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

Synthesis Report (Draft)

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Prepared by

In Association with

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Acronyms

CNDPF	Comprehensive National Development Planning Framework
DP	Development Partner
FY	Financial Year
GAPR	Government Annual Performance Report
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
MDA	Ministry, Department, Agency
MFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NDPI	National Development Plan I
NDPII	National Development Plan 2
NDR	National Development Report
NPA	National Planning Authority
NRM	National Resistance Movement
OP	Office of the President
OPM	Office of the Prime Minister
PEAP	Poverty Eradication Action Plan
PIM	Public Investment Management
PPP	Public-Private Partnerships
SMART	Specific, Measurable, Achievable, Results-focused, Time-bound
UBOS	Uganda Bureau of Statistics

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Executive Summary

The Government of Uganda, through the National Planning Authority, has commissioned a final evaluation of its National Development Plan I 2010/11-2014/15 (NDPI). The final evaluation considers the entire period of NDPI and builds on the mid-term review conducted in 2013. The final evaluation, conducted by a team of independent consultants, is comprised of six thematic reports: Economic Management, Institutional Framework, Development Partnerships, Political Economy, Results Framework and Policy and Strategic Direction. The final evaluation reports also incorporate findings from visits to select districts and conclusions from analytical work carried out by the EU.

The objective of this report is to present a synthesis of all six thematic reports. It provides an assessment on the performance of NDPI. In line with OECD-DAC evaluation criteria, four areas of enquiry have been considered, the: *relevance* of NDPI; *efficiency* of government policies, plans and strategies in relation to NDPI; *effectiveness* of government policy in achieving NDPI objectives; and the *impact and sustainability* of NDPI interventions for achievement of Vision 2040.

Key findings

Overall, the policies, strategies and objectives set-out in NDPI were valid. They were appropriate to the political, economic and social context at the time. However, improvements could have been made in ensuring that Government policy remained relevant to the changing context (both domestically and regionally) and that it took into account recommendations from the Mid-term Review. Moreover, the plan could have been better owned at the political level and by those tasked with implementation and holding implementors to account e.g. Office of the President, Cabinet, MoFPED. NDPI at its expiry was still relevant to the original problem it intended to address.

Implementation of NDPI could have been carried out in a more efficient manner. Across the NDPI period budget execution remained weak, budget support from donors fell, commercial borrowing increased, and public debt rose with less than desired results on the ground. Moreover, an increasing proportion of scarce government resources was spent on interest payments (from 6.6% in FY2010/11 to 7.8% in FY2014/15), reducing discretionary spending and the private sector was crowded out of the domestic market - an unintended effect of increased commercial borrowing. Of the funds that were spent, there was misalignment between NDPI and the budget with many priority growth sectors underfunded and public sector administration being over-budgeted, to the tune of 68%. The plan could have been implemented in a more efficient manner had the private sector, civil society and academia been more involved.

A comprehensive assessment on the effectiveness of NDPI has been difficult, but points towards unsatisfactory results. Of the 30 indicators of progress that did have a target, only 7 of the indicator goals were attained (23%), 18 fell short of the target (60%). The remaining five (17%) could not be measured due to insufficient data. Moreover, at the end of the NDPI period, only 3/15 core project had measurable progress and progress to unlock binding constraints was less than desired. The major factors that influenced achievement/non-achievement of the objectives included: insufficient funding, weak leadership and buy-in, poor PIM, insufficient capacity, policy gaps/inconsistencies, poor performance management and misappropriation of funds.

Where there have been improvements, Uganda has made in-roads in achieving the objectives set out in Vision 2040. An unanticipated positive consequence of NDPI is that it sought to bring entities of Government together around a common goal, and to move the development trajectory conversation beyond poverty reduction and towards economic growth and catalysing the private sector. This benefit, and change in thinking, has continued into NDPII. NDPII has sought to continue with much of the uncompleted work under NDPI.

Recommendations

Moving forward, several recommendations have been drafted for consideration by policymakers on ways to improve the performance of future national plans.

To improve the relevance of future National Development Plans…

1. Strengthen the theory of change in future development plans. This could be done through clearly articulating the evidence behind the logic (i.e. why should it hold true?) and documenting the causal framework to aid buy-in with stakeholders;

2. Ensure that the National Development Plan is in line with regional and international commitments;

3. Focus efforts on developing a more robust and effective results framework;

4. Strengthen the National Development Plan's ability to prioritise the use of scarce resources;
5. Harness more effective leadership and support for the Plan across Government, with politicians and with non-state actors (civil society, private sector, Development Partners and academia);
6. Build collective backing and buy-in for the NDP – increase the sense of the Plan being a 'national' plan and not a Government plan;
7. Support regional and local level planning to ensure that local realities and opportunities are being considered; and
8. Design mechanisms to feedback and adjust the plan after the mid-term review.

To improve the *efficiency* of future National Development Plans…

1. Improve budget alignment with the NDP to ensure that it effectively financed;
2. Use external funding from Development Partners in a more systematic and efficient manner;
3. Improve the financing of core projects and priority interventions; and
4. Focus on improving the productivity and efficiency of Government.

To improve the *effectiveness* of future National Development Plans…

1. Implement improvements in Public Investment Management. This could be through implementing recommendations from the 2016 diagnostic report on public investment management and/or implementing short-term measures such as focusing on capacity development within implementing entities to support the delivery of core projects.
2. Streamline and strengthen institutional mandates to ensure that there are no overlaps in roles and responsibilities in relation to both implementation and monitoring of future NDPs.
3. Increase domestic revenue mobilisation to allow for greater funding of development priorities.
4. Ensure that multiple financing mechanisms are being explored implemented.

5. Address corruption; and

6. Harness cross-sector synergies.

To improve the *impact and sustainability* of future National Development Plans…

1. Prioritise certain development initiatives. Focus efforts on improving agricultural yields, competitiveness and value addition, creating a better business environment, skills development, land tenure reform, managing population growth and ensuring equitable development. These areas are likely to bring about the greater benefits to the largest number of people.

2. Ensure that missing policies/plans e.g. industrialisation are developed and implemented.

3. Change several policies to increase the likelihood of delivering NDP targets e.g. improved budget strategy and MTEF, regional and local development planning and fiscal decentralisation.

4. Focus on performance management to ensure that poor implementation has consequences.

1.0 Introduction

1. **The Government of Uganda, through the National Planning Authority, has commissioned a final evaluation of its National Development Plan I 2010/11-2014/15 (NDPI).** The final evaluation considers the entire period of NDPI and builds on the mid-term review conducted in 2013. The final evaluation, conducted by a team of independent consultants, is comprised of six thematic reports: Economic Management, Institutional Framework, Development Partnerships, Political Economy, Results Framework and Policy and Strategic Direction. The final evaluation reports also incorporate findings from visits to select districts and conclusions from analytical work carried out by the EU on the performance of NDPI and NDPII.

2. **In line with OECD-DAC evaluation criteria, the objective of this report is to present a synthesis on the relevance, efficiency, effectiveness and impact of NDPI on Uganda's development trajectory.** Overall, it seeks to take stock of performance, generate lessons learned and put forward recommendations for policymakers developing future National Development Plans. It draws upon the findings and conclusions contained in each thematic report. As such there is considerably more detail in each thematic report than is contained in this synthesis report.

3. **This report is structured into three parts**. Part one presents a background to the topic and the methodology used to collect and analyse information. Part two presents key evaluation findings from a synthesis of all thematic reports. Part three provides conclusions and recommendations. This report is extremely timely as the Government of Uganda has started the design of its third five-year National Development Plan. This document will hopefully inform and guide this initiative.

2.0 Methodology

4. To prepare this *synthesis* report, the consultants drew upon the findings, conclusions and recommendations contained in each thematic report. Conclusions from visits to the Districts and analytical work conducted by the EU was also considered. Findings, conclusions and recommendations from each thematic report have been grouped into four areas of enquiry, namely:

(i) *Relevance:* the extent to which NDPI was suited to the priorities and policies of Uganda;

(ii) *Efficiency:* the extent to which NDPI was delivered in a timely and cost-effective manner;

(iii) *Effectiveness:* the extent to which NDPI delivered its planned results; and

(iv) *Impact and sustainability:* the extent to which NDPI produced positive and negative changes (directly or indirectly, intended or unintended) and whether the benefits are likely to continue.

5. To prepare each *thematic* report, a small team of consultants requested and analysed several documents from Government and development partners. In addition, semi-structured interviews were held with Government staff and other stakeholders (private sector, civil society, development partners and academia) who were involved in the delivery of NDP1. Semi-structured interviews and document analysis were framed around four areas of enquiry in line with OECD-DAC evaluation criteria[1] and guiding questions for each thematic report. The evaluation team also undertook fieldwork to selected local governments and conducted a series of workshops to validate findings.

6. The guiding questions for each thematic report were set-out in the original terms of reference for the final evaluation and Inception Report and are detailed in Annex 1.

7. The evaluation of NDPI started in September 2018 and was completed in March 2019.

3.0 Background

8. This section presents background information on the NDPI, key stakeholders engaged in shaping the strategic direction and policies under the NDPI and the overarching structures that guided NDP implementation.

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

9. **In line with Uganda's Comprehensive National Development Planning Framework (CNDPF), the NDPI was the first in a series of six five-year plans, aimed at achieving**

[1] These are defined to be relevance, efficiency, effectiveness, impact and sustainability.

the Uganda Vision 2040. NDPI was developed by the National Planning Authority with the objective of setting the country's medium-term strategic direction, development priorities and implementation strategies for a five-year planning horizon between FY 2010/11 and 2014/15. It sort to address some of the weaknesses highlighted in the evaluation of the previous Poverty Eradication Action Plan, namely that there were several constraints to human and economic development in Uganda, alongside evidence of corruption and weak accountability.

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

11. **According to NDPI, the main sources of economic growth were to come from eight growth sectors**, namely: agriculture, forestry, tourism, mining, oil and gas, manufacturing, information and communication technology and housing development. The plan also identified several constraints which stood in the way of accelerated economic development and improvements required to remove/reduce the obstacles. Moreover, commonly referred to as the "egg analogy", the NDP places 43 sectors into four groups and provides a comprehensive framework for development. Each sector has a series of strategies, interventions and targets that are deemed to be necessary to support Uganda become a more prosperous society.

12. **Two major conceptual differences explicitly distinguish NDPI from its PEAP predecessor**, the NDP explicitly acknowledges:

    (i) The need for economic growth to create jobs that generate additional employment opportunities for the population, increasing per capita income and providing the financial resources needed to continue to fund the pro-poor social policies; and

    (ii) The essential role of the private sector as being the engine of growth but seeks to emulate the successes enjoyed by many East Asian economies where an effective and efficient state adopted a strong central planning mandate.

13. NDPI economic strategy was to support improved productivity in the agricultural sector whilst ensuring that the workforce released by these productivity gains were also effectively absorbed by newer, higher value, export focused sectors of the economy, with such development being led by the private sector. Maintaining macroeconomic stability was also identified as being critical to provide an appropriate environment within which private sector development could flourish.

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

Box 1: Mid-term review of NDPI, 2013

Key findings from the mid-term review of NDPI

1. **The foundation underpinning the NDP is consistent and there is a well-established strategic direction.** The identification of seven key constraints to development provides focus for the various ministries, departments and agencies to improve performance and generate more sustainable results. Whilst the "egg analogy" is helpful in terms of categorisation of sectors, it does not provide a rigorous framework for setting out priorities for national development.
2. **There is now a growing common understanding of the NDP and evidence of increasing support for the broad policy and strategic direction it espouses.** However, there is mixed alignment to the NDP objectives at a sector level. At the local level, many districts perceive the NDP to be too centrally driven, inflexible and unable to accommodate local priorities. There are also limited local resources, and this constrains the ability of districts to function effectively.
3. **Compiling the data to review performance has been fraught with difficulty** as there are a considerable number of inconsistencies in the data reported by the Government Annual Performance Report (GAPR), source data compiled by MDAs and that reported in international comparisons. Notwithstanding these difficulties, some headline analysis indicates that:
   - The proportion of people living in poverty has stagnated and average incomes have fallen marginally over the current NDP period;
   - Employment levels were ahead of target in 2010/11, but no data are available for 2011/12;
   - Life expectancy is ahead of the modest targets set but literacy levels are below target and Uganda's human development index (HDI) score and rank is deteriorating;
   - In terms of transport, the volume of paved roads is significantly ahead of target, but whilst there has been a significant improvement in freight cargo levels carried by rail, performance is behind plan;
   - Energy indicators up to 2011/12 are disappointing and appear to be falling;
   - Health and education performance is mixed - ahead or on target for some indicators, but behind in others;

- All water and sanitation indicators are behind planned levels of performance; and
- The overall conclusion from the above analysis is that, at best, performance against NDP targets has been mixed.

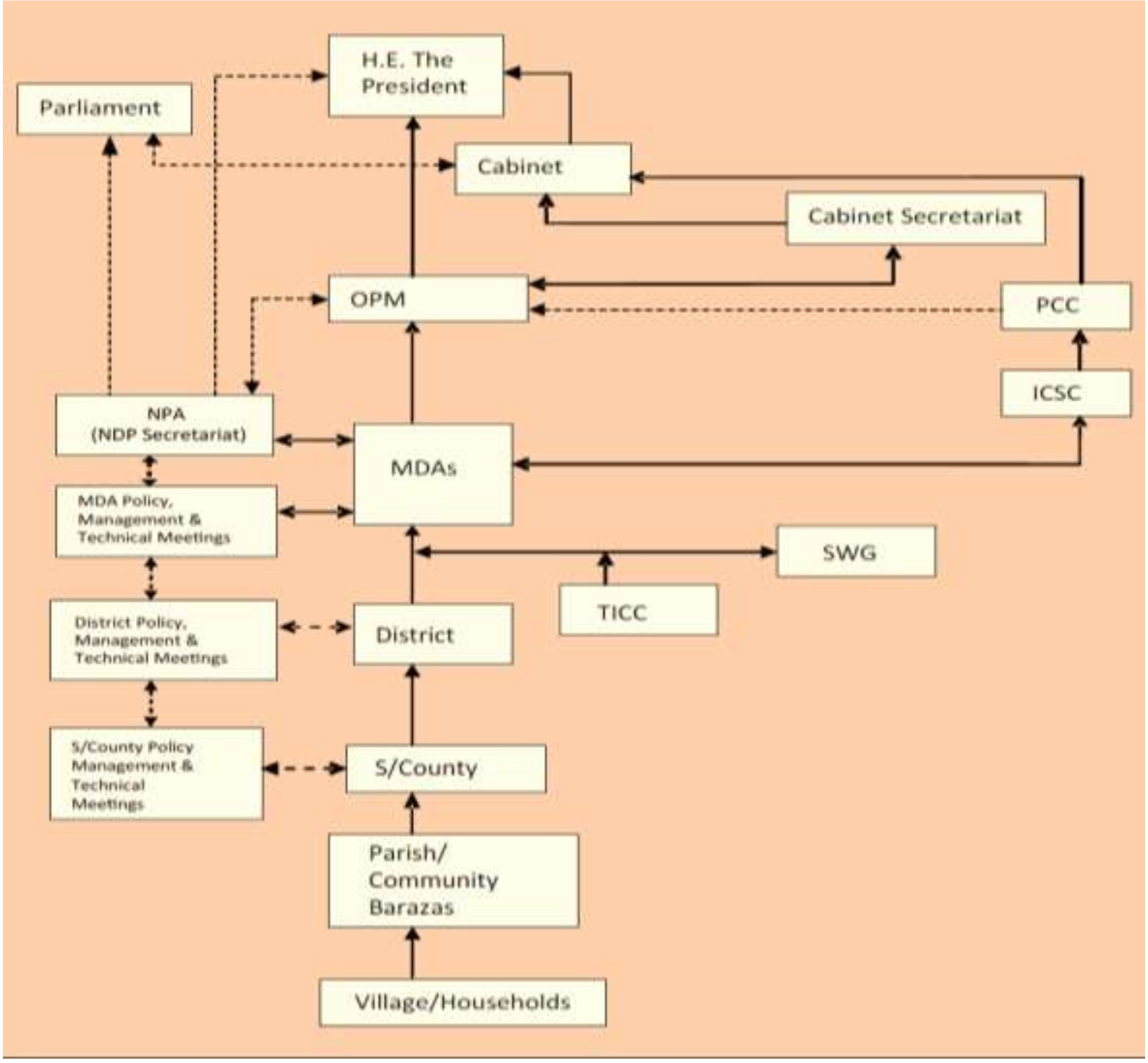
4. **The NDP is not currently on track to achieve several of its key macro-economic objectives and targets.** Many indicators are or were out of line with NDP targets including growth, revenue / GDP ratio, inflation, interest rates and export performance. The strategy was adversely affected by a series of domestic and external shocks in 2010/11 which has and will impact negatively on macro-economic performance for the duration of this NDP.
5. **It is questionable whether the full implementation of the NDP is affordable**. The NDP assumed large amounts of off-budget finance and funding from the private sector which has not materialised. As economic growth and tax take has been lower than expected in the first half of the NDP period, it is unlikely there will be sufficient funding to implement all parts of this NDP.
6. **Development partners report that they are broadly content with the scope and content of the NDP, but financial assistance from donors has continued to decline.** Donor assistance remains a significant component of overall Government expenditure and the development budget. In recent years the overall relationship between development partners and the Government has become increasingly difficult culminating in the freeze on budget support towards the end of 2012.
7. **The development of new innovative financing instruments has been slow and progress on harnessing private sector finance has been hindered** by delays in approving the legal framework governing Public Private Partnerships (PPP). There is no long-term strategy to develop capital markets and limited awareness within the private sector of the financing opportunities offered by capital markets.

Source: Mid-term review of NDPI, 2013

3.2 Key stakeholders

15. **The institutional architecture for the design, implementation and monitoring of NDPI is provided in Figure 1.** Key institutions included the Office of the President, Cabinet, Office of the Prime Minister, National Planning Authority (NPA), Ministry of Finance, Planning and Economic Development (MoFPED), sector Ministries, Departments and Authorities (MDAs) and local Governments. Non state actors included the private sector, civil society, academia and development partners. Ultimately, implementation of NDP was seen to be a shared responsibility across society, with support from external partners.

Figure 1: Institutional architecture for NDPI implementation



Source: National Development Plan, 2010/11-2014/15

16. The Office of the President was, and is, tasked with overall leadership and oversight of the plan, the timely communication of cabinet decisions and quality assurance of policies presented to Cabinet. Cabinet, as the highest policy making organ of the Executive, is empowered by the Constitution to determine, formulate and implement the policy of the Government (Article 111(2)). Cabinet ultimately provided the policy and strategic direction for NDPI (in line with the NRM manifesto), approved the budget allocations and was in charge of championing implementation. The Office of Prime Minister was, and is, tasked with the role of tracking the implementation of priority projects and programmes and for public sector performance information and reports which inform good policy development. The NPA was the primary author of NDPI developing it, in part, through detailed analysis of other countries' development trajectory paths.

MoFPED was, and is, responsible for resource mobilisation and allocation and for ensuring a direct linkage between planning and budgeting. Sector MDAs and local Governments both develop sector plans and policies and align their objectives to national level directives such as NDPI. A summary of the key roles and mandates of institutions in the NDP cycle is provided in Annex 2.

3.3 Overarching structures informing NDPI

17. In evaluating the efficiency, effectiveness and impact of NDPI it is important to keep in mind that implementation of NPDI did not take in a vacuum. It was to take place in the context of wider, governing documents. Key documents which both informed and guided NDPI included:

(i) The Constitution of the Republic of Uganda, 1995 (amended 2006);

(ii) Vision 2040, adopted by Government in April 2013;

(iii) Vision 2040 spatial framework, 2014;

(iv) Comprehensive National Development Planning Framework, 2007;

(v) National Resistance Movement (NRM) Political Manifesto;

(vi) National Planning Act, 2002;

(vii) Millennium Development Goals;

(viii) International and regional treaties e.g. African Charter on Human and Peoples' Rights, International Convention for the Rights of the Child; and

(ix) Regional initiatives such as the East African Community, COMESA, IGAD and New Partnerships for Africa's Development (NEPAD).

4.0 Synthesis evaluation of NDPI

18. In line with OECD-DAC evaluation criteria, this chapter is structured into four parts reflecting the areas of enquiry outlined in the methodology. Each part describes the situation in relation to the relevance of NDPI and the efficiency, effectiveness and impact of NDPI interventions. It draws its findings and conclusions from each of the six thematic reports. Further detail on each argument contained in this chapter can be found in each individual thematic report.

4.1 Relevance

19. An evaluation of *relevance* refers to the extent to which NDPI was suited to the priorities and policies of Uganda. In evaluating the relevance of NDPI, the consultants considered the key questions outlined below. The key findings of this assessment are provided in the following paragraphs.

- The extent to which policies, strategies and objectives were valid;
- Whether NDPI was well-conceived given the social, economic and political situation; and
- The extent to which NDPI, at its expiry, was still relevant to the original problem it intended to address.

20. The foundation underpinning NDP was relevant for the context and there was a common understanding of the broad policy and strategic direction it espoused. From a planning perspective, it marked a positive development from the PEAP which preceded it. However, the theory of change presented was fragmented. NDPI's goal(s) were not clearly defined or SMART[2], and the logical linkage between different levels of the theory of change whilst there, was not easy to follow. Moreover, many of the assumptions underpinning the theory of change did not hold true. This affected the achievement of desired results (see Annex 3). It should however be noted that NDPI was successful in presenting a good analysis of the context, binding constraints to development and ensuring that the eight objectives were relevant. To further enhance the coherence and relevance of the theory of change, the Government could have considered clearly articulating the evidence behind the logic (i.e. why should it hold true?), and clearly documenting the causal framework to aid buy-in with stakeholders.

21. **NDPI provided objectives, strategies and interventions for each sector. The information provided was detailed and relevant, providing guidance to civil servants on the types of policies and interventions that should be in place, or developed.** NDPI supported strategy and policy development but also contained technical details which could have arguably been left for the sector and MDA plans.

[2] SMART refers to the Goal being Specific, Measurable, Achievable, Results-focused/Relevant and Time-bound.

Unless the mechanisms supporting NDPI were in place to hold actors accountable to the interventions there is questionable merit of including them in a national level plan. Moreover, including detailed policies and sector strategies was arguably at the expense of NDPI playing an important role in providing clarity on the prioritisation and sequencing of investment decisions needed at a National Level.

22. **Setting priorities during NDP1 implementation was a key challenge.** The "egg analogy" did not provide a rigorous framework for setting out priorities for national development, and there was no consensus across Government as to the purpose of NDP in prioritising the allocation and expenditure of scarce resources. For instance, NPA envisaged NDPI supporting the prioritising of funding to key policies and plan; MoFPED continued to use planning frameworks parallel to NDP, under the Directorate of Economic Affairs, to make allocation decisions. Moreover, the NRM Manifesto continued to influence priorities of Government; thankfully this manifesto had common elements of NDP projects and priorities.

23. **Aside from the NPA, the NDP1 had the support of key stakeholders, including Parliament, the President's Office, the Office of the Prime Minister, and the Ministry of Finance, Planning and Economic Development.** It was relevant to several stakeholders across Government. However, the plan lacked a champion within the Ugandan policy universe to ensure that it retained the momentum it had garnered at its launch. Sadly, NPA does not command much clout within the bureaucratic hierarchy of the Government, due to its location under the Ministry of Finance. For instance, NPA's monitoring and evaluation work was not linked to an effective sanctions regime and was therefore without consequence; NPA's role was advisory rather than delegative.

24. **Amendments to the institutional architecture of NDPI were needed to ensure the plan remained relevant.** To ensure that any future national development plan remains relevant to priorities of government, there is a need for higher level oversight and coordination institutions (Cabinet, OPM, NPA, MoFPED) to collectively commit to a deliberate and purposeful drive to make things happen. This could be through a standing committee of cabinet focused on national development planning and through ensuring

that NPA can work more directly with the Office of President (through hierarchical re-positioning within the civil service and additional technical capacity).

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

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

27. **Development assistance could have more closely aligned to national priorities, with a common framework for the alignment of development partner (DP) projects to NDPI priorities.** Throughout the NDPI period, there was a need for structured consultation on priorities. Moreover, DPs' planning cycle could have been more closely aligned to the budget calendar, including indications of long-term financial commitments. The Government Annual Performance Review (GAPR) could have also been used to guide the National Partnership Forum dialogue (thereby ensuring that DP support remained relevance to the needs of the day) and DP sector working groups could have been strengthened to ensure stronger linkages to NDPI priorities.

Overall, the policies, strategies and objectives set-out in NDPI were valid. They were appropriate to the political, economic and social context at the time. However, improvements could have been made in ensuring that Government policy remained relevant to the changing context (both domestically and regionally) and that it took into account recommendations from the Mid-term Review. Moreover, the plan could have been better owned at the political level and by those tasked with implementation and holding implementors to account e.g. Office of the President, Cabinet, MoFPED. NDPI at its expiry was still relevant to the original problem it intended to address.

4.2 Efficiency

28. An evaluation of *efficiency* refers to the extent to which NDPI was delivered in a timely and cost-effective manner. In evaluating the efficiency of NDPI, the following questions were considered. The outcome of this assessment is provided in the following paragraphs.

- Was the plan delivered in a cost-efficient manner?
- Were objectives achieved on-time?
- Was NDPI implemented in the most efficient way compared to alternatives?

29. **NDPI, when conceived, was based on an ambitious but clear financing strategy.** It assumed that funding would be provided through efficiency gains in spending, increased domestic revenue mobilisation, effective use of grant and loan financing sources, borrowing from capital markets and public-private partnerships. Over the duration of NDPI, donor funding decreased, and their funding instruments changed. 40% of grants funding was towards project support in FY2010/11, by the end of NDP1, 75% of grant funding was towards project support, at the expense of budget support. Domestic revenue mobilisation averaged 11.8% of GDP over NDPI; the NDPI target was 14.4% of GDP. The lower than expected domestic revenue performance, coupled with a reduction in external assistance lead to an increase in the use of commercial debt over NDPI. This change in how development was financed over the NDPI arguably lead to the plan being delivered in a less than optimal way, cost-wise. The cost of borrowing through commercial banks is more expensive for the Government in the long-term than borrowing through concessional loans or increasing domestic revenue mobilisation. As a proportion of the budget, interest payments increased from 6.6% in FY2010/11 to 9.3% in FY2012/13 before falling to 7.8% in FY2014/15.

30. **In addition to a changing financing situation across the NDPI period, budget execution was less than satisfactory, undermining the timely completion of NDPI targets.** On average only 74% of budgets were funded (with significant variations across

sectors[3]) and of the budgets that were funded, weaknesses in project and policy implementation hampered effective expenditure. For instance, of the 15 core projects, only 3 had progressed by the end of the NDPI period. This brings into question how cost-efficient, and realistic, the plan was if budgets were unfunded and budget execution remained weak. Moreover, public debt increased over the NDPI period from 25.7% in FY2010/11 to 31.8% in FY2014/15. This was beyond the NDPI debt stock target of 18.2% in FY2014/15. On average, 42.4% of public debt was from the domestic credit market, with the rest being external. Whilst the overall debt distress remains low, increased expenditure financed by expensive sources (albeit still below NDPI targets) led to an increase in debt for the country, with less than satisfactory results on the ground.

31. **It should also be noted that of the funds spent during the NDPI period, there was misalignment between the NDPI and Budget. The closer the alignment of NDPI and the National Budget, the higher the likelihood of NDPI targets being attained.** Across the NDPI period, the overall budget has more than supported NDPI in terms of financing: sector budget allocations were, on average, 14% higher than NDPI allocations. However, some sectors did not receive the required allocations; other sectors received more funding than anticipated. For instance, the following sectors were *under-funded* by the magnitude of 23.3% for agriculture, 28.7% for health, 13.5% for education, 9.2% for works and transport, 4.7% for energy and mineral development, 37.8% for tourism, trade and industry and 12.2% for water and environment. This is concerning - primary growth sectors highlighted in NDPI did not receive the required funding. In contract, public sector administration and management were *over-budgeted* for by 68%. This again, brings into question how cost-efficient the plan period was.

32. **In relation to whether NDPI delivered its objectives on time, there was mixed progress.** For instance, monetary policy over the duration of NDPI helped contain inflation but kept the cost of borrowing high. Fiscal policy over the duration of NDPI was expansionary: nominal government expenditure increased on average 18% per year over the period. The use of monetary and fiscal policy throughout the NDPI period allowed the Government to support macroeconomic stability, however it also increased

[3] For example, over the period FY2011/12-FY2015/16, 50.6% and 78.4% of the budget allocation to the energy and transport sectors were financed.

the cost of borrowing (due to increased domestic debt) and was at odds with some goals espoused in NDPI e.g. support private-sector led growth.

33. **In relation to improving the competitiveness and position of Uganda (a key pillar of NDPI), the Government undertook several measures. However, despite implementation of several initiatives, competitiveness, as defined by the World Economic Forum, fell across the NDPI period.** The problems impeding competitiveness are complex and varied but did not change significantly over the NDPI period. The top five problems recorded by respondents in the World Economic Forum Index were: access to finance, corruption, inadequate supply of infrastructure, tax rates and inflation. Addressing these top five problems impacting on Uganda's competitiveness should be the focus of support under NDPII and NDPIII, with appropriate strategies devised and implemented. Further details on the achievement of NDPI targets, e.g. economic growth, primary growth sectors are set out under effectiveness.

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

35. **Moreover, the role of non-state actors in the implementation of the NDP1 was uneven. While** Development Partners were consulted fairly regularly, due to their financing role, the private sector had a much less direct influence on the plan's design and implementation. The private sector is called "the engine of the economy" in policy statements and undertook a broad range of investments during the NDPI period. There was however insufficient engagement with the public sector. Moreover, consultation with civil society, including NGOs and academia, as part of this evaluation posits to the

fact that they also received insufficient attention after the initial consultations. A broader role for non-state actors would have brought a greater degree of realism to the NDP1 projects and programmes, and they could have played a useful role in monitoring the plan's initiatives, especially at the local level.

Overall, implementation of NDPI could have been carried out in a more efficient manner. Across the NDPI period budget execution remained weak, budget support from donors fell, commercial borrowing increased, and public debt rose with less than desired results on the ground. Moreover, an increasing proportion of scarce government resources was spent on interest payments (from 6.6% in FY2010/11 to 7.8% in FY2014/15), reducing discretionary spending and the private sector was crowded out of the domestic market - an unintended effect of increased commercial borrowing. Of the funds that were spent, there was misalignment between the NDPI and the budget with many priority growth sectors underfunded and public sector administration being over-budgeted, to the tune of 68%. The achievement of results was also delayed in many cases and/or not achieved, and the plan could have been implemented in a more efficient manner had the private sector, civil society and academia been more involved.

4.3 Effectiveness

36. An evaluation of *effectiveness* refers to the extent to which NDPI delivered its planned results. In evaluating the effectiveness of NDPI, the consultants considered the key questions outlined below. The outcome of this assessment is provided in the following paragraphs.

- To what extent were the desired results achieved?
- What were the major factors influencing the achievement and/or non-achievement of the objectives?

37. **NDPI's 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.** Results under NDPI were envisaged to include the 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.

38. In addition, NDP1 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. A performance assessment of each result area (48 indicators in total) was carried out using statistical data from various sources including UBOS Statistical Abstract, GAPR and UNDP, as well as survey results particularly from UBOS. The full results of this assessment are contained in the results framework thematic report; a summary has been included in Table 2 overleaf.

39. **A comprehensive assessment on the effectiveness of NDPI has been difficult, but points towards unsatisfactory results.** Only 30/48 indicators were given a clear NDPI target in which to assess progress against. Of the 30 indicators that did have a target, only 7 of the indicator goals were attained (23%), 18 fell short of the target (60%). The remaining five (17%) could not be measured due to insufficient data. It should however be noted that this does not take into account the relative importance of each indicator. Several important indicators under NDPI provided a positive result 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. Disaggregated analysis of results by region or district was not possible due to a lack of data.

40. **An evaluation of the progress made on the 15 core projects during the NDPI period, points to slower than desired progress.** At the mid-term review stage (2012/13), few projects had made significant progress, most had not started. At the end of the NDPI period only 3/15 core projects (irrigation systems, Karuma and Isimba Hydro Electric Power stations) had measurable progress. Uncompleted projects under NDPI have continued into NDPII – this includes rehabilitation of railway lines, establishment of a standard rail gauge from Malaba to Kampala and construction of Karuma Hydropower project.

Table 1: Effectiveness of Government policy in achieving NDPI objectives

#	Indicators of effectiveness	Status
1	Export-orientated growth	• Uganda experienced sluggish growth over the NDPI period, averaging 5.4% over the period. This rate was below the target of 7.1%. Slow growth, in part was the result of high government recurrent spending which induced monetary policy tightening which in turn dampened domestic demand through increasing interest rates, weak global growth that undermined demand for exports, and low and declining commodity prices, reduced capital inflows and slow implementation of NDPI projects. • Exports averaged 10.8% of GDP over the NDPI period. In principle a weak shilling over the NDPI should have boosted exports, however due to supply-side rigidities, limited commercialisation and environmental factors, exports did not grow significantly over the NDPI period. Whilst the trade deficit, as a percentage of GDP improved from 11.8% in FY2010/11 to 8.2% in FY2014/15 (on account of a reduction in imports), exports as a percent of GDP fell from 11.3% in FY2010/11 to 9.9% in FY2014/15. The share of manufactured exports as a proportion of total exports rose from 4.2% in 2010 to 6% in 2011/12. • A few policies were developed during NDPI with the objective of stimulating value addition and increasing export earnings and employment. These included: National sugar policy, 2010; National cooperative policy, 2011; National employment policy, 2011; and operation wealth creation, 2014. However, many stakeholders noted that there was not an overarching strategy to stimulate value addition across several sectors and funding for the policies was insufficient. As a result, implementation of these policies proved problematic. For instance, NDPI sought to increase the share of manufactured exports, however minimal success was achieved. As a fraction of total exports, manufactured goods contributed 16% in FY2009/10, 17% in FY2013/14 and 15% in FY2014/15 with sugar and cement accounting for most of manufacturing exports. Growth was slow. The export of tea, coffee and tobacco showed some evidence of growth and this may have been due to favourable weather conditions and government investment in free seedling distribution across the country.
2	Primary growth sectors (agriculture, forestry, tourism,	• Several measures were undertaken for transformation of the primary growth sectors during NDPI. These included: o Development of policies including: the National Employment Policy, 2011; National standards and quality policy, 2012; National ICT policy, 2012; National Land Policy, 2013; National Agricultural Policy, 2013; Uganda Tourism Policy, 2013; Uganda Partnership Policy, 2013; Uganda Wildlife Policy, 2014; and Buy Uganda, Build Uganda Policy, 2014.

	mining, oil and gas, manufacturing, ICT and housing)	◦ Implementation of core projects to support the primary growth sectors e.g. rehabilitation of railways. At the end of the NDPI period, 3/15 projects had some material progress (irrigation systems and Karuma and Isimba Hydro power stations). The remaining projects were at planning, design or feasibility stages. • Implementation of these policies and projects was difficult and a result, the progress against NDPI primary growth sector targets was not fully realised. The composition of GDP by agriculture, industry and services was envisaged to be in the ration of 21:24:55. At the end of NDPI, the ratio was 25:20:55. Industry failed to make inroads into agriculture's dominant share. • The Agricultural sector grew on average 1.3% annually over the NDPI period. Growth for the agriculture sector was stronger during the 2005/6 to 2009/10 period compared to the 2009/10 to 2012/13 period. This was the results of both internal and external factors including a decline in exports to South Sudan, due to civil war and a decline in global commodity prices. • NDPI targeted to increase the proportion of people employed in manufacturing and services. However, the share of the labour force employed in these sectors decreased from 6.8% to 4.2% (manufacturing) and from 26.8% to 20.7% over the NDPI period. This was due to a mismatch between skills acquired and requirements by employers and high population growth.
3	Enhanced private-sector and quasi-market approach	• The Ease of Doing Business Index indicates that Uganda was ranked 123/183 countries in 2010/11; in 2014/15 Uganda's ranking has shifted to 150/189 economies. A low ranking indicates that Uganda does not have simple and friendly regulations for businesses. Uganda struggled to enhance and grow the private sector during the NDPI period, however progress did take place. Slow growth was in part attributed to poor/no access to electricity, difficulty in establishing a business and registering property and challenges in accessing credit. Areas which however improved over the NDPI period however included contract enforcement, resolution of insolvency, tax payments and protecting minority investors. • The private sector did make significant investments in several priority areas of NDPI. For instance, during NDPI, 12 private universities were established, CIPLA-Quality Chemicals Industries was listed on the Kampala Stock Exchange to supply HIV drugs and essential medicines, Africell, Airtel/K2 and others entered the telecommunications sector. Private sector involvement in agriculture has proved difficult in part due to land issues, poor road network and lack of storage facilities for produce. • A review of demand for jobs as advertised in newspapers between 2011 (11,978 jobs) and 2010 (24,372) indicates that there was a decline in labour demand. An enhanced private sector was lumpy throughout the NDPI period.

4	Inclusive growth	• Uganda sought to increase per capita income to US$850 over the NDPI period. As of 2014, Uganda's GDP per capita (current US$) was US$714. There was however a 28% increase in GDP per capita over the NDPI period, from US$558 in 2009 to US$714 in 2014. Between 2010 and 2015, Uganda's Human Development Index also increased by 3.9%. • According to the 2016 Poverty Assessment, Uganda reduced its monetary poverty at a rapid rate before and during the NDPI period. The proportion of Ugandans' living below the national poverty line fell from 31.1% in 2006 to 19.7% in 2013. However, other aspects of poverty, notably improved sanitation, access to electricity, education and child malnutrition fell at a slower rate. • To support inclusive growth, during NDPI, the Government introduced several social safety nets programmes targeted at old people and other vulnerable groups, including cash handouts. It also committed to reform the pension system, introducing more competition. The Northern Uganda Reconstruction Programme, to address post conflict reconstruction in Northern Uganda also progressed during the NDPI period, however its impact was noted by stakeholders to have been patchy. • Discussion with stakeholders indicated that NDPI provided a framework for developing a social protection system in Uganda. Cabinet approved the Expanding Social Protection programme in June 2010 with two major objectives – to develop a policy framework and pilot a SAGE with the aim of testing systems for scaled up-cash transfers. The National Social Protection Policy was approved by Cabinet on November 4th, 2015 and built on other significant bodies of work conducted by Government including a poverty status report (2012), social protection sector review (2014) and mapping of policies, legislation and programmes. Funding for social protection also increased from 50m to 2billion by the end of 2014/15. • Poverty reduction over the NDPI period, came about predominately due to developments in agriculture. Poverty reduction among households in agriculture accounted for 79% of national poverty reduction from 2006 to 2013 (World Bank, 2016). The increase in income derived from agriculture was due to favourable prices and weather. Favourable prices reflect improvements in market efficiency as a result of sound policies (investments in infrastructure, economic liberalisation and better trade services), but also positive changes in supply and demand condition outside of Uganda. In addition, peace in Northern Uganda contributed to poverty reduction by allowing farmers to take advantage of stable and favourable prices to double their crop income. Urbanisation, which accounted for one tenth of poverty reduction from 2006 to 2013, was also a contributing factor given the strong welfare gains from rural to urban migration. Census data shows that Uganda's urban population increased by 3.5% from 2006 to 2013. This increase accounted for 10% of poverty reduction over the period.

		Progress on education has been slow, however it has been associated with income growth, higher resilience to shocks and diversification from agriculture and higher migration from rural to urban areas. • It should be noted that progress in reducing poverty was much slower in Northern and Eastern Uganda during the NDPI period. The proportion of the total number of poor people who live in the Northern and Eastern regions increased between 2006 and 2013, from 68% to 84% (Poverty Report, 2016). Also, households in Uganda's Eastern, Northern and Western regions continued to have much lower levels of human capital, fewer assets and more limited access to services and infrastructure than other regions. • Households across Uganda remained vulnerable throughout the NDPI period, however the introduction of social protection schemes helped to reduced vulnerability during the NDPI period. To continue progress in inclusive growth, throughout NDPII there is a need to continue to invest in supporting regional and local development, focusing on improving access to and quality of basic services (particularly electricity and water and sanitation), improve intra and inter sector coordination of social protection policies and to continue to support the agriculture sector, as an enabler for inclusive growth.
5	Skills development	• Uganda scored 3.31 for education and skills development in the World Economic Index in which 1 is a low score, 7 is a high score. Amongst peers, Uganda ranked 7/16 countries reviewed. Improvements in skills development are needed and progress was slow during NDPI due to slow and/or poor implementation of Government policy and programmes. • As a result, literacy, as one indicator of skills development oscillated between 70 to 73% of all children aged 10 years and above from 2010 to 2014/15. Moreover, the net completion rate for secondary school did not improve over the NDPI period. In 2008/9 the rate was 23.5, in 2015 it was 22. The enrolment in BTVET however increased over the NDPI period, which is a positive development (all though it was below the ambitious NDPI target of 390,000 in 2014/15). In 2008/9, 30,000 were enrolled; in 2015, 40,800 were enrolled. In 2015, 53% of vocational institutions were privately funded. • During NDPI, to support skills development, the Government implemented: o The Northern Uganda Social Action Fund, implemented by the OPM. The project, implemented in 59 districts of Northern Uganda provides livelihood support to vulnerable people including the provision of comprehensive skills development training. It is an on-going project. o Designs for the national non-formal skills development programme. This programme has continued under NDP2 as the Comprehensive Skills Development Programme. The construction and development of four regional science parks and technology

		incubation centres saw some progress under NDP1, however the GAPR 2015/16 noes that 33% of projects were rated unsatisfactory. Overall, progress of skills development programmes was slower than desired in part due to a lack of sufficient funding. • Due to insufficient baseline and progress data it is difficult however to determine if labour productivity per worker, for different sectors, increased or declined over the NDPI period. What can be determined however is that the percentage share of total national labour force in employment increased from 75.4% to 78.2% over the NDPI period.

41. **Overall, implementation of strategies to unlock binding constraints was also less than desired under NDPI.** The table below outlines the seven binding constraints to growth identified in NDPI and the status of action implementation where possible considering data limitations.

Table 2: Status of strategies to unlock binding constraints

Binding constraint	Status of strategy implementation
BC1: Weak public sector management and administration (19 actions)	**There has been some positive progress on several of NDPI priority measures and slow or no progress on others.** For instance, several initiatives in the NDPI period were put in place to improve the performance of public sector institutional structures and systems. These include the introduction of performance contracts for some senior staff (permanent secretaries, heads of government departments and heads of education and health institutions). The enforcement of service contracts remained weak. 75% of MDA and LGs (against a target of 97%) were able to mainstream a results framework into their work process. Only 6/9 sectors disseminated service standards by 2014/15. Reports by the Auditor General highlights weaknesses in procurement. There were several initiatives put in place to address land related constraints however the land information system is yet to be completed; only 15% of Uganda's land has been surveyed. Major challenges to service delivery persisted through NDPI. In some Districts only 9% of the established staff levels were present.
BC2: Inadequate financing and financial services (5 actions for public sector; 8 actions for private sector)	**Effective financing and financial services remained a challenge throughout NDPI.** Uganda faced a challenge in the collection of tax revenue which as a proportion of GDP fell from 13.1% in 2010/11 to 12.7% in 2011/12. The minimum requirement of joining the EAC monetary union of 25% tax-to-GDP ratio remained a challenge. Local government's share of the national budget declined from 23% in 2010/11 to 17% in 2011/12. Mobilisation of PPP and private sector sources of finance for public services was not fully exploited under NDPI. However, bank outreach and product development has improved since 2010/11, there has been an increase in intermediation of funds and access to finance was enhanced, particularly through mobile money.
BC3: Inadequate quantity and quality of human resources (11 actions)	**Progress was mixed**. The education sector carried out some programmes under NDPI to address this constraint. For instance, a comprehensive strategy 'Skilling Uganda' was developed (2011-2020). Student enrolment in 119 BVET institutions increased from 9,344 in 2011 to 40,800 in 2015. Staffing positions in the public sector showed some marginal improvement (e.g. increased % of vacancies filled over the period) but also that some key positions remained unfilled e.g. engineers. Pupil to classroom ratios remained high across NDPI (averaging 67:1).
BC4: Inadequate physical infrastructure (15 actions)	**There have been some significant changes, however improvements are below NDPI target.** For instance, the % of paved roads increased from 4% in 2008 to 15% in 2012. This is a positive development, however NDPI envisaged an increase of

Binding constraint	Status of strategy implementation
	paved roads by 1,100km. Paved roads had only increased by 117km between 2010/11 and 2011/12.
BC5: Gender issues, negative attitudes, mind-set, cultural practices and perceptions (13 actions)	**Some significant efforts by government and development partners were made to address this binding constraint under NDPI.** For example, several pieces of legislation were enacted e.g. domestic violence act, prohibition of female genital mutilation act. Significant constraints however continue to exist, including effective implementation of the enacted laws.
BC6: Low application of science, technology and innovation (10 actions)	**Several positive changes took place in regard to IT solutions and applications throughout the NDP period.** For instance, then number of mobile phone users rose from 12.8 million in 2010 to 16.7million in 2011. Fixed line subscriptions also increased, and the under-sea cable, launched in 2012 helped to increase internet speeds. The ratio of science and technology to arts graduates over the NDPI period has remained the same however, at 1:5.
BC7: Inadequate supply and limited access to critical production inputs (8 actions)	**Some progress was achieved under NDPI in relation to water for production.** Within the NDPI period, there had been progress on the planned core project for rehabilitation and construction of key irrigation schemes. However, in 2014 the sector was still only meeting 5.45% of the total demand for water for production. **There was limited progress in relation to inputs into the manufacturing sector.** Efforts to increase power supply has been the most successful areas, however the speed has been slower than anticipated.

42. **In terms of "cross-cutting issues," such as poverty reduction, equality, gender, social inclusion, and democracy, results were mixed.** The incidence of poverty remained a serious problem over NDPI and inequality did not decline. However, positive developments did occur in ensuring that growth and poverty reduction policies were reconciled - GDP per capita increased by over 28% in the NDPI period and social protection schemes were developed. Women also made important inroads in politics, and access to education for girls improved with the introduction of universal primary education, although attrition rates are higher than for boys. Whether Uganda should be further ahead in its democracy and good governance today than when NDP1 was launched in 2010 is largely in the eye of the beholder. The Government points to continued peace in a restless neighbourhood as a great achievement, while the opposition argues that the power and reach of NRM, the ruling party, has obviated hopes for a fully-fledged democracy.

43. **Weaker than expected performance of NDPI was the result of slow or ineffective policy and project implementation.** Weak implementation was due to several factors including, but not limited to:

i) Insufficient funding and/or late release of funding to implementing entity;
ii) Weak leadership and buy-in to the policy and/or project design and implementation;
iii) Poor Public Investment Management including project appraisals, procurement and monitoring;
iv) Insufficient capacity within the implementing entity and/or underutilised acquired capacity;
v) Policy gaps/inconsistencies;
vi) Poor performance management; and
vii) Misappropriation of funds.

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

45. **Moreover, an evaluation of how effective the partnership with Development Partners was to deliver NDPI revealed that it could have been strengthened.** The Government could have demonstrated stronger leadership in managing the development cooperation and ensuring enhanced engagement throughout implementation. Close involvement is needed to ensure a strong understanding of government priorities and alignment of their resources. The Partnership dialogue within National Partnership Forum (NPF) could have been more inclusive and effective throughout the entire cycle.

Overall, a comprehensive assessment on the effectiveness of NDPI has been difficult, but points towards unsatisfactory results. Of the 30 indicators of progress that did have a target, only 7 of the indicator goals were attained (23%), 18 fell short of the target (60%). The remaining five (17%) could not be measured due to insufficient data. Moreover, at the end of the NDPI period, only 3/15 core project had measurable progress and progress to unlock binding constraints was less than desired. The major factors that influenced achievement/non-achievement of the objectives included: insufficient funding, weak leadership and buy-in, poor PIM, insufficient capacity, policy gaps/inconsistencies, poor performance management and misappropriation of funds.

4.4 Impact and sustainability

46. An evaluation of *impact* refers to the extent to which NDPI produced positive and negative changes (directly or indirectly, intended or unintended). An evaluation of *sustainability* is concerned with measuring whether the benefits are likely to continue. In evaluating the impact and sustainability of NDPI, the consultants considered the key questions outlined below. The outcome of this assessment is provided in the following paragraphs.

- To what extent did NDPI contribute to Vision 2040?
- Were there any unanticipated positive and/or negative consequences of NDPI?
- To what extent did the benefits of NDPI continue into NDPII?
- What were the major factors that influenced the achievement and/or non-achievement of sustainability?

47. **As detailed in the previous section, progress against NDPI objectives was less than desired.** Progress did however take place in some areas, e.g. gender, health, education, GDP per capita. These improvements have helped Uganda make in-roads in achieving the objectives set out in Vision 2040. It should also be noted that one of the perhaps unanticipated positive consequences of NDPI is that it sought to bring entities of Government together around a common goal, and to move the development trajectory conversation beyond poverty reduction and towards economic growth and catalysing the private sector. This benefit, and change in thinking, has continued into NDPII.

48. **NDPI supported the development of several plans and policies across Government. However, some key plans and policies to support delivery of NDPI were not developed e.g. industrialisation policy, anti-corruption.** This limited the ability of NDPI to deliver the desired results, and for the benefits to continue into NDPII. Moreover, during discussion with stakeholders some noted that *their* policies and strategies informed development of NDPI; NDPI did not inform their priorities. Moving forward, it is recommended that the Government continues to maintain and actively manage a policy inventory to ensure that supporting policies and plans, required to support delivery of any NDP, are developed and/or amended. It is also recommended that the funding required to deliver the policies and plans is actively monitored. Government

may not be able to afford all policies and strategies espoused in NDPI and therefore prioritisation of scarce resources will be necessary.

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

50. **Lastly, to enhance the ability to effect change under NDPI and produce sustainable results, there was a need to increase understanding and buy-in to NDPII by stakeholders.** As noted earlier, discussions with stakeholders during this evaluation revealed that some stakeholders e.g. NGOs were encouraged to provide their views at the start of the process but as the design, formulation and implementation took place the quality and level of consultation diminished. Most stakeholders (Government, NGOs, private sector) when asked about NDPI, referred to the 'egg-analogy' which appears to have stuck in people's minds. However, beyond the 'egg-analogy', many struggled to articulate the broad policy and strategic directions that NDPI espouses. This evaluation also posits that there was limited buy-in from development partners to NDPI at the beginning of the Plan. This did however improve over time with development of the Uganda Partnership Policy (2010/11-2014/15) and Framework for the Partnership Dialogue (taking effect as of December 2014). To improve buy-in and support to future development plans, it is recommended that the Government considers strengthening the co-ordination of development partners, enhances the involvement of development partners in preparing NDPIII, and ensures that partnership dialogue is inclusive and result-orientated. Alignment of development assistance to national priorities could also be strengthened through structured consultation with development partners on priorities,

aligned to the country's budget calendar. To enhance the level of commitment and buy-in to the plan from Government stakeholders it is recommended that the Government develops a coherent and actionable communication plan and ensures that it carries out a series of small meetings with agencies, in addition to larger forums. Focused, meaningful discussions should also ideally be more frequent with civil society and the private sector.

51. **In addition to the need for stronger ownership of NDPI by Government, non-state actors and Development Partners, major factors that influenced the achievement and/or non-achievement of NDPI's impact and sustainability were**, but are not limited to a need for:

(i) Faster economic transformation. This could be done through stronger agriculture transformation, since agriculture is a major component of Uganda's GDP, a major source of employment and has the most potential for value addition in the short-to-medium term.

(ii) Better land management. Only 20% of land in Uganda is titled, the remaining 80% is under customary tenure. Poor land administration is frequently cited as on of the major constraints to implementation in agriculture, energy, transport and other infrastructure projects.

(iii) Improvements in Public Investment Management. Most of the NDPI core projects did not move forward as planned due to lack of prioritisation and sequencing of investments, limited technical analysis and appraisal prior to inclusion, weak technical capacity to develop, manage and implement complex projects and slow procurement.

(iv) More effective state mechanisms including stronger institutional capacity, greater efficiency in public sector expenditure, greater clarity across government functions and more focused/strategic data collection, analysis and reporting.

(v) More sustainable and inclusive growth through a focus on managing population growth, keeping an eye on regional equality, protecting the vulnerable and environmental sustainability.

As detailed in the previous section, progress against NDPI objectives was less than desired but did take place in some areas of the Plan e.g. GDP per capita. Where there have been improvements, Uganda has made in-roads in achieving the objectives set out in Vision 2040. An unanticipated positive consequence of NDPI is that it sought to bring entities of Government together around a common goal, and to move the development trajectory conversation beyond poverty reduction and towards economic growth and catalysing the private sector. This benefit, and change in thinking, has continued into NDPII. NDPII has sought to continue with much of the uncompleted work under NDPI. Moving forward, there is a need to address several critical issues which affected both the achievement of results, the impact of NDPI and the long-term sustainability of change.

5.0 Recommendations for NDPII and future development plans

52. This section provides conclusions and recommendations for the Government to consider, for the remaining years of NDPII and future plans. Recommendations have been grouped into four areas (relevance, efficiency, effectiveness, impact and sustainability), providing guidance to policymakers on ways to improve the performance of future national development plans.

5.1 Relevance

53. The recommendations below provide suggestions on ways to improve the suitability of future national development plans.

    (i) **Strengthen the theory of change in future development plans.** Whilst NDPI marked a positive step-change in development planning in Uganda, the theory of change presented was fragmented. NDPI's goal(s) were not clearly defined or SMART, and the logical linkage between different levels of the theory of change whilst there, was not easy to follow. A reader of the Plan must work quite hard to understand how interventions may bring about the desired change. It should however be noted that NDPI was successful in presenting a good analysis of the context, binding constraints to development and ensuring that the eight objectives were relevant. To further enhance the coherence of the theory of change, the Government could have considered clearly articulating the evidence behind the logic (i.e. why should it hold true?), and clearly documenting the causal framework to aid buy-in with stakeholders. The Government could have also strengthened the ability to test the theory of change (and thus ensure it remained relevant) by explicitly stating what the theory of change was, what assumptions were in place for each building block of the causal framework to hold true and could have tested and monitored assumptions throughout implementation. The monitoring framework could also be expanded to ensure that *processes* e.g. quasi-market approach, engagement with civil society are also assessed and not just outputs of those processes.

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

(iii) **Develop a more robust and effective results framework.** To ensure that future development plans are suitable and appropriate to the context, ensure that the results framework is populated with baselines and appropriate targets. In NDPI, around half of the indicators in the results framework had no baseline or targets. This has made it hard to assess progress. It is also recommended, when developing future development plans, that after developing a clear 'results chain' that the feasibility of collecting data is considered. For the purposes of monitoring and evaluating results of any National Development Plan there is a need to not only improve data collection within the Bureau of Statistics but also within each MDA. A systematic improvement across Government will require considerable effort and resources.

(iv) **Strengthen the Plan's ability to prioritise the use of scarce resources.** One of the strengths of NDPI is that it is very comprehensive, but this is also seen by some as a weakness with too many priorities that collectively are unaffordable and some of which are insufficiently developed to be implemented in a timely manner and/or incapable of delivering cost effective benefits. Improvements should be made in how the National Development Plan can act as a guide to inform decisions on how to prioritise and sequence investments with scarce resources. Any future NDP developed by the Government of Uganda should ensure that the primary objective of a National Development Plan – providing guidance on resource allocations – should be given focus, over and above giving technical guidance to sector and MDA plans. Details on sector interventions can and should rest with sector expertise.

(v) **Harness more effective leadership and support for the plan.** Moving forward, it is recommended that the President provide additional leadership to ensure that any NDP is seen as the guiding document for national development and that key obstacles to its ambitious transformation agenda are removed. This will require the President to establish and chair the National Development Planning Forum to oversee the whole implementation process. The President will also need to ensure that he takes the opportunity to reinforce the lead role of the NDP in guiding national development. Alongside the need for a more active role played by the President, it is recommended that the NPA is moved from being an autonomous entity beneath MoFPED and is elevated in status in the Government hierarchy. At present, NPA is too disengaged from many of the core processes which support effective implementation of the NDP e.g. budget formulation processes. A move to the Office of the President should be seriously considered. Lastly, there it is recommended that the there is great engagement with Parliamentarians; parliamentary committees should have regular briefings on progress and be able to scrutinise progress at a strategic level.

(vi) **Build collective backing and buy-in for the NDP.** The NDP represented a shift towards a more Government-led development agenda. However, during the NDP consultation process there was less formal space for development partners, civil society, academia and the private sector to engage with, and influence the process. Moreover, there was little space for state and non-state actors to validate the relevance of NDPI throughout implementation and make amendments as needed. Going forward, there is a need to build wider support for any NDP during formulation and throughout implementation. There is a need to increase the sense that it is a ‘national’ plan and not a Government plan. Collective understanding and engagement with stakeholders could be enhanced in future development plans through 1) producing a succinct, easily understood plan with a small number of pillars/graphics; 2) developing and implementing a comprehensive communication plan which allows for meaningful discussions alongside large forums.

(vii) **Support regional and local level planning.** To improve the relevance of future NDPs there is a need to improve the strengthen regional and local level planning, including the collection and analysis of data by region or district. This could have helped in developing and implementing locally-appropriate interventions that may have helped address regional imbalances and delivered context-appropriate solutions. 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. Moving forward, if the goals of decentralisation are to be realised, there is a need to look at the funding and technical capacities of local government.

(viii) **Design mechanisms to feedback and adjust the plan after the mid-term review.** NDPI did not have any mechanism to take stock of recommendations from the MTR and ensure that it remained relevant to the context in the remaining years of implementation. Moving forward, it is recommended that future development plans can be adjusted to reflect changes in political, social and economic context which may come about during implementation. The operating context will not remain the same throughout the five years.

5.2 Efficiency

54. The recommendations below provide suggestions on ways to improve the delivery of future plans from an efficiency perspective – the conversion of resources into results in a cost and time-efficient manner.

(i) **Improve budget alignment with the NDP.** As illustrated in the economic management thematic report, there was misalignment of the budget to NDP. Many priority sectors e.g. agriculture were underbudgeted and enabling sectors were over-budgeted. To improve budget alignment the NPA must engage in a more meaningful manner with MoFPED during the budget process (e.g. in shaping Budget Framework Papers) and Parliamentarians and civil society must also hold Government to account in how resources are being allocated and spent.

(ii) Use external funding from Development Partners in a more systematic and efficient manner. Greater efficiency in the use of Development Partners' support to NDPI could have come about through stronger leadership by the Government in managing the development cooperation, better co-ordination amongst Development Partners and a more inclusive and effective National Partnership Forum and streamlined joint sector working groups. Moving forward, it is recommended that the Government focuses on improving co-ordination and cooperation processes, including ensuring that the Sector Working Groups work effectively to align "on budget" and "off budget" development assistance to the National Development Plan. Mutual accountability could also be improved through monitoring, joint programme reviews and reporting, including for off-budget projects.

(iii) Improve the financing of core projects and priority interventions. To improve the efficiency of NDPI implementation, is recommended that the Government makes improvements to the financing of core projects and priority interventions. For instance, NDP funds not used in a given financial year could be carried forward and held in trust. The Government could have looked into alternative financing sources for the plan – beyond domestic and external borrowing. For instance, diaspora bonds, pension funds or public private partnerships. There is a need to also ensure that Uganda is strengthening its domestic revenue sources. Domestic revenue as a % of GDP stagnated at around 14% of GDP through NDPI. This is below the sub-Saharan average of 18%. The financing of the NDP depends crucially on the country's capacity to generate revenue from domestic sources and attract domestic and foreign investors.

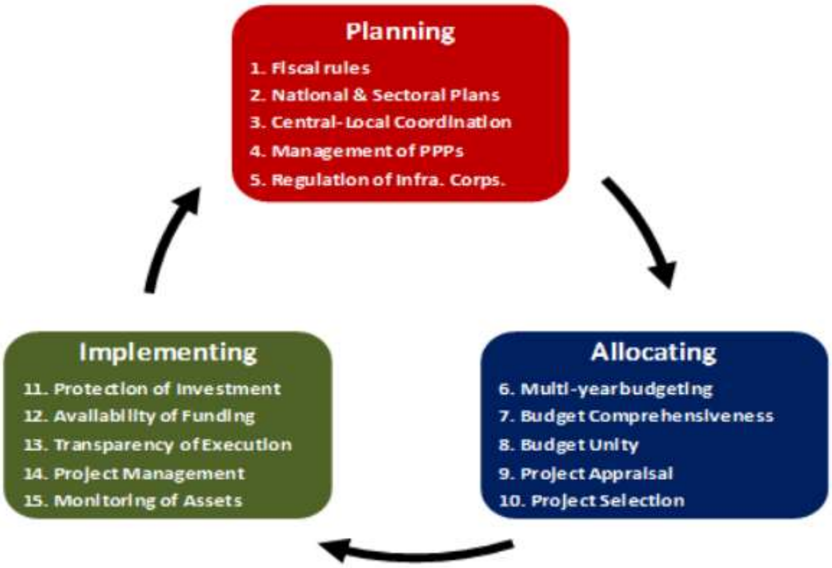
(iv) Focus on improving the productivity and efficiency of Government. Overall, the productivity of Government declined over 2010-2014, the control of corruption decreased, and public sector performance fell (measured through % of budget released, budget outturn). This assertion has been made through the assessment of 12 different metrics. There were, however, some initiatives introduced during the NDPI period which may deliver results in NDPII. For instance, performance contracts for some senior staff were introduced and 75% of MDAs and local governments were able to mainstream a results framework into their work progress. 6/9 sectors had developed service standards by the 2014/15. The efficiency and productivity of Government is a key binding constraint to development in Uganda. In the remaining years of NDPII and in formulating NDPIII there is a need to ensure that sufficient focus and resources are allocated to support reforms to improve the productivity, transparency and efficiency of Government. Key reforms may include public sector rationalisation, procurement reform, anti-corruption measures and public investment management improvements.

5.3 Effectiveness

55. The recommendations below provide suggestions on ways to improve the ability of delivering on the planned results.

(i) **Implement improvements in Public Investment Management.** As noted in the previous chapter, the achievement of results under NDPI was less than desired. In particular, there were significant delays in the start-up and implementation of core projects. Moving forward it is recommended the Government revisits its Public Investment Management Assessment (PIMA) and recommendations to address deficiencies and focuses on implementation. A PIMA measures the performance of the PIM system along three main pillars: planning, allocation and implementation and some cross-cutting elements such as IT, staff capacity and public procurement (Figure 2). It is understood that the Government carried out a diagnostic report in 2016 to strengthen public investment management – political and technical support must now be put in place to implement recommendations. In the short-term, in addition to implementing the recommendations contained in the diagnostic report, the Government could consider improving the risk assessment and risk management processes of high-priority NDP projects, focusing on capacity development within implementing entities to support the delivery of projects and improve forward planning on land acquisition to ensure land is available for high priority projects.

Figure 2: Public Investment Management Assessment



(ii) **Streamline and strengthen institutional mandates.** At present, there are capacity (skills, knowledge, financial resources and equipment) deficiencies across Government to implement a national development plan of the complexity of NDPI. Moreover, there are overlaps in roles and responsibilities across the civil service in both the implementation and monitoring of NDPs. This has led to unhealthy competition between MDAs and scarce resources being spread too thinly. Moving forward, there is need to review and revise the mandates of MDAs involved in NPA and to ensure clarity. This will require careful negotiation around roles to ensure that all parties have incentives to carry out their revised functions effectively. Furthermore, the role of local government is constrained by lack of resources, this must be addressed.

(iii) **Increase domestic revenue mobilisation to allow for greater funding of development priorities.** In order for Uganda to achieve its targets set out in any NDP, there must be sufficient funding made available. Focusing on increasing domestic revenue mobilisation will not only allow Uganda to access a more cost-effective financing mechanism than commercial borrowing but will also increase the social contract between state and non-state actors. If non-state actors provide more funding to the Government to implement policies it is likely that they may be more willing to hold Government to account.

(iv) **Ensure that multiple financing mechanisms are being explored implemented.** In addition to focusing on domestic revenue mobilisation, it is also recommended the Government explores and progresses work on alternative financing mechanisms for instance PPPs, Diaspora bonds etc. and act to reduce wastage, where possible. Ineffective expenditure could be reduced by establishing a value for money programme across Government to ensure that scarce resources are being spent on the right things and continuing work to right-size the public service. The Government could also progress work on supportive legislation for financial sector development so that appropriate and affordable financial services are more readily available to Ugandan SMEs, in particular.

(v) **Address corruption.** To actively improve the effectiveness of any national plan, there is a need to address corruption. Despite several anti-corruption initiatives being devised over the NDPI period, the proliferation of corruption is acknowledged to be the single most important threat to national planning in Uganda and to the credibility of the Government, more generally. Acts of corruption at all levels must be punished according to the law and in the absence of effective laws, new laws may need to be devised and the investigative budget of the judicial system enhanced.

(vi) **Harness cross-sector synergies.** Several of NDPI's goas required effective implementation across more than one sector. There could be significant efficiency gains if funding was made available to support cross-sector synergies. For instance, agricultural transformation requires co-ordinated provision of extension services, information access, water, supply of fertilisers, land reform, credit and roads. Supporting cross-sector synergies could help in the ability for plans to be realised in a more timely manner.

5.4 Impact and sustainability

56. The recommendations below provide suggestions on ways to improve the impact and sustainability of benefits achieved under future national development plans.

(i) **To improve the impact of NDPI, it is recommended that the Government prioritises certain development initiatives.** These include:

a. <u>Boost agricultural yields, competitiveness and value addition</u>. Developments in this sector provides potential benefits to the greatest number of people. The transformation of Uganda from a peasant economy to a prosperous middle-income country depends to a very large extent on the transformation of agriculture, more value-added activity and development of agro-processing industry. Policy reforms are needed to improve access to finance for farmers, and greater access to fertiliser and irrigation to boost yields.

b. <u>Create a better business environment and boost competitiveness.</u> The Government of Uganda undertook several measures to enhance the competitiveness and positioning of Uganda to benefit from regional integration. However, despite implementation of several initiatives, competitiveness, as defined by the World Economic Forum, fell across the NDPI period. The problems impeding competitiveness are complex and varied but did not change significantly over the NDPI period. The top five problems recorded by respondents in the World Economic Forum Index throughout the NDPI period were: access to finance, corruption, inadequate supply of infrastructure, tax rates and inflation. Moving forward, it is recommended that these top five problems, impacting on Uganda's competitiveness, should be the focus of support under NDPII and NDPIII, with appropriate strategies devised and implemented.

c. <u>Focus on skills development.</u> Efforts should continue to provide skills to a growing number of young people and others so that they can find productive employment, earn a living and contribute to the economic growth of the nation.

d. <u>Fast-track land tenure reform</u>

e. <u>Manage population growth</u> There is a need to carefully consider the issue of Uganda's growing population. Growth in excess of 3% per year creates enormous pressure on health, education and other social services. Moving forward, future plans should prioritise support to family planning services.

f. <u>Ensure equitable development</u>. In future NDPs there is a need for renewed emphasis and focus on cross-cutting issues such as: social protection, spatial inclusion, political governance, environment, gender and youth. These issues should inform the shaping and development of future national development plans.

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

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

(iv) **Focus on performance management**. To improve the implementation of future NDPs it is recommended that the Government focuses on ensuring that poor implementation has consequences. At present there are no sanctions or penalties for poor service delivery by MDAs.

Annex 1: Evaluation questions

The tables below provide the evaluation questions that guided development of the thematic reports.

Development partnerships evaluation questions	
DP1	What were the trends in NDP-I in the amount and modalities of development partner resource allocation (traditional and non-traditional donors) to fund elements of the NDP-I?
DP2	To what extent did donor priorities change significantly in the course of NDP-I implementation and how well did DP strategies remain aligned to the NDP-I?
DP3	What mechanisms did GoU use to ensure that DP support was aligned with NDP-I priorities?
DP4	Did donor programmes tangibly / measurably contribute to achievement of NDP-I progress?
DP5	To what extent did NDP-I provide a framework for improved harmonisation and reduced transaction costs in dealing with different development partners?
DP6	To what extent did the NDP-I provide a basis for mutual accountability between GoU and DPs
DP7	How effective was GoU-donor partnerships in the course of NDP implementation?
DP8	How can GoU / DP relations be strengthened so that the efficient and effective implementation of the future NDP is enhanced?
DP9	What was the scope of effective collaboration with non-traditional donors?

Economic management evaluation questions	
EM1	Are we on track to achieve the macro-economic objectives / targets articulated in the NDP?
EM2	-The extent to which the NDP2 macroeconomic framework has strengthened the country's competitiveness for sustainable wealth creation, employment and inclusive growth -How has the NDP influenced macro-economic strategy and related reforms in Uganda?
EM3	Extent of pursuance of macro-economic stability with fiscal expansion for frontloading infrastructure investments and industrialization;
EM4	To what extent have reforms in economic management been guided by the NDP2
EM5	To what extent have NDP2 priorities been effectively budgeted for and financed
EM6	To what extent has the NDP2 focus areas been adopted as priorities for implementation.
EM7	How well have macro policy instruments been used to achieve economic stability and growth?
EM8	To what extent have public expenditure and related accountability systems changed to ensure alignment of budgets, spending and financial reporting with the NDP objectives
EM9	What progress has there been on unlocking the key economic constraints to growth?
EM10	How has NDP implementation so far contributed to improvements in productivity, private sector development and competitiveness?
EM11	To what extent is deregulation taking place and how well is this facilitating private sector growth and competitiveness?
EM12	To what extent and how have additional private sector funds been harness to finance NDP priorities?
EM13	How environmentally sustainable has been Uganda's economic growth?
EM14	From an EM perspective, what can be done to improve the next version of the NDP?

Institutional framework evaluation questions	
IF1	Determine the effect of the change to the Comprehensive National Development Planning Framework (CNDPF) to planning and budgeting at all levels
IF2	Determine the effectiveness and efficiency of government structures in public service delivery
IF3	Determine the extent of integration of local governments, civil society, private sector and local development actors in the implementation of the NDP2
IF4	To what extent is there ownership, unequivocal leadership and a sense of urgency and commitment to drive the changes envisaged in the NDP from the Cabinet / highest levels of Government?
IF5	How effective have the Forum (chaired by the President) and the NPA Board been in reviewing progress of the NDP?
IF6	What efficiency gains have been realised through enhancement of inter and intra-sectoral linkages
IF7	What is the actual institutional / management 'architecture' (for oversight, authority, accountability and management of NDP implementation as a 'programmatic' plan, and how effective has this been?
IF8	To what extent are the roles of NPA, OPM, MoFPED, MPS, other MDAs and LG bodies separate, distinct, harmonised and carried out in order to maximise efficiency and effectiveness of NDP preparation, implementation and monitoring?

IF9	What are the mechanisms for aligning the NDP to resource allocation and how can these be improved?
IF10	To what extent has NDP implementation at the Local Government level been enabled or hindered?
IF11	To what extent are institutions working together effectively to develop, deliver and monitor cross sectoral policy outcomes / results relevant to the NDP?
IF12	To what extent has the change from PEAP to NDP influenced policy, planning and budgeting at all levels?
IF13	To what extent have government structural changes led to more efficient and effective delivery of NDP objectives?
IF14	How effectively does central and local government, civil society and the private sector work together for joined-up implementation of the NDP?

Policy and strategic direction evaluation questions	
PS1	Was there a common understanding of NDPI strategy and policy among Government, development partners, civil society, the private sector and others?
PS2	Was there a valid theory of change behind the NDPI that informed its logic and underpinned a coherent, appropriate and credible strategy map?
PS3	To what extent did NDPI policies and strategic direction inform and drive priorities for sector and MDA plans?
PS4	Was the NDPI policy and strategic direction developed with a clear understanding of the necessary phasing and sequencing of implementation?
PS5	What major policy changes needed to be made to increase the likelihood of delivering NDPI targets?
PS6	How effectively were growth and poverty reduction policy objectives been reconciled in the course of NDPII implementation at this stage?
PS7	To what extent were efficiency and productivity gains realised in Government as a result of NDPI?
PS8	To what extent was the private sector strengthened under the NDPI with strong local participation in the quasi-market approach?
PS9	Was there any change in fiscal and monetary policy after the MTR with the objective of stimulating growth?
PS10	Was there any specific policies that were implemented during NDPI with the objective of stimulating value addition and increasing export earnings and employment?
PS11	What specific measures were undertaken for transformation of the primary growth sectors?
PS12	What specific measures were implemented during NDPI to fast track skills development through reforms in education and training curricular?
PS13	What measures were undertaken to enhance competitiveness and positioning of Uganda to benefit from regional integration?

Political economy evaluation questions	
PE1	The relevance, ownership and leadership of the NDP I amongst key stakeholders (Executive, Parliament and Civil Society).
PE2	The flexibility of the NDP I to cater for emerging integration issues
PE3	The comprehensiveness of the Plan in addressing its overall target of attaining middle income status by 2020, through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth.
PE4	How have international and regional political and economic trends had an impact on the implementation of the NDP and the ability of Government of Uganda to meet the targets in the NDP?
PE5	What political economy factors have contributed to exceeding / missing NDP objectives/targets?
PE6	How has political economy affected the (setting of) priorities within and between sectors?
PE7	To what extent has the private sector, civil society and DPs played the role envisaged for them in the NDP and why?
PE8	To what extent has the NDP addressed regional disparities in development, particularly in Northern Uganda?
PE9	How have political economy factors influenced the effectiveness of institutional arrangements surrounding the development, implementation and monitoring of the NDP?
PE10	What is the emerging evidence as to what extent the focus on economic growth had an impact on poverty reduction and socio-economic transformation?

Political economy evaluation questions	
PE11	From a political economy perspective, what needs to be done to influence more effective implementation of the NDP?
PE12	How can the potential benefits of regional integration be best factored into the next NDP?
PE13	What can be done to strengthen political ownership, leadership and behavioural change for achievement of the NDP objectives?
PE14	Extent of implementation of the proposed reforms.

Results framework evaluation questions	
RF1	Did NDP1 remain on track to achieve its 8 over-arching NDP1 objectives / key results areas / targets and the sector specific objectives / targets?
RF2	How did progress against NDP1 objectives / targets differ across the county?
RF3	What progress was made on the implementation of the core NDP1 projects?
RF4	Which areas of NDP1 implementation have been most and least successful and why?
RF5	What were the general constraints to the delivery of results during NDP1?
RF6	To what extent did sector resource allocations and priority investments change to reflect NDP1 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 NDP1?
RF8	To what extent was financing and implementation of the NDP1 influenced by regional variations in economic and human development?
RF9	To what extent did the assumptions behind the NDP1 financing strategy remain valid and what was done to increase the funding envelope for NDP1 after the MTR?
RF10	How coherent was the NDP1 in terms of cascading results / linking priorities with objectives?
RF11	Is there evidence to show that NDP1 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 NDP1?

Annex 2: Key roles and mandates of institutions involved in NDPI

Institution	Key role/mandate
The National Planning Forum, headed by H.E. The President	• Regularly assess progress of implementation of the NDP. Headed by H.E. the President and constituting Ministers, Permanent Secretaries, Heads of Government Departments, CSOs and Private sector representatives.
Cabinet	• Provide policy direction towards NDP implementation; • Approve the budget allocations; and • Own and Champion the implementation of the NDP.
Parliament	• Ensure that the National budget is aligned to the NDP priorities; • Oversee the implementation of NDP; • Enact enabling legislations; • Actively represent views of the public in NDP implementation; • Appropriate resources for NDP I implementation; and • Hold the executive accountable in NDP implementation
OPM	• Coordinate implementation of the NDP across MDAs; • Channel for the flow of public sector performance information and reports; • Ensure that policies, priorities and strategies identified in the NDP are implemented by relevant public institutions; • Ensure coherence of various national and sectoral policies that affect implementation; • Establish a coordination mechanism for inter and intra-sectoral linkages in implementing the different projects and programs and the NDP; • Ensure that the Institutions required to deliver the NDP have the requisite capacity and the institutional arrangements are operating effectively; and • Address all unproductive activities that constrain the performance of MDAs including overlapping mandates, duplication of roles, low institutional productivity, irrelevant activities, and misuse of resources.
NPA	• Develop the National Development Plans; • Align long term, medium term and annual budget allocations to the NDP priorities; • Report to Cabinet and Parliament on the progress of implementation of the Plan; • Coordinate implementation planning of PIPs; • Assist sectors to develop service and service delivery standards; • Develop NDP performance indicators and targets in liaison with sectors; • Overall responsibility for the output and outcome indicators; and • Undertake mid-term review of the NDP to identify lessons after two and half years.
MoFPED	• Financial Resource mobilization and allocation; • Formulation of national budget • Timely release of funds for implementation of the NDP; • Ensure accountability for resources disbursed; • Undertake budget monitoring and reporting; and • Ensure that funding is aligned to NDP priorities.
Sectors	• Coordinate the implementation of sector strategic plans; • Ensure attainment of set targets and indicators; • Coordinate and implement cross-cutting issues; • Promote ownership of the Sector Plan by member MDAs; and • Report quarterly to the OPM on key actions and expenditures, outputs and progress towards outcomes.
Development partners	• Provide financial and technical Assistance for the M&E strategy to: refine M&E indicators, tools and processes, implementation of M&E activities, integration of development partners M&E frameworks into government systems; capacity building for M&E and Use of M&E products.
MoPS	• Provision of the human resources needed to operationalize the monitoring and

	implementation strategy including recruitment of the M&E specialists and statisticians; and • Building capacity of existing M&E sections/units across the public sector (MDAs, OPM, and the LGs) for formative M&E.
MDAs	• Effectively implement plans in line with the sector set targets and performance indicators; • Undertake performance monitoring and reporting against BFPs and Ministerial Policy Statements; and • Provide timely accountability for allocated resources and results.
Local Governments	• Monitor frontline Service delivery and accountability for results; • Implement the District Development Plans; • Reporting on progress of implementation and achievement of planned outputs focusing on implementation bottlenecks; • Support the implementation of national projects and programs; and • Mobilize local revenue to finance LG priorities.
Private sector	• Adhere to the necessary codes and standards; and • Provide necessary financing through PPPs.

Annex 3: Coherence analysis of NDPI assumptions

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

Goal/Objective	Main targets	Basic coherence assumptions	Observations on assumptions
Growth	• Increase in GDP • 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)
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 industry and agriculture • Investment in food security interventions • Collaborative action by different sectors	• Inadequate investment in agriculture modernisation- should focus on extension and knowledge creation • Insignificant cross-sector collaboration on results
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

Goal/Objective	Main targets	Basic coherence assumptions	Observations on assumptions
Improving stock and quality of economic infrastructure	• Increase in supply and access to electricity • Quantity and quality of road and railway 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; • Increased access and use of ICT • Increased number of S&T and ICT professionals.	• Mechanism for enabling absorption of improved technology by private sector • Support for market for both agriculture and industrial production	• No comprehensive analysis of all conditions necessary to optimise absorption of R&D by the private sector
Enhancing human capital development	• Increase in skilled manpower among nationals • 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 • Economic growth and environmental protection occur together	Still a large unmet need for family planning Little data, but concerns over environmental sustainability of growth

Source: NDPI Evaluation, Results Framework Thematic Report