 target of 26 percent. This is attributed to a reduction in the number of people in the subsistence economy from 62.4% in 2016/17 to 42.1% in 2019/2020 and from 43.2% in 2016/17 to 26.4% in Bugisu and West- Nile respectively and string growth in consumption (UNHS 2019/2020). However, average household size increased in both the sub-regions.
425. Poverty declined in Busoga, Bukedi, Teso and Bunyoro but below the NDPIII 2020/21 targets. This is partly explained by a reduction in the proportion of households in the subsistence economy and average household size and introduction of high-yielding agriculture products particularly rice in Bunyoro. However, Busoga and Bukedi account for more than a quarter (25.4 percent) of the total national poverty. It is not clear whether the drop in sugarcane prices and small farm land sizes for sugar cane growing are behind the high poverty numbers in Bunyoro.
426. Poverty has worsened in Acholi and Karamoja sub-regions, according to the UNHS 2019/20. In Acholi poverty more than doubled from 33.4 % to 67.7% and in Karamoja sub-region it increased from 60.8% in 2016/17 to 65.7 in 2019/20. The gains achieved between 2012/13 and 2016/17 in the two sub-regions seem to have been eroded or had less impacts, which raises concerns of the effectiveness of the several livelihood programs implemented by government and non-state actors in the sub-region. The majority of households (78 percent) in Acholi sub-region and Karamoja (65.7 percent) are stuck in

subsistence economy. The impact of flooding as a result in high levels of rain have a significant negative impact on sub-region's food security situation.

## **2. Increased market access and value addition**

427. Closing the regional infrastructure gaps is expected to increase market access and value addition in the sub-regions of the country. However, progress towards achieving this programme result is presented largely based on the strategic interventions that have been implemented in the sub-regions and not on outcome indicators due to data/statistics gaps.
428. During the period under review Government acquired and deployed heavy earth moving equipment and machinery sets to support infrastructure development across the country. As a result, farm access roads were improved, upgraded and opened in the districts of, Mayuge, Jinja, Bulambuli and Kumi to ease mobility, interconnectivity, and market access. Also, farm lands were opened, ploughed and planted for livestock and crops in Karamoja (Kabong (Ikk), Acholi (Lamwo, Amuru, Nwoya, Pader) Busoga (Kamuli Bugiri and Mayuge) and Teso (Kumi, Bukedea, Soroti and Serere).

## **3. Enhanced agro-LED business**

429. The regional Development Programme is expected to contribute to enhanced agro-LED business in the sub-regions through value addition. Again, progress towards achieving this programme result is presented on the basis of the strategic interventions that have been implemented in the sub-regions and not against the indicators due to data/statistics gaps.
430. The extent of the impact of COVID-19 on the agro-processing industry was relatively moderate because agriculture production activities continued relatively normal during the lockdown. Nonetheless, both local and foreign demand for agro-food products reduced due to diminished transportation and reduced incomes, leading to a fall in commodity prices. The dairy sector was severely hit by the drastic fall in prices due to reduced demand and revenue. Production capacity remained the same but consumption fell as consumers prioritized the purchase of necessities. The closure of schools, restaurants, and hotels reduced local demand for both fresh milk and other milk products. Moreover, trade with Kenya (the biggest market for Uganda's milk) was disrupted due to the lockdown and export restrictions. Meat processing also suffered as weekly cattle markets closed due to COVID-19 and demand for processed meat products declined because most products are destined for the urban markets such as hotels, restaurants, and schools, which were closed during the lockdown. This must have negatively impacted West Nile, Teso and Acholi sub-regions in terms of household incomes. Citrus and mango fruit processing at Soroti Fruit Factory and Nwoya fruit farm were also supported.

## **4. Improved leadership capacity for transformative rural development**

431. The regional Development Programme is expected to improve leadership capacity for transformative rural development in the sub-regions. Also, progress towards achieving this programme result is presented on the basis of the strategic interventions that have been implemented in the sub-regions and not against the indicators due to data/statistics gaps.
432. Local revenue currently contributes approximately 3 per cent for district local government and 7 per cent town councils and municipality budgets. During the FY 2016/17, local revenue performance for Local Governments was UGX 196.66 billion (MoFPED, 2019). Implying a heavy dependency on Central Government Transfers. Grants from central government to local governments contribute over 85% of financing to local governments' budgets with more than 90% of this funding coming in the form of conditional grants.

433. Currently, Local Government leaders are at the forefront of the fight against the pandemic. The urgency of their response to this pandemic not only defines their leadership, it also impacts on the wellbeing of citizens. Lack of facilitation for staffs working from home like internet connectivity, computers among others.

**c) Challenges**

- i. Inadequate financing-Budget for MoLG (the leader of the programme) whose budget was cut from 15b to 11b; Thereby affecting the facilitation for Secretariat.
- ii. The affected Regions do not have Regional Development Plans and prioritized sub-regional projects. It is therefore difficult to establish their priorities.
- iii. The Tourism and Mining activities were severely affected due to COVID-19. For instance, number of Ugandans visiting key tourist attractions was 201,158 as compared to the set target of 710,709.
- iv. There is need to review the structure of RDP to include the whole mandate of MoLG which goes beyond the 8 RDP regions.
- v. Attendance and reports from participating MDAs are not forthcoming from some MDAs.
- vi. Budgeting by MoFPED is still done in line with Votes contrary to the Programme approach as envisaged by NDP III.
- vii. A number of projects under RDP are still being processed in the Development Committee. To undergo both pre-feasibility and feasibility studies. E.g. Northern Uganda Household Incomes and Food Security Enhancement Project, CAAIP.
- viii. 8. Programme Working Groups have no budget allocations to contribute to achieving Programme Outcomes.
- ix. Most of the outcome indicators and targets do not have baseline data because the indicators are new.
- x. Only a few votes, including. MOLG, OPM and some LGs have budget allocations to implement the prioritized programme interventions.
- xi. 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.
- xii. Delay in developing special programmes for Bukedi, Busoga and Bugisu. MoLG is working with OPM on this.
- xiii. PDM has taken priority over all Programmes including RDP.

**d) Recommendations**

- i. MoFPED should allow PWGs to allocation of resources in line with the NDP III. The traditional IPFs for votes renders the PWGs redundant.
- ii. An RDP baseline survey need to be undertaken for the beneficiary regions and also Profile sub-regional investment opportunities.
- iii. Engagement of key stakeholders to ensure development of the regional plans and alignment to the NDPIII and PDM. Growth triangle corridors, Area based Commodity planning approach, Proposed Regional Industrial and Business Parks and Parish value chains etc.

- iv. Need to support identification of sub-regional LED projects for effective implementation of the RDP across the Sub-regions.
- v. Need to further examine the underlying causes of poverty in Acholi, Karamoja and Kigezi regions.
- vi. Facilitate the Programme Secretariat as well as the Programme Working Group (PWG) to ensure proper coordination of the Programme

#### 4.6.18 Development Plan Implementation

434. **The overall goal of the Development Plan Implementation (DPI) programme is to facilitate the efficiency and effectiveness in the implementation of the NDPIII.** The key indicators for assessing progress against this programme include: include: Achieve at least 80 percent of the NDPIII targets; Increase GDP growth rate from 6.3 percent to 7 percent; Increase Revenue to GDP ratio from 15.6 percent to 18 percent by 2025; Reduction in Domestic Arrears as a percentage of total expenditure for FY N-1 from 1 percent in FY 2017/18 to 0.2 percent ;Increase alignment between the annual Budgets and the NDPIII from the 60 percent to 85 percent and National level and programme levels; Maintain the proportion of the supplementary Budget expenditure (net of loan servicing within 3 percent. The DPI programme performance during the first two years of the NDPIII is discussed sub-sections below.

##### a) Overall score

435. Overall, the Development Plan Implementation Programme performance at midterm is 19 percent as summarised and discussed in the table and subsections below.

**Table 4. 43: Summary performance of Development Plan Implementation programme**

Level	Achieved		Not Achieved		No Data	
	Indicators	%	Indicators	%	Indicators	%
Outcome level	3	16.7	9	50.0	6	33.3
Intermediate level	4	12.5	9	25.0	19	59.4
Output level	69	28.75	47	19.6	124	51.7
<b>Overall Performance</b>	<b>76</b>	<b>19</b>	<b>65</b>	<b>33</b>	<b>149</b>	<b>48</b>

##### b) Outcome level performance

Performance at outcome level was average at 16.73 percent while 12.5 percent was achieved at intermediate level. Key outcome level results are presented in table 4.44.

**Table 4. 44: Outcome level performance**

Indicators	Base	Target	Actual	Target	Actual	Rating
	FY2017/18	FY2020/21		FY2021/22		
GDP growth rate	6.3	4.51	3.5	5.99	4.6	
Fiscal Balance as a percentage of GDP ( <i>excl. grants</i> )	-4.7	- 4.0	-10.4	-3.9	-8.4	
Nominal Debt to GDP ratio	34.8	45.71	47.0	47.8	51.6	
Revenue to GDP ratio	12.7	13.73	14.7	14.01	14.3	
Domestic revenue to GDP (%)	12.0	13.2	13.3	13.6	13.3	
World Bank Statistical Capacity Indicator (WBSCI) score	74.4	74.9	71.11	76.64	67.6	
Budget transparency index	60	62	58	66	TBD	
Gross capital formation to GDP (%)	23.8	26.44	23.3	26.76	23.5	

### **1. Effective and efficient allocation and utilization of public resources**

436. The proportion of the budget released against the approved budget was 78.4 percent, which was below the target of 100 percent. The proportion of funds absorbed against the funds released was 90.8 percent, which was slightly below the target of 100 percent.
437. The Gross capital formation as a percentage to GDP was 25.2 percent, which was less than the target of 26.44 percent. The share of the PIP projects implemented on time was 33 percent less than the target of 70 percent. The share of PIP projects implemented within the approved budget was 75 percent, which was above the target of 65 percent.

#### **Improved alignment of the plans and budgets**

438. With regards to budget compliance, the FY2020/21 AB was 54.8 percent aligned to the NDPIII, compared to the benchmark of 70 percent. This performance was attributed to non-attainment of macroeconomic targets, weak planning, budgeting and implementation of core projects at the national level, weak budgeting for programme results at the Programme, MDA and LG levels.

### **2. Sustainable economic growth and stability**

439. For the FY 2020/21 the GDP growth rate was 3.3 percent, which was below the target of 4.51 percent. However, this growth rate indicated a modest recovery in economic activity as compared to the 3.0 percent growth in FY 2019/20. The pick-up in economic activity was due to the partial easing of restrictions in the economy following the first lockdown which enabled many businesses to resume operations. Economic growth was also boosted by government spending and drawdown on household savings during this period.
440. In FY 2020/21 The Revenue to GDP growth was 13 percent, which still was slightly below the target of 13.08 percent. The good performance was attributed to the improved tax administrative measures that included the implementation of the e-tax that included the use of the Electronic fiscal receipting Solution (EFRIS), Digital tracking Solutions (DTS), Scanners and the GPS tracking system. Other administrative measures included the Alternative dispute resolution, debt recovery and data analysis.
441. The Domestic revenue to GDP (percentage) was 8.2 percent, which was below the target of 13.2 percent. The below performance to the target was due to the adverse effects of COVID 19 that led to the slow-down of the economic activities in some of the key sectors like Education, accommodation and food services, among others. Other business like the entertainment industry, among others were not opened up due to their nature that highly facilitates the spread of COVID 19.
442. However, the tax to GDP ratio was 12.99 percent, which surpassed the target of 12.04 and an improvement by 1 percent from last financial year's achievement of 11.99 percent. The improvement in the tax to GDP ratio was attributed to the growth in the revenues by 2,511.36 billion and a reduced growth of the GDP that was at 3 percent below the 6 percent projection.

#### **Increased Budget self sufficiency**

443. The external resource envelope as a percentage of the National Budget was 10 percent, which was below the target of 25 percent. The Present value of the Public Debt stock as a percentage of GDP was 39.3 percent, which was above the target of 34.5 percent. The Nominal debt to GDP ratio was 44.8 percent, which was above the target of 41.56.

### **3. Improved development results**

444. The assessment indicates 56 percent of the NDP results were on target against the Plan target of 70 percent. This has been on account of the inadequate resource provided for implementation of the Planned results emanating from the Covid-19 pandemic prioritisation.

#### **Statistical programmes aligned to National, regional and international development frameworks**

445. The World Bank statistical capacity indicator (WBSCI) score was 71.11 percent, which was below the NDPIII target of 74.9 percent. It should be noted though it was below the NDPIII target for the FY 2020/21, it was a great improvement from the 67.8 percent that was registered in 2019. And the improvement was attributed to by the improvement in the 3 areas of assessment for the statistical capacity that include methodologies used, the data sources and periodicity /timeliness.

#### **4. Improved budget credibility**

446. The Budget transparency index was 58 percent, which was below the set target of 62 percent and still below the previously recorded performance of 60 percent in 2017. The reduced performance was due to the limited public availability of budget information and contribution to the budget priorities. Though a decline was registered, Uganda is still above the Global average of 45 percent and the best in East Africa (Kenya 50, Tanzania 17, and Rwanda 49 percent) and second in Africa following South Africa with 87 percent in Budget transparency.

447. The National Budget compliance to Gender and Equity was 65.75 percent lower than 75 percent that was targeted for the FY 2020/21. The alignment of the annual Budget to the NDPIII was at 54.8 percent, which was below the target of 70 percent, which was attributed to by the non-attainment of macroeconomic targets, weak planning, budgeting and implementation of core projects at the national level, weak budgeting for programme results at the Programme, MDA and LG levels.

448. The supplementary as a percentage of the initial Budget was 10.28 percent far beyond the target of less than 3 percent as required by law. The poor performance on the supplementary as a percentage of the initial budget was partly due to the supplementary expenditure on COVID 19 mitigation measures.

449. The Domestic Arrears, as a percentage of the total expenditure for N-1 was 6.9 percent, which was above the target 0.8 percent, and far worse off from the baseline of 1 percent.

#### **5. Evidence based decision making**

450. The NDPIII Results and Reporting Framework was finalized in the FY2020/21 with populated targets and 70 percent of baseline data populated. The RRF has been used to generate the progress report on the performance of the NDPIII during the first year of implementation. UBOS latest surveys such as the UNHS Report FY2019/20 have been used to inform the Goal, Objective and programme level results of the Plan.

#### **6. Improved public policy debates and decision making**

451. By end of the review period, several evaluative studies of government programmes were on going and commissioned. For example, the comprehensive evaluation of the Decentralization policy was ongoing.

#### **c) Challenges**

- i. Limited functionality of the Programme Working Groups which limits the proper tracking of progress on implementation of the respective NDPIII programme interventions and outputs.
- ii. Negative COVID 19 effects contributed to the poor performance in a number performance indicators e.g. the LG revenues, Supplementary expenditure.. etc
- iii. Government policy ban on workshops limited a numbers of capacity building activities that involved training .This negatively affected the performance at which the outputs were achieved since some of them were a result of capacity building activities.
- iv. Budget cuts due to limited realization of the enough revenues constrained the implementation and achievement of the set targets as envisaged.
- v. Duplication of interventions across the programmes was in sited some programmes which creates a challenge in terms budgeting , reporting and ownership along the programmes.

**d) Emerging issues**

- i. The Cross cutting issues within the budgeting instruments have no indicators targets to track their progress and are hardly traced in the Programme PIAPs.
- ii. The MDA Budgeting instruments for FY 2020/21, 2021/22 were not based on the NDPIII programmes i.e. Vote performance reports for FY 2021/22 were not reported based on Programmes making it hard to track the expense per programme.
- iii. Some indicators within the Programme implementation action Plan (PIAPs) require improvement to effectively facilitate the reporting on the NDPIII results

**e) Actionable recommendations**

- i. Enhance the functionality of the Programme working groups through availability of financial resources to facilitate the all Programme Secretariats to strengthen the coordination of the Programme votes and to ensure timely follow up on implementation and reporting on NDPIII results.
- ii. Review the PIAPs to improve the indicators and eliminate duplications for easier reporting and accountability of results by programmes. And disseminate the PIAPs to MDALGs every Budgeting cycle or FY – to note in case of any amendments made.
- iii. Fast track the alignment of the PFM systems to NDPIII i.e PBS and IFMS in order to facilitate the effective allocation of resources to the NDPIII priorities.
- iv. Cross cutting issues should have specific indicators and targets within the programmes PIAPs that transit into the respective Budgeting instruments. This will enable track their progress.

**4.6.19 Administration of Justice**

452. **The goal of the Administration of Justice Programme (AJP) is to promote the rule of law through effective regulation of economic activity, clarification and affirmation of rights, and strengthening laws, regulations and institutional frameworks.** The key expected results over the NDPIII period include: increased public trust in the justice system; reduced per capita cost of access to justice services; reduced lead times in the delivery of justice services; the increased presence of justice delivery service points; increase in the index of Judicial independence above 3.8 (global); and improve the

corruption perception index from 0.26 to 0.35. The AJP programme performance during the first two years of the NDPIII is discussed sub-sections below.

**a) Overall score**

453. Overall, the Administration of Justice Programme performance for the Mid Term stands at 29 percent as highlighted in the table and subsections below

**Table 4. 45: Summary performance of Administration of Justice programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	4	33.33	3	25	5	41.67	12
Intermediate level	12	33.33	13	36.11	11	30.56	36
Output level	99	18.89	164	31.30	261	49.81	524
Overall Performance	115	29	180	31	277	41	572

**b) Outcome level performance**

Performance at both outcome and intermediate outcome level was average at 33.3 percent. Key outcome level results are presented in table 4.46.

**Table 4. 46: Outcome level performance**

Outcome	Indicator	Baseline 2017/18	Target 2021/22	Actual 2021/22	Rating
Increased public trust in the administration of Justice	1.1 Level of public trust in the Justice system	N/A	52%	TBD	
	1.2 Judicial Independence Index	3.41	3.6	3.42	
Increased Access to physical and functional Justice service points	1.3 Proportion of districts with a complete administration of Justice Service delivery point (%)	67.5	79.5	79.5	
Reduced case backlog	2.1 Percentage of backlog cases in the Administration of Justice system (%)	N/A	30	30.1	
Reduced Lead Time /Turnaround Time	2.2 Lead time /Turnaround time (days)	N/A	900	901	
	2.3 Proportion of prison population on remand	51.4	46.1	52.2	
	2.4 Average length of stay on remand (months) for capital offenders	18.3	16.2	19.9	
Reduced corruption	3.1 Corruption Perception Index	26	30.1	27	
	3.2 Conviction Rate of Corruption Cases (%)	7	8.2	9	
Effective and Efficient administration of Justice system	4.1 Level of public satisfaction in the administration of Justice system	40	70	TBD	
	4.2 Judicial Officer to population ratio	1:116,808	1:81,490	1:108,898	
	4.3 Conviction Rate	60	75	72	

**1. Increased public trust in the administration of Justice**

454. Regarding Judicial Independence Index, the target of 3.6 was not met as the actual turned out to be 3.42. According to the parameter for measure Judicial Independence Index



provided by the World Economic Forum, the closer a country inches towards seven (7) the higher the independence. The lowest is one (1).

### **Increased Access to physical and functional Justice Service points**

455. By the end of the FY2021/22, the proportion of districts with a complete administration of justice service delivery point stood at 79.5 against 79.5 actual. This has been largely been possible due to operationalization of gazetted Magistrates Courts, High Courts and recruitment of judicial officers at different levels.

### **2. Reduced Lead Time / Turnaround Time**

456. Regarding percentage of backlog cases in the administration of justice system, the actual by the end of FY2021/22 was 30.1% against 30% target. This level of performance is informed by the restrictions occasioned by the Covid-19 pandemic which grossly hampered court operations. As for the lead time/Turn around time, the target was 900 days against 901 days actual.

457. The AJP has not performed well regarding other indicators under this objective. These include: Proportion of prison population on remand; Average length of stay on remand (months) for capital offenders; and Average length of stay on remand (months) for petty offenders. The data for the aforementioned for FY2021/22 is 46.1% target against 53.5% actual, 16.2% against 20.6% actual and 3% against 3.8% actual respectively. Despite the expansion of prisoners' accommodation from 16,612 prisoners to 19,981 prisoners, prolonged stay on remand has compounded prisons. As of May 2022, congestion was at 345.1% with some prisons holding up to 5 times their designed capacity.

### **3. Reduced corruption**

458. Regarding Corruption perception index, the target was 30.1% against 27% actual. As for Conviction rate of corruption cases (%), the target was 8.2% against 9% actual. The improved performance can be attributed to enhanced recruitment of judicial officers.

### **4. Effective and Efficient administration of Justice system**

459. Regarding level of public satisfaction with administration of justice system, the data is yet to be provided by UBOS. As for judicial officers to population ratio, the target was 1:81,490 against 1:108,898 actual. In criminal matters, the failure to meet the aforementioned target is partly due to high prisoner population growth. Uganda's prisoners' population is averagely increasing at an annual rate of 8.0% compared to the national population growth rate of 3% per annum.

460. This problem is incrementally being addressed by increased recruitment of judicial officers, decentralization of Court of Appeal and operationalization of gazetted magistrates' courts. Government has also acceded to a request to amend the Judicature Act to enable increase in the number of judges and justices in courts of judicature. Under the mooted amendment, Supreme Court Justices will be increased from the current 15 to 21, Court of Appeal from 15 to 56, and High Court Judges from 83 to 151.

#### **c) Challenges**

- i. There is no link between MTEF ceilings provided by MoFPED and the PIAPs and releases;
- ii. Member institutions are independent in terms of funding from MoFPED, they are not motivated to be active under the Programme arrangement;

- iii. Resource allocation is not done at Programme level so the participation of MDAs in the Programme is weak;
- iv. Institutions would wish to belong to Programmes where they are provided with resources as it used to be under JLOS.
- v. Disparities in staff welfare (salaries) – selective salary enhancement (Inequity in salary structure);
- vi. Inadequate staffing levels - Field-based staff to meet the demand for prosecution services in an ever increasing network of courts across the country;
- vii. No clear collaboration arrangement with other Programmes.

**d) Key emerging issues**

- i. 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;
- ii. 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;
- iii. Expansion of Judiciary operations (i.e. decentralizing Court of Appeal, operationalizing High Court circuits and gazetted Magistrates Courts) is incommensurate with ODDP.

**4.6.20 Legislature, Oversight and Representation**

461. **The goal of the Legislation, Oversight and Representation (LOR) programme is to strengthen accountability for effective governance and development.** The key results to be achieved over the NDPIII plan period are: Reduced corruption as measured by the Corruption Perception Index from 26% (year 2020) to 35% (year 2025); Improved Constitutional Democracy as measured by the Democracy Index from 4.94 (year 2020) to 6.50 (year 2025); Improved alignment between the annual budgets and the NDP III from 60% to 85% and Increased citizen’s participation in parliamentary business as measured by the citizen scorecard from 53% (year 2021) to 65% (year 2025). The LOR programme performance during the first two years of the NDPIII is discussed sub-sections below.

**a) Overall score**

462. Overall, the legislature, Oversight and Representation Programme performance for the Mid Term stands at 44 percent as highlighted in the table and subsections below

**Table 4. 47: Summary performance of LOR programme**

Level	Achieved		Not Achieved		No Data		Total
	Indicators	%	Indicators	%	Indicators	%	
Outcome level	7	33%	5	24%	9	43%	21
Intermediate level	11	46%	8	33%	5	21%	24
Output level	37	52%	21	30%	13	18%	71
<b>Overall Performance</b>	<b>55</b>	<b>44%</b>	<b>34</b>	<b>29%</b>	<b>27</b>	<b>27%</b>	<b>116</b>

**b) Outcome level performance**

Performance at outcome level was average at 33 percent while 46 percent was achieved at intermediate level. Key outcome level results are presented in table 4.48.

**Table 4. 48: Outcome level performance**

	Base	Target	Actual	Rating
Indicators	2017/18	2021/22	2021/22	
Percentage of bills processed by committees within 45 days		40	60	Achieved
Proportion of laws without regulations				No Data
Proportion of legislation challenged in court within six months		0	0	Achieved
Budget approved as a % of NDP III public sector cost		100	90	Not Achieved
Amount in supplementary budgets as a percentage of budget approved		12	12	Achieved
Proportion of budget released against approved		100	90	Not Achieved
Absorption rate		100	98	Not Achieved
Nominal debt to GDP ratio	40.6	47.8	47	
Proportion of Constitutional Reports cleared within six months		45	65	Achieved
Proportion of Parliamentary recommendations implemented		55	70	Achieved
Ratio of technical staff to MPs	0.5	1.5	1.5	Achieved
Proportion of MPs requesting for evidence from technical staff of Parliament	50	65	80	Achieved
Proportion of MPs attending LG Council meetings		100	60	Not Achieved
Average attendance of plenary sittings	200	250	477	Achieved
Average attendance of Parliamentary Committee activities	16	20	31	Achieved
Average attendance of HLG Council sessions		28		No Data
Average attendance of LG Council Committee meetings		7		No Data
Proportion of urgent questions responded to against those raised	80	90	255	Achieved
Proportion of petitions concluded against submitted	30	10	2	Not Achieved
Proportion of processes automated	50	60		No Data
Government annual performance score for Parliament	53	80	60	Not Achieved
LG performance assessment score	56	70		No Data
Proportion of PC targets achieved	80	95	95	Achieved
Percentage of committee business disposed as referred by plenary	75	95	70	Not Achieved

### 1. Improved legal framework for implementation of national development priorities

463. By the end of FY 2021/2022, the proportion of laws enacted stood at 92percent against the planned 80percent. Further, there has been improved provision of legislative services from First Parliamentary Counsel as 57percent of requests for legislation were handled; particularly, over 23 Bills and 45 Statutory Instruments were drafted, and 5 Ordinances verified and authorized for publication. The Percentage of bills processed by committees within 45 days stands at 60 percent above the planned 40percent signifying timely enactment of laws.

### 2. Efficient allocation and utilization of public resources

464. Allocation and utilization of public resources has slightly improved with budget alignment to the NDPIII standing at 74.2percent against the planned 70percent. There is also improved compliance to gender and equity requirements with a standing of 73.89percent against the planned 70percent. However, the Budget approved as a percentage of NDP III public sector cost is still below target, standing at 90 percent against the set target of 100percent.

465. The proportion of budget released against approved stands at 90percent with an absorption rate of 98percent and the Nominal Debt to GDP ratio stands at 47.

466. There is improved implementation of Parliamentary recommendations with over 65percent of Constitutional Reports cleared within six months and 70percent of Parliamentary recommendations implemented.

467. Further, the proportion of MDAs and Local Governments with unqualified audit opinions is below the set target. The target set is 100percent and by the end of the reporting financial year, this stood at 94.53percent.

### **3. Improved representation by elected leaders**

468. By the end of the reporting period, there is an improvement in the attendance rates of MPs in Parliamentary sessions with a score of 85.6percent against the planned 50percent. This is supported with the improved attendance of Parliamentary committees standing at 71.8percent against the planned 65percent.

469. The proportion of women representatives in Parliament is still below the set target with the 11<sup>th</sup> Parliament accommodating 34percent against the 35percent planned women MPs. The Proportion of representatives aged between 18-35 years in Parliament stands at 11percent.

470. Parliament is fully represented at all Parliamentary Regional and International bodies. However, there is no functional framework for citizen engagement. This explains the lack of surveys to ascertain the extent to which citizen's views are reflected in the decisions of Parliament. Further, there is no evidence to show the attendance rate of representatives at the local government level (LG Council meetings).

### **4. Effective and efficient transaction of Parliamentary and LG Council business**

471. The Government annual performance score for Parliament stands at 60 percent below the set target of 80percent. With the percentage of committee business disposed as referred by plenary standing at 70percent against the set target of 95percent. However, overall the proportion Parliamentary Commission targets achieved is at 95percent well within the NDPIII requirements.

472. There is still a challenge of processing parliamentary business in time which affects effective and efficient transaction of Parliamentary business. By the end of the reporting period, the proportion of parliamentary business processed in time stood at 65percent below the set target of 70percent.

#### **c) Project performance**

473. By mid-term, out of the 3 programme projects, only one project was under implementation, while the two are at idea and concept level.

#### **d) 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.

**e) Emerging Issues**

- i. 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.
- ii. The Programme Working Group has not been fully constituted to execute its core roles of planning, budgeting, implementation and Monitoring and Evaluation.
- iii. 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.

**f) Recommendations**

- i. 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 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.
- ii. Conduct a capacity needs assessment for the 11<sup>th</sup> 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.
- iii. Establish Programme Actors Data generation systems to ease performance assessment.
- iv. 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.
- v. 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.
- vi. 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.

## 5.0 PROGRESS ON PRESIDENTIAL DIRECTIVES

### 474. The 23 presidential directives and guidelines are 90.1 percent aligned to the NDPIII.

The NDPIII adopted a programme approach to planning in line with the Programme approach to budgeting rolled out in FY2015/16. The 23 strategic directives and guidelines were therefore integrated in the respective NDPIII programmes. Key areas of none alignment are: Put in place subsidy to reduce the cost of electricity to the manufacturer to 5 American cents; Conclude dialogue with Prince Charles of UK and some of the UN bodies on a resettlement fund for wetland encroachers; shoddy infrastructure works in health care; Stop the diversion of Education and Health funds to private schools and Private clinics; Conclude discussions on finding a formula of funding University education for deserving soldiers' children

### 475. With regards to performance, 13 percent of the Presidential directives and guidelines have been achieved, 9 percent are above average, 17 percent at average, majority 35 percent below average and 26 percent not achieved. The presidential directives 8, 14 and 17 were fully achieved while 6, 10, 12, 15, 22 and 23 were not achieved. The summary performance score by directive is summarised in the table below.

**Table 4. 49: Summary scores by respective presidential directive**

No.	Description / Details	Score	Rating
1	Lower the costs of electricity produced by Bujagali Station from US ¢11 to US ¢6		0.25
2	Ensure the construction of the Standard Gauge Railway starts		0.25
3	Build the 22 Industrial Parks		0.25
4	Get all the necessary licenses in two days		0.75
5	Stop delaying / frustrating investments-Zero tolerance to corruption		0.25
6	Violation of Government Policy and Poor Regulation		0
7	Agriculture	0.33	0.5
8	Expedite the granting of oil production licenses so that the actual production starts		1
9	Rectify the weakness of the Minerals Department		0.5
10	Stop damage of the environment using persuasive and educative ways		0
11	Decisively address issue of service delivery in health care, education and feeder roads	0.25	0.5
12	Resolve the issue of Bibanja land ownership		0
13	Solve the problems of the Army, the Police, the Intelligence services and the Prison services	0.19	0.25
14	Encourage the setting up of a National Airline		1
15	Eliminate indebtedness to veterans of the Army, the kasimo of the civilian veterans and the cattle compensation in the areas of Lango, Acholi, Teso abit of West Nile, some parts of Karamoja and Sebei.		0
16	New Ministry of ICT	0.19	0.25
17	Gradually and affordably improve the working conditions of the judiciary		1
18	Planned Urban development		0.25
19	All cities, towns and trading centers get clean water		0.5
20	Grow the Tourism sector		0.75
21	The youth		0.25
22	Raise more taxes without increase in tax rates		0
23	Resolve the issue of building a packaging industry		0

*Note: A score card that tracks the progress of implementation of the commitments with a performance rating system has five categories, namely: (i) achieved (1.0); (ii) Partially achieved/ attempted (0.75); (iii) Average (0.5); (iv) Partially/Attempted (0.25) and (v) Not Achieved (0)*

## 6.0 Summary Challenges and emerging Issues

### 6.1 Challenges

476. **The existence of data gaps is the main challenge experienced in assessing progress of NDPIII implementation.** Majority of the Plan's indicators didn't have data at the time of the assessment. This is partly due to the covid-19 effects which affected the data generation processes. For instance, whereas, the Uganda Bureau of Statistics (UBOS) has undertaken a number of Panel surveys to provide annual performance data, these have fallen short of the NDPIII data needs, as most of the NDPIII indicators are hinged on the two (2) critical surveys which were not timely undertaken, these are Uganda National Household Survey (UNHS) and Uganda Demographic Household Survey (UDHS). The other challenges are: missing baseline information and targets; un-matched timing in the release of the data required to monitor NDP progress and lack of lack of Management Information Systems to inform performance assessment. It is therefore, recommended that mechanisms to provide administrative data at MDA & LG levels should be established to fill the data gap caused by the strict timelines for surveys and censuses.
477. **There is absence of a comprehensive mechanisms and systems to measure, monitor and track job creation as a key performance indicator of government.** It is reported that you cannot create what you do not know! In advanced economies, there are developed systems and mechanisms that enable the government to monitor and track job creation/job losses or destruction on a more regular basis, such as daily, weekly, monthly and quarterly. There is therefore need to design and implement a job monitoring and reporting framework/mechanism more regularly and the MoFPED, UBOS, NPA, MoGLSD and other relevant stakeholders should work out this modality.
478. **Inadequate MDA/LG information systems to generate data.** A few Ministries (Education – EMIS; Health – HMIS; Water and Sanitation – SIASAR<sup>8</sup>; and Justice, Law and Order - Case Management) have robust data systems. Ministry of Education and Sports EMIS has also been undergoing upgrade and hence off since FY2017/18. It is worse with Local Governments which only depend on the Programme Based System (PBS) for majorly reporting.
479. **Incentive framework for encouraging M&E practice within the public service remains weak.** M&E activities are taken as recurrent expenditure in the National Budget and these are always prone to budget cuts. There is therefore less funding for M&E activities and in particular, evaluations.
480. **Failure to undertake MTRs and evaluations at MDA and LG levels.** Due to resource constraints, a number of MDAs and LGs have since not undertaken evaluation of their

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<sup>8</sup> Rural Water and Sanitation Information System

respective development Plans. Those that have undertaken a Mid term review of their respective LGDPs has been through support of development Partners

481. **Lack of capacity for project implementation.** Majority of MDAs capacity in project preparation, design, implementation, monitoring of projects is inadequate. In addition, project implementation is affected by administrative issues like acquisition of land, compensations, staff recruitments, procurement issues, conflicts, Service delivery standards use, a very weak supervision function. Further, poor communication within implementing MDAs has greatly affected project implementation. The other challenges include: inadequate data/information to assess the progress and guide implementation and Non-adherence to the program life-cycle management is a major impediment.
482. **Poor programme coordination and implementation mechanisms.** Whereas OPM disseminated the implementation framework, it was not understood and implemented. Also, there is confusion over Program Secretariats as they 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. Remains an issue of constant debate. The budgets and funds are still at Vote level and not programme level undermining the PBA
483. **The PDM structures are not linked to existing NDP 3 Structures.** Whereas the PDM guidelines define comprehensive structures for implementing the model, such as the Parish Development Committee, the National PDM Secretariat and the Inter-ministerial structures, these are not aligned to the NDPIII. In addition, there is poor communication of the different coordination and M&E systems of the PDM leading to contradicting approaches to implementation.

## 6.2 Summary emerging issues

### 484. The following are the key emerging issues arising from the MTR

1. **Limited learning and use of M&E results.** Over the past decades, Government of Uganda has made improvements in public sector performance measurement and financial management, strengthening the basis for scrutiny and oversight of the public funds in improving service delivery and governance. However, utilization of data and evidence to strengthen performance and accountability has been inadequate suggesting the need to enhance systems for evidence policy making. A number of reports including National Development Reports (NDR), MTR reports, Government Annual Performance Report (GAPR), MDA performance reports etc. Government' policy reform of the APEX platform was as a result of low utilization of M&E results. The APEX platform to be annually chaired by H.E the President is yet to sit as planned.
2. **Capacity to undertake M&E.** There is a mismatch between supervision and inspection as functions of M&E across government. Also, there are no dedicated trained M&E experts in most MDAs to undertake M&E functions
3. **Inadequate prioritization and funding for the M&E function.** Resource usually voted for M&E activities suffer budget cuts and are inadequate to support M&E activities whose data is critical to inform planning and budgeting processes.



4. There is a disconnect between MOFPED, OPM and Program working groups, thereby affecting the coordination that should happen to create synergies.
5. OPM should actively participate in the budgeting, planning, monitoring and reporting at the program working group level.
6. The respective institutions should be equipped with the requisite capacity and resources to effectively coordinate government implementation.
7. Enhance the Government Annual Performance Reviews to include expenditure reviews to inform expenditure ceilings for programmes.
8. Development Plan Implementation should work closely with OPM to effectively carry out the coordination. It is distant and not complimentary to OPM.

## 7.0 CONCLUSIONS AND RECOMMENDATIONS

### 7.1 Conclusion

485. The NDPIII adopted a theory of change that is transformational and cascades results to realise the National Vision aspirations. The theory of change is therefore relevant with full implementation of the planned interventions.

### 7.2 Recommendations

1. **Review the PFMA, 2015 to foster alignment of the budget to the National Development Plan.** Review the Law (PFMA, 2015) to ensure that the compliance corticated is undertaken on the current Budget. The certificate of Compliance issued by National Planning Authority has no rewards and sanctions and therefore, the business as usual performance continues. There is therefore need to come up with measures that are binding for areas that are faulted.
2. **Performance contracts should be hinged on the NDPIII results.** To ensure that plans are implemented, performance agreements should be derived from the corresponding results.
3. **Design and implement a job monitoring and reporting framework/mechanism for Uganda.** Government, through MoFPED, UBOS, NPA, and MoGLSD with relevant stakeholders, should study and work out the appropriate system for frequent monitoring and reporting on job creation.
4. **Build MDA and LG capacity in M&E.** Monitoring performance concerns the performance accountability system covering the monitoring framework of the NDPIII, results framework, PIAPs, MDA Strategic Plans and LGDPs which includes indicators and targets. These have since been inconsistent and not uniform at all levels. A manual providing detailed levels of performance should therefore be developed.
5. **Increase resource allocation to the M&E function.** Monitoring and Evaluation activities are taken as recurrent and are prone to budget cuts. This has therefore, reduced utilization of evidenced based policies and programmes.
6. **Provide operational guidelines on new reforms such as APEX, OPM Delivery unit, PDM introduced from inception.** The new reforms when implemented divert from the original concept and generate their own focus areas.
7. **Local Governments should start developing annual performance reports.** LGs have scattered information on their performance and in particular performance on projects in their respective areas of jurisdiction. There's need to have annual performance reports to be able to take stock of any emerging issues. The LGs' information is provided in the Local Government Plans (LGDPs) which is one in 5 years.
8. **Align the timelines for data collection period by Uganda Bureau of Statistics (UBOS) and the planning horizon.** Key of the outcome level results have no data as a result of a mismatch between the time of the NDP Midterm review and the surveys undertaken by UBOS. This has limited reporting on some critical indicators. For instance, proportion of the population under subsistence agriculture is critical for assessing the progress on Parish Development Model (PDM) and this takes about 3 years to collect. There is therefore need to revise the data collection period to be able to inform the planning process.

9. **Identify and incorporate NDPIII programme level results in the statistical surveys undertaken by the Uganda Bureau of Statistics and thereafter provide statistics consistently.** In particular, those beyond implementing MDA mandates.
10. **Establish mechanisms to generate administrative data as well as leveraging digital innovations** such as tablets to facilitate timely collection and submission of data at a minimal cost. This will require the UBOS in conjunction with the relevant MDAs, Local Governments and academia working out a framework that standardizes the data from different administrative units through statistical rules, regulations and instrument
11. Establish statistical units in charge of data across MDAs and recruit the respective data officers.
12. Harmonize the coordination and M&E Structures with existing mechanisms
13. 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.
14. Staff of the Delivery Unit and SDG Coordination Unit with requisite public sector experience should be seconded in the interim to support the coordination of the Programmes at OPM. This is based on the finding that OPM's Delivery Unit and SDG Unit **perform similar but fragmented roles** with the Departments of Coordination and M&E in the OPM aimed at enabling implementation coordination and M&E of the Plan. This will go a long way in helping close the staffing gaps at OPM.
15. As guided by H.E, the livelihood and special programmes under the OPM should concentrate on:
  - a. Mobilising citizens to implement government programmes
  - b. Act as think tanks for development in those special programmes
  - c. Supervise government programmes
16. OPM should undertake expenditure reviews for all programmes prior to the preparation of the National Annual Performance Report
17. The Prime Minister should operationalie the NDPIII Cluster and programme leaders to steer the programme implementation of the NDPIII. There are five clusters structured along the five (5) NDP3 Objectives and OPM has five Ministers to oversee each cluster of programmes.

## **8.0 REVISED RESULTS FRAMEWORK**

### **8.1 Introduction**

486. The economic shocks to the economy including COVID19, drought, locusts, floods among others are key drivers for the low revenue in the country. This therefore, required that government reprioritizes the interventions, projects and actions in the NDPIII through this Mid-term Review. The scaling down of interventions also means re-adjusting the targets. The MTR therefore, has revised the Results and Reporting Framework along the indicators and targets to much the reprioritized budget/costs.

### **8.2 Key assumptions informing the results**

487. The following are the key assumptions

- Graduation to middle income results are informed by the macro and population projections
- Results driven by Private sector interventions have been maintained
- Results have been driven by areas of resource allocation / prioritization. Scaling down on investment implies scaling down on the anticipated results.
- Less tempering with outcome levels since there is always minimal change
- The targets are also cognizant of the new government reforms such as Parish Development Model (PDM) and engineering of business processes (merging of entities).

### **8.3 Revised results framework**

488. This MTR finds the theory of change relevant and therefore the structure of the Results and reporting framework has been maintained. However, cognizant of the reprioritization process, a new results framework for the remaining two years (FY2023/24 and FY2024/25) have been generated (Annex 1).

## Level 1: NDPIII Results Framework for the Goal and Objective Level Indicators

No.	Category	Key Result Areas (KRA)	Indicators	NDPIII Targets										
				Baseline	NDPIII Targets						Adjusted			
				FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2023/24	FY2024/25			
1.	<b>Goal: Increased household incomes and improved Quality of life</b>	Household incomes	Income per Capita (USD)	864	936	991	1,049	1,116	1,198	1,134.61	1,171.75			
			Real GDP growth rate	6.2	4.51	5.99	6.38	7.00	7.20	5.01	5.37			
			Population below the poverty line (%)	21.4	25.39	21.4	20.55	19.57	18.47	20.2	20.0			
			Population below international poverty line (\$1.9 per day)	41.7	49.47	30.71	33.68	32.10	31.00	41.4	41.0			
			Income Inequality (Gini coefficient)	0.42	0.49	0.43	0.42	0.38	0.37	0.38	0.37			
			Gender Inequality Index (GII)	0.523	0.520	0.515	0.510	0.505	0.50	0.505	0.50			
			Share of working population (%)	79.0	80.6	82.2	83.8	85.5	87.2	80.2	83.5			
			Share of national labor force employed less subsistence (%)	47.5	48.5	49.4	50.4	51.4	52.4	49.8	51.2			
		Quality of life	Human Development Index Score	0.52	0.56	0.58	0.60	0.62	0.64	0.523	0.524			
			Population growth rate (%)	3.0	3.0	3.0	2.8	2.7	2.5	2.7	3.1			
			Homicide rate per 100,000 people	11	10.54	10.08	9.62	9.16	8.7	10.45	10.01			
			1.	<b>Objective 1: Enhance value addition in Key Growth Opportunities</b>	Agro and Mineral based industrialization	Average monthly nominal household Income (Ugx)	416,000	401,667	482,297	548,408	587,840	632,044	436,681	474,033
						Sectoral contribution to GDP (%)	Agriculture	22.9	21.22	20.88	20.54	20.22	19.89	23.94
Industry	26.5	27.55					27.81	28.05	28.31	28.56	27.62	27.5		
Services	43.4	44.18					45.07	45.97	46.89	47.8	48.4	48.6		
Manufactured exports as a % of total exports	12.3	13.53				14.88	16.37	18.01	19.81	16.01	17.61			
High technology exports (% of manufactured exports) <sup>9</sup>	3.54	3.89				4.28	4.71	5.18	5.70	3.15	3.99			
Share of intermediate goods (inputs) in total imports (%)	18.6	22.14				22.97	23.8	24.6	25.5	24.6	25.5			
8.	Tourism	Foreign exchange earnings from Tourism (USD billion)				1.45	1.5840	1.631	1.689	1.774	1.862	1.584	1.78	
		Share of Tourism to GDP (%)				7.3	7.8	7.9	8.0	8.1	8.5	3.84	4.8	
10.	ICT	Contribution of ICT to GDP				2.0	2.67	2.89	3.13	3.40	3.69	10.8	11.8	
11.	Land	Percentage of titled land				21	24	29	32	35	40	27.6	29.9	
12.	<b>Objective 2: Strengthen Private sector growth</b>	Private sector growth	Saving as a % of GDP	16	16.35	16.79	17.36	18.57	19.91	19.6	19.8			
			Foreign Direct Investment (% of	2.96	3.069	3.176	3.388	3.63	4.15	2.5	3.0			

<sup>9</sup> High-technology exports are products with high R&D intensity, such as in aerospace, computers, pharmaceuticals, scientific instruments, and electrical machinery.

No.	Category	Key Result Areas (KRA)	Indicators	Baseline	NDPIII Targets					Adjusted			
					FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2023/24	FY2024/25	
	private sector capacity to drive growth and create jobs		GDP)										
14.			Gross Capital Formation as % of GDP	24.2	26.44	26.76	27.08	27.41	27.7	26.9	35.8		
15.			Private sector credit	Annual % change	11.2	8.4	12.9	13.5	16.0	17.4	9.4	10.2	
16.				% of GDP	11.7	10.9	10.5	10.7	10.8	11.2	16.7	17.5	
17.			Exports as % of GDP	Merchandise	12.7	14.33	14.83	15.35	15.89	16.45	13.3	14.52	
18.				Goods & services	26.24	28.67	29.53	30.41	31.3	32.26	18.4	20.0	
19.			Youth unemployment rate (%)		13.3	12.2	11.6	11.0	10.5	9.7	11.4	10.4	
20.			Net annual no. of jobs created		424,125	412,588	477,262	514,939	563,225	594,192	521,684	456,344	
21.			Objective 3: Consolidate & increase stock and quality of Productive Infrastructure	Energy	Energy generation capacity (MW)	984	1,884	1,990.4	2,493.6	2,996.8	3,500	2,997	3,500
22.					Households with access to electricity, %	21	40	45	50	55	60	25.3	27.6
23.	Cost of electricity (USD)	Residential			23	19.4	15.8	12.2	8.6	5	8.6	5	
24.		Industrial (large)			9.8	8	7	6.7	5.5	5	5.5	5	
25.		Industrial (Extra-large)			8	7	6.5	6.3	5.0	5	5	5	
26.		Commercial			17	14.6	12.2	9.8	7.4	5	7.4	5	
27.	Road	% of paved roads to total national road network			21.1	27	30	32	34	36 (7500)	33.3	35	
28.		Travel time within GKMA (min/km)			4.14	3.98	3.86	3.74	3.62	3.5	3.62	3.5	
29.		Freight transportation costs (per ton per km) from coast to Kampala - USD			0.77	0.034	0.702	0.668	0.634	0.60	1.69	1.50	
30.		%age of District roads in Fair to good condition			61	64.8	68.6	72.4	76.2	80	75	79	
31.	Railway	Proportion of freight cargo by rail (%)	3.5	7.8	11.2	14	16.2	25	4.1	4.8			
32.	Travel Time on Railway network (No of Days)	Mombasa Kampala	19	17	15	13	13	13.5	12	10			
33.		Mwanza -Dar-Kampala	20	20	19	17	15	15	15	15			
34.	Air	Volume of international air passenger traffic (Mn)	1,700	1,763	1,939	2,133	2,347	2,581	0.6	0.9			
35.		Volume of domestic air passenger traffic	22,301	28,152	30,967	34,064	37,470	41,217	37,470	41,217			
36.	Freight Cargo Traffic (tones)	Exported	39,594	42,166	44,274	53,129	63,755	76,506	63,755	76,506			
37.		Imported	22,499	21,204	22,264	23,377	25,715	28,286	25,715	28,286			
38.	Water transport	Freight Traffic on Lake Victoria (tons)	45,338	42,723	46,996	70,494	84,592	94,321	84,592	94,321			
39.	ICT	Proportion of area covered by broad band services	41	50.8	60.6	70.4	80.2	90	80.2	90			

No.	Category	Key Result Areas (KRA)	Indicators	Baseline		NDPIII Targets					Adjusted		
				FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2023/24	FY2024/25		
40.			Internet penetration rate (internet users per 100 people)	25	30	35	43	46	50	46	50		
41.			Unit cost of internet (USD)	237	210.6	177.2	143.8	110.4	70	110.4	70		
42.		Water for production	Water usage (m <sup>3</sup> per capita)	30.27	41.82	42.9	44.28	51.06	59.1	51.06	59.1		
43.			Cumulative WfP Storage capacity (million m <sup>3</sup> )	39.32	54.32	55.72	57.52	66.32	76.82	66.32	76.82		
44.	<b>Objective 4: Enhance productivity and wellbeing of Population</b>	Labour productivity & Employment	Labor	2,212	2,527	2,656	2,757	2,919	3,114	2,919	3,114		
45.			productivity	Agriculture	7,281	8,162	8,446	8,622	8,971	9,413	8,971	9,413	
46.			& Employment	(GDP per worker - USD)	3,654	3,925	4,063	4,135	4,276	4,456	4,276	4,456	
47.				Labour Force Participation Rate (LFPR)	52.3	56	59.9	64.1	68.6	73.4	55.9	58.8	
48.				Employment Population Ratio	47.5	51.3	55.4	59.8	64.6	69.8	52.5	55.7	
49.			Health	Life expectancy at birth (years)	63.3	64.6	66.0	67.02	68.7	70	68.7	70	
50.				Infant Mortality Rate/1000	43	41.2	39.4	37.6	35.8	34	35.8	34	
51.				Maternal Mortality Ratio/100,000	336	311	286	261	236	211	236	211	
52.				Neonatal Mortality Rate (per 1,000)	27	24	22	21	20	19	20	19	
53.				Total Fertility Rate	5.4	5.0	4.9	4.8	4.6	4.5	4.6	4.5	
54.				U5 Mortality Ratio/1000	64	42	39	35	33	30	33	30	
55.			Education	Primary to secondary school transition rate	61	65	68	71	74	79	74	79	
56.				Survival rates, %	Primary	38	40	41	45	50	50	41.04	44.46
57.					Secondary	77	79	82	86	90	90	82.5	86.25
58.				Ratio of STEI/ STEM graduates to Humanities	2:5	2:5	3:5	3:5	3:5	3:5	3:5	3:5	
59.				Quality adjusted years of schooling	4.5	4.6	5.0	5.3	6.0	7.0	6.0	7.0	
60.		Proportion of primary schools attaining the BRMS <sup>10</sup> , %		50	54	58	62	66	70	66	70		
61.		Literacy rate		73.5	74.1	75.3	76.9	78.4	80.0	77.2	78.6		
62.		Proportion of the population participating in sports and physical exercises		40.9	43	45.1	50	55	60.9	55	60.9		
63.		Employers satisfied with the TVET training (%)	40	44	48.4	52.6	58	65	58	65			
64.		Energy	Electricity consumption per capita (Kwh)	100	150	200	300	400	578	400	578		
65.			Forest cover (% of total land area)	12.4	12.5	12.8	13.1	14.1	15	14.1	15		
66.		Water and	Wetland cover (%)	8.9	9.08	9.20	9.32	9.45	9.57	9.45	9.57		

<sup>10</sup> Basic Requirements and Minimum Standards (BRMS)

No.	Category	Key Result Areas (KRA)	Indicators	Baseline	NDPIII Targets						Adjusted	
				FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2023/24	FY2024/25	
67.		Environment	Safe water coverage (%)	Rural	73	75.4	77.8	80.3	82.6	85	75.9	82.8
	Urban			74	79.2	84.4	89.6	94.8	100	87.0	94.9	
68.			Sanitation coverage (Improved toilet)	19	23	28	32	37	45	47.1	49.22	
69.			Hygiene (Hand washing)	34	36	38	42	46	50	46	50	
70.			Social Protection Coverage (%)	Proportion of population accessing social insurance, %	5.0	7.5	10.0	12.5	15.0	20	15.0	20
71.		Health insurance		2	7.5	10	15	20	25	20	25	
72.		% population receiving direct income support		0.5	0.7	2.5	3.0	6.5	8.0	6.5	8.0	
73.		Proportion of eligible population with access to social care services, %		N/A	5.0	7.5	10.0	12.5	15.0	12.5	15.0	
74.			Extent of hunger in the population (%)	40	36	32	28	24	20	24	20	
75.			Stunted children U5 (%)	29	27	25	23	21	19	21	19	
76.	<b>Objective 5: Strengthen the role of the State in guiding and facilitating development</b>		Tax Revenue to GDP ratio (%)	12.58	11.96	12.28	12.68	13.23	13.72	15.3	15.78	
77.			Public resources allocated to Local Government (%)	12.25	18.38	22.05	24.26	29.11	30	29.11	30	
78.			Cost of electricity for all processing and manufacturing enterprises (USD cents)	8	7	5	5	5	5	5	5	