# Final Evaluation of the First National Development Plan (NDP I) (2010/2011 - 2014/2015)

# Policy and Strategic Direction Thematic Report (Draft)

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Prepared by

In Association with

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TABLE OF CONTENTS

## List of Tables

## Acronyms

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

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## Executive Summary

**The Government of Uganda, through the National Planning Authority, has commissioned a final evaluation of its National Development Plan I 2010/11-2014/15 (NDPI).** The final evaluation considers the entire period of NDPI and build on the mid-term review conducted in 2013. The final evaluation, conducted by a team of independent consultants, is comprised of six thematic reports: Economic Management, Institutional Framework, Development Partnerships, Political Economy, Results Framework and Policy and Strategic Direction. This is the Policy and Strategic Thematic Report.

**The objective of this report is to present an assessment on performance of NDPI's policy and strategic direction.** In line with OECD-DAC evaluation criteria, four areas of enquiry have been considered in this report: *relevance* of NDPI's theory of change; *efficiency* of government policies, plans and strategies in relation to NDPI; *effectiveness* of government policy in achieving NDPI objectives; and the *impact and sustainability* of NDPI interventions for achievement of Vision 2040.

### Relevance

**Whilst NDPI marked a positive step-change in development planning in Uganda, the theory of change presented was fragmented.** NDPI's goal(s) were not clearly defined or SMART, and the logical linkage between different levels of the theory of change whilst there, was not easy to follow. It should however be noted that NDPI was successful in presenting a good analysis of the context, binding constraints to development and ensuring that the eight objectives were relevant. To further enhance the coherence and relevance of the theory of change, the Government could have considered clearly articulating the evidence behind the logic (i.e. why should it hold true?), and clearly documenting the causal framework to aid buy-in with stakeholders.

**NDPI provides objectives, strategies and interventions for each sector. The information provided is detailed and relevant, providing guidance to civil servants on the types of policies and interventions that should be in place, or developed.** NDPI supported strategy and policy development but also contained technical details, which could have been left for the sector and MDA plans. Unless the mechanisms supporting NDPI were in place to hold actors accountable to the interventions, there is questionable merit of including them in a National level plan. Moreover, including detailed policies and sector strategies was arguably at the expense of NDPI playing an important role in providing clarity on the prioritisation and sequencing of investment decisions needed at a National Level.

**NDPI alone did not provide policy and strategic direction advice to the MDAs/sectors/local government. Guidance came from a range of sources including budget allocations, regional and international commitments, Cabinet and stakeholders' behaviour e.g. private sector, development partners.** Should the Government of Uganda continue to use National Development Plans to provide guidance to government and non-government entities on Uganda's development path, there is a need to take-stock, and understand how much influence any NDP can and should have on policy-making and implementation.

**Efficiency**

**Monetary policy over the duration of NDPI helped contain inflation but kept the cost of borrowing high. Fiscal policy over the duration of NDPI was expansionary: nominal government expenditure increased on average 18% per year over the period.** The use of monetary and fiscal policy throughout the NDPI period allowed the Government to support macroeconomic stability, however it also increased the cost of borrowing and was at odds with some goals espoused in NDPI e.g. support private-sector led growth. No significant changes to monetary and fiscal policy took place after the mid-term review of NDPI in 2013. In future NDPs, it is recommended that the Government considers how it can act on and change the course of the plan after the mid-term review, and that it ensures that wider, macro-economic policies are supportive to the goals and strategies outlined in the Plan.

**The Government undertook several measures to enhance the competitiveness and positioning of Uganda to benefit from regional integration. However, despite implementation of several initiatives, competitiveness, as defined by the World Economic Forum, fell across the NDPI period.** The problems impeding competitiveness are complex and varied but did not change significantly over the NDPI period. The top five problems recorded by respondents in the World Economic Forum Index were: access to finance, corruption, inadequate supply of infrastructure, tax rates and inflation. Addressing these top five problems impacting on Uganda's competitiveness should be the focus of support under NDPII and NDPIII, with appropriate strategies devised and implemented.

**Over the NDPI period, Uganda continued to commit itself to several regional and international agreements and treaties, some of which were inconsistent with the policy and strategic direction espoused in NDPI.** For example, the Maputo Declaration (2003) requires signatories to allocate 10% of the national budget on agriculture; the Abuja Declaration (2001) pledges to allocate at least 15% of the national budget to health. These commitments are not in line with the MTEF outlined in NDPI. Moving forward, it is recommended that when developing future development plans that the Government conducts rigorous analysis on regional and international treaties and agreements signed by Uganda, and their implications for national-level planning and budgeting.

**The productivity of Government declined over 2010-2014, the control of corruption decreased, and public sector performance fell (measured through % of budget released, budget outturn). This assertion has been made through the assessment of 12 different metrics.** There were, however, some initiatives introduced during the NDPI period which may deliver results in NDPII. In the remaining years of NDPII and in formulating NDPIII there is a need to ensure that sufficient focus and resources are allocated to support reforms to improve the productivity, transparency and efficiency of Government. Key reforms may include public sector rationalisation, procurement reform, anti-corruption measures and public investment management improvements.

**Effectiveness**

**The Government implemented several policies during the NDPI period with the objectives of stimulating value addition and increasing export earnings e.g. BUBU 2014, measures to transform the primary growth sectors and fast track skills development. However, progress against NDPI targets in each of these areas was less than satisfactory.** Positive developments did however occur in ensuring that growth and poverty reduction policies were reconciled - GDP per capita increased by over 28% in the NDPI period, social protection schemes were developed, and the private sector grew in certain sectors e.g. telecommunications and education.

**From a policy and strategic direction perspective, weaker than expected performance was the result of slow or ineffective policy implementation** (in turn the result of insufficient funding, leadership, buy-in, capacity, underutilised acquired capacity, policy gaps/inconsistencies, and/or poor performance management), and persistent weaknesses in the efficiency and effectiveness of Government. Moving forward, it is recommendation that the Government continues to invest significant focus and resources into addressing policy implementation weaknesses. Conducing 'deep-dive' or focused assessments into policy implementation challenges in each sector and developing appropriate strategies would help improve the ability to achieve targets set out in any NDP.

**Impact and sustainability**

**NDPI supported the development of several plans and policies across Government. However, some key plans and policies to support delivery of NDPI were not developed e.g. industrialisation policy, anti-corruption.** Moreover, during discussion with stakeholders some noted that *their* policies and strategies informed development of NDPI; NDPI did not inform their priorities. Moving forward, it is recommended that the Government continues to maintain and actively manage a policy inventory to ensure that supporting policies and plans, required to support delivery of any NDP, are developed and/or amended. It is also recommended that the funding required to deliver the policies and plans is actively monitored. Government may not be able to afford all policies and strategies espoused in NDPI and therefore prioritisation of scarce resources will be necessary.

**Several policy changes needed to be made to increase the likelihood of delivering NDPI targets**. This assertion is made on the basis that some sector and national policies were not aligned and/or drafted and implemented to support NDPI, and that the alignment of financial resources to NDPI was less than perfect. Moreover, not all NDPI targets were achieved. Key policy changes required included: a clear enforceable strategy to address the binding constraints to development; an effective policy to engage meaningfully with the private sector, civil society and development partners; an improved budget strategy and MTEF; improved implementation strategy; improved regional and local development planning and fiscal decentralisation; and a comprehensive industrialisation strategy. In the remaining years of NDPII and in future plans (e.g. NDPIII), it is advised that Government considers how key policy changes needed to increase the likelihood of delivering NDPI targets could be resolved.

**Overall, the understanding and buy-in to NDPI by stakeholders appears to have been mixed.** Discussions with stakeholders during this evaluation revealed that some stakeholders e.g. NGOs were encouraged to provide their views at the start of the process but as the design, formulation and implementation took place the quality and level of consultation diminished. Most stakeholders (Government, NGOs, private sector) when asked about NDPI, referred to the ‘egg-analogy’ which appears to have stuck in people’s minds. However, beyond the ‘egg-analogy’, many struggled to articulate the broad policy and strategic directions that NDPI espouses. This evaluation also posits that there was limited buy-in from development partners to NDPI at the beginning of the Plan. This did however improve over time with development of the Uganda Partnership Policy (2010/11-2014/15) and Framework for the Partnership Dialogue (taking effect as of December 2014). To improve buy-in and support to future development plans, it is recommended that the Government considers strengthening the co-ordination of development partners, enhances the involvement of development partners in preparing NDPIII, and ensures that partnership dialogue is inclusive and result-orientated. Alignment of development assistance to national priorities could also be strengthened through structured consultation with development partners on priorities, aligned to the country’s budget calendar. To enhance the level of commitment and buy-in to the plan from Government stakeholders it is recommended that the Government develops a coherent and actionable communication plan and ensures that it carries out a series of small meetings with agencies, in addition to larger forums. Focused, meaningful discussions should also ideally be more frequent with civil society and the private sector.

# 1.0 Introduction

1. **The Government of Uganda, through the National Planning Authority, has commissioned a final evaluation of its National Development Plan I 2010/11-2014/15 (NDPI).** The final evaluation considers the entire period of NDPI and builds on the mid-term review conducted in 2013. The final evaluation, conducted by a team of independent consultants, is comprised of six thematic reports: Economic Management, Institutional Framework, Development Partnerships, Political Economy, Results Framework and Policy and Strategic Direction. This is the Policy and Strategic Thematic Report.

2. **In line with OECD-DAC evaluation criteria, the objective of this report is to present an assessment on the relevance, efficiency, effectiveness and impact of NDPI's policy and strategic direction.** Policy and strategic direction are defined as the guidance given to the country on its development path. Effective implementation of guidance given in NDPI, by Government, citizens, private sector, academia and development partners, is assumed to support Uganda achieve its Vision 2040 goal of having a "transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years". This final evaluation provides the Government with an assessment on how effective the policy and strategic direction of NDPI was in achieving its goal(s).

3. **This report is structured into three parts**. Part one presents a background to the topic and the methodology used to collect and analyse information. Part two presents key findings. Part three provides conclusions and recommendations. The report was produced by two consultants from October 2018-January 2019. This report is extremely timely, as the Government of Uganda has started the design of its third five-year National Development Plan. This document will hopefully inform and guide this initiative.

## 1.1 Methodology

4. For this report, the consultants requested and analysed several documents from Government and development partners (Annex 1). In addition, semi-structured interviews were held with Government staff and other stakeholders who were involved in the delivery of NDP1 (Annex 2). Semi-structured interviews and document analysis were framed around four areas of enquiry in line with OECD-DAC evaluation criteria:

- Relevance of NDPI's theory of change;
- Efficiency of government policies, plans and strategies in relation to NDPI;
- Effectiveness of government policy in achieving NDPI objectives;
- Impact and sustainability of NDPI interventions for achievement of Vision 2040.

5. These four areas include the guiding questions for this thematic report set-out in the terms of reference of the assignment and Inception Report. Where appropriate, the guiding questions are signposted with the initials "PS" and associated question number e.g. PS5. Further details on the areas of enquiry, and their linkage to the guiding questions, are contained in Annex 3.

## 1.2 Background

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

### National Development Plan I (2010/11-2014/15)

7. **In line with Uganda's Comprehensive National Development Planning Framework (CNDPF), the NDPI was the first in a series of six five-year plans, aimed at achieving the Uganda Vision 2040.** NDPI was developed by the National Planning Authority with the objective of setting the country's medium-term strategic direction, development priorities and implementation strategies for a five-year planning horizon between FY 2010/11 and 2014/15.

8. **From a policy and strategic direction perspective, NDPI's goal was to accelerate socio-economic transformation**, evidenced by increased employment, higher per capita income, improved labour force distribution, improved human development and gender equality, and an improvement in the country's competitiveness. It marked a significant departure to the Poverty Eradication Action Plan (PEAP) that preceded it and focused on three fundamentals: creation of jobs, sustaining economic growth and putting Uganda on a trajectory of development as opposed to a focus on reducing poverty. According to NDPI, the main sources of economic growth were to come from eight growth sectors, namely:

agriculture, forestry, tourism, mining, oil and gas, manufacturing, information and communication technology and housing development. The plan also identified several constraints which stood in the way of accelerated economic development and improvements required to remove/reduce the obstacles. Further details on the theory of change are contained in Chapter 2.1.

9. **Within the NDPI implementation framework, a mid-term review (MTR) was commissioned by the National Planning Authority and finalised in March 2013.** The MTR assessed the progress made towards the achievement of NDPI objectives, results and other milestones and analysed the challenges encountered during the first two and a half years of implementation. Recommendations were made on corrective measures needed to enhance NDP implementation over the remaining period. A summary of the key findings and recommendations from the Policy and Strategic Direction MTR are provided in Table 1.

**Table 1: Mid-term review of NDPI, 2013**

| **Key findings and recommendations from the mid-term review of NDPI** |
|---|
| 1. The foundational thinking behind the NDP is valid and there is a well-established strategic map (pvii); |
| 2. Except for the core projects, the NDP does not provide enough sense of prioritisation and sequencing of development initiatives. Some core projects require the removal of binding constraints (pvii); |
| 3. From a macro-economic perspective, there had been good progress in maintaining macroeconomic stability, however progress was slow in expanding the tax base and streamlining tax exemptions (pviii); |
| 4. There is a need to invest more in growth sectors; |
| 5. The NDP “egg concept” has not been consistently followed, evidenced by a lack of prioritisation of policy actions to support transformation of the primary growth sectors (pviii); |
| 6. There is a growing common understanding of the NDP and the broad policy and strategic direction it espouses. There is a need to intensify the buy-in for conscious implementation of the NDP (pix); |
| 7. The policy and strategic direction of the NDP is relevant but needs more focus (pix); and |
| 8. Moving forward, the NDP should focus on (pix):<br>o Strengthening the private sector with strong local participation in the quasi-market approach;<br>o Monetary policy that supports growth;<br>o Fiscal expansion for public investment for infrastructure;<br>o Value addition for increased export earnings and employment;<br>o Inclusive growth;<br>o Wealth creation through support for transformation of the primary growth sectors;<br>o Fast tracking skills development through reforms in education and training curricular;<br>o Enhancing competitiveness and positioning Uganda to benefit from regional integration; and<br>o Enhancing pursuance of democratic governance, rule of law, and peace and security. |

9. The generation of policy and strategic direction for the country is fragmented and lacks a framework for co-ordination and setting up national cross-cutting policies and strategies (p58);
10. The policy and strategic direction should continue to pursue a quasi-market approach which includes a mix of government investments in strategic areas and private sector market driven actions (p58);
11. The NDP alone is inadequate to provide the policy and strategic direction to MDAs/sectors. There is a need to review the NPA Act and integrate and institutionalise the development policy agenda (p61); and
12. The MTR has established that there are inadequacies in policy, legal and regulatory frameworks (p62).

*Source: Mid-term review of NDPI, 2013*

### Key stakeholders

10. **Several stakeholders were involved in shaping and delivering the policy and strategic direction of NDPI.** Key institutions included the Office of the President, Cabinet, Office of the Prime Minister, National Planning Authority (NPA), Ministry of Finance, Planning and Economic Development (MoFPED), sector Ministries, Departments and Authorities (MDAs) and local Governments. The Office of the President was, and is, tasked with overall leadership and oversight of the plan, the timely communication of cabinet decisions and quality assurance of policies presented to Cabinet. Cabinet, as the highest policy making organ of the Executive, is empowered by the Constitution to determine, formulate and implement the policy of the Government (Article 111(2)). Cabinet ultimately provided the policy and strategic direction for NDPI (in line with the NRM manifesto), approved the budget allocations and was in charge of championing implementation. The Office of Prime Minister was, and is, tasked with the role of tracking the implementation of priority projects and programmes and for public sector performance information and reports which inform good policy development. The NPA was the primary author of NDPI developing it, in part, through detailed analysis of other countries' development trajectory paths. MoFPED was, and is, responsible for resource mobilisation and allocation and for ensuring a direct linkage between planning and budgeting. Sector MDAs and local Governments both develop sector plans and policies and align their objectives to national level directives such as NDPI.

### Overarching structures informing NDPI's strategic direction

11. NDPI's strategic direction was set within the overall policy and legal frameworks of Government. In evaluating the efficiency, effectiveness and impact of NDPI it is important to keep this in mind as implementation of NPDI did not take in a vacuum. It was to take place in the context of wider, governing documents. Key documents, which both informed and guided NDPI included:

- The Constitution of the Republic of Uganda, 1995 (amended 2006);
- Vision 2040, adopted by Government in April 2013;
- Vision 2040 spatial framework, 2014;
- Comprehensive National Development Planning Framework, 2007;
- National Resistance Movement (NRM) Political Manifesto;
- National Planning Act, 2002;
- Millennium Development Goals;
- International and regional treaties e.g. African Charter on Human and Peoples' Rights, International Convention for the Rights of the Child; and
- Regional initiatives such as the East African Community, COMESA, IGAD and New Partnerships for Africa's Development (NEPAD).

## 2.0 Findings

12. This chapter is structured into four parts, reflecting the areas of enquiry outlined in the methodology. Each part describes the situation in relation to the relevance of NDPI's theory of change and the efficiency, effectiveness and impact of NDPI interventions. Conclusions on areas which could have been strengthened, and considerations for NDPII and NDPIII, are drawn out in the subsequent chapter.

### 2.1 Relevance of NDPI's theory of change

13. A theory of change (ToC) is a causal framework which explains how and why a change process can happen in a particular context. It should be coherent, plausible, feasible and testable. This section assesses: whether there was a valid theory of change behind NDPI that informed its logic, and underpinned a coherent, appropriate and credible strategy map (PS2), and if NDPI was developed with a clear understanding of the necessary phasing and sequencing of implementation (PS4).

14. In the context of NDPI, the theory of change should have indicated how changes in the economy, society and environment will contribute to Uganda's objective of becoming a transformed country within 30 years. It should have also underpinned and guided supporting strategy and policy development across Government. Ultimately it should have been *relevant* to the context. There are several ways to develop theories of change, however five steps are typically followed. These are:

    1. Define the desired long-term state (goal);
    2. Define what has to change for the long-term goal to happen (outcomes);
    3. Determine interventions which will lead to the relevant outcome (inputs and outputs);
    4. Articulate what assumptions are in place for the theory to hold true; and
    5. Develop indicators which will assist in monitoring the theory's validity and success.

15. Using this framework, of how theories of change should look, it is possible to analyse if NDPI had a coherent, plausible, feasible and testable theory of change. NDPI's theory of

change, and an assessment of each step of the causal framework, is presented in Table 2 overleaf.

16. **Overall, whilst NDPI marked a positive step-change in development planning in Uganda, the theory of change presented in NDPI is fragmented.** Improvements in the coherence of the theory of change, and development path for Uganda, have subsequently been made in NDPII. NDPI's goal(s) were not clearly defined, and the logical linkage between different levels of the theory of change whilst there, was not easy to follow. A reader of the Plan must work quite hard to understand how interventions may bring about the desired change. It should however be noted that NDPI was successful in presenting a good analysis of the context, binding constraints to development and ensuring that the eight objectives are relevant. The theory of change was developed from looking at different countries' development trajectory and learning from previous planning experiences e.g. SAP in the 1980s, ERP of 1987 and the poverty eradication action plan (PEAP), 1997-2008. To further enhance the coherence of the theory of change, the Government could have considered clearly articulating the evidence behind the logic (i.e. why should it hold true?), and clearly documenting the causal framework to aid buy-in with stakeholders.

17. **The logic behind NDPI is *not* clearly testable, but several targets with associated indicators of progress could be measured** This marks a positive development in Uganda's planning history. To strengthen the ability to test the theory of change, the Government of Uganda could have explicitly stated what the theory of change was, what assumptions were in place for each building block of the causal framework to hold true and could have tested and monitored assumptions throughout implementation. The monitoring framework could have also been expanded to ensure that *processes* e.g. quasi-market approach, engagement with civil society were also assessed and not just outputs of those processes.

18. **NDPI, in its "Sector situational analyses, objectives and interventions" (Part 3) provides objectives, strategies and interventions for each sector. The information provided is detailed, providing guidance to civil servants on the types of policies and interventions that should be place, or developed.** For instance, to reach the objective: "Develop and review the policy, legal and regulatory framework for the Tourism sector", NDPI posits that two strategies should be deployed (review tourism plans and policies,

update relevant legal and regulatory framework) and provides details of exactly what needs to be reviewed e.g. National Wildlife Act. NDPI supported strategy and policy development, but also contained technical details which could have been left for the sector and MDA plans. Unless the mechanisms of NDPI were in place to hold actors accountable to the interventions there is questionable merit of including them in the National level plan. Moreover, including detailed policies and sector strategies was arguably at the expense of NDPI playing an important role in providing clarity on the prioritisation and sequencing of investment decisions needed at a National Level.

19. There is relatively strong coherence between NDP1 and Vision 2040, despite Vision 2040 being finalised after NDPI. Several core projects included in NDPI for instance are in-line with the strategic direction espoused in Vision 2040. NDPI could however been strengthened by documenting a clear phasing and sequencing of implementation, and the interconnectedness of sectors.

**Table 2: NDPI's Theory of Change**

<table>
<tr><th>ToC Building Block</th><th>NDPI theory of change</th><th>Assessment</th></tr>
<tr><td>Vision/Goal: What is the desired long-term state?</td><td>Vision 2040: “A transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years”. Vision attributes include Uganda being Independent and sovereign, democratic and law abiding, stable and peaceful, knowledge based, using resources sustainability and in a strong East Africa.<br><br>The NDP1 ‘theme’ is: “Growth, employment and socio-economic transformation for prosperity”. Under this theme there are eight objectives:<br>1. Increasing household incomes and promoting equity;<br>2. Enhancing the availability and quality of gainful employment;<br>3. Improving stock and quality of economic infrastructure;<br>4. Increasing access to quality social services;<br>5. Promoting science, technology and ICT to enhance competitiveness;<br>6. Enhancing human capital development;<br>7. Strengthening good governance, defence and security; and<br>8. Promoting sustainable population and the use of the environment and natural resources.</td><td>The goal defined in NDPI is not SMART – <u>S</u>pecific, <u>M</u>easurable, <u>A</u>chievable, <u>R</u>esults-focused and <u>T</u>ime-bound. The theme is an overarching focus, there is no one clear goal/outcome at the end of the five years, and the eight objectives are broad in nature. To obtain the goal under each eight objective you have to delve into the detail contained in the Plan.<br><br>The plan could have been strengthened by clearly articulating what success would look like at the end of the Plan. Articulation of a clear goal (as espoused in NDPII) can help to aid ownership and buy-in by stakeholders to the Plan. It also helps with marketing and advocacy efforts.</td></tr>
<tr><td>Outcomes: What has to change to achieve the eight objectives of the plan?</td><td>To achieve the eight objectives, NDPI posits that the following must be in place/pursued:<br>• Address the 7 key binding constraints to development outlined in 2.2 (p27-33) through clear actions.<br>• Implement the plan in-line with key principles (ownership, political will, good governance, resource availability, balanced development, behaviour change, linkage with the national planning processes, sustainable and equitable development, effective implementation, monitoring and evaluation mechanism)<br>• Adopt a “quasi-market approach” – a mix of government investments in strategic areas and private sector market driven actions (136).<br>• Encourage a meaningful working relationship between the public and private sectors (137).<br>• Implementation of several reforms e.g. deregulation of cumbersome bureaucratic rules and procedures (138).</td><td>The logic proposed in NDPI is that by addressing the binding constraints, implementing the plan in line with key principles, adopting a quasi-market approach, implementing several key reforms and encouraging a meaningful working relationship between the public and private sectors will bring about the eight desired objectives. Whilst this may be plausible, the logic could have been strengthened to be more testable. For instance, what is the linkage between addressing binding constraint 5 (Gender issues, negative attitudes, mind-set, cultural practices and perceptions) between increasing household incomes and promoting equity? There is a linkage, but the reader must work quite hard to understand and draw this out.</td></tr>
</table>

| ToC Building Block | NDPI theory of change | Assessment |
|---|---|---|
| **Inputs and outputs:** What *interventions* will lead to the desired outcome? | • **Strategic actions** outlined in section 4.2 to unlock the binding constraints (139 – 147 and Annex 4).<br>• **Implement the objectives, strategies and interventions** outlined for each sector (primary growth, complementary, social services, enabling sectors)<br>• **Investment priorities**: oil and gas infrastructure (149), energy infrastructure (150), transportation network (151), ICT infrastructure (152), tourism, trade and agriculture infrastructure (153), health, education and skills development (154-157), regional science parks and technology centres (158), Tororo Phosphates Plan (159), increased access to water (160), improved meteorological services (162), iron ore industry (161).<br>• **15 national core projects.**.<br>• Implement a clear **macro-economic strategy** covering:<br>  ○ **Fiscal policy** - creation of fiscal space through curtailing recurrent spending in non-productive activities and duplicated roles and prudent fiscal management, balancing macroeconomic stability and growth with poverty reduction (169); strengthen domestic revenue mobilisation (raise revenue to GDP from 13% to 15%) through broadening the tax base and improving tax administration; increased public expenditure from 18% of GDP to 19.6% of GDP with a fiscal deficit of 5.5% of GDP on average per year.<br>  ○ **Monetary policy –** quantitative monetary targets to control inflation (178), and support to grow financial intermediation (private sector bank credit to grow from 12% of GDP to 17%) (178) and a flexible exchange rate policy (180)<br>• Implement a clear **financing strategy** including a focus on tax and non-tax revenue (increasing domestic revenue by 0.5% of GDP) (186-189), efficiency gains within government expenditure (190-191), public-private partnerships (192-193), grants and loans (194-195) and borrowing from the capital markets (196).<br>• **Ensure clarity on the roles** of the state, private sector, civil society and development partners.<br>• **Implement sectoral interventions** aligned to the objectives.<br>• **Monitoring and evaluation** of the implementation of the NDPI through clear development indicators and targets. | The logic proposed in NDPI is that by taking forward several interventions then positive outcomes will arise, leading to achievement of the eight objectives. The interventions are clear; the logic between inputs and outputs to outcomes could have been strengthened, and the logic between interventions could have been assessed. For instance, the 15 national core projects (addressing the binding constraints) are separate to the investment priorities. As a reader it is not clear which is more important 'core' projects or investment 'priorities'. Similarly, it is not clear which interventions will support implementation in line with the key principles e.g. behaviour change; nor how government will ensure clarity on roles and responsibilities.<br>**The logic could however be strengthened by explicitly stating how the interventions will help in the achievement of the objectives**. For instance, how will a quasi-market strategy enhance the availability and quality of gainful employment? Clearly, engaging with the private sector and understanding their needs would help in ensuring that skills development meets market needs but explicitly explaining the linkages – in clear, plain English – will strengthen the buy-in and understanding of the logic.<br>**The logic could also be supported by providing evidence** as to why Government believes the interventions will help bring about the objectives. E.g. has the logic been shown to hold true in other contexts? |

| ToC Building Block | NDPI theory of change | Assessment |
|---|---|---|
| **Assumptions:** What assumptions are in place for the theory to hold true? | NDP clearly stipulates that for successful implementation, several pre-requisites must be in place. These are:<br>1. Ownership of the plan by all.<br>2. Political will at the national and local government levels.<br>3. Sustained annual and quarterly planning, and commitment of resources.<br>4. Increased private sector capacity.<br>5. Behaviour change, patriotism and progressive reduction of corruption.<br>6. Effective monitoring and evaluation to support implementation.<br>NDPI has also documented several assumptions behind each objective. These assumptions are littered throughout the document.<br>This final evaluation has analysed the basic assumptions for the objectives to hold. An assessment on the performance of the assessments is provided in Annex 5. A few of the assumptions were found to have been true, many of them have not held true. E.g. controlled population growth. | The Strategic Direction outlined in NDPII provides guidance on what needs to happen, and change, to achieve Vision 2040. NDP provides further information that must be in place for theory of change to hold true. For instance, there must be ownership of the plan by all. Whilst the Government identified some of the necessary pre-requisites that must be in place, NDPI could have been strengthened by:<br>• Explicitly stating what Government will do to ensure and/or support that the pre-requisites are in place;<br>• Explicitly stating what assumptions are in place at for each building block of the theory of change to hold true; and<br>• Testing and monitoring the assumptions throughout implementation. If the assumptions do not hold true, then adjustments to the theory should have been made and/or interventions adjusted. |
| **Indicators:** What indicators will assist in monitoring the theory's validity and success? | NDPI had a results framework that attempted to measure results at three levels – theme, objective and critical result area (the latter linking to the elimination of binding constraints). | The NDPI results framework could have been strengthened. Around half of the indicators in the results framework had no baseline or targets. Several of the NDPI indicators were not outcome focused, and/or were missing e.g. child stunting, unmet need for family planning. Several of these indicators were set out in the Vision 2040 document which was finalised after the NDP. |

*Source: Compiled by author through analysis of NDPI*

## 2.2 Efficiency of government policies, plans and strategies in relation to NDPI

20. Section 4.1 provided an analysis on the logic and relevance of NDPI's theory of change. This section provides an assessment on the efficiency of government policies, plans and strategies in line with the theory of change. It answers three key questions:

- Was there any change in fiscal and monetary policy after the MTR with the objective of stimulating growth (PS9)?
- What measures were undertaken to enhance competitiveness and positioning of Uganda to benefit from regional integration (PS13)?
- To what extent were efficiency and productivity gains realised in Government as a result of NDPI (PS7)?

**Change in fiscal and monetary policy**

21. The MTR of NDPI, conducted in 2013, noted that:

(i) Growth over the first two years of implementation was lower than projected;

(ii) Inflation increased significantly in 2011 (peaking at 30% in October 2011) due to external shocks, monetary expansion and relatively loose fiscal policy. NDPI anticipated inflation to be kept at an average of 7% during the first three years;

(iii) The Government faced budget constraints in allocating resources to NDP;

(iv) The high cost of doing business, tight monetary policy and structural rigidities within the banking sector kept interest rates high, and slowed economic growth;

(v) The central bank switched from using reserve money as the main operating target of monetary policy to inflation targeting (5% +/- 3% over a 12-month horizon) using the central bank rate; and

(vi) Domestic revenue stagnated at 13% of GDP.

22. In order to balance macro-economic stability and growth, the MTR recommended that monetary policy should be geared to maintaining macro-economic stability while at the same time supporting private sector growth. Fiscal policy should be adjusted to re-allocate resources to priority sectors, whilst also addressing binding constrains affecting competitiveness within the EAC. This section assesses what changes took place in relation monetary and fiscal policy over the duration of NDPI.

23. **Monetary policy over the duration of NDPI helped contain inflation but kept the cost of borrowing high.** Inflation, except for the period April 2011 to August 2012[1], was on average 5% from September 2012 to June 2015. The Bank of Uganda adopted Inflation Targeting in July 2011, utilising the central bank rate (CBR) to manage inflation. If inflation increases above the target rate, the CBR is revised upwards. Over the NDPI period, the CBR increased from 13% in July 2011 to 23% in December 2011. After this date, monetary policy was loosened with the CBR reaching 13% in October 2012, and between November 2012 and June 2015 the average monthly change in CBR was -0.01%. Overall, monetary policy partly contributed to successful management of inflation, a key component of macro-economic stability. However, the high CBR (particularly between July 2011 and October 2012) and domestic debt-financing of government spending lead to high bank lending rates over the NDPI period. A peak of 27.6% in March 2012 was recorded. Expensive borrowing during NDPI discouraged development of the private sector and slowed economic growth. Over FY2011/12 to FY2014/15, private sector growth averaged 15.5% compared to the target of 19.8%.

24. No significant changes were made to monetary policy after the MTR was released in 2013. The CBR rate in March 2013 was 12%; in June 2015 the CBR rate was 12.76% with minimal adjustment in-year.

25. **Fiscal policy over the duration of NDPI was expansionary: nominal government expenditure increased on average 18% per year over the period. The fiscal deficit was 5.1% of GDP, less than the NDP1 target.** As a share of GDP, expenditure increased from 17% in FY2010/11 to 20% in FY2014/15. Expenditure increased rapidly during NDPI, in part to finance strategic infrastructure e.g. Karuma Hydro power and serve interest

[1] Year-on-year inflation averaged 21% during this period due to supply-side shocks, depreciation of the Ugandan Shillings and election related expenditure.

payments on borrowing at commercial rates. As a proportion of the budget, interest payments increased from 6.6% in FY2010/11 to 7.8% in FY2014/15. Budget execution however remained weak throughout the NDPI period, particularly for capital investments. Actual government spending was 17.2% of GDP, against a target of 19.6% of GDP. Domestic revenue financed 70% of government spending during NDPI, the remaining amount was financed through domestic and external borrowing. Domestic revenue mobilisation underperformed in relation to targets over the NDPI period, however tax revenue collection improved.

26. Fiscal expansion, if managed well, can reduce the binding constraints to growth and development. After the MTR, several tax changes took place to increase domestic revenue collection e.g. introduction of taxes on mobile money withdrawals in July 2014, 10% tax on financial services. There was no change in government policy, in relation to government expenditure after the MTR; the Government continued to invest in strategic infrastructure to support growth and development.

**Measures undertaken to enhance competitiveness and positioning of Uganda**

27. At the time of developing NDPI, the World Economic Forum Country Competitiveness Index (2009) ranked Uganda 108 out of 133 countries. Low competitiveness was assessed to be the result of a range of issues including access to finance, corruption, infrastructure, tax administration, work ethics and government bureaucracy. The most problematic factors in 2009 (pre-NDP1 and post NDPI) are outlined in Figure 1. To address this issue, the NDPI outlined several strategies to enhance Uganda's competitiveness regionally and globally. These included:

- Improving the quality of goods and services produced in-country;
- Preparing the labour force to seize opportunities available through EAC integration;
- Promoting awareness of EAC integration; and
- Initiating, promoting and coordinating bilateral, regional and multilateral cooperation through treaties and agreements.

28. In line with NDPI strategies outlined above, the Government of Uganda undertook several measures to enhance the competitiveness and positioning of Uganda to benefit from

regional integration. Key interventions carried out during the NPDI period included: surveying and conducting feasibility studies for an oil pipeline from Hoima, through Northern Kenya to Lamu port; agreement on zero internal tariffs within the EAC; adoption of a standard duty rate of 25% for all imports into any of the EAC countries originating from outside the EAC; and the free movement of capital under the 2010 common market protocol and the free movement of labour. Uganda was also active in ensuring regional peace and cooperation and in developing strategic infrastructure to support the development of quality goods and services.

29. **Despite implementation of several initiatives, competitiveness, as defined by the World Economic Forum, fell across the NDPI period.** As noted earlier, in 2010 Uganda was ranked 108 out of 133 countries, in 2011 this fell to 118/133, 121/133 in 2012, 123/133 in 2013, 129/133 in 2014 and an improvement to 122 out of 140 in 2015. The problems impeding competitiveness are complex and varied but did not change significantly over the NDPI period. The top five problems recorded by respondents in the World Economic Forum Index throughout the NDPI period were: access to finance, corruption, inadequate supply of infrastructure, tax rates and inflation. These areas should become the focus of strategies under NDPII and NDPIII. It is also to note that over the NDPI period, access to finance and inadequate supply of infrastructure became less of an issue; tax rates, inflation, policy instability and insufficient capacity to innovate became more pressing issues. A full breakdown of this analysis is provided in Table 3 and Annex 6.

**Table 3: Key issues affecting competitiveness, 2009-2014**

| | Year and % of responses | | | | | | % Change |
|---|---|---|---|---|---|---|---|
| Issues affecting competitiveness | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2009-2014 |
| Access to finance | 19.3 | 17.6 | 16.7 | 17.4 | 14.0 | 13.3 | -6.0 |
| Corruption | 17.8 | 20.2 | 18.4 | 23.0 | 22.5 | 17.2 | -0.6 |
| Inadequate supply of infrastructure | 13.0 | 10.3 | 12.8 | 13.2 | 11.5 | 11.1 | -1.9 |
| Tax rates | 8.6 | 11.0 | 9.6 | 10.0 | 13.5 | 16.8 | 8.2 |
| Inflation | 7.3 | 13.3 | 16.3 | 9.7 | 8.4 | 9.2 | 1.9 |
| Poor work ethic in national labour force | 7.2 | 5.4 | 4.2 | 5.4 | 6.1 | 6.9 | -0.3 |
| Inefficient government bureaucracy | 7.1 | 7.3 | 4.2 | 6.1 | 7.6 | 5.4 | -1.7 |
| Poor public health | 4.0 | 2.0 | 1.2 | 1.7 | 2.3 | 2.3 | -1.7 |
| Tax regulations | 3.9 | 2.5 | 1.1 | 2.1 | 3.2 | 3.0 | -0.9 |
| Inadequately educated workforce | 3.7 | 2.8 | 3.3 | 1.9 | 1.7 | 3.0 | -0.7 |
| Crime and theft | 3.0 | 1.3 | 2.6 | 2.2 | 2.8 | 3.0 | 0.0 |
| Policy instability | 2.5 | 2.9 | 1.6 | 2.9 | 1.6 | 3.5 | 1.0 |
| Foreign currency regulations | 1.7 | 1.8 | 2.2 | 1.6 | 1.4 | 1.3 | -0.4 |
| Restrictive labour regulations | 0.7 | 0.9 | 0.4 | 0.7 | 1.1 | 0.5 | -0.2 |
| Government instability/coups | 0.1 | 0.7 | 1.1 | 0.0 | 0.6 | 0.4 | 0.3 |
| Insufficient capacity to innovate | 0.0 | 0.0 | 4.5 | 2.2 | 1.8 | 3.3 | 3.3 |

*Source: World Economic Forum, 2010/11-2015/16 reports*

30. Over the NDPI period, this evaluation also found that Uganda continued to commit itself to several regional and international agreements and treaties, some of which are inconsistent with the policy and strategic direction espoused in NDPI. For example, the Maputo Declaration (2003) requires signatories to allocate 10% of the national budget on agriculture; the Abuja Declaration (2001) pledges to allocate at least 15% of the national budget to health. These commitments are not in line with the MTEF outlined in NDPI. Moving forward, it is recommended that when developing future development plans that rigorous analysis is undertaken on regional and international treaties and agreements signed by Uganda, and their implications for national-level planning and budgeting.

**Efficiency and productivity gains realised in government as a result of NDPI**

31. The efficiency and productivity of government can be defined and measured through several metrics including the contribution to total productivity (GDP) and public sector performance. A selection of indicators over the NDPI timeframe have been analysed and are presented below. Overall, the effectiveness of Government declined over 2010-2014, the control of corruption decreased, and public sector performance fell (measured through % of budget released, budget outturn).

32. There were, however, some initiatives introduced during the NDPI period which may deliver results in NDPII. For instance, performance contracts for some senior staff were introduced and 75% of MDAs and local governments were able to mainstream a results framework into their work progress. 6/9 sectors had developed service standards by the 2014/15. Challenges remain however

across government in implementing public sector reforms to improve the productivity and efficiency of government.

**Table 4: Efficiency and productivity of Government[2]**

| Indicator | 2010 | 2011 | 2012 | 2013 | 2014 | Avg. | +/- change |
|---|---|---|---|---|---|---|---|
| Real GDP (US$ billion) | 20.2 | 20.2 | 23.1 | 24.6 | 27.3 | 23.08 | ↑ |
| GDP growth (annual %) | 5.6 | 9.4 | 3.7 | 3.6 | 5.1 | 5.48 | ↓ |
| Government expenditure % of GDP | 9.6 | 12.8 | 8.2 | 7.9 | 8.4 | 9.38 | ↓ |
| Total domestic revenue as % of GDP | 13.6 | 11.2 | 11.3 | 11.6 | 13.0 | 12.14 | ↓ |
| Government effectiveness *index* | -0.53 | -0.52 | -0.57 | -0.59 | -0.50 | -0.54 | ↓ |
| Government effectiveness *rank* | 37.32 | 37.91 | 32.70 | 32.70 | 32.69 | 34.66 | ↓ |
| Control of corruption | -0.92 | -0.92 | -0.99 | -1.04 | -1.09 | -0.99 | ↓ |
| Corruption perception index | 24 | 25 | 29 | 26 | 26 | 26.00 | ↑ |
| Public sector management | 3.2 | 3.2 | 3.0 | 3.0 | 3.1 | 3.10 | ↓ |
| % of budget released[3] | 101 | 78 | 70 | 70 | 78 | 79.40 | ↓ |
| Budget execution (% of budget) | 101 | 75 | 69 | 69 | 77 | 78.20 | ↓ |
| Budget execution (% of released funds) | 100 | 99 | 99 | 99 | 99 | 99.20 | ↓ |

*Source: World Bank, Transparency International, MoFPED.*

[2] The Government effectiveness index is a composite index reflecting the perceived quality of public services and quality of the civil service. It ranges from -2.5 (weak) to 2.5 (strong). The effectiveness rank is the percentile rank of Uganda among all countries (0 – lowest; 100 – highest). The control of corruption index ranks from -2.5 weak to 2.5 strong governance. The CPI uses a scale of 0 to 100, where 0 is highly corrupt, 100 is very clean. The CPIA public sector management score the effectiveness of institutions (1 – low; 6-high)

[3] 2010 refers to FY2010/11; 2011 refers to FY2011/12; 2012 refers to FY2012/13; 2013 refers to FY2013/14; 2014 refers to FY2014/15.

## 2.3 Effectiveness of government policy in achieving NDPI objectives

33. Having conducted an assessment on NDPI's theory of change (4.1) and the efficiency of that theory of change, particularly in relation to fiscal and monetary policy and competitiveness (4.2), this section provides an analysis on the effectiveness, or performance, of NDPI. It answers five questions across a range of sectors:

    (i) Were there any specific policies that were implemented during NDPI with the objective of stimulating value addition and increasing export earnings and employment (PS10)?

    (ii) What specific measures were undertaken for transformation of the primary growth sectors (PS11)?

    (iii) To what extent was the private sector strengthened under the NDPI with strong local participation in the quasi-market approach (PS8)?

    (iv) How effectively were growth and poverty reduction policy objectives been reconciled in the course of NDPII implementation at this stage (PS6)?

    (v) What specific measures were implemented during NDPI to fast track skills development through reforms in education and training curricular (PS12)?

34. The performance of each area of investigation is provided in Table 4 overleaf.

35. **Overall, the Government implemented several policies during the NDPI period with the objectives of stimulating value addition and increasing export earnings e.g. BUBU 2014, measures to transform the primary growth sectors and fast track skills development. However, progress against NDPI targets in each of these areas was less than satisfactory.** Exports grew at a slower rate than envisaged, fewer young people than desired enrolled in BTVET training schemes. The private sector was also not encouraged or strengthened as much as desired. Positive developments did however occur in ensuring that growth and poverty reduction policies were reconciled - GDP per capita increased by over 28% in the NDPI period, social protection schemes were developed and the private sector grew in certain sectors e.g. telecommunications and education.

36. From a policy and strategic direction perspective, weaker than expected performance was the result of slow or ineffective policy implementation (in turn the result of insufficient funding, leadership, buy-in, capacity, underutilised acquired capacity, policy gaps/inconsistencies, and/or poor performance management), and persistent weaknesses in the efficiency and effectiveness of Government.

**Table 5: Effectiveness of Government policy in achieving NDPI objectives**

| # | Indicators of effectiveness | Status |
|---|---|---|
| 1 | Export-orientated growth | (i) Uganda experienced sluggish growth over the NDPI period, averaging 5.4% over the period. This rate was below the target of 7.1%. Slow growth, in part was the result of high government recurrent spending which induced monetary policy tightening which in turn dampened domestic demand through increasing interest rates, weak global growth that undermined demand for exports, and low and declining commodity prices, reduced capital inflows and slow implementation of NDPI projects.<br>(ii) Exports averaged 10.8% of GDP over the NDPI period. In principle a weak shilling over the NDPI should have boosted exports, however due to supply-side rigidities, limited commercialisation and environmental factors, exports did not grow significantly over the NDPI period. Whilst the trade deficit, as a percentage of GDP improved from 11.8% in FY2010/11 to 8.2% in FY2014/15 (on account of a reduction in imports), exports as a percent of GDP fell from 11.3% in FY2010/11 to 9.9% in FY2014/15. The share of manufactured exports as a proportion of total exports rose from 4.2% in 2010 to 6% in 2011/12.<br>(iii) A few policies were developed during NDPI with the objective of stimulating value addition and increasing export earnings and employment. These included: National sugar policy, 2010; National cooperative policy, 2011; National employment policy, 2011; and operation wealth creation, 2014. However, many stakeholders noted that there was not an overarching strategy to stimulate value addition across several sectors and funding for the policies was insufficient. As a result, implementation of these policies proved problematic. For instance, NDPI sought to increase the share of manufactured exports, however minimal success was achieved. As a fraction of total exports, manufactured goods contributed 16% in FY2009/10, 17% in FY2013/14 and 15% in FY2014/15 with sugar and cement accounting for most of manufacturing exports. Growth was slow. The export of tea, coffee and tobacco showed some evidence of growth and this may have been due to favourable weather conditions and government investment in free seedling distribution across the country. |
| 2 | Primary growth sectors (agriculture, | (iv) Several measures were undertaken for transformation of the primary growth sectors during NDPI. These included: |

| | | |
|---|---|---|
| | forestry, tourism, mining, oil and gas, manufacturing, ICT and housing) | o Development of policies including: the National Employment Policy, 2011; National standards and quality policy, 2012; National ICT policy, 2012; National Land Policy, 2013; National Agricultural Policy, 2013; Uganda Tourism Policy, 2013; Uganda Partnership Policy, 2013; Uganda Wildlife Policy, 2014; and Buy Uganda, Build Uganda Policy, 2014.<br><br>o Implementation of core projects to support the primary growth sectors e.g. rehabilitation of railways. At the end of the NDPI period, 3/15 projects had some material progress (irrigation systems and Karuma and Isimba Hydro power stations). The remaining projects were at planning, design or feasibility stages.<br><br>(v) Implementation of these policies and projects was difficult and a result, the progress against NDPI primary growth sector targets was not fully realised. The composition of GDP by agriculture, industry and services was envisaged to be in the ration of 21:24:55. At the end of NDPI, the ratio was 25:20:55. Industry failed to make inroads into agriculture's dominant share.<br><br>(vi) The Agricultural sector grew on average 1.3% annually over the NDPI period. Growth for the agriculture sector was stronger during the 2005/6 to 2009/10 period compared to the 2009/10 to 2012/13 period. This was the results of both internal and external factors including a decline in exports to South Sudan, due to civil war and a decline in global commodity prices.<br><br>(vii) NDPI targeted to increase the proportion of people employed in manufacturing and services. However, the share of the labour force employed in these sectors decreased from 6.8% to 4.2% (manufacturing) and from 26.8% to 20.7% over the NDPI period. This was due to a mismatch between skills acquired and requirements by employers and high population growth. |
| 3 | Enhanced private-sector and quasi-market approach | (viii) The Ease of Doing Business Index indicates that Uganda was ranked 123/183 countries in 2010/11; in 2014/15 Uganda's ranking has shifted to 150/189 economies. A low ranking indicates that Uganda does not have simple and friendly regulations for businesses. Uganda struggled to enhance and grow the private sector during the NDPI period, however progress did take place. Slow growth was in part attributed to poor/no access to electricity, difficulty in establishing a business and registering property and challenges in accessing credit. Areas which however improved over the NDPI period however included contract enforcement, resolution of insolvency, tax payments and protecting minority investors.<br><br>(ix) The private sector did make significant investments in several priority areas of NDPI. For instance, during NDPI, 12 private universities were established, CIPLA-Quality Chemicals Industries was listed on the Kampala Stock Exchange to supply HIV drugs and essential |

| | | |
|---|---|---|
| | | medicines, Africell, Airtel/K2 and others entered the telecommunications sector. Private sector involvement in agriculture has proved difficult in part due to land issues, poor road network and lack of storage facilities for produce.<br><br>(x) A review of demand for jobs as advertised in newspapers between 2011 (11,978 jobs) and 2010 (24,372) indicates that there was a decline in labour demand. An enhanced private sector was lumpy throughout the NDPI period. |
| 4 | Inclusive growth | (xi) Uganda sought to increase per capita income to US$850 over the NDPI period. As of 2014, Uganda's GDP per capita (current US$) was US$714. There was however a 28% increase in GDP per capita over the NDPI period, from US$558 in 2009 to US$714 in 2014. Between 2010 and 2015, Uganda's Human Development Index also increased by 3.9%.<br><br>(xii) According to the 2016 Poverty Assessment, Uganda reduced its monetary poverty at a rapid rate before and during the NDPI period. The proportion of Ugandans' living below the national poverty line fell from 31.1% in 2006 to 19.7% in 2013. However, other aspects of poverty, notably improved sanitation, access to electricity, education and child malnutrition fell at a slower rate.<br><br>(xiii) To support inclusive growth, during NDPI, the Government introduced several social safety nets programmes targeted at old people and other vulnerable groups, including cash handouts. It also committed to reform the pension system, introducing more competition. The Northern Uganda Reconstruction Programme, to address post conflict reconstruction in Northern Uganda also progressed during the NDPI period, however its impact was noted by stakeholders to have been patchy.<br><br>(xiv) Discussion with stakeholders indicated that NDPI provided a framework for developing a social protection system in Uganda. Cabinet approved the Expanding Social Protection programme in June 2010 with two major objectives – to develop a policy framework and pilot a SAGE with the aim of testing systems for scaled up-cash transfers. The National Social Protection Policy was approved by Cabinet on November 4th, 2015 and built on other significant bodies of work conducted by Government including a poverty status report (2012), social protection sector review (2014) and mapping of policies, legislation and programmes. Funding for social protection also increased from 50m to 2billion by the end of 2014/15.<br><br>(xv) Poverty reduction over the NDPI period, came about predominately due to developments in agriculture. Poverty reduction among households in agriculture accounted for 79% of national poverty reduction from 2006 to 2013 (World Bank, 2016). The increase in income derived from agriculture was due to favourable prices and weather. Favourable prices reflect improvements in market efficiency as a result |

| | | |
|---|---|---|
| | | of sound policies (investments in infrastructure, economic liberalisation and better trade services), but also positive changes in supply and demand condition outside of Uganda. In addition, peace in Northern Uganda contributed to poverty reduction by allowing farmers to take advantage of stable and favourable prices to double their crop income. Urbanisation, which accounted for one tenth of poverty reduction from 2006 to 2013, was also a contributing factor given the strong welfare gains from rural to urban migration. Census data shows that Uganda's urban population increased by 3.5% from 2006 to 2013. This increase accounted for 10% of poverty reduction over the period. Progress on education has been slow, however it has been associated with income growth, higher resilience to shocks and diversification from agriculture and higher migration from rural to urban areas.<br>(xvi) It should be noted that progress in reducing poverty was much slower in Northern and Eastern Uganda during the NDPI period. The proportion of the total number of poor people who live in the Northern and Eastern regions increased between 2006 and 2013, from 68% to 84% (Poverty Report, 2016). Also, households in Uganda's Eastern, Northern and Western regions continued to have much lower levels of human capital, fewer assets and more limited access to services and infrastructure than other regions.<br>(xvii) Households across Uganda remained vulnerable throughout the NDPI period, however the introduction of social protection schemes helped to reduced vulnerability during the NDPI period. To continue progress in inclusive growth, throughout NDPII there is a need to continue to invest in supporting regional and local development, focusing on improving access to and quality of basic services (particularly electricity and water and sanitation), improve intra and inter sector coordination of social protection policies and to continue to support the agriculture sector, as an enabler for inclusive growth. |
| 5 | Skills development | (xviii) Uganda scored 3.31 for education and skills development in the World Economic Index in which 1 is a low score, 7 is a high score. Amongst peers, Uganda ranked 7/16 countries reviewed. Improvements in skills development are needed and progress was slow during NDPI due to slow and/or poor implementation of Government policy and programmes.<br>(xix) As a result, literacy, as one indicator of skills development oscillated between 70 to 73% of all children aged 10 years and above from 2010 to 2014/15. Moreover, the net completion rate for secondary school did not improve over the NDPI period. In 2008/9 the rate was 23.5, in 2015 it was 22. The enrolment in BTVET however increased over the NDPI period, which is a positive development (all though it |

| | | |
|---|---|---|
| | | was below the ambitious NDPI target of 390,000 in 2014/15). In 2008/9, 30,000 were enrolled; in 2015, 40,800 were enrolled. In 2015, 53% of vocational institutions were privately funded.<br><br>(xx) During NDPI, to support skills development, the Government implemented:<br><br>o The Northern Uganda Social Action Fund, implemented by the OPM. The project, implemented in 59 districts of Northern Uganda provides livelihood support to vulnerable people including the provision of comprehensive skills development training. It is an on-going project.<br><br>o Designs for the national non-formal skills development programme. This programme has continued under NDP2 as the Comprehensive Skills Development Programme. The construction and development of four regional science parks and technology incubation centres saw some progress under NDP1, however the GAPR 2015/16 noes that 33% of projects were rated unsatisfactory. Overall, progress of skills development programmes was slower than desired in part due to a lack of sufficient funding.<br><br>(xxi) Due to insufficient baseline and progress data it is difficult however to determine if labour productivity per worker, for different sectors, increased or declined over the NDPI period. What can be determined however is that the percentage share of total national labour force in employment increased from 75.4% to 78.2% over the NDPI period. |

## 2.4 Impact and sustainability of NDPI interventions for achievement of Vision 2040

37. This section provides an assessment on the impact and sustainability of NDPI interventions. It builds upon the analysis on the efficiency and effectiveness of NDPI conducted in Section 4.2 and 4.3. It answers three questions:

    (i) To what extent did NDPI policies and strategic direction inform and drive priorities for sector and MDA plans (PS3)?

    (ii) What major policy changes needed to be made to increase the likelihood of delivering NDPI targets (PS5)?

    (iii) Was there a common understanding of NDPI strategy and policy among Government, development partners, civil society, the private sector and others (PS1)?

38. To determine the extent to which NDPI policies and strategic direction informed and drove priorities for sector and MDA plans, an assessment has been undertaken on:

    - The number, and quality, of sector and MDA plans developed as a result of NDPI; and
    - The degree of alignment between planning (NDPI) and budgeting.

39. **If NDPI drove priorities for the sector this would be shown through the amendment and/or drafting of aligned sector and MDA plans and budgets.** A search for policies, plans and Acts developed during the NDPI period found 33 to have been drafted either before or during NDPI (Table 6). Of these plans, many were developed to support the achievement of targets under the primary growth sectors e.g. Uganda Tourism Development Master Plan, 2014-2024. This is encouraging.

40. **However, it should be noted that some key plans and policies to support delivery of NDPI were not developed e.g. industrialisation policy, anti-corruption.** Moreover, during discussion with stakeholders some noted that *their* policies and strategies informed development of NDPI; NDPI did not inform their priorities. In some ways this is appropriate; technical expertise should rest with the sectors. However, NDPI had hoped to guide synergies and inter-intra sectoral linkages and to act as a guide to quality assure plans and budgets. Qualitative analysis of the policies and plans developed during NDPI has revealed that the quality of some policies was poor – particularly in their ability to analyse their linkage to other policies, ensure that benefits are outweighing costs and have clarity

of dissemination. Details on the qualitative assessment conducted are contained in Annex 7.

41. **If NDPI policies and strategies drove priorities for Government, we should expect to see close alignment of financial resources to the Development Plan. Financial alignment has been mixed.** Across the NDPI period, the overall budget has more than supported NDPI in terms of financing: sector budget allocations were, on average, 14% higher than NDPI allocations. However, some sectors did not receive the required allocations; other sectors received more funding than anticipated. For instance, the following sectors were under-funded by the magnitude of agriculture (23.3%), health (28.7%), education (13.5%), works and transport (9.2%), energy and mineral development (4.7%), tourism, trade and industry (37.8%) and water and environment (12.2%). This is concerning; primary growth sectors highlighted in NDPI did not receive the required funding. Moreover, in addition to lower than expected budget allocations, only 79% of budgets were released across the NDPI period. In FY2011/12 only 50.6% of the budget allocated to the energy and transport sector was released. Insufficient funding delayed implementation of NDPI programmes.

**Table 6: Policies, plans and Acts developed during NDPI**

| No. | Name of policy | MDA responsible for policy | Date of policy | NDPI (10/11-14/15) or NDPII (15/16-19/20) | Duration of policy |
|---|---|---|---|---|---|
| 1 | Investment Code Act 1991 | Not seen | 1991 | Act - NDPI & NDPII | Not relevant - Act |
| 2 | Universities and Other Tertiary Institutional Act 2001 (Amended 2003, 2006) | Not seen, but presumably MoES | 2001 | Act - NDPI & NDPII | Not relevant - Act |
| 3 | National Planning Authority (NPA) Act 2002 | Not seen, but presumably MFPED | 2002 | Act - NDPI & NDPII | Not relevant - Act |
| 4 | Strategic Plan for Higher Education 2003-2015 (2nd draft) | MoES | 2003 | Pre NDPI and NDPII | 2003-2015 |
| 5 | Employment Act, 2006 | Not seen, but presumably MGLSD | 2006 | Act - NDPI & NDPII | Not relevant - Act |
| 6 | Renewable Energy Policy for Uganda | MEMD | 2007 | Part NDPI and NDPII | 2007-2017 |
| 7 | Uganda Gender Policy | MGLSD | 2007 | Part NDPI and NDPII | 2007-2017 |
| 8 | National Agricultural Research Organisation Strategic Plan 2008/09-2017/18 | NARO Secretariat | 2008 | Part NDPI and NDPII | 2008/09-2017/18 |
| 9 | Makerere University Strategic Plan 2008/09-2018/19 | Planning & Development Department | 2008 | Part NDPI and NDPII | 2008/09-2018/19 |
| 10 | Second National Health Policy | MoH | 2010 | NDPI | Not stated |
| 11 | National Sugar Policy | MTTI | 2010 | NDPI | Not stated |
| 12 | Health Sector Strategic Plan III 2010/11-2014/15 | MoH | 2010 | NDPI | 2010/11-2014/15 |
| 13 | National Cooperative Policy | MTIC | 2011 | NDPI | Not stated |
| 14 | National Employment Policy | MGLSD | 2011 | NDPI | Not stated |
| 15 | National Policy on Public Sector Monitoring and Evaluation | Office of the Prime Minister (OPM) | 2011 | NDPI | Not stated |
| 16 | Skilling Uganda/ BTVET Plan 2011-2020 | MoES | 2011 | NDPI and NDPII | 2011-2020 |
| 17 | Public Service Commission Strategic Plan 2011-2016 | Public Service Commission (PSC) | 2011 | NDPI and NDPII | 2011-2016 |
| 18 | Judiciary Strategic Investment Plan 2011/12-2015/16 | Judiciary | 2011 | NDPI and NDPII | 2011/12-2015/16 |
| 19 | Ministry of Works & Transport Strategic Plan 2011/12-2015/16 | Ministry of Works & Transport (MoWT) | 2012 | NDPI and NDPII | 2011/12-2015/16 |
| 20 | National Standards and Quality Policy | MTIC | 2012 | NDPI | Not stated |
| 21 | National ICT Policy for Uganda | Ministry of ICT | 2012 | NDPI | Not stated |
| 22 | Judiciary Gender Policy and Strategy | Judiciary | 2012 | NDPI | Not stated |
| 23 | Uganda National Land Policy | MLHUD | 2013 | NDPI | Not stated |
| 24 | Petroleum (Exploration, Development & production) Act 2013 | Not seen, but presumably MEMD | 2013 | Act - NDPI & NDPII | Not relevant - Act |
| 25 | Equal Opportunities Commission Strategic Plan 2013/2014-2017/2018 | Equal Opportunities Commission (EOC) | 2013 | NDPI | 2013/2014-2017/201 |
| 26 | National Agricultural Policy | MAAIF | 2013 | NDPI | Not stated |
| 27 | Uganda Tourism Policy | MTWA | 2013 | NDPI | Not stated |
| 28 | Uganda Partnership Policy | OPM | 2013 | NDPI | Not stated |
| 29 | Uganda Wildlife Policy | MTWA | 2014 | NDPI | Not stated |
| 30 | Operation Wealth Creation | MAAIF | 2014 | NDPI | Not stated |
| 31 | Buy Uganda, Build Uganda (BUBU) Policy | MTIC | 2014 | NDPI | Not stated |
| 32 | Uganda Tourism Development Master Plan 2014-2024 | Not seen, but presumed to be MTWA | 2014 | NDPI and NDPII | 2014-2024 |
| 33 | Public Private Partnership Act, 2015 | Not seen, but presumably MFPED | 2015 | Act - NDPI & NDPII | Not relevant - Act |

*Source: Compiled by authors*

42. **Several policy changes needed to be made to increase the likelihood of delivering NDPI targets**. This assertion is made on the basis that some sector and national policies were not aligned and/or drafted and implemented to support NDPI, and that the alignment of financial resources to NDPI was less than perfect. Moreover, not all NDPI targets were achieved. Key policy changes required included:

(i) A clear, enforceable strategy to address the binding constraints to development. NDPI was clear in identifying several binding constraints to development, and actions needed to address them. These are outlined in Annex 4. NDPI could however have gone further and against the actions assigned responsible MDAs, baselines and targets for the removal and/or reduction of the binding constraints. Active monitoring of initiatives to address the binding constraints could have helped keep achievement of NDPI on track.

(ii) An effective policy to engage meaningfully with the private sector, civil society and development partners. A central tenet of NDPI was to promote a quasi-market approach and develop positive working relationships with the private sector, civil society and development partners. Development of a clear partnership strategy and ways to engage in a meaningful manner with non-government actors could have helped ensure that the quasi-market approach espoused in NDPI stayed on track.

(iii) An improved Budget Strategy and MTEF. Financing of NDPI relied on increased use of commercial debt in part due to lower than expected domestic revenue performance. Domestic revenue mobilisation averaged 11.8% of GDP over the NDPI period, less than NDPI target. Expenditure during the NDPI period, as indicated earlier, was also not fully aligned to the Plan and funds that were allocated to priorities sectors were either not released in full or were released late. This impacted on the effective implementation of NDPI priority projects. To improve implementation of NDPI, an improved budget strategy (addressing both income and expenditure constraints) and MTEF could have helped keep progress on track.

(iv) An improved implementation strategy. In many sectors and areas of Government, Uganda is and was not short of policies and plans, however implementation proved problematic. During NDPI there was a need for higher level oversight and co-ordination institutions (Cabinet, OPM, NPA, MoFPED) to collectively commit to the plan. This may have helped ensure that implementation remained on-track. Moreover, enhancing the capacity and status of the NPA, under the Office of the President may have also helped to ensure that Cabinet was more directly supported on policies that drive the NDP. At the sector level, more support in relation to the sector working groups may have also helped improve implementation.

(v) Improved regional and local development planning and fiscal decentralisation. If the National Planning Authority had added a strong regional development perspective to its national development planning perspective this could have supported sectoral planning within MDAs. Regions and sub-regions have different development potential (or comparative advantages) and face different economic development constraints that require different interventions and support. Alongside a need to strengthen regional and local planning, there was and continues to be a need to improve fiscal decentralisation. Investing in autonomous, well-resourced and capacitated local Governments will support planning and fiscal decentralisation at the sub-national level. Continuing to build and implement a strategy on regional and local development could have helped in the delivery of NDPI.

(vi) A comprehensive Industrialisation Strategy. Under NDPI, several policies were drafted to support value-addition in certain sectors e.g. sugar policy, co-operatives policy, however there was not an overarching strategy that may have helped strengthen inter-sectoral linkages and value-addition and industrialisation targets. Sectors are still challenged with high costs of production especially utilities and finance, unfavourable price competition from imported products and weak capacity of agencies set-up to promote industrialisation. A comprehensive industrialisation strategy, with clear accountabilities and targets may have helped ensure progress in relation to NDPI growth targets.

43. For effective national development in Uganda, there needs to be a collective understanding and agreement on the objectives on NDPII, coupled with strong buy-in from a range of key stakeholders in central Government, local Government, civil society, the private sector, media, academia and development partners. To determine if there was a common understanding amongst these stakeholders, this evaluation has assessed whether NDPI was

reflected in stakeholders' documents and actions. Discussion with stakeholders during the evaluation also helped elicit how high the level of buy-in was to NDPI.

44. **Overall, the understanding and buy-in to NDPI by stakeholders appears to have been mixed.** Discussions with stakeholders during this evaluation revealed that some stakeholders e.g. NGOs were encouraged to provide their views at the start of the process but as the design, formulation and implementation took place the quality and level of consultation diminished. Most stakeholders (Government, NGOs, private sector) when asked about NDPI, referred to the 'egg-analogy' which appears to have stuck in people's minds. However, beyond the egg-analogy, many struggled to articulate the broad policy and strategic directions that NDPI espouses. Some noted that they felt that NDPI attempted to match the NRM's broad political manifesto too much – and as a result had spread itself too thin. The Private Sector Foundation represented the private sector in many high-level discussions throughout NDPI implementation, however knowledge and awareness of the NDP in the informal sector was limited. Evidence of understanding and buy-in to NDPI can be seen in several documents, for example the NRM manifesto, Vision 2040, State of Nation speeches, Budget speeches and sector policies. However, whilst these documents noted NDPI and its purpose, deep understanding on how NDPI sought to change how scarce financial resources were prioritised, and how sectors worked together was not given significant attention.

45. **Consultation with Development Partners, as part of this evaluation, revealed that there was strong ownership by the Government in development of NDPI. Development Partners had limited involvement and influence in NDPI formulation.** This was also noted in the 2011 survey of Uganda's progress in implementing the Paris Declaration. Development partners provided little technical assistance to support NDPI formulation and there was, in part, a desire to present NDPI as the Government's own strategy. Development Partners endorsed the NDP once it was published, but also gave many suggestions on how to strengthen implementation of the plan including: a need for clearer prioritisation of investments, actions to make growth more inclusive, preservation of space for private sector initiatives and the strengthening of the legal and fiscal framework for public private partnerships. This evaluation posits that there was limited buy-in from Development Partners to NDPI at the beginning of the Plan. This did however improve over time with development of the Uganda Partnership Policy (2010/11-2014/15) and

Framework for the Partnership Dialogue (taking effect as of December 2014), including institutional framework and roles and responsibilities. By and large, development assistance was aligned to the NDPI, however the delivery modality changed from being budget support to project support, and off-budget. Overall, to improve buy-in and ensure a common understanding of NDPI strategy and policy among development partners, the Government could have:

- Demonstrated stronger leadership in managing and co-ordinating development partners;
- Ensured that there was a structured consultation with development partners on priorities, aligned to the county's budget calendar;
- Asked for commitment from Development Partners to work towards strengthening country systems and putting more funds on-budget and on-plan; and
- Ensured stronger involvement of existing non-traditional partners in partnership forums and partnership platforms.

# 3.0 Conclusions and recommendations

46. In line with OECD-DAC evaluation criteria, this report presented an assessment on the relevance, efficiency, effectiveness, and impact of NDPI's policy and strategic direction. This section provides conclusions and recommendations for the Government to consider, for the remaining years of NDPII and future plans, in how best to provide guidance in Uganda's development path.

## 3.1 Relevance

**(i)** **Whilst NDPI marked a positive step-change in development planning in Uganda, the theory of change presented was fragmented.** NDPI's goal(s) were not clearly defined or SMART, and the logical linkage between different levels of the theory of change whilst there, was not easy to follow. A reader of the Plan must work quite hard to understand how interventions may bring about the desired change. It should however be noted that NDPI was successful in presenting a good analysis of the context, binding constraints to development and ensuring that the eight objectives were relevant.

Recommendation 1: To further enhance the coherence of the theory of change, the Government could have considered clearly articulating the evidence behind the logic (i.e. why should it hold true?), and clearly documenting the causal framework to aid buy-in with stakeholders. The Government could have also strengthened the ability to test the theory of change (and thus ensure it remained relevant) by explicitly stating what the theory of change was, what assumptions were in place for each building block of the causal framework to hold true and could have tested and monitored assumptions throughout implementation. The monitoring framework could also be expanded to ensure that *processes* e.g. quasi-market approach, engagement with civil society are also assessed and not just outputs of those processes.

(ii) **NDPI provides objectives, strategies and interventions for each sector. The information provided is detailed and relevant, providing guidance to civil servants on the types of policies and interventions that should be in place, or developed.** NDPI supported strategy and policy development but also contained technical details which could have been left for the sector and MDA plans. Unless the mechanisms supporting NDPI were in place to hold actors accountable to the detailed interventions there is questionable merit of including them in the National level plan. Moreover, including detailed policies and sector strategies was arguably at the expense of NDPI playing an important role in providing clarity on the prioritisation and sequencing of investment decisions needed at a National Level.

<u>Recommendation 2:</u> A National Development Plan, in its nature of being a *national-level* plan, should set-out the *broad* goals that a country wishes to see come about in a given time period. It should also act as a guide to inform decisions on how to prioritise and sequence investments with scarce resources. Any future NDP developed by the Government of Uganda should ensure that the primary objective of a National Development Plan – providing guidance on resource allocations – should be given focus, over and above giving technical guidance to sector and MDA plans. This level of detail can and should rest with sector expertise.

**(iii) NDPI alone did not provide policy and strategic direction advice to the MDAs/sectors/local government. Guidance came from a range of sources including budget allocations, regional and international commitments, Cabinet and stakeholders' behaviour e.g. private sector, development**

**partners.** This is inevitable as policy-making and implementation does not take place in a vacuum and must be responsive to changes in the environment.

Recommendation 3: Should the Government of Uganda continue to use National Development Plans to provide guidance to government and non-government entities on Uganda's development path, there is a need to take-stock, and understand how much influence the NDP can and should have on policy-making and implementation.

## 3.2 Efficiency

(iv) **Monetary policy over the duration of NDPI helped contain inflation but kept the cost of borrowing high. Fiscal policy over the duration of NDPI was expansionary: nominal government expenditure increased on average 18% per year over the period.** The use of monetary and fiscal policy throughout the NDPI period allowed the Government to support macroeconomic stability, however it also (through high interest rates and domestic borrowing to finance government expenditure) also increased the cost of borrowing.

Recommendation 4: No significant changes to monetary and fiscal policy took place after the mid-term review of NDPI in 2013. Moreover, the implementation of some macroeconomic policies (e.g. domestic borrowing, crowding out private sector) was at odds with some of the goals espoused in NDPI e.g. enhance private-sector led growth. In future NDPs, it is recommended that the Government considers how it can act on and change the course of the plan after the mid-term review, and that it ensures that wider, macro-economic policies are supportive to the goals and strategies outlined in the Plan.

**(v)** **The Government of Uganda undertook several measures to enhance the competitiveness and positioning of Uganda to benefit from regional integration. However, despite implementation of several initiatives, competitiveness, as defined by the World Economic Forum, fell across the NDPI period.** The problems impeding competitiveness are complex and varied but did not change significantly over the NDPI period. The top five problems recorded by respondents in the World Economic Forum Index throughout the NDPI period were: access to finance, corruption, inadequate supply of infrastructure, tax rates and inflation.

Recommendation 5: These top five problems impacting on Uganda's competitiveness should be the focus of support under NDPII and NDPIII, with appropriate strategies devised and implemented.

(vi) **Over the NDPI period, Uganda continued to commit itself to several regional and international agreements and treaties, some of which are inconsistent with the policy and strategic direction espoused in NDPI.** For example, the Maputo Declaration (2003) requires signatories to allocate 10% of the national budget on agriculture; the Abuja Declaration (2001) pledges to allocate at least 15% of the national budget to health. These commitments are not in line with the MTEF outlined in NDPI.

Recommendation 7: Moving forward, it is recommended that when developing future development plans that rigorous analysis is undertaken on regional and international treaties and agreements signed by Uganda, and their implications for national-level planning and budgeting.

**(vii) Overall, the productivity of Government declined over 2010-2014, the control of corruption decreased, and public sector performance fell (measured through % of budget released, budget outturn). This assertion has been made through the assessment of 12 different metrics.** There were, however, some initiatives introduced during the NDPI period which may deliver results in NDPII. For instance, performance contracts for some senior staff were introduced and 75% of MDAs and local governments were able to mainstream a results framework into their work progress. 6/9 sectors had developed service standards by the 2014/15. Challenges remain however across government in implementing public sector reforms to improve the productivity and efficiency of government.

Recommendation 7: The efficiency and productivity of Government is a key binding constraint to development in Uganda. In the remaining years of NDPII and in formulating NDPIII there is a need to ensure that sufficient focus and resources are allocated to support reforms to improve the productivity, transparency and efficiency of Government. Key reforms may include public sector rationalisation, procurement reform, anti-corruption measures and public investment management improvements.

### 3.3 Effectiveness

(viii) **The Government implemented several policies during the NDPI period with the objectives of stimulating value addition and increasing export earnings e.g. BUBU 2014, measures to transform the primary growth sectors and fast track skills development. However, progress against NDPI targets in each of these areas was less than satisfactory.** Exports grew at a slower rate than envisaged, fewer young people than desired enrolled in BTVET training schemes. The private sector was also not encouraged or strengthened as much as desired. Positive developments did however occur in ensuring that growth and poverty reduction policies were reconciled - GDP per capita increased by over 28% in the NDPI period, social protection schemes were developed, and the private sector grew in certain sectors e.g. telecommunications and education. From a policy and strategic direction perspective, weaker than expected performance was the result of slow or ineffective policy implementation (in turn the result of insufficient funding, leadership, buy-in, capacity, underutilised acquired capacity, policy gaps/inconsistencies, and/or poor performance management), and persistent weaknesses in the efficiency and effectiveness of Government.

Recommendation 8: Moving forward, it is recommendation that the Government continues to invest significant focus and resources into addressing policy implementation weaknesses. Conducing ‘deep-dive’ or focused assessments into policy implementation challenges in each sector and developing appropriate strategies would help improve the ability to achieve targets set out in any NDP.

### 3.4 Impact and sustainability

**(ix) NDPI supported the development of several plans and policies across Government. However, some key plans and policies to support delivery of NDPI were not developed e.g. industrialisation policy, anti-corruption.**

Moreover, during discussion with stakeholders some noted that *their* policies and strategies informed development of NDPI; NDPI did not inform their priorities.

Recommendation 9: Moving forward, it is recommended that the Government continues to maintain and actively manage a policy inventory to ensure that supporting policies and plans, required to support delivery of NDP, are developed and/or amended. It is also recommended the funding required to deliver the policies is actively monitored. Government may not be able to afford all of the policies and strategies espoused in NDPI and therefore prioritisation of scarce resources will be necessary.

(x) **Several policy changes needed to be made to increase the likelihood of delivering NDPI targets**. This assertion is made on the basis that some sector and national policies were not aligned and/or drafted and implemented to support NDPI, and that the alignment of financial resources to NDPI was less than perfect. Moreover, not all NDPI targets were achieved. Key policy changes required included: a clear enforceable strategy to address the binding constraints to development; an effective policy to engage meaningfully with the private sector, civil society and development partners; an improved budget strategy and MTEF; improved implementation strategy; improved regional and local development planning and fiscal decentralisation; and a comprehensive industrialisation strategy.

Recommendation 10: In the remaining years of NDPII and in future plans (e.g. NDPIII), it is advised that Government considers how key policy changes needed to increase the likelihood of delivering NDPI targets could be resolved.

(xi) **Overall, the understanding and buy-in to NDPI by stakeholders appears to have been mixed.** Discussions with stakeholders during this evaluation revealed that some stakeholders e.g. NGOs were encouraged to provide their views at the start of the process but as the design, formulation and implementation took place the quality and level of consultation diminished. Most stakeholders (Government, NGOs, private sector) when asked about NDPI, referred to the 'egg-analogy' which appears to have stuck in people's minds. However, beyond the egg-analogy, many struggled to articulate the broad policy and strategic directions that NDPI espouses. This evaluation also posits that there was limited buy-in from Development Partners to NDPI at the beginning of the Plan. This did however improve over time with development of the Uganda Partnership Policy (2010/11-2014/15) and Framework for the Partnership Dialogue (taking effect as of December 2014), including institutional framework and roles and responsibilities.

Recommendation 11: To improve buy-in and support to future development plans, it is recommended that the Government considers strengthening the co-ordination of development partners, enhances the involvement of development partners in preparing NDPIII, and ensures that partnership dialogue is inclusive and result-orientated. Alignment of development assistance to national priorities could also be strengthened through structured consultation with development partners on priorities, aligned to the country's budget calendar. To enhance the level of commitment and buy-in to the plan from Government stakeholders it is recommended that the Government develops a coherent and actionable communication plan and ensures that it carries out a series of small meetings with agencies, in addition to larger forums. Focused, meaningful discussions should also ideally be more frequent with civil society and the private sector.

47. In conclusion, despite the policy and strategic direction provided by NDPI, good planning alone will not deliver Uganda to be transformed "from a peasant to a modern and prosperous country within 30 years". As detailed in the recommendations provided there is need, in the remaining years of NDPII and in future plans, to renew and increase efforts into delivering an *effective and efficient implementation framework*. In particular, this means investing in public investment management, ensuring *consistent* meaningful communication and partnership with stakeholders across and outside Government (development partners, civil society, private sector) and aligning financial resources to the plan. For these to happen there must be strong political will and buy-in to stick to, and support, the plan.

## Annex 1: References


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# Annex 2: List of people interviewed

| Name | Position |
|---|---|
| Mr Zackey Kalega | Assistant Commissioner, Trade and Private Sector Development, Ministry of Trade, Industry and Cooperatives |
| Mr Kabagambe Jesse David | Research and Training Officer, Green Jobs Programme, Ministry of Gender, Labour and Social Development |
| Mr Martin Wandera | Director of Labour, Employment and Occupational Safety and Health, Ministry of Gender, Labour and Social Development |
| Mr C. K. Ndorere | Assistant Commissioner, Marketing and Promotion, Ministry of Trade, Industry and Cooperatives |
| Mr Oyuga Drani Gidio Peter | Principal Policy Analyst, Office of the President |
| Mr Felix Nelly Olum | Principal Economist, Office of the President |
| Mr Katamba Francis | Assistant Commissioner, Planning, Ministry of Gender, Labour and Social Development |
| Ms Susan Nakitto | Senior Policy Analyst, Ministry of Gender, Labour and Social Development |
| Mr Geofrey Openy | Economist, Ministry of Gender, Labour and Social Development |
| Mr Joseph Muvawala | Executive Director, National Planning Authority |
| Mr Vincent Tumusiime | Director, Directorate of Economic Monitoring and Research, Office of the President |
| Mr Abubakar Muhammad Moki | Commissioner Policy Development and Capacity Building, Cabinet Secretariat, Office of the President |
| Mr Ainebyona Denis | Acting Commissioner, Department of Industry, Ministry of Trade, Industry and Co-operatives |
| Mr Moses Sanon Dhizaala | Head of Monitoring and evaluation, budget compliance and project appraisal, National Planning Authority |
| Mr Gyaviira Dhikusooka | Senior Planner Monitoring and Evaluation (compliance), National Planning Authority |
| Mr Elweru David William | Finance and Planning Manager, Uganda Tourism Board |
| Mr Peter Odong | Senior Industrial Officer, Department of industry and technology |
| Mr Dhikusooka Gyaviira | Senior planner monitoring and evaluation (compliance), National Planning Authority |

## Annex 3: Lines of enquiry

The National Development Plan (2010/11 – 2014/15) was a departure from the Poverty Eradication Action Plan (PEAP) and focused on three fundamentals: creation of jobs, sustaining economic growth and putting Uganda on a trajectory of development as opposed to a skewed focus on reducing poverty. A final evaluation of NDPI has been commissioned by the National Planning Authority. The table below details the area of enquiry used to inform the development of this thematic report- investigating the policy and strategic direction of NDPI.

| Area of enquiry | Key questions/analysis |
|---|---|
| **Relevance:** NDPI's theory of change | (i) PS2: Was there a valid theory of change behind the NDPI that informed its logic and underpinned a coherent, appropriate and credible strategy map?<br>(ii) PS4: Was the NDPI policy and strategic direction developed with a clear understanding of the necessary phasing and sequencing of implementation? |
| **Efficiency** of Government policies, plans and strategies in relation to NDPI | (iii) How efficient was Government policy in achieving NDPI objectives?<br>(iv) Were there any policy-related barriers which affected the achievement of results?<br>(v) PS9: Was there any change in fiscal and monetary policy after the MTR with the objective of stimulating growth?<br>(vi) PS13: What measures were undertaken to enhance competitiveness and positioning of Uganda to benefit from regional integration? |
| **Effectiveness** of Government policy in achieving NDPII objectives | (vii) PS8: To what extent was the private sector strengthened under the NDPI with strong local participation in the quasi-market approach?<br>(viii) PS6: How effectively were growth and poverty reduction policy objectives been reconciled in the course of NDPII implementation at this stage?<br>(ix) PS7: To what extent were efficiency and productivity gains realised in Government as a result of NDPI?<br>(x) PS10: Was there any specific policies that were implemented during NDPI with the objective of stimulating value addition and increasing export earnings and employment?<br>(xi) PS11: What specific measures were undertaken for transformation of the primary growth sectors?<br>(xii) PS12: What specific measures were implemented during NDPI to fast track skills development through reforms in education and training curricular? |
| **Impact and sustainability** of NDPI interventions for achievement of Vision 2040 | (xiii) PS3: To what extent did NDPI policies and strategic direction inform and drive priorities for sector and MDA plans?<br>(xiv) PS5: What major policy changes needed to be made to increase the likelihood of delivering NDPI targets?<br>(xv) PS1: Was there a common understanding of NDPI strategy and policy among Government, development partners, civil society, the private sector and others? |

## Annex 4: Strategies to unlock the binding constraints

The table below outlines the seven binding constraints to growth identified in NDPI (section 2.2, pages 27-33) and the actions identified to address them (section 4.2, pages 44-48). The status of action implementation, where possible considering data limitations, has been included in the right-hand column.

<table>
<tr><th>Actions to address the binding constraints to growth</th><th>Status of strategy implementation</th></tr>
<tr><td>BC1: Weak public sector management and administration (19 actions)</td><td></td></tr>
<tr><td>1. NDP shall be used as the basis for policy making in government; sector specific policies will be aligned to relevant national policies.</td><td rowspan="9">There has been some positive progress on several of NDPI priority measures and slow or no progress on others. For instance, several initiatives in the NDPI period were put in place to improve the performance of public sector institutional structures and systems. These include the introduction of performance contracts for some senior staff (permanent secretaries, heads of government departments and heads of education and health institutions). The enforcement of service contracts remained weak. 75% of MDA and LGs (against a target of 97%) were able to mainstream a results framework into their work process. Only 6/9 sectors disseminated service standards by</td></tr>
<tr><td>2. Formulate and operationalise the quasi-market approach that will cascade and strengthen the participation of the private sector, academia and civil society together with the public sector in national development</td></tr>
<tr><td>3. Review the current policy framework to provide a basis for streamlining institutional mandates and improving institutional interfaces</td></tr>
<tr><td>4. The ongoing reforms shall be expedited and implemented in a manner that ensures harmony with the NDP recommendations</td></tr>
<tr><td>5. The function of policy co-ordination in government shall be rationalised with a view to strengthening the Cabinet Secretariat to foster and ensure coordination of the policy making process</td></tr>
<tr><td>6. The process of making laws shall be reviewed to ensure consistency in legal frameworks across sectors. The formulation of laws should be preceded by policies.</td></tr>
<tr><td>7. Government will further strengthen the current framework of involvement of the private sector and civil society in public policy making, planning and implementation</td></tr>
<tr><td>8. The Office of the Prime Minister will be strengthened to coordinate Government regulations</td></tr>
<tr><td>9. New and strengthened regulatory agencies will be put in place – particularly in agriculture, health, education, transport and works, water and sanitation and oil and gas industry</td></tr>
</table>

| **Actions to address the binding constraints to growth** | **Status of strategy implementation** |
|---|---|
| 10. Review the framework for rationalisation and oversight of the privatised institutions. Review the PERD statute and fully operationalise UDC. | 2014/15. Reports by the Auditor General highlights weaknesses in procurement. There were several initiatives put in place to address land related constraints however the land information system is yet to be completed; only 15% of Uganda's land has been surveyed. Major challenges to service delivery persisted through NDPI. In some Districts only 9% of the established staff levels were present. |
| 11. Government shall introduce institutional performance contracts at all levels | |
| 12. The Ministry of Public Service shall be enhanced to ensure proper handling of human resource management | |
| 13. Deepen the current practice of hiring senior staff and management on contract | |
| 14. Government shall complete the review and then implement the improved pay and incentives system for the public sector | |
| 15. NDP shall promote social responsibility, and corporate governance codes in the public and private sector | |
| 16. Revitalise and strengthen the coordination and implementation of government policies and programmes | |
| 17. Build the capacity of and help to organise the private sector for effective service delivery | |
| 18. Strengthen decentralisation and the link between central government and local government planning | |
| 19. Enhance transparency and accountability | |
| BC2: Inadequate financing and financial services (5 actions for public sector; 8 actions for private sector) | |
| 1. Ensure clear framework for determining government priorities | **Effective financing and financial services remained a challenge throughout NDPI.** Uganda faced a challenge in the collection of tax revenue which as a proportion of GDP fell from 13.1% in 2010/11 to 12.7% in 2011/12. The minimum requirement of joining the EAC monetary union of 25% tax-to-GDP ratio remained a challenge. Local government's share of the national |
| 2. Increase revenue to fund government priorities | |
| 3. Develop an efficient framework for public sector functions in order to save public resources | |
| 4. Strengthen public-private sector partnerships along key value chains | |
| 5. Recapitalise the Uganda Development Corporation and the Uganda Development Bank and strengthen agricultural credit facilities | |
| 6. Maintain financial and macroeconomic stability by pursuing low inflation and competitive exchange rates as well as continuing with the current strong and strict regulation of financial institutions | |
| 7. Strengthen money markets through promotion of product development and innovations so as to put more financial instruments into the market | |

| **Actions to address the binding constraints to growth** | **Status of strategy implementation** |
|---|---|
| 8. Strengthen capital markets and promote product development. Develop an appropriate framework for the issuance of bonds such as sovereign infrastructure bonds | budget declined from 23% in 2010/11 to 17% in 2011/12. Mobilisation of PPP and private sector sources of finance for public services was not fully exploited under NDPI. However, bank outreach and product development has improved since 2010/11, there has been an increase in intermediation of funds and access to finance was enhanced, particularly through mobile money. |
| 9. Increase the investor base by liberalising the pension and related retirement benefits industry, encouraging retail investments promoting collective investment schemes | |
| 10. Improve the financial infrastructure, including promoting inter-connectivity and inter-banking | |
| 11. Improve intermediation in the financial sector through putting in place measures that reduce interest rates and reduce fiscal interventions in monetary policy management | |
| 12. Enhance the microfinance sector in rural and urban areas by supporting establishment, strengthening, expansion and consolidation of microfinance institutions | |
| 13. Improve information dissemination to enhance consumer education and promote consumer education through financial literacy and protection | |
| BC3: Inadequate quantity and quality of human resources (11 actions) | |
| 1. Revitalise and strengthen national manpower planning and development | **Progress was mixed**. The education sector carried out some programmes under NDPI to address this constraint. For instance, a comprehensive strategy ‘Skilling Uganda’ was developed (2011-2020). Student enrolment in 119 BVET institutions increased from 9,344 in 2011 to 40,800 in 2015. Staffing positions in the public sector showed some marginal improvement (e.g. increased % of vacancies filled over the period) but also |
| 2. Deepen the implementation of individual performance-based contracts to cover most public servants | |
| 3. Redesign the curricula and methods of training to suit the demand side of human resource requirements and integrate entrepreneurship, innovation and creativity into the education system | |
| 4. Review and strengthen the national education system to provide globally competitive human resources in terms of skills and training | |
| 5. Establish fully functional vocational and technical training programmes to complement the formal education system | |
| 6. Design and implement skills development programmes to focus on the development of middle level technicians and managers | |
| 7. Strengthen and improve UBE, USE and tertiary education | |
| 8. Implement affirmative actions to promote science subjects in order to improve the ratio of science to art from 1:5 to 2:5 | |

| Actions to address the binding constraints to growth | Status of strategy implementation |
| --- | --- |
| 9. Establish a soft skills training centre which will provide compulsory training in specialised skills for both public and private sector | that some key positions remained unfilled e.g. engineers. Pupil to classroom ratios remained high across NDPI (averaging 67:1). |
| 10. Strengthen professional bodies to enhance professionalism in human resources for both private and public sector | |
| 11.Promote and support accreditation and certification of human resources | |
| BC4: Inadequate physical infrastructure (15 actions) | |
| 1. Continue to improve the stock and quality of national roads, district roads, urban roads and community roads | **There have been some significant changes, however improvements are below NDPI target.** For instance, the % of paved roads increased from 4% in 2008 to 15% in 2012. This is a positive development, however NDPI envisaged an increase of paved roads by 1,100km. Paved roads had only increased by 117km between 2010/11 and 2011/12. |
| 2. Improve the stock and quality of road infrastructure, including connectivity and safety within Greater Kampala metropolitan and tourism areas | |
| 3. Improve rail transport and haulage to connect Uganda to the sea ports, lowering the costs of transportation | |
| 4. Improve the water and air transport infrastructure and services | |
| 5. Establish a mechanism to certify all public and private interventions to ensure compliance with approved physical plans | |
| 6. Promote and encourage construction of more hotels and restaurants in tourism areas | |
| 7. Facilitate the construction of basic agriculture infrastructure including silos, warehouses and abattoirs | |
| 8. Expand the ICT infrastructure to cover major urban areas of the country | |
| 9. Improve the power generation capacity | |
| 10. Expand the power grid and improve the transmission and distribution infrastructure | |
| 11. Construct an oil refinery and pipelines for extraction of oil | |
| 12. Complete the construction of the oil pipeline from Eldoret through Kampala to Kigali for downstream activities | |
| 13. Increase and promote the provision of safe water supply and sanitation as well as good sanitation and hygiene practices | |
| BC5: Gender issues, negative attitudes, mind-set, cultural practices and perceptions (13 actions) | |
| 1. Build capacity to mainstream gender issues in development plans at both central and local government levels | **Some significant efforts by government and development partners were made to address this binding constraint under** |
| 2. Promote affirmative action in all political, economic and social spheres | |
| 3. Promote gender equality and the empowerment of women through the economic sectors | |

| Actions to address the binding constraints to growth | Status of strategy implementation |
|---|---|
| 4. Promote equal access to education and other productive, human and social capital assets | **NDPI.** For example, several pieces of legislation were enacted e.g. domestic violence act, prohibition of female genital mutilation act. Significant constraints however continue to exist, including effective implementation of the enacted laws. |
| 5. Ratify and domesticate international protocols and principals such as the African charter on human rights of women, PWDs and Children and eliminating gender-based violence | |
| 6. Develop, adopt and inculcate a set of national ethical values in line with the national vision while mitigating and reducing the negative cultural values and practices | |
| 7. Promote and institutionalise the agreed national ethical values in the education curriculum | |
| 8. Promote patriotism, volunteerism and commitment to the national agenda through various national service programmes | |
| 9. Transform the mindset of the population through various training and practical programmes | |
| 10. Carry out civic education and community mobilisation to transform mindsets to appreciate productivity and development | |
| 11. Harness and blend indigenous knowledge with scientific knowledge | |
| 12. Promote cultural and ethnic diversity through various government and non-government programmes | |
| 13. Strengthen, deepen and expand existing private enterprise development skills through structured institutional support | |
| BC6: Low application of science, technology and innovation (10 actions) | |
| 1. Institutionalise science, technology and innovation to play an effective role in national development | **Several positive changes took place in regard to IT solutions and applications throughout the NDP period.** For instance, then number of mobile phone users rose from 12.8 million in 2010 to 16.7million in 2011. Fixed line subscriptions also increased, and the under-sea cable, launched in 2012 helped to increase internet speeds. The ratio of science and technology to arts graduates |
| 2. Provide incentives for pursuing science professions by designing and implementing affirmative actions in schools to promote the uptake of science subjects | |
| 3. Provide an enabling environment for teaching science subjects in schools, tertiary institutions and universities | |
| 4. Promote value addition in production and service delivery as well as innovations through adoption and adaption | |
| 5. Establish science parks and technology incubation centres to enable effective research and development | |
| 6. Establish and support the research fund | |
| 7. Promote research and development, commercialisation and adoption of scientific research and patenting intellectual property | |
| 8. Promote and upgrade local artisans (Jua-Kali) | |

| Actions to address the binding constraints to growth | Status of strategy implementation |
| --- | --- |
| 9. Redesign the curriculum to diversify science and technical courses | over the NDPI period has remained the same however, at 1:5. |
| 10. Establish and foster national innovation system | |
| BC7: Inadequate supply and limited access to critical production inputs (8 actions) | |
| 1. Support the local production of phosphates fertilisers as inputs to the agriculture industry | **Some progress was achieved under NDPI in relation to water for production.** Within the NDPI period, there had been progress on the planned core project for rehabilitation and construction of key irrigation schemes. However, in 2014 the sector was still only meeting 5.45% of the total demand for water for production.<br><br>**There was limited progress in relation to inputs into the manufacturing sector.** Efforts to increase power supply has been the most successful areas, however the speed has been slower than anticipated. |
| 2. Support the local production of iron ore and process it to various ingots for manufacturing | |
| 3. Support the reduction of dependency on rain-fed agriculture through rehabilitation and construction of irrigation schemes | |
| 4. Using the public-private partnership to increase production of locally manufactured inputs such as cement, lime, pesticides | |
| 5. Increase the availability and accessibility to high yielding seed varieties and promote mechanisation of agriculture | |
| 6. Provide credit guarantees to private investors to facilitate them to import technology equipment for agriculture and construction | |
| 7. Support the establishment and sustainability of small and medium enterprises which provide production inputs | |
| 8. Increase access to credit through means such as mortgage and other credit facilities for imported and locally manufactured goods | |

## Annex 5: Coherence analysis of NDPI assumptions

The table below presents an assessment on the assumptions made in NDPI and if they held true.

| Goal/Objective | Main targets | Basic coherence assumptions | Observations on assumptions |
|---|---|---|---|
| Growth | • Increase in GDP<br>• Increase in per capita income<br>• Reduction in the proportion of the poor | • Growth is people-centred<br>• Distribution of growth is equitable<br>• There is controlled population growth | • High population growth negates increases in per capita income<br>• GDP growth is not yet widespread, it is concentrated in a few sectors (services and industry) |
| Employment | • Reduced share of agriculture GDP<br>• Increased share of industry GDP<br>• Reduced labour force in agriculture<br>• Increased labour force in industry and services | • Matching investment in modernisation of industry and agriculture<br>• Investment in food security interventions<br>• Collaborative action by different sectors | • Inadequate investment in agriculture modernisation- should focus on extension and knowledge creation<br>• Insignificant cross-sector collaboration on results |
| Socio – economic transformation | • Increased literacy<br>• Increased life expectancy<br>• Increased competitiveness<br>• Increased human development indices<br>• Increased share of manufacturing to exports<br>• Increased percentage of people in urban areas | • Literacy with functional skills<br>• People centred industrial development<br>• Well planned urbanisation<br>• Mechanisation of agriculture to compensate for labour loss<br>• Collaborative action by different sectors | • Efforts made to initiate functional literacy through skilling Uganda initiatives<br>• Industry and exports are not adequately people centred<br>• Insignificant cross-sector collaboration on results<br>• Inadequate urban planning leading to poor living conditions in urban areas |

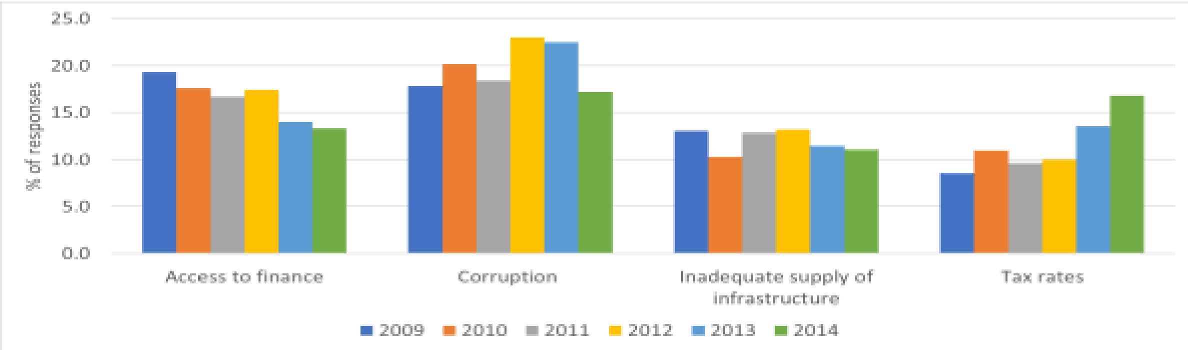
| Goal/Objective | Main targets | Basic coherence assumptions | Observations on assumptions |
|---|---|---|---|
| Increasing household incomes and promoting equity | • Growth in income per capita<br>• Better income distribution<br>• Higher employment<br>• Skills development<br>• Agricultural production and productivity | • People-centred growth<br>• Equitable distribution of growth<br>• Controlled growth in population<br>• Mechanised agriculture to compensate for labour loss | • Inadequate investment in agriculture modernisation<br>• GDP growth is not yet wide spread- concentrated in a few sectors (services and industry, but not agriculture)<br>• Lack of social protection mechanisms |
| Enhancing the availability and quality of gainful employment | • Availability and diversity of employment,<br>• Increased industrial investments<br>• Level of production and productivity | • People centred industrial development<br>• Labour rights protection<br>• Controlled inflation and other costs of living<br>• Market support infrastructure especially for agriculture products (price protection mechanisms) | • Industry and exports are not adequately people centred<br>• No policy on minimum wage, leading to under-employment especially in informal sector<br>• Low prices for agriculture products affect gains from agriculture |
| Improving stock and quality of economic infrastructure | • Increase in supply and access to electricity<br>• Quantity and quality of road and railway network<br>• Access to telecommunication services<br>• Affordable banking services | • Effective road maintenance capacity<br>• Deliberate analysis and strategies for removal of other rigidities limiting private investment | • Low capacity for road maintenance reported in most local government<br>• No comprehensive analysis of all conditions necessary to optimise private sector investment beyond provision of financial services |
| Increasing access to quality social services | • Increased literacy<br>• Increased life expectancy<br>• Improved health services indicators | • Removal of gender discrimination<br>• Provision of formal social protection mechanisms for vulnerable groups | • Efforts have been made to enhance gender equity though more action is at policy level than in practice<br>• There is lack of formal social protection mechanisms for vulnerable groups |

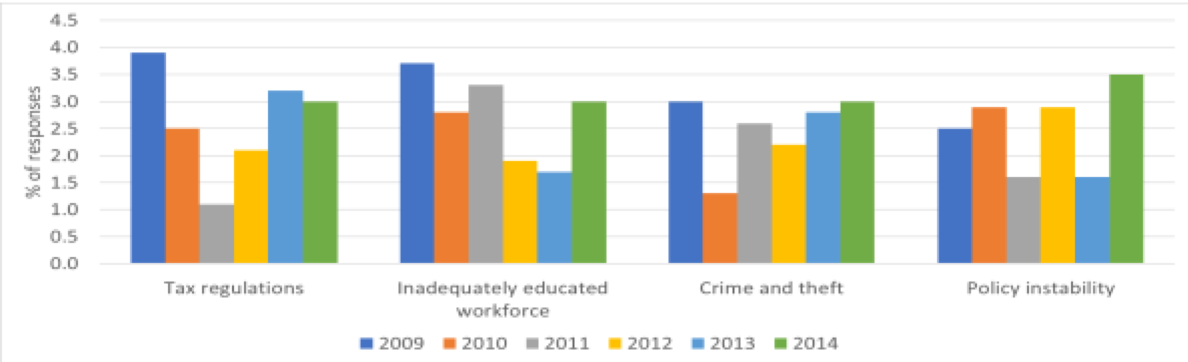
| Goal/Objective | Main targets | Basic coherence assumptions | Observations on assumptions |
|---|---|---|---|
| Promoting science, technology, innovation and ICT to enhance competitiveness | • High technology exports<br>• Strengthened institutional capacity for science and technology<br>• Increased capacity for R&D and innovation;<br>• Increased access and use of ICT<br>• Increased number of S&T and ICT professionals. | • Mechanism for enabling absorption of improved technology by private sector<br>• Support for market for both agriculture and industrial production | • No comprehensive analysis of all conditions necessary to optimise absorption of R&D by the private sector |
| Enhancing human capital development | • Increase in skilled manpower among nationals<br>• Increased institutional capacity for relevant skills development<br>• Increased number of students trained | • Coordinated manpower planning<br>• Strategies for employment creation | • No comprehensive manpower planning<br>• National employment policy has been produced though lacking specific action plan to operationalise it |
| Strengthening good governance, defence and security | • Quality socio-economic and political governance<br>• Quality economic and corporate governance<br>• Quality democracy<br>• Level of security | • Security is maintained<br>• Governance improves with less corruption | • Security generally maintained<br>• More work to do on reducing corruption |
| Promoting sustainable population and use of the environment and natural resources | • Healthy population<br>• High quality of human settlement<br>• Well managed environmental resources | • Access to family planning<br>• Economic growth and environmental protection occur together | Still a large unmet need for family planning<br>Little data, but concerns over environmental sustainability of growth |

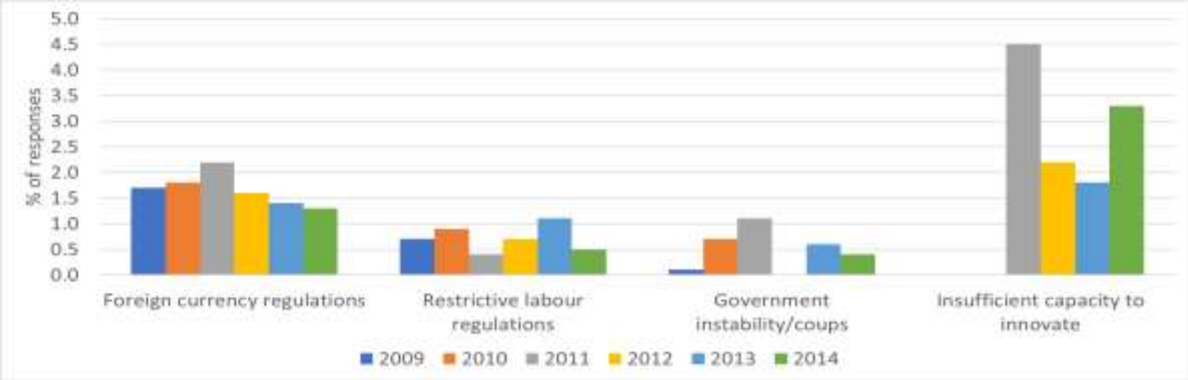
*Source: NDPI Evaluation, Results Framework Thematic Report*

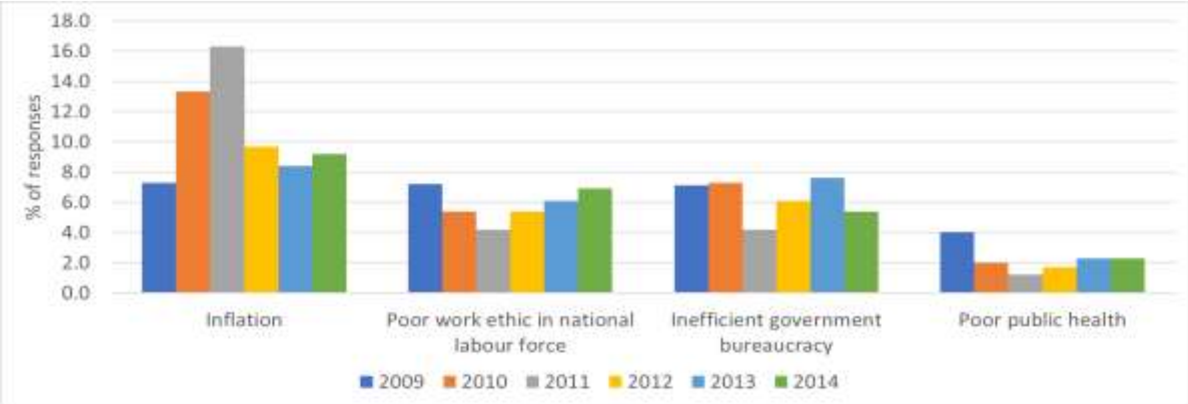
## Annex 6: Significant problems impeding competitiveness, 2009-2014

The graphs below, from the World Economic Forum Index, provide analysis on problems impeding competitiveness over the NDPI period. The key issues were access to finance, corruption, inadequate supply of infrastructure and tax rates. Over the period, the problems of tax rates, inflation, policy instability, government instability and insufficient capacity to innovate increased. The relative share of other problems decreased. For instance, access to finance accounted for 19.3% of responses in 2009, this fell to 13.3% in 2014.






## Annex 7: Qualitative analysis of the quality of policies and plans developed during NDPI

A qualitative assessment was conducted on the quality of policies and plans developed during NDPI. The evaluators considered the components of good policy, law or regulation as defined by the Cabinet Secretariat guidance and scored each policy on a scale of 0 (none or not applicable) to 4 (excellent). The components of good policy are:

1. Issue, need or problem that needs to be addressed has been clearly identified
2. Policy has been analysed against other policies before being introduced
3. Policy has been widely consulted before it is introduced to ensure it is inclusive
4. Policy is clear, simple and practical so everyone can understand and comply
5. Policy is communicated and disseminated
6. Policy produces benefits that outweigh costs
7. Policy is enforceable
8. Policy can be monitored and evaluated after introduction

Results from the qualitative assessment are provided below. On average, most policies scored good (3) for quality components 1 and 7. These means that policies did a good job of identifying the issue, need or problem that needs to be addressed and the policy was enforceable. Most policies however scored poor (1) for quality components 2,5 and 6. These means that most policies were not effective in analysing their role against other policies before being introduced, did not clearly articulate how the benefits outweighed costs and was not easily communicated and disseminated. On average, policies scored fair (2) for quality components 3,4 and 8. The policies had shown that there had been some consultation before introduction, it was clear, simple and practical to understand and could be monitored and evaluated after introduction.

| | | | | | | Quality component | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Name of policy | MDA responsible for policy | Date of policy | NDPI (10/11-14/15) or NDPII (15/16-19/20) | Duration of policy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Investment Code Act 1991 | Not seen | 1991 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |
| 2 | Universities and Other Tertiary Institutional Act 2001 (Amended 2003, 2006) | Not seen, but presumably MoES | 2001 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |
| 3 | National Planning Authority (NPA) Act 2002 | Not seen, but presumably MFPED | 2002 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |
| 4 | Strategic Plan for Higher Education 2003-2015 (2nd draft) | MoES | 2003 | Pre NDPI and NDPII | 2003-2015 | 3 | 3 | 0 | 3 | 0 | 3 | 3 | 0 |
| 5 | Employment Act, 2006 | Not seen, but presumably MGLSD | 2006 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |
| 6 | Renewable Energy Policy for Uganda | MEMD | 2007 | Part NDPI and NDPII | 2007-2017 | 3 | 0 | 4 | 3 | 1 | 0 | 2 | 0 |
| 7 | Uganda Gender Policy | MGLSD | 2007 | Part NDPI and NDPII | 2007-2017 | 3 | 3 | 0 | 3 | 1 | 0 | 3 | 3 |
| 8 | National Agricultural Research Organisation Strategic Plan 2008/09-2017/18 | NARO Secretariat | 2008 | Part NDPI and NDPII | 2008/09-2017/18 | 3 | 0 | 3 | 2 | 1 | 3 | 2 | 2 |
| 9 | Makerere University Strategic Plan 2008/09-2018/19 | Planning & Development Department | 2008 | Part NDPI and NDPII | 2008/09-2018/19 | 3 | 3 | 3 | 4 | 1 | 3 | 0 | 3 |
| 10 | Second National Health Policy | MoH | 2010 | NDPI | Not stated | 3 | 0 | 1 | 2 | 3 | 0 | 3 | 3 |
| 11 | National Sugar Policy | MTTI | 2010 | NDPI | Not stated | 3 | 0 | 3 | 3 | 1 | 0 | 2 | 3 |
| 12 | Health Sector Strategic Plan III 2010/11-2014/15 | MoH | 2010 | NDPI | 2010/11-2014/15 | 4 | 1 | 2 | 1 | 1 | 0 | 2 | 3 |
| 13 | National Cooperative Policy | MTIC | 2011 | NDPI | Not stated | 3 | 0 | 3 | 2 | 1 | 0 | 2 | 3 |
| 14 | National Employment Policy | MGLSD | 2011 | NDPI | Not stated | 4 | 0 | 3 | 4 | 1 | 3 | 4 | 3 |
| 15 | National Policy on Public Sector Monitoring and Evaluation | Office of the Prime Minister (OPM) | 2011 | NDPI | Not stated | 3 | 0 | 0 | 2 | 1 | 1 | 2 | 2 |
| 16 | Skilling Uganda/ BTVET Plan 2011-2020 | MoES | 2011 | NDPI and NDPII | 2011-2020 | 3 | 0 | 0 | 2 | 1 | 3 | 0 | 3 |
| 17 | Public Service Commission Strategic Plan 2011-2016 | Public Service Commission (PSC) | 2011 | NDPI and NDPII | 2011-2016 | 1 | 1 | 3 | 1 | 1 | 2 | 2 | 3 |
| 18 | Judiciary Strategic Investment Plan 2011/12-2015/16 | Judiciary | 2011 | NDPI and NDPII | 2011/12-2015/16 | 3 | 0 | 2 | 2 | 1 | 2 | 2 | 3 |
| 19 | Ministry of Works & Transport Strategic Plan 2011/12-2015/16 | Ministry of Works & Transport (MoWT) | 2012 | NDPI and NDPII | 2011/12-2015/16 | 3 | 0 | 0 | 3 | 1 | 3 | 0 | 3 |
| 20 | National Standards and Quality Policy | MTIC | 2012 | NDPI | Not stated | 3 | 0 | 0 | 1 | 1 | 0 | 2 | 3 |
| 21 | National ICT Policy for Uganda | Ministry of ICT | 2012 | NDPI | Not stated | 3 | 0 | 0 | 1 | 1 | 3 | 3 | 3 |
| 22 | Judiciary Gender Policy and Strategy | Judiciary | 2012 | NDPI | Not stated | 3 | 1 | 0 | 1 | 1 | 0 | 3 | 3 |
| 23 | Uganda National Land Policy | MLHUD | 2013 | NDPI | Not stated | 3 | 0 | 3 | 4 | 4 | 3 | 4 | 3 |
| 24 | Petroleum (Exploration, Development & production) Act 2013 | Not seen, but presumably MEMD | 2013 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |
| 25 | Equal Opportunities Commission Strategic Plan 2013/2014-2017/2018 | Equal Opportunities Commission (EOC) | 2013 | NDPI | 2013/2014-2017/201 | 3 | 3 | 4 | 3 | 1 | 3 | 2 | 3 |
| 26 | National Agricultural Policy | MAAIF | 2013 | NDPI | Not stated | 3 | 4 | 4 | 2 | 3 | 0 | 2 | 3 |
| 27 | Uganda Tourism Policy | MTWA | 2013 | NDPI | Not stated | 3 | 4 | 0 | 2 | 1 | 2 | 4 | 2 |
| 28 | Uganda Partnership Policy | OPM | 2013 | NDPI | Not stated | 3 | 0 | 0 | 1 | 0 | 0 | 2 | 0 |
| 29 | Uganda Wildlife Policy | MTWA | 2014 | NDPI | Not stated | 4 | 4 | 0 | 2 | 1 | 2 | 4 | 2 |
| 30 | Operation Wealth Creation | MAAIF | 2014 | NDPI | Not stated | 2 | 0 | 0 | 0 | 0 | 0 | 3 | 0 |
| 31 | Buy Uganda, Build Uganda (BUBU) Policy | MTIC | 2014 | NDPI | Not stated | 2 | 0 | 2 | 3 | 1 | 2 | 2 | 0 |
| 32 | Uganda Tourism Development Master Plan 2014-2024 | Not seen, but presumed to be MTWA | 2014 | NDPI and NDPII | 2014-2024 | 4 | 0 | 0 | 3 | 3 | 0 | 2 | 3 |
| 33 | Public Private Partnership Act, 2015 | Not seen, but presumably MFPED | 2015 | Act - NDPI & NDPII | Not relevant - Act | 3 | 0 | 3 | 3 | 0 | 0 | 4 | 0 |