

DEVELOPMENT PLAN IMPLEMENTATION PROGRAMME

ANNUAL PERFORMANCE REPORT FY2020/2021



October 2021

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ANNUAL PERFORMANCE REPORT FY2020/2021

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Foreword



As the DPI Programme Political Leader, it gives me great pleasure to present, to all our stakeholders and to the general public, this first annual performance report of the Development Plan Implementation programme (DPI). In preparing the report, we respond to a key requirement of the 3rd National Development Plan (NDP III); to present an annual performance report on the progress in implementation of the DPI programme over a period of 12 months and to account for the responsibility entrusted in us for the implementation of the DPI Programme.

The goal of the DPI Programme is to improve efficiency in the implementation of the NDP III and to make the plan (NDP III) more effective in achieving its goal. There are two aspects to this goal; on the one hand, taking lessons from the NDP II, it requires to strengthen coordination and oversight over the NDP III supported by evidence-based reporting, and on the other hand, to improve financial management systems in support of the NDP III implementation. This makes the DPI Programme unique as its responsibilities extend across to other programmes as well.

In this first year, we set out to make programme structures operational. We were able to form a Programme Working Group (PWG) comprising of all the 22 institutions contributing to the programme and this has been operational, and to set up a Secretariat at the Ministry to coordinate the functions of the programme. It was also our intention to give priority to strengthening capacity for coordination, oversight, monitoring and reporting as provided in the NDP III. The NDP III coordination secretariat was formed at the Office of the Prime

Minister. Additionally, the APEX platform, a key oversight structure at the Office of the President, was launched and will be fully operational in FY2021/22. We also continued to implement key reforms and activities under the programme that were carried over from the NDP II, such as domestic revenue mobilisation, public investment management and financial management systems as well as strengthening statistical capacity.

However, the first year of the NDP III has been very challenging. First, reforms introduced under NDP III, shifting from sectors to programmes, had substantial effects on Government operations and were not given time to take root before starting to implement the NDP III. These changes affected relations between institutions and configurations of PFM systems and reporting mechanisms. Therefore, this first year was transitional, focussing mostly on addressing these changes. This led to significant delays in the implementation of the DPI Programme and indeed, the entire NDP III. Secondly, addressing the effects of the Covid19 pandemic meant that time was lost as institutions could not operate at full capacity for a large part of the year, and vital resources had to be diverted to finance health emergencies and mitigation measures across the country. This too was a major factor in the delay of programme implementation.

The challenges above do reflect in the performance presented in this report. I would like however, to express my gratitude to all the DPI Programme contributing institutions that have made every effort to adjust and implement the programme activities, the challenges above notwithstanding. I also wish to thank everyone that has been part of putting this report together, and I am looking forward to a better implementation of the DPI Programme in FY2021/22. I commend this report to you all, and invite you to read it keenly.

For God and My Country

A handwritten signature in blue ink, appearing to read 'Matia Kasaija'.

Hon. Matia Kasaija (MP)

Minister of Finance, Planning and Economic Development

Chairperson, Leadership Committee for the Development Plan Implementation Programme

Acknowledgement



This annual performance report of the Development Plan Implementation (DPI) programme, the first under the NDP III (2020/21 – 2024/25), presents the programme's performance for the period July 2020 to June 2021. The programme has 6 objectives, 6 key outcomes, and 27 key outcome indicators used for measuring implementation progress under these objectives. Up to 22 institutions contributed in one way or another to the implementation of a wide range of activities under 50 interventions that were planned for implementation during the period.

I am grateful to the Hon Minister, Ministry of Finance, Planning and Economic Development (MoFPED) for his political stewardship over the DPI programme during the period, for reviewing this report and providing a foreword to it. I recognise that FY2020/21, coinciding with the election cycle, was highly political, taking away significant amount of your time. Nonetheless, you found time to fulfil your obligations regarding the DPI programme.

I am also grateful to all DPI Programme institutions that participated in the programme activities during the FY2020/21. This period had many challenges arising from effects of the Covid19 pandemic and delays caused by reforms introduced under the NDP III. I wish to thank you for standing firm with us to deliver on this programme within the limits imposed by these and other challenges and for

the inputs you provided which have enriched this report. Let me also take the opportunity once again to thank all MDAs that joined us in establishing the DPI Programme Working Group and for dedicating time to transform it into a platform for coordinating and managing the implementation of this programme over the period.

I wish in a special way to thank our partners for all the support (financial, technical or otherwise) accorded to the DPI programme during FY2020/21. During this first year, support was received from among others; USAID, UK/DFID, EU, KfW, Norway, Denmark, GIZ, IMF, UNDP and the World Bank. This support goes a long way to fill the technical capacity and financing gaps in the implementation of programme activities. I want to thank you for this dedication to the DPI programme and to the NDP III in general. I wish also to express my gratitude to the civil society partners who have continued to play the all-important role of scrutiny and rendering alternative advice as we implemented programme activities. I thank you all for the unwavering support.

Finally, I wish to convey my thanks to the DPI programme Secretariat team for putting together this report, the first under the NDP III. It not only helps us to meet a key reporting benchmark of the NDP III but provides a good basis for building cohesion among program players and for communication about the programme within its members and with other stakeholders.



Ramathan Ggoobi,
Permanent Secretary/Secretary to the Treasury
Chairperson, Development Plan Implementation
Programme Working Group
Ministry of Finance, Planning and Economic
Development

List of Acronyms

Acronym	Meaning
CSO	Civil Society Organisations
DP	Development Partner
DPI	Development Plan Implementation
EAC	East African Community
EFRIS	Electronic Fiscal Receipting & Invoicing Solution
EOC	Equal Opportunities Commission
GE-PER	Green Economy Public expenditure review
GoU	Government of Uganda
IBP	Integrated Bank of Projects
ICSC	Implementation Coordination Steering Committee
ICT	Information and Communication Technology
KCCA	Kampala Capital City Authority
LG	Local Government
LGFC	Local Government Finance Commission
MDAs	Ministries, Department and Agencies
MFPED	Ministry of Finance, Planning and Economic Development
MLHUD	Ministry of Land, Housing and Urban Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoICT	Ministry of Information & Communication Technology
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoSTI	Ministry of Science Technology and Innovation
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NIMP	National Investment Management Policy
NIN	National Identification Number
NIRA	National Identification Registration Authority
NITA-U	National Information Technology Authority
NPA	National Planning Authority
OAG	Office of the Auditor General
OIAG	Office of the Internal auditor General
OP	Office of the President
OPM	Office of the Prime Minister
PAP	Project Planning and Analysis

PAT	Procurements Appeals Tribunal
PBS	Programme Budgeting System
PER	Public Expenditure Review
PCC	Policy Coordination Committee
PFM	Public Financial Management
PIAP	Programme Implementation Action Plan
PIM	Public Investment Management
PIP	Project Implementation Procedures
PPDA	Public Procurement and Disposal of Assets Authority
PPMD	Procurement Policy and Management Department
PSC	Public Service Commission
PSD	Private Sector Development
PSST	Permanent Secretary and Secretary to Treasury
PWG	Programme Working Group
SDG	Sustainable Development Goals
TICC	Technical Implementation Coordination Committee
TWG	Technical Working Group
UBOS	Uganda Bureau of Statistics
UGGDS	Uganda Green Growth Development Strategy
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau

Executive Summary

This is the first annual performance report for the Development Plan Implementation (DPI) programme under the NDP III (2020/21-2024/25). DPI aims to increase efficiency and effectiveness in the implementation of the National Development Plan. It has 6 strategic objectives namely; (i) Strengthening capacity for development planning, (ii) Strengthening budgeting and resource mobilization, (iii) Strengthening capacity for implementation to ensure a focus on results, (iv) Strengthening coordination, monitoring and reporting frameworks and systems, (v) Strengthening the capacity of the national statistics system to generate data for National Development, and (vi) Strengthening the research and evaluation function to better inform planning and plan implementation. These objectives are to be delivered through 4 sub-programmes, 70 interventions and at least, 22 institutions.

This report covers the FY2020/21. It highlights The DPI Programme performance against the planned outputs and targets for the period based on its Programme Implementation Action Plan (PIAP). These highlights cover financial and non-financial performance. A special section provides an overview of technical and financial support provided by Development Partners (DP) to the DPI Programme institutions in the course of implementing their activities. In the final sections, the report lists key challenges that affected performance over the period, and provides a concluding statement together with lessons learnt in the first year of implementation.

Performance Review

FY2020/21 was a transitional year – moving from sector-based planning under the NDP II to programme based planning under the NDP III. MDAs' Budgets for FY2020/21 were approved prior to the launch of the NDPIII and therefore were based on sectors. Accordingly, there was a disconnect between the FY2020/21 budget and the plans and targets as presented in the NDP III and its supporting Programme Implementation Action Plans (PIAP). This issue of alignment has presented difficulties in many ways in assessing performance for the FY2020/21.

Notwithstanding the shortcoming discussed above, programme institutions made every attempt to align their activities with the objectives and interventions listed in the DPI PIAP. For at least 43 (86%) of the planned 50 interventions for the FY2020/21 (see Annex 1), MDAs were able to identify and implement relevant activities.

Financial performance

Financing to institutions under the DPI Programme was largely in line with the budget, with 81.3% of the approved budget for the respective votes released to institutions during the year. Of this, 86.7% of the funds released was spent. While it is acknowledged that there were alignment issues between the FY2020/21 budget and the NDP III, this provides a good indication that funding was largely made available to programme institutions for implementation of planned activities.

DPI PROGRAMME GOAL

To increase efficiency and effectiveness in the implementation of the National Development Plan. It has 6 strategic objectives namely;

Objective 1
Strengthening capacity for development planning,

Objective 2
Strengthening budgeting and resource mobilization,

Objective 3
Strengthening capacity for implementation to ensure a focus on results,

Objective 4
Strengthening coordination, monitoring and reporting frameworks and systems,

Objective 5
Strengthening the capacity of the national statistics system to generate data for National Development, and

Objective 6
Strengthening the research and evaluation function to better inform planning and plan implementation.

These objectives are to be delivered through 4 sub-programmes, 70 interventions and at least, 22 institutions.

Non-financial performance (programme level)

Non-financial indicators present mixed but mostly weak programme performance against the 6 key DPI Programme results. Revenue collection performed relatively within target despite the challenges associated with Covid19. This performance was attributed to several tax administrative measures that influenced taxpayers' compliance behaviour, and increased efficiency in tax administration. However, as is shown in the table below, targets for key NDP III indicators on GDP growth, domestic arrears, and supplementary budget expenditure were not met. Domestic arrears increased on account of inability of Government to meet its commitments due to heightened Covid19 related expenditure pressures. Similarly, the sharp rise in supplementary expenditure resulted from the need to meet emergence Covid19 related financing requirements. This performance is repeated across all aspects of the programme for similar reasons.

Table showing DPI Programme targets under NDP III

	BASELINE	TARGET FOR	ACTUAL
	FY2017/18	FY 2020/21	2020/21
Improve achievement of the NDP III targets	N/A	60%	Not scored
Increase the GDP growth rate	6.20%	4.51%	3%
Increase the Revenue to GDP ratio	12.95% ¹	13.08%	13%
Reduction in Domestic Arrears as a Percentage of total expenditure;	1%	0.80%	6.90%
Attain maximum alignment between the Annual Budgets and the NDP III at national and Programme levels;	60%	70%	54.8%
Maintain the proportion of supplementary budget expenditure (net of loan servicing) within 3%.	<3%	<3%	10.28%

Non-financial performance by objective

Objective 1: Strengthening capacity for development planning;

Under this objective, the NDP III aims to address weak capacity for planning within Government particularly in local government units with the aim to achieve 2 key outcomes namely (i) more effective and efficient allocation and utilization of public resources, and (ii) more effective Public Investment Management .

Overall, using the indicators provided under the NDP III, performance was less than satisfactory with 5 out of 7 targets not met. The NPA, using its Certificate of Compliance Assessment, rated alignment of the budget for FY 2020/21 to the NDP III at 54.8%. This unsatisfactory performance arose mainly from the gap between the NDP III plan approved in July 2020 and the FY2020/21 budget which was formulated based on the NDP II. Weak performance was also exhibited against the indicators related to public investment management, largely due to delays in project implementation. On other hand, budget utilisation

¹ The baseline figure of 12.95% for this indicator (revenue to GDP ratio) was initially 15.6% at the time of drafting the NDP II but was later revised to 12.95% following the rebasing of the economy in FY2019/20

against funds released was fairly high during the year 2020/21. 78.4% of approved budget was released and 90.8% of this spent across Government.

The weak performance above, notwithstanding, MDAs made several advances on key activities planned for the period. NPA completed the NDP III Results and Reporting Framework, issued revised LG development planning guidelines and supported at least 160 local governments (LGs) in formulation of Local Government Development Plans. The Cabinet also approved the Parish Development Model (PDM) to be used in reforming community planning to make it inclusive and effective. With regard to Public Investment Management (PIMS) reforms, MoFPED completed the drafting of the National Investment Management Policy (NIMP) which aims to provide an anchor for investment related reforms. In addition, work began to expand the Integrated Bank of Projects (IBP) systems to cover investment stages of the PIMS cycle.

Objective 2: Strengthening budgeting and resource mobilization

This objective aims to address the level of revenues needed to implement the NDP III as well as issues of budget credibility.

There was significant growth in revenue over FY2019/20 (14.99%) however, the collection target of 22,115bn set for the FY2020/21 was not met, falling short by about 2,255bn (about 10%). Revenue collection was constrained by the reduction in economic activity resulting from Covid 19 pandemic. Within these constraints, URA successively rolled out two new smart business solutions aimed at enhancing tax payer compliance and revenue mobilization; the Digital Tracking Solution (DTS), Electronic Fiscal Receipting and Invoicing System (EFRIS), and expanded voluntary disclosure mechanisms. Implementation of the Domestic Revenue Mobilisation Strategy (DMRS) also continued. In addition, revenues management systems were rolled out to more LGs reaching 7 cities, 4 municipalities, 2 HLGs and 2 LLGs by the end of the reporting period.

Uganda’s public debt grew above target with debt to GDP ratio rising to 46.8% against a target of 41.2%. Increased borrowing was attributed to expanded financing requirement to meet emergency Covid19 related spending. The Government continued to take measures to improve debt management including passing and implementing the Annual Medium Term Debt Strategy, and strengthening capacity of the debt office.

Objective 3: Strengthening capacity for implementation to ensure a focus on results;

In selecting this objective, the NDP III aimed to implement reforms that will increase impact on

its intended outcomes and on service delivery. The indicators under this objective could not be measured as they rely on surveys which were yet to be undertaken.

The main reforms under this objective include the introduction of the parish as the lowest unit for planning and services delivery monitoring under what is commonly referred to as the “Parish Development Model”, and the strengthening of NDP oversight mechanisms using the APEX platform.

Cabinet approved the Parish Development Model during the year with implementation slated to commence in FY2021/22. The Parish Model is expected to accelerate implementation of Area-Based Commodity Development planning - vital for improved yields in agricultural production, extend the whole-of-Government approach for development to the parish level in a consolidated manner, and localises Vision 2040 and the National Development Plan to improve management of development interventions. Full implementation is planned to start in FY2021/22. In April 2021, GoU launched the APEX Platform - a High-Level Public Policy Management Executive Forum (APEX Platform) to strengthen effective public policy management and promotion of good governance practices. Under this APEX Platform, the Presidency is expected to play an expanded role in supervision of the NDP III to enhance its delivery and improve Service Delivery overall.



Dignitaries take a group photo at the launch of the APEX Platform

Objective 4: Strengthening coordination, monitoring and reporting frameworks and systems;

This objective focuses on improving compliance with accountability rules and regulations. Performance under this objective was mixed; more government institutions (95% against a target of 87%) had audits that were unqualified. However, there was generally weak performance regarding the implementation of internal (67.3% against 91.7%) and external (26% against 60%) audit recommendations. Covid19 restrictions are identified as a major factor in this performance.

In terms of specific interventions, by close of the FY, a draft audit Strategy - aligned to NDP III Programmes objectives and international best practice, was in final Stages of completion. OAG also completed needs analysis for a comprehensive capacity building programme to undertake high quality and impact driven audits across government. Furthermore, implementation of a system for tracking audit recommendations advanced significantly during the year and amendments to the PPDA laws and regulations to improve alignment had been approved.

Objective 5: Strengthening the capacity of the national statistics system to generate data for National Development;

The NDP III places the use of statistics at the centre of its implementation underlying the need for credible data to support evidence-based planning, monitoring and reporting. This is the reason for this component. The lead player under this component is Uganda Bureau of Statistics (UBoS).

During the year, UBoS finalized data collection for the Uganda National Household Survey (UNHS) 2019/20 and data analysis was conducted to align results to NDP III, Africa Agenda 2063,

SDGs and other Development Framework data requirements; UBoS disseminated the key findings and lessons from the Uganda National Panel Survey Wave 8 (the last in the series of Panel Surveys) and the Maiden Food Balance Sheet for Uganda. In addition, amendments to the UBoS Act to expand the coverage of the National Statistical System (NSS) to include all stakeholders involved in the production and use of statistics, were drafted and forwarded to MoFPED for further processing. During the FY2020/21, UBoS also finalized the review of the structure for the National Standards Indicator (NSI). This will be incorporated into the PBS system once it is filled by MDAs.

Objective 6: Strengthening the research and evaluation function to better inform planning and plan implementation;

The aim under this objective is to strengthen the capacity for research and evaluation to inform the NDP III plan implementation. Government prioritized enhancement of Research and Evaluation through fast tracking the development of the National Development Planning Research Agenda. Through the National Planning Authority, Government also conducted stakeholder engagements concerning the development of research framework to formulate a platform for efficient and effective operationalization of the Agenda and supported implementation of Government Financing Strategy that aims at attracting people in the diaspora to invest in government securities and other financing options. NPA also continued efforts to strengthen budget credibility, efficient resource allocation and utilization through issuance of Certificate of Compliance aimed at achieving the target of alignment between Annual Budgets and NDP III from 60% to 85% at national and Programme levels.

Challenges

There were several challenges to the DPI Programme implementation during its first year FY 2020/21. The main ones of these are associated with the transition from NDP II to NDP III

- (i) **Gap between NDP III and FY2020/21 budget:** The NDP III (FY2020/21 to 2024/25) was approved after budget appropriations for FY2020/21 had been passed. This created a gap between the NDP III and the budget for the FY2020/21 and made it difficult to align the DPI priorities and targets as articulated in its PIAP to the budget performance for FY 2020/21.
- (ii) **Funding for key Structures:** No funding was provided for the crucial structures for oversight (APEX), Coordination (OPM) and Programme Secretariats (Lead Ministries). There were thus significant delays in getting these structures operational.

- (iii) **Managing the change to NDP III:** There was no time provided for the changeover to NDP III and no provision for change management in view of the extensive reforms it ushered in. The shift from Sectors to Programmes implied that institutions (MDAs) had to reconfigure and to realign under new relations. This took time and slowed down the uptake and adaptation to the new Programmes.
- (iv) **Adopting Systems to NDP III:** The changes from NDP II to NDP III also impacted systems (IFMIS and PBS mainly). Adopting the systems required time and were not ready during the year. This meant that programme activities were not fully supported by systems.
- (v) **Impact of Covid19:** The first and last half of FY 2020/21 kicked off in the midst of the COVID19 pandemic and lockdown, resulting in slowdown of economic activity. This greatly impacted some of the planned outputs such as related to revenue collection, and this reflected in the performance of the DPI programme.

Emerging Issues

There are also a number of emerging issues over the implementation period. Some of these listed below are carried over from the DPI Programme semi-annual review which took place in March 2021. The key ones of these are;

- (i) **Delay in plan implementation:** NDP III has delayed significantly due to the long transition and reforms to Public Financial Management Systems (PBS, IFMS) needed to support its implementation.
- (ii) **Budget distortion:** emergency expenditure, which saw a steep rise in arrears and supplementary

expenditures, resulting particularly from Covid19 effects had major distortionary effect on the FY2020/21 budget. Future budgets will need to be protected from these distortions.

- (iii) **Rationalisation:** there is need to expedite the rationalisation of Government agencies to improve alignment of roles with the NDP III.
- (iv) **Transition:** there is need to expedite implementation of transitional activities to avoid further delays and slippages to the NDP III.
- (v) **Parallel structures:** there is urgent need to harmonise structures between the PFM Strategy and the DPI Programme to minimise duplication between these parallel structures.



1 Introduction and Background

This report records the performance of the first year of implementation of the Development Plan Implementation programme under the NDP III (2020/21 to 2024/25), which came into effect on the 1st July 2020. The report responds to the Guidelines issued by the National Planning Authority (NPA) which require the Programme

working group under the NDP III to prepare periodic (quarterly, half annual and annual) Programme performance reports on the progress of the key Programme outputs and submit to the Programme Coordination Office at the office of the Prime Minister.

The report presents under:

Chapter 1:

Background and context to the DPI Programme – including listing its objectives, targets and institutions participating in the delivery of this Programme

Chapter 2:

Discussion of the Programme performance during the first year of NDP III implementation. This discussion covers the financial and non-financial performance and provides a qualitative review of performance under each of the 6 objectives under the Programme.

Chapter 3:

Discussion of the Programme challenges affecting Programme performance over the period

Chapter 4:

Emerging issues from the Programme Semi Annual Review, and

Chapter 5:

Development Partner Support

1.1. The National Development Plan (NDP III)

This is the third out of the six National Development Plans (NDPs) that will guide Uganda in delivering Vision 2040, and is anchored on the achievements made, challenges encountered and lessons learnt from the planning and implementation of the first and second National Development Plans. The goal of NDP III is “**Increased Household Incomes and Improved Quality of Life of Ugandans**”. This will be pursued under the overall theme of **Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation**. This plan came into effect on the 1st of July 2020, and the key objectives therein are:

1. Enhance value addition in key growth opportunities;
2. Strengthen the private sector to create jobs;
3. Consolidate and increase the stock and quality of productive infrastructure;
4. Enhance the productivity and social wellbeing of the population; and,
5. Strengthen the role of the state in guiding and facilitating development.

Based on the achievements, challenges and lessons learnt from implementing the previous National Development Plans, NDP III will build on the gains to provide the national strategic direction for the next 5 years. The key expected results to be delivered by the NDP III are;

1. average economic growth rate of

6.2%

2. increase income per capita to

 **1,301**

3. lower poverty rate to

18.5%

4. reduce income inequality
5. Improve health and education outcomes of the population.

The NDP III is based on delivery of results through a Programme approach to planning and budgeting which will rally various MDAs and other stakeholders to jointly plan and implement projects and other interventions articulated in a Programme. The plan is therefore based on 18¹ national Programmes with clear results and targets.

To achieve the planned objectives and results, the overall cost of financing all the NDP III planned program interventions over the 5-year period is estimated at around UGX 411.681 Trillion. Of this, UGX 276.878 Trillion (67.25%) will be funded by the Public, and the remaining UGX 134.803 Trillion (32.74 %) will be funded by the private sector.

1.2. The Development Plan Implementation Programme under the NDP III

Development Plan Implementation (DPI) is one of the 18 priority Programmes of the NDP III. The Programme was selected as key to addressing the slow plan implementation experienced under the NDP II that led to weak alignment between the NDPII and annual MDA and LGs budgets throughout its period. The slow plan implementation was largely attributed to;

- a) weak implementation planning and budgeting;
- b) weak M&E systems for supporting implementation and policy planning;
- c) limited financing and fiscal management;
- d) weak coordination of implementation; and
- e) weak systems for statistical development ³.

1 They have since changed to twenty (20) to include the legislative and judiciary programmes

2 Refer to NDP III (2020/21 – 2024/25)

In addressing these weaknesses, the Programme has explored a range of critical areas for plan implementation such as in public investment management, budget credibility, domestic revenues growth, research and statistics for planning. In addition, the Programme is motivated by the need to improve coordination of NDP implementation with Uganda's commitments in other developments frameworks both regional and international such as Agenda 2030 (SDG 17), Agenda 2063 (Goal 12 and Goal 20) and the EAC Vision 2050

1.2.1. DPI Sub-Programmes

The DPI Programme is further divided into sub-programmes to ease management and administration. A sub-programme represents a sub component of a programme focussing on one or more specific programme objectives. In this regard, the DPI Programme is divided into 4 sub-programmes selected to deliver its six objectives and nine outcomes. These sub-programmes are:

1. Development Planning, Research, Evaluations and Statistics,
2. Resource Mobilization and Budgeting,
3. Oversight, Implementation Coordination and Monitoring, and
4. Accountability Systems and Service Delivery

1.2.2. DPI Programme Objectives

The goal of the Development Plan Implementation (DPI) Programme is to increase efficiency and effectiveness in the implementation of the National Development Plan. It therefore contributes to the entire NDP III by putting in place mechanisms that will enable its effective implementation and ensure that at least 80% of the plan's targets are achieved. Its strategic objectives in this regard include;

- (i) **Objective 1:** Strengthen capacity for development planning
- (ii) **Objective 2:** Strengthen budgeting and resource mobilization
- (iii) **Objective 3:** Strengthen capacity for implementation to ensure a focus on results
- (iv) **Objective 4:** Strengthen coordination, monitoring and reporting frameworks and systems
- (v) **Objective 5:** Strengthen the capacity of the national statistics system to generate data for National Development
- (vi) **Objective 6:** Strengthen the research and evaluation function to better inform planning and plan implementation

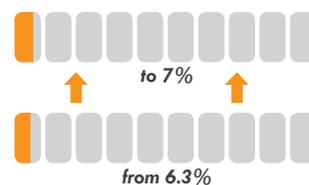
1.2.3. DPI targets

NDP III outlines six key targets to be delivered under the DPI Programme as;

- (i) Achieve at-least 80% of the NDP III targets;



- (ii) Increase the GDP growth rate from 6.3% to at-least 7% per annum;



- (iii) Increase the Revenue to GDP ratio from



4 The baseline figure of 12.95% for this indicator (revenue to GDP ratio) was initially 15.6% at the time of drafting the NDP II but was later revised following the rebasing of the economy in FY2019/20

5 The target figure of 15.43% for this indicator (revenue to GDP ratio) was initially 18% at the time of drafting the NDP II but was later revised following the rebasing of the economy in FY2019/20

(iv) Reduction in Domestic Arrears as a Percentage of total expenditure for FY N-1 from 1% in FY2017/18 to 0.2%;

(v) Increase the alignment between the Annual Budgets and the NDP III



from 60% to 85% at national and Programme levels;

(vi) Maintain the proportion of supplementary budget expenditure (net of loan servicing) within 3%.

1.2.4. DPI Programme Outcomes

NDP III has outlined nine Programme outcomes designed to ensure that government is focused on achieving the expected Programme results under NDP III. These outcomes provide strategic focus and reflect the desired development impacts DPI seeks to achieve, given government’s policy priorities. Each outcome is clearly articulated in the Programme Implementation Action Plan (PIAP) in terms of measurable outputs and key activities to achieve the outputs. The nine outcomes under DPI are listed below.

Table showing NDP III implementation outcomes

- | | |
|--|---|
| (i) Effective and efficient allocation and utilization of public resources | (vi) Improved compliance with accountability rules and regulations |
| (ii) Effective Public Investment Management | (vii) Improved service Delivery |
| (iii) Fiscal credibility and Sustainability | (viii) Enhanced use of data for evidence-based policy and decision making |
| (iv) Improved budget credibility | (ix) Improved public policy debates and decision making |
| (v) Improved development results | |

Table 1: Mapping of DPI Sub-Programmes to Objectives and Outcomes

SUB-PROGRAMME	OBJECTIVE	OUTCOME
Development Planning, Research, Statistics and M&E	Objective 1: Strengthen capacity for development planning	Effective and efficient allocation and utilization of public resources Effective Public Investment Management
	Objective 5. Strengthen the capacity of the statistical system to generate data for national development	Enhanced use of data for evidence-based policy and decision making
	Objective 6. Strengthen the research and evaluation function to better inform planning and plan implementation	Improved public policy debates and decision making
Resource Mobilization and Budgeting	Objective 2. Strengthen budgeting and resource mobilization	Fiscal credibility and Sustainability Improved budget credibility
Oversight, Implementation Coordination and Monitoring	Objective 3. Strengthen capacity for implementation to ensure a focus on results	Improved development results Improved service Delivery
Accountability Systems and Service Delivery	Objective 4. Strengthen coordination, monitoring and reporting frameworks and systems	Improved compliance with accountability rules and regulations

1.2.5. Implementation Reforms

The key implementation reforms required to fully implement this Programme and realise expected goals in the next five years include:

1. APEX platform that was launched in April 2021. This needs to be funded and operationalized to perform the oversight role and hence be accountable for delivery of results.
2. Strengthening the capacity of the Office of the Prime Minister to lead the overall coordination and reporting on implementation of NDP III Programmes and implied results.

1.2.6. Programme Institutions

The Programme Lead Ministry is the Ministry of Finance, Planning and Economic Development; accordingly headed by the Minister, while the Programme Technical Leader is the Permanent Secretary & Secretary to the Treasury (PS/ST). Government institutions that make direct contributions (Lead Implementing Partners) to the Programme are as listed here below.

Lead Implementing Partners

1. Ministry of Finance, Planning and Economic Development (MFPED)
2. Uganda Revenue Authority (URA)
3. Office of the Auditor General (OAG)
4. Office of the President (OP)
5. National Planning Authority (NPA)
6. National Identification Registration Authority (NIRA)
7. Office of the Prime Minister (OPM)
8. Local Government Finance Commission (LGFC)
9. Uganda Bureau of Statistics (UBOS)
10. Ministry of Lands Housing and Urban Development (MLHUD)
11. Ministry of Gender, Labour and Social Development
12. Public Procurement and Disposal Authority (PPDA)
13. Ministry of Local Government (MoLG),
14. Ministry of Science, Technology and Innovation (MoSTI)
15. Ministry of Works and Transport (MoWT)
16. Kampala Capital City Authority (KCCA),
17. Ministry of Public Service (MoPS),
18. Equal Opportunities Commission (EOC)

Other Programme Partners include those listed here below

1. Local Governments (LGs)
2. National Information Technology Authority (NITA-U)
3. Development Partners (DPs)
4. Civil Society Organisations (CSOs)
5. Uganda Management Institute (UMI)
6. Public Universities

1.3. The DPI Programme Structure.

Structures for the management of the DPI programme comprise of 3 levels; (i) The Leadership Committee, (ii) the Programme Working Group (PWG), and (iii) the Technical Working Group (TWG). These bring together government institutions (MDAs/LGs), development partners (DPs) and Civil Society Organizations (CSOs) at different levels to drive programme implementation. These are coordinated by a Secretariat that provides coordination and administrative support.

1.3.1. Leadership Committee

The Leadership Committee (LC) consists of political leaders (Ministers, Board Chairpersons) of MDAs with a lead role in the activities of the Programme. The Committee has an oversight function over the programme implementation enabling policy level coordination and monitoring progress towards target programme outcomes. The Committee is also expected to ensure accountability for results by PWGs. Membership of the Committee is as follows;

1. Minister, Finance, Planning and Economic Development (Chairperson)
2. Minister, Office of the President
3. Minister, OPM
4. Minister, Local Governments
5. Minister of Public Service
6. Chairperson, NPA Board of Directors
7. Chairperson, UBOS Board of Directors
8. Auditor General
9. Chairperson, URA Board of Directors



PSD/DPI Programmes leadership committee meeting in November 2021

1.3.2. Programme Working Group

The Programme Working Group (PWG) is the highest technical organ of the Programme. The DPI PWG is chaired by the Permanent Secretary / Secretary to the Treasury (PS/ST) with membership drawn from Permanent Secretaries, and Heads of Institutions of the programme contributing MDAs and representatives of Development Partner Groups, CSOs and Private Sector relevant to each Programme. The PWG is responsible for preparation of Programme Implementation Plans, preparation of Programme Budget Framework Papers (PBFs), Quarterly, Semi-Annual and Annual Programme performance reports and the medium-term budget strategy documents and issuing them to the Leadership Committee for approval.

1.3.3. Technical Working Group

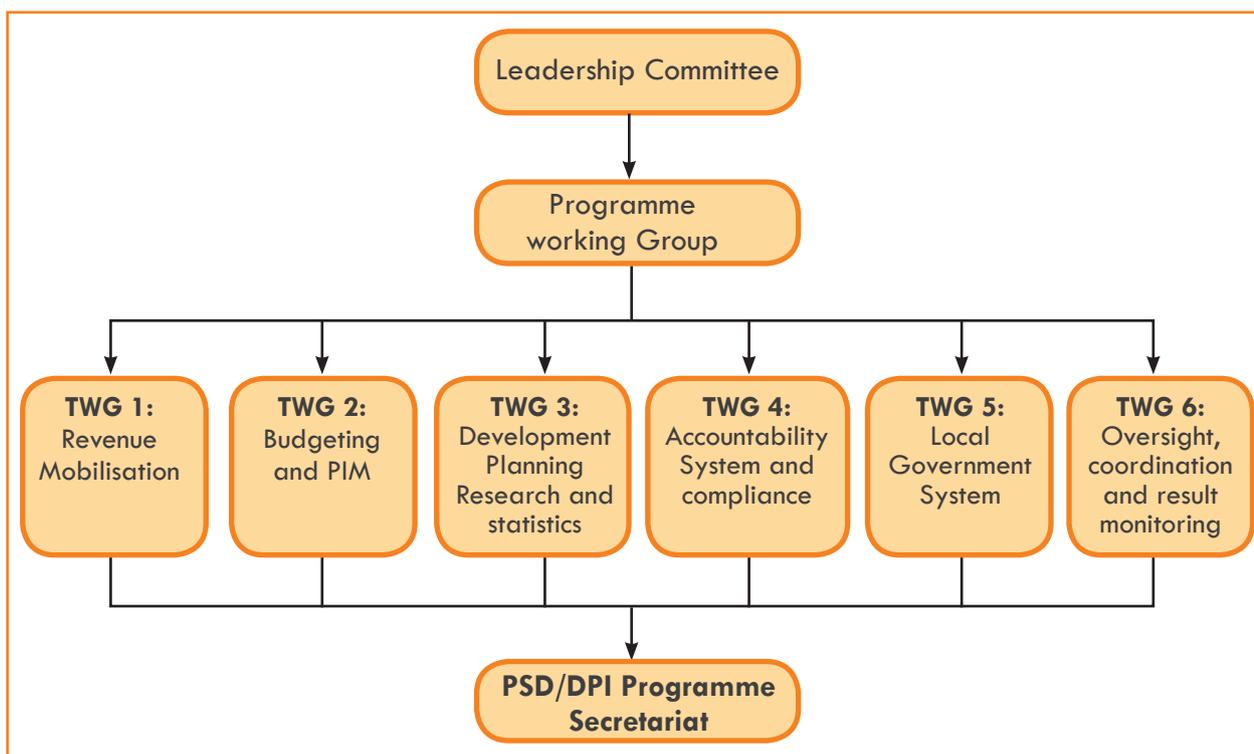
Due to the wide mandate and the large number of member institutions, TWGs are created to provide special platforms to consider in a more comprehensive way, the sub-component areas of the programme. This therefore allows the PWGs to limit their discussion to strategic issues of the programme while at the same time ensuring adequate attention is given to the detail for each programme within the TWG. Membership to each TWG is cross-institutional, and includes, where necessary, external partners (DPs, Private Sectors) to engender detailed technical dialogue. TWGs are expected to undertake detailed planning and coordination, as well as detailed monitoring of programme implementation along specific programme objectives.

1.3.4. The Secretariat for the DPI and PSD Programmes

The Secretariat for the DPI Programmes provides technical and administrative support and coordination to the Programme structures. The specific functions of the Secretariat include:

- (i) Coordinating the preparation of the Programme Implementation Action Plans (including costing and Monitoring Frameworks) and Programme Budget Framework papers and ensuring alignment with NDP III, Manifesto and Presidential Directives;
- (ii) Facilitating dialogue with partners (DPs, CSOs, etc.) around each programme on emerging policy and technical issues aimed at increasing impact on programme outcomes
- (iii) Commissioning and Coordinating policy analytical work and technical studies aimed at improving impact of the various programme reforms, interventions and services
- (iv) Establishing relations and actively coordinating with other related programmes and strategies including, but not limited to PFM Reform and Private Sector Development Structures in place.
- (v) Preparation and dissemination of quarterly, semi-annual and annual programme implementation reports and facilitating the annual programme performance reviews
- (vi) Organising programme monitoring, inspection and other activities to enable collection of physical data to facilitate evidence-based reporting;
- (vii) Promoting cooperation, learning and synergies within and outside the programmes;
- (viii) Ensuring timely sharing and dissemination of key information to PWGs and programme institutions to facilitate implementation of programme activities

The Secretariat for the DPI Programmes is located at the Ministry of Finance, Planning and Economic Development



Participants at DPI Programme Semi Annual review held in March 2021

2. Programme Performance for FY 2020/21

This section discusses performance under the DPI Programme for FY 2020/21. It is divided into two subsections; the first covering Financial Performance and the other on non-financial performance. It is important to note on the outset that MDA plans for the FY 2020/21 were drafted under the Sector approach and approved prior to NDP III implementation. Therefore, in an attempt to adopt the reporting to NDP III, there may be some gaps in accuracy arising out of difficulties to fully align some MDA activities to Programme objectives.

2.1 Financial Performance

The NDP III costing of the DPI programme implementation for the FY2020/21 was 1,960bn. The costing under the DPI Programme Implementation Action Plan (PIAP) issued by the NPA comes to about 1,770bn - not differing significantly; just about 10% lower. As discussed earlier, however, because the budget for FY2020/21 was based on NDP II, it has not been possible to determine which allocations went directly to the DPI Programme activities. Thus the financial performance here is only intended to provide assurance that institutions contributing to the DPI were funded during the period.

The table above provides a summary of budget performance for all institutions (see also Table 2 below) contributing to the Development Plan Implementation programme. As already highlighted above, budget allocations and expenditure in FY 2020/21 were not directly linked to DPI Programme interventions and outcomes since the budget was structured alongside sectors under the NDP II and not programmes under the NDP III. Thus, information in this table is used only

to provide an indication of the degree to which MDAs contributing to the DPI Programme were funded during FY 2020/21.

Out of the approved annual budget of UGX 10,469 Billion allocated to these MDAs under the Development Plan Implementation Programme, UGX 8.513 Billion was released representing 81.3% of budget. The lowest release and expenditure was on Development Externally Financed budget line where only 54% of what was budgeted was released and only 50% of what was released spent.

Looking at MDAs, releases were below budget except for the Ministry of Finance, Planning and Economic Development whose release was 73% above what was budgeted, and KCCA which had a 10% release above what was budgeted. Others for whom releases were above budget include Ministry of Lands (8.6%) and National Information Technology Authority (2.8%)

Aggregate funds absorption was at 86.7% of the funds released for all MDAs with the Office of the Prime Minister (45.2% and KCCA (46.5%) exhibiting the lowest utilisation rates.

Table 2: Summary DPI Programme Institutions' Budget Performance in FY 2020/21

Vote Name	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
501-850 Local Governments	4,383	3,165	3,120	72.2%	71.2%	98.6%
Auditor General	69	49	43	71.5%	62.4%	87.2%
Kampala Capital City Authority	516	569	264	110.3%	51.3%	46.5%
Local Government Finance Commission	5	4	4	76.2%	72.3%	94.8%
Ministry of Finance, Planning & Economic Dev.	752	1,303	1,201	173.4%	159.7%	92.1%
Ministry of Gender, Labour and Social Development	166	117	102	70.4%	61.8%	87.8%
Ministry of Lands, Housing & Urban Development	168	182	100	108.6%	59.6%	54.9%
Ministry of Local Government	374	171	99	45.7%	26.3%	57.7%
Ministry of Public Service	30	16	12	53.4%	40.9%	76.6%
Ministry of Science, Technology and Innovation	253	127	111	50.1%	44.0%	87.8%
Ministry of Works and Transport	1,572	1,021	1,002	64.9%	63.8%	98.2%
National Identification and Registration Authority (NIRA)	70	37	28	52.3%	40.0%	76.6%
National Information Technology Authority	116	120	98	102.8%	84.4%	82.1%
National Planning Authority	34	22	22	66.2%	65.3%	98.6%
Office of the President	198	143	139	72.2%	70.1%	97.1%
Office of the Prime Minister	436	383	173	87.9%	39.7%	45.2%
PPDA	25	14	13	54.7%	52.9%	96.8%
Uganda Management Institute	36	28	19	78.4%	52.7%	67.2%
URA	437	388	331	88.9%	75.7%	85.1%
Universities	830	654	503	78.8%	60.6%	76.9%
Total	10,469	8,513	7,384	81.3%	70.5%	86.7%

Source: Budget Policy Department, MoFPED

Table 3: Development Plan Implementation Programme Budget Performance FY 2020/21 (UGX Billions)

Source Of Funding	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	3,181	2,391	2,335	75.2%	73.4%	97.7%
Recurrent Non-Wage	2,877	3,140	2,902	109.2%	100.9%	92.4%
Development Gou	1,886	1,719	1,498	91.1%	79.4%	87.1%
Development Ext Fin	2,243	1,213	605	54.1%	27.0%	49.9%
AIA	216	0	0	0.0%	0.0%	0.0%
Arrears	66	49	43	74.4%	65.1%	87.5%
Grand Total	10,469	8,513	7,384	81.3%	70.5%	86.7%

Source: Budget Policy Department, MoFPED

2.2 Programme Non-Financial Performance

The DPI programme's focus is on increasing efficiency and effectiveness of the implementation of the NDP III. The key NDP III results targeted under the DPI include (i) increasing the level of plan implementation, (ii) increasing the GDP

growth, (iii) increasing revenues, and (iv) improving alignment of plans and budgets.

The table below provides a summary of performance against these key outcomes over the first year of implementation.

Table 4: Status of Programme Performance against Key Results

Key DPI Programme Result	Baseline FY2017/18	Target for FY 2020/21	Actual 2020/21	Source
Improve achievement of the NDP III targets	N/A	60%	Not scored	
Increase the GDP growth rate	6.20%	4.51%	3%	PBS
Increase the Revenue to GDP ratio	12.95% ⁶	13.08%	13%	PBS
Reduction in Domestic Arrears as a Percentage of total expenditure;	1%	0.80%	6.90%	PBS
Attain maximum alignment between the Annual Budgets and the NDP III at national and Programme levels;	60%	70%	54.8%	PBS
Maintain the proportion of supplementary budget expenditure (net of loan servicing) within 3%.	<3%	<3%	10.28%	PBS

The performance in the table above against the key NDP III results under the DPI Programme is discussed in the sections that follow.

2.2.1 Improve achievement of the NDP III targets

Improving plan implementation including achievement of set results, is a key goal of Government under the DPI Programme.

Lessons from the past identified the slow plan implementation as a *major challenge* and risk to the attainment of target outcomes. Implementation of past NDPs was generally rated low with a large number of projects not completed and many results not achieved. For that matter, improving the capacity and speed of plan implementation is a key target under the NDP III.

The NDP III has set a target to achieve at least 80% of its results, by the end of its implementation, as a measure for the realisation of this goal. At least 148 key targets are listed

⁶ The baseline figure of 12.95% for this indicator (revenue to GDP ratio) was initially 15.6% at the time of drafting the NDP II but was later revised to 12.95% following the rebasing of the economy in FY2019/20

in the NDP III that are to be measured for the purpose of this indicator. Realising at least 60% was set as the target for the first year. However, for lack of data at the time of writing this report, this indicator has not been measured. To facilitate its measuring in the future, OPM and NPA, with support from the European Union and UNDP, launched, during the year, an M&E system (the Integrated NDP M&E System), which is expected to provide the data needed to effectively report on this indicator.

Substantial risks remain regarding the achievement of this result within the period of the NDP III. First, even without using the indicator as a measure, there are significant delays to the implementation of the NDP III mainly on account of changes from the sector to programme-based approach. These changes necessitated reforms to financial management systems and institutional processes over most of the first year. This first year

of the NDP III implementation therefore constituted a transitional period focussing on adapting to the changes introduced. This transitional period is likely to extend into the second year of the NDP III with likely consequences on the pace of implementation of the plan and achievement of targets in the earlier years. Secondly, the Covid19 pandemic has had its toll on the Government's fiscal resources and institutional capacities and consequently forcing more delays to the NDP III implementation.

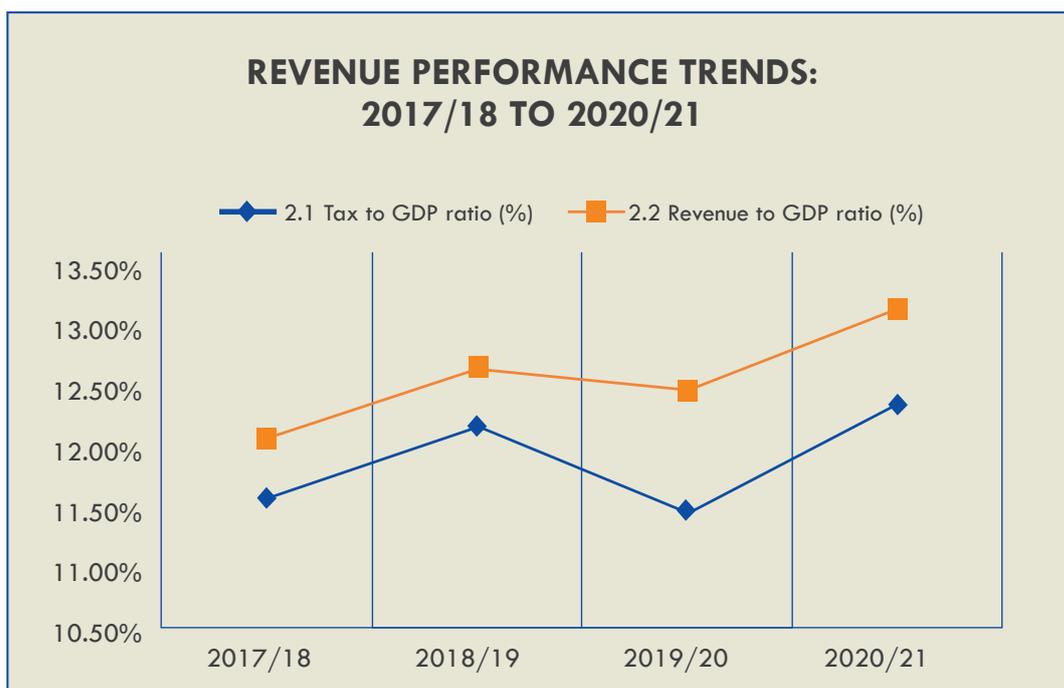
2.2.2 Increase the GDP growth rate

The NDP III identifies economic growth as a necessary condition for the realisation of its goal of increasing household incomes and improving the quality of life of Ugandans. Economic Growth is a cross cutting theme for most of the 18 Programmes of the NDP III, either as a facilitator or a necessary outcome of their efforts. The NDP III set a GDP growth target (which is used as the key measures for economic growth) of 4.51%

in the FY 2020/21 (from 6.2% in FY2018/19) taking into account the impact of the Covid-19 pandemic during the FY 2020/21. By the end of FY 2020/21, the GDP growth rate was estimated to be 3%, below this target. Extended partial lock downs in the first and last quarters of the financial year affected economic activity and consequently, further slowed down growth during the year.

2.2.3 Revenue to GDP Ratio

Significantly increasing Revenue to GDP Ratio is a key target of the NDP III if the Government is to finance its implementation. The low levels of revenues remain a concern of the NDP III. The plan (NDP III), under this goal, has set it's target to expand revenues collected domestically - increasing the revenue to GDP ratio to 15.43% (Rebased) by the end of its implementation from 12.95% in 2018/19. Other measures under this goal include strengthening debt management through, among others, improving the domestic market for borrowing.



The revenue to GDP ratio was reported at 13.2% - fairly consistent with the NDP III target of 13.08%⁷ for the FY2020/21. This good performance, notwithstanding the slowdown in the economy due to Covid19 restrictions, is attributed to several tax administrative measures that influenced taxpayers' compliance behaviour, and increased efficiency in tax administration. These include: taxpayer segmentation, taxpayer register expansion initiatives, monitoring of filing ratios, arrears/debt management, litigation, tax compliance investigations and enforcement operations. Introducing and implementing new system; the Digital Tracking Solutions (DTS) and the Electronic Fiscal Receipting and Invoicing Solution (EFRIS) also played a key part. These systems boosted efforts for tracking of locally manufactured goods, enforcement and relaying in real-time, information about tax-payer transactions, and the revamping of on-line services to tax-payers.

⁷ See page 310 of the NDP III

Performance was, in general, still below target. The revenue target for FY2020/21 was increased to UGX 22,115.02 billion (all tax heads), an increase of UGX 4,541.47 billion (25.8%) of what was collected in FY2019/20. Although there is a remarkable growth in revenue collection in FY2020/21 of UGX 2,286.14 billion (13%) from what was realized in FY 2019/20. It should be noted that economic assumptions that determined the target for FY2020/21 did not take into consideration the impact of Covid 19 lockdown of the economy. This significantly contributed to the below target annual revenue performance for FY2020/21 where the net revenue collections were UGX 19,859.69 billion (89.80%), against a target of UGX 22,115.02 billion.

Table 5: National Revenue Performance for FY2020/21 (in Billions)

Tax head	ACTUAL 2019/20	ACTUAL 2020/21	TARGET 2020/21	% PERF. 2020/21
Domestic Taxes	11,126.95	12,353.83	14,113.67	87.53%
Customs	6,446.59	7,505.86	8,001.35	93.81%
Total	17,573.54	19,859.69	22,115.02	89.80%

Source: MoFPED Tax Policy Department

2.2.4 Reduction in Domestic Arrears

Government has committed to reduce domestic arrears, which the NDP III considers a major factor impeding private sector growth. Domestic arrears distort the budget and are a reflection of weakness in budget discipline as MDAs spend resources outside appropriations. For this matter, The Public Financial Management Act 2015 (Section 21(2)) bars MDAs from incurring domestic arrears except under strict conditions.

Performance with regard to reduction of domestic arrears remained weak and below target over the year. By the close of the FY2020/21, arrears

as a Percentage of total expenditure had risen to 6.9% against a target of 0.8%. Expansion in domestic arrears during the year were especially prominent in the following areas;

- Court awards arising out of the inadequate management of construction contracts, unpaid land compensation, violation of human rights, or not resolving disputes prior to judicial involvement.
- Salary shortfalls caused by delays in Ministries, Departments and Agencies (MDAs) enrolling new staff on the Integrated Personnel and Payroll System (IPPS), arbitrary and erroneous

drop offs of staff from the payroll, interdictions, and reinstatements after a very long time.

- c) Pension and gratuity payments caused by delays in processing pension files beyond a financial year, errors and inaccuracies on the pension payroll and in payments sometimes to wrong accounts/claimants, and weak accountability of pensions funds.
- d) Utilities and other recurrent expenditures arising out of rent obligations, food for Uganda Prisons Service (UPS), Uganda Police Force (UPF) and not installing prepaid utility meters.
- e) Outstanding counterpart funding obligations for development projects, and
- f) Unpaid subscriptions to international organizations and professional memberships.

The table below provides some details about the arrears expenditure during the FY2020/21

Table 6: Arrears Expenditure Performance for FY2020/21 (in Billions)

	2020/21 Approved	2020/21 Expenditure	Performance Exp / Budget	Proportion of Total Expenditure
A. Domestic Arrears (General)	303.08	564.32	186%	76%
B. Salary and Pension Arrears	97.92	93.77	96%	13%
Salary Arrears	0.10	0.02	25%	0%
General Public Service Pensions	7.22	3.39	47%	0%
Defence/Military Pensions arrears	90.60	90.35	100%	12%
C. Utilities	52.91	83.28	157%	11%
Electricity arrears	21.25	60.04	283%	8%
Telephone arrears	0.03	0.07	217%	0%
Utility arrears	20.16	1.60	8%	0%
Water arrears	11.46	21.57	188%	3%
TOTAL	453.90	741.37	163%	100%

Source: MoFPED – Budget Policy Evaluation Department

Over spending on arrears represents a major concern for the budget and for the NDP III in general. Expenditure on arrears (see table above) far exceeded the budget (by 63%) during the year with arrears attributed to general activities – other than salary and pensions or utilities accounting for the largest share (76%). Budget lines for this category of arrears were exceeded by 86%. Utilities arrears budget was also significantly exceeded – by 57%. Based on submissions by MDAs, there are two main causes attributed for this. First, is the inability to fully quantify the arrears at the time of budget preparation since unpaid bills/certificates are not always fully known at the time of budgeting. Moreover, the IFMS does not have full view of the stock of arrears (especially arising out of mutli-payment contracts). Secondly, budget allocations to arrears are often inadequate (see also Auditor

General's report for year ending June 2020). MDAs are often compelled to limit arrears budget provision to amounts allocated to them by MoFPED at the time of budgeting.

A Strategy to clear and prevent further accumulation of domestic arrears⁸ was developed and issued by MoFPED during the year. Under this strategy, effective FY2021/22, all Accounting Officers will be required to operate within the appropriated budget, and sanctions and penalties will be applied for creation of arrears going forward. The strategy also requires accounting Officers to submit quarterly reports on arrears to the PS/ST. This requirement falls under the provisions of section 16 (2) of the PFMA, 2015. From these submissions, the stock of arrears will be compiled, and a baseline of valid arrears will be

⁸ Strategy to Clear and Prevent Domestic Arrears, June 2021

established. Once the stock of arrears has been finalized, Accounting Officers who subsequently accumulate arrears will be subject to sanctions allowable by Sections 79 and 80 of the PFMA, 2015 (as applicable) and subject to termination or not being reappointed.

2.2.5 Improving alignment of plans and budgets

Strengthening alignment between the NDP III and the national budget during both its formulation and implementation is at the centre of the NDP III's development strategy⁹. Reforms under the NDP III introducing Programme based approach (shifting from sectors to 18 priority Programmes) aim majorly at addressing this concern. The ultimate expectation is that this shift will lead to better NDP III implementation results and consequently better impact on the services delivery.

The changes introduced by the NDP III increased the challenges to its alignment to the budget during the year and were a significant factor in the performance. The plan was approved in July 2020, long after the budget for FY2020/21, which was based on the sectors under the NDP II, had been passed. The late passage of the NDP III also meant that MDAs were yet to prepare strategic plans aligned to it. Hence alignment of the Annual Budget for FY2020/21 to the NDP III was rated unsatisfactory (at 54.8%) well below the target of 70%. At other levels, alignment to the NDP III during the FY2020/21 was 59.1% at Macroeconomic compliance level, 61% at National Strategic level, 48.9% at programme level; 60.8% at MDA level; and 51.5% at Local Government level;

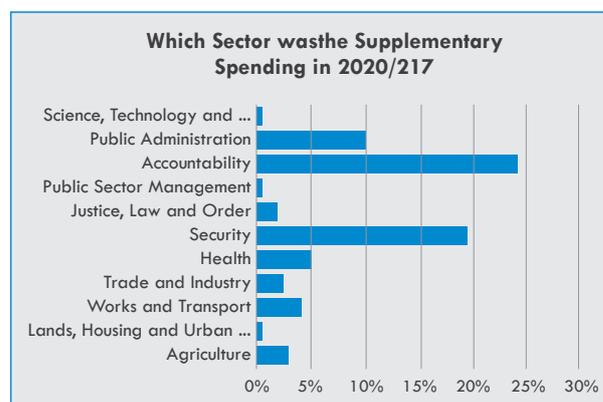
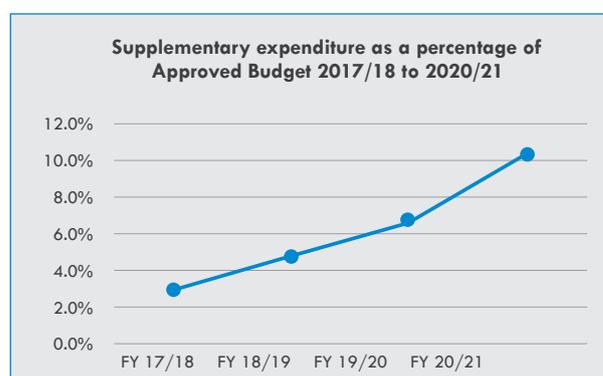
2.2.6 Managing supplementary budget expenditure

Just like arrears, supplementary budget expenditure distorts budget objectives and significantly undermine its credibility. The

Public Finance Management Act imposes strict conditions for supplementary budget financing setting a limit to associated expenditures. The NDP III has also placed budget credibility at the heart of its implementation providing assurance that expenditures remained aligned to the budget and to the plan.

Supplementary budget expenditure (net of loan servicing) rose to 10.28% against a target of <3% during the year, significantly breaching the PFMS (see section 4 and 5 - Charter for Fiscal Responsibility). Rising use of supplementary expenditure has been a trend over the recent years as demonstrated in the figure (graphs) below. The graphs below also provide some indication of the sectors where supplementary expenditure took place in FY2020/21.

Graphs: Areas of Supplementary expenditures in FY2020/21



Source: based on data from the IFMS

⁹ See Section 4.5.2 of the NDP III

A large part of the supplementary expenditures went to the Accountability and Security Sectors. Expenditures under the accountability sector were used for debt and interest payments while classified expenditures accounted for most supplementary spending under the security sector. The task ahead will be to restore control over

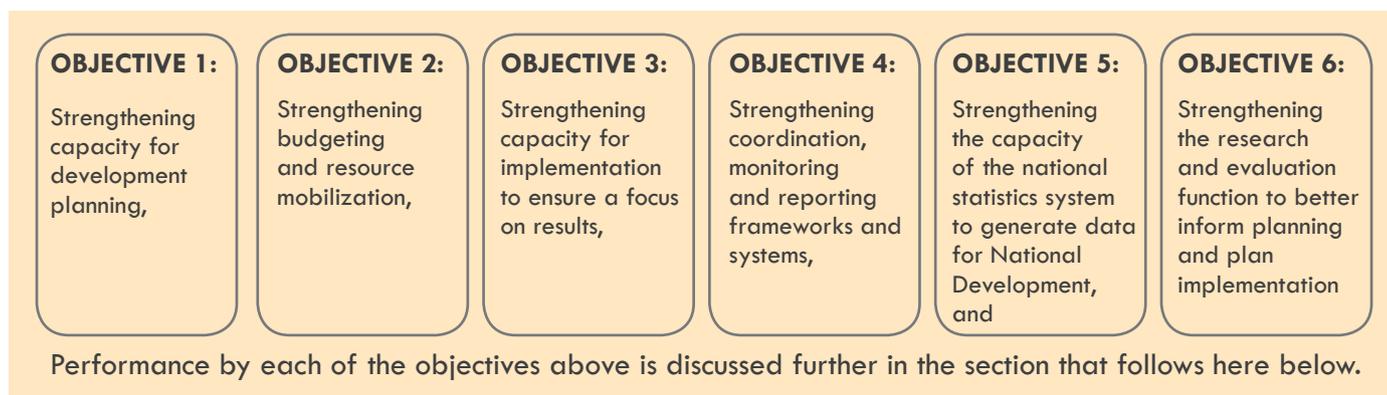
the use of supplementary expenditure to reverse the trend in the graph above to levels within PFMA (under 3% of approved budget) over the coming FYs particularly once the Government has secured better grip over Covid19 and other the emergencies.



MoFPED team appearing before the Budget Committee of Parliament to answer questions on the Charter for Fiscal Responsibility FY 2021-22 to FY 2025-26

2.3 Non-financial Performance by Objective

Performance is reported by strategic objective assigned to the DPI Programme under the NDP III. The list of DPI Programme strategic objective is as follows:



Performance by each of the objectives above is discussed further in the section that follows here below.

2.3.1 Objective 1: Strengthen Capacity for Development Planning

Under this objective, the NDP III aims to address weak capacity for planning within Government particularly in local government units. Better development planning is expected to lead to 2 key

outcomes namely (i) more effective and efficient allocation and utilization of public resources, and (ii) more effective Public Investment Management. The table below provides an overview of the performance of the programme outcome indicators under the DPI Programme strategic objective

Table 7: Status of objective 1 Performance against Key Indicators (Source – PBS Reports)

Outcome	Indicators	Baseline 2017/18	Target 2020/21	Actual 2020/21
Effective and efficient allocation and utilization of public resources	1.1 Percentage of budget released against originally approved budget.	108.2	100	78.4
	1.2 Percentage of funds absorbed against funds released.	99.2	100	90.8
	1.3 Budget alignment to NDP (%)	60	70	54.8
Effective Public Investment Management	1.4 Gross capital formation ⁹ (% of GDP)	8.09	N/A	N/A
	1.5 Contribution of public investment to GDP	4.4%	-	TBD
	1.6 Share (%) of PIP projects implemented on time	33	80	33
	1.7 Share (%) of PIP projects implemented within the approved budget	62	96	75

The performance in the table above is discussed further by each of the two (2) outcomes listed in the table.

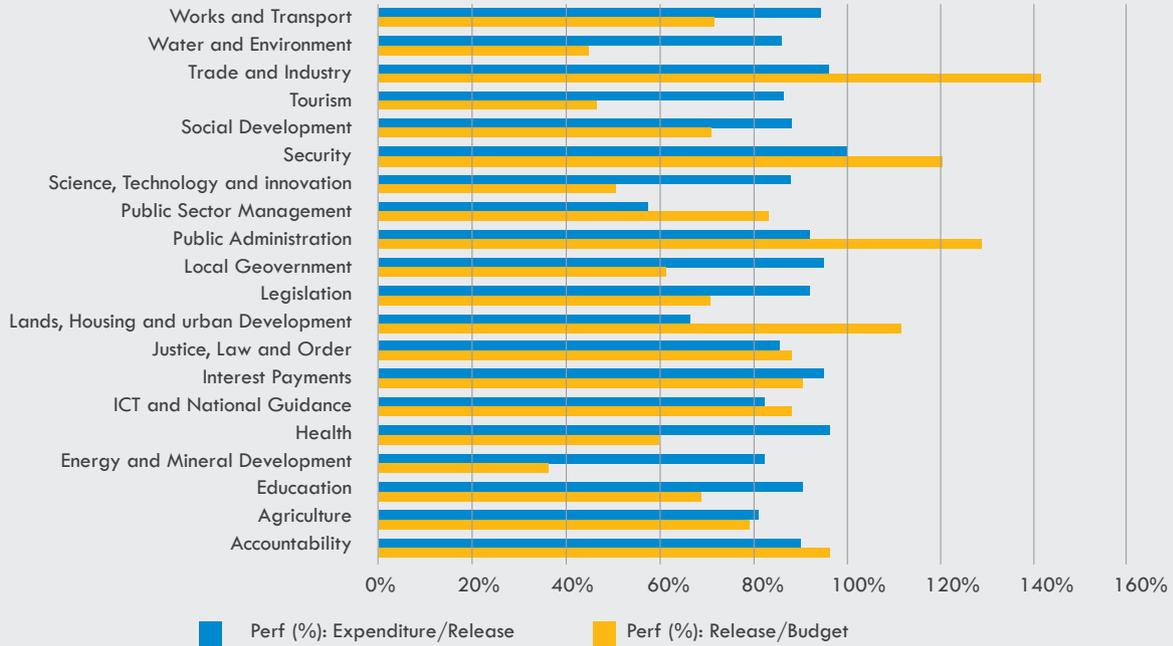
a. Effective and efficient allocation and utilization of public resources

The table above demonstrates that while performance with regard to budget utilisation was generally good, it did not meet the targets set in the NDP III. Budget releases fell short of the approved budget by nearly 22% mainly on account of shortfalls in revenues. On the other hand, budget utilisation against funds released was fairly high during the year 2020/21. The percentage of funds absorbed against funds released was 90.8%. Covid19, elections and other emergence funding had an impact on the quality and distribution on expenditure with sectors¹¹ such as tourism, energy and water & environment receiving releases below 50% of appropriations to provide room for additional funding needs in other key sectors such as security and public administration (see graph 1 below)

¹⁰ Gross capital formation also known as the gross domestic investment consists of outlays or additions to the fixed assets of the economy plus net changes in the level of inventories. The last published data on this indicator "Gross capital formation (% of GDP)" was in 2019 and it puts Uganda's Gross Capital formation at 25.96 %, according to the World Bank collection of development indicators, compiled from officially recognized sources.

¹¹ This report is discussed in the context of NDP III however, the 2020/21 budget was based on sector, hence the reference to sectors here.

Graph 1: FY2020/21 Budget Performance by Sector



Performance was also weak with regard to budget alignment to the NDP. The NPA Certificate of Compliance Assessment for the National and MDA Budgets for the FY 2020/21 rated the alignment of the Annual Budget for FY 2020/21 to the NDP III at 54.8%. This was well below 70%, the target for the year. Reasons for this performance arose out of issues associated with the transition from sectors to programmes as explained in section 2.2.5.

Progress under the relevant outcome intervention

(i) PIAP-181101: Strengthening capacity for development planning, particularly at the MDAs and local governments

Strengthening capacity for development planning is expected to lead to improved planning frameworks at the MDAs and LGs level with better alignment to the NDP III. It is also the expectation under this intervention that this will provide a basis for more efficient allocation of budget resources.

In the first year, the focus under this intervention was limited to improving alignment of the MDA and LGs plans to NDP III programmes. This was yet to be achieved by the end of the reporting period.

Programme Implementation Action Plans (PIAPs) for the 18¹² programmes were yet to be finalised at the time of reporting. Similarly, development of MDA and LG Strategic Development plans remained significantly lagging.

The NPA finalized the development of the NDP III Results and Reporting Framework which informed preparation of the Parish Development Model (PDM), developed Operational Guideline for the Parish Development Model together with Ministry of Local Government (MoLG) with support from Operation Wealth Creation (OWC), developed a draft framework for integration of Cross cutting issues in planning and implementation frameworks at national and local government levels and reviewed 55 out of 125 MDAs Strategic Plans.

During the year, NPA, with support from UNDP also provided hands on technical support to 168 Local Governments in formulation of Local Government Development Plans and integration of key development issues of; Climate Change Adaptation and Mitigation, Gender Equity and Social Development, Asset Management, Refugees and Sustainable Development Goals (SDGs). LGs development plans were reviewed under guidance of the NPA.

¹² The number of programmes has since increased to 20

NPA also revised the Local Government Development Planning Guidelines and trained 42 LGs, including providing hands on support, on the use and application of the revised planning guidelines. These guidelines are intended to direct LGs in preparing their local government development plans and to ensure that these plans are aligned to the National Development Plan (Vertical Harmony) as well as ensuring effective community participation and intra-local government and inter-agency synergies and linkages in the local government planning framework (the horizontal harmony).

(ii) PIAP-181102: Strengthening the planning and development function at the Parish level to bring delivery of services closer to the people

During the year, the Cabinet approved the “parish model” as a basis for reforming community planning to make it inclusive and effective. Detailed planning and mobilisation also commenced in preparation for the implementation of the parish model beginning with the FY2021/22. MoLG is the lead agency in the implementation of the parish model and is expected to work with other key MDAs (among them OPM, MoFPED, MoPS, MAAIF, NPA) in doing so. The Parish Model Implementation strategy was developed and issued together with Guidelines for operationalization of the Parish Development Committees (PDCs) at LG level.

Box 1:

Brief explanation of Uganda’s Parish Model

The Parish Development Model is a strategy for organizing and delivering public and private sector interventions for wealth creation and employment generation at the parish level as the lowest economic planning unit.

The PDM is anchored on seven pillars and these include;

1. Production (Value Chain Development)
2. Infrastructure and Economic Services
3. Financial Inclusion
4. Social Inclusion
5. Community Data (Community Information System)
6. Governance and administration
7. Mind-set change

The implementation of the Parish Model will mark a major milestone in Uganda’s development journey in three main ways:

1. It will accelerate implementation of Area-Based Commodity Development planning, which is vital for realising the quantity and quality of agricultural production required for agro-industrialisation and export development.
2. It will extend the whole-of-Government approach for development to the parish level in a consolidated manner as opposed to working in silos.
3. It will localises Vision 2040 and the National Development Plan for effective measurement and management of development interventions.

The Development Plan Implementation Programme will play a key role in two of the pillars, i.e. (i) Community Data (Community Information System), (ii) Mind-set Change where the following actions are planned.

1. Equip and resource parishes to operationalize service delivery structures.
2. Develop and operationalize real time community information systems at parish level.
3. Review institutional architecture for community development to focus on mind set change and poverty eradication.
4. Re-orient community development to focus on mind set change and poverty eradication.

(iii) PIAP-181103: Strengthening human resource planning to inform skills projections and delivery of national human resource capacity to support expansion of the economy;

During the FY2020/21, the NPA drafted a National Human Resource Development Plan to provide a roadmap for developing human resources that possesses the right knowledge, skills and attitudes in the right numbers and the right time. 5-year specific sector Human Resource Development Plans were similarly drafted and submitted for incorporation in the Programme planning guidelines. NPA also reviewed the National Human Resource Development Plan Framework (NHRDPF) to align with the amended Comprehensive National Development Planning Framework (CNDPF) and the program-based approach under the NDP III, and reviewed and enriched the labour market situational analysis in the draft 5-year NHRDP based on two study reports on the labour market analysis and skills needs assessments in the agriculture and education sectors.

b. Effective Public Investment Management

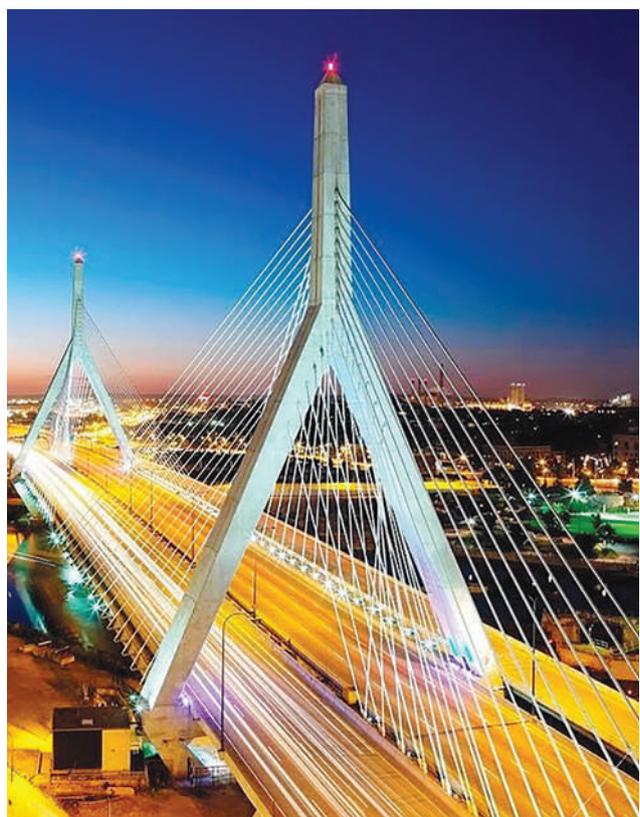
Effective implementation of the Public Investment Management under the DPI Programme under the NDP III is central to its delivery. Successful Implementation of public investment management is considered by the NDP III as critical to achieving the economic growth rates needed to realise its ultimate goal.

Reforms since 2015 have focussed on strengthening of the project cycle; the pre-investment (identification, feasibility and appraisal), investment (project execution, monitoring and reporting) and post-investment, to improve efficiency and effectiveness. Project appraisal stage has been strengthened to enhance quality of projects selected for implementation, and the oversight role of the Development Committee (DC) enhanced. The first phase of Integrated Bank of Projects (IBP) - a comprehensive database of investment projects, supporting the planning and pre-investment phases of the project cycle, was completed and launched in 2019/20 and has

since been in use. The information from this phase was already being used in the budget process, and had elevated the quality of discussions on projects between MoFPED and Ministries, Departments and Agencies (MDAs)

To reduce efforts for project identification, the NDP III included as an annex, a set of projects to which the government is committed to implemented over 2020/21 – 2024/25 and which constitute the Projects Investment Plan (PIP). This PIP contains core/ flagship projects, sector projects and regional development projects to be implemented by Ministries, Departments and Agencies (MDAs) as well as Local Governments (LGs) within the NDP III period 2020/21 to 2024/25).

While progress was made in dealing with weaknesses in the project cycle management, they mostly remained and continued under the NDP III. During the year under review, the performance on the key PIMS indicators was still below target. The share of PIP projects implemented on time stood at 33% against a target of 80% while 75% of PIP projects were implemented within the approved budget against a target of 96%.



The source of the Nile Bridge - one of Uganda's flagship Public Investment Project

Progress in implementing key interventions

(i) PIAP-181104: Strengthening Public Investment Management across the entire government to be able to develop bankable projects on time.

A number of key activities were undertaken under this intervention. These are;

- a. Development of the second phase of the IBP focusing on automating project execution, monitoring and ex-post evaluation stages commenced with a completion date of March 2022. This will enable tracking and monitoring critical aspects of each project.
- b. MoFPED completed the drafting of a National Investment Management Policy (NIMP) which aims to provide an anchor for investment related reforms and processes. This policy is due for processing through Cabinet in FY2021/22. Once approved, the Policy will:
 - provide guidance on Public Investment Management in Uganda;
 - ensure that the returns from Public

Investments are maximised and eliminate wastage of resources;

- streamline both Public and Private Investments in line with Vision 2040;
- Ensure that the acquired Public Assets are better managed and maintained and;
- Develop a corresponding soft infrastructure such as a supportive institutional, legal and regulatory reform and other service delivery reforms essential for creating an enabling environment for investment growth and competitiveness.

2.3.2 Objective 2: Strengthen budgeting and resource mobilization

This objective aims to address the level of revenues needed to implement the NDP III as well as budget credibility including alignment of the budget to the NDP during implementation. The NDP III expects to achieve 2 key outcomes under this Objective namely (i) Fiscal credibility and Sustainability, and (ii) Improved budget credibility. The table below illustrates the programme performance in respect of the outcome indicators under the objective.

Table 8: Status of objective 2 Performance against Key Indicators

Indicators	Baseline 2017/18	Target 2020/21	Actual 2020/21
Outcome: Fiscal credibility and Sustainability			
2.1 Tax to GDP ratio (%)	11.6%	12.9%	12.4%
2.2 Revenue to GDP (%)	12.9%	13.08%	13%
2.3 External resource envelope as a Percentage of the National Budget.	20%	20%	10%
2.4 Present Value of Public debt stock /GDP	30.8	33	37.6
2.5 Nominal Debt to GDP ratio	41.5	41.2	46.8
2.6 Proportion of direct budget transfers to local government	12.25	18.38	9.6
Outcome: Improved budget credibility			
2.7 Budget transparency index	60	62	TBD
2.8 Arrears as a Percentage of total expenditure for FY N-1	1%	0.8%	6.9%
2.9 Level Compliance of the National Budget to NDP III (%)	60	70	54.8
2.10 Green Economy (GE) Public expenditure Review (PER) rating	NA	Above Average	Average
2.11 National Budget compliance to Gender and equity (%)	55	100	65
2.12 Supplementary as a Percentage of the Initial budget	5.89	<3	10.28%

This performance in the table above is discussed further by each of the two (2) outcomes listed in the table.

a. Fiscal credibility and Sustainability

The key areas of concern under this outcome are (i) revenue mobilisation, (ii) public debt management, and (iii) improving fiscal transfers to local governments. Going by the scores against indicators listed in Table 4 above, performance under this outcome was in general below target. While the tax and revenue to GDP ratio targets were largely met, there was major expansion in the amount of debt (both domestic and external) during the year, and transfers to local governments

were significantly below target. This performance is discussed further below.

Revenue Management

In FY 2020/21, the target for revenue as a proportion of GDP (excluding domestic oil and gas revenue) was largely met (13% against the NDP III target of 13.08%). Revenue collection increased remarkably in FY 2020/21 by UGX 2,286.14 billion (13%) to UGX **19,859.69** billion compared to FY 2019/20. Moreover, the URA tax register in FY 2020/21 recorded a growth of 11.88% to close at 1,783,493 taxpayers by the end of the FY.

Table 9: Revenue performance 2020/21

REVENUE HEAD / ITEM	ACTUAL 2019/20	TARGET 2020/21	ACTUAL 2020/21	PERF (%) 2020/21
Domestic	9,753.30	12,522.69	11,092.30	88.58%
Income Taxes	5,878.63	7,494.07	6,619.40	88.33%
Consumption Taxes (Excise / VAT)	3,874.67	5,028.62	4,472.90	88.95%
Customs / Trade Taxes (Import duties)	6,446.60	8,001.35	7,505.86	93.81%
NTR	1,373.65	1,590.98	1,261.53	79.29%
TOTAL	17,573.55	22,115.02	19,859.69	89.80%
Revenue as % of GDP	12.95%	13.08%	13%	100%

Source: Tax Policy Department, MoFPED

While this was good performance, as shown in the above table, revenue collection targets set for the year were not met falling short by about 10%. The largest shortfall was in NTR (about 21%). The performance under NTR is in part due to gaps in systems for recording as some NTR receipts are not recorded with URA¹³. In general, performance below target is attributed to the slowdown in the economy due to Covid19 restrictions and delays in implementation of tax administration reform under URA.

¹³ For example, collections from Uganda National Medical Stores (projected at UGX 56.38 billion) and Uganda Communications Commission (projected at UGX 26.89 billion), among other agencies are not captured in the reporting system

Public Debt Management

Public debt was managed under the Public Debt and Other Financial Liabilities Management Framework (PDMF) 2018. The goal of the PDMF is to ensure that government's deficit is financed bearing in mind the cost-risk trade off, while maintaining debt sustainability over the medium to long term horizon and, ensuring efficient utilisation of the borrowed funds.

Over the reporting period, the stock of total public debt rose significantly to USD 19.5bn (46.7% of GDP), in nominal terms, from US\$ 15.3bn (41.1% of GDP) as at June 2020. Of this 32% was domestic while 68% was from external sources. This performance fell short of the NDP III target of 41.2% of GDP (in nominal terms). The

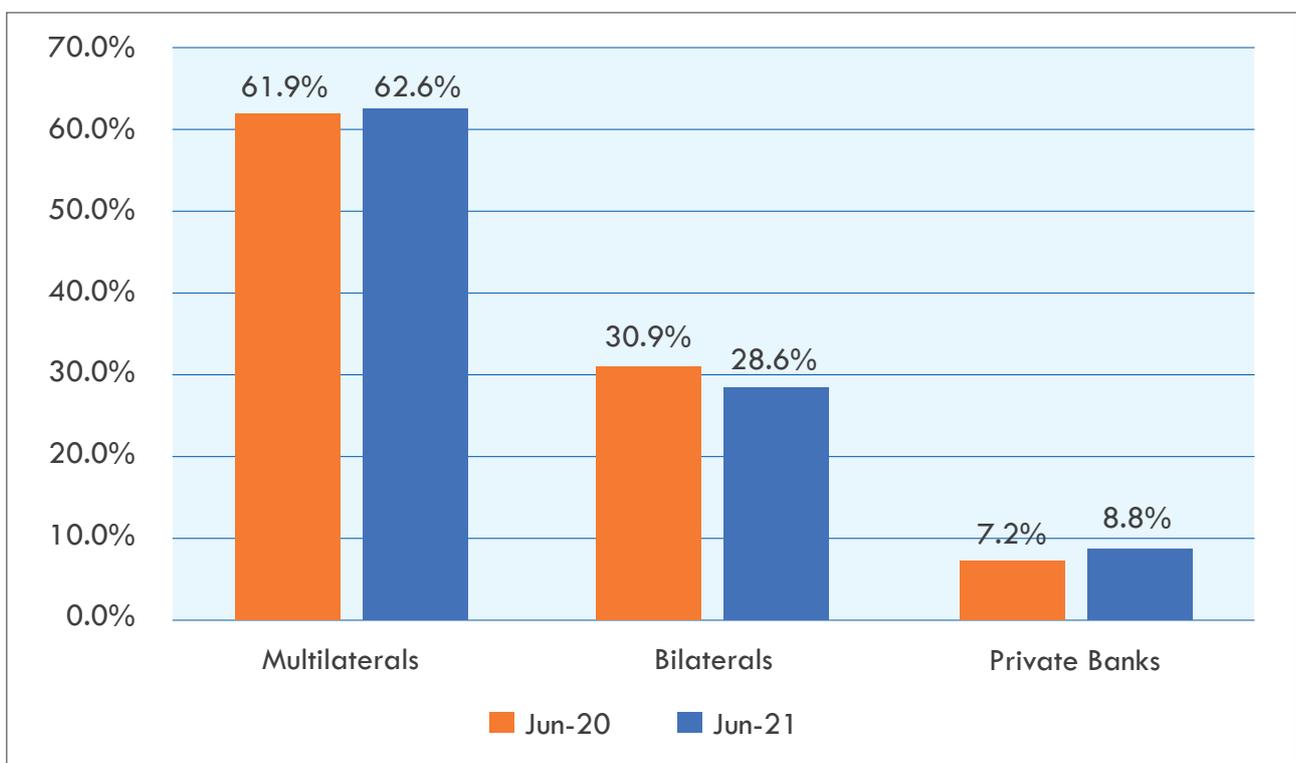
share of external debt owed to commercial banks increased significantly, from 7.2% of total external debt in FY2019/20 to 8.8% in FY2020/21. As at end June 2021, the Present Value of Public debt stock to GDP was 37.6% against the FY2020/21 NDP III target of 33%. The main component in the significant increase in public debt was on account of development budget support loan acquired by Government in FY2020/21. Disruption in revenues and expanded emergence expenditure requirements due to Covid19 pandemic forced the Government into increased borrowing (mainly domestic borrowing and non-concessional/commercial External debt which is more costly).

While the debt levels remain within sustainable limits, the Government continued to take measures to contain the rising levels of debt. These measures include the following:

i. Strengthening capacity of the debt office at MoFPED for debt analysis and decisions. During the FY2020/21, through the REAP Programme, the MoFPED acquired access to the Bloomberg platform, a system for external debt analysis and reporting. The platform was to be used to monitor both primary and secondary debt markets.

- ii. Implementation of the FY2020/21 Annual Medium Term Debt Strategy (MTDS). The strategy intends to help government manage the cost and risks embedded in its debt portfolio, as well as facilitate the development of a functioning government securities market. The strategy further prioritizes the utilization of more concessional debt.
- iii. Together with Bank of Uganda, MOFPED rolled out reforms of Primary Dealership system for Government securities in October 2020. These reforms are aimed at enhancing liquidity and reducing the cost of debt. These efforts are expected to lead to a reduction in borrowing rates for the private sector.
- iv. In line with diversifying the Government’s financing options and, increasing the average maturity of debt, Government introduced a 20-year Treasury bond in FY2020/21. This was intended to be the vehicle through which Government would issue its inaugural Infrastructure Bond. This arrangement is expected to increase the development expenditure and reduce the recurrent budget.

External Debt Stock by Creditor Composition (%) as at June 2020 and June 2021



Fiscal Transfers to Local Governments.

NDP III was concerned that overtime the value of fiscal resources available to LGs, including fiscal transfers from the national budget and LG own source revenues, continued to decline even as responsibilities of LGs for delivering public services expanded. In 2017, the Government commissioned a study to review Fiscal Decentralisation Architecture (FDA)¹⁴ and the share of LG transfers from the national budget, in order to address this decline. In 2020, LGFC drafted an action plan for implementation of the study recommendations accompanied by a policy brief for consideration by Parliament.

Relatedly, during the FY2020/21, LGFC commissioned a study which prepared a strategy to enhance LG own sources revenues. The strategy has 3 key reform components; (i) policy improvements, by responding to the systemic problems of local taxation and charge setting; (ii) improving local revenue administration methods, institutional and human capacities; and (iii) further development and rollout of revenue management (IT) systems. Implementation of the strategy was expected to commence in FY2021/22

Progress on key interventions under this outcome (Improving Revenue Mobilisation)

i) **PIAP.182205: Implement electronic tax systems to improve compliance both at National and LG levels.**

URA rolled out three new smart business solutions aimed at enhancing tax payer compliance and revenue mobilization. These business solutions are:

- a) Digital Tracking Solution (DTS) which aims at quality assurance of the authenticity of the gazetted products on the market by, among others, enabling manufacturers, distributors, retailers and consumers to conveniently verify and trace all specified goods throughout the distribution chain.
- b) Electronic Fiscal Receipting and Invoicing System (EFRIS) targeting improvements in tax

¹⁴ The FDA has five key components namely: (i) revenue assignment, (ii) expenditure functions, (iii) the inter-governmental fiscal transfer system (IGFT), (iv) the borrowing capacity of a local government, and (v) the institutions for implementing fiscal decentralisation.

administration by facilitating better taxpayer record-keeping to enhance accuracy in tracking tax-payer transactions and enable faster tax assessments; and

- c) The voluntary disclosure extended to taxpayers to do a thorough tax self-health check to clean their tax accounts with URA without being fined or penalized.

URA also worked in collaboration with Ministry of Local Government (MoLG) and Local Government Finance Commission (LGFC) to implement integration between the eTax and two (2) Local government revenue systems namely the Integrated Revenue Administration System (IRAS) and Electronic Local Government Revenue System (e-LogRev). By the close of FY2020/21, IRAS had been deployed in 7 cities (Fort Portal, Gulu, Mbarara, Hoima, Arua, Mbale and Soroti), 4 district LGs under Development Initiative for Northern Uganda (DINU) i.e. Yumbe, Zombo, Kole, Amulator and Omoro, and 4 municipal councils namely Nansana, Entebbe, Makindye-Ssebagabo and Mubende. eLogRev is deployed in 2 divisions in Jinja city and Kira Municipal Council.

The integration (interface) between eTax and the 2 LG revenue systems (IRAS / eLogRev) was to enable revenue collection through URA Bank Accounts and to collaborate information on tax-payers. The collection of revenues through URA bank accounts was achieved for cities and municipalities where this interface was implemented.

MoFPED and URA continued to lead implementation of Domestic Revenue Mobilization Strategy (DRMS) 2019/20–2023/24 focusing on building confidence and certainty to citizens and potential investors. The Strategy is aimed at creating transparency in tax policy and administration. Government allocated UGX.265.7 billion in FY2020/21 to URA as non-wage, which was used towards the operationalization and implementation of the DRMS Strategy; Of this, 66.885Bn was expended on implementation of the Electronic Fiscal Receipting, and Digital Tracking Solution, 50Bn on Information, Communication, and Technology Infrastructure (URANET & Computer Maintenance), 7.45Bn on Tax Register Expansion (TREP), 5.62Bn on Capacity building of staff etc.

Box 2: The Domestic Revenue Mobilisation Strategy (2019/20 – 2023/24)

In FY2019/20, the Government adopted a specific strategy to guide its efforts in growing Uganda's national revenues. The Domestic Revenue Mobilisation Strategy (DRMS) has its main objective to improve revenue collection and a target to achieve a tax-to-GDP ratio of between 18-20% within the period of its implementation.

In addition to improve revenue collection, it is also the goal of the DRMS to change the way in which we raise revenue through the following strategies:

- (i) Improving tax policies to create a sound and buoyant tax system that continues to promote industrialisation, social welfare, and private sector development. This ensures that revenues are raised in a fairer and more balanced way and generated as growth occurs by broadening the tax base.
- (ii) Lifting the capacities of the revenue administration entities, ensuring that we raise revenue in an economically efficient way and reduce the compliance burden for individuals and businesses.
- (iii) Improving citizen perceptions of taxation, raising visibility, and creating a tax system that makes us all proud to be Ugandan.
- (iv) Enhancing transparency and accountability in the tax system, making it harder for the few who would subvert our society to engage in dishonesty and fraud.
- (v) Enhancing taxpayer services, education, and information, ensuring that we are all on one path together.

Implementation of the DRMS is overseen by the DRM Committee chaired by the Permanent Secretary / Secretary to the Treasury

MoFPED successfully hosted the 4th Economic Growth Forum. The Forum provided a platform for identifying Uganda's key growth challenges in light of the COVID-19 and generated policy options and solutions to stimulate the economy in the medium term. The policy options generated were considered in the Budget Strategy for FY2021/22.

ii) PIAP-182201: Fast tracking the implementation of the integrated identification solution linking taxation and service delivery (e-citizen)

During the year, the Tax Identification Number (TIN) registration was simplified, from excel templates into a simple single web form to facilitate taxpayer registration. This was further linked with the NIRA database to make it easier to register for tax once you have a NIN. Execution was initiated through a short term Technical Assistance to assess efficacy and integration of IT systems for tax administration and to draw up action plan for implementation by URA. Procurement of a consultant for this purpose stalled due to Covid19 interruptions.

iii) PIAP-182203: Expand financing beyond the traditional sources

URA's approach under this intervention was to explore ways to improve tax administration with regard to gaps in specific sectors. URA conducted twelve (12) research papers on emerging issues on taxation during FY2020/21 in the following areas: Insurance sector; Taxing Multi-national Corporations (MNCs); Taxation of exports; Gender and Tax Compliance, fisheries, tax exemptions, mining sector, rental gazetting, presumptive tax policy, Multi-National Corporation (MNCs) profit shifting; and compliance of advertising firms & mobile money. Findings from these research papers will be analysed and used to inform future tax policy and administration.

iv) PIAP-182203: Deepening the reduction of informality and streamlining taxation at national and local government levels

The FY2020/21-2024/5 Tax Education strategy was approved and implementation of the adjusted annual tax education work plan to meet

COVID-19 kicked off. This Taxpayer Education Strategy aims at (i) expanding awareness by the public of the tax laws, roles, rights, obligations and opportunities relating to tax, (ii) empowering taxpayers by guiding them on their rights, sharing knowledge about self-help tools and processes to support tax compliance, and (iii) nurturing tax-payers by setting up support mechanisms to

cultivate and maintain a taxpaying culture and forge partnerships in the administration of taxes. Various training engagements on a variety of tax topics, and reminders on tax obligations e.g. filing deadlines were conducted which has seen an increase in the level of compliance and tax payer register.



Gulu Market, a support mechanism to get informal businesses organised

v) PIAP-182206: Establish an appropriate, evidence-based tax expenditure “governance framework” to limit leakages and improve transparency

As part of the legal framework and the Domestic Revenue Mobilisation Strategy (DRMS), a Tax Expenditure Governance Framework has been developed to improve transparency and accountability regarding tax incentives and the exercise of powers to vary the tax payable by any person¹⁵. Fiscal costs of incentives in the tax system were estimated and, by the close of the year, work was ongoing to better quantify the benefits associated with these tax incentives.

The Tax Expenditure Governance Framework was used to evaluate Tax expenditures for the period of FY2015/2016 to 2019/2020. The key messages from the analysis point to the following;

- Income tax expenditures were equal to (at least) 0.4% of GDP in the most recent financial year for which data were available (FY19/20).
- The largest type of income tax expenditure in recent years has been exemptions, followed by allowances and deductions.
- There has been a sharp increase in the number of income tax expenditures and the amount of revenue foregone in the 2018/19 financial year.
- There has been an increasing importance of allowances and deductions in revenue foregone, rising from 0% of GDP in FY17/18 to 0.12% in FY19/20 (around 30% of revenue foregone from income tax expenditures).

¹⁵ Background to the Budget: Fiscal Year 2021/2022

b. Improved budget credibility

Budget credibility is a concern of the NDP III as it shifts the focus of the budget from its objectives. Significant deviations between budget allocations and actual expenditure and well as high levels of supplementary budget expenditures or excessive use of off-budget operations, are a major risk to budget credibility. The NDP III considers the following key areas in assessing Budget credibility;

1. The degree of Budget transparency
2. The extent of budget arrears
3. Level Compliance of the National Budget to NDP III (%)
4. Green Economy (GE)Public expenditure Review (PER) rating
5. National Budget compliance to Gender and equity (%)
6. Supplementary as a percentage of the Initial budget

The sections below discuss the performance in each of these areas over the period under reporting.

Budget transparency

Budget transparency is supported by various pieces of legislation providing guarantees for its openness and facilitating information access by the citizens. These include the Constitution (articles 38¹⁶ and 41¹⁷), the Access to Information Act of 2005¹⁸ and the Public Finance and Accountability Act (PFA).

Budget transparency is measured using an international index- the transparency index. This index measures public access to information on

¹⁶ Article 38 guarantees the right of Uganda citizen to participate in the affairs of government

¹⁷ Article 41 of the Constitution affirm the citizens' right of access to information in the possession of the State

¹⁸ The Act aims to promote the right to access to information, promote an efficient, effective, transparent and accountable Government and to enable the public to effectively access and participate in decisions that affect them as citizens of the country.

how the central government raises and spends public resources. The budget transparency survey of 2019, the most recent, carried out by Uganda Debt Network in partnership with the US-based International Budget Partnership, gave Uganda a score of 58 out of 100. This placed Uganda in 2nd place in Africa, after South Africa, and the number one in East Africa¹⁹ - however it is considered insufficient or unsatisfactory.

The survey attributed the weak performance mainly to the low scores in public participation; while there are spaces for citizens to participate in budget process, the results for consultation were not often reflected in the final budget priorities. Past scores in 2017 (60) and 2012 (65) were higher both on account of better scores in public participation.

Domestic arrears

Domestic arrears as a percentage of total expenditure were significantly high (6.9% against a target of 0.8%) over the period. The accumulation of expenditure arrears has become endemic reflecting an increasing trend over the years. In FY2019/2020 arrears were eight times higher than in FY2006/2007 representing an increase of almost 700% or UGX 3.6 trillion. This growth in the arrears stock signifies weakness in fiscal discipline, financial management and system controls. It also disguises the true level of the liabilities the government has to resolve, and impacts in a severe way, budget implementation

In FY2020/21, Government developed a Strategy to address the growing problem of arrears. The strategy includes multi-level interventions ranging from legislative changes to new measures for reporting and tracking. The strategy also introduces a two-pronged approach with a focus on the phased clearance of the existing stock of arrears in the medium term on the one hand, and implementing measures to strengthen management and control to stop the further accumulation of new arrears, on the other.

¹⁹ Across the African continent, South Africa had the best score of 87, Kenya (50), Madagascar (40) and Rwanda (49). Comoros scored zero out of 100.

Compliance of the National Budget to NDP (%)

A Certificate of Compliance (CoC) is a requirement for each budget year under the Public Finance and Management Act (PFMA) 2015, Section 13 (7). The CoC assesses and rates alignment of the National Budget, comprising the programme (previously sector), MDA and Local Government (LG) budgets with the National Development Plans (NDPs) during formulation and implementation. This alignment in turn ensures that implementation plans and budgets are aligned to and will ensure achievement of the Vision 2040 through the NDPs.

Overall, the FY2020/21 Annual Budget (AB) alignment with NDP III was rated at 54.8%²⁰ against the target of 70%. This performance is attributed to non-attainment of macroeconomic targets, weak planning, budgeting and implementation of core projects at the national level, and weak budgeting for Programme results at the Programme, MDA and LG levels.

²⁰ The Certificate of Compliance for the FY2020/21 Annual Budget to NDP III, NPA, 1st April 2021

Summary illustrates the weighted scores of the different levels of assessment for the AB of FY 2020/21

No.	Level of assessment	2019/20 Weighted Score	2020/21 Weighted Score	Classification
1.	Macroeconomic Compliance	44.5	59.1	Unsatisfactory
2.	National Strategic Direction	72.3	61.0	Moderately Satisfactory
3.	Programmes	58.4	48.9	Unsatisfactory
4.	MDAs	58.4	60.8	Moderately Satisfactory
5.	Local Governments	64.8	51.5	Unsatisfactory
	Overall Score (Weighted)	59.7	54.8	Unsatisfactory

It is to be noted that there was a decline in rating compared to the FY2019/20, from 59.7% to 54.8%. The largest drop was in terms of parameter 5 (Local Governments; 13.3%), the 2nd parameter (National Strategic direction; 11.3%), parameter 3 (programmes, previously sectors; 9.5) and. As discussed under Section 2.2.6, the unsatisfactory performance under this indicators is traced, in the main, to weaknesses in alignment between the budget structure for FY2020/21 which was based on sectors, and the programme structures under the NDP III.

Green Economy (GE) Public expenditure Review (PER) rating

As the country rallies behind transforming from a peasant to a modern and prosperous country by 2040, the Government is taking bold steps to ensure that this transformation aligns with green growth tenets stipulated by all the SDGs, the 2015 Paris Agreement on Climate Change and the 2063 Agenda of the African Union. This implies that the envisaged economic growth must not only be socially inclusive but also uphold the integrity of the environment and natural resources.

Accordingly, Uganda Green Growth Development Strategy (UGGDS) 2017/18- 2030/31, was developed and launched in 2017. It focuses on five

core catalytic investment areas of: i) Sustainable agriculture, ii) Natural capital management, iii) Green cities (urban development), iv) Energy for a green economy, and v) Sustainable transport.

The outcomes envisaged of the Uganda Green Growth Development Strategy implementation are: income and livelihoods enhancement; decent green jobs; climate change adaptation and mitigation; sustainable environment and natural resources management; food and nutrition security; resource use efficiency; and social inclusiveness and economic transformation at the sub-national and national levels.

In February 2020, the NPA published the first Green Economy public expenditure review (PER) with the aim to establish the status of Green Growth

Public Expenditure and improve its alignment to the UGGDS and the NDP III. The review focused on the period FY2015/16 to FY2017/18. Based on the review, Uganda's state of Public Expenditure on Green Growth was given an "average" rating estimated at 50 percent of the required effort. The PER showed that most of the financing of green growth interventions was externally funded (by Uganda's Development Partners) through piecemeal projects which were not sustainable in the long term. It further established that the scale and pace of green growth public expenditure, at the time, was inadequate to deliver a green economy by the 2030 deadline stipulated by the UGGDS.

Box 3:

The Green Economy Public Expenditure Review specifically sought to;

- a) Assess Public Expenditure based on the priorities of UGGDS and the Principles of Green Growth such as; Social Equity and Inclusiveness, Resource use Efficiency, accelerated Economic Growth, low Carbon Emissions, Job Creation, Climate Change response and Environmental Sustainability;
- b) Asses the State, Adequacy, Effectiveness and Efficiency of Public Expenditure progress towards National Green Growth targets from 2015/16-2017/18;
- c) Recommend appropriate Investment Expenditure to orient the Country towards a Green Growth Development Pathway

Importantly, the PER Report highly informed the NDPIII by prescribing specific green growth interventions for integration in each of the 18 Programmes of the NDPIII. This is poised to augment and refocus Government expenditure towards a green development pathway. There is also ongoing deliberate effort to green the economic recovery following the effects of COVID-19 pandemic, to ensure that Government doesn't address the challenge of resuscitating the economy while compounding another challenge of climate change and environment degradation - which are key components of a green economy. Lastly, in line with the PER Report recommendation, the National Planning Authority in partnership with key stakeholders began drafting a Green Growth Financing Strategy as a panacea to the

uncoordinated piecemeal financing unearthed by the PER Report.

National Budget compliance to Gender and equity

Gender and equity provisions under the Public Finance Management Act, 2015 as well as SDG 5 require the national budget and budgets at all levels of Government to be responsive to the specific needs of the categories of citizens falling in this category. Under SDG 5 target 5.c UN Member States committed to adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

The Equal Opportunities Commission (EOC) was yet to publish the Status Report on Budget Outturn for Gender Equality and Women Empowerment in Uganda for the FY 2020/21. However, the Commission assessed the National BFP, 18 Programme BFPs and Ministerial Policy Statements for

the FY2020/21 giving an overall score was **65.89% (for gender responsiveness) for the National and Programme BFPs**. Assessment of 175 Local Government BFPs for gender and equity was yet to be completed by the time the report was published.

Box 4:

Objectives and Scope of the Gender and Equity review by EOC

- i. To establish the gender and equity responsive interventions committed by MDAs in the FY 2019/2020.
- ii. To establish the amount of funds appropriated towards gender and equity responsive interventions by MDAs in the FY 2019/2020 against the overall budget.
- iii. To establish the amount of funds released by the Ministry of Finance Planning and Economic Development to MDAs against the appropriated budget for interventions that address gender and equity issues in the FY 2019/2020.
- iv. To establish the amount of funds effectively utilised by MDAs against the released budget for interventions that address gender and equity issues in the FY 2019/2020.
- v. To make policy recommendations to strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

The EOC also undertook a number of activities during the FY to strengthen inclusiveness of gender planning and implementation. The main ones of these include;

- i) Aligning gender and equity compacts to the National Development Plan III and the attendant Programme Implementation Action Plan for the period 2020/21-2024/25. All the 18 NDP III Programmes have gender and equity compacts.
- ii) Developing a gender and equity training manual for local governments
- iii) Upgrading the Gender and Equity Management Information System (GEMIS) and aligning it with the National Development Plan III,
- iv) Aligning the FY2021/2022 gender and equity assessment tools to the NDP III and the new planning and budgeting structure for the Programme based Budget Framework Papers.
- v) Developing Gender and Equity guidelines for the political actors in the Local Governments.

Performance under NDP III interventions Specific to the Outcome

- i) **PIAP-182210: Harmonize the PFMA, PPDA, LGA, and regulations to improve the Public Financial Management systems (PFMs).**

Works commenced under this intervention during the FY2020/21 but with limited progress.

A task force was formed under the Chairmanship of the Accountant General consisting of MoFPED, MoLG, LGFC, PPDA and MoJCA to undertake the required harmonization of the PFMA, PPDA, LGA, and regulations. A matrix of sections under the PFMA requiring harmonization was developed. However, the activity was hampered by a series of interpretation of definitions drawing from the Constitution related to issues of jurisdiction and coverage between national and local government. This activity is expected to be completed in the FY2021/22.

ii) PIAP-182211: Develop a Comprehensive Asset Management Policy

An Asset Management Framework and Guideline were developed and issued to all Accounting Officers. A component covering Asset Management was developed and included as part of the National Investment Management policy - NIMP which was awaiting final review by the Ministry by close of the financial year. Work on the asset and Inventory management system started focussing on reviewing of business processes to support the development of necessary system module. A Project Charter providing a framework for steering the project together with a project implementation plan were also developed. A draft for Asset Accounting Guidelines was developed but remained to be validated by key stakeholders by the end of the reporting period. During the year, work also continued to update the fixed asset registers but with plans to complete this exercise in FY2021/22.

iii) PIAP-182214: Roll out Automated Procurement systems to all MDAs and LGs (e-GP).

Government took the decision to terminate a contract with an international firm for delivery of e-procurement system following challenges linked to cost of implementation and sustainability. At the time, the system had been piloted (July 2020) in 6 entities PPDA, MoWE, MDLG, JDLG, MoFPED, KCCA. Government then procured a home-grown solution which was deployed in 5 entities (NITA-U, UCAA, NSSF, UICT, MoICT) in August 2020 as a proof of concept. Roll-out of the eGP commenced and was extended to 11 entities by end of the FY2020/21. Further rollout to the remaining entities (about 344 including local governments) is planned to be carried out in a phased manner over the next four years.

iv) PIAP-182215: Strengthen Parliament to effectively play its role in the national budget processes for proper implementation of NDP III priorities.

As part of its routine operations, the OAG continued to provide technical support to the oversight and accountability committees of Parliament. Through

the OAG Parliamentary Liaison department, this technical support, often consisting of audit officers assigned to these Committees during sittings, covered discussion of audit reports and drafting of Accountability Committee reports in 78 sessions during the FY2020/21. In addition, as part of a future strategy to expand support to budget and Sectoral committees, 4 meetings were held with the Parliamentary committees on Budget and Finance, Planning and Economic Development during the year. This type of support is intended to strengthen the integration of audit issues in the work of Committees that focus on other stages of the PFM cycle – such as in reviewing Vote budget proposals.

The Parliamentary calendar however suffered major interruptions during FY2020/21 which in effect led to the scaling back of support. Covid19 restrictions limited the number of Parliamentary sessions and therefore support activities that could be extended by the OAG. In addition, FY2020/21 having been an election year, this meant that for a significant period of time, the routine activities of Parliament could not proceed as normal. The changes in committee members, as a result of elections also meant that OAG had, in the last quarter of the year, to redirect its support to raising awareness of Committees and building the levels of knowledge among MPs necessary for a smooth transition and return to normal committee business.

v) PIAP-182216: Integrate GoU Public Financial Management (PFM) Systems for better budget execution and accounting.

Over the years, there have been various efforts to integrate PFM systems. The IFMS, which is central for PFM functioning and used across all Government institutions, has interfaces with a range of systems allowing it to exchange information. These systems include;

- Debt Management and Financial Analysis System (DAMFAS -Treasury Operations)
- Bank of Uganda Banking System (BBS)
- Electronic Tax (eTax - Uganda Revenue Authority).

- Programme Based Budgeting System (PBS - Budget Directorate)
- Integrated Personnel and Payroll System (IPPS - Ministry of Public Service)
- E-Collections (National Social Security Fund).
- Electronic Procurement (eGP - MoFPED & PPDA).
- Electronic Registration (eReg - URA & MoFPED)

During the FY2020/21, using a contractor recruited under NITA-U, the design, development and deployment of the integration platform was completed. At the time of writing this report, the following services had been fully integrated and tested on the platform ready for consumption;

- NIRA Third Party Interface (TPI)²¹,
- KCCA Trading license,
- URSB Business Registration System (BRS)²²,
- Integrated Financial Management Systems (IFMS) voucher issuance information,
- MAAIF e-voucher,
- Lands – National Land Information System (NLIS),
- Ministry of gender MIS,
- URA – MDA services,
- SMS Gateway and
- Pay roll deduction management system (PDMS).

NITA-U also began conducting technical user trainings across MDAs as well as requirements gathering and analysis for more systems. NITA also started engaging with other MDAs to set up an appropriate ICT Governance framework to facilitate system integration. Initial work was undertaken, including preparing draft ToRs, to establish this governance framework

vi) PIAP-182218: Fast-track the review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process

The National Public Procurement Policy was approved and the PPDA Amendment Act, 2021 assented to by HE. The President, during the FY2020/21. Beyond simplifying the procurement process to make it more efficient, the amendments also aimed at addressing a number of policy gaps such as related to integration of Sustainable Procurement in Public Sector Procurement and assessment of the procurement systems.

In addition, during the FY, a Technical Working Group (TWG) was created to handle the review and development of five new Regulations to the law. These include regulations for (i) Electronic Government Procurement (E-GP), (ii) Preference and Reservation Schemes, (iii) Negotiations, (iv) Procurement and Disposal Planning, and (v) Complex and Strategic Procurement. Drafting of these regulations had started by the end of the reporting period and were due to be completed by Dec 2021.

²¹ TPI is a name given to the API that exposes NIRA services to other systems

²² URSB service that exposes Business related information

Box 5:
Areas addressed by amendments to the PPDA Act

- (i) Efficiency; including among others capping Contracts Committee processing time, reducing the tiers in the Administrative Review process to enhance efficiency, and allowing electronic transactions in the procurement process.
- (ii) Governance including incorporating the policy role of MoFPED in the law, incorporating and clarifying conditions for cancellation of procurement process, and expanding conditions under which an Accounting Officer may not sign a contract incorporated such as where a procurement has been submitted to the Tribunal
- (iii) Incorporating new clauses to use Procurement as a Social, Economic, and Environmental, tool.
- (iv) Enhancing Value for Money by introducing clauses on Good practices such as for collaborative procurement, and for Multiyear planning

2.3.3 Objective 3: Strengthen capacity for implementation to ensure a focus on results

In selecting this objective, the NDP III aimed to implement reforms that will increase impact on its intended outcomes and on service delivery. The NDP III was concerned that delivery systems, such as at the local government level were not focussed appropriately on results and were weakly facilitated. The NDP III, accordingly, identified a set of interventions to address these challenges whose expected outcome is improved delivery of NDP III development results. The table below illustrates the baseline, target and actual performance in respect of the outcome indicators for Objective 3.

Table 10: Status of Objective 3 Performance against Key Indicators

Outcome	Indicators	Baseline	Target 2020/21	Actual 2020/21	
Improved development results	3.1 Proportion of NDP results on target	NA	60	NA	
Improved service Delivery	Level of satisfaction of public service by service	Water transport	69	72	TBD
		Electricity	61.8	65	TBD
		Extension services	75	80	TBD
		Administrative and Legal Services	60	64	TBD
	Government Effectiveness index	-0.5	-0.39	TBD	

There was no record on performance under the set of indicators selected in the table above under this objective. Data on the first indicator was not available at the time of writing this report. While performance for other indicators related to Level of satisfaction of public service will be derived from the final report of the National Service Delivery Survey (NSDS) which was still being carried out by Ministry of Public Services in conjunction with UBoS as the time of writing this report.

The index of Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.²³ There are no current figures on this index so it is not clear if the target is met. The 2019 figure (-0.59) however, shows worse performance than the 2017/18 baseline position.

²³ https://www.theglobaleconomy.com/Uganda/wb_government_effectiveness/ (The Global Economy)

a. Improved development results

Key progress and achievements against planned interventions.

i) PIAP-183301: Review and re-orient the institutional architecture for Community Development (from the parish to the national level) to focus on mind-set change and poverty eradication

A cabinet memo was drafted seeking to introduce a “parish model” to provide a mechanism for reviewing and re-orienting the institutional architecture for Community Development (from the parish to the national level) and to focus on mind-set change and poverty eradication at the parish level. This “parish model”, as commonly referred to, was approved by Cabinet in March 2021. Its implementation was planned to commence in the FY2021/22.

The Parish Development Model is a strategy for organising and delivering public and private sector interventions for wealth creation and employment generation at the parish level as the lowest economic planning unit. Its implementation marks a major milestone in Uganda’s development journey in three main ways:

- i. It will accelerate implementation of Area-Based Commodity Development planning, which is vital for realising the quantity and quality of agricultural production required for agro-industrialisation and export development.
- ii. It will extend the whole-of-Government approach for development to the parish level in a consolidated manner as opposed to working in silos, and
- iii. It will localises Vision 2040 and the National Development Plan for effective measurement and management of development interventions.

b. Improved Service Delivery

i) PIAP-181401: Operationalize the High-Level Public Policy Management Executive Forum (Apex Platform)

In April 2021, GoU launched a High-Level Public Policy Management Executive Forum (Apex Platform) to strengthen public policy management and promote good governance practices. The Apex Platform under NDP III is an executive organ to strengthen the role of the Presidency in the management and oversight over the plan (NDP III) and to provide a mechanisms for effective follow up of executive decisions in the course of implementing the Plan. Under this reform, the Office of the President provides overall Leadership in public policy management and Promotion of good governance practices for overall Improved Service Delivery. This is in conformity with the goal of the NDP III which is “Increased Household Incomes and Improved Quality of Life of all Ugandans.” The launch above was followed with development of APEX Platform operational guidelines and manual.

Four institutions, under the chair of the Presidency, form the membership of the Apex Platform. These are (i) Office of the President, (ii) Office of the Prime Minister, (iii) Ministry of Finance, Planning and Economic Development, and (iv) National Planning Authority. Operationalization of the Apex Platform could not take place as this had not been allocated funds in FY2020/21.

ii) PIAP-183404: Develop an integrated M&E framework and system for the NDP

The NPA and OPM with assistance from EU developed an M&E web tool aimed at supporting progress assessment of the performance of the NDP III. This system was launched in July 2021. The launch of this system marks a key step towards digitalizing the National Development Plan and attendant Programme Implementation Action Plans (PIAPs), and strengthening alignment between planning, budgeting and implementation under the plan.

Once fully developed, this system will improve seven (7) key areas i.e.:

- i) transparency and accuracy of progress made
- ii) accessibility, quality and updating of M&E data
- iii) accountability for results
- iv) Stakeholder engagement in reform and

implementation processes.

- v) Harmonize the existing MISs across government
- vi) Strengthen M&E capacity across government
- vii) Increase knowledge management

The system will act as the NDP III central repository tracking all results, detailed indicators and targets and related performance data for all result areas of the Plan and other performance frameworks such as; The East African agenda 2050 and Africa agenda 2063, Sustainable Development Goals (Agenda 2030), Climate change and Human rights. It is expected to strengthen the M&E function in government through timely production of periodic performance around the NDP III and the Manifesto. These reports will include, among others, the Government Annual Performance Report (GAPR) and others to facilitate the APEX Platform oversight role.



Director of Economic Affairs and Research Vincent Tumusiime explaining the APEX Platform

iii) PIAP-183302: Review and reform the Government Annual Performance Report (GAPR) to focus on achievement of key national development results.

The review of the structure of Government Annual Performance Report (GAPR) and Government Half Annual Performance Report (GHAPR) is intended to bring these reporting instruments more in line with the NDP III. The review was in the final stages of completion by the end of the reporting period. The results of this review were expected to inform the preparation of the annual government performance report for FY2020/21 with focus on achievements of key national development results in NDP III.

iv) PIPA183303: Strengthen implementation, monitoring and reporting of local governments.

The OPM conducted four (04) Evaluations of Promotion of Green Jobs Program, National Strategy for Private Sector Development and the National Cooperative Policy in addition to holding

Thirty two (32) Barazas and on spot checks/field follow up visits in forty-four 44 local Governments.

Although OPM was expected to collect data and prepare the monitoring report on LG implementation of NDP III, delays in the development/preparation of the LG Development Plans aligned to the NDP III affected the output.

2.3.4 Objective 4: Strengthen coordination, monitoring and reporting frameworks and systems

Improving coordination, monitoring and reporting on the NDP III and strengthening oversight functions are central to its successful implementation. Evaluation of the NDP II found this to be a major gap which affected its delivery. The NDP III seeks to address this gap through this objective in order to improve compliance with its implementation plan and delivery. The performance against outcomes under this objective is shown in the table below.



MOPPED Top technical team on a monitoring visit at National Medical Stores in Entebbe

Table 11: Status of Objective 4 Performance against Key Indicators

Outcome	Indicators	Baseline	Target 2020/21	Actual 2020/21
Improved compliance with accountability rules and regulations	Proportion of prior year external audit recommendations implemented, %	31	60	26
	Percentage of internal audit recommendations implemented	65.5	91.67	67.3
	External auditor ratings (unqualified)	40	87	95

Performance under this objective did not meet the targets as planned. In the table above, targets for two of the indicators relating to implementation of internal and external audit recommendations were not met. Although the proportion of MDAs returning unqualified audits significantly improved performing above target, there was a slow implementation of audit recommendations were not met that was attributed to the following key factors:

- (i) Delays in the discussion of Audit reports by the Parliamentary Accountability Committees.
- (ii) Some recommendations require Policy interventions/changes and wide consultation resulting in delays in their implementation.
- (iii) In many instances, audit recommendations by their nature, require an implementation horizon of 3 -5 years for example those of a legal/contractual nature, or those that require joint action between 2 or more institutions. This implies that they can only be realized in the medium to long term.
- (iv) Limited operationalization of the provisions in the PFM Act 2015 which require satisfactory action on the recommendations of the Auditor General in consideration and appropriation of the proceeding financial years' budget.
- (v) Delayed issuance of Treasury Memoranda which impeded the implementation and follow up of audit recommendations.
- (vi) General weaknesses in performance monitoring and evaluation across government.

Key progress and achievements against planned interventions.

i) PIAP-184405: Develop and roll out of the National Public Risk Management system in line with international best practices

Section 45(2)²⁴ of the PFMA (2015) requires MDA Accounting officers to put in place risk management systems to strengthen their capacity for regularity and proper use of resources allocated to them. In November 2018, a Risk Management Strategy (RMS), informed by a Risk Management Maturity (RMM) assessment report of April 2018²⁵ and international best practice, was finalized. The goal of the RMS is to facilitate effective management of risk by MDAs by providing a roadmap to embed risk management in the daily operations of Government. The RMS also aims to better facilitate the integration of risk management into National Development Planning, Strategy formulation, annual planning and in all systems and processes²⁶. The RMS was since disseminated to support Accounting Officers fulfil this obligation.

Using the RMS, the risk profile of the NDP III was generated and a risk management plan included under Chapter 24 of the plan. This was a major element in the roll-out of the RMS. However, the rollout of the RMS and its uptake across government remained low during the year. Efforts of the Office of the Internal Auditor General (OIAG) to expand its implementation across MDAs during the FY2020/21 were hampered

²⁴ This section states as follows "In the exercise of the duties under this Act (PFM Act), an Accounting Officer shall, in respect of all resources and transactions of a vote, put in place effective systems of risk management, internal control and internal audit.

²⁵ The RMM (Section 1.5) rated the Government's maturity for risk management at fragmented level - a very low rank.

²⁶ Government of Uganda Risk Management Strategy, November 2018, Section 1.5

in part by the Covid19 restrictions, limited skills, staffing gaps and funding. Most of the support provided by the Office during the year was on demand basis to institutions such as Uganda Free Zones Authority (UFZA), Petroleum Authority of Uganda (PAU), and the Judiciary which had overtime developed significant awareness and appreciation of the benefits for risk management.

During the FY, the OAIG also began the preparation of a draft audit Strategy to guide its support to NDP III Programmes. By the end of the year 2020/21, the draft was in final Stages of completion.

ii) PIAP-184406: Enhance staff capacity to conduct high quality and impact-driven performance audits across government.

The OAG planned to prepare a comprehensive 5-year capacity building programs to support implementation of its medium term strategic plans. The current OAG strategic plan covers the period 2020-25. During the FY2020/21, OAG undertook a training needs analysis to inform the development of its capacity building program for the period 2020-21. The program is planned to be all-inclusive covering gaps in special skills required for undertaking specialised, value for money and forensic audits, and badly needed skills in IT systems audit particularly big data analytics. The programme will also have a strong component focussing on specific key emerging sectors with major fiscal outlays such as oil and gas. It will also include constructing and equipping the OAG off – site facility for a regional training centre, engineering and forensic Laboratories and Kampala branch office.

At the time of reporting, a Training Needs Analysis had been completed but not in time to complete the development of the associated capacity building programme. The programme is now likely to be ready for the FY2022/23. An interim training plan

for FY2020/21 and FY2021/22 was developed. Within the context of this plan, OAG, working with its partners, sponsored training for 13 staff in big data analysis, 12 staff for specialised courses in Oil and gas, and 21 staff for a diplomas course facilitated by AFROSAI. Training however, was hampered and significantly delayed by Covid19 restrictions.

iii) PIAP-182407: Strengthen expenditure tracking, inspection and accountability on green growth

Scores related to audits reflect improvements in performance with regards to financial compliance and follow-up of audit recommendations. However there is no current data on level of satisfaction of services regarding green growth.

2.3.5 Objective 5: Strengthen the capacity of the national statistics system to generate data for National Development

The NDP III places the use of statistics at the centre of its implementation underlying the need for credible data to support evidence based planning, budgeting, monitoring and reporting. This objective aims to champion this cause; the use of data for evidence-based policy and decision making.

The NDP III indicators in the table below are used to monitor implementation of this objective. The indicators largely related to collection of data and reporting on NDP III indicators. At the time of drafting the report, performance data against these indicators was not available. The recently launched M&E system by the Office of the Prime Minister and the National Planning Authority will provide a useful source of data for reporting on these indicators. It is expected this system will be in full use during FY2021/22 to facilitate this reporting.

Table 12: Status of Objective 5 Performance against Key Indicators

Outcome	Indicators	Baseline	Target 2020/21	Actual 2020/21
Enhanced use of data for evidence-based policy and decision making	5.1 Proportion of NDP III baseline indicators up-to-date & updated	60	65	NA
	5.2 Proportion of key indicators up-to-date with periodic data	40	60	NA
	5.3 Proportion of NDP results framework informed by Official Statistics	30	50	NA

The limitations cited above regarding reporting on the key outcome indicators notwithstanding, there was progress made on a number of key interventions supporting this objective. This progress and the issues emerging, are discussed further below. It should be noted the lead agency in the implementation of most of the interventions below is the Uganda Bureau of Statistics (UBoS).

Key progress and achievements against planned interventions.

i) PIAP-181501: Align and synchronize national survey and census Programmes to NDP III, Africa Agenda 2063, SDGs and other development framework data requirements.

The Uganda Bureau of Statistics (UBoS) continued to lead efforts for the production of statistics to support the Government’s commitment under the NDP III namely to enhance the use of data and statistics for evidence-based policy and decision-making. UBoS completed the analysis and drafting of the Uganda National Household Survey (UNHS) 2019/20 report during the year. This report was published in June 2021 and is available on the UBoS website.

The UNHS survey collected socio-economic data required for the measurement of human development and for monitoring social goals. Emphasis in this data was also on measurement of poverty and unemployment – much of which is relevant for the Sustainable Development Goals (SDGs), the National Development Plan III (NDP III), Africa Agenda 2063, and other key development frameworks to which Uganda subscribes.

UBoS also disseminated the key findings and lessons from Uganda National Panel Survey (UNPS) Wave 8. The UNPS is mainly used to measure poverty overtime, agriculture production estimates used in the estimation of the GDP, labour indicators such as unemployment and the working population, and indicators on service delivery in terms of quality of services offered among others. All these are key ingredients in informing the National and International Development frameworks.

The Maiden Food Balance Sheet for Uganda was produced and this was a key publication that contains self-sufficiency ratios (ability for the country to support itself food-wise), import dependency ratio, prevalence of undernourishment, and the food loss index. The Balance sheet is used in informing the SDGs, and other food security and nutrition indicators.

However, alignment and synchronisation of national survey and census Programmes to NDP III could not be completed because the final sets of NDP III outcome and outputs indicators were not yet concluded by the end of the FY. Throughout the FY2020/21, debate continued on the results framework, performance indicators and Meta data especially as evidenced by the changes to the PIAP for most of the year. Even where they were affirmed, gaps remained in the definitions of these indicators including their interpretation and sources of data. Data gaps will have to be completed in the FY2021/22 upon which UBoS will finalise the alignment of its survey program.

ii) PIAP-181502: Acquire and/or develop necessary statistical infrastructure in the NSS (The National Statistical System) including physical, Information and Communication Technology and Human Resources –

As part of this intervention, NPA concluded training of 23 Local Governments, 26 MDAs and 8 cities in Spatial Planning (a certified course offered by Makerere University), in addition to providing equipment to Local Government to facilitate the Spatial Planning process²⁷. In Uganda spatial

planning is guided by the Vision 2040 Spatial Framework which lays out planned infrastructural and institutional developments over the long-term. The Framework aims to ensure the main spatial development elements *synergistically, cost effectively and efficiently contribute to the attainment of the Country's long term socio-economic development goals*²⁸. This framework was key and provided input to the development of the NDP III.



Statistics house

²⁷ Spatial planning is used to influence policies, procedures and processes to provide more equitable and balanced distribution of development across the country. It can also involve more rational territorial organization of land use to balance demands for development with the need to protect the environment

²⁸ Uganda Vision 2040 Spatial Framework, npa.go.ug.

UBoS Supported 49 MDAs, 151 higher local governments (HLGs), and 5 Civil Society Organizations (CSOs) to develop strategic plans for statistics in order to improve and guide statistical productions to support the National Statistical System (NSS). The NSS provides a framework for coordinating all institutions and units within Uganda that are involved in the collection, processing and dissemination of official government statistics²⁹. On the other hand, Statistical Strategic Plans (SSPs) developed by MDAs and Local Governments, often medium term plans, detail strategies for developing statistical capacities within these entities and coordinating the production and use of statistics within the framework for the Uganda's Plan for National Statistical Development (PNSD). The current PNSD runs from 2020/21 to 2024/25, coinciding with the NDP III period, and provides the framework for alignment of the statistical system with the NDP III. However, by the time of completion of SSPs by many MDAs, Programme Implementation Actions Plans (PIAPs) for the 18 programmes, which include sets of indicators relevant to MDA statistics, had not been finalised. This is a challenge which may necessitate revisions to these SSPs to achieve full alignment.

iii) PIAP-181503: Harness new data sources including big data, data science, block chain technologies and geospatial technologies in statistical production;

The technologies listed are becoming increasingly necessary as the use of statistics grows in Uganda. Big Data technologies provide a set of tools for collection and analysis of often large sets of data, which are usually complex in terms of the volume and variety, putting a structure to this data for ease of statistical study, and making sense out of it. Blockchain technologies provide mechanisms (database) for storing massive amounts of, often unstructured, data and the means to easily access and make use of such data. On the other hand, geospatial technologies are modern tools used to acquire, manipulate, and store geographic information. Most common geospatial technologies include geographical information systems (GIS), global positioning systems (GPS), and remote sensing. Geospatial technologies enable analysis and presentation of spatially-enabled data sets.

²⁹ UBOS ACT 199, Part 1, section 2.

UBoS is integrating the use of these technologies into its statistical capacity development program. Six Training sessions involving five UBOS staff and 3 from MDAs were undertaken on Analysis of big data using R (a leading programming language of data science, consisting of powerful functions to tackle all problems related to Big Data processing) to ensure new data sources are integrated in the production of Official Statistics. Relatedly, implementation of a programme to develop capacity to compile and use non-traditional data sources for statistical production was initiated at UBoS.

iv) PIAP-181504: Amend the UBOS Act, 1998 to be inclusive of the NSS to better coordinate the NSS and define the roles of other players within the NSS Framework;

By close of the financial year, UBOS had forwarded the proposed amendments of the UBOS Act to MoFPED for consideration. The amendments expand the coverage of the National Statistical System (NSS) to include all stakeholders involved in the production and use of statistics – whether in government or outside government. This will strengthen UBoS's position, as the National Statistical Office (NSO), in the management and control of the quality of statistics produced as well as enhancing its coordination and use. The amendments also cover the management of population Census and other Censuses routinely carried out by the NSO and provide for the use of new technological advancements for statistical production. The amendments are expected to be considered and approved by Parliament in FY2021/22.

v) PIAP-181505: Review and update the National Standard Indicator (NSI) Framework in line with the NDP III, Agenda 2063 and SDGs;

The NSI Framework clarifies the priority data requirements for each entity (MDAs), including those that government needs to measure achievement of its desired targets to become a middle-income country. To graduate to middle income status, Uganda will need to fulfil a set of indicators as defined by United Nations Department of Economic and Social Affairs (UNDESA). These indicators constitute the level 1 set of indicators for the NSI.

During the FY2020/21, UBoS finalized the review of the structure for the National Standards Indicator (NSI) Framework. Meta data for indicators (50) to meet internal requirements, including the UNDESA and SDG was also completed. UBoS shared the revised NSI structure with MDAs to complete their respective information areas and related metadata. However this process was hampered in part by the delayed completion of monitoring frameworks accompanying the Programme Implementation Action Plans (PIAPs). Once MDAs complete their input, the NSI will be incorporated in the Programme Based Budgeting (PBB) and captured in Performance Budgeting System (PBS) to facilitate tracking development outcomes against resources disbursed to the various MDAs over the period of the NDP III.

vi) PIAP-181506: Standardize and operationalize use of standard statistical infrastructure including the rules, regulations and instruments for conducting Censuses and Surveys among data producers; To Popularize, Statistical Rules, regulations and Standards

Statistical work is heavily dependent on technology for data collection, processing, analysis and dissemination. Some MDAs in the NSS, such as UBOS, BoU and URA, adopted modern methods of data collection involving use of Computer Assisted Personal Interviews (CAPI), for processing, and dissemination. By end of FY 2020/21 UBOS had started implementing a program to sensitise MDAs and CSOs on application of Statistics rules and regulations in the compilation of statistics. This training and sensitisation placed emphasis on standardisation, and use of established classifications which would easily allow comparisons with other data produced elsewhere. UBOS also set up a *methodology* department to enforce use of these standards. This includes sanctioning and approving methodologies for all surveys across the NSS.

vii) PIAP-181507: Mainstream documentation of methodologies (Metadata) for NSS indicators

Government interest in statistics for policy formulation, analysis, advocacy and implementation as well as in the planning and decision-making is evident through the increased funding, over the years, of national surveys

undertaken by the Bureau and in support towards the NSI development and compilation of metadata. Because of its important role, statistics has been mainstreamed in the NDPIII to provide for building statistical systems, capacity and infrastructure that will enable monitoring and reporting on NDP III progress. Given the change in the Global Meta data structure, UBOS, had, by the end of the reporting period, started updating the meta data structure following internationally acceptable standards for data dissemination (Special Data Dissemination Standards – SDDS) and guided by National data requirements based on the NDP III. This process was expected to be completed in FY2021/22.

viii) PIAP-181508: Build the capacity the civil society and Private Sector organizations in the production and use of statistics.

Collaboration and partnerships between UBOS, MDAs, HLGs, private businesses and civil society has strengthened the production of statistics, improved the publication of statistics, increased inter and intra coordination as well as dissemination and use of statistics for policy, planning and decision-making. During the year, UBoS trained CSOs and private sector entities in statistical production and report writing to further enhance this collaboration.

ix) PIAP-181509: Undertake research to improve methodologies for key statistics and indicators

The UBOS Professional Service Unit (PSU) has a mandate to widen participation in statistical development, particularly in the areas of research, mining of existing Bureau data, mentoring, training and providing other technical support to the NSS and other key stakeholders. Besides, the PSU aims to build statistical capacity for professionalization of statisticians across the entire NSS. In strengthening capacity of the NSS to harness vast administrative data to meet national and global statistics demand, UBoS developed one research proposal under the Statistical Production & Development (SPD) Sector on SDG Tier II indicators during the FY2020/21. Pilot testing for the methodology for this research proposal was in progress by the close of the reporting period.

x) PIAP-181510: Support Statistical professional development and application through collaboration with the academia and relevant international organizations

To support Statistical professional development and application of statistics through collaboration with the academia and relevant international organizations, UBOS provided its input in the review of the statistics curriculum for Makerere University School of Statistics and proposed new areas for inclusion in the statistics curriculum.

xi) PIAP-181511: Enhance the compilation, management and use of Administrative data among the MDAs and LGs

Under this intervention, UBOS produced statistical reports in the areas of Economic, environment and social spheres with crosscutting issues. (E.g. migration, gender, refugees and others). In addition, UBOS supported 50 LGs to compile their administrative data under Trade Local Economic Development (T-LED) sector. The National LED Policy provides a framework for partnerships in local economic development and serves as a vehicle for promoting and implementing LED

initiatives at local government level in Uganda. It is intended to further deepen the decentralization process, eradicate poverty and ensure inclusive, sustainable and equitable economic growth at locality level.

2.3.6 Objective 6: Strengthen the research and evaluation function to better inform planning and plan implementation

The aim under this objective is to strengthen the capacity for research and evaluation to inform the NDP III plan implementation. The objective includes development of an NDP III research agenda, improving capacity in the use of performance and value for money audits, and strengthening institutional capacity for research and evaluation of policies, programmes and projects among others. Collectively, these efforts are expected to lead to improvements in planning and plan implementation across all layers of Government.

The NDP III identified one key indicator under this objective – see table below. However, this indicator could not be measured yet as it relies on evaluation of Programmes, which are yet to take place.

Table 13: Status of Objective 6 Performance against Key Indicators

Outcome	Indicators	Baseline	Target 2020/21	Actual 2020/21
Improved public policy debates and decision making	6.1 Proportion of government Programmes evaluated	NA	NA	NA

Key progress and achievements against planned interventions.

i) PIAP-181601: Develop the National Development Planning Research Agenda

NPA agreed with the Ministry of Science Technology and Innovation (MoSTI) to share roles. NPA would develop the National Research Framework while MoSTI would lead on the development of the National Research Agenda. This was not completed in FY2020/21, but going forward, this

responsibility may be assigned to another entity since the MoSTI has been ear marked for closure under the ongoing rationalization of public agencies. The National Research Framework provides guidance to researchers to align their research and development activities towards the national development agenda. On the other hand, the objective of the National Development Planning Research Agenda is to guide and coordinate researchers, policy makers, program implementers, academic institutions, development

partners and other stakeholders on the research priorities critical to inform the implementation and realization of the NDP III. It is also important in defining and engaging the research community in addressing the challenges towards achieving Vision 2040 and the NDP III. NPA completed and produced the National Research Framework for the period 2020/21- 2024/25, during the FY2020/21.

ii) PIAP-181602: Develop an integrated system for tracking implementation of internal and external audit recommendations.

Development of a system (shared platform³⁰) for tracking oversight recommendations is led by the OAG. It is part of the PFM Reform strategy 2018 – 2023 and financed through the Resource Enhancement and Accountability Programme (REAP). The system is expected to improve monitoring and reporting on implementation of audit recommendations across MDAs and local governments and to better inform levels of compliance by these institutions. As at 30th June 2021, 3 out of 4 phases of the project had been completed and the system design was approved. The next steps involve user acceptance and testing; training and sensitization of system users; and associated change management processes.

In addition, TeamMate an audit software used by the OAG, was configured to capture audit recommendations and export them to the shared platform above. 42 audit entities were selected to pilot the project, and all their recommendations for the past 4 years were uploaded onto the shared Platform following rigorous quality assurance procedures.

The next steps involve user acceptance and testing; training and sensitization of system users; and associated change management processes.

iii) PIAP-181603: Expand the Performance/Value for Money Audits, Specialized Audits and Forensic Investigations undertakings.

The OAG planned to undertake 21 VFM Audits in FY2020/21, an increase of 9 from the 12 undertaken in FY2019/20. However due to Covid 19 related disruptions and budget cuts, all the planned VFM Audits remained in progress as at the time of reporting. OAG however, developed a concept note to upgrade the existing database for forensic and special audits to include a feedback and status monitoring and reporting mechanism. Once completed, the database will go a long way to strengthen capacity for conducting specialised audits.

iv) PIAP-181604: Strengthen the follow up mechanism to streamline the roles of the relevant oversight committees to avoid duplication of roles

OPM convened and facilitated forty-one (41) regular Institutional Coordination Frameworks (TICC³¹, ICSC³², PCC³³) meetings that (i) approved a coordination mechanism in preparation of the UN-Global Food Systems Dialogue, (ii) generated actionable recommendations for resolving the foot and mouth disease in the country, (iii) developed a roadmap on the implementation of the Presidential directives on combating the COVID 19 pandemic. The office also conducted Presidential Advisory Committee on Budget (PACOB) meetings that interrogated and aligned the National Budget FY2021-22 to 18 NDP III programmes, SDGs and other planning frameworks in series of consultative meetings, in addition to monitoring the implementation of SDGs and preparing “the Uganda Voluntary National Review Report” that was discussed at the High Level Political Forum. The OPM also prepared 3 reports (SDG Policy and Institutional Analysis Report, the Data Gap Analysis for SDG 16 and the SDG Report).

31 TICC is the Technical Implementation Coordination Committee. It supports the operations of the ICSC and is responsible for coordinating cross sectoral issues

32 ICSC (Implementation Coordination Steering Committee), is chaired by the Head of Public Services with membership from Permanent Secretaries facilitates policy level coordination and harmonization

33 PCC is a Cabinet sub-committee on Policy Coordination, which is chaired by the Prime Minister. It oversees the implementation of government policies and provides strategic policy direction consistent with Cabinet decisions.

30 Shared platform with other institutions including PPDA, Internal Auditor General, Other MDAs and even with members of the public

v) PIAP-181605: Promote the use of big data analysis techniques in Audit and Investigations.

URA and OAG were involved in promoting a data driven culture in their operations. In FY2020/21, 69 staff at URA and 12 staff from the OAG were facilitated to undertake a 1 year training Programme in Big Data Analytics. However, course commencement for OAG participants was delayed due the late processing of the associated payments. The course was pushed back to FY2021/22 (starting September 2021). Similarly, acquisition of requisite Big Data Analysis tools for the OAG (ICT hardware and software) was pushed back to the same year - 2021/22.

Due to the Growth and expansion of the economy leading to generation of large amounts of data, URA, during the year, established a functional Data Analysis unit - the Business Intelligence Competence Centre (BICC). This unit is supported by the Data Governance Committee that is tasked with the implementation of the Data governance and analytics policy at URA.

vi) PIAP-181607: Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;

During the year, a number of DPI MDAs conducted various research studies to improve their planning and programme evaluations. URA completed 8 researches against a target of 7 including taxation studies on insurance sector, multi-national corporations (MNCs) in Uganda, exports and mobile money. Specific studies were also conducted on improving tax exemptions and rental gazetting. In addition, half year field validation surveys and 2 researches on mining and construction sectors were in preliminary stages by the end of the reporting period.

The Office of the President conducted Independent research studies on the impact of development interventions in the Industrial Sector under NDP I and NDP II, with emphasis on Industrial parks, commercialization of Aquaculture in Uganda and performance of Innovation Fund (Presidential Initiative for Banana Industrial Development- PIBID). This was all done with the aim of establishing the impact in the communities focusing on youth employment and marginalized groups.



National Planning Authority House



3. Performance challenges

Several challenges were encountered during the first year of implementation of the DPI programme mainly attributed to the transition from the sector based NDP II to the programme based NDP III. The key ones of these are listed here below;

i) Finalisation of the PIAP

Delays in finalisation of the Programme Implementation Action Plans (PIAPs) created uncertainty and increased risk of delays in implementation of the NDP III. PIAPs are central to programme coordination and implementation. PIAPs were first issued in October 2020 but remained subject to revision through the year. As no PIAPs was formally issued as final, MDAs worked with multiple versions which impacted on programme monitoring and reporting. Moreover, MDAs and Secretariats were not adequately involved in revisions from time to time and this limited the ownership of these key instruments by their critical users.

In addition, the PIAPs, rather than being strategic, enforced in many areas, excessive details (in terms of interventions, outputs and actions) while at the same time disregarded or left out many critical areas. This limited the flexibility needed in working with them especially by MDAs. MDAs always identified areas in their operations and programs which were not captured in the PIAPs. Too much detail also significantly increased the overhead for

monitoring and reporting (a large number of indicators and results). Some of the detail could be kept in the MDAs strategic plans.

ii) Funding for the Programme and its structures

The DPI plays the crucial role of housing the NDP III oversight and coordination functions. Key structures for these functions including the APEX platform at the Office of the President and the Programmes Coordination Office at OPM did not receive funding during FY2020/21. In addition, Programme lead ministries are required to set up Programme secretariats and other institutional measures to support Programme coordination and administration. Most Secretariats are conceived out of planning units as guided by NPA. However, these units are weakly staffed and resourced and in some cases, non-existent. Similarly, no funding was provided for many secretariats in the FY2020/21 and FY2021/22. These key functions of oversight and coordination are therefore unable to be fully developed as planned under the NDP III.

iii) Coordination Overhead;

The demand for coordination significantly increased at the level of MDAs. MDAs that contribute to more than one Programme had to allocate time and resources and sometimes were unable to respond appropriately. This was especially during activities of high demand, such as during budget planning process when PWGs had to undertake annual Programme review and preparation of annual work-plans (BFPs). MDAs experienced capacity challenges in allocation of resources across different Programme requirements. This for example resulted in delayed completion of PIAPs and BFPs for instance.

iv) Impact of new NDP III reforms

The shift from Sectors to Programmes implied that institutions (MDAs) had to reconfigure and to realign under new relations. Formation of new Programme structures and locating of institutions under each Programme took time. In addition to clarifying new relations, there was significant demand for learning on part of everybody (including NPA, OPM and MoFPED) often without sufficient guidelines. New terms such as interventions, sub-Programmes, sub-sub-programmes, were introduced but without sufficient clarity. This slowed down the uptake and adaptation to the new Programmes. This change from Sectors under NDP II to Programmes under NDP III also presented various capacity and technological challenges that affected the budget cycle timelines and response from institutions.

v) Alignment of Plans and Budget

The DPI Programme struggled with proper alignment of budgets. First, the FY2020/21 budget was not structured along Programmes under the NDP III. MDA expenditures could not be clearly linked to Programme objectives. Without systems being ready (IFMIS and PBS were yet to be adopted to the new Programme structures) similar challenges were faced in alignment to the FY2021/22 budget. These issues of alignment, while only transitional, undermined the essence of introducing Programme based planning and budgeting (i.e. strengthening alignment of the NDP III with the budget) and are likely to delay the NDP III implementation in general.

vi) Impact of Covid19 and the election year

The first and last half of FY2020/21 kicked off in the midst of the COVID-19 pandemic and lockdown, resulting in slowdown of economic activity. This greatly impacted many areas of the programme such as revenue mobilization. Besides, Covid19 related emergence financing as well as national elections placed a lot of pressures on the limited budget resources further narrowing space for expenditure of other programme items.

vii) Increasing number of administrative units

The ever changing administrative geography as a result of creating new administrative units, has made it hard for the Programme to have a complete and sealed National Geography File for the NSS and the Country in general.



EITI Engagements-with-the-artisanal miners-in-KasandaBukuya-village



4. Emerging issues from the Programme Semi Annual Review

From the first year of the DPI implementation, the following are the key emerging issues for DPI programme;

i) Delays in Implementation of the NDP III

NDP III has delayed significantly due to the long transition and reforms to Public Financial Management Systems (PBS, IFMS) needed to support its implementation. A second factor in the delay is interruption resulting from Covid19 pandemic restrictions. In addition, emergency Covid19 financing severely distorted the budget and may affect FY2021/22 making it more difficult to implement the NDP III in its current form. There is thus heightened risk that many NDP III targets may not be achieved by FY2024/25 and it may be necessary that these are revisited, as the assumptions on which they were formulated have since changed. Future NDPs need to be prepared and approved at least 2 years in advance to ensure proper and orderly transition.

A key lessons from the above experience is that adequate time should be allowed between successive NDPs to carry through the transition.

Major reforms through the NDP, as the move from sector to programmes, should be studied and implications of operations of Government understood to guide their implementation. Moreover, change management should be factored into implementation of such major reforms in order to increase their early uptake.

ii) Budget distortion

Emergency expenditure resulting particularly from Covid19 had major impact of the FY2020/21. There was a significant jump in arrears as the Government entities were unable to meet many of their commitments. There was similar rise in the supplementary expenditure as well to meet the large number of emergency financing cases. These two aspects derailed the budget in terms of objectives and programme with corresponding impact on the NDP III during its first year of implementation. Accordingly, these distortions further compound the delays to NDP III implementation. Moreover, going forward, effort is needed to clean up the now huge backlog of arrears that has emerged as well find practical and sustainable ways to protect future budgets from supplementary funding pressures as has been the case in the first year.

The emerging issues below were carried over from the semi-annual programme review that took place between the 24th and 25th of March 2021.

iii) Rationalization of Government Agencies

There is need to expedite the rationalisation of Government agencies to improve alignment of roles with the NDP III. Improving

efficiency in expenditure and alignment of Government institutions is crucial for the successful implementation of the NDP III. The large number of Government agencies and the expanding administrative units (Districts, cities, constituencies) have major implications for expenditure efficiency of Government. Moreover, overlapping roles and mandates of government agencies are likely to limit effectiveness of the Government to deliver the NDP III under the new Programme approach. The NDP III has included as one of its key reforms, the intention to restructure Government ministries and departments to align with the new Programme based approach. Under the leadership of the Ministry of Public Service, Government had begun implementation of a roadmap for rationalising agencies, commissions and authorities to cut down on wasteful expenditure, and improve alignment with the NDP III. Implementation is likely to take years.

iv) **Strengthening NDP III Coordination, Oversight and Reporting**

Funding needs to be provided to the coordination and oversight structures of the NDP III. The NDP III includes a results framework and has introduced an APEX Platform oversight structure – to be chaired by HE. The President, and expanded the coordination function under the Office of the Prime Minister. The success of this new approach will depend largely on strengthening performance monitoring systems and the quality of data on which these are based. Success will also depend on availability of right skills and capacity of the new coordination and oversight structures. However, the FY2020/21 budget did not include funding for the operationalization of the APEX Platform and support to the Programme Secretariats and no provision had been made in the FY2021/21 either.



Participants register their attendance at the semi annual review - March 2021

v) Expedite transition to NDP III Programme approach

The transition from NDP II is taking long and likely to affect NDP III implementation. Replacing sectors with 18 priority Programmes has had far-reaching implications for the entire public financial management systems, from planning, through budgeting and reporting. Many MDAs / LGs were yet to make the full transition to the new Programme structures. Programme Working Groups (PWG) experienced difficulties in completing Programme Implementation Action Plans (PIAPs) - under a new format, and aligning them with Programme Budget Framework Papers (PBFs). Therefore, FY2020/21 Budgets were not fully aligned to NDP III Programmes. PFM systems, the IFMS and the PBS, were yet to fully align with the Programme structure under the NDP III. This slow transition is delaying NDP III implementation with likely negative impacts on its objectives

vi) Revenue Enhancement

Expedite the rollout of tax systems to improve revenue collections: Implementation of the Domestic Revenue Mobilisation Strategy is underway as part of efforts to improve revenue mobilisation. A similar strategy for local government revenue was also developed in the FY2020/21. However, the slow pace in rolling out key reforms such as e-tax, e-invoicing/receipting and Digital Tax Stamps, weaknesses in institutional

capacity at URA and within local governments, as well as the weak compliance culture continued to be areas of concern undermining revenue mobilisation efforts. Addressing these needs to be given top priority.

vii) Clarify and Streamline DPI structures

There is urgent need to harmonise structures between the PFM Strategy and the DPI programme to minimise duplication. The PFM Strategy (2019-24) contributes a significant part of the DPI programme PFM component. Accordingly, as implementation of the DPI progress, there will be significant similarity between structures under the DPI and under the PFM strategy resulting in duplication of dialogue, monitoring and reporting. Harmonisation needs to be hastened to resolve this issue of parallel structures.



The Development partners representative delivering his remarks during the programmes semi Annual report



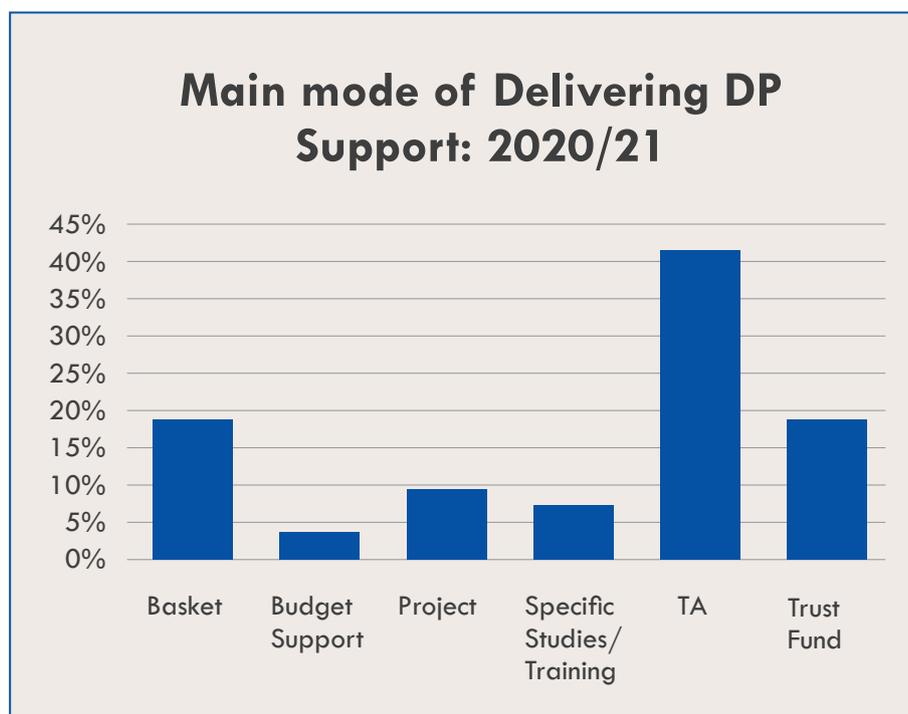
Leaders under the former Accountability Sector displaying their awards



5. Development Partner Support

This section highlights the contributions made by Development Partners (DPs) to the Development Plan Implementation (DPI) programme. The DPI programme was in implementation for the first time in 2020/21. In transition from the NDP II to NDP III, the replacement of sectors with programmes led to some reconfiguration and realignment of mandates. Specifically, the DPI programme assumed PFM component previously under the Accountability Sector. This PFM component constitutes the largest part of the DPI programme. The audit and anti-corruption previously under the Accountability Sector were moved to the Governance and Security programmes.

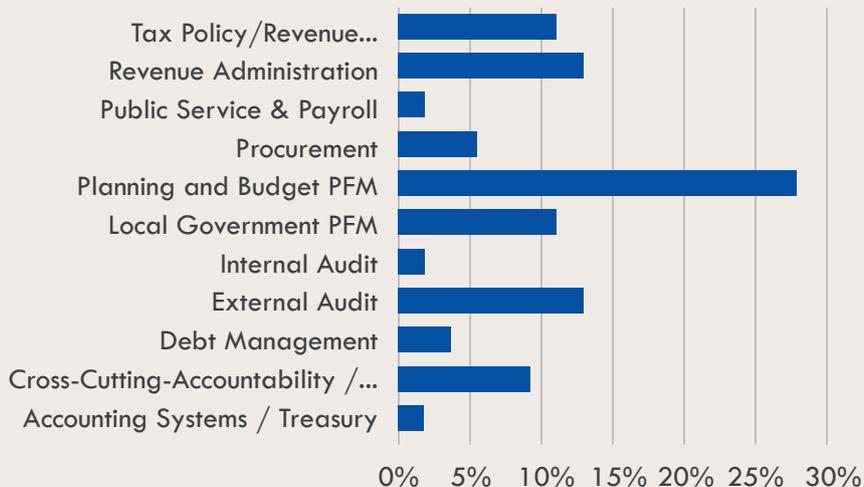
DPI was also selected to cover coordination and oversight over the NDP III and the promotion of use of evidence (statistics and research) in national development processes. To the extent possible, DP contributions highlighted here cover these components of the DPI based on the information that was available. This support could not be accurately quantified however, Annex 2 provides an indicative list of these forms of support provided to the DPI programme over the period.



DP support, just like under the Accountability Sector, was provided through different forms; basket fund, budget support, project support, specifics technical studies, trust fund and technical assistance. The development partners included EU, World Bank, IMF, AfDB,

UN Agencies (UNCDF, UNDP), bilateral donors including Denmark, Sweden, USAID, DFID-UK, KfW, GIZ, Austria, Ireland, Netherlands, Norway, and other bodies including the SAI Norway and SAI Sweden.

Relative DP participation by programme area: 2020/21



The largest forms of support, by number of initiatives, was delivered through technical assistance, basket (through the REAP) and Trust Funds under the WB. The basket was mainly delivered through the REAP partners (EU, Denmark, KfW). By number of initiatives, the areas that attracted DP support mostly were planning and budget (including public investment management) and revenue mobilisation. Other areas of major attention were strengthening external audit capacity,

Revenue Administration, Tax Policy / Revenue Mobilisation, and local government PFM systems.

The Resource Enhancement Accountability Programme (REAP) remains a major player in coordinating support to the Programme with at least 10 of the active 54 initiatives in Annex 1 having been delivered through it. However, many other initiatives, particularly related to Technical Assistance, continued to be delivered outside this framework.



Annexes



Annex 1: DPI PIAP Planned Intervention in FY2020/21

PIAP Ref	Intervention	
181	DPI Sub-Programme 1: Development Planning, Research, Evaluation and Statistics	
1811	DPI Objective 1: Strengthen capacity for development planning	
181101	Strengthen capacity for development planning, particularly at the MDAs and local governments	√
181102	Strengthen the planning and development function at the Parish level to bring delivery of services closer to the people	√
181103	Strengthen human resource planning to inform skills projections and delivery of national human resource capacity to support expansion of the economy;	√
181104	Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time	√
1814	DPI Objective 5: Strengthen coordination, monitoring and reporting frameworks and systems	
181401	Operationalize the High-Level Public Policy Management Executive Forum (Apex Platform)	√
1815	DPI Objective 5: Strengthen the capacity of the statistical system to generate data for national development	
181501	Align and synchronize national survey and census programmes to NDPIII, Africa Agenda 2063, SDGs and other development framework data requirements	√
181502	Acquire and/or develop necessary statistical infrastructure in the NSS including physical, Information and Communication Technology and Human Resources	√
181503	Harness new data sources including big data, data science, block chain technologies and geospatial technologies in statistical production	√
181504	Amend the UBOS Act, 1998 to be inclusive of the NSS to better coordinate the NSS and define the roles of other players within the NSS Framework	√
181505	Review and update the National Standard Indicator Framework in line with the NDP III, Agenda 2063 and SDGs	√
181506	Standardize and operationalize use of standard statistical infrastructure including the rules, regulations and instruments for conducting Censuses and Surveys among data producers	√
181507	Mainstream documentation of methodologies (Metadata) for NSS indicators	√
181508	Build the capacity the civil society and private sector associations in the production and use of statistics	√
181509	Undertake research to improve methodologies for key statistics and indicators	√
181510	Support Statistical professional development and application through collaboration with the academia and relevant international organizations	√
181511	Enhance the compilation, management and use of Administrative data among the MDAs and LGs;	√
1816	DPI Objective 6: Strengthen the Research and Evaluation function to better inform planning and plan implementation	
181601	Develop the National Development Planning Research Agenda	√
181602	Develop an integrated system for tracking implementation of internal and external audit recommendations	√
181603	Expand the Performance/Value for Money Audits, Specialized Audits and Forensic Investigations undertakings	√
181604	Strengthen the follow up mechanism to streamline the roles of the relevant oversight committees to avoid duplication of roles	√
181605	Promote the use of big data analysis techniques in Audit and Investigations	√
181606	Amend the relevant laws and regulations to strengthen institutional evaluation, policy evaluation, plan/program and project evaluation	X
181607	Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;	√
182	DPI Sub-programme 2: Resource Mobilization and Budgeting	
1822	DPI Objective 2: Strengthen budgeting and resource mobilization	
182201	Fast track the implementation of the integrated identification solution linking taxation and service delivery (e-citizen)	√

PIAP Ref	Intervention	
182202	Amend and develop relevant legal frameworks to facilitate resource mobilization and budget execution.	X
182203	Expand financing beyond the traditional sources	✓
182204	Deepening the reduction of informality and streamlining taxation at national and local government levels	✓
182205	Implement electronic tax systems to improve compliance both at National and LG levels.	✓
182206	Establish an appropriate, evidence-based tax expenditure "governance framework" to limit leakages and improve transparency	✓
182207	Build capacity in government agencies to negotiate better terms of borrowing and PPPs	X
182208	Align government borrowing with NDP priorities	X
182209	Impose sanctions for accumulation of domestic arrears	✓
182210	Harmonize the PFMA, PPDA, LGA, and regulations to improve the Public Financial Management systems (PFMs).	✓
182211	Develop a Comprehensive Asset Management Policy	✓
182212	Strengthen the alignment of the Programmes, MDA and LG Plans to the NDP III	✓
182213	Alignment of budgets to development plans at national and sub-national levels	✓
182214	Roll out Automated Procurement systems to all MDAs and LGs (e-GP).	✓
182215	Strengthen Parliament to effectively play its role in the national budget processes for proper implementation of NDPIII priorities	✓
182216	Integrate GoU Public Financial Management (PFM) Systems for integrated PFM systems.	✓
182217	Operationalize the system for tracking off-budget financing.	X
182218	Fast-track the review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process	✓
182219	Conduct a cost-benefit analysis of current tax exemptions and government subsidies	X
1824	DPI Objective 4: Strengthen coordination, monitoring and reporting frameworks and systems	
182407	Strengthen expenditure tracking, inspection and accountability on green growth	✓
183	DPI Sub-programme 3: Oversight, Implementation, Coordination and Monitoring	
1833	DPI Objective 3: Strengthen capacity for implementation to ensure a focus on results	
183301	Review and re-orient the institutional architecture for Community Development (from the parish to the national level) to focus on mind-set change and poverty eradication	✓
183302	Review and reform the Government Annual Performance Report (GAPR) to focus on achievement of key national development results.	✓
183303	Strengthen implementation, monitoring and reporting of local governments	✓
1834	DPI Objective 4: Strengthen coordination, monitoring and reporting frameworks and systems	
183402	Expand the Terms of Reference for the Budget and National Economy Committees to include consideration of the NDP	X
183403	Develop an effective communication strategy for NDPIII	X
183404	Develop integrated M&E framework and system for the NDP	✓
184	DPI Sub-programme 4: Accountability Systems and Service Delivery	
1844	DPI Objective 4: Strengthen coordination, monitoring and reporting frameworks and systems	
184405	Develop and roll out of the National Public Risk Management system in line with international best practices	✓
184406	Enhance staff capacity to conduct high quality and impact-driven performance audits across government	✓

Annex 2: Programs and Projects funded by Development Partners during FY 2020/21

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
TAX POLICY / Revenue Mobilisation							
Denmark / EU / KfW	Part of REAP Outcome 1 - Sustainable Resource Mobilisation Cluster	To enhance resource mobilization for Uganda's sustainable development	i) Capacity building for DRM; ii) Tax policy and legal framework reviewed; iii) Compliance Improvement Plan operationalized through effective data management; risk management policy; and taxpayer education programme; ii) Regulatory framework for revenue management of oil, gas and minerals developed.	MoFPED (TPD) & URA	Basket funding through GoU	Jul 2019 to Jun 2023	richard.ojiong@finance.go.ug
ODI	Technical Support	ODI Fellowship programme - technical support to Tax Policy Department	Provision of TA to support the Tax Policy Department in MoFPED.	MoFPED (TPD)	TA	Oct 2015 - Oct 2021	
ODI, Institute of Fiscal Studies	Tax Dev II	Strengthening Tax Policy Formulation	Technical Assistance to TPD through embedded advisor. Tax-Policy making review study and follow up by senior expert	MoFPED (TPD)	Technical Assistance	2019-2023	Hazel Granger, h.granger@odi.org.uk
USAID	Domestic Revenue Mobilisation for Development (DRM4D)	Technical support aiming to increase revenue mobilisation including support to revenue administration, tax legislation and local government revenue	(i) Training on tax policy and international taxation, including VAT, transfer pricing, double taxation agreements, transfer pricing, tax incentives, and taxing natural resources.(IBFD) (ii) Updating tax laws - VAT, income tax (underway); (iii) Review excise tax policy (iii) Review Double taxation agreements and draft Model DTA.	MoFPED (TPD) / URA	Mainly TA support	2020-2025	Kieran Holmes (COP) - KHolmes@nathaninc.com Felix Kazchura -fkazchura@usaid.gov
World Bank / FCDO (UK)	Trust Fund / Strengthening Capacities and Institutions for DRM	To strengthen capacities in management and financing of domestic revenue mobilization.	(i) Prepare Tax Expenditure Governance Framework; (ii) Development of Tax Compendium;	MoFPED (TPD)	TA support	2019-2021	Moses Misach Kajubi, mikajubi@worldbank.org
IGC	Fiscal Capacity and Tax Revenues	To improve the use of information and human resources in revenue collection	Research on effectiveness of tax incentives	MoFPED (TPD)	Research study		Nicole Ntungire: nicole.ntungire@theigc.org
REVENUE ADMINISTRATION / URA							
WB	Border Post Infrastructure Development	Improve quality of services at border posts	Construction of new border posts at Malaba, Busia, Murukula, Katuna and Mirama	URA	\$29.4m		
IMF	AFRITAC East	Assist with the implementation of DRMS by improving tax structures (reduce tax expenditures, enhance VAT efficiency); strengthening core functions; and implementing compliance improvement plans. Management of natural resource revenue and taxation of petroleum sector as well as customs trade and facilitation are also priorities.	In Financial Year 2020/21: i) Review DRM Strategy; ii) Auditing the telecommunication sector and data matching in the tax and customs departments; (iii) attachment on capacity in risk management practices on imports; (iv) Reg. workshops on (a) compliance improvement planning, monitoring and evaluation; (b) Leveraging Technology to Deliver Effective Taxpayer Service and Improve Taxpayer Service and Taxpayer Compliance.	URA, and TPD / MoFPED	Technical Assistance	to 2025	hjoly@imf.org IKarpowicz@imf.org (IMF Rep, Uganda)

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
WB/FCDO (UK)	Trust Fund / Strengthening Capacities and Institutions for PIM, PPPs and DRM	To strengthen capacities in management and financing of public investments, including through public-private partnership and in domestic revenue mobilization.	(i) TA for preparation of user specifications, system and interface requirements and procurement documents for new eTAX system; (ii) TA for change management assessment and plan; (iii) Build specialist business analysis, ICT, Data and Value Analysis skill sets and expertise; (vii) TA to Prepare for an enterprise-wide contact centre.	MoFPED (TPD)/ URA	1m\$	2019-2021	Moses Misach Kajubi, mkajubi@worldbank.org
USAID	Domestic Revenue Mobilisation for Development (DRM4D)	Technical support aiming to increase revenue mobilisation including support to revenue administration, tax legislation and local government revenue	(i) Promote integrity, modernize human resources function and streamline rewards structure; (ii) Maintain e-tax system, whilst planning for a replacement system, (iii) Enhance taxpayer audit program (including VAT offsets, international payments, complex audits and the extractive sector); (iv) Enhance debt management and enforcement strategies; (v) Improve taxpayer information exchange mechanisms and taxpayer services; (vi) Strengthen public-private & CSO engagements of URA and other revenue collection MDAs; (vii) Support CSO capacity to advocate for higher spending on social sectors (Grants issued to CSBAG, SEATINI, and ACODE)	URA/TPD / CSOs & Private Sector	Mainly TA support	2020-25	Kieran Holmes (COP)- KHolmes@nathaninc.com Felix Kazchura -fkazchura@usaid.gov
IMF	East AFRITAC	Improved customs and tax administration	i) Training on compliance / enforcement in customs; ii) Post customs clearance audits training; iii) Data matching, management and analysis.		TA	2019	clara.mira@imf.org
IGC	Fiscal Capacity and Tax Revenues	To improve the use of information and human resources in revenue collection	Research support including studies on private sector response to tax audits, linking procurement data with etax data, construction sector mapping; and tax morality / attitudes, tax and accountability,	MoFPED (TPD)	Research studies		Nicole Nhungire: nicole.nhungire@theigc.org
African Tax Administration Forum (ATAF)	Technical Support	Technical support on transfer pricing / international taxation	Support to the Transfer Pricing unit on international tax, mainly with capacity building workshops.	URA		2017-18	Tracey Brooks: tbrooks@ataf.ox.org
HMRC (UK - FCDO)	Technical Support	Technical support: Peer-to-peer partnership to support capacity building across the URA in order to strengthen a) tax administration, b) organisational capabilities and c) revenue collection.	Technical Support on (i) Human Resources: develop competency frameworks, training and development activities. Includes honing the job families across the URA, identifying core, leadership and technical competencies and associated levels of proficiency. Aims to identify training needs and potential career paths. During a meeting with the CG in early 2021, further support requested in Career/Talent Management, Succession Planning, and Leadership Development and with aspects of URA's Tax Academy. ii) Automatic Exchange of Information (AEOI): Support to the EOI Unit underway covering technical, policy and legislative support. HMRC will work with the OECD and ATAF where relevant. (iii) Tax Crime Investigations: technical expert discussions underway to support URA requests in this area.	URA	Technical Assistance	Presence since 2018. Latest arrangement from June 2021 to June 2024	Sharon Atubo: Sharon.atubo@hmrc.gov.uk Lesley Ennin: lesley.ennin@hmrc.gov.uk

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
PLANNING AND BUDGET / PIM/MOFED							
KFW / Denmark/ EU	REAP - Outcome 2: Planning and Budgeting Cluster	Enhanced Policy-Based Budgeting & Planning for Allocative Efficiency	<p>i) Strengthen National Planning; ii) Capacity building for planning and budgeting across GoU; iii) PBB reform reviewed & strengthened, including review of PWGs; iv) Multi-year fiscal planning v) Gender Equity Budgeting; vi) Budget Transparency and Accountability (BTA) Strategy; (vii) Implement recommendations in Fiscal Decentralisation Architecture report; i) Tools, guidelines and capacity development for evidence-based planning</p> <p>i) PIM system developed; ii) IT-based Integrated Bank of Projects (IBP); iii) Regulatory and institutional framework for management of PIMs and PPPs; iv) Sector Specific Project preparation and appraisal manuals; (v) Support to improve efficiency and systems of MDAs and regulatory agencies in the energy and water sectors; (vi) Capacity building Programme (building on sector diagnostic studies in works and energy); vii) Modalities for independent appraisal; viii) Asset Management Framework</p>	MoFPED (Budget) / NPA		July 2019 - June 2023	richard.ojlong@finance.govug
KFW / Denmark/ EU	REAP - Outcome 3: Public Investment Management	Strengthened Public investment management (PIM) for increased development returns on public spending	<p>a) PIM institutional and regulatory strengthening (i) Formulation of a PIMS policy and Assessment of the Legal and Institutional framework surrounding PIMS; (ii) Development and roll out of phase II of the Integrated Bank of Projects (IBP) to monitor the full project cycle, including strengthen capacity in preparation and appraisal of projects for selected MDAs & LGs. b) PIMs training - develop sustainable and institutionalized capacity building for PIM through establishment of a Centre of Excellence at Makerere University PPPs: TA to enhance capacity through in-house advisors to the PPP unit.</p>	MoFPED (PAP) / PPP Unit/ MUK	\$2.8m	2019-2022	rsebudd@worldbank.org
WB (FCDO)/UK (Trust Fund)	Strengthening Capacities and Institutions for PIM, PPPs and DRM	To strengthen capacities in management and financing of public investments, including through public-private partnership and in domestic revenue mobilization.					
WB (FCDO)/UK (Trust Fund)	Support to National Planning Capacity Building and Greater Kampala Metropolitan Area Economic Development	To enhance institutional capacities of selected MDAs responsible for urban development and management	<p>(i) Support the capacity development of the national spatial planning through: (a) raising awareness of SD initiative; (b) developing standards for spatial data capture, storage, analysis and output; (c) coordinating spatial data use and consolidated national planning; and (d) capacity building in spatial data analysis and use. (ii) Support to the realization of the Greater Kampala Metropolitan Area Strategy (GKMPA) through (a) undertaking a feasibility study for the GKMPA tourism circuit ;(b) preparation of guidelines for land banking.</p>	NPA	\$1.64m	2020-2022	sajalu@worldbank.org
WB (FCDO)/UK (Trust Fund)	Readying Uganda for actualization of shared infrastructure corridors and physical development plans operationalization	To enhance institutional capacities of selected MDAs responsible for urban development and management	<p>(i) Support the development of the national infrastructure corridors(ICs) through: (a) establishment of criteria for defining shared infrastructure corridors; (b) guidelines for implementation of ICs; and (c) piloting implementation of selected ICs by surveying and providing goods and services, and capacity building in selected areas. (ii) Piloting an orderly and sustainable urban development approach through (a) Updating and or preparing of detailed accurate physical plans of Selected Neighbourhoods from participating Urban Councils, (b) demarcate Road reserves and areas earmarked for public utilities using visible markers; (c) name and physically mark roads, streets and other public utilities with signage, etc.</p>	MLHUD	\$1.27m	2020-2022	sajalu@worldbank.org

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
WB (FCDO/UK Trust Fund)	Enhancing Agriculture Productivity through Appropriate Infrastructure and Services	To enhance capacity for (i) effective and sustainable implementation of the Agriculture Production and Marketing grant (APMG) public investments within agriculture; and (ii) undertaking impact assessments of LG grants in agriculture, health and education	(i) Functional analysis of zonal offices, LGs production and extension offices, pre-requisites for effective support to micro and small-scale irrigation facilities, post-harvest handling and marketing and associated inter-ministerial and agency coordination mechanisms (ii) GIS based Management Information System (MIS) for Productive Investment Services in agriculture and water for production; (iii) prioritization and targeting of future investments through stock take of Productive Investments, development of key guidelines and other activities; (iv) Impact Evaluation of reform areas focusing on service delivery improvement	OPM	\$910k	2019-2021	bmagezindamira@worldbank.org
WB (FCDO/UK Trust Fund)	Enhanced Productivity, Accountability & Knowledge systems for improved PI outcomes in Education and Health	To enhance effectiveness and efficiency in operations of 20 selected local governments in education and health in order to realize the expected returns on public investments	Roll out of biometric system to track teacher and health worker presence on duty, through (i) sensitization and stakeholder engagements activities on biometric systems; (ii) procurement of equipment, development and testing of software and, and deployment of equipment; (iii) rollout of equipment to target districts	OPM	\$630		bmagezindamira@worldbank.org
WB (FCDO/UK Trust Fund)	Firm level data generation	To improve the availability of firm level data to support policy making for industrialization and enhance domestic resource mobilization in Uganda	(i) Support to the production of the Census of business establishments' (ii) Support a Business inquiry including access to finance; (iii) Capacity building for UBOS in survey management, data analysis and reporting	UBOS	\$500k	2020-2022	mkibirige@worldbank.org
WB (FCDO/UK Trust Fund)	Support to Implementing Change Management for E-GP	To ensure awareness and readiness for e-GP across all key stake holders, the pilot procurement entities, the bidding community, and the general public through implementation of the e-GP change management and communication strategy	(i) Implementing Change Management for e-GP (ii) and Building Capacity within PPDA and Stakeholders to foster Transparency and Accountability in Economic Governance	PPDA/ MoFPED	\$842k	2019-2021	gmunamira@worldbank.org
WB (FCDO/UK Trust Fund)	Support to Preparation of Priority Irrigation Investments in Uganda	To support GOU with preparation of high priority irrigation investment project	Preparation and review of Matanda Irrigation scheme; training of GOU staff in project feasibility practices; and environment and safeguards studies for Kabuyanda irrigation project.	MoMWE	\$950k	2019-2020	hnattabi@worldbank.org
IMF	AFRITAC East	Improve efficiency of public spending, in particular capital and COVID-19 spending. Strengthen the budget process and institutions to ensure budget targets are realistic and aligned with policy priorities, and arrears and supplementary budgets are avoided. Improve cash and debt management. Complete arrangements to prepare for oil production, including by designing and implementing a fiscal framework for oil revenue management and a fiscal rule.	In 2021 - Budgeting: vi) Integrating budget costing into budget preparation systems; vii) Strengthen the recording of multi-year project commitments; (viii) visit Rwanda to learn from IT systems to support monitoring and evaluation of PBB; ix) implementing accrual-based IPSAS; (x) Reg. workshops on budget baseline costing, strengthening commitments controls, including multi-year commitments, and prevention and management of arrears PIM: (xi) Regional PIM peer-learning workshop; (xii) Attachment on valuing assets and liabilities for IPSAS; Macro: (xiii) Improve macro-fiscal forecasting frameworks;	URA, and MoFPED	Technical Assistance	to 2025	hjoly@imf.org IKarpowicz@imf.org (IMF Rep, Uganda)

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
EU	Design of a web-based M&E System for NDP	To strengthen results and performance monitoring under the NDP	(i) TA to assist NPA in designing a system to monitor performance indicators under the NDP; (ii) Related to the above, under the same system, to establish a populated system for monitoring performance of indicators under the PFM Reform Program.	NPA / MoFPED (REAP)	TA	2019-2020	tarik.KUBACH@eeas.europa.eu
US Treasury Office	TA support	Advisers to PBB, and health sector budget process	Provision of 2 TA advisers on PBB in CG and LG, including strengthen health sector budget and financial sustainability, improve coordination of external funding, strengthen internal controls for the health sector.	MoFPED (Budget)	TA	2019-23	Sabrina.joyhogg@attraits.us
EU	TA to NDP III	To strengthen governance arrangements for the implementation of the Programme approach under NDP III	TA to review governance arrangements and recommend improvements to strengthen coordination and oversight at APEX and Programme Working Group Levels	NPA/OPM	TA	2021-2022	tarik.KUBACH@eeas.europa.eu
DEBT MANAGEMENT / MoFPED - DEBT AND CASH DIRECTORATE							
WB (DFID Trust Fund)	Strengthening Capacities and Institutions for PIM, PPPs and DRM	Sustainable debt and Development financing	TA to (i) develop the PIM financing strategy ; (ii) Framework for expression of interest for unsolicited proposals from funders; and (iii) Capacity building programme for loan negotiation	MoFPED / Debt Management	\$210k	2020 - 2021	rsebudde@worldbank.org
KfW / Denmark/ EU	REAP - Outcome 1: Sustainable Revenue Management	Sustainable debt and Development financing	i) Develop a public financing strategy; ii) Alternative financing instruments introduced; iii) Monitoring framework for debt management strengthened; iv) Capacity building programme for Debt Management v) Development Cooperation Policy	MoFPED / Debt Management		July 2019 - June 2023	richard.ojilong@finance.go.ug
ACCOUNTING SYSTEMS / TREASURY							
KfW / Denmark/ EU	REAP - Outcome 4 Accountability and Compliance cluster	Strengthened effectiveness of accountability systems and compliance in budget execution	i) Capacity building for Accounts and Audit Cadres in MDALGs; ii) Rollout of IFMS to remaining MDALGs; integration of core PFM accountability systems; guidelines on reporting and aging of arrears; iii) IFMS application functionality, system security and processing enhancement; iv) Cash management operations strengthened. Working with MTN and Airtel to improve connectivity in West Nile, Lango, Acholi and parts of Kiryadongo through support to install required infrastructure.	MoFPED - Treasury		July 2019 - June 2023	richard.ojilong@finance.go.ug
UNCDF (Sweden)		Improve connectivity in selected regions					
PUBLIC SERVICE & PAYROLL / MOPS							
KfW / Denmark/ EU	REAP - Outcome 4 & 6: Compliance; Accountability; Oversight Governance	Effectiveness and accuracy of the payroll and pension management systems increased	i) New Human Capital Management system rolled out to all MDALGs; i) Comprehensive review of standing orders and disciplinary processes; ii) Guidelines for implementing the disciplinary procedures; iii) Change management support on revised PSSO	MoPS/ NITAU		July 2019 - June 2023	richard.ojilong@finance.go.ug
PROCUREMENT / PPDA							

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
KfW / Denmark/ EU	REAP- Outcome 3 PIM and Outcome 4: Compliance and Accountability; and Outcome 5: PFM in LGs	Strengthen accountability systems and compliance systems	i) Integrated E-procurement system rolled out to MDALGs (starting with six selected sectors). Under PIM: ii) Capacity building for large/ complex public procurement management; ii) Alignment of the legal and regulatory framework to procurement policy; iii) Monitoring for large and complex procurements in selected sectors/ MDAs; iv) Procurement Integrity Survey in LGs; v) Regulatory framework for LG procurement reviewed	PPDA/ MoFPED		July 2019 - June 2023	richard.ojilong@finance.go.ug
World Bank	Regional Infrastructure Communications Programme	(i) lower prices for international capacity and extend the geographic reach of broadband networks (ii) improve GoUs efficiency and transparency through e-Government applications (includes e-Procurement)	(i) Strengthen IT legal, policy, regulatory and technical support framework; (ii) Extension of National Backbone Infrastructure broad links to underserved regions & network links to MDAs; (iii) Support eGovernment IT systems, including shared central IT services, and design and piloting e-Procurement system	NITAU, MoFPED. PPDA	\$7.5m IT Infrastructure / software	2016-2022	
AFDB	MAPS Study	Review of the public procurement system using the OECD MAPS methodology	Technical support to undertake MAPS review of public procurement system	MoFPED/ PPDA	TA	2019	
INTERNAL AUDIT - MOFED							
KfW / Denmark/ EU	REAP - Outcome 6: Oversight and PFM Governance	Enhanced Assurance (governance, risk and control) by the internal audit function for Compliance of PFM systems	i) Computer Assistance Audit Tools available for internal auditors in MDALGs; ii) Capacity building programme for internal audit function in LGs and MDAs; and, iii) Risk Management and quality assurance frameworks established	MoFPED - IAG		July 2019 - June 2023	richard.ojilong@finance.go.ug
EXTERNAL AUDIT - Office of the Auditor General							
KfW / Denmark/ EU	REAP - Outcome 6: Oversight and PFM Governance	Enhanced impact of financial and VFM audit reporting and oversight	i) OAG MIS rolled out; ii) Integrated tracking system for audit recommendations for stakeholders; iii) Mechanisms for dialogue and political engagement on PFM oversight and accountability; iv) Policy on effective audit planning developed; v) Capacity building programme of PFM oversight peer support in communication, Quality Assurance reviews in VFM Audits and development of capacity in Quality assurance department	OAG / Parliament / IAG / MoLG		July 2019 - June 2023	richard.ojilong@finance.go.ug
SAI Sweden	Audit Office Sweden Peer support	To perform audits in accordance with international auditing standards (ISSAI) and improve quality & impact of audits		OAG	TA/ Training	?	
SAI Norway	Audit Office Norway	To strengthen OAG to carry out audits in the petroleum sector and environmental audits	Technical / training support for oil industry audits: financial audit, environmental/VFM audit, risk assessment/audit planning & liaison/networking including parliamentary	OAG	TA/ Training	2015-18?	
Germany (GIZ)	Strengthening Governance & Civil Society Programme	The Strengthening Accountability Component aims to: To strengthen the conditions for a reduced misappropriation of public finances with cooperation between OAG, PPDA and IG	(i) Strengthening collaboration between the OAG, IG and PPDA; (ii) Introduce a more effective referral mechanism between the OAG, IG and PPDA ; (iii) More effective stakeholder engagement from OAG, IG and PPDA leading to more audits/ investigations initiated based on feedback from stakeholders.	OAG / IG / PPDA		2017 - 2021	TA embedded at OAG - einarfogh@giz.de
EU	Shared Platform for Tracking Audit Recommendations	Strengthen follow up of audit recommendations	TA to assist with design of a shared IT system to track implementation of audit recommendations	OAG/ Parliament/ IAG / PPDA	TA	2020-21	Tarik.KUBACH@eeas.europa.eu
AFROSAI-E (GIZ)	Regional support to OAGs	Regional training programme - roll out of communication toolkit (SAI-PAC)		OAG			

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
Audit Office USA	Fellowship programme	Training attachments	1 staff receive training through 3 month attachments - 10 trained to date	OAG	Attachments	?	
LOCAL GOVERNMENT PFM SUPPORT							
KfW / Denmark / EU	REAP - Outcome 6: PFM in Local Government for Service Delivery	Improved transparency and accountability of Local Government PFM systems	i) LG revenue strategy and policy developed; ii) Guidelines for revenue; iii) IRAS revenue admin system rolled out and collection capacity enhanced; iv) Retooling LG revenue management units; v) Harmonized budgeting cycles for LGs; vi) Retooling planning units; vii) Oversight and accountability functions under LGs strengthened; viii) Guidelines for LGPACs and regional Audit committees; ix) Retool LGPACs and internal audit units; x) Capacity building for PFM systems; xi) Simplified computerised financial reporting tool rolled out to LGs and service delivery units; xii) Public Expenditure Reviews in service delivery sectors; xiii) Tracking system to monitor service delivery standards;	MoLG / LGFC / LGs		Jul 2019 to Jun 2023	richard.ojlong@finance.go.ug
WB	Inter-Government Fiscal Transfers Program (UgIFT)	Program for Results - To improve the adequacy and equity of fiscal transfers and fiscal management of resources by Local Governments for health and education services.	Support increased funding for health, education water and micro scale irrigation services delivery at the LG level. Funding to Government released on achievement of Disbursement Linked indicators and to LGs based on improved allocation formula for equity and adequacy of funding to LGs, annual Performance Assessments of LGs followed by targeted support for poor performers, improved PFM guidance and procedures in the 4 sectors	MoFPED, MoH, MoES, MAAIF MoLG, the LGFC and the LGs	\$500m	2017-2024	Zubhair Bharti
WB (FCDO/UK Trust Fund)	Trust Fund / Strengthening Capacities and Institutions for PIM, PPPs and DRM	To strengthen capacities in management and financing of domestic revenue mobilization.	(i) Develop an implementation plan and monitoring framework for the LG Own Source Revenue Strategy (LG OSR) (ii) Review and update LG revenue legislation based on recommendations in the LG OSR Strategy and advise on governance framework for LG tax policy.	LGFC/ MoLG	TA	2019-2021	Moses Misach Kajubi, mkajubi@worldbank.org
EU	Fiscal Decentralisation and Service Delivery	To improve equitable service delivery at sub-national level, contributing to social development and social cohesion.	Budget support provision (€32m) to support increased funding for LGs for service delivery with funding linked to progress on fiscal decentralisation and PFM reform, and budget transparency. Also a performance component linked to indicators on LG staffing, use of service delivery targets, gender equity budgeting, LG performance assessments and expenditure tracking. The program will also provide TA to fiscal decentralisation reforms, research studies, and support for employment and social development governance at LG level.	MoFPED / LGs	TA / Budget Support €41.3 (includes 6m for REAP)	2019-2024	Tarik.KUBACH@eeas.europa.eu
USAID	Domestic Revenue Mobilisation for Development (DRM4D)	Technical support aiming to increase revenue mobilisation including support to revenue administration, tax legislation and local government revenue	(i) Assist 10 cities (Arua, Gulu, Lira, Soroti, Mbale, Jinja, Masaka, Mbarara, Fort Portal, and Hoima) to strengthen revenue from property (including valuation process), business licenses, market fees, other non-tax revenue and property development; (ii) training staff on billing, revenue collection & taxpayer education, and designing a M&E framework (iii) Analysis of regulations for Business Licence and Markets Fees; (iv) Review of IRAS and eLogREV LG revenue admin systems	MoLG / 10 Cities	Mainly TA support	2020-2025	Kieran Holmes (COP)- KHolmes@nathaninc.comPatrick Kandole patrick.kandole@cardno.com (TA -LG component) Felix Kazahura -fkazahura@usaid.gov

Dev Partner	Name of Programme	Objective	Main activities	Beneficiary Institutions	Funding/ Type	Timeframe	Contact
EU / UNCDF (+ SDG funding)	Support to Northern Uganda (DINU)	Targeted PFM support to Districts in Northern Uganda, including West Nile and Karamoja regions	Aims at improved efficiency in allocation, use and availability of public resources; elimination of corruption, better accountability and strengthened PFM systems, localization and tracking of the SDGs as well as promotion of customary land tenure systems. The program supports revenue collection, administration and automation in 18 LGs	Selected LGs	10m euro	2018-?	joel.mundua@uncdf.org
CROSS-CUTTING - ACCOUNTABILITY / GOVERNANCE / ANTI-CORRUPTION							
Austria, Denmark, EU, Ireland, Netherlands, Norway, Sweden	Democratic Governance Facility (DGF)	To support state and non-state partners to strengthen democratisation, protect human rights, improve access to justice and enhance accountability in Uganda.	CSOs Grants - Assistance includes support for CSO Budget Advocacy Group (CSBAG) to strengthen PFM systems by membership on the Budget Monitoring and Accountability Unit Task Force; Voluntary Accountability Committees at LG level under Transparency International, Action Aid working on issues of revenue mobilization in a few districts, SEATINI on tax justice/ tax policy, AFIC working with PPDA on the procurement portal and training of District LGs on access to information	CSOs - CSBAG, TI, UDN, AFIC, SEATINI		2018-2022	
EU	Justice and Accountability Reform Programme (JAR) - Sector Budget Support	To strengthen governance through the Accountability and JLOS sector investment and reform programmes	Sector Budget support for the Accountability and JLOS Sectors. The funding is earmarked through the GoU Budget system to the result areas:	Budget support	60m euro	2018-2022	Enora.MARENNE@eeas.europa.eu
EU	TA (linked to JAR budget support)	To improve the governance of public funds, including the mobilisation, strategic allocation and efficient use of public resources, for improved service delivery.	(i) Support GoU with requirements for EITI ; ii) Support to Accountability sector coordination, monitoring & reporting; iii) Short-term TA to support the sector objectives and budget support indicators	TA	5m euro	2019-2021	Tarik.KUBACH@eeas.europa.eu
EU	Design of PFM Reform Capacity Building Strategy Programme	TA to assist in drafting a capacity building strategy for the PFM Reform Programme	TA have submitted a final report with a Capacity Building Strategy and costed implementation plan	PFM MDAs	TA	2020	Tarik.KUBACH@eeas.europa.eu
EU	Design of NDP/III Performance Monitoring System	TA to assist in design of a performance monitoring system for NDP/III	Design process near completion - demo system provided and populated with data	TA	TA	2020/2021	Tarik.KUBACH@eeas.europa.eu

Annex 3: DPI Institutions

Lead MDA	Objective	Intervention
MoFPED	Strengthen budgeting and resource mobilization	Align government borrowing with NDP priorities
		Alignment of budgets to development plans at national and sub-national levels
		Amend and develop relevant legal frameworks to facilitate resource mobilization and budget execution.
		Build capacity in government agencies to negotiate better terms of borrowing and PPPs
		Conduct a cost-benefit analysis of current tax exemptions and government subsidies
		Develop a Comprehensive Asset Management Policy
		Establish an appropriate, evidence-based tax expenditure “governance framework” to limit leakages and improve transparency
		Expand financing beyond the traditional sources
		Fast-track the review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process
		Harmonize the PFMA, PPDA, LGA, and regulations to improve the Public Financial Management systems (PFMs).
		Impose sanctions for accumulation of domestic arrears
		Integrate GoU Public Financial Management (PFM) Systems for integrated PFM systems.
		Operationalize the system for tracking off-budget financing.
	Roll out Automated Procurement systems to all MDAs and LGs (e-GP).	
	Strengthen Parliament to effectively play its role in the national budget processes for proper implementation of NDPIII priorities	
	Strengthen capacity for development planning	Strengthen capacity for development planning, particularly at the MDAs and local governments
		Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time
	Strengthen coordination, monitoring and reporting frameworks and systems	Develop and roll out of the National Public Risk Management system in line with international best practices
		Enhance staff capacity to conduct high quality and impact-driven performance audits across government
	Strengthen the capacity of the statistical system to generate data for national development	Enhance the compilation, management and use of Administrative data among the MDAs and LGs;
		Strengthen the Research and Evaluation function to better inform planning and plan implementation
	Develop the National Development Planning Research Agenda	
	NPA	Strengthen budgeting and resource mobilization
Strengthen the alignment of the Programmes, MDA and LG Plans to the NDP III		
Strengthen capacity for development planning		Strengthen capacity for development planning, particularly at the MDAs and local governments
		Strengthen human resource planning to inform skills projections and delivery of national human resource capacity to support expansion of the economy;
		Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time
Strengthen capacity for implementation to ensure a focus on results		Strengthen implementation, monitoring and reporting of local governments
Strengthen coordination, monitoring and reporting frameworks and systems		Develop an effective communication strategy for NDPIII
		Develop integrated M&E framework and system for the NDP
		Strengthen expenditure tracking, inspection and accountability on green growth
Strengthen the Research and Evaluation function to better inform planning and plan implementation		Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;
	Develop the National Development Planning Research Agenda	

Lead MDA	Objective	Intervention
OPM	Strengthen capacity for development planning	Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time
	Strengthen capacity for implementation to ensure a focus on results	Review and reform the Government Annual Performance Report (GAPR) to focus on achievement of key national development results.
		Strengthen implementation, monitoring and reporting of local governments
	Strengthen coordination, monitoring and reporting frameworks and systems	Develop integrated M&E framework and system for the NDP
Strengthen the Research and Evaluation function to better inform planning and plan implementation	Amend the relevant laws and regulations to strengthen institutional evaluation, policy evaluation, plan/program and project evaluation	
	Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;	
	Strengthen the follow up mechanism to streamline the roles of the relevant oversight committees to avoid duplication of roles	
OP	Strengthen coordination, monitoring and reporting frameworks and systems	Develop integrated M&E framework and system for the NDP
		Operationalize the High-Level Public Policy Management Executive Forum (Apex Platform)
Strengthen the Research and Evaluation function to better inform planning and plan implementation	Strengthen the follow up mechanism to streamline the roles of the relevant oversight committees to avoid duplication of roles	
	URA	Strengthen budgeting and resource mobilization
Strengthen the Research and Evaluation function to better inform planning and plan implementation	Deepening the reduction of informality and streamlining taxation at national and local government levels	
	Fast track the implementation of the integrated identification solution linking taxation and service delivery (e-citizen)	
Strengthen the Research and Evaluation function to better inform planning and plan implementation	Implement electronic tax systems to improve compliance both at National and LG levels.	
	Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;	
		Promote the use of big data analysis techniques in Audit and Investigations
UBOS	Strengthen the capacity of the statistical system to generate data for national development	Acquire and/or develop necessary statistical infrastructure in the NSS including physical, Information and Communication Technology and Human Resources
		Align and synchronize national survey and census programmes to NDP III, Africa Agenda 2063, SDGs and other development framework data requirements
		Amend the UBOS Act, 1998 to be inclusive of the NSS to better coordinate the NSS and define the roles of other players within the NSS Framework
		Build the capacity the civil society and private sector associations in the production and use of statistics
		Enhance the compilation, management and use of Administrative data among the MDAs and LGs;
		Harness new data sources including big data, data science, block chain technologies and geospatial technologies in statistical production
		Mainstream documentation of methodologies (Metadata) for NSS indicators
		Review and update the National Standard Indicator Framework in line with the NDP III, Agenda 2063 and SDGs
		Standardize and operationalize use of standard statistical infrastructure including the rules, regulations and instruments for conducting Censuses and Surveys among data producers
		Support Statistical professional development and application through collaboration with the academia and relevant international organizations
Undertake research to improve methodologies for key statistics and indicators		
OAG	Strengthen budgeting and resource mobilization	Strengthen Parliament to effectively play its role in the national budget processes for proper implementation of NDP III priorities
	Strengthen coordination, monitoring and reporting frameworks and systems	Enhance staff capacity to conduct high quality and impact-driven performance audits across government
	Strengthen the Research and Evaluation function to better inform planning and plan implementation	Develop an integrated system for tracking implementation of internal and external audit recommendations
		Expand the Performance/Value for Money Audits, Specialized Audits and Forensic Investigations undertakings
		Promote the use of big data analysis techniques in Audit and Investigations
EOC	Strengthen budgeting and resource mobilization	Alignment of budgets to development plans at national and sub-national levels

Lead MDA	Objective	Intervention
	Strengthen capacity for development planning	Strengthen capacity for development planning, particularly at the MDAs and local governments
	Strengthen the Research and Evaluation function to better inform planning and plan implementation	Expand the Performance/Value for Money Audits, Specialized Audits and Forensic Investigations undertakings
KCCA	Strengthen budgeting and resource mobilization	Amend and develop relevant legal frameworks to facilitate resource mobilization and budget execution.
		Deepening the reduction of informality and streamlining taxation at national and local government levels
		Expand financing beyond the traditional sources
LGFC	Strengthen budgeting and resource mobilization	Deepening the reduction of informality and streamlining taxation at national and local government levels
		Strengthen the alignment of the Programmes, MDA and LG Plans to the NDP III
LGs	Strengthen capacity for development planning	Strengthen the planning and development function at the Parish level to bring delivery of services closer to the people
MoFA	Strengthen budgeting and resource mobilization	Expand financing beyond the traditional sources
CMA	Strengthen budgeting and resource mobilization	Expand financing beyond the traditional sources
MoGLSD	Strengthen capacity for implementation to ensure a focus on results	Review and re-orient the institutional architecture for Community Development (from the parish to the national level) to focus on mind-set change and poverty eradication
MoLG	Strengthen the Research and Evaluation function to better inform planning and plan implementation	Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;
MoLHUD	Strengthen capacity for development planning	Strengthen capacity for development planning, particularly at the MDAs and local governments
MoPS	Strengthen capacity for implementation to ensure a focus on results	Review and re-orient the institutional architecture for Community Development (from the parish to the national level) to focus on mind-set change and poverty eradication
	Strengthen the Research and Evaluation function to better inform planning and plan implementation	Build research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation;
NIRA	Strengthen budgeting and resource mobilization	Fast track the implementation of the integrated identification solution linking taxation and service delivery (e-citizen)
	Strengthen the capacity of the statistical system to generate data for national development	Enhance the compilation, management and use of Administrative data among the MDAs and LGs;
Parliament	Strengthen budgeting and resource mobilization	Align government borrowing with NDP priorities
		Alignment of budgets to development plans at national and sub-national levels
		Strengthen Parliament to effectively play its role in the national budget processes for proper implementation of NDP III priorities
	Strengthen coordination, monitoring and reporting frameworks and systems	Expand the Terms of Reference for the Budget and National Economy Committees to include consideration of the NDP
PPDA	Strengthen budgeting and resource mobilization	Fast-track the review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process
	Strengthen capacity for development planning	Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time

Annex 4: META-DATA FOR DPI INDICATORS LISTED IN THE NDP III

The table below lists all indicator of the Development Plan Implementation (DPI) programme in the NDP III. The meta-data was generated through consultations with implementing agencies. It is an attempt to standardize and provide common interpretation for the DPI indicators, as well put in place a common repository for DPI indicators meta-data. This meta-data can still be improved to suit the specific needs of the DPI monitoring and reporting.

Intermediate Outcome	Indicators	Definition	Unit of measure	Compilation practices	Source of Information / Data	Method of Computations	Accessibility/ availability of data	Periodicity of production	Lead MDA / Dept
NDP III Key DPI programme Indicators									
NDP III DPI Outcome Indicators	Achievement of the NDP III targets;	Number of targets for indicators listed in the NDP III monitoring framework met in a given year	Percentage	Generated through computations	GAPR Annual Programme performance reports	Number of NDP III indicator for which targets set in the NDP III are met divided by total number of indicators having targets in a given year	GAPR report	Annual	DPI Secretariat
	GDP ¹ growth	Measure of improvement in the level of economic activity over a selected period	Percentage	Follows the System of National accounts (SNA 2008) for both production and expenditure series.	MDA's, surveys and censuses	Production approach is the summation of value added of all economic activities while expenditure approach is the sums Final Consumption Expenditure, Gross Capital Formation and Net exports	www.ubos.org	Quarterly & Annual	MoFPED
	Revenue to GDP ratio;	Gross Revenues (Domestic Revenues + NTR excl. LG revenues) collected over a period as a Percentage of GDP	Percentage	Derived indicator from DR & NTR	UBOS Statistical Abstract Background to the Budget	Total Revenue (DR + NTR) *100 / GDP for selected period GDP=C+I+G+(X-M) where; C=Private Consumption, I=Investment, G=Government Expenditure, (X-M) =Net Exports	URA website & MoFPED website	Quarterly & Annual	URA
	Domestic Arrears as a percentage of total expenditure for FY N-1	The ratio of Domestic Arrears expenditures to total national budget (incl. recurrent and devt.) expenditure for FY N-1	Percentage	PBS	IFMS	Total Revenue = Gross revenue- Govt. taxes – Tax refunds- Non tax revenue Total expenditure on Domestic Arrears X100/ Total National Budget Expenditure		annual	MoFPED
Alignment of the Annual Budgets to the NDP III national and programme levels;	This measures the extent to which the annual budget is aligned to the NDP at the National Strategic Direction level	%	Using a detailed assessment framework covering the goal, objectives, KRA and core projects	Annual Certificate of compliance assessment report	Derived from assessment undertaken by NPA at Macro, Strategic, sector, Vote and LG			Annual	NPA
Proportion of supplementary budget expenditure (net of loan servicing)	Total Supplementary to Approved Budget less loan servicing	Percentage	PBS	IFMs	Total Supplementary expenditure X100/ Approved Budget less loan servicing			Quarterly	MoFPED

Intermediate Outcome	Indicators	Definition	Unit of measure	Compilation practices	Source of Information / Data	Method of Computations	Accessibility/ availability of data	Periodicity of production	Lead MDA / Dept
Sub-Programme 1: Development Planning, Research and Statistics									
Objective 1: Strengthen capacity for development planning									
Effective and efficient allocation and utilization of public resources	1.1 Percentage of budget released against originally approved budget.	Proportion of the budget released for spending	Percentage	PBS/IFMs generated	IFMS	Total release Budget in a FY N X100/ Approved		Quarterly	MoFPED
Effective and efficient allocation and utilization of public resources	1.2 Percentage of funds absorbed against funds released.	proportion of budget release that is spent in a given Fyear	Percentage	IFMs generated	IFMS	Budget Expenditure X 100 / Funds released		Quarterly	MoFPED
Effective and efficient allocation and utilization of public resources	1.3 Budget alignment to NDP (%)	This measures the extent to which the annual budget is aligned to the NDP	Percentage	derived from an assessment process at Programme resource allocation, and projects are assessed using a detailed assessment framework	Programme/vote budgets, MPS, BFPs, Annual Certificate of compliance assessment report	Derived from assessment undertaken by NPA at Macro, Strategic, sector, Vote and LG		Annual	NPA
Effective Public Investment Management	1.4 Gross Capital formation (% of GDP)	Gross capital formation is measured by the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables for a unit or sector	Percentage growth	Follows SNA 2008	Trade statistics, GFS and turnover	Sum of all construction (Roads, bridges and buildings), transport and equipment, R&D and oil exploration capital investments.	www.ubos.org	Annual	UBOS
Effective Public Investment Management	1.5 Contribution of Public investment to GDP	Share of GFCF to GDP GFCF = Gross Fixed Capital Formation	Share contribution	Follows SNA 2008	Trade statistics, GFS and turnover	Ratio of GFCF to total GDP	www.ubos.org	Annual	UBOS
Effective Public Investment Management	1.6 Share of PIP Projects implemented on time (%)	It is an efficiency indicator used to measure time overruns in projects	Percentage	DC Report/PIM indicator database	IBP	Number of Projects that have not exceeded their original implementation timeline X 100 total Number of projects		Annually	MoFPED
Effective Public Investment Management	1.7 Share of PIP Projects implemented within the approved project cost	It is an efficiency indicator used to measure cost overruns in projects in a given year	Percentage	DC Report/PIM indicator database	IBP / IBP II	Number of Projects that have not exceeded their original budgets X100 Total number of Projects in the PIP that year		Annually	MoFPED
Objective 5: Strengthen the capacity of the national statistics system to generate data for National Development									
Enhanced use of data for evidence-based policy and decision making	5.1 Proportion of NDPiII indicators with updated baseline data	Percentage of NDPiII indicators with updated baseline. (reference baseline year is 17/18)	Percentage		GAPR	Number of NDPiII indicators with baselines using FY2017/18 expressed as a percentage of all the NDPiII indicators		Annually	NPA

Intermediate Outcome	Indicators	Definition	Unit of measure	Compilation practices	Source of Information / Data	Method of Computations	Accessibility/ availability of data	Periodicity of production	Lead MDA / Dept
Enhanced use of data for evidence-based policy and decision making	5.2 Proportion of key indicators up-to-date with periodic data	Percentage of key (national level) NDP/III indicators with current periodic data	Percentage		GAPR	Number of key NDP/III indicators with data filled for a given period expressed as a percentage of the total number of indicators		Annual	NPA
	5.3 Proportion of indicators in the NDP results framework informed by Official Statistics	% of indicators in the NDP results framework informed by Official Statistics			UBOS	Number of NDP indicators in the results framework informed by Official Statistics as a percentage of total NDP indicators for a given year		Annual	NPA
Objective 6: Strengthen the research and evaluation function to better inform planning and plan implementation									
Improved public policy debates and decision making	6.1 Proportion of government programmes evaluated	This measures the NDP III programmes lined up for evaluated			NPA	Number of government programmes evaluated as a percentage of the planned programmes		Annual	OPM
	Sub-programme 2: Resource Mobilization and Budgeting								
Objective 2: Strengthen budgeting and resource mobilization									
Fiscal credibility and Sustainability	2.1 Revenue to GDP ratio	Is the ratio of the total (tax & Non-tax) revenue at National level to the GDP	Percentage	Derived indicator from National tax & Non Tax revenue & GDP	TPD & UBOS	Total National revenue/GDP Total National revenue = sum of tax revenue and non-tax revenues		Annually	MoFPED
	2.2 Domestic tax revenue to GDP (%)	Is the ratio of Total National (URA) domestic tax revenue to GDP	Percentage	Derived indicator from National Domestic tax revenue & GDP	TPD & UBOS	Total National (URA) Domestic tax revenue X100/ GDP Domestic Revenues = sum of domestic taxes (corporate income tax, personal income tax, VAT, and PAYE) excl. import taxes (customs) and NTR		Annual	MoFPED
	2.3 Tax revenue to GDP ratio	Net URA tax Collections as a Percentage of GDP	Percentage	Derived indicator from National tax revenue & GDP	URA Revenue reports UBOS Statistical Abstract Background to the Budget	URA Net Tax Revenue *100/GDP Net Tax Revenue = Domestic Tax revenue + Customs (import taxes) – tax refunds Total Revenue = Gross revenue- Govt. taxes – Tax refunds- Non tax revenue		Annual	URA
	2.4 Non Tax Revenue to GDP ratio	Total Non-Tax Revenue to GDP over a selected period	Percentage	Derived indicator from Non-tax revenue & GDP	URA, TPD,	Total NTR/GDP		Annually	MoFPED

Intermediate Outcome	Indicators	Definition	Unit of measure	Compilation practices	Source of Information / Data	Method of Computations	Accessibility/ availability of data	Periodicity of production	Lead MDA / Dept
	2.5 External resource envelope as a percentage of the National Budget.	On budget External Assistance to Total Approved budget	Percentage	Derived Indicator from External assistance and annual approved budget	Approved budget DMFAS	On budget External Assistance/ Total Approved budget *100 External assistance = loans + grants on budget		Annually	MoFPED
	2.6 Present Value of Public Debt stock /GDP	Sum of domestic and external debt owed to lenders (domestic and external) by the national govt computed as a % of GDP.	Percentage	Derived from debt stock and GDP data extracted from UBOS website	Acc. Gen, DPI, TSD	Sum of discounted values of future debt cash flows X 100% (A discount rate of 5% is used) from the DSA template	MoFPED website	Annually	MoFPED
	2.7 Nominal Debt to GDP ratio	Ratio of the Country's debt expressed as percentage of GDP	Percentage	Loan by loan data recorded in the DFMAS System to generate Debt service and Disbursements reports used by GoJ at any point in time.	Acc. Gen, DPI, TSD	Total Debt Stock X 100% GDP at Current Prices (Nominal GDP)	MoFPED website	Annually	MoFPED
Improved Budget Credibility	2.8 Proportion of direct budget transfers to local government	Direct Budget transfers to LGs to Total National Budget	Percentage	PBS report	OTIMS, PBS	LGs Budget transfers X100 Total National Budget	Budget Website	Quarterly	MoFPED
	2.9 Budget transparency index	It assesses the public's access to information on how the central government raises and spends public resources	Percentage	IBP report	Open Budget Survey	Externally compiled through Open Budget Survey Initiative	Open Budget Survey	Annually	MoFPED
	2.10 National Budget compliance to Gender and equity (%)	Assessment of compliance of the national budget to gender and equity standard requirements prescribed in PFMA	Percentage	Compiled by EOC	EOC Gender and Equity Compliance reports	Compiled by EOC by applying provisions of the PFMA (Section 9 & 13)	EOC Gender and Equity Compliance reports	Annually	EOC
	2.11 Compliance of the National Budget to NDP (%)	This measures the extent to which the annual budget is aligned to the NDP at the National Strategic Direction level	Percentage	The score is derived from an assessment process where the goal, objectives, KRA and core projects are assessed using a detailed assessment framework	Annual Certificate of compliance assessment report	Derived from assessment undertaken by NPA at Macro, Strategic, sector, Vote and LG		Annual	NPA
	2.12 Supplementary as a percentage of the initial budget	Total supplementary approved (by Minister or Parliament) to initial budget in a given year	Percentage	PBS Report	PBS	Total approved supplementary financing X100 Approved budget for the year	Budget website	Quarterly	MoFPED
	2.13 Arrears as a percentage of total expenditure for FY N-1	The ratio of Domestic Arrears expenditures to total national budget (incl. recurrent and devt.) expenditure for FY N-1	Percentage	PBS Report	IFMs	Total expenditure on Domestic Arrears X100/ Total National Budget Expenditure	Budget website	Quarterly	MoFPED

Intermediate Outcome	Indicators	Definition	Unit of measure	Compilation practices	Source of Information / Data	Method of Computations	Accessibility/availability of data	Periodicity of production	Lead MDA / Dept
Sub-programme 3: Accountability Systems and Service Delivery									
Objective 3: Strengthen capacity for implementation to ensure a focus on results									
Improved development results	3.1 Proportion of NDP results on target	Proportion of NDP3 indicators (annex 6) for which targets have been met at a given time.	Percentage	Derived from programme performance reports and the NDP monitoring framework	Programme performance reports, GAPP	Number of indicator achieved targets/ total no of NDP3 indicator targets in the Monitoring Framework (Annex 6)		Mid-Term and End Term evaluation	NPA
			Percentage	Water transport	National Service Delivery Survey Reports	Generated through surveys	National Service Delivery Survey Reports	Every 4 years	MoPS
Improved Service Delivery	3.2 Level of satisfaction of public Service	Electricity Extension services Administrative and Legal Services	Percentage	Perceptions of the quality of public services, the civil service, policy formulation and implementation, and the government's commitment to such policies.	Perceptions survey	Generated through surveys	www.worldbank/governance/wgi		World Bank WGI website
			Percentage						
			Percentage						
Improved compliance with accountability rules and regulations	3.3 Government Effectiveness index	Quality of effectiveness of Government services and efficient of its bureaucracy	Percentage						
			Percentage	Derived from periodic reports generated on TeamMate and the Shared Platform for tracking audit recommendations	Shared Platform for tracking audit recommendations and Team Mate Audit system used in the OAG	Total number of Auditor General's recommendations implemented X 100%/ Total number of Auditor General's recommendations issued	TeamMate and the Shared Platform for tracking audit recommendations	Annual	OAG
			Percentage	Derived from IAG reports	IAG annual report	Total number of Internal Auditor General's recommendations implemented X 100%/ Total number of Internal Auditor General's recommendations issued		Quarterly / Annually	IAG
			Percentage	Derived from data compilation in the Annual Report of the Auditor General	Annual Report of the Auditor General	Total number Unqualified audit opinions issued by the Auditor General/ Total number of opinions issued by the Auditor General x 100%	Available in the Annual Report of the Auditor General disaggregated by entity type	Annual	OAG
Objective 4: Strengthen Coordination, Monitoring and Reporting Frameworks and System									
Improved compliance with accountability rules and regulations	4.1 Proportion of prior year external audit recommendations implemented, %	Proportion of prior year recommendations of the Auditor General implemented as assessed during on – going audits.	Percentage						
			Percentage	Proportion of prior period recommendations of the Internal Auditor General implemented as assessed during on – going internal audits.					
			Percentage	Proportion of Audited Entities with unqualified (clean) audit opinions as per the Annual Report of the Auditor General.					







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