



Evaluation of the First National Development Plan (NDPI) (2010/2011 - 2014/2015)

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Results Framework Thematic Report (Final Draft)

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In Association with



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Acronyms

AG	Auditor General
ARV	Antiretroviral
BMAU	Budget Monitoring and Accountability Unit
BTVET	Business, Technical and Vocational Education and Training
CAO	Compliance Advisor Ombudsman
CIM	Cost Implementation Matrix
CSBAG	Civil Society Budget Advocacy Group
CSO	Civil Society Organisation
DDP	District Development Plan
DPT3	Diphtheria, Pertussis, Tetanus Vaccine-3 doses
EAC	East African Community
EPRC	Economic Policy Research Centre
FAL	Functional Adult Literacy
FY	Financial Year
GAPR	Government Annual Performance Report
GCI	Global Competitiveness Index
GDI	Gender Development Index
GDP	Gross Domestic Product
GII	Gender Inequality Index
GKMA	Greater Kampala Metropolitan Area
GNI	Gross National Income
GoU	Government of Uganda
HDI	Human Development Index
HEP	Hydro Electric Power
HDR	Human Development Report
ICT	Information and Communication Technology
IHDI	Inequality Adjusted Human Development Index
IMR	Infant Mortality Rate
M&E	Monitoring and Evaluation
MDA	Ministry / Department / Agency
MDG	Millennium Development Goals
MoFPED	Ministry of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MOPS	Ministry of Public Service
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
MW	Mega Watt

NAADS	National Agricultural Advisory Services
N/A	Not Available
NBFP	National Budget Framework Paper
NDP	National Development Plan
NDPI	National Development Plan 1
NDP2	National Development Plan 2
NDR	National Development Report
NER	Net Enrolment rate
NPA	National Planning Authority
N/S	Not Stated
OPD	Out Patients Department
OPM	Office of the Prime Minister
PPP	Public Private Partnership
PPP	Purchasing Power Parity
PPDA	Public Procurement and Disposal of Public Assets Act
PRDP	Peace, Recovery and Development Plan
R&D	Research and Development
SACCO	Savings and Credit Cooperative
SME	Small and Medium Enterprises
STA	Science and Technology Agency
STI	Sexually Transmitted Infections
ToR	Terms of Reference
THICK	A qualitative research method
U5MR	Under 5 Mortality rate
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communications Commission
UDHS	Uganda Demographic and Health Survey
UETCL	Uganda Electricity Transmission Company Limited
UGX	Uganda Shilling
UIA	Uganda Investment Authority
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
UNDP	United Nations Development Programme
UNESCO	United Nations Education Scientific and Culture Organization
UNHS	Uganda National Household Survey
UPE	Universal Primary Education
USE	Universal Secondary Education
WHO	World Health Organization

Executive summary

In 2010, the Government of Uganda (GoU) launched its first National Development Plan (NDPI), which set the country's medium term strategic direction, development priorities and implementation strategies for a five-year planning horizon between financial year (FY) 2010/11 and 2014/15. The overall theme is 'Growth, employment and socio-economic development'.

A Mid-Term Review (MTR) of the NDPI was commissioned by Government of Uganda (GoU) and was finalized in March 2013. The MTR assessed the progress made towards the achievement of the NDPI objectives, results and other milestones, and analysed the challenges encountered during the first two and a half years of implementation of the Plan. Recommendations were made on corrective measures needed to enhance NDP implementation over the remaining period.

This document is a Final Evaluation on the *Results Framework* of the NDPI and assesses the Plan for the entire 5-year implementation period. It is one of six thematic reports, the others dealing with Development partnerships, Economic Management, Institutional framework, Policy and strategic direction and Political Economy.

The *Results Framework* contains a set of objectives, key result areas and targets, which align with the stated growth, employment and socio-economic transformation theme of the Plan. The set of strategic objectives included enhancement of: (i) Household incomes and equity; (ii) Availability and quality of gainful employment; (iii) Human capital development; (iv) Stock and quality of economic infrastructure; (v) Access to quality social services; (vi) Use of science, technology and innovation to enhance competitiveness; (vii) Good governance, defence and security; and (viii) Sustainable population and use of the environment and natural resources. In addition, the NDPI set out to accomplish 15 priority or 'core' projects for implementation over the five years. These projects were selected primarily to address and resolve the most binding constraints to economic growth.

In carrying out the NDPI final evaluation, the assessment (of performance) on each of the selected indicators was carried out using statistical data from various sources including UBOS Statistical Abstract, GAPR and UNDP, as well as survey results particularly from UBOS. Data and analyses from the EU diagnostic studies to support the mid Term Review of Uganda's 2nd National Development Plan (NDP2) and evaluation of NDPI was also used. Reference was made to the World Bank's report: "Uganda, promoting inclusive growth", report No 67377-UG, February 2012.

The evaluation team also made visits to selected MDAs and interviewed heads of departments to gain in-depth knowledge and understanding of the successes and challenges that NDPI faced, the interviews being guided by a set of evaluation questions dealing with various aspects of plan implementation and its relation to the objectives and targets set out in the NDPI.

Achievement of NDP goals and objectives constitutes the main part of the evaluation effort. Each of the eight above mentioned objectives were to be assessed through examination of target attainment of one or more quantitative indicators for each objective (all together some 48). However, assessment was difficult since only 30 of the indicators had been given a clear NDPI target value.

Of these 30 indicators, only 7 of the indicator goals were attained, whereas 18 fell short of the target. The remaining five could not be measured as the actual magnitude of the indicator at the end of NDPI was not available.

These results may be taken to mean that the NDPI did not succeed in reaching its objectives but it should be realized that reliance on the mere number of indicators would be misleading since some indicators will clearly be more important than others. Among the indicators that came out with a *positive* result were e.g. the proportion of people living below the poverty line, vaccination coverage, percent of delivery taking place in health facilities, the infant mortality rate and primary enrolment rate.

The report (Section 3) also assesses the **challenges in measuring NDPI progress on goals and objectives** and finds problems in several respects. *First*, many of the indicators did not have sound baseline data that could be used as a basis of assessment. Equally, most indicators lacked measurable annualised targets. This made assessment of progress difficult, both in the annual NDPI monitoring framework and in this evaluation. *Second*, many NDPI results indicators were either proxy or indirect in nature. Some are hardly valid in determining actual progress on the desired NDPI results. For example, it may be doubted that the proportion of health workers employed in health centres is a fully good indicator of access to quality social services. *Third*, there is also the problem of un-matched timing in the release of the data required to monitor NDPI progress. For example, this evaluation experienced great difficulties in finding up-to-date data from Uganda Bureau of Statistics (UBOS) surveys and other sources to validate progress. In many cases, finding the data that matched the period under consideration was not possible. In other instances the latest versions of the survey reports did not match the NDPI reporting period (such as the case of the Uganda national Household Survey (UNHS)). *Fourth*, in many parts of the NDPI, the desire to reach development levels commensurate with middle-income economies has been expressed. However, the NDPI results matrix does not set out the actual desired performance levels for each indicator. In the areas where target indicators were included in the NDPI results matrix, the basis for setting the respective target values was not very clear. This made judgement on progress on these values (either in the Government Annual Performance Report (GAPR), National Development Report (NDR) or in this evaluation) more difficult. *Fifth*, although *spatial variations* (regions, districts) of incomes, social services etc. are of great concern to the Plan, the NDPI, in terms of indicators, has focused on *national* goals. It is proposed to collect data by region or district and to use these to analyse differences in developmental trends around the country, and, then, to implement targeted interventions that would address any imbalances reflected in those trends as part of the NDPI.

The report (Section 4) assesses the **progress made on the 15 core projects during the NDPI period**, from 2010/11 to 2014/15. Even at the *MTR report stage* in 2012/13, few of the core projects had made significant progress. The majority had not even started at all. Only five out of the 15 core projects were said to be on track and even then at varying levels of progress. The rest of the projects (10) were said to be off-track. Six projects were said definitely not having a chance to be completed by the end of the NDPI period.

The evaluation at the *end of the NDPI period*, hampered as it was by lack of information and partly based on informed guesses, concluded that only three of the 15 core projects (Irrigation systems and Karuma and Isimba Hydro Electric Power stations) seemed to have had measurable material progress.

Projects which could not be completed by the end of NDPI would continue into NDP2. These include rehabilitation of existing railway lines across the country where perhaps 2/3 was done by 2014/15. Included was also the construction of the Karuma Hydropower Project. This was expected to be completed late 2018. A further project is the establishment of a standard rail gauge from Malaba to Kampala. This is still at an early stage but a Right of Way (ROW) is clear and a maintenance framework has been completed. Construction of ICT Business parks development is still at a planning stage. The phosphate Industry in Tororo is expected to come into operation late 2018. Four regional science parks and technology incubation centres have been characterized as partly satisfactorily completed. Finally, for the development and production of iron ore ingots, a pre-feasibility study was reported to have been completed early 2107.

The NDP set out (in section 5) **seven binding constraints** that needed to be overcome if the NDP aspirations were to be realised (Sec 2.2 NDP Document). The Evaluation has assessed each of these constraints; in particular, whether and how the constraints have changed since 2010 and their validity into the year 2014/15, the end of implementation of NDPI.

Public sector management and administration is frequently blamed for delaying action. The team found little progress in the various sub fields like procurement, corruption, lands registration. Intra sectoral links continue to be a problem and low staff levels in districts is a perennial problem.

Financing and financial services during NDPI at the macro level suffered from lack of local funding caused by challenges and low collection of tax revenue causing over reliance on external funding. Improvement in private sector financing has been registered but issues still plaguing private finance are widening interest rate margins and low utilization of pension funding, lack of collateral security, weakness in the regulatory framework for the micro-finance institutions and (in the view of some stakeholders) excessive control of macroeconomic stability by Bank of Uganda at the expense of growth.

Another constraint is caused by *deficits in the supply of skilled human resources* in the economy, the underlying reason being weaknesses in the quality and content of the education system although staffing positions in the public sector has shown marginal improvements in a few areas. However, the Northern region was lagging behind.

The problems of *physical infrastructure constraints* has become easier in some respects since the beginning of NDPI period. In terms of roads the percentage of paved roads has increased from 4 per cent in 2008 to 15 per cent in 2012 although not always (see GAPR 2014/15) well managed and maintained. Railways infrastructure under the NDPI showed limited progress.

On *gender, attitudes and mind-set constraints*, some significant efforts had been made to address elements of the constraints that however still exist in the gender area. There were poor attitudes to work especially among the public service and youths. The Auditor General continues to raise the issue of staff absenteeism as one of the major causes of poor service delivery.

In the area of *science, technology and innovation constraints* some positive changes with regard to the use of advanced IT solutions and applications in the economy had taken place. The use of internet became a major factor in facilitating local and international economic transactions,

social communication/networking and public and corporate sector governance and management. The use of mobile telephones brought with it some revolutionary results in terms of supporting the economy and social life.

The main elements of the binding constraint regarding *supply and access to critical production inputs* in NDPI included low access and use of fertilisers in the agriculture sector; low use of irrigation technology; and low supply of steel and steel products.

Section 6 on the **financing of the NDPI** looks at the funding requirements identified during the preparation of the NDPI document and how these have been realized by actual allocations. The section compares budget allocations with actual releases of funds and compares the amounts of on-budget and off-budget financing by sector. The chapter finishes by assessing the scope for raising additional funds for NDP implementation and how some of the challenges for allocating funds more effectively to NDP priorities might be addressed.

Before the implementation stage, even at a late stage of the drafting of the NDPI, it was realized that the total funding envelope was unrealistic. Comparisons between what the NDP would cost to implement, the actual resource allocations and the status of implementation shows that in terms of Government of Uganda (GoU) on-budget figures, the Ministry of Finance, Planning and Economic Development (MoFPED) 5 year Medium Term Expenditure Framework (MTEF) funding envelope provided 93 percent of the NDP MTEF costing estimate. The 15 core projects comprised 10 percent of total on-budget NDP MTEF envelope and priority projects comprised 50 percent of the total on-budget NDP funding envelope.

In terms of allocation some sectors saw a significant reduction in their funding allocations between development of the Cost Implementation Matrix (CIM) and finalization of the NDP MTEF as part of the negotiations, which were took place in order to make the overall on-budget funding envelope more in-line with fiscal projections. As implementation of NDP progressed, it was found that there was much variation between budgeted amounts on one hand, and actual amounts released to implement projects. There was little resonance between GoU expenditure and NDP priorities.

Despite an increase in domestic revenues, huge arrears remained each year and undermined the budget processes during implementation of NDPI. There was however little attention paid to the exploration of more sources to finance the budget such as the use of pension funds, diaspora bonds or public private partnerships (PPPs). The availability of oil money in would have facilitated the much-needed expenditures for NDPI programmes and activities.

To assess **the coherence and realism of the results framework**, Section 7 analyses the framework by considering the assumptions that would have to hold if the key NDPI goals, objectives and targets were to lead to the desired results in a meaningful and sustainable manner.

Although a number of these basic coherence assumptions were assumed to hold good, others were judged not to. Among the latter, we included the (implicit) assumptions that economic growth inherently would be people centred and equitable. Also considered doubtful were the underlying assumptions that population growth could be controlled that industry and exports inherently are people centered.

Another key example of doubtful basic coherence assumptions is in the area of gender discrimination where the NDPI is assuming that such discrimination will be removed although

success in this respect seems doubtful. The effort to enhance gender equity has been pushed more at the political level than in practise.

Other more concrete issues that will negatively affect the coherence of results and priorities with objectives are that many of the indicators in the results framework have no baselines or targets so that progress against the NDPI cannot be assessed.

An overarching weakness is that whereas the NDPI has great concern for gender inequalities and geographic inequalities, the indicators refer to the national level. Thus, the NDPI evaluation does not have an inbuilt mechanism to measure outcomes across gender and geographic regions.

Considering the comparability between the Uganda Vision 2040 and the NDPI in terms of profile it was found that the two were by and large parallel and consistent despite the fact that the NDPI was formulated before the passing of the Vision.

The report concludes by indicating answers to the twelve important evaluation questions posed and recommend changes and further work that could improve the quality of further NDP results framework and evaluations.

Conclusions

First, the ambition of obtaining strong, numerous and clear results aligned with the targets set for NDPI was not completely attained. More than half of the specific targets set could not be assessed because of lack of data or indeed lack of targets set. It is **hardly possible to argue that NDPI ever had been on track** in terms of results.

Second, since the results framework was formulated in terms of national - not regional or district goals - **differences in progress across the country were hard to determine.**

Third, **progress on the 15 core projects**, was hampered by several factors among them importantly funding. Unfinished projects were rolled over into NDP2, many of them expected to be completed only far into the NDP2 period.

Fourth, on **successful and unsuccessful NDPI areas** the team found that the most definite success of the Plan was the launching of NDPI itself. The formulation of NDPI contributed to focusing the minds and activities of politicians and officials in the development administration to a much greater extent than would have been the case without an NDPI.

Fifth, the seven **general constraints to delivery** set out by the NDPI were examined with the benefit of the experience of the NDPI period. It was found that with some positive and negative variation the same constraints were still important.

Sixth, it was found that there was very **little, if any, change in sector resource allocation after the MTR of NDPI.** The team noted that there is a lack of acceptance and built-in mechanisms in the NDPI process for remedial action in response to unexpected change.

Seventh, a number of factors contributed to an **increasing trend in service delivery** costs, among them poor budget execution, budget mismatches between NDPI and the GoU budget, general implementation delays and GoU's creation of new administrative units.

Eight, although information about **regional variation of economic and human development** was scarce, the team surmised that better off areas usually will be more effective in attracting and developing human resources than less well-off areas. The quality of human resources in administration are important to attract the financial and technical requisites for NDPI implementation and areas with less qualified administrative personnel are likely to lose out in the battle for resources.

Ninth, the **assumptions underlying the NDPI financing held only partly**. Even at a late stage of the drafting of the NDPI, it was realized that the total funding envelope was unrealistic. As implementation progressed, there was much volatility between budgeted amounts and actual amounts released. There was little attention paid to the exploration of new and alternative sources to fund the budget. Pension funds, diaspora bonds and PPPs could have been used more.

Tenth, the **coherence in linking results and priorities with objectives** was analyzed by considering the basic coherence assumptions of the plan. It was found that although a number of these coherence assumptions held good, others did not. Some examples of the latter were the assumptions on the people-centeredness of exports and growth as well as the success of removal of gender discrimination.

Eleventh, based on the earlier growth record of overall and per capita growth targets, **the coherence and realism of NDPI in attaining goals** was quite realistic. Some of the developments in the area of poverty and development in the education sector has been positive and not unrealistic. There are however also examples of unrealistic target setting in the human development area, e.g. with regard to the BTVET intake indicator that aimed at a 13-fold increase over the five NDPI years.

Twelfth, although sophisticated and comprehensive, a large number of objectives strategies and interventions have made the NDPI system rigid and unable to take into account unforeseen changes. In the case of **addressing district level challenges** it is difficult to find examples showing that any particular challenge discovered during the plan period, as for instance through the MTR, has led to action in order to address this challenge.

Recommendations

- More attention should be paid to set indicators for future plans;
- The outcome focus of indicators should be strengthened;
- A major review of the results framework to include indicators important in the results chain should be undertaken;
- There is a need for targeted policies to address the economic exclusion of some population segments;
- Data on region or district trends focusing inequality should be collected and analysed as a basis for planning and implementing targeted interventions;
- An evaluation of the effect on results of changing funding levels is needed;

- More effort is required to monitor the effect of funding on service delivery at the district level;
- NDP funds not used in the year in which they had been allocated could be carried forward and used to implement projects that were targeted for such funding in the subsequent budget cycles;
- Government should explore more sources to finance the budget, and NDPs in particular;
- Exploitation of some oil reserves has taken a very long time. Urgency of progress in exploitation is needed to facilitate the much-needed expenditures for NDP programmes and activities;
- It is necessary to increase flexibility in the implementation of NDPI projects through for example giving Ministries, departments agencies (MDAs) and Local Governments more powers to take charge of NDPI projects;
- However, increasing powers to implement NDPI projects would need strengthening of checks and balances to ensure that NDPI funds are not misappropriated.

1.0. Introduction

1.1 Background

1. In 2010, the Government of Uganda (GoU) launched its first National Development Plan (NDPI), which set the country's medium term strategic direction, development priorities and implementation strategies for a five-year planning horizon between financial year (FY) 2010/11 and 2014/15.
2. The thrust of the first NDPI was to accelerate socio-economic transformation. According to the NDPI strategy, the transformation was expected to be demonstrated by improved employment levels, higher per capita income, improved labour force distribution in line with sector GDP shares, substantially improved human development and gender equality indicators, as well as improvement in the country's competitiveness position, among others, which would translate into sustained growth, equity and employment.
3. According to the NDPI, the main sources of economic growth were to come from the eight primary growth sectors namely agriculture, forestry, tourism, mining, oil and gas, manufacturing, information and communications technology (ICT) and housing development. In addition, the NDPI recognised the complementary role that would be played by other sectors of the economy in bringing about the required improvements, most notably by the energy, water, transport and financial services sectors. The Plan also outlined the need for more trained professionals and better quality infrastructure to increase the potential for Uganda's health and education systems to boost Uganda's human capital resources; as well as to provide the necessary increases in the skilled workforce needed to support economic development. Furthermore, the NDPI acknowledged and identified a number of key constraints, which stood in the way of further accelerated economic development and then outlined a number of improvements required in public sector administration and management to unblock those binding constraints.
4. Within the NDPI implementation framework, a Mid-Term Review (MTR) was commissioned by Government of Uganda (GoU) and was finalized in March 2013. The MTR assessed the progress made towards the achievement of the NDPI objectives, results and other milestones, and analysed the challenges encountered during the first two and a half years of implementation of the Plan. Recommendations were made on corrective measures needed to enhance NDP implementation over the remaining period.
5. The Final Evaluation here presented has assessed the NDPI for the entire 5-year implementation period.

1.2 The NDPI Results Framework

6. The NDPI set out an overall vision of 'A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years'. The overall theme is 'Growth, employment and socio-economic development'.
7. The NDPI Results Framework contains a set of objectives, key result areas and targets, which align to the stated growth, employment and socio-economic transformation theme

of the Plan. The set of objectives emphasized the enhancement of household incomes and equity, availability and quality of gainful employment, human capital development, stock and quality of economic infrastructure, access to quality social services, use of science, technology and innovation to enhance competitiveness, good governance, defense and security, sustainable population and use of the environment and natural resources.

8. The stated results framework for the NDPI was based on a set of objectives, theme components, and key binding constraints as summarized below.
9. In addition to goal and objective results, the NDPI strategically set out to accomplish 15 priority or ‘core’ projects for implementation over the five years. These projects, which were selected, primarily based on addressing and resolving the most binding constraints to economic growth, included the following projects:

Table 1: NDPI Core Projects

No	Core Project
1.	Oil refinery development
2.	Five major irrigation systems
3.	Inter-state oil distribution pipeline
4.	Karuma Hydro Electric Power (HEP) project
5.	Isimba HEP project;
6.	Ayago HEP project;
7.	Kampala transport infrastructure;
8.	Railway rehabilitation
9.	Standard gauge rail from Kampala to Malaba;
10.	Lake Victoria water transport;
11.	Information technology business parks
12.	Phosphate industry development in Tororo;
13.	Iron ore ingot production;
14.	National non-formal skills development; and
15.	Four regional science parks and technology incubation centres.

10. The NDPI selected 43 sectors and grouped them into four broad clusters namely primary growth, complementary, social and enabling sectors. For each of these sectors, the NDPI selected a set of objectives, each with strategies and proposed interventions. Typically, a sector had between 4 and 6 objectives, 10 to 20 strategies and 15 to 30 or more interventions. There are thus hundreds of strategies and some 1,000 proposed interventions. All of these have been populated by the National Planning Authority (NPA) into templates for Ministry, Departments and Agencies (MDAs) and Local Governments, against which planning and performance are compared.

1.3 Scarcity of Baseline Indicators

11. The NDPI set out to assess progress made towards achievement of specified NDP goals, objectives, results and other milestones. A particularly important results data table contained in the NDPI results matrix consisted of the statistical indicators table that lists the eight overall NDPI objectives and a set of 48 performance indicators. Each of these indicators is supposed to have a 2008/09 baseline measure and a specific target for each year of NDPI implementation. However, only 34 out of the 48 stated indicators (69%)

had baselines values, which means the progress on 31% of the indicators was not easy to follow up throughout the entire assessment period for NDPI.

1.4 Methodology for the Final Evaluation

12. In carrying out the NDPI final evaluation, the assessment of performance on each of the selected indicators was carried out using statistical data from various sources including UBOS Statistical Abstract, GAPR and UNDP, as well as survey results particularly from UBOS. Data and analyses from the “EU diagnostic studies to support the mid Term Review of Uganda’s 2nd National Development Plan (NDP2) and evaluation of NDPI” was also used. Reference was made to the World Bank’s report: “Uganda, promoting inclusive growth”, report No 67377-UG, February 2012.
13. The evaluation team also made visits to selected MDAs and interviewed heads of departments to gain in-depth knowledge and understanding of the successes and challenges that NDPI faced, the interviews being guided by a set of evaluation questions as set out below.

Table 2: Evaluation Questions

No	Evaluation Question
RF1	Did NDPI remain on track to achieve its 8 over-arching NDPI objectives / key results areas / targets and the sector specific objectives / targets?
RF2	How did progress against NDPI objectives / targets differ across the county?
RF3	What progress was made on the implementation of the core NDPI projects?
RF4	Which areas of NDPI implementation have been most and least successful and why?
RF5	What were the general constraints to the delivery of results during NDPI?
RF6	To what extent did sector resource allocations and priority investments change to reflect NDPI priorities especially after the MTR?
RF7	What were the trends in the overall balance of administration and service delivery costs in the implementation of the NDPI?
RF8	To what extent was financing and implementation of the NDPI influenced by regional variations in economic and human development?
RF9	To what extent did the assumptions behind the NDPI financing strategy remain valid and what was done to increase the funding envelope for NDPI after the MTR?
RF10	How coherent was the NDPI in terms of cascading results / linking priorities with objectives?
RF11	Is there evidence to show that NDPI objectives, targets and assumptions for increases in GDP per capita, equity and enhanced human capital development were coherent and realistic?
RF12	To what extent were district level challenges of poor resourcing and capacity addressed in the second half of NDPI?

14. The method used for the NDPI evaluation draws on the OECD-DAC evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability. The MTR is based on a total of 12 evaluation questions (Table 2) reflecting the OECD criteria for assessment. It was found that the best suited sequence of analysis would be one that reflected the sequence of the NDPI plan document.
15. Table 3 shows how the OECD DAC based evaluation questions were mapped onto the result/theme areas of Coherence, Inequality, Infrastructure, Delivery, Financing and

Conclusions and recommendations The second column of Table 3 refers to sections of this report where the guiding questions are handled in more detail. Note that some guiding questions are handled under several result/theme areas. Note also that a summary of the conclusions under each of the evaluation questions are given in section 9: Conclusions and Recommendations.

Table 3: Mapping Evaluation Questions to Areas results/ financing relevance

Result Framework objectives and financing /Guiding Questions	Relevant sections of this report
<p>A. Coherence RF10: How coherent was the NDPI in terms of cascading results / linking priorities with objectives? RF11: Is there evidence to show that NDPI objectives, targets and assumptions for increases in GDP per capita, equity and enhanced human capital development were coherent and realistic?</p>	Section 3 on assessment challenges. Section 7 on coherence and realism
<p>B. Inequality RF8: To what extent was financing and implementation of the NDPI influenced by regional variations in economic and human development? RF2: How did progress against NDPI objectives / targets differ across the county? RF12: To what extent were district level challenges of poor resourcing and capacity addressed in the second half of NDPI?</p>	Section 6 on NDPI Financing. Parts of section 4 on core projects and 5 on binding constraints
<p>C. Infrastructure RF3: What progress was made on the implementation of the core NDPI projects?</p>	2.4 stock and quality of infrastructure. Section 4 on Core projects.
<p>D. Delivery RF5: What were the general constraints to the delivery of results during NDPI? RF1: Did NDPI remain on track to achieve its 8 over-arching NDPI objectives / key results areas / targets and the sector specific objectives / targets? RF7: What were the trends in the overall balance of administration and service delivery costs in the implementation of the NDPI?</p>	Constraints are handled in sections 2,3 and 4 and general summary issues are set out in section 5 on assessment of binding constraints. Service delivery costs are dealt with in ch 6 on financing and the overall question of whether NDPI was on track in the concluding section
<p>E. Financing RF6: To what extent did sector resource allocations and priority investments change to reflect NDPI priorities especially after the MTR? RF9: To what extent did the assumptions behind the NDPI financing strategy remain valid and what was done to increase the funding envelope for NDPI after the MTR?</p>	RF6 and RF7 are handled mainly in section6: analysis of financing.
<p>F. Conclusions/Recommendations RF1: Did NDPI remain on track to achieve its 8 over-arching NDPI objectives / key results areas / targets and the sector specific objectives / targets? RF12: To what extent were district level challenges of poor resourcing and capacity addressed in the second half of NDPI?</p>	Answers to RF1, 12 and 4 are sketched out in the concluding chapter.

RF4: Which areas of NDPI implementation have been most and least successful and why?	
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Inception Period

16. For the implementation of the Final Evaluation, a three-week inception period was set aside to plan the actual assessment. Within the inception period, background documents were collected and reviewed; introductory meetings were held; and the review questions were refined. Discussions were also held with a selected number MDAs, the Private Sector, Civil Society Organisations (CSOs) and Development Partners. A series of key informant interviews focusing on the Results Framework thematic area were conducted and supplementary analysis of data, as well as collation of document information, were undertaken.
17. Much effort was spent in gathering and synthesizing data that were used to produce the needed indicators on which progress, success or failure of NDPI could be measured. After an internal draft report on the updated indicators was compiled, it was circulated to a team of reviewers to make comments and enrich the conclusions and recommendations of the Final Evaluation.

Monitoring & Evaluation Strategy

18. The Results Framework thematic work was conducted under the NDP Monitoring and Evaluation (M&E) strategy. Under this strategy, the NPA has the responsibility for establishing the Results Framework for the NDPI and for ensuring that relevant institutions of Government (and relevant non-state actors) develop indicators that are consistent with the NDPI aims and objectives. The same M&E strategy gives the OPM the responsibility for overall monitoring of Government performance. The National Development Reports (NDR) that are annually produced by the NPA as well as the Government Annual Performance Reports (GAPR), which are produced by the OPM, served as two primary reference sources for the NDPI Final Evaluation.
19. Furthermore, the NDPI Final Evaluation carried out more detailed analyses based largely on information obtained from the Uganda Bureau of Statistics (UBOS). The evaluation team analysed selected annualised and cumulative performance of MDAs in different sectors, referring among other things, to budget performance reports, backgrounds to the budget, ministerial policy statements and specific sector performance reports. In addition, the Evaluation looked at a number of relevant reports from studies and research works recently conducted in Uganda and having relevance to the NDP.

Consultations

20. Besides the preliminary investigations that were conducted by the Evaluation team during the inception phase, including the review of documents and reports that was undertaken, the Evaluation team also conducted wide-ranging consultations with key NDP actors who were involved in its implementation and coordination at national government, local government, civil society, development partner and private sector levels. The Evaluation team that prepared the Results Framework Report visited, among others, MoFPED and

OPM where high-level meetings were held and feedback obtained on key sector and general performance against NDP targets.

1.5 Organization of the report

21. This NDP Results Framework Report is one of six thematic reports under the Final Evaluation of NDPI. The Results Framework report is structured into nine sections as follows:

Section 2 presents progress against the achievement of NDP goals and objectives;

Section 3 deals with Challenges in Assessing NDPI Progress on Goals and Objectives;

Section 4 evaluates the progress of NDPI Core Projects;

Section 5 undertakes an assessment of binding constraints to NDPI implementation;

Section 6 analyses the NDPI Financing;

Section 7 assesses the Coherence and Realism of the Results framework;

Section 8 deals with Cross Cutting Issues;

Section 9 sets out the Conclusions and Recommendations of this report;

2.0. Progress on NDPI Goals and Objectives

Introduction

22. Uganda's overarching goal is to achieve middle-income status by 2014 through implementation of successive 5-year National Development Plans. The first Development Plan (NDPI) began in 2010/11, ended in 2014/15, and was succeeded by NDP2 from 2015/16 to 2019/20, to continue to influence development planning, policy formulation and policy coherence.
23. NDPI drew national attention to a number of pressing development challenges and constraints, which include the following:
- (i) weak public sector management and administration;
 - (ii) inadequate financing and financial services;
 - (iii) inadequate quality and quantity of human resources;
 - (iv) inadequate physical infrastructure;
 - (v) gender issues, negative attitudes and mind-sets;
 - (vi) low application of science, technology and innovation;
 - (vii) inadequate supply of, and limited access to, production inputs.
24. The NDPI had eight strategic objectives including enhancement of: (i) Household incomes and equity; (ii) Availability and quality of gainful employment; (iii) Human capital development; (iv) Stock and quality of economic infrastructure; (v) Access to

quality social services; (vi) Use of science, technology and innovation to enhance competitiveness; (vii) Good governance, defence and security; and (viii) Sustainable population and use of the environment and natural resources). Concerning the objective of boosting of household incomes and promoting equity by eliminating inequality, progress was assessed in NDPI basing, among other indicators, on per capita income and reduction in the proportion of Ugandans living below the poverty line. During the first NDPI the proportion of Ugandans living below the poverty line came down to 19.7 percent in 2012/13 (UNHS) from 24.5 percent in 2009/10.

25. Assessment of progress on human capital development was based on the increase in life expectancy and literacy and average years of schooling. The quality of infrastructure was measured by the proportion of paved roads to the total road network, freight cargo by rail, the proportion of households accessing power from the national grid and power consumption per capita. The NDPI regarded access to quality health services, to education, water and sanitation services as intermediate indicators that would demonstrate Uganda's progress toward reaching higher life expectancy and effective literacy.
26. A number of result areas lacked indicators or did not have baselines or targets. In such cases, the assessment stated that the relevant NDPI indicator could not be evaluated. For example, NDPI put priority on ecosystems restoration but hardly any indicator for this activity was included in the results framework. Similarly, for governance, rule of law and order, only one indicator was mentioned and given a baseline and targets. For science, technology and innovation, many indicators were proposed but they lacked the necessary 2014/15 targets. All these shortcomings compromised the quality and conclusions of the NDPI final evaluation.
27. The analysis of the achievements was based on the data extracted from the best available primary and secondary sources including UBOS Statistical Abstracts, household surveys, panel survey reports, human development reports, and other global survey publications as well as the respective MDA annual performance reports.
28. The analytical tables for NDPI indicators are arranged in the same sequence as the NDPI Objectives and Development Indicators set out in the NDPI table 4.15 (p72 and 73 of the NDPI document). E.g. One table gathers all the health indicators, another gathers the education indicators etc.
29. In each of these tables the first column gives the names of the specific indicators. Each indicator is set out in three lines: the top line for each specific indicator (**Actual**) gives the actual indicator magnitude of the NDPI 2008/9 base value. The middle line (**NDPIT**) gives, where available, the NDPI target values for the indicator. The bottom line (**Vision**) gives, in the third column, the base 2010 value for the 2040 vision. The ultimate right hand column gives, where available, the Uganda Vision 2040 Target. The penultimate section of the table shows actuals or targets of NDPI years 2010/11 to 2014/15. In addition, the table shows some years where considerable data was available: 2009/10, 2014, 2015 and 2017. This sometimes helps to illustrate indicator trends.

Table 4: Indicators on GDP, population, growth, incomes, distribution, capital formation and savings

Indicator		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
GDP growth per annum	Actual	6,2	5,7	9,4	3,8	3,6	5,2		5,1			
	NDP1T				7,0				7,5			
	Vision											N/S
GDP at market prices (UGX billions)	Actual	29972		39051	49087			76883		82903	86756	
	NDP1T				46934				72094			
	Vision											
Per capita Income USD	Actual	506		485	487			777		671		
	NDP1T				667				837			
	Vision	506										9500
Income distribution (Gini Coefficient)	Actual		0,426			0,395		0,395				
	NDP1T											
	Vision											0,320
Proportion of people living below the poverty line	Actual	28,5	24,5	N/A	N/A	45,8	19,7	19,7				
	NDP1T				27,4				24,4			
	Vision	24,5										5,0
Population Growth rate	Actual	N/S						3,03				
	NDP1T											
	Vision	3,20										2,40
Gross Capital Formation as percent of GDP	Actual				N/A			N/A				
	NDP1T				N/S				N/S			
	Vision											30
Savings as percent of GDP	Actual				N/A			N/A				
	NDP1T				N/S				N/S			
	Vision	14,5										35

2.1 Increasing Household Income and Promoting Equity

30. The success of the NDPI was premised on a steady expansion of the Ugandan economy. Indeed, the Ugandan economy grew at a reasonable annual rate, but by the end of the NDPI five-year span, the growth rate that was registered came to 5.1 per cent in 2014/15 not hitting the target of 7.0 per cent per annum envisaged for NDPI.

Growth factors

31. According to the Uganda Human Development Report 2015: Unlocking the Development Potential of Northern Uganda (UNDP), the period 2005/6 to 2012/13 registered an average GDP rate of 7 percent per annum. This growth rate was mainly driven by the services sector (8 percent) and the industry sector (7.8 percent).
32. However, the agricultural sector, from where the majority of Ugandans derive their livelihood, grew, on average, by 1.3 percent annually, with the poorest performance noted

for the food crops subsector. Growth for the agriculture sector was stronger during the 2005/6 to 2009/10 period, compared to the 2009/10 to 2012/13 period.

33. The economic slowdown in the latter period from 2009/10 to 2012/13 was a result of both local and external factors. The 2009/10 to 2012/13 period was characterized, among other things, by: (i) high inflationary pressures in the Ugandan economy; (ii) national elections in 2011; (iii) significant declines in exports to South Sudan; and (iv), the decline in global commodity prices. The worst period was 2011/12, when the cost of living increased rapidly (with double-digit inflation), and real GDP growth rate declined from 9.4 percent in 2010/11 to 3.8 percent in 2011/12. The agricultural sector registered minimal growth, averaging 1 percent per annum during 2010/11 and 2012/13.
34. However, macroeconomic stability was restored during 2013, with inflation down to single digit. As a result, the economy grew by 5.2 percent in 2013/14 and 5.1 percent in 2014/15 but the improvement was not enough to bring the growth rate to the NDPI target for 2014/15.

Per Capita Income

35. Uganda's national income per capita (based on 2005 purchasing power parity) has been growing, though marginally, since 2010. The 2011/12 NDP target for per capita income was US\$667 but the actual figure for this indicator was below this target, at 487 US dollars.
36. The per Capita income for Uganda fell from USD 777 in 2014 to USD 671 in 2015 meaning that this indicator failed to meet its 2014/15 target of 837 USD at the end of the NDPI period.
37. Not only did per capita income fail to meet the NDPI target but if it grew at this rate, it would also be off-track in meeting the 2014 Vision target of USD 9,500 twenty-five years later.
38. NDPI had targeted a figure of US\$837 per capita income for Uganda at the end of the Plan period in 2014/15; however, the actual 2014 figure was USD 777 while the 2015 figure was USD 671, which indicates that **the target for the per capita income indicator for NDPI 2014/15 was not met.**

Income distribution and poverty

39. There is some evidence to show that the growth in total GDP figures and per capita national income has not resulted into improved equitable distribution of household income.
40. There has been a reduction in the proportion of people living below the poverty line in Uganda; and performance in this regard surpassed the NDPI target for 2014/15.

Population Growth

41. Per capita income for Uganda is determined by GDP growth and population growth. If the population size were to double, GDP would have to grow more than double its size to

keep per capita income at the same level or higher. Therefore, the rate of population growth was considered important in NDPI target setting.

42. To be able to reach the Uganda Vision 2040 target of US\$9,500 per capita income in Uganda will be exceedingly difficult given the very high growth rate in population of 3.03 percent per annum. Per capita productivity in the country must be enhanced to reach the target.

Gross Capital Formation as Percent of GDP

43. There was limited data on savings as percentage of GDP and this hampered a full assessment of the performance of this indicator during the NDPI period.

Savings as percent of GDP

44. NDPI did not set targets for saving as percent of GDP. Actuals were not available. The vision base figure for 2010 was 14.5 percent increasing to a Vision target of 35 percent in 2040.

2.2 Enhancing the Availability and Quality of Gainful Employment

45. The second thematic component of the NDPI results framework focuses employment. The percentage of the labour force working increased from 70.9 per cent in 2008/09 to 75.4 per cent by 2010/11 (marginally in excess of the NDPI target of 75.3 per cent for 2011/12). The 2012/13 UNHS data from UBOS provided information on labour force participation rates, unemployment as well as under-employment; however, the UNHS of 2012/13 was the only labour force survey that was carried out during the 5 year period of NDPI.
46. According to the 2012/13 UNHS survey, 56.8 percent of the total working population in Uganda were employed.
47. The labour force participation rate in Uganda was 52.8 percent. Overall unemployment was 9.4 percent (higher at 11% for females than for males at 8%); labour under-utilization rate was 19.9% of the working population (higher among males at 24.4%, than among females at 15.9%).
48. The demand for jobs in Uganda was not easy to estimate. UBOS compiles jobs advertised in major English language newspapers as a proxy for the demand for jobs in the economy. However, this is an unreliable source because many jobs are un-advertised, especially those in elementary occupations, as well as those jobs that internally advertised jobs, and those advertised on websites and radio, etc.
49. The listing of the number of jobs expected to be created, often leaves the impression that very little is achieved each year; especially considering that hundreds of thousands Ugandans join the labour market every year. According to the GAPR (2011/12), the Uganda Investment Authority (UIA) licensed 242 businesses owned by both local and foreign investors in the year of review. These came from all sectors of the economy and were expected to create 34,095 jobs. Foreign investments licensed were projected to create 19,775 jobs and local investments 13,092 jobs. Investments in financial, insurance,

real estates and business services were expected to create 10,107 new jobs, manufacturing 8,464 jobs, agriculture, hunting, forestry and fishing 6,901 jobs, accommodation catering and tourism services 657 jobs and 616 for community and social services. The total number of new jobs, according to this source, is quite sizeable but it is “a drop in the ocean” in the labour market.

50. The NDPI indicator used for this objective at the employment level was “percentage share of total national labour force employed”. In addition, however, there are a number of other indicators analysed below that are relevant to show changes in availability and quality of gainful employment.

Table 5: Employment and productivity

		NDP1	Year									2040 vision Target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Pct Share of of total national labour force employed	Actual	70,9		75,4	N/A							
	NDP1T				73,1				78,2			
	Vision	70,9										94
Labour productivity per worker in USD: Agriculture	Actual				N/A			125,2				
	NDP1T				N/S				N/S			
	Vision	390										6790
Labour productivity per worker in USD: Industry	Actual				N/A			N/A			2499,2	
	NDP1T				N/S				N/S			
	Vision	3550										6790
Labour productivity per worker in USD: Services	Actual				N/A			N/A			1717,5	
	NDP1T				N/S				N/S			
	Vision	1830										25513
Labour productivity per worker in USD: Total	Actual				N/A			N/A			687,4	
	NDP1T				N/S				N/S			
	Vision	1017										19770

Percentage of the Labour Force Employed

51. In Uganda, there have been few labour studies from which to compute accurate estimates of new jobs created across both formal and informal sectors. Perhaps because of this challenge, the NDPI results framework for employment did not pay much emphasis on the composition of GDP according to sectors and the breakdown of the labour force by the sector of employment.
52. Although the information on percentage composition of employment by sector would give an indication in the change in the structure of the labour force, it would still not say much about the change that takes place in the total labour force. In addition, the information would not capture the changes in productivity that might take place over time.
53. By 2011 the total annual jobs gap was estimated in the Budget Framework Paper (2011) to be 394,000 jobs. The national employment policy states that the growth in youth labour

force is 6.0 per cent per annum, far higher than the population growth rate of 3.03 per cent.

54. There is urgent need to produce up-to-date statistics on the number of new jobs. However, estimates from sources such as the UBOS Statistical Abstract have concentrated on the demand for jobs as advertised in newspapers; for example in 2011 there were 11,978 jobs which were advertised compared to 24,372 jobs in 2010, indicating a decline in labour demand.
55. Measures proposed by NDPI to address the job creation challenge in the short to medium term include: (i) simplifying the process and cost of starting business; (ii) introducing youth skills development strategies; (iii) creating and supporting SME micro financing schemes and; (iv) promoting attitude change to work.
56. In 2011, Government produced a national employment policy with the theme to increase decent employment and labour productivity for socio-economic transformation. Consultations with stakeholders in local government have revealed that the main challenge to increasing employment levels is the high population growth rate, which far exceeds the rate of growth in job opportunities in the market. Furthermore, there is the challenge of low profitability in the agriculture sector (as a result of a combination of factors such as lack of markets, low prices, low productivity, little value added) which implies that a large number of the people engaged in agriculture production are not fully or gainfully employed.
57. For the future, collection and analysis of better employment data needs to be a priority, given the importance of job creation in the future development of the country. There is a pressing need to improve employment data across both the formal and informal sectors.

Labour Productivity

58. The “Growth” section of NDPI specified a number of labour productivity indicators in agriculture, industry and the services sectors. However, the data on productivity indices were not available (N/A) or the value of the productivity indicator was not stated (N/S).

Trends in GDP shares

59. The composition of GDP by the three sectors, namely agriculture, industry and services, which was envisaged for the end of NDPI, was approximately, in the ratio 21:24:55.

Table 6: Composition of GDP by: Agriculture, Industry and Services Sectors and by Period

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Agriculture % share of GDP	Actual	23,0		24,0	24,9	26	24,7	24,7			21,9	21,8
	NDP1T				22,2				21,4			
	Vision	22,4										
Industry % share of GDP	Actual	24,6		26,9	27,7	20,3	20,3	19,7			19,0	18,6
	NDP1T				24,3				24,0			
	Vision	26,4										
Services % share of GDP	Actual	52,4		49,1	47,4	46,9	47,7	48,1			50,7	51,6
	NDP1T				53,5				54,6			
	Vision	51,2										

Note: in this table Numbers given in the 2012/13 column are actually refer to 2102, numbers in the 2013/14 column are actually 2013 numbers and numbers in the 2015 column are actually from 2016

60. While the 2014/15 NDPI target for the share of industry was put at 24% the actual 2014 share was 19.7%. On the other hand, for the agriculture sector, the 2014/15 NDP target had been put at 21.4% but the 2014 share was 24.7%. The actual shares of the three sectors was approximately in the ratio 25:20:55, agriculture to industry to services.
61. This shows that during the NDPI planning period industry failed to make inroads into agriculture's traditionally dominant share.

Sector Shares of Employment

62. As a measure of contributing to economic transformation, NDPI targeted an increase in the proportion of people employed in the manufacturing and services sectors, and a reduction in the proportion of people working in the agriculture sector.
63. The share of the labour force employed in manufacturing sector has declined from 6.8 per cent to 4.2 per cent and in the services sector from 26.8 per cent to 20.7 per cent in recent years, despite the rise in GDP shares in these sectors.
64. The Employment Policy attributes this situation to several factors including: (i) mismatch between skills acquired and the requirements by employers; (ii) the development of low skills services and industries; (iii) the high growth rate in the labour force and; (iv) the inability to absorb the growing size of the labour force.
65. In terms of education attainment of the working population, 73.7 per cent have attained only primary education and below, 18.3 per cent secondary education and 6.8 per cent have specialised training or post primary education.

Table 7: Labour Force in Agriculture, Industry and Services by Period

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Agriculture %	Actual	73,3		N/A	N/A					33,8		
	NDP1T				71,4					69,3		
	Vision	65,6										31,0
Industry % P	Actual	4,2		N/A	N/A					21,1		
	NDP1T				4,7					5,4		
	Vision	7,6										26,0
Services %	Actual	22,5		N/A	N/A					45,1		
	NDP1T				23,9					25,3		
	Vision	26,8										43

66. The 2014/15 actual figures given by UBOS in 2018 contain revisions in the classification of industry for reporting purposes. These revisions have made it difficult to compare 2014/15 NDP targets and actual performance in the relative shares of labour force in the three sectors.
67. A comparison of 2014/15 NDPI targets and the Uganda 2040 Vision targets shows that Uganda would need to increase the share of the labour force in industry from 5.4% to 26% in 2040.
68. Hence, Uganda would have to chart a way into industrialization with much energy and planning in order to be able to meet the 2040 Vision targets for the labour force composition targets.

Table 8: Job Creation

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Number of Manufacturing jobs created	Actual	N/S		13424	16725					N/A		
	NDP1T				N/S					N/S		
	Vision	N/S										N/S

The proportion of Uganda's GDP accounted for by exports

69. Among the factors which positively affect the wealth of nations, exports are paramount. Therefore, NDPI considered targeting a substantial increase in the proportion of GDP that is accounted for by exports. (See table 20). However, targets were not set and data are not available to judge this indicator.

2.3 Enhancing Human Capital Development

70. The architecture of the NDPI considered socio-economic transformation both as a result and as a requisite for sustainable growth and employment. The contribution of the current

NDPI to the socio-economic transformation is supposed to be through improved employment levels, higher per capita income, improved labour force distribution, substantially improved human development and gender equality indicators, among others. Hence, the NDPI results framework targets improving the human development indicators for the country to levels similar with those in middle-income countries, raising Uganda’s competitiveness position in the world and increasing the level of urbanisation.

71. In this evaluation, the indicators relating to human capital development were also included in the socio-economic transformation theme. Literacy levels in Uganda have been oscillating between 70 and 73 percent from 2010 to 2014/15. **The literacy level indicator did not meet its 2014/15 NDPI target of 82.2 percent, as its actual value in 2014/15, was 71 percent** (Table 9).
72. To facilitate effective socio-economic transformation, the principle of growth promoted in the NDPI is one of “growth with equity” which implies a strong reference to the desire to balance wealth creation with sustainable poverty reduction.
73. The NDPI evaluation has looked at trends in these indicators to assess the country’s progress on socio-economic transformation targets.
74. Overall, the review finds that there has not been much improvement in the state of human development in the country over the last three years. A recent Human Development Report (2013) placed Uganda in the low human development category.

Table 9: Human Development Indicators

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Life expectancy at birth	Actual	50,4		54,0	52,2						63,3	
	NDP1T				51,3				52,4			
	Vision	51,5										85
Literacy level	Actual	73,6		73,2	74,6				71,0		74,0	
	NDP1T				76,9	71,0			82,2			
	Vision	73,0										95,0
HDI Score	Actual	0,514		0,446	0,422				0,505			
	NDP1T				0,531				0,572			
	Vision	N/S										N/S

Note: Number given in the 2015 column is actually from 2014 and the number in the 2017 column is actually for 2016/17

Life Expectancy

75. In 2016, the World Health Organization (WHO) calculated Uganda’s life expectancy at birth to be 62 years, up by 2 years since 2014 when it was estimated at 60 years. However, data from the UNHS of UBOS gave $e_0 = 63.3$ in 2014. This life expectancy was a great improvement for this indicator in Uganda.

76. Improvements in life expectancy were attributed to reduced maternal mortality and reduced HIV mortality through the general use of ARV's and self-prevention; while measures were also put in place to control TB and malaria mortality. Since 2000 maternal mortality reduced by 44 percent in Uganda, infant mortality was brought down by improved immunization coverage, malaria control and water and sanitation coverage in Uganda.
77. The life expectancy at birth of Ugandans reached 63.3 years in 2014, up from 50.4 years in 2008/9, which was a lot of improvement; **and this indicator exceeded its NDPI target of 52.4 years in 2014/15 (Table 9).**

Literacy Levels

78. According to the latest 2017 UNESCO computations, Uganda has an adult literacy rate of 70.2% while the male literacy rate in Uganda is 79.12%, and for females, it is 61.97%, showing a big gap between the sexes.
79. Data from the Uganda Bureau of Statistics (UNHS, 2016/17) showed that the literacy level in Uganda has increased considerably in recent years; however, the government will have to do more to have all children in the country kept in school. According to the UNHS source, the literacy rate for persons aged 10 years and above was estimated at 74 percent up from 71 percent in 2012/13. Males had a higher literacy level at 78 percent than females at 70 percent; urban residents had a higher rate at 87 percent than rural dwellers at 69 percent. **The literacy level target was not attained with a 71.2 actual versus a targeted 82.2 per cent.**
80. However, relating literacy levels to effective socio economic transformation remains a main challenge in Uganda. The high primary level education intake through the UPE policy has increased enrolment rates but the functionality of Uganda's literate population remains very low. Only about 23 per cent of Ugandans have attained at least secondary education with the proportion of women lagging slightly behind. The 2010 UDHS Report indicated that there was not much difference in people's attitudes and practices to work / employment between primary and no education categories. Consequently, one of the most binding constraints to the national development of Uganda is lack of enough relevant, high quality skills.

The Human Development Index (HDI)

81. The HDI measures the long term progress in three dimensions of human development, namely: (i) a long and healthy life (which is measured by life expectancy at birth); (ii) access to knowledge (which is measured by the expected and mean number of years of schooling), and (iii) a decent standard of living (measured by gross national income – GNI – per capita).
82. Time series of the components of HDI is shown in Table 10 and illustrated by graphs overleaf. The HDI value for Uganda for 2017 was 0.516, which put the country in the low human development category. In 2017 Uganda was ranked 162nd out of 189 countries and territories basing on its HDI value.

Table 10: Components of the Human Development Index from 1990 to 2017

Year	Life Expectancy	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP in \$)	HDI Value
1990	45.5	5.7	2.8	755	0.311
1995	44.2	5.6	3.4	906	0.321
2000	47.1	10.8	3.9	1,031	0.398
2005	52.6	10.7	4.4	1,187	0.437
2010	57.2	11.0	5.7	1,490	0.486
2015	59.6	11.2	5.7	1,635	0.505
2016	59.9	11.3	5.7	1,654	0.508
2017	60.2	11.6	6.1	1,658	0.516

Source: Human Development Index Report 2017, UNDP.

- 83. The below figures show trends in the HDI index and its components:
- 84. For the year 2012 Uganda’s HDI value was 0.456, reflecting a marginal improvement from her position in 2011 which was 0.454. In both 2011 and 2012, Uganda ranked 161 out of the 187 countries that were assessed. The country ranking **fell short of the NDPI targeted position of 150th and 148th for 2011 and 2012 respectively**. Uganda’s HDI score fell below the HDI average for countries in the low category (0.466) as well as below the average for countries in sub-Saharan Africa (0.475). Between 2010 and 2015 the HDI increased by 3.9 percent;

Figure 2: Uganda HDI Value 1990-2017

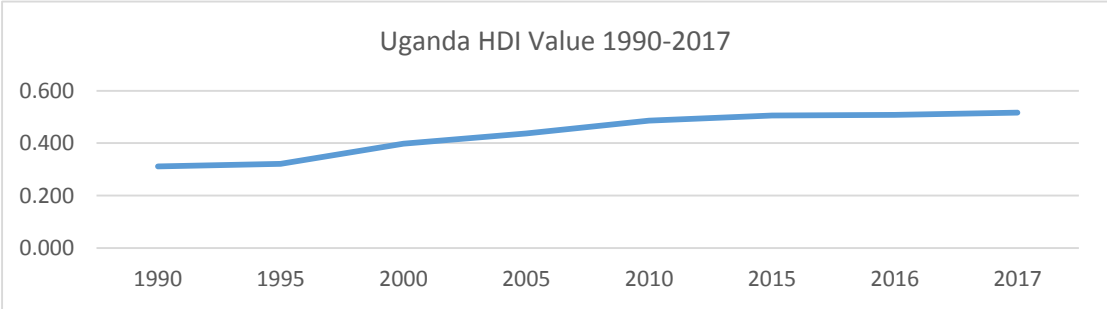


Figure 1: Trend in GNI per Capita (2011 PPP, USD)

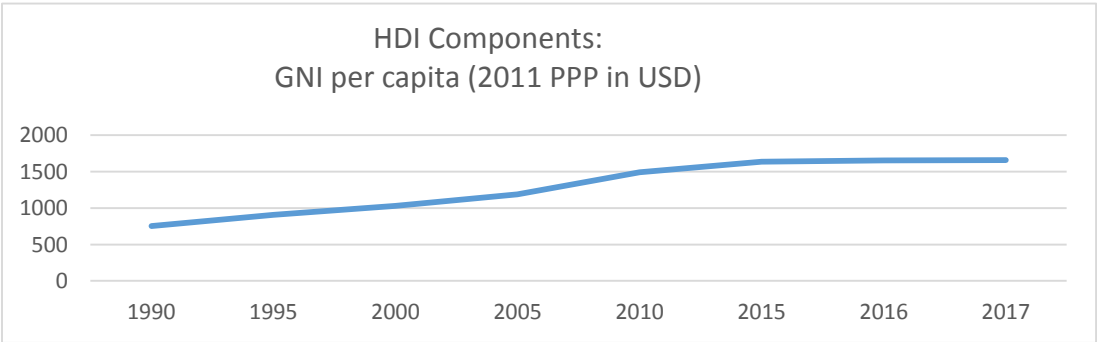


Figure 4: Trend in Mean and Expected years of Schooling 1990-2017

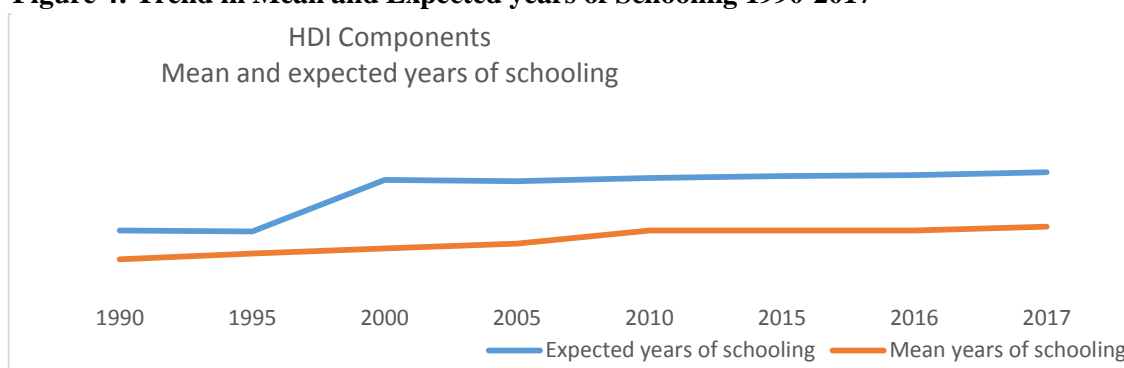
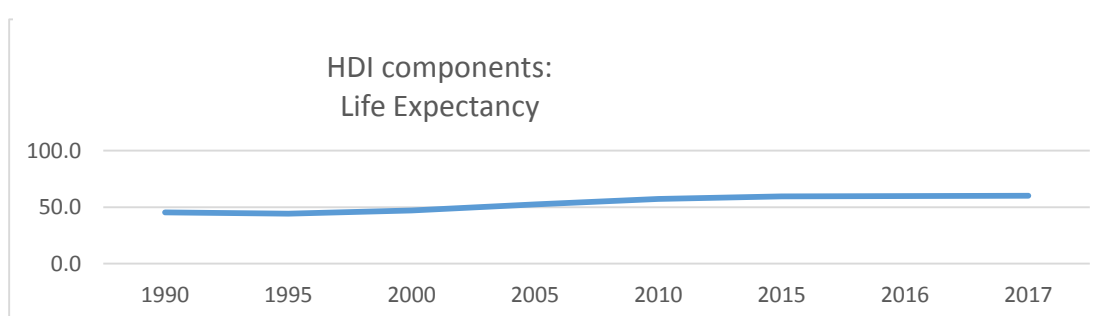


Figure 3: Trend in Life Expectancy 1990-2017



85. GNI increased by 9.7 percent; mean years of schooling remained the same, but life expectancy increased by 4.2 percent. Of the three dimensions making up HDI, that is; a long life, access to knowledge and a decent standard of living, improvement in the incomes of Ugandans was the most important component followed by mortality reduction - which worked through increased life expectancy. Indeed, notwithstanding the availability of UPE and USE opportunities and policies, access to knowledge seems to have been the worst binding constraint to improving human development in Uganda within the NDPI period.
86. The Ease of Doing Business index (Table 11) ranks countries against each other based on how the regulatory environment is conducive to business operations and stronger protections of property rights. Economies with a high rank (1 to 20) have simpler and more-friendly regulations for businesses.
87. Uganda was ranked 127 among 190 economies in the ease of doing business, according to the latest 2018 World Bank annual ratings. The rank of Uganda deteriorated to 127 in 2018 from 122 in 2017. Between 2008 and 2018, the Ease of Doing Business ranking in Uganda averaged 121 reaching an all-time high of 135 in 2014 and a record low of 106 in 2008.
88. The 2015 Ease of Doing Business Report showed Uganda was performing poorly in its rankings. However, the latest 2018 Report placed Uganda in the 122nd position out of 190 countries for 2017, indicating that the country has made some progress in improving the competitiveness environment.

Doing business

Table 11: Ease of Doing Business competitiveness and urbanization

		NDP1	Year									2040 Vision target
		2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	2017	
Ease of doing Business Rankings	Actual	112nd/ 183	123rd/183	123rd/183						150th/189	122nd/190	
	NDP1T				104th/183				82nd/183			
	Vision	N/S										N/S
Global Competitive index Ranking	Actual	108/130	121st/130	121st/139						115th/140	115th/138	
	NDP1T				100th/130				85th/130			
	Vision	N/S										N/S
Pct of population in Urban Areas	Actual	12,0	14,2	14,5	14,7					15,8	16,1	16,8
	NDP1T				12,0					20,0		
	Vision	13,0										60,0

Number entered in column 2009/10 is actually for 2009, Number for Pct of population... entered in the 2014/15 column is actually for 2014.
Numbers entered for Ease of doing business and Global competitive index in column 2017 are actually from 2018

89. A study by USAID in 2010 identified the main barriers to doing business in Uganda as: high levels of corruption, poor infrastructure, a lack of access to affordable loan financing, low levels of human capacity, inefficient government services, and lack of government policies and regulatory consistency toward investment, which further impeded business predictability and efficiency.
90. In 2015, the Ease of Doing Business Report indicated that the areas where Uganda was performing very poorly in its competitiveness rankings were, in this order:
- (i) Getting electricity (184th / 189);
 - (ii) Starting a business (166th / 189);
 - (iii) Dealing with construction permits (163rd / 189);
 - (iv) Trading across borders (161st / 189);
 - (v) Getting credit (131st / 189) and;
 - (vi) Registering property (125th / 189).
91. The relatively best four performing areas were 1) Enforcing contracts (80th / 189); 2) Resolving insolvency (98th / 189); 3) Paying taxes (104th / 189), and; 4) Protecting minority investors (110th / 189).

Global Competitive Index (GCI) Ranking

92. Uganda gave itself a target of 85th position out of 130 countries for the end of NDPI, on the Global Competitiveness Index (GCI). (Table 10)

93. The actual position in 2015/16 was 115th out of 140 countries; therefore, **the GCI ranking indicator for NDPI was not met.**
94. The most recent 2018 edition of Global Competitiveness Report assesses 140 economies. The report publishes an index, which is made up from 98 variables, using a combination of data from international organizations as well as from the World Economic Forum's Executive Opinion Survey. The variables are organized into twelve pillars with the most important including: institutions; infrastructure; ICT adoption; macroeconomic stability; health; skills; product market; labour market; financial system; market size; business dynamism; and innovation capability.
95. The country's position among the 140 economies was transformed to give a GCI index that varies between 1 and 100, such that a higher average score means higher degree of competitiveness.
96. With the 2018 edition, the World Economic Forum introduced a new methodology, aiming to integrate the notion of the 4th Industrial Revolution into the definition of competitiveness. The new methodology emphasizes the role of human capital, innovation, resilience and agility, as not only drivers but also defining features of economic success in the 4th Industrial Revolution.

Urbanization

97. Urbanisation is a key theme of the Uganda Vision 2040, which foresees 60 per cent of Ugandan living in urban areas by 2040. The trend is upward, with the estimated urbanisation level moving from 12.0 per cent in 2008/09 to 13.0 per cent in 2010/11 and 14.7 per cent in 2011/12 and to 18.2 percent in 2018 (UN Habitat). (See Table 11)
98. There are, however, concerns that a lot of urban development is unplanned and there are growing challenges in providing public services to the large numbers of people in towns.
99. In a study by the EPRC (2011), the steady growth in urbanisation has been attributed in part to recent proliferation of districts. When a new district is formed its headquarters is turned into an urban area but not necessarily with any effective change in the socio-economic features. Its infrastructure, facilities and the living conditions of the people in those areas stay the same.
100. While Uganda still has a low level of urbanization at 18.2 percent in 2018 (UN-Habitat) it has a high urban growth rate of 5.2 percent per annum. Most of this urban growth has been in secondary towns such as Hoima – 10.7%, Mbarara – 8.6%, Mukono – 10.4% (UBOS). The Greater Kampala Metropolitan Area (GKMA) has the highest urban population representing over 50% of Uganda's total urban dwellers (UN-Habitat Uganda Country Programme Report, 2016).
101. By 2035, Uganda's population is projected to be 68.4 million of which 30% will be in urban areas. The UN-Habitat Uganda Country Programme has set out to coordinate planned urban development in Uganda.

Household incomes and equity

102. Income and poverty are key elements of the growth theme and of the household incomes and equity objective of the NDP results framework.
103. As already highlighted, the Uganda's Human Development Report indicates an upward trend, though minimal, in gross national income per capita for Uganda between 2010 and 2015. This trend implies that the standard of living for Uganda's population is on average increasing slowly. (See Table 12 and Graphs 5 and 6)

Table 12: Growth in Gross National Income per capita in Uganda, 1990 to 2017

Year	GNI per capita (2011 PPP in \$)	HDI Value
1990	755	0.311
1995	906	0.321
2000	1,031	0.398
2005	1,187	0.437
2010	1,490	0.486
2015	1,635	0.505
2016	1,654	0.508
2017	1,658	0.516

Source: Human Development Index Report 2017, UNDP.

Figure 5: Trend in GNI per capita (2011 PPP in USD)

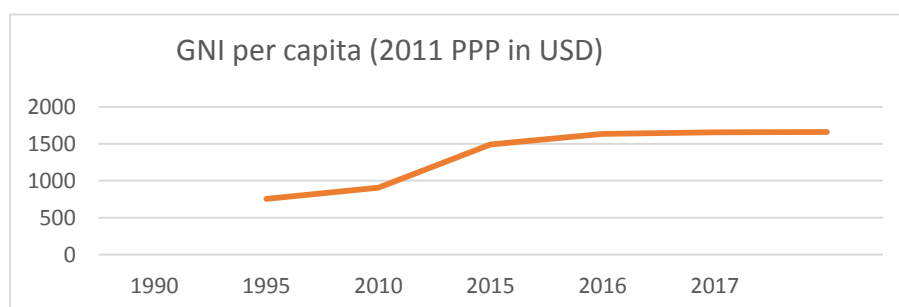
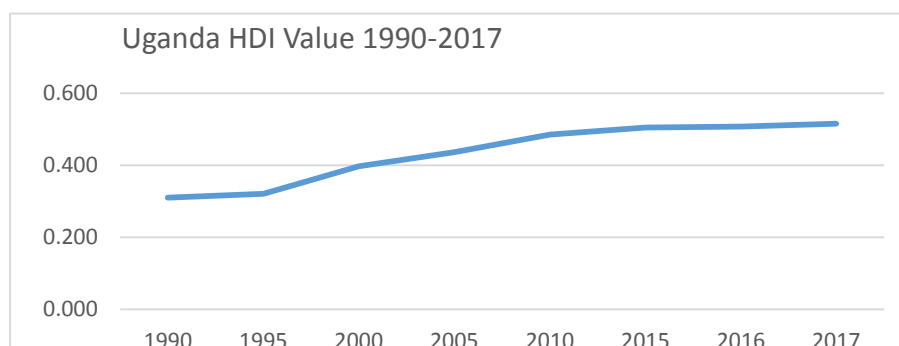


Figure 6: Trend in HDI Value 1990-2017



104. The Poverty Assessment Report (2016) used two poverty lines; one used officially in Uganda, and the other being the international line used by other countries to assess levels of poverty. The effect of using the international poverty line would be to increase the number of Ugandans below the poverty line.

105. Inequality is a pertinent issue in Uganda. In Table 13 below, Northern Uganda was placed alongside the whole of Uganda and it was observed that the poverty levels in Northern Uganda are significantly and consistently higher than the national figures. Part of this inequality was caused by two decades of insurgency in the Acholi region during the 1980's and 1990's as well as during the first half of first decade in the 2000's.

Table 13: Poverty levels in Uganda, Northern Uganda and international

Year	1993	2000	2003	2006	2010	2013
Uganda	56,4	33,8	38,8	31,1	24,5	19,7
N. Uganda	73,5	63,7	63	60,7	46,2	43,7
International Line	68,1	62,2	62,2	53,2	41,5	34,6

Human Development Index

106. Inequality of incomes, and inequality in the access to goods and social services, affects households as well as women and men differently and the regions of the (same) country and different regions of the world.

107. The Human Development Report of 2012 introduced the inequality-adjusted HDI, which had reduced the HDI value for Uganda by 33.6 percent. That could have been interpreted to mean that the standard of living of Ugandans had fallen by 33.6 percent because of the inequality that existed among the households and regions with regard to life expectancy at birth, years of schooling and inequalities in incomes.

108. In 2017, the Human Development Report set Uganda's HDI to 0.516 and the inequality-adjusted IHDI to be 0.370 giving a loss in HDI of 28.3 percent. (See Table 11)

Gender Development Issues

Table 14 Gender Development Index and gender gap ranking

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Gender development Index	Actual	N/S		N/A	N/A					N/S		0,865
	NDP1T				N/S					N/S		
	Vision	0,51										0,9
Global Gender Gap ranking	Actual	43rd/130		N/A	29th/135					N/S		45th/144
	NDP1T				N/S					N/S		
	Vision	N/S										N/S

109. The Gender Development Index is obtained when a country's HDI is calculated separately for females and males; then the GDI is the ratio of the females' value to the males' value. In 2017 in Uganda, female HDI was 0.475 and the males' HDI was 0.550. Therefore, the GDI was 0.865. (See table 14)

110. Countries are grouped into categories based on their GDI values.

111. The Gender Inequality Index (GII) reflects inequalities between females and males with regard to three dimensions of human development, namely: reproductive health, empowerment and economic activity. The GII can be interpreted as the loss in human development due to inequality between females and males.
112. “Empowerment” for calculating GII is measured by the share of parliamentary seats held by women and economic activity by the labour market participation rates for women and men.
113. In Uganda, the GII value for 2017 was 0.523 ranking the country 126 out of 160 countries.

Global Gender Gap Rankings

114. The Global Gender Gap Index was first introduced in 2006 by the World Economic Forum as a framework for capturing the magnitude of gender-based disparities and tracking their progress over time. The 2017 GGGI Report benchmarked 144 countries on their progress towards gender parity on a scale from 0 (imparity) to 1 (parity) across four thematic dimensions. These four dimensions are: (i) Economic Participation and Opportunity; (ii) Educational Attainment; (iii) Health and Survival, and; (iv) Political Empowerment.
115. The 2017 Report’s key findings are that the average progress on closing the global gender gap stands at 68.0%; meaning that an average gap of 32.0% remains to be closed worldwide across the four Index dimensions in order to achieve universal gender parity, compared to an average gap of 31.7% in 2016. The GGG Index for Uganda in 2017 ranked the country 45 out of 144 countries.
116. Table 14 shows that Uganda moved from 43rd to 29th in the global gender gap ranking between 2008/09 and 2011/12 suggesting some successes in equalising access to services and opportunities between women and men. However, the 2017 finding, which places Uganda in the 45th position seems to indicate that the country is sliding backwards in equalizing opportunities between women and men.

2.4 Improving Stock and quality of economic infrastructure

117. Since 2010/11, there have been some successes in the expansion of transport infrastructure and services, as defined by the NDP results framework.

Roads

118. According to GAPR of 2014/15, the percentage of paved roads to the total road network had reached 19% in 2014/15 period. There are significant disparities in the state of district and community roads across the country. A number of factors accounted for the poor and deteriorating road condition in many districts. They included geo-physical and climatic conditions making it costly to maintain roads; reduced funding for road maintenance works; low operational capacity on the side of local governments (despite the equipment provided by government); and shifting government policy on road maintenance.

Table 15: transport and Energy indicators

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
PCT of Standard paved Roads to total Network	Actual	4,0		16,3	15,8					19,0		
	NDP1T				N/S					21,0		
	Vision	4,0										80,0
Pct of Cargo Freight on Rail to Total Freight	Actual	3,5		9,0	10,0				N/A			
	NDP1T				N/S				17,8			
	Vision	3,5										80,0
Per cent accessing Power from the National grid	Actual	11,0		12,0	10,0				17,2			
	NDP1T				N/S				20,0			
	Vision	11,0										80,0
Electricity Consumption (KWh per Capita)	Actual	60,0		63,9	59,8				215,0			
	NDP1T				N/S				674,0			
	Vision	75,0										3668,0

119. The NDPI recommended that the Works and Transport sector get 21.3 percent of the national budget but in 2013/14 the actual share was 18.1 percent. There was substantial donor funding for this sector judging by the fact that donor funding constituted 32 percent of the total development expenditure in 2014/15.

120. Among the key sector concerns was lack of value for money. For example, in the 2012 Auditor General's Report, UNRA overpaid UGX 67 billion to various contractors on the road construction contracts arising from errors in the application of variation of price formula used in computing compensation amounts. This prompted the Civil Society umbrella body in 2013/14 to recommend that only open contracting should be used for road works. More information on contractors should be made available to the public, for the scrutiny of construction works and related compensations.

121. In addition, up to the close of the NDPI period, road maintenance suffered from limited absorption capacity, where funds were remitted but not used, leading to delayed implementation of planned works. In the one instance of the Mbale-Soroti road construction works, there were significant concerns that its completion time was too long, and the quality of roads works was questionable.

Rail

122. For railway cargo, NDPI targeted to transport 17.8 percent of total cargo freight by rail. **The actual percentage was not available, but progress in a number of areas was documented.** For example, between 2013/14 and 2014/15 alone the volume of rail cargo increased by 30.5 percent.

123. During the NDPI period, performance of railway infrastructure was characterized by poor operational efficiency, low volume of freight and low labour productivity (GAPR 2014/15).

124. From 2011/12 to the end of the first plan (NDPI) period, there were no passenger rail services. However, a contract was signed in March 2015 to upgrade the railway to standard gauge network between Kampala-Malaba and Kampala-Kasese-Mpondwe-Hima.

Energy

125. The energy indicators in the NDP results framework show a disappointing stagnation of both the percentage of people accessing power from the national grid (at 10 to 12 per cent) and the electricity consumption per capita (60 to 64 kWh).
126. Uganda has one of the lowest per capita electricity consumption in the world with 215 KWh per capita per year, while the Sub Saharan Africa average is 552 KWh and the world average is KWh 2,975 per capita per year.
127. Yet, in spite of the above, Uganda faced planning inadequacies for excess electricity generation. By 2014/15, electricity generation capacity in the country had reached 685 MW but the estimated peak demand was 550 MW creating an excess capacity of 135 MW. The excess capacity was attributed to limited distribution and transmission networks as well as low effective demand for electricity among the population. Some power plants were commissioned but were not generating electricity at full capacity. As a consequence the idle capacity (also known as deemed energy) was paid for through tariffs and government subsidies averaging 11.57 billion UGX annually. Moreover, Uganda was operating two thermal electricity generating plants, but these thermal plants did not contribute any power to the grid and yet, the power plants were paid capacity charges through UETCL annually. This prompted the Auditor General in his 2014 Annual Report to recommend that the Government should put more emphasis on planning for excess generated electricity.
128. Two massive hydro electricity generation stations were in the pipeline by the end of the NDPI period, namely, Karuma HEP project (with 600 MW capacity to be constructed at a cost of USD 1.65 billion) and Isimba HEP project (to be constructed at a cost of USD 570 million). For both these projects, the Engineering, Procurement and Construction (EPC) contracts were directly procured from the supplier contrary to the PPDA Act 2003, which requires international bidding for such contracts. In his 2004 Report, the Auditor General stated that the above contravention of PPDA rules and procedures could mean that the fairness of the cost and the quality of the works may never be guaranteed.
129. By 2014, the Auditor General had cautioned the Government of Uganda about the lack of an investment policy for long term investments. Not only was such a policy lacking but also there was no legal instrument guiding GoU on long term investments concerning, inter alia, the process of identification and evaluation of possible projects, so that the risks of entering into less profitable investments and sustaining losses, were minimized. The AG specifically noted that lack of an investment policy could lead to non-alignment of GoU priorities with the NDP; and besides that, there was no legal instrument in place to make those long-term investments.

2.5 Increasing access to quality social services

Health Indicators

Table 16: Health Indicators

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
DPT3 pentavalent vaccine	Actual	85		76	90		87		100,5			
	NDP1T								87			
	Vision	N/S			88(MoH)							N/S
Pct of qualified medical workers	Actual	56		56	58				73			
	NDP1T								85			
	Vision	N/S										N/S
Pct Health Centres without medicine stock outs	Actual	26		56	58				45	26		
	NDP1T				60(MoH)				85			
	Vision	N/S										N/S
Pct Deliveries in Health Facilities	Actual	34		39	40				52,7	55		
	NDP1T				41(MoH)							
	Vision	N/S										N/S
OPD utilization per capita	Actual	0,8		1,0	1,2				N/A			
	NDP1T				1,0(MoH)				1,5			
	Vision	N/S										N/S
Infant mortality per 1000 live births	Actual	76		52,7	49,5	46,5	43,9	41		39,2	37,7	
	NDP1T									41		
	Vision	63										4
Contraceptive prevalence rate	Actual	24	33	30					30		26	
	NDP1T		34						50			
	Vision	N/S										N/S
Under five mortality	Actual	137	84	79	90	70		67	64	61	60	
	NDP1T				114				60			
	Vision	96										8
Maternal mortality ratio	Actual	435		N/A	310	168			146			
	NDP1T				N/S				131			
	Vision	438										15
child stunting as pct of Under Fives	Actual	N/S		N/A	N/A							
	NDP1T				N/S				N/S			
	Vision	33										

Vaccination Coverage

130. The DPT3 vaccine coverage progressed from 85 percent in 2008/9 to 100.5 in 2014/15; this indicator exceeded its end-of-plan target in 2014/15. **Vaccination coverage at 100.5 percent in 2014/15, managed to meet its NDPI target of 87 percent in the same year;**

Qualified Medical Workers

131. The Percentage of Qualified Workers in Health Centres is an indicator of the quality and effectiveness of health services delivery. In 2014/15, the staffing level for the established norms in Uganda was at 69 percent (higher for staff of central institutions at 79 percent than for local government health institutions at 67 percent). This indicator could also be approximated by the percentage of approved posts that are filled by trained health workers. Hard-to-reach health institutions faced more difficulties filling posts, as qualified health workers would tend to avoid going to remote areas because of poor schools for their children, insecurity especially at night, as well as poor transportation and communication facilities. (See Table 16).
132. Infrastructure problems generally affected both the staff and patients in health centres and hospitals in Uganda. In particular, poor housing, lack of security especially at night, poor transportation and communication facilities and poor schools for their children tended to affect staffing levels in remote areas of the country. **The percent of qualified medical workers indicator did not meet its NDPI target of 85 percent, but it showed substantial increase from 56 percent in 2008/9 to 73 percent in 2014/15.**

Medical stock-outs

133. Medicine stock-outs occurs when a medical institution runs out of critical supplies of essential medicines. **The proportion of health facilities with no stock-out of the 6 tracer medicines and supplies was 45 percent 2014/15 and 26 percent in 2015/16; the NDPI target in 2014/15 was 85 percent, which shows that this indicator did not meet its NDPI target.**

Percent of Deliveries in Health Facilities

134. The Percent of Deliveries in Health Facilities is a critical indicator that determines maternal survival rates. According to GAPR of 2014/15, this percentage was 52.7 in Uganda in 2014/15 while the NDPI target was 40 percent. **Hence, this indicator surpassed its target during the NDPI plan period.**

Maternal Mortality Rate

135. In general, Uganda has had poor maternal health indicators, which have resulted from weak maternal health services delivery, including access to skilled birth attendance, quality family planning, emergency obstetric care, and postnatal care for mothers and newborns. Although there were improvements, which resulted into reduced maternal mortality in Uganda, the reduction was not enough to bring this indicator down to the level targeted by NDPI. **Maternal mortality came down from 435 per 1,000 births in**

2008/9 to 146 deaths per 1,000 births in 2014/15 but it failed to meet its NDPI target of 131 deaths in 2014/15

The Infant Mortality Rate (IMR)

136. The Infant Mortality Rate (IMR) is often used as an indicator of the health of a country. It gives the number of children under one year who die, as a proportion of the total number of live births in a given year, multiplied by 1,000. In Uganda, the IMR has been steadily dropping, and this has been associated with a steady increase in the life expectancy at birth, of Ugandans over the years. **This indicator met the 2014/15 NDPI target of 41 deaths per 1,000 live births.**

The Under 5 Mortality Rate (U5MR)

137. The Under 5 Mortality Rate (U5MR) gives the number of children who die before they reach the age of 5 years as a fraction of the total number of live births in those five years, multiplied by 1000. According to World Health Organization (WHO, 2017), more than 7 million children below the age of five died in 2011 alone worldwide. In 2014, Uganda's under-five mortality rate was 66.5 per 1,000 live births having reduced from 146 deaths per 1,000 births in 2005. In Uganda, malaria, pneumonia, diarrhea, malnutrition and HIV/Aids are the major causes of child deaths. Although most of these diseases are preventable, interventions have fallen short of universal coverage and many children are being left out. For example, mosquito net coverage was at only 45 per cent in 2014, and few children were on oral rehydration therapy or zinc for diarrhea and even fewer on PMTCT. Uganda is not achieving any universal coverage for interventions and efforts to reach universal coverage need to be scaled up and sustained. **The under 5-mortality rate reached 67 deaths per 1,000 live births in 2014/15 down from 137 deaths in 2008/9 but it did not beat its NDPI target of 60 deaths per 1,000 live births**

Contraceptive Prevalence Rate

138. Contraceptive Prevalence Rate is an indicator that was measured in the UDHS of 2011 but not again until 2016. In 2011, the contraceptive prevalent rate was 30 percent, while in 2016 it was 26 percent being higher among sexually active unmarried women (54 percent) than among married women (24 percent). **The prevalence rate has been going down, yet the NDPI had set the 2014/15 target at 50 percent, showing that this indicator failed to meet its target.**

Out Patient Department (OPD) Utilization Rate Per Capita

139. The Out Patient Department (OPD) Utilization Rate Per Capita is a measure of hospital performance. OPD of a hospital is the first point of contact between the patient and the hospital; it is a mirror of the hospital and a very important part of hospital administration. **However, the OPD utilization rate per capita has faced the problem of lack of data and therefore it was not possible to evaluate its NDPI performance in 2014/15.**

Child Stunting

140. Child Stunting as Percentage of Under-Fives is an indicator of a country's health; child stunting is the impaired growth and development that a child experiences from poor nutrition or repeated infection or inadequate psychological stimulation. A stunted child would have his/her height below that expected for their age; a child is stunted if their height-for-age is below an agreed cut-off point of two standard deviations below the WHO Child Growth Standards median.

Health at the sub-national level

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

Education indicators

Net Enrolment Rate (NER) in Primary

142. NER in primary education is the proportion of children of official primary school age who are enrolled in primary education to the total population of children of official primary school age, expressed as a percentage. If NER were 100 percent this would mean that all eligible children of primary school age are enrolled; the NER could exceed 100 percent if, for example, children of primary school age from the neighbouring country are enrolled in Ugandan schools. **The Net Enrolment Rate (NER) in Primary in 2014/15 was only able to meet its NDPI target of 96.4 percent.**

Net Enrolment Rate for Secondary

143. Net Completion Rate in Secondary is the **percentage** of students completing the last year of lower secondary school in Uganda. It is calculated by taking the total number of students in the last grade of lower secondary school, minus the number of repeaters in that grade, divided by the total number of children of official **graduation** age. (Table 17). In fact, the data shows that the rate did not change appreciably between 2008/9 and 2015, which could be cause for concern. **The Net Enrolment Rate for Secondary in Uganda did not meet its NDPI target for 2014/15**

Education Quality Indicators

144. Pupil Teacher Ratio in Primary met the NDPI target of 43 pupils per teacher in 2014/15. **The pupil teacher ratio in primary in 2015 was 43 while its NDPI target for 2014/15 was also 43 pupils to one teacher, indicating that the indicator barely met its NDPI target.**

Table 17: Education indicators

		NDP1	Year								2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	
Net enrolment rate primary	Actual	93,2	97,5	95,5	96	96		97		91	
	NDP1T				95				96,4		
	Vision	N/S									N/S
Net enrolment rate secondary	Actual	23,5		25	23,2	24	26	26		22	
	NDP1T				28				35		
	Vision	N/S									N/S
Pupil teacher ratio in Primary	Actual	53		47	53	49	46	46		43	43
	NDP1T				47				43		
	Vision	N/S									N/S
Pupil teacher ratio in secondary	Actual	18		19		30	22	22		22	22
	NDP1T				N/S				N/S		
	Vision	N/S									
Pupil to classroom ratio primary	Actual	72		58	58	57		58		63	54
	NDP1T				66				61		
	Vision	N/S									N/S
Student classroom ratio secondary	Actual	45		45	N/A						
	NDP1T				N/S				N/S		
	Vision	N/S									N/S
BTVET enrolment (students)	Actual	30		39	56	42,6				40,8	63,2
	NDP1T				250				390		
	Vision	N/S									N/S

Pupil to Classroom Ratio Primary

145. The Pupil to Classroom Ratio Primary indicator met its NDPI 2014/15 target of 61 pupils. The pupil classroom ratio in primary was 58 in 2014 while the NDPI target was 61 for 2014/15; this indicator met its target. For secondary schools the student teacher ratio was never specified for 2014/15, and so was the student to classroom ratio for secondary schools; therefore these two indicators **could not be assessed at the end of the NDPI period.**

The BTVET Enrolment

146. The BTVET Enrolment (in '000s) did not meet the NDPI target of 390,000 students for 2014/15. **Although the BTVET number rose considerably from 30,000 in 2008/9 to 40,800 in 2015, yet the number did not meet the NDPI target of 390,000 in 2014/15; the 2014/15 target was ten times the actual number in 2015, therefore, the NDPI target had been overly ambitious.**

Water and Sanitation Indicators

Rural Water Coverage

147. Rural water coverage had a target of 77 percent for 2014/15, while actual coverage was 65 percent; therefore, **rural water coverage missed its NDPI target as at the end of the plan period.**

Urban water coverage

148. By 2012, there were reports of improvements in the accessibility to water supplies in urban areas. Using estimated total population served, in both large and small towns, the Annual Water Sector Report of 2012 showed that there was a 3 percent increase in urban water accessibility (i.e. from 66 percent to 69 percent) between 2011 and 2012.

149. There was a remarkable growth in the number of rural growth centres supplied with piped water from 183 to 247 representing a 35 per cent growth between 2011 and 2012; however, the NDPI results framework did not carry a specific target for this indicator for piped water for 2014/15. The Urban water coverage indicator in **Uganda failed to meet its NDPI target in 2014/15. One of the reasons for failure to meet the target was because the NDPI target of 2014/15 was set at 100 percent. Actual coverage in 2014/15 was 74 percent; therefore, this indicator did not meet its NDPI target**

Table 18: Water and Sanitation indicators

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Rural water coverage %	Actual	66		65,8	64 (MoWE)		64		65			
	NDP1T				64(MoWE)				77			
	Vision	N/S										N/S
Urban water coverage %	Actual	60		66	69	70	72		73			
	NDP1T								100			
	Vision	N/S										N/S
Sanitation coverage	Actual	62		70	71	70	71		74,6			
	NDP1T								77			
	Vision	N/S										N/S
Water consumption (in m3 per Capita)	Actual	N/S		N/A	N/A							
	NDP1T				N/S				N/S			
	Vision	26										600
Percent access to safe piped water	Actual	N/S		N/A	N/A							
	NDP1T				N/S				N/S			
	Vision	15										100

Sanitation Coverage

150. Sanitation coverage improved from 62 percent in 2008/9 to 74.6 percent in 2014/15; however, **it failed to meet its NDPI target of 77 percent in 2014/15.**

Water consumption (in m³) per capita

151. For water consumption per capita as well, the percentage of Ugandans accessing safe piped water were two indicators that did not have specific targets in the NDPI results framework and therefore could not be evaluated. Water consumption (in m³) per capita **could not be assessed at the end of the first NDPI period because of lack of the necessary 2014/15 target for the indicator.**

Percent access to safe piped water

152. The **Percent access to safe piped water** could not be assessed at the end of the first NDPI period because of lack of the necessary 2014/15 target for the indicator.

Water and Sanitation at the sub-national level

153. At the sub-national level, a number of constraints limiting the capacity of local governments to provide better access to water services have been reported. The constraints include lack of reliable sources of underground water making borehole drilling ineffective; limited operational capacity within local governments to service water sources; contracting challenges in acquiring competent contractors from the private sector; and geo-physical conditions in some local governments making drilling very expensive and at times non-yielding.

2.6 Promoting Science, Technology, Innovation (STI) and ICT to Enhance Competitiveness

STI and ICT

154. The NDPI emphasised the importance of technology capability and the importance this has on improving global competitiveness. However, the results framework for this objective was lacking in most baselines and targets. In addition, it was difficult to access data on the indicators, which were stated. It was therefore not possible to give an overall assessment of progress towards the achievement of this objective.

Ratio of National Budget to Science

155. **The Ratio of the national budget allocated to Science, Technology and Innovation (STI) did not meet its NDPI target of 0.6 percent in 2014/15.**

Ratio of STI to Arts Graduates

156. **The Ratio of STI to Arts Graduates could not be evaluated during the NDPI plan period.**

Table 19: Indicators for promoting STI and ICT

		NDP1	Year									2040 Vision target
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	
Ratio of national budget allocated to STI and ICT	Actual	0,3		N/A	N/A					0,1		
	NDP1T				N/S					0,6		
	Vision	N/S										N/S
Ratio of S&T to Arts Graduates	Actual	1:5		N/A	1:5					N/A		
	NDP1T				N/S					1:3		
	Vision	N/S										N/S
ICT sector share of GDP	Actual											
	NDP1T											
	Vision											
Proportion of Schools with internet	Actual											
	NDP1T											
	Vision											
Proportion of urban centres with public internet access	Actual	N/S		36	N/A					N/A		
	NDP1T				N/S					N/S		
	Vision	N/S										N/S
Level of ICT Deepening	Actual	N/S		14,6	17,2					N/A		
	NDP1T				N/S					N/S		
	Vision	N/S										N/S

Level of ICT deepening

157. **The Level of ICT Deepening could not be assessed due to a lack of data.**

Percent Urban Centres with Public Internet

158. **The Percent Urban Centres with Public Internet could not be assessed during the NDPI plan period.**

Development of the industrial sector

Manufactured Exports

159. One indicator that was possible to track was the share of manufactured exports as a proportion of total exports. This had risen from 4.2 per cent in 2010 to 4.4 per cent in 2010/11 to 6.0 per cent in 2011/12, still a long way from the 2014/15 target of 12 per cent, but moving in the right direction. **Manufactured exports as percent of total exports reached its NDPI target of 12 percent in 2014/15.**

Table 20: Industrial sector indicators

		NDP1	Year									2040 Vision target
		2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015	2017	
Proportion of manufactured exports to total exports	Actual	4,2		4,4	6,0				12,0			
	NDP1T								12,0			50,0
	Vision	4,2										
Ratio of manufactured exports to GDP	Actual											
	NDP1T											
	Vision											
ICT Goods and services as percent of exports	Actual	N/S		N/A	N/A				N/A			
	NDP1T				N/S				N/S			40
	Vision	0										
Technology Achievement Index	Actual	N/S		N/A	N/A				N/A			
	NDP1T				N/S				N/S			0,5
	Vision	0,24										
Public Expenditure on R&D as pct of GDP	Actual	N/S		N/A	N/A				N/A			
	NDP1T				N/S				N/S			2,5
	Vision	0,1										
Innovation - Patents Registered per Annum	Actual	N/S		N/A	N/A				N/A			
	NDP1T				N/S				N/S			6000
	Vision	3										

ICT Exports

160. The value of ICT goods and services as percent of exports could not be evaluated during the NDPI plan period because this indicator lacked the 2014/15 target and actual value.

Technology achievement index

161. The progress of the Technology achievement index could not be evaluated during the NDPI plan period because it did not have the 2014/15 target and actual value.

Public expenditure on R&D

162. Public expenditure on R&D as percent of GDP could not be established because of lack of data.

Number of patents registered per annum

163. The number of patents registered per annum as a measure of Uganda's innovation, could not be established for the NDPI plan period.

Other Indicators

164. There are other related indicators, which could be used to assess progress against this objective, and some of the movements in these were found to be very impressive. For example, according to Uganda Communications Commission (UCC)'s Post and Telecommunications Half Year Market Review for 2011/12, the number of mobile phone subscriptions in Uganda rose from 12.8 million in December 2010 to 19.5 million in December 2014.
165. According to GAPR 2014/15, around 24 percent of Ugandans had internet connection in 2014 while the percentage was only 7 percent in 2010. The launch of the Lower Indian Ocean Network (Lion 2) under-sea cable in 2012 at a cost of US\$ 76m, with a design capacity of 1.28 TBs, has helped to increase internet speeds

2.7 Strengthening Good Governance Defense and Security

Extent of Improvement in Good Governance

Background

166. The assessment of the strong governance, defence and security objective was to be based on the quality of socio-economic and political governance, economic and corporate governance, as well as on the quality of democracy and the level of security. There are several indicators in the NDP results framework related to this objective such as the level of representation and participation of marginalised groups in the development processes, the level of implementation of regional and international protocols and standards, and the level of core capabilities in the defence and security sector. However, many dimensions of this objective did not have specific indicators; others lacked baselines or targets and could not therefore be easily assessed for progress. The evaluation has therefore had to also adopt the use of other internationally recognised governance indicators such as the corruption perception index to determine progress on this NDPI objective.

Security

167. Overall, the whole country, including the northern parts of Uganda that had for a long time been insecure, has continued to enjoy a stable security environment, a factor that has enabled implementation of NDPI activities across all regions of the country.

Good Governance

168. In 2011, the Government of Uganda demonstrated a sufficient level of commitment to good governance principles, which warranted the provision of development assistance including budget support in that year.
169. However, the situation in 2012 was less positive. The country experienced significant concerns related to the governance indicators resulting in a reduction in donor support, which affected progress on some NDPI activities. This NDPI evaluation has found that, especially for some priority projects that were meant to be funded by government from its own finances, there was slow progress in 2012, as GoU had to direct much of its

revenue collections to bridge the gaps in recurrent expenditure created by donors' withdrawal from budget support.

170. Economic and corporate governance has also witnessed significant shortcomings that have had negative influences on the achievement of NDPI results. A main limitation noted in this area has been the increasing share of supplementary budgets, which have taken funds away from projects and service delivery sectors to administrative sectors. The proportion of supplementary budgets to total budget has been on a steady increase from 3.8 percent in 2008/09 to 7.2 percent in 2009/10 and to over 15 percent in 2010/11.

Table 21: Extent of improvement in good governance

		NDP1	Year									2040 Vision target	
			2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014	2014/15	2015		2017
level of representation and participation of marginalized groups in development processes	Actual												
	NDP1T												
	Vision												
Level of transparency in public institutions	Actual												
	NDP1T												
	Vision												
Level of implementation of regional and international protocols and standards	Actual												
	NDP1T												
	Vision												
Corruption perception Index	Actual	2,6		2,4	2,9				To be established				
	NDP1T				N/S				N/S			7,1	
	Vision	2,5											

Corruption

171. Uganda's corruption perception index was evaluated using Transparency International's Corruption Perception Index. From 2012 to 2015, the index gradually dropped from 29 percent to 25 percent, which could be an indication that corruption was perceived to be getting worse in the country.

Level of Modernization of Defense and Security

- 172. No Targets or data were available for the NDPI indicators for this topic.**

2.8 Promoting Sustainable Population and Use of the Environment and Natural Resources

Background

173. This NDP objective was assessed based on the health status of the population, the quality of human settlement and urbanisation, progress in the restoration of degraded ecosystems, and the quality of management of environmental resources.

174. However, measuring progress towards the achievement of this objective is very challenging for a number of reasons. Although the last full population census was done recently in 2014, the last detailed assessment of land cover was conducted in the 1990s. It is therefore difficult to find accurate data on changing land use patterns. There is also no regularly reported data on the levels of water pollution and industrial pollution.
175. Nonetheless, the evaluation has managed to assess progress on a number of indicators as outlined in the following paragraphs.

Health

176. With regard to the health status of the people of Uganda, the evaluation of NDPI has observed mixed results. On the one hand, Ministry of Health statistics show a number of success stories such as HIV prevalence dropping down to 6.1 per cent from double digits in 1990s, polio and guinea worm being nearly eradicated (although concerns exist about the re-emergence of polio cases due to cross border migration). Prevalence of other vaccine preventable diseases were declining sharply, infant mortality rates declining from 76 in 2008/9 to 54 deaths per 1,000 live births in 2011/12 (UHDS 2011), and life expectancy increasing to 63.3 years in 2014/15, up from 50.4 years in 2008/9;
177. On the other hand, while these facts provide an optimistically declining trend, the actual numbers of most indicators continue to put Uganda in the least developed countries category. For example, very few countries, except those found mainly in Sub Sahara Africa, have experienced an infant mortality rate of 54 deaths per 1,000 live births in a single year; this number is simply too high, and so are other health indicators mentioned in this evaluation. As another example, the percent of deliveries in health centres of the magnitude of only 40 percent in 2011/12, is a number which should cause concern to decision makers in Uganda.

Human settlement

178. With regard to the quality of human settlement, the evaluation has not gathered evidence to indicate any significant changes from the situation before 2009. It has been observed that, although Uganda is experiencing a high rate of urbanisation exceeding 5 per cent per annum, the urbanisation process is taking place in a haphazard manner, with no control and regulation. This is attributed to high rural urban migration rate, the high natural population growth in urban areas, extension of boundaries of urban centres and uncontrolled growth and expansion of trading centres overtime.
179. Urban authorities contacted during this evaluation have complained of inadequacies in planning, management and provision of basic urban infrastructure and services in the face of the high urbanisation rate. This situation has led to the mushrooming of slums within and around various town centres, including Kampala. Urbanisation has also put a strain on the housing sector, which, despite being a key priority area in the NDP, has not seen significant government investment beyond providing a few legal and regulatory instruments.
180. The use and management of the environment and natural resources has continued to pose significant social and economic challenges. The GAPR 2014/15 has reported that Uganda

is facing severe environmental degradation – loss of biodiversity, deforestation, encroachment on wetlands, soil erosion and declining land productivity, pollution of the land, water and air resources, among others.

181. According to the GPR 2011/12, the country's forest cover was 30 percent in 1990; it declined to 18 percent in 2009 against a target of 24 per cent in 2014/15. Of this forest cover, over 64 per cent is reported to be owned by the private individuals. The environmental management sector estimates that 92,000 hectares of forest cover are lost every year with 34 per cent lost in private forests and 12 per cent in the protected forests. Furthermore, wetland coverage has continued to decline over the years; it was 15.6 percent of the total surface area in 1994, and declined to 10.9 percent in 2008 against a target of 30 percent. In real terms, an estimated 11,268 square kilometres (30 per cent) of Uganda's wetland ecosystems representing 4.7 per cent of the Uganda land area has been lost since 1994.
182. The slow progress in the transformation of the economy from peasant agriculture to an industry-dominated economy has meant that the majority of Ugandans who are poor have continued to put much strain on the environment and natural resources during the five years of NDPI from 2010/11 to 2014/15. At the same time it has been found that many parts of the country have become more vulnerable to environmental shocks such as landslides, pollution, droughts and floods which, according the State of Uganda's Population Report 2012, have continued to increase in frequency and intensity.
183. The Environment Sector Performance Report 2012 recognised that despite a number of mitigation measures, the environment of Uganda is still under threat from natural and man-made drivers of change including poverty, rapid population growth, urbanisation, agricultural expansion, informal settlement development, industrialisation, and the impacts of climate variability among others. The most crucial issue that has emerged over the recent years is weak governance at all levels, coupled with increased demand on natural resources.

Proportion of Ecosystems Restored

184. No Targets or data were available for the NDPI indicators for this topic.

Level of Management of Environmental Resources

185. No Targets or data were available for the NDPI indicators for this topic.

3.0. Challenges in assessing NDPI progress on goals and objectives

186. A number of challenges have been experienced by this evaluation when assessing NDPI progress. Below, we analyse some of the main challenges we encountered. Some of these have already been highlighted in earlier sections of this report. It is also observed that many of these challenges have also affected the quality of the various NDPI related annual monitoring reports produced by the NPA, OPM, MoFPED and sector ministries.

Missing Baselines and Targets

187. A coherent performance and results matrix for the NDP, which defines intended results (outcomes) of interventions (inputs-strategies-outputs), was stated to be a key precondition for an effective Monitoring and Evaluation (M&E) framework of NDPI. The final evaluation has observed various efforts made by NPA to draft and refine the NDPI results matrix through various versions.

188. One of the main weaknesses of the NDPI results framework is that many of the indicators do not have sound baseline data that can be used as a basis of assessment. Equally, most indicators lack measurable annualised targets. This has made assessment of progress difficult, both in the annual NDPI monitoring frameworks, as well as in this evaluation.

Validity of Progress Indicators

189. Many NDPI results indicators are either proxy or indirect in nature. Some have been found not to be completely valid in determining actual progress on the desired NDPI results. It has been commented in many of our interviews, especially at the sub-national level, that a good number of the indicators in the NDP results matrix are not a sufficient measure of the desired progress. For example, the proportion of health workers employed in health centres, being an indicator of access to quality social services; or the infant mortality being an indicator of quality of health care services. Having a high proportion of filled vacancies in a health centre is a good thing, but this would be the case provided that the health workers do not spend most of their time running their private clinics. It has also been noted that, given the difficulties of finding appropriate development related data in Uganda, in many cases, indicators were chosen based on what can be realistically found from existing national and global surveys and reporting frameworks (from UBOS and sector reports) and not on what is actually desirable to measure the specific progress on selected NDPI targets. This same problem has affected the coherence in the reporting done in the various government M&E frameworks such as the National Development Report (NDR) and Government Annual Performance Report (GAPR), where process indicators (meetings, trainings, staff recruitment, designs and studies) have sometimes been used to represent progress on NDR results. The next NDP series will need to devote more effort on coming up with more valid indicators at each results level including interim results indicators.

Un-Matched Reporting Timeframes

190. In addition to the problem of limited validity of the indicator data, there is also the problem of un-matched timing in the release of the data required to monitor NDPI progress. For example, this evaluation experienced great difficulties in finding up-to-date

data from UBOS surveys and other sources to validate progress. In many cases, finding the data that matched the period under consideration (e.g. published indicators that matched the end-period NDPI 2014/15 targets) was not possible, while in other instances the latest versions of the survey reports did not match the NDPI reporting period (such as the case of the UNHS). In particular, it was observed that apart from the Statistical Abstract Series that is produced every year, the timing of many of the other vital UBOS surveys that were supposed to generate data for measuring progress on NDPI results (especially theme level results) was not adequately harmonised with the NDPI M&E framework.

191. NPA and UBOS will need to work more closely together on this matter to ensure that the timing of the vital social economic surveys is more closely matched with the NDP series reporting frameworks.

Indicators lacking optimal level standards

192. Technically, growth-monitoring figures are more useful if they can be related to specific desired growth levels. This element is lacking in the NDPI result matrix. In many parts of the NDPI, the desire to reach development levels commensurate with middle-income economies has been expressed. However, the NDPI results matrix does not set out the actual desired performance levels for each indicator. In the areas where target indicators have been included in the NDPI results matrix, the basis for setting the respective target values was not very clear. This has made judgement on progress on these values (either in the GAPR, NDR or in this evaluation) more difficult.
193. For example, it could not be technically explained why the specific value figures for per capita income had been set to grow from USD 506 in 2008/9 to USD 667 in 2011/12 to USD 837 in 2014/15. Yet, the Uganda Vision 2040 set out to significantly address this issue of increasing per capita income. Therefore, Vision 2014 sets specific destination targets, which would, in practice, determine how wide the annual strides for each sector or priority should be in order to reach the overall vision target by 2040. For example, the 2040 Vision is USD 9,500 per capita income in 2040, moving from the 2015 value of USD 671. This target calls for a steady growth in per capita income, on a linear scale, of an average of USD 250 every year. Based on this target, therefore, each NDP could make a careful calculation of what annual targets it should set for itself every year and in five years' time.
194. Yet in some areas it was evident that in setting the target values, the NDPI results matrix followed more of the targets that had been set by the respective sectors in their mid-term expenditure projections (and these were mainly resources constrained) and hence their determinations did not follow vision-based objective criteria.

Equity in distribution of NDP results

195. There is evidence of recent growth of income inequalities in Uganda. As already noted, Uganda's Human Development Performance Report (2013) reveals that inequality remained a big development issue in the country despite rising GDP and rising gross national income per capita figures. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Uganda's inequality adjusted Human

Development Index (HDI) in 2012 was 0.303, representing a significant fall (of 33.6 per cent) in human standard of living due to inequality in the distribution of dimension indices. Similarly, the same HDR (2013) indicated that the country had a high gender inequality index (0.517) on the three dimensions considered in the assessment (maternal mortality and adolescent fertility rates, empowerment, and economic activity).

196. The World Bank Promoting Inclusive Growth Report (2012) for Uganda looked at inequality and concluded that, although the NDPI rightly put an emphasis on the transformation of the economy into high productivity areas and value addition, this could come with more concentration of economic activity and increasing inequality trends; therefore, there was a need to monitor and address inequality. The World Bank saw the need for targeted policies to address the economic exclusion of segments of the population with respect to education, other social services and access to credit. It is vitally important that NDPs keep track of equity of results around Uganda with a view to making the results framework for the next NDP series to be more focused on the distribution of the benefits and outcomes of development around the country.
197. One possible way of addressing the issue of inequality is to collect data by region or district and to use these to analyse differences in developmental trends around the country, and, then, to have targeted interventions that would address any imbalances reflected in those trends as part of the NDPI. For example, the NDR of 2011/12 contained disaggregated data by six regions – Central, East, Karamoja, North, West and West Nile. The data that were captured included population estimates; access of district offices to internet; number of markets, stores, valley dams and fish ponds constructed in 2010/11 and 2011/12; kilometres of roads opened, rehabilitated and paved for each of the same two years; number of health centres at HCII, HCIII and HCIV levels constructed and total number available; safe water coverage and latrine coverage; and acreages of trees planted. It would be useful to expand this type of analysis in the future.

4.0. Progress of NDPI Core Projects and MDGs

4.1 Core Projects at NDPI MTR

198. In this section, we assess the progress made on the 15 core projects during the NDPI period, from 2010/11 to 2014/15.
199. By 2012/13, few of the core projects had made significant progress. The majority had not even started at all. Only five out of the 15 core projects were said to be on track and even then at varying levels of progress. The rest of the projects (10) were said to be off-track. Projects that would definitely not be completed by the end of the NDPI period included the following. a) Rehabilitation of existing railway lines across the country; b) construction of Karuma hydropower project; c) establishment of a standard rail gauge from Malaba to Kampala; d) construction of IT Business parks; e) development of a phosphate Industry in Tororo; f) four regional science parks and technology incubation centres and g) development and production of iron ore ingots.
200. Projects which had made no tangible progress by 2012/13 included initiatives like the improvement of water transport on Lake Victoria, the National Non-Formal Skills Development Programme, the ICT Business Parks undertaking and the phosphates /

fertilisers industry at Tororo. It should be noted that these projects were not even included among the funded priorities in the FY2013/14 budget.

201. The main reason given by most sector MDAs responsible for these projects was the slow mobilization of the required resources. A number of projects had also been slowed down by the amount of technical preparations required before implementation could commence, while some were also affected by the slow progress in putting in place the necessary institutional and/ or legal-political frameworks required to have the projects take off. In other cases, the slow progress had been attributed to absence of appropriate legal and operational frameworks to operationalise the public-private partnership policy, which was the main modality for implementing a good number of the core projects.
202. By 2012/13 a number of core projects' initial implementation activities such as designing, feasibility studies, contracting procedures, community mobilization, or initial dialogue between the key project stakeholders, had taken place. There were also efforts to fast track the implementation of some of the projects. For example, GoU had concluded memoranda of understanding with private construction companies to start work on a number of projects such as the construction and development of phosphate industry in Tororo, construction of the Isimba HEP Project and construction of the Ayago HEP project.

Progress on core project after MTR NDPI

203. Going back to the observations of the NDPI MTR it can be noted that on the following projects only slight progress had been made:
 - Projects which could not be completed by the end of NDPI would continue into NDP2 and these include: (a) rehabilitation of existing railway lines across the country where perhaps 2/3 was done by 2014/15; (b) Construction of Karuma hydropower project was expected to be completed late 2018; (c) Establishment of a standard rail gauge from Malaba to Kampala is still at an early stage but a ROW is clear and a maintenance framework has been completed; (d) Construction of IT Business parks development is still at a planning stage (e) The phosphate Industry in Tororo is expected to come into operation late 2018; (f) Four regional science parks and technology incubation centres have been characterized as partly satisfactorily completed; and, (g) For the development and production of iron ore ingots, a pre-feasibility study was reported to have been completed early 2107.
 - Projects that were found to have made no tangible progress by the time of the NDPI 2012/13 financial year made similarly slow progress during the rest of NDPI. Improvement of water transport on Lake Victoria had only slight progress up to the end of NDPI. The National Non-Formal Skills Development Programme was still at a planning and proposal stage. The ICT Business Parks undertaking was slated to continue into NDP2. These projects were not even included among the funded priorities in the FY2013/14 budget.

4.2 Core Projects Status at the End of NDPI

204. This evaluation has made efforts to assess the performance of the core projects through to the end of the NDPI period. However, in some cases, it was very difficult to draw hard and fast conclusions as concerning the state of core projects at the end of the NDPI due to data collection problems as indicated in the recent EU Diagnostic Study. The evaluation put together information from various sources as indicated below, and conducted face-to-face interviews with high-ranking officials responsible for the core projects.
205. Since these documents contain data collected at different points in time, it was difficult to assess progress at any particular time. The results team has attempted to approximate status at the end of first Quarter 2018, which necessarily has meant that informed guesses had to be made.
206. In the Core projects table below (Table 22) the “Implementation Status” column has the following categories of implementation:
- X% - X per cent of the core project has been implemented. In several instances because of uncertainty of the extent of implementation an implementation span has been used e.g. X% - Y% or Completion < or more > than X%
 - Design – project has been designed or implementation has been planned
 - Procurement – some or all materials for the project have been procured
 - Feasibility – feasibility or pre-feasibility study was conducted
 - Plans, Proposals is used where the project is mentioned in one or more of the sources but none of the above categories have been mentioned
207. The NDPI core project implementation as assessed at the end of the Plan period showed that only three of the 15 core projects (Irrigation systems and Karuma and Isimba Hydro Electric Power stations) seemed to have had measurable material progress. The Karuma and Isimba projects were expected to be completed in 2018, far into the NDP2 period. Two more projects appeared to have made some or slight progress, namely the improvement of Lake Victoria water transport and Construction of regional science parks.
208. The remaining ten projects were at planning, design or feasibility stages. However, most of these (9) (Refinery Development, Interstate oil distribution pipeline, the Ayago Hydro Electric Project, Railway rehabilitation, Standard Gauge rail construction, Phosphate industry development in Tororo, Development and production of iron ore ingots, National non-formal skills development and IT business parks) fully or partly were to be carried into the NDP2 period. One project on development of science parks appeared to have been partly completed in a moderately satisfactory way.

Table 22: Core project status as at end of NDP1

CORE PROJECT	IMPEMENTATION STATUS AS AT END OF NDP1	COMMENTS
Water for Production		
Construction of five irrigation systems	100 %	Confirmed by GAPR 2014/15
Oil and Gas		
Refinery development	Design	Continued under NDP2 as Hoima Oil Refinery. PFA signing 2018 will accelerate construction
Construction of inter-state distribution pipeline	MOU signed, Design	Continued under NDP2 as East African Crude oil pipeline. Awaiting investment decision in FY2017/18
Energy Infrastructure		
Construction of Karuma HEP project (600MW)	Completion < 50%	Continued under NDP2. Completion expected Dec 2018
Construction of Ayago HEP project	Feasibility	Continued under NDP2 with RAP and land acquisition
Construction of Isimba HEP Project (140MW)	30%-40%	Continued under NDP2. Completion expected Dec 2018
Transport Infrastructure		
Rehabilitate the existing railway lines	Preliminary Design	2/3 done. Continued under NDP2
Construct the standard gauge rail from Malaba to Kampala, Malaba- Nimule, Kampala-Kasese-Mirama Hills	Design, feasibility	Continued under NDP2. Operation and maintenance framework developed. ROW Malaba Kampala completed
Improve water transport on Lake Victoria	Slight progress	The Wanseko-Panyimur ferry and Zengebe-Namasale ferry were substantially completed. Kyoga II and Albert Nile I ferries expected to be complete by end of September 2016.
Improve transport infrastructure and safety for Greater Metropolitan Kampala	Feasibility	Preparation of Bankable Feasibility Studies for the Greater Kampala Metropolitan Area LRT was substantially completed 2015/16
Mining		
Construction and development of phosphate industry in Tororo	Design	Continued under NDP2. Expected in operation by Dec 2019
Development and production of iron ore ingots	Feasibility	Pre feasibility study reported 1st Q 2017. UDC works with NPA on this.
Education		
National non-formal skills development programme	Plans, proposals	Continued under NDP2, Comprehensive Skills Development Programme
Construction and development of 4 regional science parks and technology incubation centres (SPTIC)	Some progress	GAPR 2015/16: Of 9 GAPR projects 33% were rated as not satisfactory while the rest were rated as moderately satisfactory
Information Technology (IT) business parks construction project	Plans, proposals	Part continued under NDP2 as ITC national backbone project

4.3 Assessment of performance against MDG targets

209. The MDGs were not directly included in the NDPI results framework, but they are referred to in the NDPI document and are assessed in this section.
210. The MDG performance in Uganda is summarised in Table 23. Overall, by 2015 which also coincides with the end of NDPI, Uganda had achieved 6 out of 18 MDG's (33 percent); 3 goals were missed narrowly; 5 were not achieved; one had insufficient evidence, while 3 goals had no targets.

Table 23: Uganda MDG performance at a glance

MDG Goal	2015
Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	Achieved
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	No target
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Missed narrowly
Goal 2: Achieve universal primary education	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Not achieved
Goal 3: Promote gender equality and empower women	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	Not achieved
Goal 4: Reduce child mortality	
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under mortality rate	Missed narrowly
Goal 5: Improve maternal health	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	Not achieved
Target 5.B: Achieve, by 2015, universal access to reproductive health	No target
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Not achieved
Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	Achieved
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	Achieved
Goal 7: Ensure environmental sustainability	
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	Insufficient evidence
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Missed narrowly
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	No target
Goal 8: Develop a global partnership for development	
Target 8.B: Address the special needs of the least developed countries	Not achieved
Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	Achieved
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	Achieved
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	Achieved

Source: Uganda's MDG Goals Report for 2015, with support from UNDP

5.0. Assessment of Binding Constraints

Introduction

212. The NDP set out seven binding constraints that needed to be overcome if the NDP aspirations were to be realised (Sec 2.2 NDP Document). The seven constraints were: (i) weak public sector management and administration; (ii) inadequate financing and financial services; (iii) inadequate quantity and quality of human resources; (iv) inadequate physical infrastructure; (v) gender issues, negative attitudes, mind-set, cultural practices and perceptions; (vi) low application of science, technology and innovation; and, (vii) inadequate supply and limited access to production inputs.
213. In this chapter, the Evaluation team has assessed each of these constraints; in particular, how each one of the constraints has changed since 2010 and its validity into the year 2014/15, which marked the end of implementation of NDPI.
214. The sections below summarise the findings on each of the seven constraints.

5.1 Public Sector Management and Administration

215. The leading public sector management and administration constraints that the NDPI identified at its inception included weak policy, weak legal and regulatory frameworks; weak institutional structures and systems; weak civil society and civic participation; inadequate data and information; inadequate standards and weak quality infrastructure; limited social protection and support systems; poor management and administration of land; and corruption especially in procurement, administration of public expenditure and management of revenue.
216. The assessment looked at the situation on some of these elements of the binding constraint including how the elements changed since 2010. Overall, the evaluation observed that there was some positive progress on a number of NDPI priority measures, but slow or no progress on others.
217. A number of initiatives to improve the performance of the public sector institutional structures and systems have been undertaken by government during the time of NDPI implementation. Some of these initiatives include the introduction of performance contracts for some senior staff in the public service including permanent secretaries, some heads of government departments as well as some heads of education and health institutions.
218. However, the enforcement of service contracts has remained very weak due to the failure of Accounting Officers to perform their duties as specified in contracts and to hold them to account. Related to this, the assessment in 2011 of Ministry of Public Service (MoPS) data indicates that 75 per cent of MDAs and LGs (against the target of 97 per cent) were able to mainstream a results framework into their work process through linkages with the output oriented budgeting. Only 6 sectors out of 9 targeted disseminated service delivery standards by 2014/15.

219. Public procurement services did not significantly improve within the period of NDPI implementation. Various reports of the Auditor General highlighted major weaknesses in procurement and the poor management of contracts.
220. Procurement problems negatively affected the implementation of NDPI in various ways including frequent delays in the starting of works and projects due to scarcity of local qualified bidders; lengthy administration processes and land wrangles and disputes; as well as poor management of specifications and quality once contracts had started. Large critical projects such as the Karuma HEP project, iron ore mining, and oil refinery were delayed significantly by land compensation and rights of way disputes; the provision of water facilities in urban areas was significantly delayed by land title and compensation disputes. The Public Financial Management Performance Report of 2012 stated that many contracts whose value exceeded the threshold for competitive bidding were given out on non-competitive basis such as sole supplier procurement, usually on the grounds of emergency, whereas it was estimated that less than half of these could be justified.
221. Corruption and mismanagement of service delivery was a significant challenge during the time of NDPI implementation, affecting performance of NDPI results. According to the Minister of State for Planning in MoFPED - in a speech given on 13 March 2013 - there was an increasing laxity of Accounting Officers in enforcing budgetary and financial control procedures that had led to misappropriation and diversion of funds in various spending agencies.
222. The Budget Monitoring and Accountability Unit (BMAU) Report for 2011/12 indicated that although a significant proportion of the approved budget for secondary school construction and rehabilitation was released and spent, implementation of activities was not in line with plans. Furthermore, there was a lot of diversion of funds to pay for unplanned activities.
223. The BMAU also identified weak education inspection as a key impediment to service delivery in most local governments. Because of laxity in education inspection, there was a significant number of ghost teachers and other workers on the Government payroll as well as high levels of staff absenteeism.
224. The Auditor General's Report for 2010/11 had listed numerous examples of substandard construction work under health, education and works sectors, all of which were attributed to poor monitoring and supervision. There was also the concern that despite the submission of work plans and performance reports by local governments, no proper analysis and feedback was provided to LGs by the sector ministries.
225. The efficiency of public sector institutional structures and systems had also been affected by lack of inter- and intra-sector linkages in development planning and budgeting to facilitate coordinated implementation of NDPI. For example, a good number of concerns had been raised on urban development, which required close collaboration of institutions concerned including: lands, housing, health, education, water, energy and transport. The poor institutional coordination resulted into the mushrooming of disorganised urban slum developments without access to roads, power, water and sanitation, social amenities and security, among others.

226. With regard to management and administration of land, this evaluation observed that there were some initiatives put in place to address the main land related constraints. Such initiatives included: (i) the computerisation of land database which has eased quicker access to land registry information by the registrars; (ii) aerial surveying, including the associated survey and mapping control framework for purposes of producing the base map for the Land Information System; (iii) scanning of the land administration documents for Kampala, Mukono, Wakiso, Jinja, Mbarara and Masaka cadastral sheets; and (iv) completion of the National Land Information Centre.
227. However, according to the Lands Sector Strategic Plan (2013) only around 15 per cent of Uganda's land has been surveyed. The Land Information System is yet to be completed and the transaction time for processing a land title is still too long. Such delays often discouraged investments or led to its postponement.
228. During NDPI implementation, major energy, transport and other infrastructure projects were significantly delayed due to unclear land titles, arguments over land valuation and disputes over resettlement. The discovery of oil in the Albertine Graben posed a special challenge to ensure that land was well managed and effectively, efficiently and sustainably utilised. Many areas in this region gazetted for natural resources or wetlands have been encroached upon (and this applies to other parts of Uganda). The Albertine Graben region in particular, with the discovery of oil required a comprehensive plan for sustainable development.
229. The State of Uganda Population Report 2012 stated that major challenges to service delivery still existed in the country. A major constraint was the capacity to implement Government projects caused by major staff shortages especially at District local governments, where, in some districts, only about 9 per cent of established staff levels are present, with vacancies often in the critical positions of works and technical services, health, natural resources and local government planning services. Many stakeholders contacted in this assessment felt that the proliferation of new districts had led to a situation where the benefits of improved local service delivery and accountability were outweighed by the additional administrative burden.

5.2 Financing and Financial Services

230. The leading financing constraints that NDPI identified at its inception included the underfunding of priorities of public sector programmes and projects, over-reliance on external financing for much of the budget expenditures especially in the category of capital development, and limited availability of, and access to, financial services in the private sector.
231. Overall, this evaluation has found that the country still faces a particular challenge in the collection of tax revenue, which as a proportion of GDP fell from 13.1 per cent in 2010/11 to 12.7 per cent in 2011/12. This was well below the average rates in most other Sub-Saharan Africa countries and the situation in 2011/12 fell below the baseline in 2008 which was 13 percent. Although in 2014/15 net URA revenues collected increased by 23.9 percent to UGX10,987.5 billion up from UGX8870.4 billion collected in 2013/14 the tax-to-GDP ratio remained stagnant at 13.3 percent in 2014/15 compared to 13.3 percent in 2013/14. This meant that the minimum requirement for joining the EAC

monetary union, which is supposed to be 25 percent tax-to-GDP ratio, remained to be a significant challenge for Uganda.

232. In order to improve revenue performance in the country, Uganda would need to look at the possible implementation of a number of tax reforms including: (i) Integrate the formal and informal sectors to expand the tax base; (ii) Review all tax incentives and tax exemptions with a view to eliminating unproductive ones; (iii) Improve tax efficiency and accountability, say, by displaying all names of individuals and companies that had been granted tax holidays and exemptions by GoU; (iv) Grow the private sector businesses, which would require improvement of the investment climate – especially with easing access to credit and discouraging government domestic borrowing which tended to crowd out the domestic sector (Civil Society Budget Committee, 2014).
233. There were some positive trends observed in the proportional share of the annual budget between tax revenue and donor support with the former incrementally growing over the reviewed period from 2010/11 to 2014/15. However, the fact that there was still a big proportion of off- budget donor funding that was not captured in this calculation, makes the picture less impressive.
234. Similarly, the proportion of funding to local government has been declining over the period of NDPI implementation. Statistics from the Uganda Local Government Finance Commission indicates that local governments' share of national budget had been declining from 23 per cent in 2010/11 to 17 per cent in 2011/12.
235. To address the problem of limited public financing, government committed in the NDPI period to adopt public private partnerships (PPPs) and to mobilise private sector sources of financing for public services. However, this evaluation observed that both these initiatives are yet to be fully exploited.
236. As stated in the State of the Population Report and discussions with officials in MoFPED and the Privatisation Unit, some of the factors limiting effective use of PPP include: (i) lack of appropriate policy guidelines for all agencies of government on how to manage and utilise PPP approaches; (ii) lack of a systematic approach to assess when / whether PPPs are more efficient and better value for money than public investment; and, (iii) lack of a legal and operational framework to facilitate private sector involvement.
237. With regard to access to finance for the Ugandan private sector, better performance has been observed. The NDPI put emphasis on the strategic positioning of the financial sector in a globalised and liberalised environment and aimed to expand outreach of the financial sector within the economy. Some of the key strategic actions to attain this objective include: (i) maintaining financial and macroeconomic stability by pursuing low inflation and competitive interest rates; (ii) strengthening the money market by promoting product development and innovations; (iii) strengthening capital markets and promoting product development; (iv) increasing investor base by liberalising the pension sector; (v) improving infrastructure to promote interconnectivity and inter-banking; (vi) improving intermediation through putting measures that reduce interest rates; (vii) enhancing the microfinance sector in rural areas and urban areas by supporting microfinance institutions including savings and credit cooperatives (SACCOs); and (viii) improving information dissemination to enhance consumer education through financial literacy.

238. The analysis carried out in the Economic Management thematic report of this evaluation gives evidence that:
- Banks outreach and product development had improved since 2010/11, mainly through electronic banking and mobile phone services;
 - There had been significant increase in intermediation of funds shown by the extent to which banks convert deposits into loans;
 - There was, however, a concern that interest rate margins had become even wider than 2008-10 when they averaged about 10 per cent;
 - Reforming the pension sector is critical for competitiveness and growth as it provides one of the key avenues of increasing access to long term finance through increased savings mobilisation;
 - Access to finance especially in the rural areas was enhanced through the proliferation of SACCOs and mobile money services.
239. A number of limitations to the access of private sector financing were also observed, including high interest rate, lack of collateral security, lack of a strong regulatory framework for the micro-finance institutions to guard against increasing fraudulent activities, and (in the view of some stakeholders) excessive control of macroeconomic stability by Bank of Uganda at the expense of growth.

5.3 Quantity and Quality of Human Resources

240. The main human resources related constraints that the NDPI set out to address were deficits in the supply of skilled human resources in the economy, including key technical staff like doctors, other medical staff and teachers. In the past, Uganda continuously depended largely on foreign experts in specialised fields. This was attributed to the poor quality and content of the education system as well as the inadequate manpower planning functions within government. This evaluation has assessed the situation on some of these elements of the binding constraints and has pointed out how these elements have changed since 2010.
241. Overall, this assessment has found that the education sector had undertaken some programmes to address some of the issues of the human resources binding constraints. These programmes include: the Universal Post O-level education and Training Program which enables O-level graduates to enrol for free in A-level secondary education and vocational training institutions; the establishment of new technical institutions throughout the country; and revision of various curricula to emphasise skills training.
242. There was a more comprehensive initiative known as “skilling Uganda” that has been adopted under a strategic plan running between 2011 and 2020. The main purpose of the initiative is to create employable skills and competencies relevant in the labour market instead of focusing primarily on educational certificates. It also embraces all Ugandans in need of skills, including but not limited to only primary and secondary school leavers. The key objectives of this strategic plan include: (i) making BTVET relevant to productivity development and economic growth; (ii) increasing the quality of skills provision; (iii) increasing equitable access to skills development; (iv) improving the

effectiveness in BTVET management and organisation; and (v) increasing internal efficiency and resources available to BTVET. As a result, student enrolment in the 119 BTVET institutions in the country increased from 9,344 in 2011 to 11,124 students in 2012 to 39,700 in 2014 and 40,800 in 2015.

243. Despite the above initiatives, this evaluation has found that the staffing position in the public sector had shown marginal improvements in a few areas and significant deterioration in others. Data submitted by the Public Service Commission shows that the percentage of declared vacancies filled has been increasing from 68 per cent in 2008/09 to 87 per cent in 2011/12 although this runs short of the 100 per cent targeted by NDPI. However, the same source indicates that many key positions requiring specific skills like mining engineering and land valuation have not been filled. This is also happening at district level as reported by the BMAU report of 2011/12, which indicated that most of the districts' engineering departments faced capacity constraints in terms of staffing. Local Governments have indicated that lack of enough staff is the reason for some of the underperformance in relation to delivery of services; however, some analysis showed that there was almost no correlation between the filling of key staffing positions, or overall staffing positions, and completion of works at Local Government level.
244. There were also some disparities in the staffing levels between regions of the country, with some regions lagging far behind others. For example, in 2010/11, 26 per cent of the posts across the entire establishment structure were filled in LGs in the PRDP region (comprising mainly northern Uganda), as compared to 35 per cent in the rest of the country. Only 47 per cent of key administrative posts, like the CAO and Planner were filled in the PRDP region, as compared to 52 per cent in the rest of the country. It was also noted that there was a failure of some Government institutions to recruit staff even where resources for salaries had been provided, especially in the newly created local governments.
245. Supply of skilled technical staff to deliver public services remained a problem in the economy during the entire five years of NDPI implementation. Consultations with a selected number of NDPI sectors revealed, for example, that health facilities often lacked the requisite medical staff and technicians to operate the machinery that they had purchased or to deliver the services they were supposed to provide. Similarly, the infrastructure sectors faced a challenge of inadequate engineering skills to carry out feasibility studies and design work while the local construction industry lacked adequate capacity to undertake big construction projects. Within the same NDPI period, the NAADS programme lacked extension workers to provide high quality advisory services to farmers. Skills gaps such as these prevented vital services being delivered in line with development plans or these services were not delivered at all in some places.
246. Paradoxically, in the presence of many unfilled vacancies during NDPI implementation, unemployment remained a major human resources challenge, just as much as there remained significant challenges to build skills in the economy to match the needs and opportunities in the labour market. In that connection, a World Bank Report (2012) noted that an estimated 400,000 youths entered the labour market each year, yet the majority of these young people had not completed primary schooling. Functional adult literacy (FAL) had been on a downward trend since 2009/10 due to funding limitations. Records at the Ministry of Gender, Labour and Social Development (MoGLSD) showed that

enrolment in FAL programmes had underperformed as only two thirds of the targeted learners were enrolled (i.e. 200,000 out of 300,000 learners) and only 170,000 completed the training in FAL programmes.

247. In Uganda, Universal Primary Education (UPE) and Universal Secondary Education (USE) have dominated the education sector since 1997. Introduced in 1997 the UPE was a means to providing all children in Uganda with the opportunity to complete the seven years of primary level schooling. The USE program was a natural progression from UPE to a higher-level education for those pupils who had graduated from the UPE system. Studies had showed that returns to education were higher for graduates of primary-level education than for those who went further in the educational ladder in the country. Moreover, UPE and USE have been the most important education categories that will continue to supply Uganda with the majority of the working population in the economy. Therefore, good UPE and USE education standards have got the potential to influence the aggregate skills attainment of the people of Uganda; and furthermore, failure to improve the quality of UPE and ESE could lead to social inequality in the long run, favouring the minority of Ugandans who attend private schools and private colleges, at the expense of the majority who attend UPE and USE (i.e. government supported) institutions of learning.
248. In the determination of Uganda's human development index, it was observed that the education component in the index was the most important component in determining the country's HDI rank; therefore, it would be important to strive to attain very high levels of general education for the majority of Ugandans, so that the HDI ranking of Uganda is favourable.
249. It is against this background that this evaluation has considered the necessity to examine the many binding constraints facing the provision of high quality education in Uganda at UPE and USE levels;
- Over the 10-year period that ended in 2014/15, the education sector in Uganda had dominated public expenditure averaging 18 percent of expenditure outturns; however, due to rising demands from other public services sectors such as infrastructure, health and public administration, the education sector had to settle for a lesser share of the national budget. In 2013/14, the approved education sector budget was 14.6 percent of the national budget and emphasis was directed to improving equitable access to education and to effectiveness and efficiency in the delivery of education services in the country. For FY 2014/15 the education budget fell to nearly 11.9 percent of the national budget, with the drop attributed to shortfalls in external funding. Hence, the education sector was severely susceptible to fluctuations in donor funding.
 - Expenditure in the education sector was skewed toward recurrent expenditure, which in 2014/15 took 90 percent of its total budget with wages accounting for 65 percent of the total recurrent expenditure.
 - According to the National Budget Framework paper 2014/15 schools did not receive sufficient capitation grants, as each child was allocated a meagre UGX 6,860 per year to cover the costs of teaching and learning in primary schools; the Minister of Finance

agreed that the capitation grant be raised to UGX10,000 subject to availability of funds.

- The M&E budget in the education sector had always been inadequate. In 2013/14, the school inspection budget was a mere UGX 2.4 billion averaging to UGX 17.9 million for each of the 134 local governments in the entire financial year. Insufficient funding of M&E in education could explain the many serious challenges such as teacher absenteeism, ghost teacher prevalence and low completion rates at P7 level, which in 2013/14 had been estimated at 32 percent.
- In Uganda, nearly 10 percent of school age children needed some form of Special Needs Education (SNE); for the sake of delivering equitable education to all Ugandans, these SNE children need to be catered for. However, in 2014/15 there were only 9 SNE schools in the country. The required actions in this regard include recruitment of SNE officers, support to specialized training in SNE as well as sensitization of stakeholders on their roles to facilitate children with special needs.
- In 2013/14, school feeding for a mid-day meal at primary schools in Uganda attracted much attention. Government did not have adequate finances to effectively feed the pupils at midday, yet it prohibited the charging of a fee for that purpose, however small it might be, for pupil feeding. In this connection, government was admonished that, rather than effecting prohibition it would instead strengthen its regulatory provisions of school feeding so that the feeding is not abused.
- Serious human resource issues remained in the education sector. In 2014/15, it was reported in the NBF that in Arua and Maracha districts the pupil to classroom ratio was as high as 100:1 while the national average for UPE was 67:1.

5.4 Physical infrastructure

250. The main infrastructure-related constraints which NDPI set out to address included poor road conditions where only 4 per cent of the entire road network in the country was paved; low electricity consumption rate where the consumption per capita was reported to be only 75kWh/capita; limited telecommunication coverage; high cost of access and usage and limited diversity of communication media; as well as the low usage of water for production. This evaluation has assessed some of these elements of the binding constraints and has looked at how these elements have changed since 2010.
251. Overall, the evaluation has observed that in a number of areas there have been some significant changes in relation to the situation at the baseline in 2008/9. For example, the percentage of paved roads has increased from 4 per cent in 2008 to 15 per cent in 2012; the percentage of paved roads that have moved from fair to good condition has been maintained at 52 per cent compared to 39 per cent in 2009/10; some progress has been made at increasing the installed capacity for power generation in the country; and access to communication services has significantly grown.
252. However, despite the above-named successes, the impact of the achievements had been too insignificant to cause major positive changes in the original problem. For example, while the NDPI envisaged an increase of paved roads by 1,100 km over the 5 years ending

2015/16, paved roads had only increased by 117 km over the two years 2010/11 and 2011/12. By the end of June 2015, the total stock of paved roads in the country had reached 3,981 km equating to 19 percent of national roads.

253. Furthermore, despite the recognised importance of roads, they were not always (see GAPR 2014/15) well managed and maintained. Absorption of resources in the roads sub-sector had also remained a challenge to address the poor roads conditions during NDPI implementation. Similarly, there was limited progress on the railways infrastructure targets in the NDPI. At the time of implementing the NDPI, none of the Uganda URC wagon ferries were functional.
254. A number of constraints in communication subsector also still remained. An assessment carried out by interviewing senior members of the ICT sector as part of this evaluation revealed that the main challenges still to be addressed in the sector included inadequate ICT infrastructure, limited public awareness, the need for constant capacity upgrades that would be necessary to cope with the ever changing dynamics of the ICT sector and the low level of investment in ICT.

5.5 Gender, Attitudes and Mind-Set

255. The main elements of the binding constraints on gender issues, negative attitudes, mind-set, cultural practices and perceptions include: elements of traditions, culture and religious norms that are not supportive of modern approaches in society and therefore contribute to slow economic growth and structural transformation; discrimination against women through traditional rules and practices; negative attitudes towards work reflected in low human productivity and low entrepreneurial spirit; high population growth rate; slow behavioural change etc. This evaluation has assessed the situation on some of these elements of the binding constraint and has mentioned how the elements have changed since NDPI started in 2010/11 until it ended in 2014/15.
256. The assessment has observed that some significant efforts by government and development partners had been made to address elements of the above constraints. For example, a number of legislations were enacted to address the issue of women discrimination and to fight some negative cultural practices. The legislations included the Domestic Violence Act and the Prohibition of Female Genital Mutilation Act of 2010. Secondly, efforts to instil changes in attitudes and beliefs especially among the youths in schools had been initiated through patriotic clubs and youth empowerment campaigns. Thirdly, life skills promotion programs had been supported by government and UNFPA through the education system, to encourage adoption of modern beliefs and cultural change in some areas.
257. However, it has been commented by most stakeholders in the social development sector that, despite the above efforts, there was evidence that a significant amount of the identified constraints still existed. The above government initiatives and actions had not yet managed to dent the original attitudes and practices. Measures necessary to ensure effective implementation of enacted laws on gender discrimination and negative cultural practices had been inadequate during NDPI, whilst other much-needed reforms of discriminatory laws had stalled. There were concerns that the current global economic crisis and the prevailing competitiveness among nations necessitated increased action to

ensure that women and girls obtain equal access to economic opportunities and were enabled to contribute equally to the growth and development of their country's economy (UNDP).

258. There was also still a problem of poor attitudes to work especially among the public service and youths. In his annual reports, the Auditor General continued to raise the issue of staff absenteeism as one of the major causes of poor service delivery, especially in education and health sectors.
259. The use of contraceptives to control the fertility rate of 6.4 children (Uganda Population and Housing Census, 2014) was still very low in Uganda, especially in the rural areas. Consequently, the country's fertility rate remained high during NDPI implementation.

5.6 Science, Technology and Innovation

260. The main challenges with regard to application of science technology and innovation (STI) which NDPI set out to address included limited application of STI in production processes and service delivery; low technology component of exports; low numbers of Research and Development (R&D) personnel; and lags in technological competitiveness. This evaluation has assessed the situation on some of these elements of the binding constraints and has mentioned how the elements have changed since 2010.
261. The evaluation noted that some positive changes with regard to the use of advanced IT solutions and applications in the economy over the five years of NDPI implementation took place. ICT deepening had increased and there had been some impressive trends in the ICT sector. According to UCC Post and Telecommunications Half Year Market Review for 2011/12, the number of mobile phone subscriptions in Uganda rose from 12.8 million in December 2010 to 16.7 million in December 2011. Over the same period, fixed line subscriptions increases from 327,000 to 465,000 and tele-density rose from 41.4 to 52.1. The launch of the Lower Indian Ocean Network (Lion 2) under-sea cable in 2012 at a cost of US\$ 76m, with a design capacity of 1.28 Tb / s, had helped to increase internet speeds.
262. A number of significant gains were made as the result of the increasing use of ICT in the country. The use of internet became a major factor in facilitating local and international economic transactions, social communication / networking and public and corporate sector governance and management. The use of mobile telephones brought with it some revolutionary results in terms of supporting the economy and social life. In the main, mobile phone penetration had reached all parts of the country and had eased up communication especially in rural areas. In addition, the mobile money services scheme presented itself as a major mechanism for financial transactions that has surpassed the banking sector in terms of rural penetration. Besides being a major source of taxes for government, mobile money schemes also provided employment opportunities especially for the youth. Government also used mobile money as a medium of delivering social protection services to the elderly in 14 pilot districts.
263. Government developed a national science, technology and innovation plan 2012/2013 - 2017/2018 to try to fast track the process of implementing the NDP core priorities for this sector. Among the strategies in this plan was the four-stage STI development framework,

which adopted a new approach, which not only led to the conceptualisation of the linkages between STI and economic development but also to the adoption of the World Bank-promoted THICK approach.

264. However, some of the original fundamental limitations regarding STI still remained. For example, according to the NDR 2012 and GAPS 2014/15, the allocation of the ICT budget in the national budget has remained at 0.1 per cent throughout the entire five years of NDPI implementation. Likewise, the ratio of science and technology to arts graduates has stayed unchanged at 1:5 over the same span of five years.
265. Therefore, until the national STI plan was significantly implemented, many of the original constraints regarding STI continue to prevail.
266. The construction and development of four regional science parks and technology incubation centres, which were planned as the only core projects in this sector and were included in NDPI, had not substantially progressed by 2014/15. The regional science parks and technology incubation centres initiative was regarded to be off-track in the NDR 2012, as no progress had been made on all project targets and no funding had been allocated / released to the projects until 2014/15.

5.7 Access to Critical Production Inputs

267. The main elements of the binding constraint regarding supply and access to critical production inputs in NDPI included low access and use of fertilisers in the agriculture sector; low use of irrigation technology; and low supply of steel and steel products.
268. The basic production inputs targeted for improvement in NDPI included water for production to mitigate adverse climate change that affects agriculture production and productivity, as well as inputs into the manufacturing sector with the aim of reducing the cost of production, increasing availability of industrial inputs and enhancing global competitiveness. This evaluation has assessed the situation on some of these elements of the binding constraint and has reported on how the elements have changed since 2010.
269. With regard to water for production, some progress was achieved though on a limited scale. According to the water sector report 2014, the sector was meeting only 5.45 per cent of the total demand for water for production of 499 million cubic meters. However, there had been some significant progress on the planned core project for rehabilitation and construction of key irrigation schemes. One of the significant problem in assessing progress of irrigation in Uganda, was the lack of readily available data, say, for example on the percentage of the agricultural area under irrigation. In carrying out this evaluation, the assessment found that reported use of irrigation to support agricultural activities in districts was not very successful despite the fact that district production departments and the NAADS program had put in some efforts to promote irrigation. Generally, irrigation technology during NDPI had not been widely adopted and a main cited constraint to adoption was the high cost of the technology. There was, also, a shortage of reliable water sources in most districts. Moreover, adoption of irrigation technology was sometimes also hampered by the small and uneconomic land holdings that limited farmers' ability to adopt innovative farming practices.

270. With regard to the inputs into the manufacturing sector, this evaluation has noted that there was very limited progress overall. However, the efforts to increase power supply to the economy have been the most successful, although the speed of construction of the two flagship Karuma and Isimba Hydro Electric Power (HEP) plants, had been slower than anticipated during the NDPI plan period.
271. With regard to the production of iron and steel products inputs into industry in Uganda, there was some reported progress on the exploration of iron ore in Kabale district although, owing to its slow progress, it was not possible to estimate the full benefits of this project during the period between 2010/11 and 2014/15 of NDPI implementation.

6.0. Analysis of NDPI Financing

Introduction

272. This chapter focuses on the financing of the NDP; it looks at the funding requirements as they were identified during the preparation of the NDP document and how these have been realized by actual allocations, both in total and by sector. It conducts some analysis which we believe has not been done before, comparing actual funding with budgets for each of the four broad clusters within the ‘egg concept’ of the NDPI – primary growth, complementary, social and enabling sectors.
273. This section goes on to compare budget allocations with actual releases of funds and compares the amounts of on-budget and off-budget financing by sector. It then conducts general analyses of outputs obtained compared to funding, the balance of spending on administration and service delivery and allocations of funds to local governments.
274. This chapter finishes by assessing the scope for raising additional funds for NDP implementation and how some of the challenges for allocating funds more effectively to NDP priorities might be addressed.

6.1 Analysis of funding as set out in the NDP

275. The NDP and its associated annexes provide four types of analysis in respect of what it will cost to implement the NDP:
- A medium term expenditure framework (MTEF) proposal on page 56 of the NDPI;
 - A set of priority projects and programmes by sector on pages 385 to 390 of the NDPI;
 - A separate cost implementation matrix (CIM) annex;
 - A costing of the core NDP projects.
276. The GoU on-budget expenditure represents GoU recurrent and development expenditures as well as Development Partners’ (DP) expenditure, which appear in the MTEF. Off-budget expenditure, on the other hand, is that expenditure which is within the control of Development Partners (with regard to the amounts distributed to different sectors – and can differ from one year to another) and it does not appear in MTEF.

277. Table 24 below makes GoU on-budget comparisons and it shows that the totals and allocations of resources for each of the four identified sources is different. The reason for the differences between the CIM and the NDP MTEF costing, for example, is that at a late stage when the NDP was being drafted, there was a realization that the total funding envelope was unrealistic; however, there was no time to make detailed changes to the CIM. The table also shows the total MoFPED 5 year MTEF as it was estimated for each sector.

Table 24: Comparisons of NDP costing estimates (on-budget comparisons)

Sector	Core Projects Costing	Priority Costing	NDP MTEF Costing	CIM Costing	5 Year MTEF (UGX Billion)
Agriculture	41	1,967	2,701	2,914	1,776
Land, Housing & Urban Dev't	0	0	129	294	104
Energy & Mineral Dev't	3,148	6,236	6,425	10,399	6,389
Works & Transport	1,670	7,196	8,592	11,530	6,870
ICT	15	29	60	483	76
Tourism, Trade & Industry	332	285	461	987	252
Education	0	2,602	9,678	6,378	7,192
Health	0	5,560	6,049	6,970	3,793
Water & Environment	0	1,185	1,886	2,243	1,548
Social Development	42	207	233	759	175
Security	0	0	3,300	3,029	6,150
Justice Law & Order	0	0	2,298	1,703	2,923
Public Sector Management	0	0	3,781	2,977	4,527
Accountability	0	158	3,169	2,039	2,434
Legislature	0	0	765	591	1,143
Public Admin	0	0	1,192	887	1,799
TOTAL	5,249	25,426	50,719	54,182	47,151

Notes: The figures represent GoU on-budget data. Costing excludes interest payments and unallocated amounts. Core projects costing details are from Chapter 9 of the NDP document. MoFPED figures were based on actual releases and approved budget estimates. (Some totals do not tally with sums in the TOTAL line because of rounding)

278. The NDP MTEF costing estimates are the main data set used to make comparisons between what the NDP would cost to implement, the actual resource allocations and the status of implementation. The data in Table 24 includes the following:

- In terms of GoU on-budget figures, the MoFPED 5 year MTEF funding envelope provided 93 percent of the NDP MTEF costing estimate;
- The 15 core projects only comprised 10 percent of total on-budget NDP MTEF envelope;
- Priority projects (including core projects) set out in Chapter 9 of the NDP document comprised 50 percent of the total on-budget NDP funding envelope;
- Some sectors saw a significant reduction in their funding allocations between development of the CIM and finalization of the NDP MTEF as part of the negotiations, which were took place in order to make the overall on-budget funding envelope more in-line with fiscal projections.

279. When the NDP was written, it was assumed that UGX 54,182 billion would be made available through GoU on-budget channels. It was also assumed that a further UGX 20,441 billion and UGX 16,440 billion would be covered from off-budget financing (primarily development partners) and other (mainly private sector) contributions respectively. This gave total estimated cost for full NDP implementation of UGX 91,063 billion.

Table 25. NDP Sector Projections and FY2014/15 Allocations (billions)

Sector	2014/15 NDP Projection	2014/15 Budget Projection	Change (+/-)	2014/15 NDP% Share	2014/15% Share
Works & Transport	2 266,7	2 575,5	308,8	16,4	18,1
Energy & Mineral Dev't	1 736,2	1 711,7	-24,5	12,6	12,0
Education	2 633,2	1 699,4	-933,8	19,1	11,9
Health	1 598,4	1 197,8	-400,6	11,6	8,4
Public sector Mgt	806,1	1 070,4	264,3	5,8	7,5
Security	826,8	1 005,5	178,7	6,0	7,1
JLOS	549,4	778,5	229,1	4,0	5,5
Accountability	807,5	707,1	-100,4	5,9	5,0
Public Admin	219,1	504,2	285,1	1,6	3,5
Agriculture	737,2	440,7	-296,5	5,3	3,1
Water & Environment	516,7	430,8	-85,9	3,7	3,0
Legislature	182,3	237,6	55,3	1,3	1,7
Lands, Housing & Urbn Dev	30,8	99,1	68,3	0,2	0,7
Tourism, Trade & Industry.	110,1	68,4	-41,7	0,8	0,5
Social Dev't	55,7	52,9	-2,8	0,4	0,4
ICT	14,4	15,4	1,0	0,1	0,1
Interest Pay'ts due	647,8	1 104,8	457,0	4,7	7,8
Unallocated	41,3	542,9	501,6	0,3	3,8
Grand Total	13 779,8	14,242,70	462,9	100,0	100,0

Source: NDP 2010/11-2014/15 and the NBFY FY 2014/15

280. However, not all contributions were forthcoming; for example, while DP off-budget financing was estimated at UGX 20.4 trillion over the 5 year NDP period, the actual financing within the first three years of NDP averaged UGX 1.1 trillion per year. As implementation of NDP progressed, it was found that there was much volatility between budgeted amounts on one hand, and actual amounts released to implement projects.
281. The National Budget Framework Paper FY2014/15 provided more details and this Framework Paper was studied and discussed by the Civil Society Budget Advocacy Group (CSBAG) in 2014. In that discussion, it emerged that the NDPI allocations and GoU on-budget allocations did not give the same sector priorities.
282. Information contained in the last column of Table 25 shows that the biggest share of MTEF allocation went to Works and Transport (18.1%) followed by Energy and Mineral Development (12%) followed by Education (11.9%) and by Health (8.4%).
283. However, the NDP gave the highest allocation to Education (19.1%) followed by Works and Transport (16.4%) followed by Energy and Mineral Development (12.6%) and by Health (11.6%).
284. The MTEF expenditure, when seen against the 2014/15 investment priorities would reveal that there was little resonance between GoU expenditure and NDP priorities.
285. The investment priorities in the NDPI for 2014/15 were “Improving agricultural production and productivity, tourism and trade, and ICT” but the National Budget allocated to these sectors 3.1%, 0.5% and 0.1%, of the total budget, respectively. Therefore, referring to these three sectors as priority areas for NDP, did not resonate with the National Budget allocations.

6.2 Implementation of NDPI Budget

286. The data which were analyzed and presented in the NDPI Results Framework show that many indicators failed to meet their 2014/15 targets. One of the reasons for this, was that implementation of NDPI faced many challenges.
287. According to the study by EPRC entitled “Linking Budgets to Plans in a Constrained Resource and Institutional Environment: The Case of Uganda” (2017) many of the challenges to NDPI implementation were due to poor budget execution, absorption constraints and institutional weaknesses.
288. There was much volatility between budgeted and actual allocations because of a number of reasons.
- (i) First, sectors identified in NDPI did not all receive the budgeted allocations, and those that received budget allocations did not get the same amount as in the budget. The mismatch was caused in some instances by delays in completing infrastructure projects such as Karuma and Isimba HEP stations. Other delays were caused by procurement issues; and when such delays occurred they resulted into less work done, and therefore the concerned project got less money that had been planned before. Some bidders in procurement processes for NDPI projects raised objections

and sometimes would appeal; also, frequent changes were made in Public Procurement and Disposal (PPDA) pronouncements, which caused much confusion and led to more objections and appeals, thus hampering NDPI implementation in the process.

- (ii) Second, while procurement wrangles and stoppages were major causes of delays in NDPI projects, other delays in construction works such as the Entebbe Expressway were in part caused by lengthy land and property compensation negotiations.
 - (iii) Third, in some cases, bidders cancelled their submissions; others were not able to raise enough funds to execute projects and spent much time establishing a consortium for sources of finance, which tended to delay project implementation.
289. Some sectors spent more funds than their allocated amounts while others spent below their budget. MoFPED mainly operates a cash budget system, so that, when more money is spent in a sector than planned then, this extra money has to come from another sector by reducing its allocation. As such, during NDPI period, Government set a number of new priorities and these included:
- (i) Creating new administrative units such as districts, which put a burden on government financial resources;
 - (ii) Large cuts were made in the social sectors like Education and Health to finance infrastructure projects as well as to increase public sector employment.
290. Supplementary budgeting has been mentioned as a serious cause of the imbalance between planned and allocated amounts during NDPI implementation. To get a supplementary budget item, GoU has to pass it through Parliament to debate it and then approve it. As an example, in 2013/14 an amount of UGX4.34bn was appropriated for court awards as a supplementary expenditure item (CSBAG, 214/15).

Low Absorption of Funds

291. Another reason why there was a mismatch between allocated amounts and budgeted amounts was the low absorption of funds by Ministries, Departments and Agencies as well as Local Governments and lower level institutions. Failure to absorb NDPI funds was caused by institutional weaknesses which did not support sound and sustainable budget outcomes.
292. Sectors that absorbed more than 90 percent of the funds allocated for NDPI implementation were: Roads, Agriculture, Education, Health, Energy and Mineral Development as well as Tourism and Industry. Other sectors had less absorption capacity, and this left much more room for improvement in utilizing the funds that were earmarked for NDPI projects.
293. When the NDPI funds were not used in the year in which they had been allocated, they were returned to the MoFPED. Perhaps this system could have been re-visited to suggest that NDPI funds not spent in a particular financial year, be carried forward and used to implement projects that were targeted for such funding in the subsequent budget cycles

Different Budgeting Time Periods

294. Uganda has a five-year National Development Plan but the budgeting cycle is yearly. This mismatch in the NDPI cycle and the GoU Budget cycle caused imbalances in planning and implementation. The national budget focused on the short-time perspective, while NDPI took a long-time view of five years.
295. Furthermore, during NDPI implementation Uganda Government made plans and budgets at the aggregate level but implemented plans and budgets at the sector level. This created imbalance at the budgeting and implementation levels; it necessitated much coordination, and it impacted the results of NDPI at the local government level

Flexibility in Implementation of NDPI Projects

296. It would have been necessary to increase flexibility in the implementation of NDPI projects. This could have been achieved if, for example, MDAs and Local Governments had been given more powers to take charge of NDPI projects.
297. However, increasing powers to implement NDPI projects would have needed the strengthening of the necessary checks and balances to ensure that NDPI funds are not misappropriated.
298. As an example, NDPI funds that were not spent by the end of the financial year could have been protected and used in subsequent years. This would have demonstrated flexibility in the implementation of NDPI projects.

6.3 Funding Allocation to Local Governments

299. Funding is allocated to local governments in Uganda for 8 of the MoFPED sectors – agriculture, works and transport, education, health, water and environment, social development, public sector management and accountability.
300. In 2010/11 alone, the amount of funding released to local governments was UGX 1,507b, rising only slightly to UGX 1,595b in 2011/12. Overall, local government received 19 per cent of the budget in 2010/11, rising to 21 per cent in 2011/12, but at that time, it had been forecast to remain at 20 percent in 2014/15.
301. This was partly explained by the plans to spend more on national infrastructure projects, but it did imply a further squeeze on local government funding at a time when service delivery was very challenging at the local level.
302. It could be expected that changing amounts of funding made available to local governments would mean corresponding changes in the delivery of outputs at local government level. It is exceptionally difficult to get data to test this hypothesis and beyond the scope of this evaluation.

6.4 NDPI Outcomes at Local Government Level

303. NDP objectives have been stated at a very high level, such as: (i) Increase per capita income level; (ii) Improve labour force distribution in line with sector GDP; (iii) Raise

the country's human development indicators; and (iv) Increase Uganda's competitiveness to levels associated with middle-income countries.

304. For anyone of the above objectives, there are sectors, strategies, and actions, which have been chosen in Uganda through the NDP to ensure that within 30 years, Uganda is able to meet the stated objective.
305. However, for each sector, strategy, or action there are alternative sector, strategies, and actions, which contribute to the realization of the said objective.
306. More specifically, it would be a very daunting task to measure the contribution of each sector or strategy or action, to the realization of a given objective. Herein, then, lies the task of unveiling the reasons why some NDPI indicators have met, or failed to meet, their set targets for 2014/15.
307. There are many contributing factors to the realization of any single NDPI objective. But certainly, availability of funds to carry out the activities that are relevant to the realization of the objective, is very important. In Uganda, service delivery mostly takes place at the local government level, and activities at this level of administration affect the outcomes of NDP objectives. During NDPI implementation, resources were concentrated on national infrastructure projects and this led to a financial squeeze on local government funding, as it did on many other sectors of the economy. Would it be feasible to evaluate the effect of changing funding levels with changes to results?
308. Indeed, if it were done, such evaluation would be very useful. As an example, the draft NDR for 2011/12 gave some indicative analysis of the delivery of development outputs by local governments. It would be worthwhile doing more of this type of analysis in future, comparing spending and results at local government level for a sample of development objectives such as increased access to safe water, increased primary school capacity and increased reforestation.
309. Presently, the NDPI results framework contains very few indicators at local government level. More effort, therefore, is required to monitor the effect of funding on service delivery indicators at the local government level, and this situation should be changed during subsequent NDP 5-year cycles.

6.5 Alternative and /or Additional Sources of Funding for NDPI

310. Although domestic revenues increased over the years, huge arrears remained each year and undermined Uganda's budget processes during implementation of NDPI. Uganda also needed more coordination. For example, a program like the Poverty Action Fund was not integrated into the first NDP.
311. While local governments got less than 20% of the domestic resources, their capacity to use more resources should be increased. Funds that remained in a particular financial year should have been returned and protected to be spent in the following financial year.
312. Government should have explored more sources to finance the budget, and NDPI in particular. While the main additional sources of funding apart from URA internal

resource mobilization remained to be domestic and external borrowing, yet there were other sources of finance, which could have been tapped into, like the use of pension funds, or diaspora bonds or public private partnerships (PPPs).

313. There has been a general outcry in the country that the exploitation of the Albertine Graben oil reserves has taken a very long time. The availability of oil money in Uganda would have facilitated the much-needed expenditures for NDPI programmes and activities.

7.0. Coherence and realism of the results framework

Introduction

314. This section presents the findings on the level of coherence and realism of the NDPI results framework.
315. Coherence here means the logic, orderliness and consistency in the relationship between different elements of the NDPI results framework. These elements include the NDPI goals and the objectives among themselves and between themselves, and the long-term development aspirations of Uganda as reflected in the Uganda Vision 2040 and MDG commitments.

7.1 Coherence of NDPI Results to Goals and Objectives

316. This evaluation has undertaken a broad assessment of the level of coherence of NDPI goals and objectives. The assessment has analysed the basic assumptions, or the factors and conditions necessary, for the key NDPI result targets to lead to the desired goal/objectives in a meaningful and sustainable manner. Then, based on available evidence from field consultations and literature review, the evaluation assessed the performance of each of these assumptions during the entire five years of NDPI implementation.
317. In this connection, a few of the assumptions were found positive, but the majority of them were largely lacking as illustrated in the table below.

Table 26: Analysis of the level of coherence of NDPI goals and objectives

Goal/ Objective	Main Targets	Basic Coherence Assumptions	Some Observations on Assumptions
Growth	-Increase in Uganda's GDP -Increase in per capita income -Reduction in the proportion of the poor	- Growth is people-centred - Distribution of growth is equitable - There is controlled population growth	-High population growth negates increases in per capita income -GDP growth is not yet widespread, it is concentrated in a few sectors (services and industry, but not agriculture)
Employment	Reduced share of agriculture GDP Increased share of industry GDP Reduced labour force in agriculture Increased labour force in industry and services	- Matching investment in modernisation of both industry and agriculture sectors - Investment in food security interventions	-Inadequate investment in agriculture modernisation-should focus on extension and knowledge creation -Insignificant cross-sector collaboration on results

Goal/ Objective	Main Targets	Basic Coherence Assumptions	Some Observations on Assumptions
		- Collaborative action by different sectors	
Socio –economic transformation	-Increased literacy -Increased life expectancy -Increased competitiveness -Increased human development indices -Increased share of manufacturing to exports -Increased percentage of people in urban areas	-Literacy with functional skills - People centred industrial development - Well planned urbanisation - Mechanisation of agriculture to compensate for labour loss - Collaborative action by different sectors	-Efforts made to initiate functional literacy through skilling Uganda initiatives - Industry and exports are not adequately people centred -Insignificant cross-sector collaboration on results -Inadequate urban planning leading to poor living conditions in urban areas
Increasing household incomes and promoting equity	Growth in income per capita Better income distribution Higher employment Skills development Agricultural production and productivity	- People-centred growth - Equitable distribution of growth - Controlled growth in population - Mechanised agriculture to compensate for labour loss	-Inadequate investment in agriculture modernisation -GDP growth is not yet wide spread- concentrated in a few sectors (services and industry, but not agriculture) -Lack of social protection mechanisms
Enhancing the availability and quality of gainful employment	Availability and diversity of employment, Increased industrial investments Level of production and productivity	- People centred industrial development - Labour rights protection - Controlled inflation and other costs of living - Market support infrastructure especially for agriculture products (price protection mechanisms)	- Industry and exports are not adequately people centred -No policy on minimum wage, leading to under-employment especially in informal sector -Low prices for agriculture products affect gains from agriculture
Improving stock and quality of economic infrastructure	Increase in supply and access to electricity Quantity and quality of road and railways network Access to telecommunication services Affordable banking services	- Effective road maintenance capacity - Deliberate analysis and strategies for removal of other rigidities limiting private investment	- Low capacity for road maintenance reported in most local government - 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 Increased life expectancy Improved health services indicators	-Removal of gender discrimination -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 -There is lack of formal social protection mechanisms for vulnerable groups
Promoting science, technology, innovation and ICT to enhance competitiveness	High technology exports Strengthened institutional capacity for science and technology Increased capacity for R&D and innovation;	-Mechanism for enabling absorption of improved technology by private sector	No comprehensive analysis of all conditions necessary to optimise absorption of R&D by the private sector

Goal/ Objective	Main Targets	Basic Coherence Assumptions	Some Observations on Assumptions
	Increased access and use of ICT Increased number of S&T and ICT professionals.	-Support for market for both agriculture and industrial production	
Enhancing human capital development	Increase in skilled manpower among nationals Increased institutional capacity for relevant skills development Increased number of students trained	- Coordinated manpower planning -Strategies for employment creation	-No comprehensive manpower planning -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 Quality economic and corporate governance Quality democracy Level of security	- Security is maintained - Governance improves with less corruption	- Security generally maintained - More work to do on reducing corruption
Promoting sustainable population and use of the environment and natural resources	Healthy population High quality of human settlement Well managed environmental resources	- Access to family planning for those in need and demanding it - Economic growth and environmental protection occur together	- Still a large unmet need for family planning - Little data, but concerns over environmental sustainability of growth

7.2 Making the NDPI results framework the major barometer for outcome level results

The current results framework is an admirable attempt to measure results at three levels – theme, objective and critical result area (the latter links to the elimination of binding constraints). However, this framework has indicators which appear in more than one theme/objective, such as those associated with life expectancy and roads infrastructure to name but two; these appear at more than one level in the framework.

Around half of the indicators in the results framework have no baselines or targets and this has made it hard to assess progress against the NDPI.

Several of the NDPI indicators are not outcome-focused enough and could be improved. It would be good to assess, on a periodic basis, whether the indicators in any results framework are the best ones to use, and if any indicator is judged to be inadequate, it should be replaced.

Some key outcome measures of development performance are not covered, whilst some less important activity / output measures are. We would recommend a major review of the indicators in the NDPI results framework, after developing a clear ‘results chain’ and assessing the feasibility of collecting data. Some indicators which might arise out of this process (and which are missing now) might be ones associated with:

Agricultural yields;
Value-added by industry;
Productivity per worker in agriculture, industry and services;
Technical achievement index;
Unmet need for family planning;

Levels of child stunting;
Nutrition levels;
Quantity of water consumed per capita;
Crime levels / fear of crime;
Selected international governance indicators.

318. Some of these indicators are already set out in the Uganda Vision 2040 document, which was finalized after the first NDP. Several of the new indicators will require new data collection systems and in this regard, where possible, it would be more efficient to request that the data be collected in current surveys by UBOS, in particular, rather than to commission new surveys.
319. Much more work is also needed to measure some key development areas on a more regular basis and in more detail, particularly those to do with employment trends, environmental sustainability, population growth and movement, and poverty and inequality.
320. Over-arching all of this, there is need to have better monitoring of all outcome indicators by gender and by geographical region within Uganda, and a stronger policy making framework on the basis of this information.

7.3 Coherence of NDP results framework with the Uganda Vision 2040

321. Structurally, the relationship between the Uganda Vision 2040 and the 5-year National Development Plans, is symbiotic. The Uganda Vision 2040 sets out a very clear strategic implementation framework, which has links to NDP results frameworks. The NDP frameworks, on the other hand, provide the mechanisms through which Vision 2040 priorities can be operationalised. The basis for this relationship is three fold:
 - (i) The NDP would be the driver of the overall strategic direction towards the Uganda Vision 2040 ;
 - (ii) The NDP would make a strong influence on how resources are allocated in the MTEF;
 - (iii) Sector master plans and strategies would feed into the NDP, but would also be influenced by the NDP.
322. However, the first NDPI was formulated before the passing of the Uganda Vision 2040. It was therefore relevant for this evaluation to assess the level of coherence between NDPI framework and the Uganda Vision 2040.
323. Overall, the evaluation has found that there is a relatively strong coherence between the NDPI results framework and the Uganda Vision 2040. The two documents are targeting nearly the same results, but sometimes with different indicator dimensions. The common results targeted by both the NDPI and the Uganda Vision 2040 include: per capita income, per cent of population below the poverty line, GDP, percentage share of national labour force employed, manufactured exports as a percentage of total exports, the percentage of the population with access to electricity; the percentage of the population with access to safe piped water, the percentage of standard paved roads to total road network, the percentage of cargo freight on rail to total freight and the percent level of urbanisation, as well as life expectancy at birth (years) and literacy rate (percent).
324. A number of the core projects included in the NDPI do rhyme very well with the strategic direction of the Uganda Vision 2040. This provided a good opportunity for continuity of

the many projects that were foreseen to remain uncompleted by the end of NDPI in 2014/15.

325. The second NDP might be more focused or at least it could give a much stronger indication of development priorities. For example, p118 of the Uganda Vision 2040 suggests that the core growth areas might focus on agro-industries, the ICT city, iron and steel, fertilisers, oil and gas, and R&D and innovation. The World Bank (2012) report, emphasizing inclusive growth, suggested that four possible ‘pillars’ of NDP2 could be agricultural transformation, human capital transformation, across-space economic geography and increased urbanisation. These four potential ‘pillars’ have a relatively strong link with the Uganda Vision 2040 , with potential to add results areas like equitable and sustainable development.

8.0. Cross Cutting Issues

9.0. Conclusions and Recommendations

9.1 Conclusions on Evaluation Questions

Did NDPI remain on track?

326. Considering the eight key over-arching objectives by the underlying indicators, it is fairly clear that the NDPI did not remain on track - or indeed never were on track. To support this argument the evaluation team first considered the extent of attainment of the 48 specific indicators used to concretize the overarching objectives. The analysis was however problematic since only 30 of the indicators had been given a clear NDPI target value.
327. Of these 30 indicators where actual outcomes could, in principle, be compared with NDPI targets, only 7 goals were reached, whereas 18 fell short of the target, the remaining five could not be measured as an actual number was not available.
328. However, reliance on the mere counting of the number of targets attained may be misleading since some indicators will be considered more important than others. In this connection, it should be mentioned that among the indicators that came out with a positive result were the “proportion of people living below the poverty line”, “vaccination coverage”, “percent of delivery taking place in health facilities”, “the infant mortality rate” and “primary enrolment rate”.
329. Second, for further elucidation of the achievements during the NDPI period, the evaluation considered a number of other related indicators that had not been included as specific indicators in table 4.15 of the NDPI document. The analysis revealed both positive and negative trends.
330. The *growth and employment related indicators* showed a largely negative picture or data were not available; the analysis of GDP sector shares showed that the industry sector had made no inroads into the economy. The “*business*” indicators (Doing Business and Global Competitiveness) appeared to have a negative trend.
331. The analysis of GNI (PPP USD) and the HDI values 1990 to 2017 gave a more positive impression, however slackening its positive development after 2015 - 2016.
332. In the area of *human development and social wellbeing*, a positive trait was revealed in that the *Ugandan Gender gap* ranking came 45th out of 144 countries ranked. However, *Gender Development index* came 126th out of 160. A number of potentially important “*social*” indicators could not be assessed because no goals were set or data not found. These included e.g. Child stunting, Water consumption and access to safe piped water.
333. The “*technology*” indicators could not be measured for near complete lack of data (ICT deepening, ICT exports, technical achievement, public expenditure on R&D and patents)

Differences in progress across the country

334. Since the NDPI results framework was based on national indicator targets and not individual area indicators (regions, districts) across the country, differences in progress across the country could only be assessed indirectly.
335. There is general evidence that there are major differences between regions and districts in income levels as well as the strength of administration. This is likely to have caused uneven progress against overall targets during the NDPI period. The northern part of the country had a major problem in that poverty levels during NDPI declined less than did national levels.
336. The evaluation noted challenges for progress at sub-national levels for the important areas of health and water/sanitation. *Health* progress is likely to be restrained by inadequate referral services and inadequate mothers' access to professional antenatal and delivery. There was neglect of some tropical diseases that are excluded in the primary health care packages but present peculiar health problems to some districts. Progress in the areas of *water and sanitation* was constrained by geo-physical conditions which was the reason for unreliable sources of underground water and which made borehole drilling ineffective and expensive. A restraining factor was also the limited operational capacity within local governments and challenges in acquiring competent contractors from the private sector.
337. Many of the challenges are due to, or worsened by, major staff shortages at district government levels and weak feedback from important sectoral ministries like Health and Education. Again, it appears that staffing level problems are much more pronounced in the North than generally.

Core projects evaluation

338. The *NDPI MTR* indicated that the core projects implementation were on to a slow start. Unfortunately, the deficiencies of implementation appear to have continued throughout the NDPI period and into the NDP2 period. The slow start of funding meant that only five projects were on track as late as 2012/13, the rest characterized as off track, four of them with no tangible process.
339. The *evaluation at the end of the NDPI period*, hampered by lack of information and partly based on informed guesses, concluded that only three of the 15 core projects (Irrigation systems and Karuma and Isimba Hydro Electric Power stations) seemed to have had measurable material progress. The Karuma and Isimba projects were expected to be completed in 2018, far into the NDP2 period. Two more projects appeared to have made some or slight progress, namely the improvement of Lake Victoria water transport and Construction of regional science parks. The remaining ten projects were at planning, design or feasibility stages.
340. Projects which could not be completed by the end of NDPI has been continued into the NDP2 and include rehabilitation of existing railway lines across the country where perhaps 2/3 was done by 2014/15 and also the construction of the Karuma hydropower project was expected to be completed late 2018. A further continued project was the establishment of a standard rail gauge from Malaba to Kampala. This project was still at

an early stage at the end of NDPI but a ROW was clear and a maintenance framework had been completed. Construction of IT Business parks development is still at a planning stage. The phosphate Industry in Tororo is expected to come into operation late 2018. Four regional science parks and technology incubation centres have been characterized as partly satisfactorily completed. Finally, for the development and production of iron ore ingots, a pre-feasibility study was reported to have been completed early 2017.

341. Questioning of the MDAs responsible for these projects, pointed to a number of reasons for delays. The most important ones were slow mobilization of the required resources, the amount of technical preparations required before implementation could commence and slowness of necessary institutional and/ or legal-political framework. Another important reason was the absence of appropriate frameworks to operationalise the public-private partnership policy that was a main modality for implementation.

Successful and Unsuccessful NDPI Areas

342. At the end of NDPI, the concrete results in terms of quantitatively measured targets met can at best be characterized as mediocre. It is important however to remember that an evaluation like the present can only measure whether the targets are met, it cannot properly deal with the causality issue, i.e. whether the targets are met (or not met) *because* of the NDPI.
343. Whereas it is difficult to say what areas of the NDPI are the least successful, *the evaluation team concludes that a definite success is the launching of NDPI itself.* By setting targets and later evaluating the degree of attainment of these targets, Government has managed to focus the minds and activities of politicians and administration on development tasks to a much greater extent than otherwise would have been the case.

General constraints to delivery

344. The NDPI set out seven binding constraints that needed to be overcome if the NDP aspirations were to be realised (Sec 2.2 NDP Document). The seven constraints are: (i) weak public sector management and administration; (ii) inadequate financing and financial services; (iii) inadequate quantity and quality of human resources; (iv) inadequate physical infrastructure; (v) gender issues, negative attitudes, mind-set, cultural practices and perceptions; (vi) low application of science, technology and innovation; and, (vii) inadequate supply and limited access to production inputs.
345. The Evaluation has assessed each of these constraints; in particular, how each one of the constraints has changed since 2010 and its validity into the year 2014/15, which marked the end of implementation of NDPI.
346. *Public sector management and administration* is frequently blamed for delaying action. The team found little progress in the various sub fields like procurement, corruption and lands registration. Intra sectoral links continue to be a problem and low staff levels in districts is a perennial problem.
347. *Financing and financial services* during NDPI at the macro level suffered from lack of local funding caused by challenges and low collection of tax revenue causing over

reliance on external funding although the local funding fraction grew over the period. However, the use of PPPs can be more fully exploited. Improvement in private sector financing has been registered, banks' outreach having improved, intermediation of funds having increased and access to finance enhanced in rural areas. However, issues like widening interest rate margins and low utilization of pension funding, lack of collateral security, weakness in the regulatory framework for the micro-finance institutions and (in the view of some stakeholders) excessive control of macroeconomic stability by Bank of Uganda at the expense of growth held back the full use of private sector funding.

348. *Constraints regarding quantity and quality of human resources* mainly consist of deficits in the supply of skilled human resources in the economy, including key technical staff like doctors, other medical staff and teachers. The underlying reason is the weaknesses in the quality and content of the education system. Although staffing position in the public sector has shown marginal improvements in a few areas, other areas, especially the Northern region are lagging behind.
349. *The problems of physical infrastructure constraints* has become easier in some respects since the beginning of NDPI period. In terms of roads, the percentage of paved roads has increased from 4 per cent in 2008 to 15 percent in 2012; the percentage of paved roads that have moved from fair to good condition has been 52 per cent compared to 39 per cent in 2009/10. However, roads were not always (see GAPR 2014/15) well managed and maintained. Railway infrastructure targets in the NDPI showed limited progress. At the time of implementing the NDPI, none of the Uganda URC wagon ferries was functional.
350. In terms of *Gender, attitudes and mind-set constraints*, some significant efforts by Government and development partners have been made to address elements of the constraints. Progress has been made in legislation, youth empowerment and encouragement of modern beliefs. However, constraints still exist in the gender area. There is still a problem of poor attitudes to work especially among the public service and youths. In his annual reports, the Auditor General continued to raise the issue of staff absenteeism as one of the major causes of poor service delivery, especially in education and health sectors. However, the use of contraceptives to control the fertility rate of 6.4 children (Uganda Population and Housing Census, 2014) was still very low in Uganda
351. In terms of *Science, technology and innovation constraints* some positive changes with regard to the use of advanced IT solutions and applications in the economy over the five years of NDPI took place. The use of internet became a major factor in facilitating local and international economic transactions, social communication / networking and public and corporate sector governance and management. The use of mobile telephones brought with it some revolutionary results in terms of supporting the economy and social life. However, until the national STI plan is significantly implemented, many of the original constraints regarding STI continue to prevail.
352. *Critical production inputs constraints*. The main elements of the binding constraint regarding supply and access to critical production inputs in NDPI included low access and use of fertilisers in the agriculture sector; low use of irrigation technology; and low supply of steel and steel products.

353. As regards water for production, some progress was achieved though on a limited scale. According to the water sector report 2014, the sector was meeting only 5.45 per cent of the total demand for water for production of 499 million cubic meters. With regard to the inputs into the manufacturing sector, this evaluation has noted that there was very limited progress overall. However, the efforts to increase power supply to the economy have been the most successful, although the speed of construction of the two flagship Karuma and Isimba Hydro Electric Power (HEP) plants, had been slower than anticipated during the NDPI plan period.
354. With regard to the production of iron and steel products for inputs into industry in Uganda, there was some reported progress on the exploration of iron ore in Kabale district although but owing to its slow progress, it was not possible to estimate the full benefits of this project during the period of NDPI implementation.

Any Change in Sector Resource Allocation after MTR?

355. Uganda's planning system as launched with the NDPI is sophisticated and comprehensive including a very high number of indicators sectors, each with their objectives strategies and many (in total up to 1000) interventions. This has however clearly had negative effects on flexibility and ability to absorb and handle unforeseen changes that will take place over such a long period as five years.
356. The team has noted that there is little or no acceptance and built in mechanisms in the Plan document or in the administration for concerted action when things change. The MTR reports expresses that its recommendations will be used to accommodate changes in the environment and the administration. There is however, no proper mechanism set out to undertake such change. Therefore, the changes that may have taken place after the MTR of NDPI have not been related to the framework for the Plan.

Trends in Service Delivery Cost

357. The many indicators failing to meet their 2014/15 targets was partly due to the challenges of NDPI implementation of which poor budget execution, absorption constraints and institutional weaknesses were important.
358. Allocations were often not done according to the budget. Sometimes this was caused by delays in completing infrastructure projects such as Karuma and Isimba HEP stations. Delays were also caused by procurement issues, raised by bidders' objections and appeals. Frequent changes in Public Procurement and Disposal (PPDA) pronouncements hampered the NDPI implementation process. Bidders would delay implementation when they cancelled submissions e.g. when they were not able to raise enough funds to execute projects. Also, lengthy land and property compensation negotiations played a role in delaying processes.
359. Government itself also caused delays by creating new administrative units and reducing the social sector funding to finance infrastructure projects and increase public sector employment.

360. Failure to absorb NDPI funds was caused by institutional weaknesses, which did not support sound and sustainable budget outcomes.
361. Budget mismatches between the NDPI and the GoU Budget caused imbalances in planning and implementation. This was the case in terms of time perspective where the national budget focused on the short-time perspective whereas NDPI took a five-year perspective. In addition, in a budget structure perspective, the NDPI was *planned* at the aggregate level but *implemented* at the sector level. In addition, the system was inflexible in that funds not spent by the end of the financial year could not be used in subsequent years.

Regional Variations in Economic and Human Development

362. There are definite variations in economic and human development across Uganda. In general areas with more and higher developed natural resources will have an advantage in attracting financial resources for the implementation of the NDPI development process. An important example of a region where natural resources are available but have not been developed is Northern Uganda that has difficulties in attracting both financial and human resources for the NDPI development process.
363. Better off areas are usually more effective in attracting and developing human resources than less well-off areas. The quality of human resources in administration are important to attract the financial and technical requisites for NDPI implementation and areas with less qualified administrative personnel are likely to lose out in the battle for resources.

Validity of Assumptions on NDPI Financing Strategy

364. Before the implementation stage, even at a late stage of the drafting of the NDPI, it was realized that the total funding envelope was unrealistic. Comparisons between what the NDP would cost to implement, the actual resource allocations and the status of implementation shows that in terms of GoU on-budget figures, the MoFPED 5 year MTEF funding envelope provided 93 percent of the NDP MTEF costing estimate. The 15 core projects comprised 10 percent of total on-budget NDP MTEF envelope and priority projects comprised 50 percent of the total on-budget NDP funding envelope.
365. In terms of allocation some sectors saw a significant reduction in their funding allocations between development of the CIM and finalization of the NDP MTEF as part of the negotiations, which took place in order to make the overall on-budget funding envelope more in line with fiscal projections. As implementation of NDP progressed, it was found that there was much volatility between budgeted amounts on one hand, and actual amounts released to implement projects. There was little resonance between GoU expenditure and NDP priorities.
366. Despite an increase in domestic revenues, huge arrears remained each year and undermined the budget processes during implementation of NDPI. There was however little attention paid to the exploration of more sources to finance the budget such as the use of pension funds, diaspora bonds or public private partnerships (PPPs). The availability of oil money in would have facilitated the much-needed expenditures for NDPI programmes and activities.

Coherence in Linking Results and Priorities with Objectives

367. To be effective, the NDPI results framework has to be built on logic, orderly and consistency in the relationship between goals and the objectives *among* themselves and *between* themselves, and reflect the Uganda Vision 2040 and MDG commitments.
368. The evaluation analysed the framework by considering the assumptions, which would have to hold if the key NDPI goals, objectives and targets were to lead to the desired results in a meaningful and sustainable manner.
369. Although a number of these basic coherence assumptions were assumed to hold good, others were judged not to. Among the latter, we include the implicit assumptions that economic growth inherently would be people centred and equitable. We also found the underlying assumption that population growth could be controlled unlikely to hold. Another example of a doubtful assumption related to the NDPI emphasis on industry and exports was that industry and exports are considered people centred.
370. Another key example of doubtful basic coherence assumptions comes from the area of gender discrimination where the Plan assumes the removal of such discrimination although it seems not to have happened. The effort to enhance gender equity has been pushed more at the political level than in practise.
371. Other more concrete issues that will negatively affect the coherence in linking results and priorities with objectives are that so many of the indicators in the results framework have no baselines or targets so that progress against the NDPI cannot be assessed.
372. Some key outcome measures of development performance are not covered, whilst some less important activity / output measures are included. Also, several of the NDPI indicators are not sufficiently outcome-focused and it should be considered whether they may be replaced by better indicators.
373. An overarching weakness is that whereas the NDPI has great concern for *gender* inequalities and *geographic* inequalities, the indicators refer to the *national* level. Thus, the NDPI evaluation does not have an inbuilt mechanism to measure outcomes across gender and geographic regions.
374. Considering the comparability between the Uganda Vision 2040 and the NDPI in terms of profile it was found that the two were by and large parallel and consistent despite the fact that the NDPI was formulated before the passing of the Vision.

Coherence and Realism of NDPI in Attaining Goals

375. The NDPI was premised on a steady expansion of the Ugandan economy, which was largely achieved overall over the period but with considerable year-to-year variations. The slump in the growth rate to 5.1 per cent in 2014/15 meant that growth did not hit the target of 7.0 per cent per annum envisaged for NDPI. Based on the earlier growth record, the overall and per capita growth was not unrealistic. Some of the developments in the area of poverty and development in the education sector have been positive and can hardly be said to be unrealistic. There are however also examples of unrealistic target setting in

the human development e.g. with regard to the BTVET intake indicator that aimed at a 13-fold increase over the five NDPI years.

376. There is evidence of recent growth of income inequalities in Uganda. As already noted, Uganda's Human Development Performance Report (2013) reveals that inequality remained a big development issue in the country despite rising GDP and rising gross national income per capita figures. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Uganda's inequality adjusted Human Development Index (HDI) in 2012 was 0.303, representing a significant fall (of 33.6 per cent) in human standard of living due to inequality in the distribution of dimension indices. Similarly, the same HDR (2013) indicated that the country had a high gender inequality index (0.517) on the three dimensions considered in the assessment (maternal mortality and adolescent fertility rates, empowerment, and economic activity).

Were District Level Challenges Addressed in the Second Half of NDPI?

377. As explained above Uganda's planning system as launched with the NDPI although sophisticated and comprehensive a large number of objectives strategies and interventions has made the system rigid and nearly unable to take into account the unforeseen changes. In the case of addressing district level challenges it is difficult to find examples showing that any particular challenge discovered during the plan period as for instance through the MTF has led to action in order to address this challenge.

9.2 Recommendations

- (i) Around half of the indicators in the results framework have no baselines or targets. This has made it hard to assess progress against the NDPI. More attention should be paid to set indicators for future plans. This is both a matter of conceptual tidying up of the indicator system and a question of production of actual indicator statistics at the right time.
- (ii) Several of the NDPI indicators were not outcome-focused enough and could be improved. One should assess, on a periodic basis, whether the indicators in any results framework are the best ones to use, and if any indicator is judged to be inadequate, it should be replaced.
- (iii) Some key outcome measures of development performance are not covered, whilst some less important activity / output measures are. We would recommend a major review of the indicators in the NDPI results framework, after developing a clear 'results chain' and assessing the feasibility of collecting data. Some indicators which might arise out of this process might be ones associated with the following: Agricultural yields; Levels of child stunting; Nutrition levels; Quantity of water consumed per capita; Crime levels / fear of crime; Selected international governance indicators; Value-added by industry; Productivity per worker in agriculture, industry and services; Technical achievement index; Unmet need for family planning
- (iv) There is a need for targeted policies to address the economic exclusion of segments of the population with respect to education, other social services and access to credit. It is vitally important that NDPs keep track of equity of results around Uganda with

a view to making the results framework for the next NDP series more focused on the distribution of the benefits and outcomes of development around the country. This is reflected in The World Bank Promoting Inclusive Growth Report (2012) for Uganda.

- (v) One possible way of addressing the issue of inequality is to collect data by region or district and to use these to analyse differences in developmental trends around the country, and, then, to have targeted interventions that would address any imbalances reflected in those trends as part of the NDPI. For example, the NDR of 2011/12 contained disaggregated data by six regions – Central, East, Karamoja, North, West and West Nile. It would be useful to expand this type of analysis in the future.
- (vi) There are many contributing factors to the realization of any single NDPI objective. But certainly, availability of funds to carry out the activities that are relevant to the realization of the objective is very important. In Uganda, service delivery mostly takes place at the local government level, and activities at this level of administration affect the outcomes of NDP objectives. During NDPI implementation, resources were concentrated on national infrastructure projects and this led to a financial squeeze on local government funding, as it did on many other sectors of the economy. Would it be feasible to evaluate the effect of changing funding levels with changes to results?
- (vii) Presently, the NDPI results framework contains very few indicators at local government level. More effort, therefore, is required to monitor the effect of funding on service delivery indicators at the district level. As an example, the draft NDR for 2011/12 gave some indicative analysis of the delivery of development outputs by local governments. It would be worthwhile doing more of this type of analysis in future, comparing spending and results at local government level for a sample of development objectives such as increased access to safe water, increased primary school capacity and increased reforestation.
- (viii) NDP funds not used in the year in which they had been allocated could be carried forward and used to implement projects that were targeted for such funding in the subsequent budget cycles. NDPI funds that were not spent by the end of the financial year could have been protected and used in subsequent years. This would have demonstrated flexibility in the implementation of NDPI projects.
- (ix) Government should have explored more sources to finance the budget, and NDPI in particular. While the main additional sources of funding apart from URA internal resource mobilization remained to be domestic and external borrowing, yet there were other sources of finance, which could have been tapped into, like the use of pension funds, or diaspora bonds or public private partnerships (PPPs).
- (x) There has been a general outcry in the country that the exploitation of the Albertine Graben oil reserves has taken a very long time. The availability of oil money in Uganda would have facilitated the much-needed expenditures for NDPI programmes and activities.

- (xi) It would have been necessary to increase flexibility in the implementation of NDPI projects. This could have been achieved if, for example, MDAs and Local Governments had been given more powers to take charge of NDPI projects.
- (xii) However, increasing powers to implement NDPI projects would have needed the strengthening of the necessary checks and balances to ensure that NDPI funds are not misappropriated