THE REPUBLIC OF UGANDA

GOVERNMENT ANNUAL PERFORMANCE REPORT 2011/12

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OFFICE OF THE PRIME MINISTER

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Foreword

The Government Annual Performance Report (GAPR) for the Financial Year 2011/12 provides a comprehensive assessment of Government's performance and the results of public spending in 2011/12. The Report focuses on the progress made in the implementation of key actions and the performance of Ministries, Departments and Agencies against output targets across all sectors of Government.

The aim of the report is to provide a basis for accountability for the use of resources and the achievement of results, to provide a basis for policy discussions within Government and to guide decisions on resource allocations in the 2013/14 Financial Year.

2011/12 was the second year of implementation of the National Development Plan. Annual performance was slightly worse than last year, with half of the annual targets met. However, 80% of the 2014/15 targets are thought to be on track or can be achieved with the right remedial action. The final 20% will need concerted action to bring them back on track. 38% of the core projects identified in the National Development Plan are either on track or have been achieved. Further work is needed to ensure that financial allocations in the budget and the medium term expenditure framework are in line with those outlined in the National Development Plan. Financial discipline remains a challenge in some sectors, with requests for supplementary funding occurring too frequently.

Performance in the areas of economic infrastructure and competitiveness was fair during the year. Bujagali hydropower station was brought online, adding 250 MW to the grid and other important hydropower Schemes are in various stages of implementation. The business environment in Uganda has stagnated relative to other countries; more needs to be done to address this. However, the tourism sector is developing well and the number of visitors to Uganda's national parks rose strongly in 2011/12. Improvements in the road network have continued and the condition of paved roads in Uganda is the best they have been since the performance reporting process was started in 2008/09.

Human Development indicators showed a mixed picture. A number of outputs and indicators in the education sector, such as literacy and numeracy rates and classroom construction and rehabilitation were not achieved in 2011/12, which is an issue given the importance of the sector to Uganda's development. Performance in the health sector is better, with improvements in the share of infant deliveries in health facilities, albeit from a low base and the availability of HIV/AIDS care and treatment. The incidence (new cases) and prevalence (all existing cases) of HIV/AIDS is still increasing however and the contraceptive prevalence rate is only 30%. The trend of strong improvement in the availability of six tracer medicines continues and 70% of facilities had no stock outs in 2011/12.

Peace and security was maintained in the country during 2011/12 and Uganda's contribution to ensuring stability and security within the region continues, with our involvement in the African Mission to Somalia and continuing operations against the remaining LRA forces. Levels of crime continue to fall, to 302 incidents per 100,000 people and the time spent on remand is also down this year.

Agricultural productivity is low, with big gaps between real, on-farm yields and on-station yields. Evidence on the effectiveness of NAADS is mixed. There is however a clear need to improve and extend the coverage of the Government's provision of extension services, in order to boost productivity. There is also an urgent need to improve Government's performance in the housing sector. The housing stock has been growing too slowly to keep up with population growth and only 0.9m of the 6.3m housing units are permanent. Land administration must improve because a fluid market in rights to secure land is required to boost agricultural growth and facilitate urbanization.

In summary, there are many reasons to be positive but there are also many challenges to overcome.

On the 8th and 9th of November 2012, I presided over a two day retreat of Ministers and Permanent Secretaries which discussed this report in detail. The Vice President opened the retreat. Specific actions were identified from the retreat and these have been given to the relevant Ministries, Departments and Agencies to outline strategies and budgets required to implement them.

I am pleased to share with you this report. I encourage you to make good use of the findings and recommendations herein.

Amama Mbabazi; SC, MP.
PRIME MINISTER/
SECRETARY GENERAL
NATIONAL RESISTANCE MOVEMENT

26 November 2012

Executive Summary

This Report outlines the performance of Government during the financial year 2011/12, covering the period July 2011 to June 2012. It focuses on an assessment of progress against the Government's commitments made in the National Development Plan 2010/11 – 2014/15, in the Budget Speech of 201/12 and against Parliament-approved Ministerial Policy Statements for the financial year. It also tracks progress made against actions agreed upon in the Presidential Investor's Round Table (PIRT) meetings and in the Cabinet Retreat of December 2011 at which the Government Annual Performance Report of FY 2010/11 was discussed.

The assessment focuses on what has been achieved against what was planned and what difference this has made in terms of improvements in public service delivery, governance and security for the citizens of Uganda. In addition to using the guiding framework of the National Development Plan, the report uses the sector structure of financing and organisation to assess each and every Ministry, Department and Agency (MDA) and the contributions of Local Governments (LGs). Performance targets set by each MDA and LG against performance indicators prior to the start of the financial year provide the benchmark of this assessment. Much of the data for this assessment is provided by the MDAs and LGs themselves, validated by Office of the Prime Minister through investigation, documentation and where possible triangulation with other data producers, including Government inspectorates, the Uganda Bureau of Statistics and non-Governmental sources.

The purpose of this Report is to provide Cabinet with an overview of where Government has performed well and less-well during the previous financial year across all areas of public investment. It is timed to influence planning and budgetary decisions for the coming financial year 2013/2014, particularly in terms of allocations between sectors, as informed by the empirical data of past performance presented herein.

The National Development Plan

The five-year National Development Plan is the Government's pre-eminent planning document, approved and launched by H.E. the President in April 2010. All other plans and budgets are therefore subject to this document and the Government will be judged on its achievements by the extent to which the NDP objectives are met by the end of financial year 2014/15. It is particularly difficult to make an assessment of the likelihood of the NDP meeting its targets in 2014/15 because almost half (46%) of indicators cannot be assessed due to not having data or an interim target for 2011/12.

Of those indicators that can be assessed for FY 2011/12, half met the target and half did not. Predicting achievement for the end of the NDP in 2014/15 reveals that 28% of all 46 indicators are judged to be on track or achieved. 26% of indicators are not on track and need remedial action. The assessment is that a small majority of these off track indicators can be turned round by 2014/15 with the right remedial action, whereas the remainder will be more difficult to achieve. Applying the implied proportions to the indicators that cannot currently be assessed suggests that just over half (52%) of all the NDP indicators will be achieved in 2014/15. A further 28% of all 2014/15 targets are likely to be achievable with the right action to get indicators back on track. The final 20% are assessed to be the most difficult to turn around. This analysis suggests that with sustained focus, financing and effort, the majority of targets can be met by 2014/15. In order to achieve them, financial allocations in the medium-term expenditure framework (MTEF) must be broadly in line with those outlined in the National Development Plan. Evidence from the FY 2011/12 and from the allocations in the MTEF for FY 2012/13 suggests that this is not the case.

As reported last year, the NDP as a plan is not being consciously implemented. Public investments in some areas are aligned, while in other areas they are not. In addition, the macroeconomic and financing strategies of the NDP are divergent from the economic reality in Uganda and the

Government's own expenditure plans. Neither the global economic downturn (understandably) nor the onset of oil revenues (less understandably) have been factored into the NDP, which explains some of this divergence.

The lack of annualised targets for many of the NDP indicators is of great concern because they are critical for assessing progress every year and help in reviewing performance. The Government Annual Performance Report FY 2010/2011 recommended that the NDP be formally annualised through the budget planning process, enabling the NDP document to be a point of departure for annual plans, while retaining the focus on the Plan's outcomes. This has not been done, which continues to affect the likelihood of achieving the Plan.

Progress against key actions: PIRT, Cabinet Retreat and Joint Assessment Framework

Amongst the high level fora created to identify issues and areas where Government needs to improve its emphasis are the Presidential Investors Round Table, the retreat of Cabinet Ministers, Ministers of State and Permanent Secretaries (the Cabinet Retreat) and the joint meetings of Government and its Development Partners on budget support (the Joint Assessment Framework, or JAF). The PIRT is an initiative of H.E. The President and brings together key actors from the private and public sector to form a common agenda for accelerating economic development in Uganda. PIRT takes places twice per annum and both tracks progress against prior actions and makes new recommendations. The twice-annual Cabinet Retreats focus on the performance of Government, based on the findings of the Government Performance Report (semi-annual and annual) produced by the Office of the Prime Minister. Actions are derived from the discussions around the findings and followed-up through the succession of reporting. The JAF provides a shared set actions and targets agreed upon jointly by Government and its Development Partners annually. Implementation progress is judged at the mid-point in the year and overall performance at the financial year-end and reported on through this Government Annual Performance Report. The performance against JAF indicators and actions is one trigger of financial releases made by the Development Partners that provide budget support.

This report outlines the specific progress made against actions from these three instruments under the relevant sectors. Of the sixty eight actions being tracked under PIRT, 85% of those for which data was available were found to be on track or achieved. The strongest performers were the Energy, Health and Public Sector Management Sectors, with 100% records. The Justice, Law and Order Sector was identified as having the fewest actions on track by the end of the financial year. Fifty five actions were agreed at the Cabinet Retreat of December 2011. Forty six of these actions had data and, of these, 59% were on track or achieved by the end of the financial year. Again, the energy sector came out with the best performance, at 100% of actions. The Water, ICT and Security sectors came out lowest, with no actions completed or on-track.

For the JAF, 62 actions were agreed upon jointly with the Development Partners that provide budget support, prior to the start of the financial year. The JAF focuses primarily on frontline service delivery sectors and on those underpinning service delivery in terms of public financial and public sector management Forty nine actions had data for an assessment and 67% of these were on track or achieved. The best performing sector was Health, with 80% of actions achieved. The worst was Water, with no actions achieved. Actions for which progress could not be assessed due to lack of data were not included in the denominator for these calculations. The total number of actions achieved or on track, as a share of the total with data, is 72%

Development Partners and Official Development Assistance

Total Official Development Assistance (ODA, outturns) received in FY 2011/12 amounted to USD 822m, which compares to 821m million received in FY 2010/11. Relative to the budget, the contribution of external assistance remained at 19%. Meanwhile, mobilisation of new ODA reached

USD 1.1bn, with a shift back towards grants, at 55% of the total, compared to 2010/11 where loans represented 83% of new commitments. Budget support makes up 24% of these new commitments. This makes budget support a lower share of total external assistance committed compared to FY 2011/12, where it contributed 35% of total external assistance. Actual disbursements fell short of expected disbursements by 30% in FY 2011/12, which led to budget support comprising slightly more than 40% of total assistance, as budget support does not suffer from some of the implementation issues that affect project-based support.

Government of Uganda continues to be committed to efficient management of ODA, as well as increasing its effectiveness and has embarked on measures which aim at enhancing the management and timely disbursement of project aid. These include the promulgation of the Partnership Policy, continued donor portfolio reviews, a review of the public investment management system, the implementation of an enhanced framework for monitoring externally-financed projects and the installation of a web-based aid information management system. In the meantime, Development Partners should continue to work towards achieving the Paris Declaration principles, particularly in terms of making a greater and wider use of country public financial management systems and increasing predictability of foreign assistance.

Comparison of half-year assessment with year-end outturn

Table E.1 below shows an analysis of the year end assessment for indicators that are rated green, red or yellow at the half year stage, in the GHAPR. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year. This analysis is done for all sectors here and for the individual sectors in the rest of the report.

The first thing to note is that 58% of all indicators are rated as likely to be achieved at the half year stage. 24% are considered unlikely to be achieved and 19% are too close to call. At the year end, these figures have changed to 52% achieved and 48% not achieved. A big factor in the closing of this gap is that indicators rated as yellow at the half year stage are significantly more likely to be rated as red at the year end. Furthermore, if an indicator is rated red, the overwhelming likelihood is that it will be assessed as not achieved at the end of the year. This is in fact the strongest tendency, as shown by the 71% score in the bottom right of the table. Indicators rated as likely to be achieved have a strong tendency to be assessed as achieved but a significant share are not assessed as achieved at the end of the year.

The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. This analysis suggests that sectors are either not good at responding to the GHAPR by putting emphasis on remedial actions or that the actions carried out did not have the desired effect. 72% of JAF, PIRT and Cabinet actions are assessed as achieved or on track (see above), which suggests that emphasis needs to be placed on choosing remedial actions well.

Table E.1 Comparison of half year assessment with end year outturn

Half year	Green		Yellow		Red	
	405 (58%)		130 (19%)		167 (24%)	
Year end	Green	Red	Green	Red	Green	Red
	256	140	49	74	48	118
	63%	35%	38%	57%	29%	71%

Energy and Mineral Development

The Energy and Mineral Development Sector focuses on energy generation, transmission and distribution, management of petroleum supply and distribution, oil and gas exploration and mineral resources. This places the Energy and Mineral Development Sector at the heart of the Government and nation's development strategy for the foreseeable future.

The appropriated budget for the sector for FY 2011/12 was UGX 1,101.0 bn, excluding UGX 214.0 bn of donor development funding. This amount is about three times as much as was allocated in FY 2010/11 and represents 14% of the national budget. The release to the sector was UGX 996.4 bn, excluding donor disbursements, representing 90.1 % of the appropriated budget. The sector spent UGX 994.1 bn, representing 89.9 % of the approved GoU budget and 99.8 % of the released funds. An additional UGX 168.8 bn. was provided to cover the arrears of thermal power subsidy payments.

Energy generation, as measured by total installed capacity, rose from 628 megawatts (MW) in financial year 2010/11 to 778MW in FY 2011/12, representing an increase of 150MW in one year as a result of commissioning the Bujagali hydro power plant and decommissioning 100MW of thermal power from Aggreko Kiira and Mutundwe. The installed capacity of 778 MW is projected to meet the country's domestic demand for the next two years only. The installed capacity of 778MW stands in the face of a hydro-power potential in the country estimated at 3,010MW from major potential sites along the River Nile. With the total domestic generation being less than half of the installed capacity due to the low water level attributed to drought, the country is likely to experience load shedding shortly. The Karuma hydro power project (600MW) is still at bidding stage while Ayago (600 MW) and Isimba (140) projects are at pre-feasibility and detailed feasibility and engineering design stages respectively. The proportion of the population accessing electricity remains low at only 12% with 72% of this population concentrated in Kampala and other urban centres. Only about 3% of the rural population has access to electricity.

The sector also focuses on oil and gas exploration and commercial production. In total, 69 explorations and appraisal wells have been drilled in the country of which 64 encountered oil and /or gas in the sub-surface, a 92% success rate. With the fields explored, a total amount of oil equivalent to 2.5 bn barrels is estimated. However, with only 40% of the total prospective area explored, the number of fields and amount of recoverable oil is expected to increase.

While the National Oil and Gas Policy was formulated in 2008, the legislation required to effectively operationalise the Policy is still being drafted. A new petroleum legal framework that will include the emplacement of a resource management law, value addition law and revenue management law was drafted. Parliament is consulting the various stakeholders on the bills. With the approval of the Revenue Management and Value Addition Bills, arrangement was being made to make the bills ready for submission to Parliament, for discussion and passing into law. In addition, a sound institutional framework which separates policy setting and investment promotion from regulation of the industry and commercial business is being put in place. While the plans for local oil production are under way, Uganda still depends on fuel imports that come primarily through Kenya and consumption has been rising annually. Any disruption in the fuel supply chain has serious consequences for the country's economy. During this financial year, Government procured an operator to refurbish and stock Jinja Storage Facility under a public-private partnership arrangement. The facility will be operationalised during FY 2012/13.

Information and Communications Technology

The ICT sector aims at broadening and deepening the availability and use of information and communications technology across the country. UGX 12.12 bn was allocated to the sector (0.13% of the national budget) for this function in FY 2011/12. The Government's role is primarily in the establishment and enforcement of a policy, legal and regulatory framework to develop the sector. Elements of physical implementation, such as the National Backbone Infrastructure (NBI) are financed by external sources. National Information Technology Authority Uganda (NITA-U) reported that the design of phase III has been completed and the TORs for supervision have been approved. Implementation of the Project is awaiting confirmation of funds from EXIM Bank, by end FY 2010/11. A total of USD 91m has so far been spent for completed works on the NBI.

The Government component of UGX 12.12 bn in FY 2011/12 included a supplementary of UGX 3.6 bn allocated for the NITA-U wage bill. 77% of the original budget for the sector (minus the supplementary) was released and 76.1% was spent.

With the resources made available, the sector achieved 59% of its 41 output delivery targets. In terms of the policy environment, the IT policy was passed by Cabinet by end of the FY 2011/12; this was developed to address infrastructure, education and development, to foster the development of IT as an industry and spearhead the development of IT Enabled Services (ITES). However two critical policies have remained behind schedule since FY 2009.10. These are the E-waste management policy and the IMS policy. The waste management policy is at the stage of preparing a submission to Cabinet, whereas the IMS policy is at the 2nd draft stage.

In terms of the implementation of national infrastructure projects, the national backbone infrastructure is being implemented in 3 phases; a forensic technical audit for the implementation of phase I and II was conducted to reaffirm reliability of the network. Faults on phase II were corrected, whilst those on phase I are yet to be corrected.

The roll-out of district business information centres (DBICs) is crucial to improve accessibility for citizens and provide a basis for structural transformation in the economy. In FY 2010/11, three of a target of four DBICS were set up and made operational. This takes the total to nine across the whole country, slow progress given the intention to cover all 112 districts.

Mobile money services have a big impact on the lives of Ugandans countrywide, providing banking-type services to those who were previously under-served. 2.4 million customers are registered, with 4,000 new users every day. Four mobile money operators offer the service: WARID, MTN, UTL and Orange.

Tourism, Trade and Industry

The National Development Plan identifies tourism, trade and industry as fundamental to the realisation of the national vision of growth, employment and socio-economic transformation for prosperity. The sector focuses on the advancement of tourism domestically and internationally, improving product competitiveness and developing a competitive and export-orientated industrial sector. In the FY 2011/12, the sector received a total sum of UGX 52.1 bn out of an approved UGX 58 bn, translating into 90% budget release. The entire released amount was spent. With this budget release, the sector achieved only 50% of its total output targets.

Although total exports earnings increased from UGX 8,400 bn in FY 2010/11 to UGX 10,000 bn in FY 2011/12, the performance of exports in terms of GDP declined from 21.5% of GDP in FY 2010/11 to 20.3% in FY 2011/12. There was a small worsening in Uganda’s position in the World Bank’s Doing Business indicators, falling one place to 120th, out of 183 countries. In terms of reforms, the insolvency process was improved. However, transferring property was made more difficult, by requiring property purchasers to produce an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance. The Doing Business ranking is an indicator of relative performance, so the performance of other countries must be taken into account. In addition, the quality of reforms is important. Despite the reforms to the insolvency process, Uganda's ranking in this area worsened, as other countries improved faster.

Uganda's position in the rankings is mainly influenced by poor performance in trading across borders, starting a business and protecting investors. For example, it costs USD 3,050 and takes 33 days to ship a container of goods from the capital to the nearest port in Uganda. The averages in Sub-Saharan Africa are USD 1,990 and 31 days. The overwhelming share of this cost is the actual cost of moving the container. The figures above are calculated for a shipping container assuming it contains USD 20,000 worth of goods. The additional costs of shipping, compared to the average in Sub-Saharan Africa, therefore represent 5% of the value of the goods shipped. Reforms are needed to reduce the time and cost of exporting and importing goods and Rwanda's performance, moving from 150th in 2007 to 52nd in 2012, is proof of what can be achieved.

The number of visitors to national parks increased from 190,112 visitors in FY 2010/11 to 209,806 visitors in FY 2011/12. This reflects a 10 % increase which is much less than the 25% increase registered in 2010/2011. Over the same period, tourist arrivals increased from 946,000 to 1,151,356. 76% of the arrivals were from within Africa and only 24% from the rest of the world, indicating that many of the arrivals could have been visiting relatives and friends rather than coming solely as a tourist.

Progress was registered in building human resource capacity in hospitality and wildlife conservation as 297 students graduated at the Hotel and Tourism Training Institute. The sector did not grade or classify hotels and hospitality facilities for the second year running. Classification reportedly requires the review of tourism regulations. This process needs to be fast-tracked because the classification of hotels and hospitality facilities is a milestone in tourism development. Uganda Wildlife Authority maintained only 70% (of the targeted 1,852km) of roads in National Parks and Game Reserves. Failure to adequately maintain roads in national parks and game reserves poses a significant threat to the tourism sector. The sector registered a 22% increase in foreign exchange earnings from USD 662 million in 2010 to USD 805 million in 2011, representing 4% of GDP.

The sector through Uganda National Bureau of Standards registered mixed progress in its inspection and certification regime and there is still public outcry over the number and quantity of counterfeit and substandard products on the market. The uniformity of quality standards for products and services for the whole of East Africa needs to be fast tracked as Ugandan traders are complaining that their goods certified by UNBS are denied entry into other regional markets.

Although the sector enhanced human resource development by training 627 individuals in cooperative management skills and Warehouse Receipt System (WRS) knowledge, the number of individuals trained is still inadequate, given the knowledge gap, Uganda's population and the need for cooperative development. Only 16 cooperatives were reportedly supervised out of the targeted 40 cooperatives and only 4 of the intended 20 cooperatives were audited. Both the target and progress are insignificant given that the economy has over 11,000 cooperatives.

Works and Transport

The sector plays a key complementary role in propelling the country to a middle class economy by improving the condition of the transport infrastructure. In FY 2011/12, the national budget focus was to narrow the physical infrastructure gap, create jobs and reduce poverty. To this end, the sector received the highest budget share of 15.2 percent. 93% of an approved budget of UGX 1,315.14 bn was released and 99% was spent by the sector. However, the sector release was UGX 234.54 bn less than the annualised NDP projection of UGX 1,463 bn. The road fund received the majority of the funding (69%).

The indicator of the condition of national roads fell sharply in FY 2010/11, as responsibility for 10,000km of previously district roads were transferred to UNRA. This was reversed in FY 2011/12, as the previous trend of a steady improvement returned. 78% of paved roads and 67% of unpaved roads were rated as in fair-to-good condition. This is the strongest performance on paved roads since the annual performance report process was started in 2008/9. The sector attributed the improved performance to the 2008 reforms which put the management of the national road network entirely under UNRA. With regard to output performance, the sector achieved 79% of the 62 total output indicators while 21% were not achieved. 73% of the combined Cabinet, PIRT and JAF actions were completed.

Upgrading roads to bitumen standard over-performed, with 121km upgraded, against a target of 112km. Good performance was also registered for paved roads reconstructed/rehabilitated where 184 km were completed against the programmed 100 km. Despite this performance, there is still a large backlog of deferred maintenance, estimated at UGX 719.47 bn. Despite this backlog, Government expenditure on routine and periodic road maintenance is only 20% of expenditure on construction. This results in the waste of funds invested in construction, due to rapid deterioration of the network and high vehicle operation and maintenance costs, which affect the cost of shipping. Only 2,348 km of the planned 3,270 km DUCAR network was maintained in FY 2011/12.

Performance on other modes of transport was mixed. Total volume of freight carried by rail dropped by 0.7% from 154.2 million tonnes in 2010/11 to 153.5 million tonnes in 2011/12. Freight crossing the three border points of Malaba, Busia and Port Bell as a share of total freight declined to 8.9% in 2011/12 from 10 percent in 2010/11, a performance below the target set in the concession agreement. Transit time from Mombasa to Kampala improved by 29% to 11.5 days on average, from 16.2 days in the previous year. This however is still economically inefficient and highly uncompetitive relative to road transport. Two feasibility studies for upgrading Tororo - Packwach and Kampala - Kasese railway lines were completed and 200 km of old railway track was maintained.

There were significantly more passenger landings at Entebbe International Airport in FY 2011/12, with 1,266,996 passengers registered, 11% above the achievement realised in the previous year. Several new airlines, including Qatar and Gulf Air, began services to Uganda, thus increasing air traffic. The volume of air traffic cargo also increased, by 14%, from 46,665 tonnes of imports and exports in 2010/11, to 53,250 tonnes, against a target 50,320 tonnes for the year. Uganda signed and concluded three Bilateral Air Service Agreements, enhancing international and regional routes as envisaged in the NDP.

Performance on water transport was good. In the year under review volume of freight traffic on Lake Victoria grew by 60% from 66,582 tonnes in 2010/11 to 106,315 tonnes, while passenger traffic on Lake Victoria (Kalangala - Entebbe) was estimated at 74,873.

Education

The total approved budget (GoU+Donor) of the sector for FY 2011/12 was UGX 1,373.1bn, out of which 98% was released and 97% spent. The public institutions of higher learning had an approved budget of UGX 120.707bn, of which UGX123.698bn was received (102.48%) and spent. The only significant under-release was to the Education Service Commission, which received 83% of its approved budget, all of which was spent. Only 15% of outcomes were achieved, 75% were not achieved and 10% were not assessed due to lack of data. 42% of outcomes did have a positive trend however. Just 28% of the sectors outputs were achieved, with 40% not achieved. The remaining 32% of indicators did not have enough data for an assessment to be made.

There was mixed performance on enrolment. Enrolment in government aided primary schools fell for the second year running but total enrolment (including private schools) was up 1%. Enrolment at government aided secondary schools declined 2.7% and in all secondary schools by 1%. There was also a decline in UPPET institutions. Tertiary institutions continued to see increased enrolment. In the FY 2011/12 most of the targets for classroom construction and rehabilitation at primary, secondary and BTVET level were missed. Two targets, on construction of primary classrooms and completion of secondary classrooms heavily overachieved due to the rollover of construction from last year.

The quality of education, as measured by numeracy and literacy achievement at P3 and P6, declined sharply, having stayed relatively stable since 2007/08. At primary level, the sector blamed this performance on the increasing number of pupils in government schools who are not matched with resources, as well as the high rate of absenteeism among pupils and teachers. The Pupil Teacher Ratio (PTR) in Government schools improved from 54:1 in FY 2010/11 to 53:1 in FY 2011/12. This is attributed to government's implementation of the new teacher deployment formula. However this PTR is still poor given the fact that the NRM manifesto aims to achieve a PTR of 45:1. The Education Service Commission spent 96% of its planned budget but managed to recruit just 2,964 of the targeted 5,000 teachers.

The sector planned to procure 176,400 curriculum materials in FY 2011/12 but only 23,190 were procured. The sector attributes this level of performance to inadequate funds. This performance is not in line with the level of spending considering that almost the entire release of UGX 18.44bn was spent. In the secondary school sub-sector, the student text book ratio stood at 2 against a target of 3 while 3,834 science kits were provided for secondary school even though no target had been set for this item in the workplan. This level of performance indicates that the sector needs to improve its planning because it spent just 76.3% of the budget for this output and even delivered on an output that had not been budgeted for.

The sector managed to inspect 1,036 primary schools with emergencies and in hard to reach areas out of the targeted 1,044. The sector visited each school once a term during the FY 2011/12. The sector achieved its target of supervising 2,000 teachers in curriculum training, inspected 4,332 secondary schools/institutions out of the targeted 2,908 and inspected 900 BTVET institutions of the targeted 200. It only managed to inspect 296 training colleges out of the targeted 600.

Health

The major focus and goal of the Health Sector is to attain a good standard of health for all people in Uganda, targeting the promotion of a healthy and productive population. The overall approved Sector budget for FY 2011/12 was UGX 804.7bn out of which 75% was released. 99.6% of this was spent. The Ministry of Health suffered a very low release of 32%; there is no clear explanation for this low release. The National Medical Stores on the other hand had a UGX 206.8bn budget, of which 93% was released, all of which was spent. The referral hospitals had a total budget of about UGX 135.9bn with a general release of 73%, of which all was spent. The sector's absorption of releases is very good.

The availability of data has improved in the sector. Two thirds of outcome indicators could be assessed and just eight of the 70 output indicators had no data. Performance against these indicators was poor. The sector as a whole did not achieve just over half (54%) of its output targets and only 25% of outcome targets were met (although 42% of indicators showed a positive trend).

There was a modest improvement in maternal care in FY 2011/12. Although 95% of women who gave birth in the last five years received some form of antenatal care, the figures for deliveries in health facilities are much lower. These figures have though continued to improve, from 33% in 2009/10 to 39% in 2010/11 and now 41% in the year under review. The sector notes that if the significant human resource gaps at service delivery points were closed, then the status would improve. There was also an improvement in HIV/AIDS care, as 96% of HCIVs offered HIV/AIDS care with anti-retroviral therapy, well above the target of 88%. The share of health centres offering PMTCT care was poor at the lowest levels though, with just 12% of HCII offering care.

The proportion of approved posts filled by health workers was 58% against a target of 60% and compared to 56% in 2010/11. This shows that there is still gross under-staffing particularly in the lower level service areas. The slight improvement is attributed to increased advocacy for more staffing and support extended to District Service Commissions to recruit but recruitment has been hampered by fixed wage ceiling for many districts.

Immunisation coverage of infants with the third dose of pentavalent vaccine (DPT3) declined from 90% in 2010/11 to 83% in 2011/12. The sector attributes this under-performance to inadequate Primary Health Care funds. The Expanded Programs for Immunisation (EPI) review carried out at the end of 2010 indicated that the proportion of funds released for the Uganda Expanded Program on Immunisation (UNEPI) operational activities has reduced by 50% over the last five years.

The sector reports that 70% of health centres had no stock outs of tracer drugs in FY 2011/12, above the target of 60 %. There has been swift, steady progress in this outcome since 2009/10. National Medical Stores has stated that reasons for fewer stock outs are that the government increased funding by 90%, the basic kit for HC2 and HC3 ensured that all essential medicines were included, the Last Mile Delivery directly to all lower health facilities ensured that medicines arrived in time and the policy of embossment of medicines has reduced theft of government drugs.

Eight out of ten planned health facility construction projects were completed. A Budget Monitoring and Analysis Unit (BMAU) report on construction in the sector[1] raises concerns about the quality of this and other construction work. It attributes issues in part to a lack of supervision visits on the part of the Infrastructure Division of the Ministry of Health. The same report looks at health infrastructure improvements carried out at district level. A number of key challenges emerged. The capacity of contractors was often an issue, compounded by poor supervision. The project implementation schedule was also a problem. Districts learn of their financial allocation late in the previous FY, which means they start procurement only at the beginning of the FY. A lack of engineering and procurement staff was also a common theme.

Water and Environment

The Water and Environment sector objectives are to provide safe water and hygienic sanitation facilities and to manage and develop the water resources of Uganda in an integrated and sustainable manner. The total approved budget for the sector was UGX282.72bn, of which 67% was released. Just 67.9% of the release was spent, indicating a problem with absorption. Overall, the sector achieved just 37% of the output indicator targets.

Out of the total sector outcome indicators, 47% showed a positive trend, 24% remained unchanged while 29% had a negative trend. When these indicators were measured against their annual target for the FY 2011/12, 35% of the total outcome indicators were achieved, 53% were not achieved while 12% had no indicator targets to form a basis for assessment.

Sanitation has over the years dominated the discussions of Cabinet Retreats and recommendations have been made for the Ministries of Health, Water and Environment and Education to address the challenge, coordinated by the Office of the Prime Minister. Performance in this area remains unsatisfactory however. The NDP targets access to safe and effective sanitation for 80% of the population, while access to hand washing facilities should reach 50% and the pupil latrine ratio 40:1.

[1] MoFPED 2012, Budget Monitoring Report, Second Quarter, FY 2011/12

Improved performance was noted in percentage of people with access to hand washing with soap at household level, increasing from 24% in FY 2010/11 to 27% in FY 2011/12. The percentage of households with access to safe and effective sanitation continued to stagnate at 70% for the third year in a row. The pupil latrine ratio in schools worsened from 43 pupils per latrine/toilet stance in FY 2008/09 to 69 pupils per latrine/toilet stance in FY 2011/12. No clear investments and strategies aimed at addressing the sanitation challenges at both household level and in schools were identified by the ministry at output level.

Current total demand for water for production is estimated at 499 Million Cubic Metres (MCM). Cumulative water for production storage capacity was 27.2MCM in FY 2011/12, up from 21.2MCM in FY 2009/10, meeting only 5.45% of the total demand. The ministry added 605,400 m^3 of storage capacity in FY 2011/2012 from completed valley tanks and dams. The Ministry constructed 127 valley tanks against a target of seven. The over performance was attributed to the availability of government owned equipment in these districts.

The target for the NDP is to ensure that access to safe water in rural areas reaches 77% and functionality of the water sources 90% by FY 2014/15. The percentage of people with access to safe water in rural areas dropped to 64% in FY 2011/12 after stagnating at 65% for the last three years. Although there was a drop in percentage terms, the population served increased by 597,496. The drop in percentage access to safe water in rural areas was attributed to the decommissioning of 511 water facilities due to functionality related challenges. Functionality of water sources in rural areas has stagnated at 83% for the last two financial years. The per capita cost investment in rural areas improved from USD 47 in the previous year to USD 44 in the FY 2011/12 having risen from USD 41 in FY 2009/10.

Wetland coverage has continued to decline. The last measurement in 2008 put coverage at 10.9% of the land surface area, from 15.6% in 1994 and against the NDP target of 30%. 11,267 square kilometres (30%) of Uganda's wetland ecosystems, representing 4.7% of the land area has been lost within the last 15 years from urban, industrial and real estate expansion and off season cultivation in wetlands. The sector focusses on carrying out audits, assessments and a small number of restoration activities but it is not having a direct impact considering the declining wetland cover throughout the country. This could be a challenge of enforcement of recommendations from these audits and assessments.

Gender, Labour and Social Development

The Social Development sector's focus is to strengthen communities' rights and the provision of social protection. The sector is also mandated to empower communities so that they are able to enhance their potential through skills development and labour productivity. The budget allocated UGX 26.7bn to the sector. The sector received 69% of this and spent almost all of the release.

The Sector is still facing big challenges on Functional Adult Literacy (FAL), as enrollment has been on a downward trend since FY 2009/10. The enrollment target for FY 2011/12 was 300,000 learners but only 200,000 people registered, of which 170,000 completed the training. This performance was attributed to more funds being spent on administration of the new districts and administrative units created.

Development Partners continue to pilot the Social Assistance Grants for Empowerment (SAGE) which the Government rolled out as a cash transfer programme for older persons. The SAGE programme aims to provide a monthly direct income support of UGX 23,000 to UGX 95,000 towards poor and vulnerable households in 14 pilot districts[2]. A core component of the SAGE programme is a Senior Citizen's Grant to those over 65 years old (60 years in Karamoja). This is a pilot project at present, in

[2] Apac, Kaberamaido, Katakwi, Kiboga, Nebbi, Kyenjojo, Moroto, Nakapiripirit, Amudat, Kyengegwa, Kyankwanzi, Zombo, Napak and Kole

14 districts. In the financial year under review, Government committed UGX 125m towards SAGE but released only UGX 32.5m, to complement over UGX 4.75b from the development partners towards the programme

Gender mainstreaming is still being implemented at a slow pace since it has been applied to only seven sectors. More vigilance is required in this area since gender mainstreaming aims at achieving gender equality which leads to equal access to opportunities and control of resources by both genders. This is one avenue through which development results can be optimised.

Accountability

The Accountability Sector leads government's economic business in terms of providing the budgetary framework for service delivery, governance and defence, collecting taxes and facilitating economic growth, while also checking on these measures through monitoring, audit and inspection.

The approved budget for the Accountability sector was UGX 778.65bn. By the end of FY 2011/12, the Sector had received UGX 439.70bn which translates into 57% of the annual approved budget. The sector spent 98%. This is 6% of the total government budget. Out of 142 output targets for this sector, 54% were achieved, while 35% were not achieved and there was insufficient data to assess 11%. A comparison with FY 2010/11 indicates a slight decline in percentage of outputs achieved at 60% in FY 2010/11 and 54% in FY 2011/12.

The sector's contribution to development is measured primarily in terms of domestic revenue mobilisation. Revenue as a share of GDP fell to 12.65% against a planned target of 13.7%, down from 13.8% in FY 2010/11. This is one of the lowest tax-to-GDP ratios in the region and a significant brake on the ability of Government to invest for development. Uganda Revenue Authority realised customs tax collection of UGX 2902bn, 2% below the annual target of UGX 2,943 bn. This was largely attributed to the low levels of petroleum duty, which was partly due to frequent disruption/delays in the supply of fuel at Mombasa and Eldoret. Domestic revenue on the other hand was above the target of UGX 3256bn, at UGX 3,306bn. The banking, telecommunications, manufacturing, electricity and oil subsectors were big contributors to the performance of domestic revenue collection.

At an aggregate level, UGX 7,384.4bn of the GoU budget was released to all sectors out of the approved UGX 7,469.8bn, reflecting a 99% release of the approved budget. Aggregate absorption (measured by expenditure as a proportion of releases) was at 99%, declining by 0.6 percentage points from 99.6% in FY 2010/11.

Budget performance fell below expectation as indicated by some major variances between allocations and actual releases to frontline service sectors, variance between releases and actual expenditure in frontline service sectors and delayed releases for some sectors and institutions. Budget variance between allocations and releases in Joint Budget Support Framework sectors was 11%, against a target of not more than 5%.

The measures used to assess the Government's compliance with accountability policies, standards and regulations show mixed but improved performance compared to FY 2010/11. The percentage of clean audit reports in LGs remained unchanged at 45%, against a target of 45%. At central government level, the percentage was 59% against a target of 55%, someway above the 40% for FY 2010/11, while for statutory bodies, the figure was 61% by year-end, against a target of 65% but much improved on 27% last year.

In order to achieve efficient service delivery, there is a need for a well-coordinated monitoring and evaluation (M&E) system. Findings from a rapid review of public expenditure on M&E[3] across

[3] Public expenditure on monitoring and evaluation across the Government of Uganda, Office of the Prime Minister

Government carried out in 2011/12 indicate that financing of M&E is too widely dispersed to be effective. Provisional estimates by Ministry of Finance, Planning and Economic Development suggest almost UGX 296 bn was spent in FY 2010/11 on the M&E function in government. Therefore it is important to establish a dedicated budget line in the Chart of Accounts for Statistics, Monitoring and Evaluation. Equally important is to ensure that all MDAs and LGs establish and dedicate personnel for statistics, monitoring and evaluation.

Justice, Law and Order

The sector has successfully marked the end of the implementation of the Sector Strategic Investment Plan II for FY 2006/07 – 2010/11, which focused on upholding the rule of law and due process, improving access to justice for all, reducing crime and ensuring the safety of the nation's citizens. The sector continued to be relatively well financed, as evidenced by three consecutive financial years receiving supplementary funding. The FY 2011/12 saw a release of UGX 582.04bn, surpassing the approved budget of UGX 552.86bn by 5.3%. However, while only a few of the sector's institutions benefit from the supplementary budget at a time, two institutions have been consistent beneficiaries. They are the Ministry of Justice and Constitution Affairs and Uganda police force, which received 161.3 % and 123.4% of their approved annual budgets receptively in FY 2011/12.

The sector identified one hundred and six performance indicators across the range of service delivery outputs amongst its institutions. Only 39% of these output indicators hit their targets, a repeat of the previous FY's performance. While this aggregate performance is not strong, sector outcomes registered good performance with 69% of outcome indicators registering positive change and 77% of outcome indicators hitting the annual target. The case disposal rate continues to improve amidst an inadequate number of judges in the High Court, registering a 144% performance in the year under review, which marks a significant improvement from 92.7% in FY 2010/11. This is attributed to increased coordination among the Justice Law and Order Sector agencies as well as the roll out of the case backlog reduction strategy.

Average stay on remand for capital offenses improved to 11.8 months in FY 2011/12 from 15.1 months in FY 2010/11 and as long as 27 months in FY 2009/10, while average stay on remand for petty offences improved to 3 months from 4 months in FY 2010/11. This performance was also tied to increased case disposals, the case backlog reduction strategy and increased geographical spread of JLOS services. A 72% rise in inmate population, from 19,149 in 2007 to 32,947 in 2011/12, has led to overcrowding, by more than 18,000 inmates. Incidence of crime per 100,000 improved slightly, from 314 in FY 2010/11 to 302 persons in FY 2011/12. This was as a result of combined crime prevention efforts by police and other security agencies, improved crime response time and use of community policing.

Not enough attention has been paid in the sector to the implementation of actions agreed upon in Cabinet Retreats, as 80% remain unimplemented. Some of the actions that have been proposed include provision of funding for clearance of arrears of court awards and compensations (said to be continuously accumulating interest), recruitment of State Attorneys, appointment of Judges of the Supreme Court and Court of Appeal and institutionalising use of recording equipment in all Courts. The Cabinet Retreat of December 2011 proposed recruitment of 2,500 police officers in the next five years but this has been inhibited by a ban on recruitment of public servants. This does not, therefore, help the police to population ratio, which fell from 1:709 in FY 2010/11 to 1:755 in FY 2011/12.

Legislature

Enhancing the efficiency and effectiveness of legislation, enhancing representation of people's views in formulation of legislation and policy making and strengthening the oversight role of Parliament are the primary functions of the Legislature sector. While initially UGX 162.75bn was allocated to achieve this in FY 2011/12, the sector received UGX 255.149bn or 156.8% and spent UGX 254.947bn. 61.6% of this (UGX 157.33bn) was spent on the mandatory payment of salaries and emoluments to staff and Members of Parliament, although the sector had budgeted only UGX 107.38bn for the same Vote Function. 56.8% of the supplementary funding was spent on the acquisition of motor vehicles, the initial unfunded gap between the MTEF and the approved Parliamentary Commission budget and general parliamentary operations arising from the hosting of the Inter Parliamentary Union assembly in March and April.

Overall, the sector achieved 75% of its outcome and 64% of its output indicators in the financial year being reviewed. 38% of the outcome indicators exhibited a positive trend, 38% a negative one and 25% remained unchanged.

The financial year 2011/12 witnessed the ushering in of the 9th National Parliament, characterised by the swearing in of over 350 legislators. Unlike the 8th Parliament whose performance was affected by Members seeking reelection, the period under review benefitted from the enthusiasm of a fresh election. With the exception of the number of petitions disposed of, at 70% of the target and Standing Committee meetings held, at 88% performance, the rest of the indicators registered above target performances.

One of the key successes was the large reduction in the number of days taken to pass a bill. While in the past it took an average of 90 days to pass a bill, in the FY under review this was reduced to 45 days, a period consistent with the National Development Plan and the Parliamentary Rules of Procedure. This exceptional performance culminated from the decision to consider quorum attendance of both Plenary and Committee meetings only at the point of decision making, with initial debates proceeding without restrictions on numbers present. This new approach, coupled with the introduction of a Parliamentary calendar which provides the timeframe for Parliamentary business, greatly impacted on the output. Consequently, 89 bills were debated and passed, surpassing the target of 75.

Public Administration

Public administration focuses on the civil – political interface, promoting and managing international relations and commercial diplomacy, facilitating the Presidency to fulfill its constitutional mandate and conducting free and fair elections. The sector was allocated UGX 231.46 bn in FY 2011/12, but received UGX 338.91 bn, or 146.4% of the budget. State House received 247% of its budget, Office of the President 110.7 % and Foreign Affairs 189 %. However, there were also under-releases, with the Electoral Commission and Kampala Capital City Authority receiving 76.3 % and 45.3 % of their budget respectively. Almost all the aggregate release was spent.

For the Electoral Commission, financial year 2011/12 was characterised mainly by organisation and management of by-elections following several nullifications of Parliamentary and Local Government results from the FY 2010/11 national polls. A total of six Parliamentary elections were conducted during the period. Activities that usually precede actual polling day, such as voter education meetings, cleaning of registers and voter registration, were all conducted. 6574 new eligible voters were registered during the year against 6000 voters targeted. The Electoral Commission achieved 83 % of its output targets after spending 40.3 % of its budget spent.

Increased activity levels due to emerging continental and regional matters of security and diplomacy was reportedly responsible for the considerable overspending by State House. In the period of review, a total of UGX156.65bn was spent against the approved budget of UGX 63.6bn. According to the sector, the President visited 33 out 12 countries planned, hosted 18 Heads of State against eight initially expected and held and attended 31 regional and international meetings against the eight projected. The need to respond to numerous requests made by communities is observed as one of the challenges faced by the Presidency. Attempts are always made to fulfil these requests.

The mandate of the Kampala Capital City Authority (KCCA) is to facilitate the delivery of quality services to the city in a manner that ensures value for money. During FY 2011/12, UGX 45.5bn was budgeted for improving the road and drainage network in Kampala. Of this, only UGX28bn was released and spent and only 22% of the targets were achieved, although most of the works were reportedly still on-going by the end of the financial year. KCCA is also conducting periodic maintenance of Nakivubo Channel and auxiliary drains in an effort to reduce flooding in the city. Lubigi channel, one of the seven primary drainage channels, was also under construction at a cost of UGX 20.3bn, funded by the World Bank. It is expected that when completed, the channel will address the flooding challenges in the Bwaise and Kalerwe areas. Under the Markets and Agricultural Trade Infrastructure Improvement Programme (MATIP), Government planned to construct six markets in the City; Wandegeya, Busega, Ntinda, Nakulabye, Kasubi andKansanga. Construction of Wandegeya Market is moving on as scheduled. The construction of the rest of the markets is yet to start.

Public Sector Management

Public sector management is primarily about the coordination and management of the whole of Government business. Its institutions focus on staffing, managing service delivery systems and the leadership and implementation of East African integration from the Ugandan side. During FY 2011/12, the sector was allocated UGX 985 bn, 10.5% of the national budget. 74% of this budget was released. Low releases were registered in the Ministry of Local Government (which received 49% of its allocation), the Office of the Prime Minister (66%) and Local Government Finance Commission (57%). With these resources, the sector as a whole achieved 62% of its output delivery targets.

Staffing of the public service is a critical issue. The percentage of declared vacancies filled increased dramatically from 68% in FY 2008/09 to 72% in FY 2009/10, to reportedly 300% in 2010/11 and 87% by the end of FY 2011/12. Staffing at the local government level has been a challenge. In FY 2010/11, 26% of the posts across the entire establishment structure were filled in LGs in the PRDP region, as compared to 35% in the rest of the country. 47% of the key administrative posts like the CAO and Planner were filled in the PRDP region, as compared to 52% in the rest of the country. LGs have attributed underperformance in some areas to poor staffing. One measure to strengthen the public sector performance has been the introduction of performance contracts for categories of public servants. By the end of FY 2011/12, 92% of head teachers were on performance agreements, compared to 82% in the last FY. All hospital directors were put on performance agreements.

One of the key functions of OPM is to coordinate, monitor and implement Government policies across Ministries, Departments and other public institutions. OPM produced the Government Half Annual Performance Report for FY 2011/12. The report was discussed in the Cabinet Retreat of Ministers and Permanent Secretaries. Under the Government Evaluation facility, six evaluation studies were initiated, among which the Government's response to absenteeism in the public service report was completed in draft form by the year end. The analysis revealed that among the interventions that have a significant impact on the intention to be absent included: recognise staff with outstanding attendance record, capacity built in leadership, management & attendance control, flexible work schedule and salary increment. Those with no impact included: stern warning, dismissal/termination, provision of housing, provision of transport, improved work environment through favourable policies & work safety improvements and close supervision.

The key function of the Ministry of East African community Affairs (MEACA) is to support Uganda's integration into the East African Community; in order to achieve this function; a zero draft for the national Migration Policy was prepared and is now undergoing public consultations. MEACA is working in collaboration with MoFPED and the capital Markets Authority Act was amended to empower the Capital Markets Authority to create new license categories. The Ministry carried out 10 sensitisation campaigns of stakeholders on the EAC integration process.

Security

The key objectives of the sector are to preserve and defend the sovereignty and territorial integrity of Uganda, build adequate and credible defences to address both internal and external threats, provide intelligence information to support national security and stability and create military alliances that enhance regional security and stability. Performance against outputs was strong, with 100% achieved, compared to 89% in FY 2010/11. However, a theme for the sector is sometimes poor, qualitative, indicators that give rise to potentially subjective performance assessments.

The Sector had an approved budget of UGX 974.87 bn for FY 2011/12. By the end of the financial year, UGX 984.07 bn had been released, representing 100.9% of the approved budget. An additional UGX 146.23bn was requisitioned to fund emergency classified operations under ESO and also to cover wage shortfall and other UPDF expenditures in the Ministry of Defence during the financial year. It is, however, not clear whether the UGX 146.23 bn requisitioned for emergency classified operations was part of the release of UGX 984.07 bn.

The country witnessed no major internal or cross-border security incidents in the reporting period. Security was tightened internally through both physical deployment at vulnerable points and increased vigilance in the intelligence systems. FY 2011/121 was characterised by public awareness campaigns and warnings of a security nature. Overall, the sector attributes sustained peace and stability to the effective early warning mechanisms and enhanced military and security monitoring capabilities that were instrumental in the detection and neutralisation of potential threats.

In line with the priorities of the Ministry of Defence, as stated in the Defence Strategic Infrastructure Investment Plan (DSIIP), the sector reported construction, rehabilitation and maintenance of new and old facilities in the areas of accommodation, training, health and storage facilities and general infrastructure, with the aim of consolidating the welfare of the army. Only part of the planned work was carried out due to an inadequate release. Assessment of performance was not possible due to lack of clear annual targets.

The Internal Security Organisation (ISO) continues to meet its target in the production of intelligence reports. It also rates the level of intelligence collected as good, meeting the target. This rating for intelligence has not been clearly defined and the Office of the Prime Minister continues to request that the elements that constitute the rating "good" be made available to enable a comprehensive assessment. There was a notable turn-around in performance on training of staff. A total of 200 ISO and 100 administrative staff underwent training as planned, as opposed to the 25% performance level which had persisted for the last three financial years.

Uganda has continued to play a leading role in her effort to establish peace in the Great Lakes Region. In 2008/09, Uganda's armed forces were supporting eight regional peace initiatives and this dropped to only two major ones in FY 2009/10 – African Mission in Somalia (AMISOM) and Operation Lightning Thunder (OLT) in Democratic Republic of Congo and Central Africa Republic. The Lord's Resistance Army is still an active force in several Central African countries. The UPDF continues to team up with the Force Armees de la Republique Democratique du Congo (FARDC) and Armed Forces of Central Afrique (FAC) in its continuous effort to disable the LRA forces. The operation has registered a number of successes, evidenced by several of the LRA field commanders having been captured during FY 2011/12.

The biggest challenge for the sector and for the Government at large is the insufficient budgetary allocations, requiring a supplementary allocation every year. Supplementary spending affects the performance of sectors where reallocations are made and these impact on the implementation of other Government programmes and service delivery to the public. In an effort to address the challenge, the Cabinet Retreat held in FY 2010/11 agreed that the MTEF ceiling for the Security Sector should be raised in the FY 2012/13 to meet the financial requirements of the sector. However, the data provided by the sector indicate that this was not implemented in the financial year under review, nor is there evidence that it will be done in the FY 2012/13.

Agriculture

The main focus of the Agriculture sector is to increase rural incomes and livelihoods and to improve household food and nutrition security. This is to be achieved through enhancing factor productivity in crops, livestock and fisheries and developing markets for agricultural products within and outside Uganda.

Although the contribution of agriculture to total GDP has been fluctuating since 2001/02, the sector continues to dominate the Ugandan economy. It contributed approximately 22.9 per cent of GDP in 2011 and 65.6 % of the working population is engaged in the agriculture, forestry and fishing industry. The sector grew by 3% in FY 2011/12 up from 0.7% in 2010/11, the highest rate of growth since 2002/03. However, this is still below the GPD growth rate of 3.4%, implying that the sector is shrinking as a share of the economy. During FY 2011/12, the sector was allocated UGX 434.08 bn, which is 4.65% of the national budget. 69% of the sector budget was released and almost all of it was spent.

58% of the sector's outcome indicators had a positive trend, 25% had a negative trend while 17% could not be assessed due to lack of baseline data. Tea, cotton and coffee had slight improvements in terms of volumes compared to FY 2010/11 but earnings from these were lower than last year due to a fall in world market prices.

There is still inadequate use of modern agricultural practices and inputs like pesticides and fertilisers (such as nitrogen, phosphorous and potassium), improved varieties, mechanisation of agricultural activities and irrigation. These are critical to improving agricultural production and productivity. Studies show that there is a big gap between on-station and on-farm yields for improved varieties of a number of crops, partly due to limited use of quality inputs. Uganda uses 40,000 tonnes of fertiliser annually, compared to Rwanda which uses 250,000 tonnes. Malawi is now a surplus producer of maize due to a commitment to increased fertiliser use, something that was not possible a few years ago[4]. The low fertiliser usage in Uganda is attributed to high fertiliser prices, bulk packaging of fertilisers, lack of knowledge and labour on their application, poor marketing and supply and the belief that fertilisers negatively affect soil quality. These statistics indicate a need to design mechanisms that will make these inputs both available and affordable to Ugandan farmers.

The performance of extension services is fair at output level but empirical evidence on the impact of NAADS gives mixed conclusions. A survey carried out by EPRC in May 2010 comparing NAADS and non-NAADS farmers found that there were no significant differences between NAADS and non-NAADS farmers in terms of the area cultivated, output and yield of maize, groundnuts and rice. The survey revealed that when the economic value of the inputs provided to NAADS farmers is imputed into costs of production, the non-NAADS farmers' gross profits tend to be significantly greater than

[4] EPRC, July 2011-The role of fertilizers in the transformation of Uganda's agriculture

that of NAADS farmers. However, according to a study[5] conducted by the Budget Monitoring and Accountability Unit of MoFPED, the NAADS programme had a positive impact on food security among farmers. The report points out though that the scope of programme coverage is still very limited both in number of farmers reached (only 34%) as well as level of agricultural production supported. Funding for the NAADS programme at local government level is inadequate and this is worsened by increase in the number of parishes as the fixed funding has to be shared among more parishes. It is recommended that the NAADS programme should be adequately funded to enable sufficient outreach to farmers for enhancing household and national food security.

Water for agricultural production was a major area of focus in the National Development Plan-2010-15 and the NRM manifesto. MAAIF crop department planned to construct six dams for crop based irrigation and had constructed seven by the end of the financial year. The department also constructed seven irrigation schemes out of the 10 planned for due to inadequate release of funds. However, the sector's data suggests that there is still too much dependence on natural rains, as changes in output are attributed to changes in rainfall year by year.

Lands

The Lands, Housing and Urban Development Sector aims to ensure the security of land tenure, productive use of land resources, the efficient, effective and sustainable physical planning and urban development, improving housing quality and increasing the housing stock to meet the housing needs of the population. The sector was allocated UGX 32.4 bn in FY 2011/12, or 0.35% of the national budget. There were significant cuts experienced by the Ministry of Lands, Housing and Urban Development which received 65% of the allocated budget while the Uganda Lands Commission received 98% of the approved budget by year end.

The sector achieved 32% of its targets. Good performance was registered in regard to physical planning policies with all the urban councils implementing the physical planning standards by year end. Progress on the National Land Use Policy implementation remained behind schedule with 30 districts being covered by year end against a target of 40. The physical planning guidelines and standards were disseminated in only 18 districts out of the 40 planned districts.

Improving housing quality and increasing housing stock are central to the housing function of the Ministry. There was an increase over the year in the share of the urban population living in slums and informal settlements, from 60% to 63%, due to an increase in the urban population and many unplanned developments taking place in urban areas.

The process of computerising the land titles is a contributor to the development of the Land Information System which will solve the problem of delays in land transactions. The percentage of progress on the Land Information System lies at 50% against a target of 30% in FY 2011/12.

The Uganda Lands Commission collected 107.2% of the non-tax revenue, verified and valued 163 properties by year end. Processing of Government land titles and leases remained behind schedule by year end. There was slow progress in survey and registration of land with little change over the last two financial years. The sector attributed this performance to the activity being demand driven and most of the transactions are taking place in Buganda where land is already surveyed and registered.

[5] Financing the Food Security Budget in the National Agricultural Advisory services, Adequacy and Impacts in a decentralized system

1. Introduction

1.1 Rationale

The Government Annual Performance Report (GAPR) responds to the requirement that the Prime Minister effectively coordinates the implementation of Government policies across Ministries in line with Article 108A of the Constitution and reports periodically on Government's performance to Cabinet and Parliament.

This GAPR FY 2011/12 is the fourth annual performance report in its current form produced by Office of the Prime Minister (OPM) and it builds on the Government Half-Annual Performance Report for FY 2011/12 produced in March 2012 and discussed at the Cabinet Retreat of that month.

The report focuses on the performance of Government against the key objectives outlined in the National Development Plan 2010/11 – 2014/15 (NDP) and the medium term objectives and budget spending across the sixteen sectors who implement this plan, which in turn constitutes the annual planning and budgeting framework of all Ministries, Departments and Agencies (MDAs) and Local Governments (LGs).

The timing of this report, produced in advance of the budget call circular for FY 2012/13, will enable the focus of the budget and the decisions over allocations between sectors, to be informed by empirical data of past performance.

1.2 Objectives and Scope

The objective of the GAPR is to provide timely, focused information to Cabinet and other decision-makers on the performance of Government during the previous financial year. The report aims to highlight what has been delivered, what has not and the reasons why. The report goes further, to look at what outcomes are being realised in terms of actual changes in the quality, access and utilisation of public services, in governance and security. The report provides for accountability for the spending of the national budget and outlines key areas of performance and under-performance. Fundamentally, the Report is designed and timed to instruct key policy makers on where emphasis and resources needs to be placed in the coming financial year.

The report addresses the performance of the Government through the sixteen sectors of which it is composed. The report focuses on two aspects of public sector performance:

a) Progress made against intended outcomes and planned outputs and the use of resources
b) Explanation for the performance levels achieved

The GAPR FY 2010/11 is both comprehensive in its assessment of performance, including all performance indicators that measure the application of public resources, while also strategic, in focusing the analysis on the key performance issues within and across the sectors. These strategic issues arise out of the background to the budget and budget speeches of the Minister of Finance, Planning and Economic Development prior to the start of the financial year; from the binding constraints and serially important service delivery issues raised in the NDP, previous and related reports and from the data itself.

1.3 Methodology and Application

The GAPR FY 2010/11 provides two levels of analysis. This document, Volume 1 of the report, provides a discussion of key performance areas in each sector and seeks to draw out the issues that are holding back service delivery in the public sector, for discussion and debate at the Cabinet Retreat. A comprehensive assessment of all performance indicators outlined in sector Budget Framework Papers and associated Ministerial Policy Statements can be found in Volume 2 of this report. The rationale for the inclusion of all indicators is to provide accountability for the use of resources allocated through the national budget.

The majority of the data utilised for this report is secondary, provided by the MDAs/Sectors through the adapted Output Budgeting Tool (OBT). The OBT was redesigned by MFPED to incorporate sector results chains and to enable the identification of key outputs and key performance indicators at outcome and output level, based on the previous format of OPM. Financial information is supplied by MFPED and is taken directly from the Integrated Financial Management System (IFMS) and related systems, such as Legacy. The financial information in this report excludes taxes and arrears. Additional data provided by the sectors and by the Uganda Bureau of Statistics (UBOS) pertains to key outcome indicators that are not currently captured in the BFPs and explanatory information that details the reasons for good and poor performance. Particular emphasis has been placed this year on external assessments and data. Emerging conclusions from evaluations carried out by the Government's Sub-Committee on Evaluation have also been used.

The submissions by the MDAs/Sectors through the OBT are validated by OPM through checking for completeness and where possible, accuracy, through triangulation against previous years' performance and other sources of information. The sector reports are then compiled into an overall national report for the Rt. Hon. Prime Minister to present to Cabinet. The actions and recommendations derived from this report will be followed-up with individual Ministries and Agencies to ensure that actual performance improves. Progress on these actions and recommendations is reported on in the next GAPR. OPM is building an online database to facilitate tracking of the actions and recommendations.

Consistent with international practice, this report has introduced rating of performance of all output indicators and key actions. The definition of the performance ratings are as follows:

Table 1.3.1 Output Performance Rating System

Achieved	Where the specific target or action committed to has **been achieved** by the end of the stated financial year
Not Achieved	Where the specific target or action committed to has **not been achieved** by the end of the stated financial year
No data	Where **no data** has been provided, either because the indicator is not measured annually or the provider has not submitted the data

The calculation of achievement levels for outputs is based on a simple division of actual achievement level over the target level (AT1/YT1*100; where AT1 is the current year actual and YT1 is the current year target). This reflects that nature of outputs as in-year deliverables, where baselines are zero[6]. Outcome indicators, by contrast, primarily reflect trends. Thus targets set for each financial year reflect a desired increase or decrease against the level achieved in the previous year. The measurement of the percentage of the target achieved in a given year addresses the percentage

[6] For example, sector X targeted to achieve 100 workshops this year, and actually achieved 80. Last year the sector completed 75 workshops. The actual achievement level this year is not affected by last year's achievement.

change that has occurred, not the actual change assuming a zero baseline[7]. As usual, targets have not been recalibrated to take account of any under-release to sectors and MDAs. In aggregate, 99% of the FY 2011/12 budget was released. Two innovations have been introduced in the FY 2011/12 GAPR.

Evaluations

A National Policy on Monitoring and Evaluation (M&E) has been presented to Cabinet and is under consideration at present. The purpose of the policy is to improve the performance of the public sector through the strengthening of the production and use of objective information on implementation and results of national strategies, policies, programmes and projects. The policy sets out the roles and responsibilities of different levels and agencies of Government in the implementation of M&E in the public sector in Uganda.

The policy calls for independent public policy evaluations to be identified by Cabinet and managed by a Government Evaluation Facility, housed in OPM, while sector and project level evaluations should be identified and conducted by Ministries, Departments and Agencies.

To this end, during the financial year under review, the National Evaluation Sub-Committee, based on inputs from Ministers and Permanent Secretaries, established a pipeline of evaluations. The emerging findings from the first of these evaluations, assessing the impact of Government's response to absenteeism in the public sector, have been integrated into the report. Findings for other evaluations, either underway or planned, will feed into future reports. Table 1.3.2 provides a list of the evaluations, with the lead institution and the expected completion data.

Table 1.3.2 Pipeline of Evaluation Topics

Topic	Lead Institution	Completion Date
Evaluation of Government of Uganda's response to absenteeism in the Public Sector	OPM	November 2012
Evaluation of Government's Employment Strategy	MFPED	March 2013
Comparative evaluation of public and private service delivery models in Uganda	NPA/OPM	May 2013
PPDA's development impact and its role in ensuring efficiency and effectiveness of public procurement in NDP priority sectors in Uganda	OPM/ World Bank	Feb 2013
Effectiveness of the Land Act and Registration of the Titles Act in curbing the practice of illegal land evictions	OPM	May 2013
PRDP Impact Evaluation (NUSAF II, Community Infrastructure Rehabilitation component)	OPM/Consultant	May 2013
Africa Peer Review Mechanism	OPM/NPA	Jan 2013
Evaluation of Avian Human Influenza Project	OPM	Mar 2013
Impact Evaluation of the Baraza Initiative	To be determined	To be determined

Deeper analysis

The process of producing the GAPR year on year is an evolutionary one and OPM strives to improve the report each year. This year's report aims to go beyond a simple presentation and discussion of performance against outputs and outcomes and seeks to explain why certain performance levels have or have not been achieved. In order to do this, the report has made use of information beyond

[7] Thus, where the previous year achievement (AT0) should be subtracted from the current year target (YT1) to calculate the denominator, and the actual current year achieved level (AT1) be subtracted from the previous year achievement (AT0), which becomes the enumerator. Hence: (AT1-AT0)/ (YT1-ATO) * 100.

the data collected from sectors. The aim of this shift in emphasis is to build on the accountability aspects of the report. By using external data and information and providing analysis on the reasons for certain performance levels, it is hoped that the report will provide the basis for a debate on what needs to be done to improve the performance of the public sector in Uganda.

1.4 Authorship and Structure of the Report

The GAPR FY 2011/12 is the product of a cross-Government effort. While the majority of the analysis and writing has been led by OPM, Chapter 7 was written by the Ministry of Finance, Planning and Economic Development and contributions have been made by other MDAs. The data itself comes from all line Ministries and LGs, making this a truly Government Performance Report.

The report is produced in two Volumes.

Volume 1 (this document) addresses the annual performance of Government in FY 2011/12 sector by sector, grouped by economic classification. This is preceded by a chapter on the NDP and the state of the economy and concluded with a chapter on key findings and issues. Chapter 7 provides an analysis of Development Partner performance.

Volume 2 provides a comprehensive data annex. Organised by sector, Volume 2 provides the key performance indicators, targets, actual and explanations against all sector outcomes, Ministry, Department and Agency outputs and key actions.

2 State of the Economy and National Development

This chapter outlines the changes in the economy and in the national development indicators during the financial year (FY) 2011/12. It examines the extent to which the key elements of the NDP and Budget priorities for the year have been implemented and provides a framework of Government's performance sector-by-sector in the ensuing chapters of the report.

2.1 Progress against the NDP Priorities in FY 2011/12

The FY 2011/12 marks the second year of implementation of the 5-year NDP, which has as its theme growth, employment and socio-economic transformation for prosperity. This section of the report provides an overview of progress made towards the five-year 2014-15 targets after two years of implementation. Section 2.1.2 of the report looks at the progress made against the core projects of the NDP and section 2.1.3 focuses on progress made against the budget speech actions and priorities for the FY 2011/12.

2.1.1 Summary of progress against the NDP Targets

Overall 46 indicators were identified in the NDP for assessment in FY 2011/12 out of which 26 (57%) either had no data or no targets. Of the 20 indicators where data and targets were available, 22% of the indicator targets were achieved. Further comparison of the status of the same indicators in FY 2011/12 and NDP indicator targets for FY 2014/15 shows that 52% of the indicators for which data was available have either been achieved or are likely to be achieved at the current rate of implementation. 28% require additional effort to be realised.

Areas of science and technology, governance, security and the environment have not been assessed due to insufficient or no data to form a basis for measurement. The lack of annualised targets for the NDP indicators is also of great concern as they are critical for assessing progress every year and help in reviewing the performance of the plan. The GAPR 2010/11 recommended that these indicators be revised, to make the plan a living document. This was not carried out, which continues to affect the assessment of the plan. Some of the NDP indicators also need to be revised because they cannot be measured. For example, *the level of capacity built for infrastructural development*. With the plan in its second year of implementation, it remains necessary to establish a mechanism for collecting data on those indicators where data is not available.

Table 2.2.1 Progress against NDP indicators (Two years of implementation) FY 2010/11&2011/12 (Part I)

NDP OBJECTIVES	Specific Indicators	Base Year 2008/09	Actual 2010/11	NDP Target 2011/12	Actual 2011/12	Status against 2011/12 Target	NDP Target 2014/15	Status against NDP target 2014/15
Improving stock and quality of economic infrastructure	Paved roads as a proportion of the total network (%)	4.0	16.3	NO TARGET	15.8	NO ASSESSMENT	5.3	**ACHIEVED**
	Proportion of freight cargo by rail (%)	3.5	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	17.8	NO ASSESSMENT
	Proportion of households accessing power from national grid (%)	11.0	12.1 (2009/10)	12 (MEMD)	12.1 (2009/10)	NO ASSESSMENT	20	**NEEDS WORK**
	Power consumption per capita (Kwh)	69.5	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	674	NO ASSESSMENT
Promoting Science, Technology, Innovation (STI) and ICT to enhance competitiveness	Ratio of national budget allocated to STI (R&D) and ICT (%)	0.3	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	0.6	NO ASSESSMENT
	Ratio of S&T to Arts Graduates	1:5	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	1:3	NO ASSESSMENT
	Proportion of urban centers with public internet access	NO DATA	36**** (2010/11)	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Proportion of manufactured export to total exports (%)	4.2	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Ratio of manufactured export to GDP	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
Promoting sustainable population and use of the environment and natural resources	Number of wetlands gazetted and restored	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of forestation and re-afforestation	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Forest cover (%)	13	18 (2009)	NO TARGET	18 (2009)	NO ASSESSMENT	24	**OFF TRACK**
	Wetland cover	NO DATA	10.9 (2008)	NO TARGET	10.9 (2008)	NO ASSESSMENT	30	**OFF TRACK**
	Level of water pollution	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of industrial pollution	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT

Table 2.2.1 Progress against NDP indicators (Two years of implementation) FY 2010/11&2011/12 (Part II)

NDP OBJECTIVES	Specific Indicators	Base Year 2008/09	Actual 2010/11	NDP Target 2011/12	Actual 2011/12	Rating against 2011/12 Target	NDP Target 2014/15	Status against NDP target of 2014/15
Increase household incomes and promoting equity	Per Capita Income (US Dollars)	506	NO DATA	667	NO DATA	NO ASSESSMENT	837	NO ASSESSMENT
	Proportion of people living below poverty line (%)	28.5	24.5 (2009/10)	27.4	24.5 (2009/10)	ACHIEVED	24.5	ACHIEVED
Enhancing the availability and quality of gainful employment	Percentage of total labour force employed	70.9	75.4* (2009/10)	73.1	75.4 (2009/10)	ACHIEVED	78.2	ON TRACK
Enhancing human capital development	Life Expectancy	50.4	NO DATA	51.3	54	ACHIEVED	52.4	ACHIEVED
	Literacy	73.6	73 (2009/10)	76.9	73 (2009/10)	NOT ACHIEVED	82.2	OFF TRACK
	HDI (Score and Rank)	0.438	0.482	0.531	0.446	NOT ACHIEVED	(0.572)	NEEDS WORK
		157th/183	112/183	150th/183	161st/187^^	NOT ACHIEVED	142th/183	NO ASSESSMENT
Increasing access to quality social services	DPT3 pentavalent vaccine	85	76 (2010)	88 (MoH)	90	ACHIEVED	87	ACHIEVED
	Proportion of qualified workers	56	56 (2010/11)	60 (MoH)	58	NOT ACHIEVED	85	NEEDS WORK
	HCs without medicine stock outs	26%	43% (MoH)	60% (MoH)	49% (MoH)	NOT ACHIEVED	65	ON TRACK
	Deliveries in Health facilities (%)	34	39 (MoH)	41 (MoH)	40^ (MoH)	NOT ACHIEVED	40	ACHIEVED
	OPD utilisation	0.8	0.9 (2010)	1.0 (MoH)	1.0 (MoH)	ACHIEVED	1.5**	NEEDS WORK
	Infant mortality rate (per 1,000 live births)	76	NO DATA	NO TARGET	54	NO ASSESSMENT	41	ON TRACK
	Under five mortality rate (per 1,000 live births)	137	NO DATA	114	90	ACHIEVED	60	ON TRACK
	Maternal mortality ratio (per 10,000 live births)	435	NO DATA	NO TARGET	310	NO ASSESSMENT	131	ON TRACK

Table 2.2.1 Progress against NDP Indicators (Two years of Implementation) FY 2010/11&2011/12 (Part III)

NDP OBJECTIVES	Specific Indicators	Base Year 2008/09	Actual 2010/11	NDP Target 2011/12	Actual 2011/12	Rating against 2011/12 Target	NDP Target 2014/15	Status against NDP target of 2014/15
	Net enrollment rate primary (%)	93.2	107.9 (2009)	95	96 (2010)	ACHIEVED	96.4	ON TRACK
	Net enrollment rate secondary	23.5	23.8 (2009)	28	25 (2010)	NOT ACHIEVED	35	NEEDS WORK
	Pupil-Teacher Ratio	53:1	49:1 (2009)	47:1	49:1 (2010)	NOT ACHIEVED	43:1	ON TRACK
	Pupil-Classroom Ratio	72:1	70:1 (2009)	66:1	58:1 (2010)	ACHIEVED	61:1	ACHIEVED
	Student-Teacher Ratio	18:1	19:1 (2009)	NO TARGET	19:1 (2010)	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Student-Classroom Ratio	45:1	35:1 (2009)	NO TARGET	45:1 (2010)	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	BTVET Enrollment (Students)	30,009	39,250	249,705	56,482	NOT ACHIEVED	390,208	NEEDS WORK
	Rural water coverage (%)	66	65.8	64 (MWE)	64 (MWE)	ACHIEVED	77	OFF TRACK
	Urban water coverage (%)	60	67	68 (MWE)	69 (MWE)	ACHIEVED	100	NEEDS WORK
	Sanitation coverage (%)	62	68	73% (MWE)	69.6 (MWE)	NOT ACHIEVED	80	OFF TRACK
Strengthening good governance, defence and security	Level of representation and participation of marginalised groups in development processes	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of transparency in public institutions	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of implementation of regional and international protocols and standards	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of R&D developed	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of core sector capabilities	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT
	Level of capacity built for infrastructure development	NO DATA	NO DATA	NO TARGET	NO DATA	NO ASSESSMENT	NO TARGET	NO ASSESSMENT

SUMMARY STATISTICS	Baseline FY08/09	Actual FY10/11	Target FY11/12	Actual FY11/12	Target FY14/15
Available data	72%	53%	37%	59%	54%
Unavailable data	28%	46%	63%	41%	46%
Total Indicators	100%	100%	100%	100%	100%

PERCENTAGE OF FY 2011/2012 TARGETS ACHIEVED (of those with data)	**50%**
PERCENTAGE OF NDP FINAL TARGETS (FY 2014/15) MAY BE ACHIEVED AT THE CURRENT RATE OF IMPLEMENTATION (of those with data)	**52%**

STATUS OF NDP INDICATORS (2011/2012)		
ACHIEVED	**NOT ACHIEVED**	**NO ASSESSMENT**
22%	**22%**	**56%**

**Employment to population ratio for persons age 14 - 64.*
***In Government and PNFP.*
*****Number of establishments accessing internet.*
****Have Latrine/Toilets (Have hand washing facilities).*
^Figure high compared to UBOS figure 39 in2012 Statistical Abstract.
^^figure changed from 183 to 187 due to new countries added

2.1.2 Progress on implementation of the national core projects

Good progress has been achieved in hydropower generation and water transport with the completion of Bujagali hydro electricity power, improvements in water transport on Lake Victoria, transport infrastructure and connectivity in the Greater Kampala area and in construction of incubation centres. Despite this progress, most of the national core projects are still behind schedule and may not be realised on time as projected in the plan, at the current rate of implementation. Some of the projects that may not be realised on time include the rehabilitation of existing railway lines across the country, construction of five irrigation schemes, construction of Karuma hydropower project, establishment of a standard rail gauge from Malaba to Kampala, construction of IT Business parks, development of a phosphate Industry in Tororo, four regional science parks and technology incubation centres (SPTIC) and development and production of iron ore ingots.

NDP CORE PROJECTS	STATUS OF IMPLEMENTATION	RATING	IMPLEMENTING INSTITUTION
Construction of Five irrigation systems	Doho, Agoro, Mubuku rice irrigation scheme have been rehabilitated while Olweny rice irrigation scheme is not yet complete. 7 out of the 10 small irrigation /water harvesting demonstration sites were constructed in Kween, Kayunga, Isingiro, Kabale, Hoima, Apac and Yumbe districts. No new irrigation schemes have been constructed.	**ON TRACK**	MAIFF
Refinery development	The 29 Sq. Kilometer of land was surveyed, deed plans being worked on and the Resettlement Action Plan Study is in the final stage.	**ON TRACK**	MEMD
Construction of Karuma HEP Project (600MW)	UGX 828.6bn was allocated and UGX 552.16bn (66.4%) released for the construction of Kuruma. A detailed feasibility study and engineering designs have been concluded. However, construction did not commence due to procurement delays.	**OFF TRACK**	MEMD
Construction of Bujagali HEP Project	Bujagali HEP is completed. All the units of the hydropower plant have been commissioned. 250 MW from the project have added to the national grid	**ACHIEVED**	MEMD
Construction of Ayago HEP project	Pre-feasibility study carried out. The project is expected to start in the fourth year of the plan.	**ON TRACK**	
Construction of Inter-state distribution pipeline	The advert for expression of interest for Kenya – Uganda section of the Kenya – Uganda – Rwanda oil pipeline is expected to run by 31st January 2013.	**ON TRACK**	MEMD
Construction of Isimba HEP Project (140MW)	A detailed feasibility study and engineering designs for Isimba Hydropower Project is being undertaken and is expected to be completed in August 2012.	**OFF TRACK**	MEMD
Improve Transport Infrastructure, connectivity, Transport systems and safety for Greater Metropolitan Kampala	Little progress has been made on construction of the carriageway with Railway Viaduct (4.74km), other dual carriageways (122.85km), single carriageway (572.93km), junction improvements on 62 locations, railway crossings at 27 locations and pedestrian pavements and crossings (1,053km).	**OFF TRACK**	KCCA
Rehabilitate the Existing Railway lines	Two feasibility studies for upgrading Tororo-Packwach and Kampala Kasese railway lines were completed.	**OFF TRACK**	MoWT

	200km old railway truck was maintained out of the operational 337km. However most of the existing railway lines which was 1266km by the 1990s have not been rehabilitated.		
Construct the standard Rail Guage from Malaba to Kampala	Signed bilateral Agreement between Uganda and Kenya to develop and operate standard railway gauge from Mombasa to Kampala with branch lines to Kisumu and pakwach/ Gulu –Nimule.	**OFF TRACK**	MoWT
Improve water Transport of lake Victoria	Procured Lwampanga-Namasale ferry; Maintained and operated 7 out of 9 ferries on 6 crossings of Bukakata, Laropi, Masindi Port, Wanseko, Nakiwogo and Kyindiwere; completed construction of landing sites for Obongi – Sinyanya ferry; Delivered the Kalangala Infrastructure Services project ferry and also commenced evaluation of bids for the procurement of Laropi ferry; 256 inland water transport vessels inspected and registered. 60 percent water accidents were investigated	**ON TRACK**	MoWT
Information Technology (IT) Business parks construction project	A concept paper for established of ICT parks was developed and approved by the NATI-U board.	**OFF TRACK**	ICT
Construction and Development of Phosphate Industry in Tororo	A resettlement plan has been developed but not implemented due to the court injunction.	**OFF TRACK**	MTTI
Development and production of iron Ore ingots	Muko iron ore project is under way with more discoveries made in kazogo and Nangala.	**OFF TRACK**	MTTI
National Non-formal Skills development programme	No data provided	NO ASSESSMENT	MGLSD
Construction and Development of 4 regional science parks and technology incubation centres (SPTIC)	A Peanut processing factory and incubation center has been built and equipped in Lira. Production of Peanut butter is already in progress. No progress on the remaining three.	**OFF TRACK**	STI

2.2 State of the Economy FY 2011/12

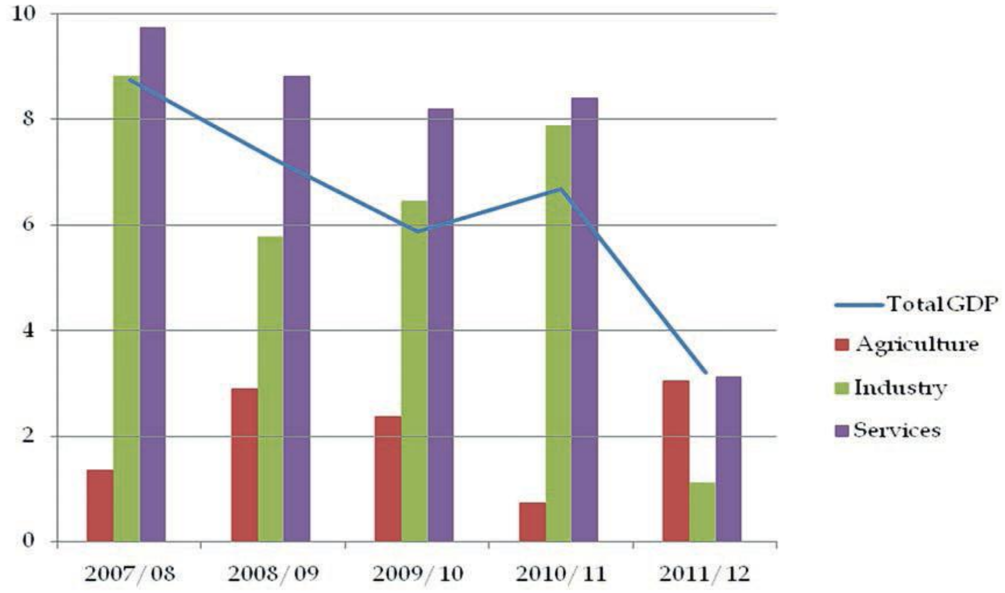
This section gives an overview of the macro economy, mapping macroeconomic performance against the NDP projections.

2.2.1 GDP growth

The Uganda economy faced both internal and external shocks which significantly slowed down economic growth to 3.4% in the FY 2011/12, compared to a growth rate of 6.6% achieved in FY 2010/11. This growth was below the NDP projection of 7%. This disappointing performance was a result of a remarkably volatile year, which included high global oil and commodity prices, drought in parts of the country and the wider region, power shortages, exchange rate volatility, tighter credit supply and weak external demand.

Figure 2.2.1 GDP Growth Rates 2007/08-2011/12

Source: Background to the Budget

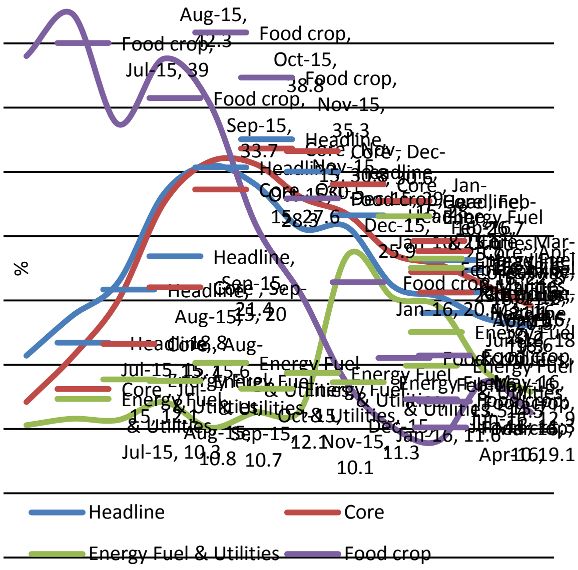


High levels of inflation and exchange rate volatility had severe implications for the real sector by undermining business confidence and investment in the industrial and services sectors. These sectors grew by only 1.1% and 3.1%, respectively. The industrial sector witnessed the largest slowdown in growth, from 7.9% in FY 2010/11. This performance was attributed to a sharp reduction in the growth of construction and negative growth in the formal manufacturing sector. Likewise, services sector growth slowed from 8.4% in FY 2010/11 to 3.1% in FY 2011/12, as financial services sector growth declined to 11.8% in FY 2011/12 from 23.6% in FY 2010/11.

2.2.2 Inflation

During the FY 2011/12, Uganda faced significant inflationary pressures, which resulted in inflation reaching levels not seen since 1993. Inflationary pressures first emerged during the financial year 2010/11, picked up momentum in 2011/12 and reached their peak in October 2011. Headline inflation reached 30.5% and food inflation reached 35.3%. Energy, Fuel and Utility (EFU) inflation reached 10.1% and core inflation 30.8%. Inflation began to decline in January 2012 and by June 2012 headline inflation had subsided to 18% and core inflation to 19.6%.

Figure 2.2.2 Inflation Developments



Food price inflation caused the initial increase in the Consumer Price Index (CPI), picking up over the first half of 2011, mainly due to domestic supply shortages caused by drought and high international food prices. However, annual food inflation has since declined from its peak in September 2011 to 12.8% in June 2012. The decline in food inflation has been driven by increased harvests due to favorable rains and lower global food price inflation.

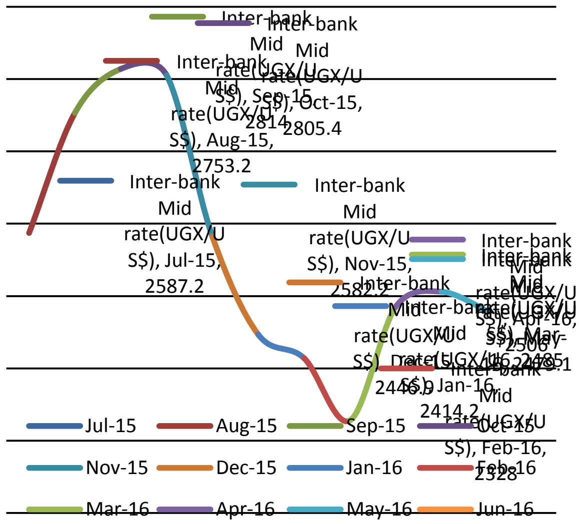
Core inflation increased over the first quarter of FY 2011/12but began to fall towards the end of the calendar year 2011, as the Bank of Uganda's (BoU's) monetary policy action began to take hold.

The annual electricity, fuel and utilities (EFU) inflation rate increased from 11% in the second quarter of 2011 to 20.2% in March 2012 before declining to 12.9% in June. This increase was mainly due to higher domestic pump prices resulting from higher international crude oil prices.

2.2.3 Foreign exchange market and exchange rate developments

The value of the currency fell significantly between June and September with the value of the shilling against the US Dollar depreciating by 14.3%, translating into a market-mid rate of 2,461.04 in June 2011 and 2,814.04 in September 2011. The global strengthening of the US dollar, attributed mainly to signs of improvement in the US economic outlook, led to the weakening of most international currencies as well as that of Uganda. Domestically, the continued weakening of the current account due to persistently high imports, excessive domestic demand for the US Dollar mainly from the manufacturing, oil and telecommunications sectors and speculative attacks on the Shilling, led to the severe weakening of its value.

Figure 2.2.3 Exchange Rate Developments (UGX/USD)

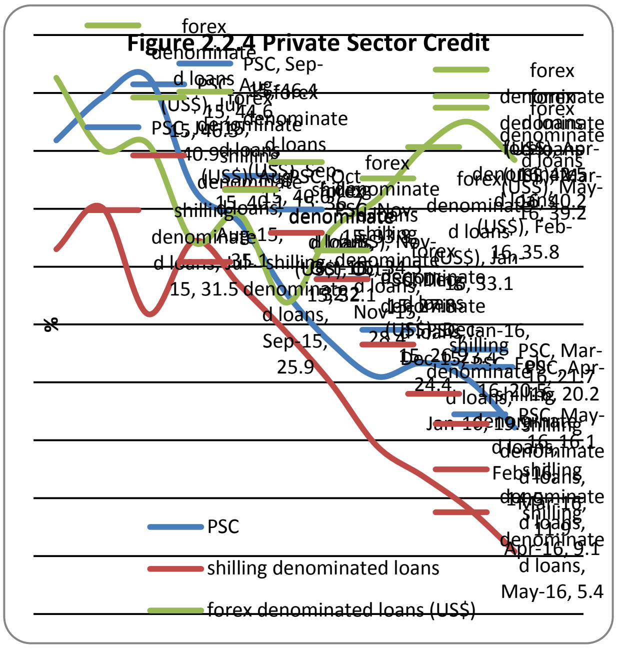


The Shilling then strengthened significantly from November 2011, from an average of 2,582.2 to 2,484.4 in June 2012, almost reversing the depreciation seen over the early part of the financial year. The strengthening of the Shilling was due to higher offshore investments in government securities, taking advantage of higher domestic interest rates that arose from the tight monetary policy stance implemented by the Bank of Uganda

2.2.4 Private sector credit

Growth in Private Sector Credit (PSC) fell to 16.5% in June 2012 from 40.9% in July 2011. PSC growth tends to be a leading indicator for inflation. A slowdown in the growth of private sector credit has had and will continue to have a dampening effect on inflation over the near term. As credit conditions become tighter and credit supply continues to narrow, the uncertain macroeconomic environment and poor bank portfolio quality hampered the banking sector's supply of credit to the private sector. Planned increases in the withholding tax on government securities in FY 2012/13 could result in a further decline in the profitability of the financial intermediary system.

Source: Bank of Uganda



According to BOU Monetary Policy Reports, this declining credit supply of the banking system significantly restrains domestic demand through its negative effect on investment as well as impairing the long-term growth prospects of the economy.

The deceleration in PSC however is more of a supply side problem than one of the demand side. Credit institutions' have limited ability to make credit available given the tight monetary policy stance in recent months and consumers' higher need for money amidst high consumer prices.

2.2.5 Investor confidence

Soaring inflation and the dramatic swings in the value of the Shilling were compounded by inefficiencies in the implementation of Government programs, resulting in a reduction in the contribution of public investment to GDP. These factors combined affected private investment during the year. Capital intensive sectors such as manufacturing were particularly hard-hit, recording a 90% fall in planned investments over the same period. Foreign and domestic investors withheld their investment decisions equally and this retrenchment partly explains the low 3.2% expansion of the overall economy.

2.2.6 Overall balance of payments

Uganda has been experiencing a widening current account deficit. This has been primarily due to the slow growth in export receipts coupled with strong import growth. The current account deficit was mainly financed by inflows from remittances, foreign direct investment, short term capital inflows and donor disbursements.

The slow growth in exports broadly reflected reduced demand in the export markets of Europe and the USA as a consequence of the sluggish and mixed global economic recovery. The buoyant import growth was due to the recovery in import demand for domestic investment by both foreign and Ugandan investors.

2.2.7 The capital and financial account

The Government policy toward external debt over the medium term is guided by the External Debt Strategy of 2007. The aim of the strategy is to ensure medium and long-term debt sustainability. Currently over 64% of public debt is external debt, while 36% is domestic debt. Domestic debt includes government securities like bonds and treasury bills, while external debt consists of loans from bilateral or multilateral creditors.

By the end of FY 2011/12, foreign currency-denominated debt constituted 66% of total government debt. This proportion has been on the rise since the full implementation of Multilateral Debt Relief Initiative (MDRI) in FY 2006/07, when it dropped to about 46%. The major currencies are the IMF's Special Drawing Rights, the Euro, the US dollar and the Japanese Yen. The entire domestic debt portfolio is denominated in local currency. Exchange rate risk remains a concern given the large and increasing amount of foreign currency-denominated debt.

2.3 Alignment to the NDP

2.3.1 Assessing the NDP macroeconomic and financing strategy

This section tracks the changes in macroeconomic indicators against the projections and targets laid out in the NDP. The NDP provides a specific macroeconomic framework as the basis for determining levels of public investment in the NDP to ensure outcomes are achieved. Table 2.3.1 Illustrates the progress made during the second year of the plan.

Table 2.3.1 Progress against NDP macroeconomic and financing strategy targets

Sector	Macroeconomic Indicator	Actual 2009/10	Actual 2010/11 (%)	NDP Projection 2011/12 (%)	Actual 2011/12 (%)
Real	Annual GDP Growth rate (%)	5.5	6.3	7	3.2
	Private investment (% GDP)	17.8	18.1	17.4	17.6
	Public investment (% GDP)	5.4	6.7	8.8	7.8
Fiscal	Government domestic revenue (including oil) (% GDP)	12.4	13.8	13.6	12.7
	Government Expenditure including domestic arrears repayment (%GDP)	19.7	23.4	19.8	19.8
	Fiscal deficit, excluding grants (%GDP)	7.2	10.5	6.2	3.5
External	Total Debt stock/GDP	15.5	No Data	17.3	29.22
	Donor Aid (%GDP)	5.1	6.6	5.6	5.7
Monetary	Inflation	4.2	15.7	6	18.0
	Reserves in months of imports of goods and services	5.2	4.0	5.3	3.8
	Money (M3) (%GDP)	24	21.7	19.1	23.8

Source: Bank of Uganda; International Monetary Fund; UBOS

Annual GDP growth rate

The economy expanded at 3.2% in FY 2011/12 against the projected 7% in the NDP and 6.3% in the previous year. This low performance was attributed to high interest rates needed to bring down inflation, high global oil and commodity prices, drought in some parts of the country, power shortages, exchange rate volatility and weak external demand for exports. These factors had severe implications for the real sector undermining business confidence and investment in the industrial and services sectors, which grew by only 1.1% and 3.1% respectively. The agriculture sector by contrast had a strong year, compared to recent performance, growing at 3%.

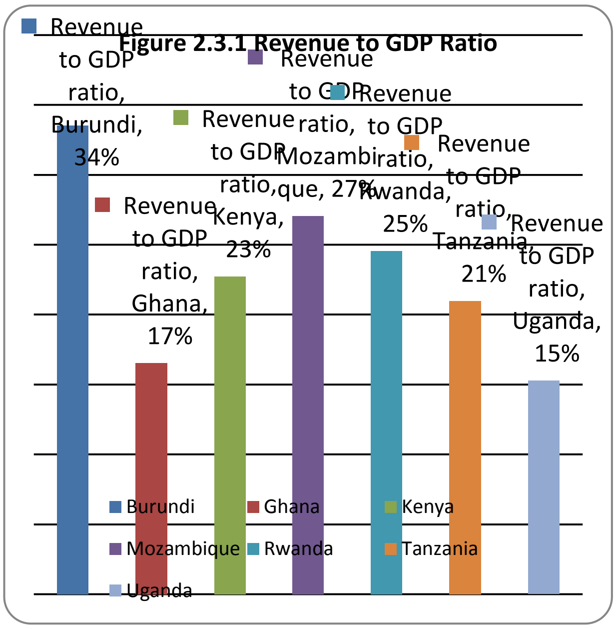
The ratio of public investment to GDP increased by 1.1 percentage points, from 6.7% in FY 2010/11 to 7.8% in FY 2011/12. This positive performance fell short of the NDP target of 8.8%. The slight growth in investment can be attributed to the disappointing growth performance in FY 2011/12. Heightened inflation and dramatic swings in the value of the shilling, compounded by inefficiencies in the implementation of government programmes prevented the NDP target from being met.

Private investment fell to 17.6% of GDP in FY 2011/12 from 18.1% in FY 200/11. This was still above the NDP projection of 17.4%. The decline is attributed to diminishing growth due to macroeconomic instability and constrained public investment. Capital intensive sectors such as manufacturing were most hit, recording a 90 percentage point fall in planned investment over the same period. Foreign and domestic investors equally withheld their investment decisions, hampering private sector led economic growth. By year end progress had been made in restoring macroeconomic stability through tightening both monetary and fiscal policy, which has led to a rapid improvement in business confidence. Planned investment picked up dramatically, reaching over USD 800m in the third quarter of FY 2011/12. The negative growth effects are likely to be temporary provided macroeconomic stability is maintained and constraints to faster implementation of Government projects are addressed.

Government domestic revenue

Government domestic revenue shot up to 15.7% in FY 2011/12 from 13.8% in 2010/11, above the NDP projection of 13.6%. Although the trend is positive, domestic revenue mobilisation remains inadequate, leading to continued reliance on loans and grants. This, coupled with the magnitude of the infrastructure funding gap, calls for drastic measures to consider all possible public financing mechanisms to enhance revenue mobilisation. Revenue mobilisation is low due to the narrow tax base, limited compliance levels, as well as a number of tax exemptions and generous investment incentives. Figure 2.3.1 compares Uganda's revenue to GDP ratio to that of the other countries in the East African Community, Mozambique and Ghana.

Figure 2.3.1 Revenue to GDP Ratio



Fiscal deficit, excluding grants

The fiscal deficit declined drastically from 10.5% in FY 2010/11 to 3.5% in FY 2011/12, 2.7 percentage points below the NDP projection of 6.2%. This is explained by increased government revenue coupled with a reduction in government consumption expenditure. Expenditure was tilted towards financing the development budget, which facilitated development of a significant number of infrastructure projects to alleviate infrastructural bottlenecks and enhance Uganda's growth potential.

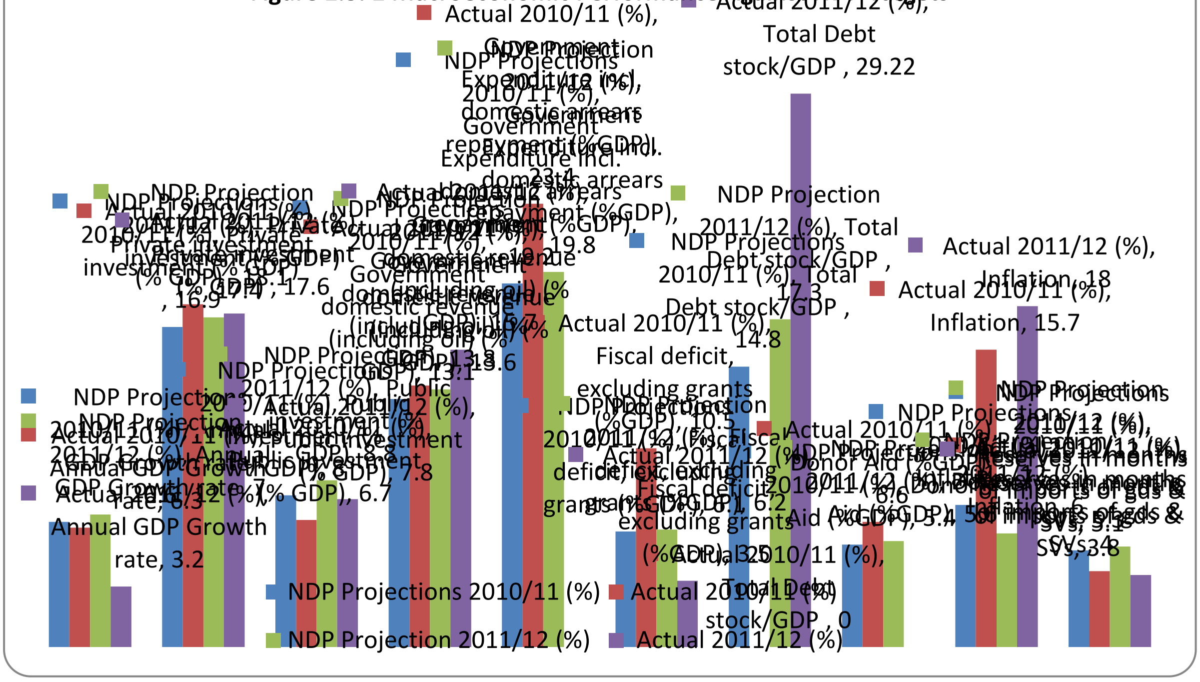
Total debt stock/GDP

The ratio of debt to GDP increased from 15.5% in FY 2009/10 to 29.22% in FY 2011/12, 11.9 percentage points above the NDP target of 17.3%. This is an indication that borrowing finances an important part of the national budget, given the low domestic revenue to GDP ratio. As of March 2012, Uganda's total external debt exposure stood at USD 5.5bn – around the same level in 2003/04 – having risen from USD 4.7bn in March 2011. This was partly because of inadequate domestic revenue amidst the need to finance infrastructure projects.

Poverty

The percentage of Ugandans living in poverty decreased from 56.4% to 24.5% between 1992/93 and 2009/10, exactly meeting the FY 2014/15 NDP target. 24.5% of Ugandans were absolutely poor, 42.9% were insecure non-poor and 32.6% were in the middle class. This implies many Ugandans have moved out of poverty but are still at risk of falling back into poverty in the face of negative shocks. The size of this insecure cohort has more than doubled since the early 1990's. According to various rounds of the Uganda National Household Survey (UNHS), Ugandans who had moved out poverty were able to meet their basic needs, but like the poor their incomes remained highly volatile and vulnerable to falling back into poverty. The emergence of a middle class with greater spending power and more importantly the ability to invest in the future represents an opportunity to accelerate the socio-economic transformation process.

Figure 2.3. 2 Macroeconomic Performance Against NDP Targets



2.4 Implementation of NDP-related budget priorities during FY 2011/12

The Budget for the FY 2011/12 was the same theme as that of the NDP: *"Promoting Economic Growth, Job Creation and Improving Service Delivery."* This section of the report tracks progress made against the commitments made in the Budget Speech of FY 2011/12. It highlights progress made in prioritised areas of employment and job creation, infrastructure development, energy generation and reforms. Detailed tracking of progress made against all budget commitments and priority areas has been provided in Volume 2 of this report.

2.4.1 Employment and job creation

A majority of the working population are engaged in the agriculture sector, with 66% of the working population employed in the agriculture sector, 9.8% in sales, maintenance, repair of vehicles and personnel, 6% in manufacturing, 3.5% in education, 2.7% in transport storage and communications, 2.3% in hotels and restaurant and 10.1% in the rest of the sectors. It is important to note that of this working population majority, 73.7% have attained only primary education and below, 18.3% secondary education and 6.8% have specialised training or post primary education.

Recent figures from the UBOS Statistical Abstract 2012 indicate that in 2011 there was a decline in labour demand, with the number of jobs advertised dropping from 24,372 in the previous year to 11,978 in 2011. Most of this demand came from public administration at 49% of the total demand, international organisations 9.5%, education 6%, health and social services 3%, other community, social and personal services 21.4%, manufacturing 3.9%, financial intermediation 2.7%, real estate, renting and business activities 3.1%, transport, storage and communication 0.3% and the rest 1%. This means less than 50% of the jobs created were in the productive sectors of the economy.

The official unemployment rate continues to increase, from 1.9% in 2005/06 to 3.6% in FY 2011/12, with urban unemployment at 8.7% and rural unemployment at 2.5%. Underemployment improved, with time-related underemployment registering a positive trend from 12.1% in FY 2005/06 to 3.2% in FY 2009/10. Skills-related underemployment was at 3.9%, while income-related underemployment was 10.6%. Average working hours per week were 32.7 hours and the median weekly wage was UGX80,000.

In line with the NDP, UGX 44.5bn was committed in the budget speech of FY 2011/12 towards job creation. UGX25bn was committed for establishing the Youth Entrepreneurship Venture Fund. Providing loans ranging from UGX100,000 to UGX5m to act as equity for youth group investments. The fund contains equal contributions of UGX12.5bn from Government and the participating banks of DFCU, Centenary and Stanbic.

UGX3.5bn was committed under Enterprise Uganda to undertake the Entrepreneurial Training Program to instill business management skills among the youth and to enable them join the job market or create their own enterprises. UGX1bn was committed to undertake Business Development Skills clinics in collaboration with the private sector and Uganda Small Scale Industries Association (USSIA), with special focus on imparting technical skills to youth, using non-formal vocational training programs.

UGX16.5bn was committed through the Kampala City Capital Authority (KCCA) to establish dedicated workspaces in markets in Kampala where the youth and other small scale manufacturers under the Job Stimulus Programme are able to undertake manufacturing and other processing activity.

Job creation

During the year under review, Uganda Investment Authority (UIA) licensed 242 businesses owned by both local and foreign investors. These came from all sectors of the economy and were expected to create 34,095 jobs. Foreign investments licensed were projected to create 19,775 jobs and local investments 13,092 jobs. Investments in financial, insurance, real estates and business services were expected to create 10,107 new jobs, manufacturing 8,464 jobs, agriculture, hunting, forestry and fishing 6,901 jobs, accommodation catering and tourism services 657 jobs and 616 for community and social services as indicated in the table below.

Table2.4.1 Expected jobs by sector in FY 2011/12

Businesses licensed by Sector	Expected employment
Financial, Insurance, Real Estates & Business Services	10,107
Manufacturing	8,464
Agriculture, Hunting, Forestry& Fishing	6,901
Transport, Storage & Communication	3,286
Electricity, Gas & Water	1,639
Mining & Quarrying	1,269
Construction	1,156
Accommodation catering and Tourism Services	657
Community & Social Services	616
Total	**34,095**

Source: UIA, 2012

Slow progress in the implementation of the Youth Venture Capital Fund

The Youth Venture Capital Fund was created during the FY 2011/12 to support Small and Medium Enterprises (SMEs) managed by Ugandans aged 18–35 years with the aim of stimulating growth and employment. A commitment of UGX25bn was made in the Budget Speech with equal contributions of UGX12.5bn expected from Government and participating financial institutions By July 2012, 44% (UGX11.06bn) of the committed funds had been given out to the youth through Stanbic, Centenary and DFCU banks. A total of 2,806 small loans were disbursed across the country. 1,448 loans were given out in central region, 709 to the Western region, 427 to the Eastern region and 222 to the Northern region. In monetary terms, the Central region received the biggest amounts of the loans at UGX6.25bn, Western region UGX2.56bn, Eastern region UGX1.34bn and the Northern region UGX0.91bn. The slow progress in disbursements was attributed to the delays in signing of the Memorandum of Understanding which was signed in February 2012.

Business development skills clinics

The NDP and NRM manifesto focus on enhancing the availability and quality of gainful employment as well as enhancing human capital development. In the Budget Speech of FY 2011/12, UGX3.5bn was committed to Enterprise Uganda to instill business management skills among the youth to enable them join the job market or create their own enterprises and a further UGX1bn to impart technical skills to youth, using non-formal vocational training programs through business development skills clinics.

During the year under review, Enterprise Uganda received in total UGX2.5bn (55%) out of the total commitment of UGX4.5bn and with these funds 6,815 business and entrepreneurship start-up clinics were conducted in Kampala city and Budaka, Amuru, Nwoya, Lamwo and Mbale districts. The institution also hosted a Global Entrepreneurship Week, carried out entrepreneurship awareness campaigns through electronic and print media and held an entrepreneurship forum of over 1,200 participants for three days. 1,200 financial literacy training to army officers and to 150 members of parliament under their SACCO groups were carried out. The institution highlights absence of a permanent centre of excellence and resources for impact assessments and documenting successful case studies as a major constraint.

Creation of dedicated workspaces in markets for the youth and small scale manufacturers behind schedule

Out of the committed UGX16.5bn for establishment of dedicated work spaces in markets starting with Kampala in which the youth and other small scale manufacturers under the Job Stimulus Programme would undertake manufacturing and other processing activity, KCCA received UGX9.92bn, a shortfall of UGX 6.58bn.

The Authority committed UGX5.03bn to procure land for the development of three markets in Bukoto, Ggaba and Kitintale. Land was procured for Bukoto and Kitintale and efforts are reportedly being made to secure alternative means of financing for development of the market. The procurement process for the land in Ggaba was not completed. This was attributed to delays in clearance of contract by the Solicitor General's Office and the funds were returned to the consolidated Fund.

Figure 2.4.2 Job Creation

Market	Estimated number of jobs to be created
Bukoto	When completed 650 workspaces will be created. Of these 400 will be for existing vendors and 250 will be for youths.
Ggaba	There is need to need to finance land acquisition for Ggaba market. Ggaba will significantly contribute to the creation of work spaces. When completed 1,400 workspaces will be created.
Kitintale	Of these 400 will be for existing vendors and 1000 will be available for different categories of vendors including women and youths. When completed 1400 workspaces will be created

KCCA transferred funds amounting to UGX3.3bn (out of the approved UGX3.55bn) to Centenary Bank for Small Scale Enterprise Development. The MOU with Centenary Bank was completed and forwarded to Solicitor General's office for clearance. It is estimated that the youth fund will benefit 3,000 youths.

UGX650m was released against the allocated amount of UGX1.0bn towards refurbishment and equipping of the Employment Services Bureau. These funds were returned to the consolidated fund due to delays in the procurement process. The bureau had been planned to provide services including job information exchange, skilling and reskilling programs and customised mentorship. If refurbished it is estimated that 100 youths will visit the bureau every day and 500 youths will access employment annually.

The land for construction of markets and the agricultural trade improvement project (MATIP-I) in Kasubi, Nalulabye, Kansanga, Ntinda and Wandegeya was not procured due to non-release of the allocated UGX4.5bn.

Reforms to improve access to affordable financial services

During the budget speech a number of reforms were proposed to improve the access to affordable financial services. These included reforms to improve the leasing and the mortgage industry, the pension sector, identification of borrowers, the land registry, business registration and licensing and oil management.

Good progress was registered in passing of the Mortgage Act and approval of the regulations for the act in July 2011. There was also good progress in the review of business-related licenses and registration processes, where a comprehensive inventory on business licenses and license laws was undertaken and completed. The regulations were disseminated in four districts of Mbarara, Kampala, Ntugamo and Bushenyi. The registration procedures and registration forms can now be accessed online and downloaded free from the Uganda Registration Service Bureau's website.

Slow progress was however noted on pension sector reforms, where amendments to the bill were finalised but are yet to be presented to Parliament. Legislations for oil resource and revenue management were presented before the Parliamentary Committee on Natural Resources for scrutiny.

Land registry

The Kampala Mailo Registry Housing & Urban database has been computerised and is being continuously updated. The computerised database is used for internal land records management and has eased quick access to land registry information by the registrars. Aerial surveying, including the associated survey and mapping control framework for purposes of producing the base map for the Land Information System (LIS) development work, was completed and necessary digital photography was produced in early January 2012. The design work for the LIS has been completed and the test LIS software has been set up. Scanning of the land administration documents has been initiated with the completion of scanning of Kampala, Mukono, Wakiso, Jinja, Mbarara and Masaka cadstral sheets. The National Land Information Centre has been completed.

To support the development of the LIS, 12 land offices in Mukono, Wakiso, Masaka, Mbarara, Fort Portal, Kibaale, Lira, Masindi, Gulu, Arua, Jinja and Mbale have been completed. However, these are not operational due to budget constraints. A record centre has also been set up in Entebbe as a facility to backup copies for land administration documents, while a resource centre has been constructed for the Institute of Surveying and Land Management to support land sector capacity building needs.

New land administration procedures requring presentation of photographs for land transactions, mobile phone numbers and e-mail addresses in addition to postal addresses and use of credible witnesses have been set up. For companies, the certificate of incorporation or registration and the Articles of Association are required. These have been introduced for all land transactions to improve the land registration process and to check for fraud in land transactions. The ministry's website was redesigned, appropriate sections for land administration procedures were created and land forms can also now be downloaded from the website

National identification card

The National Identification Card (IDs) is critical for national planning, easing of borrower identification and other benefits. The project has registered slow progress over the last two years with only 409 IDs made and issued to some senior citizens, politicians and government officials in a pilot exercise. Eight million blank IDs were received. 606 staff from JLOS institutions were registered for issuance of IDs. The issuance of the cards is however, pending installation of the Main Personalisation Centre. Signing of the contract for procurement of the data processing and personalisation centre is slated for early September 2012.

2.4.2 Infrastructure Development

Transport Infrastructure

In the Budget Speech of FY 2011/12, UGX1,214.41bn was committed for implementation of key transport infrastructure projects. The focus was on specific national roads to improve the transport network and ease traffic congestion in metropolitan Kampala, rehabilitating key rail lines across the country and improving water transport, especially on Lake Victoria.

Road infrastructure

Commitments were made in the Budget Speech 2011/12 to commence upgrading of new priority roads of Moroto - Nakapiripirit (93km), Hoima – Kaiso - Tonya (73km), Mukono – Katosi (74km), Mbarara - Kikagati (66km), Ntungamo - Kakitumba (37km) and Ishaka - Kagamba (35 km) to bitumen standard. The contract for the construction of Moroto - Nakapiripirit was awarded in August 2012. Works commenced on the Hoima – Kaiso - Tonya road and 5% of the works had been completed. Slow progress was registered in the upgrading of the Mukono - Katosi road due to lack of funds. Construction of the Mbarara - Kikagati road commenced and a total of 11.1 km have been upgraded from gravel to tarmac. Gulu – Atiak - Bibia/Nimule and Vurra – Arua – Koboko - Oraba were behind schedule by the end of the financial year 2011/12.

Funds were committed for the reconstruction of the existing roads of Tororo – Mbale – Soroti, Lira – Kamdine - Gulu, Atiak, Moyo - Afoji and Mbarara – Ntungamo - Katuna roads. All the planned roads for reconstruction were behind schedule by year end.

Kabale – Kisoro - Bunagana, Soroti – Dokolo - Lira, Fort Portal - Bundibugyo/Lamia, Matugga – Semuto - Kapeeka and Nyakahita - Ibanda were scheduled for continued improvements. Matugga – Semuto - Kapeeka and Soroti – Dokolo - Lira were reported complete. Good progress was registered on Nyakahita – Ibanda - Fort Portal - Kitagwenda (58% for Nyakahita - Kazo and 23% for Kazo - Kamwenge) and Kabale – Kisoro - Bunagana (90% complete). Fort Portal - Bundibugyo/Lamia was reported to be behind schedule (60% complete).

District and community access roads

Commitments were made in the Budget Speech to fast track the rehabilitation and continuous maintenance of national, district and community access roads. By year end, consultations were ongoing on the amendment of Section 14 of the URA Act Cap 196 to provide for collection and direct deposit of proceeds from road user charges into the Uganda Road Fund (URF) account at the Bank of Uganda.

Construction of key bridges

Government prioritised construction of key bridges across the country and accelerated the planning for construction of the second bridge on the River Nile at Jinja at an estimated cost of USD 102m in FY 2011/12. The detailed engineering design for the second Nile bridge at Jinja was completed and commencement of construction is scheduled for FY 2012/13. Six bridges on national roads were rehabilitated, including Karuma on the Kampala - Gulu road, Pakwach on the Karuma - Arua road, Kafu on the Kampala - Gulu road, Nkusi on the Hoima - Kyenjojo road, Ngoromwenda on the Mbarara - Kabale road and Ntungwe, which is a temporary bridge on the Katunguru - Ishasha road. The process of procuring a contractor to design the Karuma Bridge for reconstruction is ongoing.

Metropolitan Kampala roads

UGX43bn was committed in the Budget Speech towards the construction and maintenance of Kampala City roads. A number of roads have been constructed and maintenance is ongoing. A total of UGX1.28bn was disbursed to KCCA for routine maintenance of 156.41km of roads and periodic maintenance of 30.93km of roads.

A loan facility worth USD 350m was secured from the People's Republic of China to facilitate the development of the new Kampala - Entebbe express highway. A contract was signed by the contractor and compensations for those affected by the undertaking are in progress.

Water transport

The Ministry of Works and Transport planned to construct and operationalise a ferry for improved access to Kalangala Islands. 89% of rehabilitation works on MV Kaawa have been completed and the vessel has been tested. The Kalangala Infrastructure Services (KIS) ferry was delivered; trial runs and testing of the vessel and ferry crew are on-going.

Slow progress in improving railway transport

Railway transport rehabilitation works were planned on Kampala - Malaba and Tororo - Pakwach lines. During the year, the feasibility study for the Tororo - Packwach railway line was completed. The contract for consultancy services to undertake the preliminary design to upgrade the Kampala - Malaba railway to standard gauge was cleared by the Solicitor General.

ICT infrastructure

The focus of the Budget Speech under the Information and Communication Technology (ICT) sector was on the National Data Transmission Backbone Infrastructure and E-government (NBI/EGI) initiatives. In FY 2011/12, design of Phase III of the NBI was completed. Phases I and II of the NBI which included laying of 1536.39Km of optical fibre cable across the country and connection of the NBI to the borders of Southern Sudan (Elegu) and Kenya (Malaba and Busia) were completed. The primary data centre for the Government at Statistics House was completed and will be piloted in State House, Ministry of ICT and NITA-U. 27 Ministries and departments were connected to the e-government network in order to facilitate videoconferencing, voice over internet protocol (VoIP), data exchange and internet access over the e-Government Infrastructure.

Energy infrastructure

UGX 850bn was committed in the Budget Speech for facilitating major interventions aimed at addressing the increasing demand for electricity and towards developing oil and gas reserves in the Albertine Graben. The focus was to complete the 250MW Bujagali hydropower project and associated transmission lines, which were completed. The construction of the 600MW Karuma hydropower project did not commence due to delays in the procurement process. Feasibility studies for the 140MW Isimba and the 600MW Ayago hydropower projects were completed.

UGX14.7bn was committed towards the construction of an oil refinery in Hoima. The 29 square km piece of land was surveyed and the resettlement action plan study is in the final stages of completion. Phase one of the construction of a Petroleum Resource Database at the Ministry of Energy and Mineral Development was completed.

Electricity Transmission lines

The feasibility study for the Mutundwe – Entebbe 132kV (50km) transmission line was completed during the financial year while the Mbarara – Nkenda 132kV (160km) and Tororo – Opuyo – Lira 132kV (260km) transmission lines remained behind schedule, with works expected to commence in FY 2012/13. There was slow progress registered in the rural electrification projects with the construction of all the prioritised schemes expected to start in FY 2012/13.

3. Economic Infrastructure and Competitiveness

The Economic Infrastructure and Competitiveness cluster includes the sectors of Energy and Mineral Development, Information Communication Technology, Tourism, Trade and Industry and Works and Transport.

3.1 Energy and Mineral Development Sector

The Energy and Mineral Development Sector, according to the NDP, constitutes both primary growth and complementary sectors. The primary growth sectors include mining and oil and gas while energy forms the complementary sector.[8]

The mandate of the sector is to establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilisation of energy and mineral resources for social and economic development". In the FY 2011/12 and the medium term, the sector focuses on increasing electricity generation capacity and improving the transmission network, access to modern forms of energy, promoting and monitoring petroleum exploration and development and promoting mineral investment.[9]

The institutions which contribute to achieving the sector objectives and mandate are the Electricity Regulatory Authority (ERA), the Uganda Electricity Generation Company Limited (UEGCL) which manages generation concessions, the Uganda Electricity Transmission Company (UETCL), Uganda Electricity Distribution Company Limited (UEDCL), which manages distribution concessions and the various oil and gas exploration and mining companies.

3.1.1 Overview of sector performance for FY 2011/12

The Energy and Mineral Development Sector is one of the priority sectors in the NDP. The NRM Manifesto 2011 and the budget for FY 2011/12 consider energy a major driving force for socio-economic transformation.

The budget of the Energy and Mineral Development Sector for FY 2011/12 was UGX 1,300 bn, of which UGX 1103.3bn (83.6%) was released and UGX 1,101bn (99.8%) was absorbed. The largest proportion of the budget release of UGX 552.2bn (63%), which was allocated to large hydropower infrastructure, was transferred to the Energy Fund for construction of Karuma hydropower plant. Procurement of the project manager and the contractor (engineering, procurement and construction) were still on-going at year-end. This procurement process has been contested in the courts, which will further delay the procurement of a contractor and manager for the project.

Energy planning, management and infrastructure development received UGX 520.3bn, greater than the approved budget of UGX 449.9bn, representing 115.7% released. The significant expenditure was due to thermal power subsidy payments which constituted 91.7% of development spending[10]. The petroleum exploration, development and production vote function received UGX 27.2bn of an annual budget of UGX 34.0bn, translating to 80% of the budget released.

The analysis of the overall performance of the sector at outcome level indicated that 57% of the outcome indicators had a positive change, 29% a negative change, while 14% of the indicators lacked data over the FY 2011/12. The output performance of the sector showed that 58% of the targets were achieved and 42% were not achieved during the FY 2011/12 (Table 3.1.1).

[8] The Republic of Uganda (2010), National Development Plan 2010/11 – 2014/15, pg. 15 & 17.
[9] Ministry of Energy and Mineral Development (2011), 2011/12 Ministerial Policy Statement, pg. vi.
[10] Ministry of Finance, Planning and Economic Development (2012), Annual Budget Performance Report, pg. 28.

With respect to actions, Cabinet agreed on actions to address the issues of power generation shortage, frequent fuel shortages and negligence of mining rules and regulations and improper payment of taxes by mining operators. All the Cabinet actions were being implemented and were on track at year-end. All the actions from the Presidential Investors Roundtable (PIRT) as well as those developed by the sector to enhance their performance were also being implemented.

Table 3.1.1 Performance Scorecard for the Energy and Minerals Development Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	57%	71%	29%	0%	14%	14%	7

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	58%	42%	0%	50

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	100%	0%	0%	3
PIRT	100%	0%	0%	14
Planned	100%	0%	0%	12

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	1,319.9	1,103.3	84%	1,101.0	100%	83%

Table 3.1.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	11		13		4	
Year end	Green	Red	Green	Red	Green	Red
	8	3	6	7	0	4
	72%	28%	46%	54%	0%	100%

Table 3.1.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

3.1.2 Access to modern forms of energy

Modern forms of energy are central to economic growth and social development and are essential for poverty reduction. The sources of modern energy in Uganda include hydropower, fossil fuel, solar, biomass, geothermal and wind power. There is little use of solar photovoltaic (PV), geothermal, nuclear, biomass and wind energy.

Table 3.1.3: Existing Power Generation Plants

Plant Name	Installed Capacity (Megawatts)		
	2009	2010/11	2011/12
Hydroelectricity	**328**	**441**	**691**
Kiira	120	200	200
Nalubale	180	180	180
Kasese Copper Cobalt Company Ltd	10	9.5	9.5
Kilembe Mines Ltd	5	5	5
Mobuku III	-	9	9
Bugoye	13	13	13
Mpanga	-	18	18
Ishasha	-	6.5	6.5
Bujagali	-	-	250
Thermal Electricity	**150**	**170**	**70**
Electro-maxx	-	20	20
Aggreko (Kiira)	50	50	-
Jacobsen Plant - Namanve	50	50	50
Aggreko (Mutundwe)	50	50	-
Bagasse Electricity	**14**	**17**	**17**
Kakira Sugar Works	12	12	12
Kinyara	2	5	5
Total Installed Capacity	**492**	**628**	**778**
Target Installed Capacity	**640**	**696**	**890**
% Target reached	77%	90%	87%

Source: Ministry of Energy and Mineral Development

Access to modern forms of energy is still low, with 12% of households accessing grid-based electricity and an insignificant proportion of people using solar PV technology.[11] Access to modern forms of energy is constrained by many factors, including a limited power distribution network, limited availability of solar panels and accessories to the rural population, lack of awareness of biogas technology and high initial costs. Limited access to modern forms of energy has implications including families foregoing entrepreneurial endeavours, research and development being hampered, malfunctioning of health facilities and households being burdened by time-consuming tasks such as pounding grains and fetching water, leaving them with less time for income generating activities.

Increased hydropower generation capacity

The FY 2011/12 budget prioritised energy infrastructure development, focusing on generation, transmission and distribution infrastructure to increase access to electricity. The budget allocation for large hydropower infrastructure was UGX 828.6bn of which UGX 552.2bn was released and transferred to the Energy Fund for construction of the Karuma hydropower plant.

In line with the NDP and the NRM Manifesto 2011, the budget focused on the development of hydropower generation infrastructure including Karuma (600 MW), Isimba (140 MW) and Ayago (600 MW) hydropower project and completion of the Bujagali hydropower project. Bujagali was completed in FY 2011/12, adding 250 MW to the national grid.

The commissioning of Bujagali hydropower project has removed the power deficit in Uganda by increasing the installed capacity to 778 MW, from 628 MW in FY 2010/11 (Table 3.1.2).[12] Although the Power Sector Investment Plan for 2011 projected domestic demand for 2012 to be 507 MW and the sector reported an installed capacity of 628 MW, there was still load shedding in 2011. The

[11] Ministry of Energy and Mineral Development (2011), Energy and Mineral Development Sector Performance Report 2008/9 – 2010/11, pg. 82.
[12] Aggreko (Kiira and Mutundwe) of 50 MW each were decommissioned.

additional 250 MW from Bujagali Hydropower plant is projected to meet the country's domestic demand for the next two years.

The sector continued with the development of potential (both mini and large) hydropower sites. The civil works of Karuma hydropower project were planned to start in FY 2011/12 with temporary diversion of the river but this was not realised. The failure to start construction work was due to a court injunction which delayed the procurement of a contractor and project manager. The pre-feasibility studies for Ayago hydropower project were completed while detailed feasibility studies and engineering design for Isimba hydropower project were ongoing.

On mini-hydropower projects, the sector planned to construct Buseruka (9 MW), Nyagak I (3.5 MW), Nyagak III (3 MW), Maziba (1 MW), Kikagati (16 MW), Muzizi (20 MW) and Nyamwamba (14 MW) in FY 2011/12. Buseruka and Nyagak I were planned for commissioning during the FY 2011/12. However, Buseruka was not commissioned due to lack of availability of power max grade cement in the country, while a weak base discovered during grouting and water proofing of the power house affected the completion of Nyagak I. The construction of Kikagati never started due to failure to secure financial closure. However, construction works are scheduled to start in January 2013. For Maziba, the implementation consultant was working on different scenarios of the project to determine the most suitable design. The construction work for Nyagak III, Muzizi and Nyamwamba hydropower projects did no start in FY 2011/12 as planned. The sector did not provide reasons for the delay.

3.1.3 Electricity transmission and distribution coverage increased

Electricity transmission and distribution form an integral part of access to electricity. In line with the NDP and the NRM manifesto 2011, the 2011/12 budget priority was to extend the grid line and establish independent grids. Consequently, UGX 11.3bn was allocated for rural electrification. The money was fully released and 97.2% of the budget was spent. During the financial year 2,500 km of the rural electrification scheme was completed against an annual target of 500 km. This performance level implies that the target was too low given the fact that the projects were rolled over from FY 2010/11. This also made it possible to have 10 district headquarters[13] electrified, equivalent to 91% achievement against the annual target of 11 district headquarters.

In line with the 2011/12 budget priority, construction of Bujagali interconnection[14], Kahungye and Kawaala substations were completed under the development of transmission infrastructure.

Poor uptake of other forms of modern energy

The government developed a Photovoltaic Targeted Market Approach (PVTMA) mechanism to provide consumers with credit facilities and subsidies to enable faster acquisition of solar systems. UGX 3.9bn was allocated to facilitate installation of solar systems and biomass technology and UGX 3.8bn was released. However, adoption was still low with 1,834 solar PV systems installed, representing only 38% achievement against the annual target of 6,000. The solar PV system has mainly been taken up by institutions like public hospitals, schools, the National Water and Sewerage Corporation and public universities.

The Government continues to promote and exploit biogas technology. Through workshops and seminars, 5 model farmers out of the 10 targeted adopted biogas technology. Related to this, an Independent Power Project (IPP) was identified in Apac district to produce electricity from biogas.

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[13] The districts connected to the national grid are Alebtong, Ntoroko, Napak, Nakapiripirit, Amudat, Moroto, Kaberamaido, Dokolo, Amolatar and Katakwi.

[14] Bujagali interconnection project consists of 220KV Bujagali – Kawanda transmission line, 220/132KV Kawanda substation, 132KV Kawanda – Mutundwe transmission line and 132KV Bujagali – Nalubaale transmission line.

Uganda's energy mix is dominated (90%) by biomass, characterised by wood fuel and charcoal. The usage of wood fuel and charcoal has negative impacts on health and environment. An improved cooking stove reduces the use of wood fuel in order to preserve the environment. To date a total of 795,000 improved cook stoves have been distributed across the country. During FY 2011/12, 45,000 improved cook stoves were distributed against an annual target of 50,000. The sector reported that the low level of distribution of the improved stove in relation to the target was due to inability of some households to meet the basic cost of the technology.

Energy efficiency increased

The challenges facing the energy sub-sector are commercial, technical and environmental. The commercial challenges facing the energy sector are power theft through illegal connection, bypassing the meter, tampering with the meter and the hostility of the communities to UMEME and UETCL officials. The refurbishment of transmission lines is also hindered by the hostility of the community against whoever comes for maintenance of the transmission/distribution infrastructure[15]. The technical challenges relate to the quality of the transmission and distribution infrastructure and efficiency of the generation infrastructure. The rehabilitation and upgrading of the transmission and distribution lines has reduced power loss from 34% in 2006 to 27% in 2011/12[16]. Hydropower generation is low compared to potential generation. Over the period 2007 – 2010, an average of 40% of the installed hydropower capacity was generated. This has been attributed largely to falling water levels due to drought.

3.1.4 Good progress on petroleum exploration and production

In line with the NDP objectives, the NRM manifesto 2011 is keen to develop the petroleum sector in line with the strategies in the National Oil and Gas Policy. Consequently, government allocated UGX 28.4bn for petroleum exploration, development and production out of which UGX 27.2bn was released. 99.1% of the release was spent. The budget focused on the legal and institutional framework for resource and revenue management.

The sector has been engaged in the process of developing petroleum legislation to govern access to oil and gas rights and regulate exploration, production, refining and processing of oil and gas. The sector has been engaged in the establishment of institutions like the Petroleum Regulatory Authority to regulate the sector and the National Oil and Gas Company to participate in the business aspects. The creation of the institutions awaits the enactment of two bills, the Petroleum Exploration, Development and Production bill and the Refining, Gas Processing & Conservation, Transportation & Storage bill. In the interim, the roles of the above institutions and the refinery project are handled under the Petroleum Exploration and Production Department (PEPD) of the ministry. During FY 2011/12, 14 oil wells were successfully drilled and appraised. In total, 69 exploration and appraisal wells have been drilled in the country of which 6,417 encountered oil and/or gas in the subsurface, accounting for a 92% success rate. The reserves in place have grown from 300 million barrels in 2006 to 2.5 bn barrels of oil in 2011/12. The vigilance in monitoring oil and gas exploration activities and acquisition of seismic data contributed to the success of oil and gas exploration.

UGX 13.5bn was allocated to acquire land for the oil refinery development. UGX 13.5bn was released and spent. Hoima District Land Board cleared the acquisition of 29 square km of land for the refinery. The land was surveyed but the deed plan was yet to be completed by the end of FY 2011/12. The resettlement action plan study was in the final stages of completion. The Environmental Baseline Survey was completed and the procurement for the Environmental Impact Assessment (EIA)

[15] Ministry of Finance, Planning and Economic Development (2012), Budget Monitoring Report Third Quarter – FY 2011/12
[16] Ministry of Energy and Mineral Development (2012), 2012/13 Ministerial Policy Statement
[17] The discoveries were made in Turaco, Mputa, Waraga, Nzizi, Kajubirizi, Kasamene, Ngege, Nsoga, Ngiri, Jobi, Ngassa, Taitai, Karuka, Wairindi, Kigogole, Ngara, Mpyo, Jobi-East, Gunya and Rii.

consultant was in its final stages. A full EIA will be undertaken after the Pre-Front End Engineering Design study. The delays in procurement caused a variation of performance, leading to 40% achievement of the annual target.

3.1.5 Mixed performance in petroleum supply and management

The petroleum products consumed in Uganda are entirely imported through Kenya and Tanzania. The oil marketing companies (OMCs) import petroleum products by road from Eldoret, Kenya to Kampala and neighboring countries.

There was a relatively constant supply of petroleum products during FY 2011/12 despite relatively unstable prices in 2011. The NDP objective in the petroleum supply chain is to ensure a sufficient stock of petroleum products on the market at all times, through construction and restocking reserves in Jinja, Nakasongola and Gulu[18]. Cabinet directed that the Jinja storage tank facilities be refurbished and restocked. During FY 2011/12, government procured a private operator for this, under a public-private partnership arrangement and the facility is expected to be refurbished and operationalised in FY 2012/13. Government is yet to refurbish and restock the Nakasongola storage facilities.

On the Kenya – Uganda – Rwanda oil pipeline, the agreement for the final investment decision was not cleared and signed. The sector attributed failure to clear and sign the agreement to lack of funds. The Joint Coordination Commission prepared a development plan for the Kenya – Uganda section of the pipeline. According to the plan, the construction project will be awarded to the successful bidder by September 2013.

The Government continued to license oil petroleum operating companies to regulate the petroleum industry. The objective is to allow more operators to join to make the industry more competitive. All the current players in the petroleum supply industry were relicensed to streamline the downstream petroleum sub-sector. A total of 125 petroleum operating licenses and 32 petroleum construction permits were issued in FY 2011/12, compared to 61 operating licenses and 15 petroleum construction permits issued in FY 2010/11. Despite the increasing number of licenses and construction permits issued, the petroleum supply industry was less competitive over FY 2011/12 compared to FY 2010/11. The Herfindahl index[19] for market competitiveness dropped to 0.13 in FY 2011/12 from 0.1 in FY 2010/11.

3.1.6 Mining sector grows

Mining involves extracting and processing economically valuable minerals. Many minerals are mined in Uganda, including gold, tin, gemstones, limestone, clay, salt and stone aggregate across the country. Non-tax revenue collection has steadily increased over the last four years. The NDP and the NRM manifesto promote environmentally and socially responsible investments in the mining sector[20] with the target of attracting investment to develop already proven mineral deposits. Such deposits include iron ore in Muku, marble in Karamoja, gold mining in Bushenyi, phosphates in Tororo, glass sand deposits in Diimu and Bukakata. The NDP planned to reopen Kirwa and Ruhinja wolfram mines in Kisoro and Kabale districts respectively. However, mining was not one of the major priority areas of the 2011/12 budget. A total of UGX 1.59bn was allocated for mineral exploration, development and promotion with Sukuru phosphates and Muko iron ore as the flagship projects.

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[18] Republic of Uganda (2010), National Development Plan 2010/11 – 2014/15, pg 117.

[19] Herfindahl Index (HI) is a measure of competitiveness of the market. HI below 0.1 signifies high competition, while an index above 0.18 signifies low competition or monopoly.

[20] Republic of Uganda (2010), National Development Plan 2010/11 – 2014/15, pg. 112 and NRM (2010) Manifesto 2011 – 2016, pg. 106.

UGX 1.5bn was released and invested in Sukuru phosphates, Muko iron ore and geological maps. The development of Sukuru phosphates is in progress. The Resettlement Action Plan was developed and approved by the Government Chief Valuer. The developer Nilefos Minerals Ltd, holding a retention license, could not start the development as the community demanded to be compensated or resettled before the development started. As for Muko iron ore, exploration and mining is ongoing in two other discoveries made in Kazogo and Nangala, within Muko. However, exploration and mining in the original area was hindered by inability to secure surface land rights as the community wants a compensation agreement with mineral rights holders.

Inspection of mining sites still weak

In line with the NDP, the Government of Uganda is keen on promoting and empowering artisanal and small scale miners through developing and implementing laws and regulations to protect and benefit miners, mining communities and the environment. However, during the Cabinet Retreat, it emerged that some mining companies in eastern Uganda neglected mining rules and regulations leading to environmental pollution. Consequently, Cabinet agreed to review the Mines Act to empower LGs to actively inspect the activities in the mines and strengthen monitoring to ensure compliance with legal requirements. To ensure compliance with legal requirements, the sector sensitised the local communities and land owners in Karamoja, Tororo, Kabale and Kisoro. Besides sensitisation, the sector presented a case to retain part of the non-tax revenue to step up monitoring to ensure compliance with legal requirements.

By the end of FY 2011/12, 722 mineral licenses were granted of which 27 were mining leases[21]. In view of strengthening monitoring to ensure compliance with legal requirements, UGX 0.08bn was allocated for licensing and inspection. The money was fully released and 87% of the release was spent to conduct 8 inspections against 12 mining site inspections planned in FY 2011/12. Although the underperformance was attributed to inadequate funding, the budget performance in FY 2011/12 was better than to the previous financial year where the release was less than half of the approved budget (Table 3.1.3), yet the same output target was achieved.

Table 3.1.4: Budget Performance for licensing and inspection of mines

	Budget Performance (UGX bn)	
	2010/11	2011/12
Budget Approved	0.03	0.08
Releases	0.01	0.08
Budget Released	38.6%	95.4%
Budget Spent	36.5%	93.5%

Source: Ministry of Finance, Planning and Economic Development, 2011 & 2012

3.1.7 Compensation affecting development projects

Development projects in the energy and mining sectors during FY 2011/12 were hampered by the implementation of the resettlement action plans. For the Karuma hydropower project, the procurement of a resettlement action plan implementation consultant was completed but identification of land owners has proved challenging and, in some instances, claimants contested amounts approved. None of the project affected persons have therefore been compensated and resettled.

The transmission and distribution projects were also affected by compensation. Compensation is demanded before project development starts. The challenge of compensation ultimately delays the project implementation. For example, land owners in Bujawe village demanded USD 600 per project affected person in compensation for the construction of the Buseruka – Hoima interconnection line.

[21] Mining Lease is granted to holder of exploration or retention license that has found a mineral deposit of commercial significance with a full feasibility study report and proposed development and mining operations.

In the mining sector, Muko iron ore and Sukuru phosphates are among the projects affected by compensation. Although the Chief Government Valuer approved the re-settlement action plan for Muko iron ore development, the community wants a compensation agreement with mineral rights holders. For Sukuru phosphates, the community got a court injunction to halt the project and is demanding to be compensated before development commences.

3.2 Information and Communication Technology Sector

The ICT sector aims to ensure sustainable, efficient and effective development of the sector, to harness ICT in all spheres of life. It will achieve this through establishment and enforcement of a policy, legal and regulatory framework that promotes the development of the sector and a balanced and coordinated national and regional communications infrastructure. The sector is led by Ministry of Information and Communications Technology (MoICT) and includes Uganda Communication Commission (UCC), Broadcasting Council (BC), National Information Technology Authority (NITA-U), Uganda Post Limited (UPL) and Uganda Institute of Information and Communications Technology.

3.2.1 Overview of sector performance for FY 2011/12

The ICT sector's function is to increase access and use of information technology across the entire population as a way of improving service delivery. This can be measured through the improved access and utilisation of quality and affordable ICT resources and services in all spheres of life and the promotion of ICT business to enhance employment, income and growth.

Of the 16 indicators at the outcome level, data was available for only 6% of the outcome indicators. The other 94% were not assessed due to the lack of data. This made it impossible to track the sector's performance towards achievement of its 5 objectives in the NDP. This creates a concern since the overall impact of the sector cannot be assessed without the sector providing the necessary information at outcome level.

Table 3.2.1 Performance Scorecard for the Information and Communication Technology Sector

Outcome Trends

	% positive trend	% achieved against target	% un-changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	2%	0%	7%	14%	6%	96%	16

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	59%	39%	2%	41
MoICT	50%	50%	0%	20
NITA-U	67%	29%	5%	21

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	0%	100%	0%	1
PIRT	83%	17%	0%	6

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	12.12	12.98	107%	12.82	99%	106%
MoICT	4.92	4.23	86%	4.07	96%	83%
NITA-U	7.20	8.75	122%	8.75	100%	122%

The sector received an increase on its total budget during the FY. The sector as a whole received UGX 12.98bn against the approved budget of UGX 12.12bn. This reflects a release of 107.2%.

The primary recipient of the budget in the sector was NITA-U which received UGX 8.75bn of its budgeted 7.20bn or a 121.5% budget release. The authority carried forward a budget of UGX 4.7bn from the previous year, which was then used for setting up the government call centre and the development of the business process outsourcing (BPO) governance structures. This included developing BPO incentives guidelines and the BPO Strategy and model.

The ministry on the other hand received a slightly lower release of UGX 4.23bn compared to its budget of UGX4.92bn, which is 86% of the budget released.

83% of the sector's commitments PIRT recommendations were on track while 38% of them were off track by the end of the FY. Following last year's Cabinet Retreat, the stakeholders involved agreed upon increased funding for the roll out of District Business Information Centres (DBICs). The action was however reported to be off track by FY end because the sector was not allocated additional funding towards the initiative. At output level, 59% of the sector's targets for the year were achieved while 39% were not achieved. No assessment could be made for 2% of the indicators because they had no data. The Ministry of ICT achieved 50% of its outputs and failed to achieve 50% while the NITA-U achieved 67% and failed to achieve 29% of the output indicators.

Table 3.2.2 Analysis of half year performance

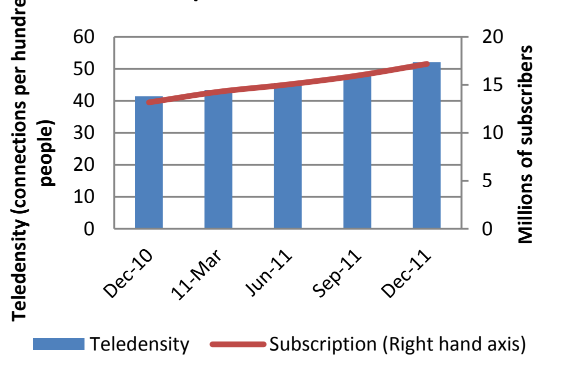
Half year	Green		Yellow		Red	
	14		11		15	
Year end	Green	Red	Green	Red	Green	Red
	7	4	8	3	5	9
	50%	29%	73%	27%	33%	60%

Table 3.2.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

3.2.2 Subscription growth and telephone penetration

According to the 2011/12 half year post and telecommunication market review prepared by the Uganda Communication Commission, the sector registered a 2.2 million growth in fixed and mobile phone subscriptions from June 2011 to December 2011. This is attributed to aggressive on-net promotions. The sector registered a 54% increase in on-net tariffs and a 20% increase in off-net tariffs. The general price increase during the review period was attributed to inflation, which led to increases in the prices of key factor inputs, such as fuel and the rapid devaluation in the Shilling against the major world currencies.

Figure 3.2.1 Aggregate Telephone Subscription and Penetration



3.2.3 Policies and Bills

The IT policy was passed by Cabinet by the end of FY 2011/12. The policy is meant to foster the development of IT as an industry and spearhead the development of IT Enabled Services (ITES). This policy was passed with the intention of addressing issues related to IT infrastructure development, education, public-private partnership, trade and commerce, rural – urban development, popularisation and awareness.

However, two policies have remained behind schedule since FY 2009/10. These are the E-waste Management Policy which is still at the fourth stage of policy formulation (preparation of final draft of policy paper/cabinet memorandum) and the IMS Policy which is at the third stage (development of a second draft). The sector has not provided a reason for the cause of the delay.

Towards the operationalisation of cyber laws, NITA-U developed draft attendant regulations for the Electronic Transactions Law and the Electronic Signatures Law. NITA-U sensitised 150 people on the cyber laws although the authority did not provide information on the number of people it had targeted.

3.2.4 ICT infrastructure development

Due to the urge towards improving access and utilisation of quality and affordable ICT resources and services in all spheres of life, the sector has embarked on developing the ICT infrastructure in various sectors, such as telecommunication, connectivity, capacity building, skills development, broadcasting and e-governance services.

Digital migration infrastructure

Since the passing of the digital migration policy by Cabinet last FY 2010/11, as a way of implementing the policy, the sector has under taken the implementation of the analogue to digital migration. The process is being led by the Uganda Communications Council (UCC) and the Broadcasting Council (BC) through massive countrywide awareness and sensitisation campaigns. In an effort towards the establishment of Digital Broadcasting Infrastructure, consultative meetings have been held and a concept paper developed on the establishing of broadcasting infrastructure. A draft masterplan for the implementation of digital migration for the entire country was developed. The International Telecom Union has set June 2015 as the date for switch off of analogue broadcasting systems and as such all signatories must have migrated from analogue to digital broadcasting services by then. UCC through Uganda's Rural Communications Development Fund (RCDF) is in the process of rolling out digital broadcasting infrastructure for UBC, starting with the Greater Kampala region. TV viewers in this region, which includes Kampala, Entebbe and parts of Masaka, Jinja, Nakasongola, Mityana and Mubende, should be ready to receive digital TV signals by 31st December 2012. Digital infrastructure will subsequently be extended to all parts of the country. However, details on the progress of rolling out the digital broadcasting infrastructure in the Greater Kampala region were not provided by the sector.

E-government infrastructure and e-government services

The e-government policy framework was passed by Cabinet in FY 2010/11 to improve the efficiency and effectiveness of service delivery within the public sector. E-government refers to the use of information and communication technologies to deliver public services in a convenient, efficient customer-oriented and cost-effective way. A Unified Messaging Collaboration System was piloted in 3 MDAs (NITA-U, MoICT and State House) by the end of FY 2010/11. However, the system has since not been rolled out to other MDAs. The Unified Collaboration System incorporates end to end secure email, instant messaging, voice and video conferencing. Centralised antivirus and intrusion detection systems have been installed in the pilot MDAs. A survey was conducted and a report was produced on the status of usage of the e-government infrastructure equipment that was installed in the MDAs in FY 2010/11, to check its usability and whether or not it is in good working condition. A change management plan was developed to establish how the equipment could be put to use. However the authority did not provide the details of the findings.

National backbone infrastructure

Towards achieving the NDP objective of enhancing quality, affordable and equitable ICT services countrywide, the sector embarked on rolling out the NBI. This is intended to connect all major towns in Uganda to an optical fibre network to make transmission of information and data across the country easy and fast. The NBI is financed by a USD 106m loan from the Government of the People's Republic of China through EXIM bank. The NBI is being implemented in 3 phases. At the beginning of FY 2011/12, phase II of the NBI was completed. A forensic technical audit was conducted on Phase I & II to reaffirm reliability of the network. An report was produced and the contractor agreed to fix the faults identified on Phase I & II. By the end of the FY, faults on Phase II had been corrected. Regarding operationalisation and maintenance of Phase I&II of the NBI, NITA-U has contracted a private contractor to commercialise and manage the NBI.

Phase III of the NBI is awaiting implementation. The authority reported that the design of phase III has been developed and the TORs for supervision of the works have been developed and approved. Implementation of the Project is awaiting confirmation of funds from EXIM Bank. The authority reported that by end FY 2010/11, a total of USD 91m had so far been spent on completed works of the NBI; USD 30m and USD 61m was spent on Phase I and Phase II respectively.

Internet protocol is the addressing scheme for computers on a network. IPv4 is the fourth version of internet protocol used to identify devices on a network through an addressing system. It is the most widely used. IPv6 is the newest version that will replace IPv4. IPv6 is designed to allow the internet to grow steadily both in terms of number of hosts connected and total amount of data traffic transmitted. In regard to implementation of the transition from IPv4 to IPv6, a Country Code Top Level Domain Management Policy is ready to be submitted to Cabinet, while the IPv4 to IPv6 transition strategy has been approved by the MoICT. The transition is expected to solve impending problems of global IPv4 address space exhaustion and enable many new features needed to reduce the cost of existing networks.

3.2.5 District Business Information Centres

Due to a lack of IT skills and knowledge in the population, especially in rural areas, the sector embarked on the establishment of DBICs with the aim of establishing a one-stop centre to provide supply driven services for citizens and specific demand-driven services required by the business community. Since the FY 2008/09, only nine[22] DBICs have been established. The slow pace of implementation of the DBICs was an issue in the Cabinet Retreat for FY 2010/11 and a recommendation was made to increase funding for the setting up of the DBICs. This was not carried out. By the end of the FY, the sector reported that NITA-U, Posta Uganda and UCC set up a joint committee to agree on the implementation of the DBICs. It is unlikely that all one hundred and twelve districts will be covered in the short term and so it is also unlikely that the initiative will meet the intended objectives (as outlined in the NDP) of ensuring equitable access for all people to seize new information and communications technology opportunities, like affordable and timely access to ICT services in rural areas, better quality of Government services and enhanced competitiveness of SMEs globally. Following up from FY 2010/11, NITA-U has been reporting on the establishment of only 3 DBICs in Amuru, Hoima and Rakai.

[22] Rakai, Hoima, Amuru, Kamwenge, Lira, Busia, Mityana, Iganda, Rukungiri

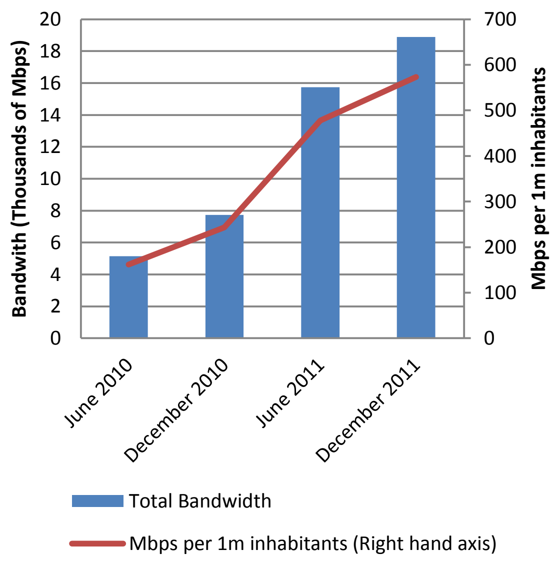
Enhancing employment through new ICT innovations and job creation

The Government embarked on the National BPO initiative in order to build the skills of citizens to take advantage of global opportunities in the business outsourcing industry. A Memorandum of Understanding was entered into with the Government of Egypt for the development of the BPO Curriculum and support for BPO training. The BPO incubation centre was fully set up by the end of FY 2011/12. Incentives guidelines have been developed through a consultative process and approved by the NITA-U board. The development of BPO standards and accreditation guidelines remained behind schedule and by the end of the FY 2011/12, the development was at procurement stage. The authority reported that a tracer study was conducted to determine the employment status of the BPO trainees. 35% of the BPO trainees were employed within the BPO sector one year after the training.

3.2.6 New ICT products and provision of financial services through mobile money

20% growth was realised in bandwidth by the end of December 2011, when total international bandwidth in the country stood at 18,887 mbps. The growth in bandwidth is attributed to the increase in capacity of the undersea cable systems at the East African coast and new capacity from newly launched providers (bandwidth and cloud services).

Figure 3.2.2 Bandwidth Growth



The ICT sector creates the platform on which mobile money services run, through the phone companies. The revolutionary expansion of mobile payments systems has huge potential to extend financial access. By 2011, there were over 2.4 million mobile money customers and 4,000 new users each day. Warid Telecom launched its mobile money transfer platform on its network in FY 2011/12, bringing the number of telecom mobile money operators to 4.
In November 2011, Airtel Uganda announced its mobile money services upgrade for which customers could send and receive money across all other mobile money networks. This is contributed to by the increasing teledensity (number of fixed and mobile connections per hundred people) which further translates into improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.

3.2.7 PIRT recommendations

A recommendation arose to establish internet access in rural areas at social service centres and by the end of FY 2011/12, 76 internet points of presence, 106 internet cafes, 78 ICT training centers 4,099 public payphones, 78 district web portals, 13 Multi-purpose Community Tele-centres (MCT), 45 postal projects, 831 school ICT laboratories, 174 health ICT facilities, 90 voice network sites and 106 content development projects had been set up in various areas.

Similarly, by the end of the FY 2011/12, an E-government readiness survey was being conducted and a strategy paper on rationalisation of IT services in government developed. NITA-U developed a concept paper on operationalisation of an e-Cabinet solution and developed a training programme for imparting ICT skills to Cabinet. By FY end, an e-government help desk was being set up at NITA-U and a prototype of the help desk was developed. The authority also developed a strategy to update the Government web portal which will host official government information towards the recommendation of ensuring efficient service delivery to citizens and business.

Towards the development of the National Information Security strategy to guard against threats, attacks and abuse on information systems, the sector developed a strategy and carried out consultations on an institutional framework to establish the National Computer Emergency Response Team (CERT). However, further consultations to incorporate strategic national security considerations were recommended by a PIRT Preparatory Meeting chaired by the Prime Minister. A core team comprising of UCC, NITA-U, Uganda Police Force and MoICT was set up to implement the establishment of the CERT offer by the International Telecommunications Union (ITU) and a Directorate of Information Security under NITA-U was approved and being operationalised by FY end.

It is however important to note that although implementation of most of the recommendations is still on going, some of the recommendations were completely achieved by the end of the FY which implies that sector's performance towards PIRT recommendations was generally on track by the end of the FY 2011/12.

3.3 Tourism, Trade and Industry Sector

The Sector's key medium term objectives focus on the development of a competitive and export oriented industrial sector, advancement of Uganda's tourism industry domestically and internationally and improved product competitiveness in terms of export quality, quantity and high manufacturing standards. While tourism and manufacturing are defined in the NDP as primary growth sectors, trade and cooperatives are defined as complimentary sectors of the economy.

The sector constitutes two ministries which were in 2011 created from the former Ministry of Tourism, Trade and Industry. These are the Ministry of Trade, Industry and Cooperative and the Ministry of Tourism, Wildlife and Antiquities. The Agencies in the sector include; Uganda National Bureau of Standards, Uganda Tourism Board, Uganda Industrial Research Institute, Uganda Export Promotion Board, Uganda Commodity Exchange, Management Training and Advisory Centre, Uganda Wildlife Authority, Uganda Wildlife Education Centre and Uganda Development Corporation.

3.3.1 Overview of sector performance

The analysis of the sector outcome indicators over the FY 2011/12 indicate that there was a positive change in 36% of the indicators and a negative change in 27% of the indicators while another 36% lacked sufficient data for analysis. The economy also registered a marginal increase of one percentage point in the GDP share of the industry sub sector from 25.3% in 2010/11 to 26.3% in 2011/12.

The manufacturing component of the industry sub sector which includes both formal and informal manufacturing fell as a share of GDP, from 8.6% in 2010/11 to 8.4% in 2011/12. Although total export earnings increased from UGX 8,401bn in FY 2010/11 to UGX 9,974bn in FY 2011/12, the performance of exports in terms of GDP declined from 21.5% of GDP in FY 2010/11 to 20.3% in FY 2011/12.

As indicated in table 3.3.1 below, the sector received a total sum of UGX 52.1bn out of an approved UGX 58bn for the financial year, translating into 90% budget release. The entire released amount was spent. There was an improvement in both the total allocation and the release to the sector compared to FY 2010/11, where the total allocation was UGX 44.19bn and the release was UGX 31.5bn.

The sector budget, however, is still less than foreseen in the NDP, by about UGX 17bn. Among the sector agencies, Uganda Tourism Board and Uganda Industrial Research Institute received all the allocated amount of UGX 2.05bn and UGX 12.74bn, respectively, while Uganda National Bureau of Standards received UGX 13.6bn (88% of the approved amount, including non-tax revenue collections amounting to UGX 3.7bn). The Ministry of Tourism, Wild Life and Antiquities received UGX 8.86bn, 82% of the approved budget, including UGX 2bn given as Government's contribution towards the restoration of Kasubi tombs. The Ministry of Trade Industry and Cooperatives received 14.9bn, 88% of the approved budget, including UGX 4.81bn which was given as a supplementary budget for clearing arrears that had accumulated towards the payment of contributions to international organisations like WTO, COMESA and UNIDO. Only UGX 1.8bn out of the approved donor funding of UGX 5.83bn within the MTEF was released. This greatly affected performance under the cooperative development, industrial development and technological development vote functions.

With its budget release, the sector achieved only 50% of its total output targets. The Ministry of Trade, Industry and Cooperative achieved 40% of its annual targets, Ministry of Tourism, Wildlife and Heritage achieved 40%, Uganda National Bureau of Standards achieved 59%, Uganda Tourism Board achieved 44% and Uganda Industrial Research Institute achieved 91%. Whilst the sector gives inadequate financing as the major reason for poor performance, this level of performance does not match with the released funds, given that Uganda Tourism Board and Uganda Industrial Research Institute received 100% of their approved budget and none of the other MDAs received less than 75% of their approved budget.

Table 3.3.1: Performance Scorecard for the Tourism, Trade and Industry Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	36%	NA	0%	27%	NA	36%	11

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	50%	47%	3%	107
MoTIC	40%	57%	3%	35
MTWA	40%	56%	4%	25
UNBS	59%	41%	0%	27
UTB	44%	56%	0%	9
UIRI	91%	0%	9%	11

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	50%	50%	0%	4

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	58.03	52.10	90%	52.10	100%	90%
MoTIC	16.98	14.9	88%	14.9	100%	88%
MTWA	10.81	8.86	82%	8.85	100%	82%
UNBS	15.45	13.56	88%	13.56	100%	88%
UTB	2.05	2.05	100%	2.05	100%	100%
UIRI	12.74	12.74	100%	12.74	100%	100%

Table 3.3.2 Analysis of half year performance

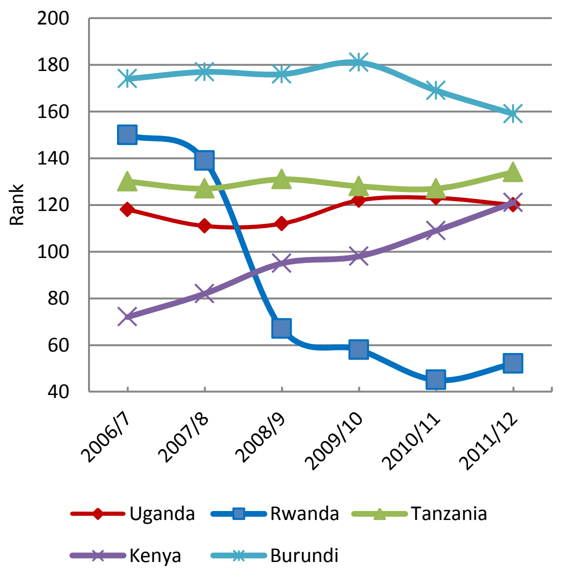
<table>
<tr><td>Half year</td><td colspan="2">Green</td><td colspan="2">Yellow</td><td colspan="2">Red</td></tr>
<tr><td></td><td colspan="2">59</td><td colspan="2">12</td><td colspan="2">26</td></tr>
<tr><td rowspan="3">Year end</td><td>Green</td><td>Red</td><td>Green</td><td>Red</td><td>Green</td><td>Red</td></tr>
<tr><td>34</td><td>25</td><td>4</td><td>7</td><td>9</td><td>17</td></tr>
<tr><td>58%</td><td>42%</td><td>33%</td><td>58%</td><td>35%</td><td>65%</td></tr>
</table>

Table 3.3.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

3.3.2 Slight worsening in Doing Business indicators ranking

The budget speech of FY 2011/12 highlighted the need to undertake a comprehensive review of business related licenses with a view to simplifying requirements, reducing discretionary powers and eliminating redundancy. It spelt out the Government's intention to merge procedures, as well as introduce online registration processes, aiming at reducing the time and cost of doing business for both the public and private sector. However, there was a small worsening in Uganda's ranking on the World Bank's Doing Business indicators, from 119th position, out of 183 countries considered, in 2010/11 to 120th in 2011/12.

Figure 3.3.1 EAC Countries' Doing Business Rank



In terms of business regulatory reforms carried out, the insolvency process was improved by clarifying rules on the creation of mortgages, establishing the duties of mortgagors and mortgagees, defining priority rules, providing remedies for mortgagors and mortgagees and establishing the powers of receivers. However, transferring property was made more difficult, by requiring property purchasers to produce an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance. The Doing Business ranking is an indicator of relative performance, so the performance of other countries must be taken into account. In addition, the quality of reforms is important. Despite the reforms to the insolvency process, Uganda's ranking in this area worsened, as other countries improved faster.

Uganda's position in the rankings is mainly influenced by poor performance in trading across borders, starting a business and protecting investors. For example, it costs USD 3,050 and takes 33 days to ship a container of goods from the capital to the nearest port in Uganda. The averages in Sub-Saharan Africa are USD 1,990 and 31 days. The averages in the OECD countries are USD 1,028 and 10 days. The overwhelming share of this cost is the actual shipping and handling cost. The figures above are calculated for a shipping container assuming it contains USD 20,000 worth of goods. The additional costs of shipping, compared to the average in Sub-Saharan Africa, therefore represent 5% of the value of the goods shipped.

Figure 3.3.1 shows the trend in the worldwide rankings of Uganda and the other countries in the EAC. The most striking trend is the very quick improvement seen in Rwanda, which moved up 98 places between 2006/07 and 2011/12, whereas Uganda actually moved down two places over the same period. The other notable trend is Kenya's steady fall down the rankings, from 72nd to 121st.

3.3.3 Tourism registering some progress

Tourism is a primary growth area and the NDP emphasises that growth in services will partly be driven by public investments targeted at the tourism sector. Tourism is a big foreign exchange earner, playing a critical role in stabilising the exchange rate and reducing balance of payment deficits. In the budget speech FY 2011/12, slower growth in tourism receipts was identified as one of the key causes of the continued poor balance of payments. With the increase in tourism activity in FY 2011/12, the sector registered a remarkable 22% increase in foreign exchange earnings, from USD 662 million in 2010 to USD 805 million in 2011.

There was an increase in the number of visitors to national parks from 190,112 visitors in FY 2010/11 to 209,806 visitors in FY 2011/12, against a target of 202,000 visitors. This performance reflects a 10% increase which is much less than the 25% increase registered in 2010. The economy also registered a 22% increase in tourist arrivals from 946,000 arrivals in 2010 to 1,151,356 arrivals in 2011. However, it is worth noting that 76% of the arrivals were from within Africa and only 24% from the rest of the world, indicating that some of the arrivals, especially, from Africa could have been visiting relatives and friends rather than coming solely as tourist. This figure has not significantly changed given that in 2008 about 74% of tourist arrivals were from Africa.

The Ministry of Tourism, Wild Life and Antiquities and Uganda Tourism Board received UGX 8.86 bn (82% of the approved budget) and UGX 2.05 bn (100% of the approved budget), respectively. With this budget, they achieved 40% and 44% of their output targets, respectively.

Uganda Tourist Board registered good progress in the promotion and marketing of tourism. It managed to produce and distribute all the targeted 20,000 assorted promotional materials worldwide, particularly to places such as UK, Canada and Japan. It also participated in the British Bird Watching Exhibition in Rutland, London and carried out research on the development of marine tourism around the areas of Lake Kyoga and Lake Albert. However, it failed to carry out research on new and potential tourism attractions as planned. It also failed in the grading and classification of hotels and hospitality facilities, reportedly because this required the review of tourism regulations which form the basis for classification and grading. This process needs to be fast-tracked because the classification of hotels and hospitality facilities is a milestone in tourism development.

The Ministry of Tourism, Wildlife and Antiquities constructed 18 km of trails on Mt Rwenzori against a target of 9km. This performance was attributed to receiving additional funding that enabled the construction of 9 more kilometres of the trail. It also maintained all the targeted 13km of road at Uganda Wildlife Education Centre. However, Uganda Wildlife Authority maintained only 70% (only 1,300km out of the targeted of 1,852km) of roads in national parks and game reserves. This was reportedly due to the low release of only UGX 0.54 bn of the approved budget of UGX 1.07 bn for this output. It is important to note that failure to adequately maintain roads in national parks and game poses a significant threat to tourism.

Although the NDP highlights the need to develop the souvenir art and craft industry through support of art and craft groups with necessary equipment and training, there was no significant progress made by the sector towards achieving this, or the involvement of local communities in tourism.
Good performance was registered in building human resource capacity in hospitality and wildlife conservation. A total of 297 against a target of 240 students graduated at the Hotel and Tourism Training Institute (HTTI). This performance was because the students who graduated spanned over a number of years which makes it hard to accurately determine the target. 465 against a target of 450 students were enrolled at HTTI during the financial year.

In general, little progress has been made so far in regard to the implementation of tourism development strategies spelt out in the NDP. There is therefore need for the sector to prioritise the NDP recommended interventions in order to move the tourism sub-sector forward.

3.3.4 Slow progress in cooperative development

The NDP recognises cooperatives as being one of the complementary sub-sectors that provide institutional and infrastructure support to primary growth and other sectors. Cooperatives have a direct impact on job creation, food security, reduction of post-harvest losses and value addition. Recognising this need, UGX 1.6bn of the approved budget of UGX 2.44bn was released to the Ministry of Trade, Industry and Cooperatives for cooperative development. The ministry was expected to provide an environment that facilitates enhanced growth of cooperatives.

With the resources allocated to cooperative development, the sector achieved only three out of nine output targets. It did well in supporting human resource development, as 627 individuals from different districts were equipped with cooperative management skills and Warehouse Receipt System knowledge, exceeding the target of 27 individuals. This performance was largely attributed to the support received from the Rural Financial Services Programme. It is worth noting that the number of individuals trained is still inadequate, given the knowledge gap, Uganda's population and the need for cooperative development. Only 16 cooperatives were reportedly supervised out of the targeted 40 cooperatives and only four of the intended 20 cooperatives were audited.

Regarding the dissemination of the National Cooperative policy, 500 hard copies were reportedly printed and disseminated. The principles for the amendment of the Cooperative Societies Act were drafted and are awaiting Cabinet approval. This needs fast-tracking since the amendment of the Cooperative Societies Act is essential for streamlining the operations of cooperatives.

There is a wide data/statistics gap regarding cooperatives' operations, the volume of business turnover by cooperatives, the growth in cooperative membership and the volume of lending by SACCOs in the economy. Only 630 out of a target of 1,000 cooperatives were registered and captured in the Cooperative Database System during the financial year. This rate of registration is low considering that over 110,000 cooperatives are estimated to be in the economy.

There were no new storage facilities set up in FY 2011/12 and only two old storage facilities were refurbished. Although the sector did not give the target for this output, clearly the performance reflects less progress towards ensuring food security through construction and refurbishment of storage facilities, as prioritised in the NDP and the budget speech of FY 2011/12. This is also not in line with the sector's objective of reducing post-harvest losses from the current 40% to less than 10% by 2014.

The sector also reported that only 12 societies out of the targeted 50 societies undertook bulk marketing during the financial year.

3.3.5 Quality assurance of goods and services intensified

The sector through Uganda National Bureau of Standards (UNBS) is responsible for quality control of goods and services. It is expected to carry out market surveillance and public awareness on the quality of goods and standardisation issues. These are aimed at enhancing the global competitiveness of the economy and protecting public welfare. UNBS received UGX 9.83bn (93% of its approved budget) and mixed output performance was registered. There was considerable success in inspection of imported consignments with 29,332 against the targeted 25,000 consignments inspected. This performance was attributed to increased vigilance by UNBS. Furthermore, 347 products were certified with Q and S marks against the target of 180 products. However, only 12 out of the targeted 40 management systems were certified during the financial year. Also UNBS did not make much progress towards harmonisation of the five targeted EAC schemes on inspection regime, attributing this to inadequate funding. The five targeted new import inspection stations were not opened contrary to the sector's plans. Further, only 120 inspections on the quality of locally manufactured goods were made out of the targeted 150, reportedly because UNBS shifted its priority on inspection to market surveillance of shops, supermarkets and warehouses, to check the quality of goods.

UNBS developed 352 standards against a target of 146 standards and 18 standards were harmonised with international standards. This performance was reportedly because the UNBS board approved a backlog of standards which had been developed but could not be approved for lack of a board. Good progress was also made in the verification of instruments for weights and measures where 561,114 instruments were verified against a target of 500,000 instruments. Further achievement was also registered towards the surveillance of shops, supermarkets and warehouses to check the quality of goods (385 against the target of 180) though this is still inadequate, based on the fact that there is still public outcry over the number of counterfeit and substandard products on the Ugandan market.

There is also a debate regarding the uniformity of quality standards for products and services for the whole of East Africa. Ugandan traders are complaining that their goods certified by UNBS are denied entry into other regional markets especially those of Rwanda, Kenya and Tanzania. There is an urgent need for the Ministry of Trade, Industry and Cooperatives and UNBS to fast track the formulation of uniform standards with other regional standards bodies. The few standards which were recently developed by the EAC sector committee on food and agriculture for cereals are yet to be implemented.

3.3.6 Capacity enhanced for industrial research and innovations in reaching out to communities

With a focus on industrial science, standards and technology, the sector, through Uganda Industrial Research Institute (UIRI), has continued to provide the tools, infrastructure and services to enable the innovation, development and deployment of advanced technologies. UIRI received UGX 1.64bn during the FY 2011/12, to undertake activities supporting industrial research. During the financial year, the institute undertook 64, against a target of 50, research projects to enhance value addition for rural industralisation and to reduce post-harvest losses. It also developed 111 value added products against a target of 80 products. Research was reportedly undertaken to diversify value added food products from fish, vegetables, peanuts, mushrooms, honey, soya, ground nuts, milk, millet and other agricultural produce. Cosmetic product formulations using natural extracts were developed. The institute carried out market testing for value added products, such as vitamin A fortified peanut butter and ready-to-drink juices. The products being developed are expected to directly benefit the local communities given that the raw materials are produced locally. For example, honey sweetened bushera is produced from honey and millet flour.

UIRI, after establishing that about 99% of all mushroom on the Ugandan shelves is imported, has been engaged in research into microbial button mushroom growing which, if successful, will translate into increased and improved mushroom growing in the country. The sector through UIRI has also continued to support local manufacturers in addition to developing products. It was reported that a soap cutting machine and 10 soap moulds to be used by local soap manufacturers in Uganda was fabricated although efficiency and functionality tests are yet to be completed.

3.3.7 Sector increasingly supporting industrial incubation and value addition centres

The Sector, through UIRI, received UGX 1.39bn to support 40 targeted projects for SME incubatees and 46 SME incubatees were finally supported. UIRI continued to offer technical support towards sustainability and improvement of SME activities for both on-site and off-site incubatees. Mushroom Training Resource Center in Kabale District which reportedly has been benefiting from this technical support has created employment for 5,594 men and women in the districts of Kabale, Rukungiri, Ntungamo, Kisoro and Kanungu. This project has enabled the beneficiaries to increase their household incomes.

The sector also completed the construction of the Arua juice processing facility, although this facility is yet to start operating as electricity is not yet extended to it. Further, UIRI has been maintaining machinery and equipment on-site and off-site pilot plants, analytical laboratories and workshops. However, the performance level of activities in the area of machinery maintenance could not be accurately established as the measurement was not well defined.

In line with technology enhancement, UIRI has developed two schematics designs, programmed microcontrollers, and prototypes. Writing of programs to be loaded into the microcontroller is reportedly ongoing. This is being done through Makerere Electrical and Computer Engineering Department collaborative projects. Computer Numerical Control (CNC) routing machine installation (a dedicated computer for machine testing) and operation was successful. The institute has continued to expand its capacity to repair machines used by industries in production. This is a very important venture as the manufacturers will have reduced costs in terms of time and expenditure incurred in repairing machines from abroad. With increased capacity and a position where processing of metal and metallic materials such as spare parts and other small equipments is possible, UIRI will significantly drive down the high costs of using such products, reducing the costs of doing business.

3.3.9 Efforts made to reduce the gap in industrial and trading skills but more still needed

The Budget Speech and Background to the Budget FY 2011/12 spelt out the need to support Micro Small and Medium Enterprises through ensuring skilled human capacity for industrial development. The sector institutions focused their activities on training. Out of the allocated UGX 0.27bn to the sector for capacity building in industrial skills, UGX 0.19bn (70%) was released for this purpose. Achievement was realised with 259 Jua Kali artisans receiving training in the FY 2011/12 against a target of 120 artisans. Also 471 exhibitors against the target of 180 exhibitors participated in Jua Kali exhibitions. The Ministry of Trade, Industry and Cooperatives also trained all the targeted eight enterprises under One Village One Product programme (OVOP) in business management, marketing and value addition skills. Officials and leaders of 4 model enterprises in the districts of Kamwenge, Kayunga, Kumi and Serere were sensitised on the new strategic approach of the OVOP.

There is still a need for increased effort and public investment into development and maintenance of tourism infrastructure, industrial research and innovation and support to SME to enhance value addition, and in the quality assurance and standardisation of goods and services to enhance global competitiveness in order for the country to realise some of the objectives spelt out in the NDP by 2015.

3.4 Works and Transport Sector

The Works and Transport Sector aims to promote adequate, safe and well maintained works and provide transport infrastructure development and services provision for the social and economic development of Uganda. The sector is constituted by the Ministry of Works and Transport (MoWT), Uganda National Roads Authority (UNRA), Uganda Road Fund (URF), Uganda Railways Corporation (URC), Civil Aviation Authority (CAA) and Local Governments (LGs), which are responsible for the District Urban and Community Access Roads (DUCAR).

The sector plays a key complementary role of propelling the country to a middle income economy by improving the condition of the road network, ensuring safety in public works as well as providing an efficient transport system. This is measured by the share of the road network in fair to good condition, volume of air cargo, compliance to road construction standards, railway freight market share, public buildings with approved plans and reduction of deaths per 1000 construction sites, among others.

3.4.1 Overview of sector performance

In FY 2011/12, the national budget focus was to narrow the physical infrastructure gap, job creation and poverty reduction. To this end, of the total national budget, the sector received the highest budget share of 15%. UGX 1,228.41bn of an approved budget of UGX 1,315.14bn (93.4%) was released and UGX 1,220.42 bn (99.3%) was spent by the sector.

Under donor funding, UGX 379.12 bn (81%) was released out of the approved UGX 464.410 bn. However, the sector release was only UGX 234.54 bn, which is less than the annualised NDP projection of UGX 1,463 bn.

Government expenditure on the sector grew by 18% in FY 2011/12 as observed by increased budgetary allocation from UGX 858.29 bn in FY 2010/11 to UGX 1,228.411 bn in FY 2011/12. Given the total release, MoWT received UGX68.976 bn (6%), UNRA UGX 847.665 bn (69%) and URF UGX 258.088 bn (21%). Of the total released funds, the MOWT absorbed 99.3%; UNRA absorbed 101.3% while URF absorbed 100%.

An analysis of sector outcome performance showed that 54% of the indicators had a positive change, 15% registered a negative change, and 8% remained unchanged while 23% were not assessed due to lack of data. 62% of the outcome targets were achieved whereas 8% were not achieved and 30% were not assessed due to lack of data. With regard to output performance, the sector achieved 79% of the 62 total output indicator while 21% were not achieved.

An analysis of individual MDA performance revealed that URF achieved 83% of its output indicator targets, whereas MoWT and UNRA achieved 86 and 65% of their output indicator targets, respectively.

Regarding performance in key actions; 77% of the JAF4 actions were on track and 23% fell short of assessment due to lack of data. Similarly, under Cabinet actions, 67% were on track and 33% were off track due to the failure of the MoFPED to amend the URA Act to fully operationalise the Uganda Road Fund to a second generation fund. With respect to PIRT, 71% of these actions were on track, with 100% of the actions under UNRA being on track.

Table 3.4.1: Performance Scorecard for the Works and Transport Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	54%	62%	8%	15%	8%	30%	13

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	79%	21%	0%	63
MoWT	86%	14%	0%	37
UNRA	65%	35%	0%	20
URF	83%	17%	0%	6

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	67%	50%	0%	3
PIRT	71%	29%	0%	21
JAF	77%	23%	0%	13

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	1240.71	1228.41	99%	1220.42	99%	98%
MoWT	123.36	68.98	56%	68.47	99%	56%
UNRA	836.41	847.67	101%	847.44	100%	101%
URF	280.94	1258.09	92%	258.08	100%	92%

Table 3.4.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	31		5		4	
Year end	Green	Red	Green	Red	Green	Red
	26	5	3	2	0	4
	84%	16%	60%	40%	0%	100%

Table 3.4.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

3.4.2 Improved national road network

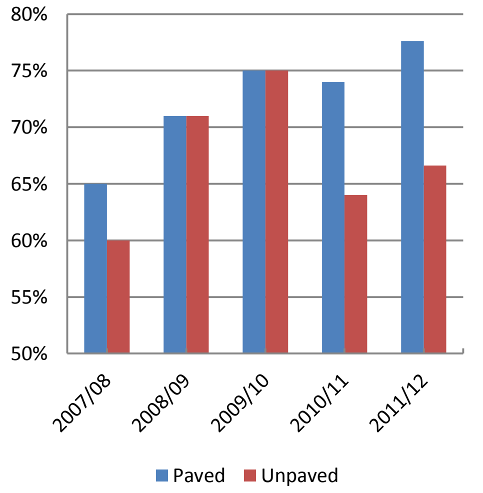
The national road network is 21,000 km long, of which 3,317 km is paved and the remainder unpaved. In FY 2011/12, the proportion of national paved roads in fair to good condition[23] increased from 74% in FY 2010/11 to 77.6%. This was 7.6 percentage points above the 70% target and 8.6 percentage points below the projected 85% in the NDP. Similarly, the condition of national unpaved roads in fair to good condition increased from 64% in FY 2010/11 to 66.6% in 2011/12, exceeding the target of 55%.

The sector attributed the improved performance in the condition of paved and unpaved national road network to the 2008 reforms which put management of the national road network entirely under UNRA. The nominal increase in the sector's share of the national budget over the past three years is also a reason given for this good performance.

Figure 3.4.1 below shows the proportion of paved and unpaved road networks in fair to good condition in the past five years. The condition of the paved road network steadily improved in FYs 2007/08 and 2008/09 before deteriorating to 64% in 2010/11, and improving to 77.6% in 2011/12. Similarly the unpaved road network gradually increased in the first two FYs to 75% before a decrease to 64% in 2010/11 and later improving by 2.6 percentage points in 2011/12. The deterioration in the condition of both road networks was attributed to moving responsibility for 10,000 km of district roads to UNRA.

During the FY under review, the sector through UNRA expanded the national paved road network from 3,264 kilometers in 2010/11 to 3,317 kilometers. Good performance was registered for national paved roads reconstructed/ rehabilitated where 184 km equivalent were completed against the programmed 100 km equivalent. This led to substantial completion of: Kampala - Gayaza - Zirobwe (44km), Busega - Mityana (57km), Masaka - Mbarara (148km) and Kabale - Kisoro-Bunagana (101km) UNRA projects.

Figure 3.4.1 National Road Network in Fair to Good Condition



The stock of the paved road network increased marginally despite increased government expenditure on road infrastructure as well as increased sector share of the national budget. In table 3.4.2 below, a negative trend in annual change in stock of paved road is depicted. An indication that the huge governemnt investment in the sector has not translated into a significant increase in the stock of paved roads.

Table 3.4.2: The stock of the paved road network

	2007/08	2008/09	2009/10	2010/11	2011/12
Stock of paved roads (km)	2875.6	3034.6	3200	3264	3317
Change in stock (km)	-	159	165.4	64	53
% Annual Growth	-	6%	5%	2%	2%

Source: OPM, GAPR

[23] Fair to good condition is a composite indicator (weighted average) generated by a summation of both volume of network in good and fair condition.

The length of the national unpaved road network upgraded from gravel to bitumen standards was 121 km equivalent, a performance far above the annual target of 112 km but below the 150km target of FY 2010/11. Work was carried out on the following new projects: Gulu - Atiak (74km), Vurra - Arua - Oraba (92km), Hoima - Kaiso - Tonya (93km), Ishaka - Kagamba (35km), Mbarara - Kikagati (74km), Mbarara - Katuna (123km), Nyakahita – Kazo (69Km) and Mukono - Jinja (52km). This over-performance is partly attributed to completion of most rehabilitation projects. Table 3.4.3 gives a snapshot of implementation progress.

Table 3.4.3: The Stock of the Paved Road Network

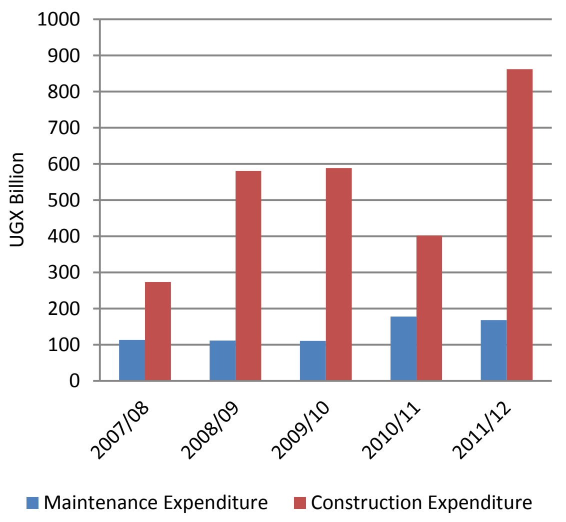
Project (Road)	Target Progress 2011/12	Actual Progress 2011/12	Achievement Level (km)	Cumulative Achievement Level (km)
Kabale – Kisoro-Bunagana/Kyanika	11%	11%	11.1	96
Fort Portal – Bundibugyo-Lamia	30%	36%	37.4	62
Nyakahita – Kazo	15%	58%	39.4	39.4
Kazo – Kamwenge	15%	23%	17.3	17.3
Mbarara – Kikagati – Murongo Bridge	15%	15%	11.1	11.1
Vurra – Arua – Oraba	10	5	4.6	4.6

Source: UNRA, MPS & SAPR 2011/12

3.4.3 Insufficient road maintenance expenditure

In spite of the indisputable importance of roads, they are poorly managed and maintained. This is reflected in the large backlog of deferred maintenance, estimated at UGX 719.47 bn. Despite the huge backlog, Government expenditure on routine and periodic road maintenance is still far too little compared to road construction/development; as indicated in Figure 3.4.2. This has resulted in the erosion in the value of billions of Shillings invested in construction due to the rapid deterioration of the network, high vehicle operating costs and other maintenance costs.

Figure 3.4.2 Expenditure on National Road Construction and Maintenance



Maintenance works are also heavily affected by bad weather; heavy rains and flooding which often distort planned works, largely due to lack of a contingency fund to address these emergencies. Planned resources are diverted to cater for these emergencies hence affecting performance. This was evident in FY 2011/12, where UNRA maintained only 6km of the planned 28 km while 2,348 km of the planned 3,270km DUCAR network was maintained. This under-performance was largely attributed to continued heavy rains which ravaged the roads and increased maintenance requirements particularly in the Eastern and North Eastern regions. Therefore government needs to equally prioritise maintenance of the accumulated network and control the growing maintenance backlog, which if not addressed may lead to increased costs as works change to full reconstruction with the associated costs in future.

3.4.4 National road construction/maintenance cost per kilometre

The unit cost for road construction in Uganda has been asserted to be on the high side compared to its neighbours. According to the sector, this is a result of differences in topography, precipitation and land tenure policies which also have a bearing on the costs of local materials due to royalty fees and cost of compensation for right of way, cumbersome procurement procedures, non-utilisation of low cost construction methods or maximisation of the use of natural material, lack of qualified national contractors, lack of competition, lack of sustainable funding and unsuitable investment climate that have eroded contractor confidence. Many of the measures recommended at the Unit Cost workshop of February 2009 to address the above weaknesses are being implemented. As a result, the sector through innovations like introduction of low cost seals technology, improvement of the design standards to maximise the use of natural materials and improvement in procurement management has seen a decline in road construction and maintenance unit costs.

Table 3.4.4 demonstrates the mixed stances of road construction and maintenance costs in the last two financial years. The unit cost of upgrading from gravel to bitumen standards/ tarmac depicted a decreasing trend. This, according to UNRA, was driven by increased competition for upgrading projects, particularly from Chinese companies. By contrast, the unit cost for road reconstruction interventions escalated, due to high cost of pavement design adopted for the northern corridor. Furthermore, restrictions against companies outside Africa, the Caribbean and the Pacific to bid for European Union funded projects reduces competition and escalates prices.

Table 3.4.4: National Road Construction/Maintenance Cost per Kilometre (USD)

Paved Roads (USD/km)	Average Cost 2010/11	Average Cost 2011/12	Change
Upgrading from gravel to tarmac	950,000	801,346	-16%
Reconstruction	622,500	940,148	+51%
Rehabilitation	445,000	396,066	-11%
Periodic Maintenance	197,500	202,500	+3%
Mechanised routine maintenance	2,000	12,970	+548%
Unpaved Roads (USD/km)			
Periodic Maintenance	155,00	14,176	-9%
Mechanised routine maintenance	2,900	4,494	+55%

Source: SAPR, 2011/12

The sector needs to be more effective in communicating the different scope of works with the different stakeholders in the districts/ areas of implementation. This will support effective monitoring of the ongoing works by the stakeholders as per the Cabinet action.

3.4.5 Metropolitan roads in poor condition

To enhance connectivity across The Greater Kampala Metropolitan Area, Government established the Kampala Capital City Authority (KCCA) on 1st of March 2011 through the KCCA Act 2010. This changed Kampala City Administration from a Local Government to a Central Government Agency targeted to improve service delivery. Decongestion of the city, enhancement of connectivity between towns, improvement of traffic flow as well as ensuring public safety and maintenance of the road network are all priority activities for KCCA.

In FY 2011/12 KCCA received UGX 10.5 bn for road works. The authority registered a remarkably poor absorption capacity with 69% of the release for road works not spent. The authority did not explain the poor performance.

In the year under review the length of the paved road network increased by a mere 6 km to 422 km from 416 km in the previous year. Nevertheless, the authority continued to upgrade six gravel roads (12km) to bitumen standard, started reconstruction of 3.6km section from Gayaza road to Hoima road along the Northern Bypass of Lubigi channel.

Connectivity across urban centres remains limited. Congestion due to the absence of high volume transport system, where commuter taxis and boda-bodas are the dominant mode of passenger transport is high. This has further hindered connectivity and caused high average travel times and transport costs (estimated at 22% of average per capita monthly income).

3.4.6 Decreased road safety: the socio-economic burden of boda-bodas

Boda-bodas as a mode of transport account for 42.4% of the Public Service Vehicles (PSVs) on Kampala roads but constitute a small (8.5%) component of passenger freight[24]. This transport mode is heavily characterised by reckless, careless and dangerous riding, leading to a heavy injury burden as evidenced by existence of the “Bajaj” ward[25] for boda-boda victims in Mulago national referral hospital.

According to the Transport Licensing Board (TLB), an average of 66,880 boda-bodas are registered every year. However compliance of these PSVs to statutory requirements remains a problem. Over the past six years, out of the estimated 66,880 boda-bodas registered every year, an average of 5,739 are inspected and licensed by TLB. In FY 2011/12, 4,500 out of the target 10,000 boda-bodas were inspected and licensed. 23% of the fatalities experienced on the roads of Kampala are attributed to boda-bodas.[26] This indicates the urgent need for police to enforce the traffic and road safety laws.

Figure 3.4.5 shows that the general trend of deaths and serious injuries on national roads has been increasing since 2008.

Figure 3.4.4 Boda Bodas Inspected and Licensed

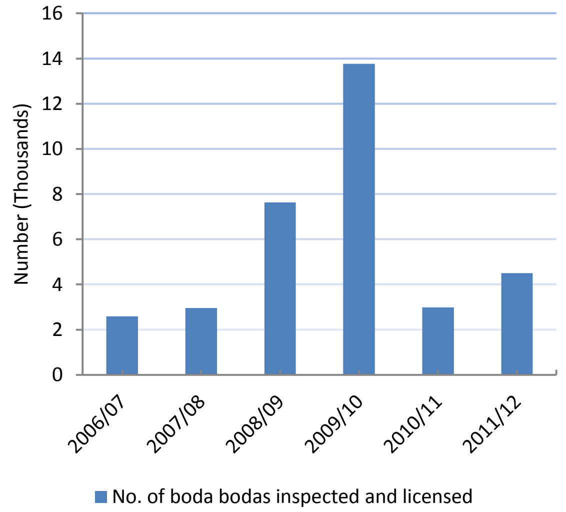
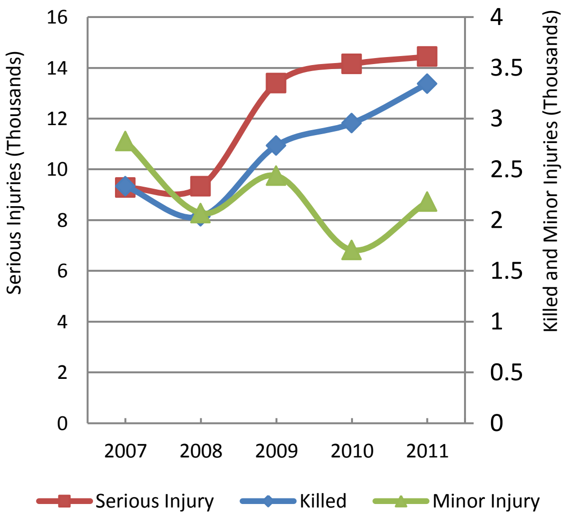


Figure 3.4.5 Casualties of Road Traffic Accidents



[24] KCCA, 2011
[25] Special Ward for victims of boda boda accidents
[26] KCCA report (2011),

3.4.7 Ferry services: enhancing inland water transport

Water surface coverage constitutes 15% (36,902.9 square km) of the total area of Uganda. In the year under review, the volume of freight traffic on Lake Victoria grew by 60% from 66,582 tonnes in 2010/11 to 106,315 tonnes, while passenger traffic on Lake Victoria (Kalangala - Entebbe) was estimated at 74,873.

In view of the envisaged NDP strategy to increase navigable routes and improve marine transport infrastructure, UNRA acquired the programmed Lwampanga - Namasale ferry, maintained and operated at 95% availability and 7 targeted ferries on 6 crossings of Bukakata, Laropi, Masindi Port, Wanseko, Nakiwogo and Kyindi. In addition to the above achievement, the sector completed construction of landing sites for the Obongi – Sinyanya ferry, delivered the Kalangala Infrastructure Services project ferry and also commenced evaluation of bids for the procurement of the Laropi ferry as planned in the 2011/12 budget.

Furthermore, 256 out of 250 inland water transport vessels were inspected and registered and 60% of water accidents were investigated by the sector through MoWT, against a target of 50%. However, by close of FY 2011/12 the planned national water vessel census and establishment of transport sector data management information system were not achieved.

3.4.8 Railway infrastructure development

Uganda has a bi-national railway system that connects with Kenya. The subsector's contribution to national income is projected to increase from 8% in 2007 to 12% in 2012/13[27]. Nevertheless, the infrastructure is remarkably uncompetitive and highly unproductive, characterised by continuous poor operational performance in real terms, low volume of freight and low labour, wagon and locomotive productivity. This poses a threat to the growth potential from East African Community integration and oil exploration activities in the Albertine Region.

The operational length of the track was estimated at 337 km of which 200km of the old railway track was maintained. Total volume of freight cargo by rail dropped from 154.2 million tonnes in 2010/11 to 153.5 million tonnes in 2011/12. In a like manner total freight crossing the three border points of Malaba, Busia and Port Bell declined to 8.9% of total freight (road, rail and air) in 20111/12 from 10% in 2010/11, a performance below the target set in the concession agreement.

Locomotive productivity increased by 28.8% from 131km to 168km/loco/day. Also, transit time from Mombasa - Kampala improved by 29% to 11.5 days on average, from 16.2 days in the previous year. This is still economically inefficient and highly uncompetitive relative to road transport. Meanwhile the wagon turn around (Mombasa – Kampala - Mombasa) went down from 27.1 days in 2010/11 to 26.6 days in the year under review.[28]

[27] MOFPED, BTTB 2012/13
[28]W&T sector annual performance report 2011/12

Table 3.4.5 Overview of the Rolling Stock

Rolling Stock	2010/11	2011/12
Diesel Locomotives	43	43
High open Wagons	21	25
Covered wagons	496	490
Fuel tank wagons	202	198
Flatbed container wagons	552	520
Low open wagons	34	47
Ballast hopper wagon	51	51
Others (passenger & departmental coaches & wagon)	22	22
Total Wagons	**1,378**	**1354**

Source: W&T Sector Performance Report 2011/12

From Table 3.4.5 above it is evident that the rolling stock decreased by 24 wagons in service, an indication of continued competition from the road network. For example the drop in fuel tank wagons and the flat bed container wagon implies increased freight of fuel tanks and containers by the road network.

The Government's commitment to ensuring a rejuvenated railway system and enhancing competitiveness of the subsector continued throughout FY 2011/12. Through the MoWT, two feasibility studies for upgrading Tororo - Packwach and Kampala - Kasese railway lines were completed, 200 km of old railway truck was maintained, a Memorandum of Understanding between Uganda and Tanzania to develop the Tanga - Arusha – Musoma - New Kampala (Bukasa) railway was signed, as was the bilateral agreement between Uganda and Kenya to develop and operate a standard railway gauge from Mombasa to Kampala with branch lines to Kisumu and Pakwach/Gulu – Nimule. This achievement was in line with budget priorities and PIRT, as well as a partial fulfillment of the NDP strategy to rehabilitate the existing rail network, increase the haulage capacity and undertake construction of the standard gauge rail for economic growth.

3.4.9 Unlocking air transport barriers to private sector development

The air transport subsector had an estimated growth of 4% in FY 2011/12, which was a stronger performance than in recent years. There were significantly more passenger landings at Entebbe International Airport with 1,266,996 compared to 1,213,863 in 2010/11, almost all of which (99%) was international traffic. The volume of domestic passengers remained constant in the face of increased government interventions to step up domestic air/aviation infrastructure. This was reportedly due to the improved road network.

The volume of air traffic cargo increased by 14%, from 46,665 tonnes of imports and exports in 2010/11, to 53,250 tonnes, against a target 50,320 tonnes for the year. Of the total air cargo, 60% were exports while 40% were imports. However, the country experienced 16% growth in international aircraft movements with 39,896 in FY 2011/12 against 34,336 in the previous year. Several new airlines, including Qatar and Gulf Air, began services in Uganda. Uganda through MoWT, signed and concluded three Bilateral Air Service Agreements, increasing international air flight routes as envisaged in the NDP. Lack of a strong national airline as Uganda's flag bearer remains a challenge to facilitate the development of Entebbe International Airport into a hub.

The Civil Aviation Authority embarked on increasing the stock of air aviation infrastructure by completing the Kasese and Gulu airport masterplans. The ministry also enhanced domestic airports' functional capacities by completing about 90% of civil works for construction of the terminal building at Arua aerodrome, re-graveling runways at Jinja and Tororo airfields and completing construction of a perimeter fence at Moroto airfield as envisioned in the NRM manifesto.

4 Human Development

4.1 Education Sector

The main objectives of the education sector are to increase and improve equitable access to quality education and sports at all levels, improve the relevance of education and improve effectiveness and efficiency in delivery of education services. The sector is led by the Ministry of Education and Sports, and includes National Curriculum Development Center, Uganda National Examinations Board, Education Service Commission and National Council for Higher Education. The sector also caters for votes of the other public higher institutions of higher learning which include: Makerere University, Kyambogo University, Gulu University, Makerere University Business School, Busitema University, and the Uganda Management Institute.

Table 4.1.1 Performance Scorecard for the Education Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	28%	20%	8%	60%	76%	4%	25

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	28%	40%	33%	58
MoES	28%	39%	33%	57
ESC	0%	100%	0%	1

Actions Performance

Action	% On Track	% Off Track	% no data	Denominator
JAF	43%	43%	14%	7
MoES	91%	0%	9%	22
ESC	0%	33%	67%	3
PIRT	33%	0%	67%	3

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	1,420.27	1,364.98	96%	1,342.56	98%	95%
MoES	370.72	348.57	94.0%	328.15	94.1%	88.5%
ESC	6.388	5.291	82.8%	5.291	100%	82.8%
Total of all public universities	120.707	123.698	102.48%	102.48	100%	102.48%

4.1.1 Overview of the sector's performance

The total approved budget (GoU+Donor) of the sector for FY 2011/12 was UGX 1,420.27bn, out of which 96% was released and 95% was spent. The Annual Budget Performance Report FY 2011/12 indicates that the public institutions of higher learning had a total approved budget of UGX 120.71bn, received UGX123.7bn (102.48%) and spent the entire budget. The only significant under-release was to the Education Service Commission, which received 83% and spent its entire budget.

Data provided by the ministry indicates that only 20% of the outcomes were achieved, 76% were not achieved while 4% were not assessed due to lack of enough data in the financial year under review. There was better performance in the previous FY, where 62% of the outcomes hit or surpassed their targets, 23% failed while 15% had no data. Considering trend in performance for FY 2011/12, only 28% of the sector's outcomes showed a positive trend and 60% showed a negative trend.

At output level, the Ministry of Education and Sports (MoES) achieved 28% of the outputs against the original targets which is an increase of three percentage points from the previous FY 2010/11. 39% were not achieved and 33% were not assessed due to lack of data from the ministry. Despite the low performance at output level, the planned activities were achieved at 91%. The Education Service Commission (ESC) provided data for only one output which was not achieved. 33% and 67% of the planned actions were not achieved and not assessed respectively.

Under JAF IV, only 13% of the outcome indicators were achieved against the target, 83% were not achieved and 4% were not rated, awaiting the Quality Enhancement Initiative (QEI) follow up study which was yet to be finalised. 67% of the recommendations from PIRT in the FY 2011/12 were reported as ongoing and therefore not assessed, while 33% were on track[29].

Table 4.1.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	19		6		8	
Year end	Green	Red	Green	Red	Green	Red
	10	9	3	3	4	4
	53%	47%	50%	50%	50%	50%

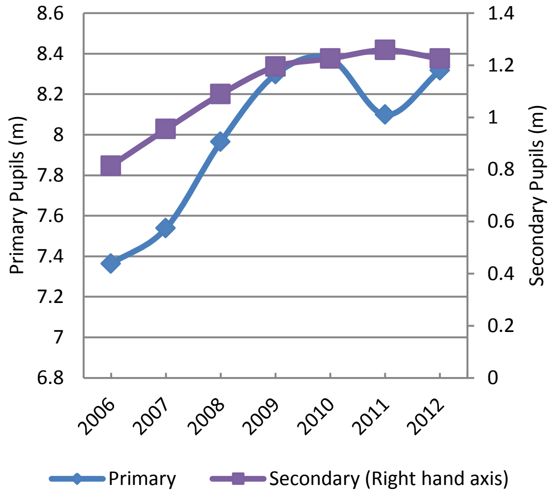
Table 4.1.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

[29] Awaiting the status from the sector

4.1.2 Expanded Access and Equity in Education Services at all levels

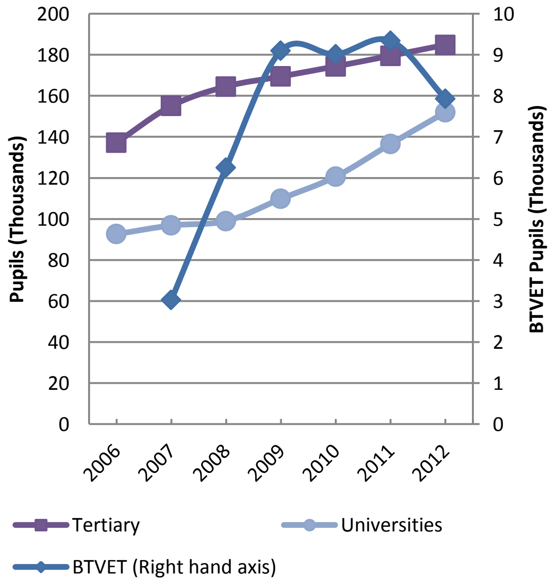
The education sector has continued to promote access to equitable education at all levels, measured through levels of enrollment and construction and rehabilitation of education facilities. Enrollment in government aided primary schools declined by 1%, from 7,171,690 pupils in 2010 to 7,036,329 pupils in 2011. The sector's projection for the year 2012 is 7,099,083[30] pupils. However the total enrollment (all primary schools irrespective of ownership) increased by 1% from 8,098,177 pupils in 2011 to 8,317,420 pupils in 2012. The number of boys that enrolled in primary schools was only slightly higher (4,161,057) than girls (4,156,363), implying the closing of the gender gap[31].

Figure 4.1.1 Trends for Enrollment in Primary and Secondary Schools



In the secondary sub-sector total enrollment in government aided secondary schools declined from 667,796 students in 2011 to 649,953 students, a 2.7% decrease. In 2012 significantly more boys than girls enrolled, with 357,973 boys and 291,980 girls.

Figure 4.1.2 Trends for Enrollment in BTVET, Tertiary and Universities



Total enrollment in the Universal Secondary Education sub-sector increased from 689,541 students in FY 2010/11 to 751,867 students in FY 2011/12. Similar to the primary section enrollment, the number of boys in USE remained higher with 377,293 (82.8%) boys compared to 312,248 (17.2%) girls. Girls therefore make up 46% of enrollment

At BTVET level there was decline in the enrollment of students in UPPET institutions down from 9,344 students in 2011 to 7,932 in 2012. There has been however steady increase in the enrollment of students in tertiary institutions and universities as indicated in the table below.

[30] This includes both provisional and projections. The final data will be published by end of October 2012
[31] The gender gap is measured using total enrollment at various levels of education

Class room construction at primary level on track while rehabilitation remained below target

Classroom and school construction continue to be an essential intervention in improving equitable access to education at primary, secondary and BTVET levels. Among the NDP education priorities that support this include; expanding and improving primary school infrastructure facilities as well as expanding and improving school/institutional infrastructure facilities at all levels of education in Uganda. In the FY 2011/12 there was under-performance in classroom rehabilitation with only 24 classrooms rehabilitated against a target of 84 classrooms, 148 classrooms were constructed out of the targeted 64 and 11 primary schools rehabilitated out of the targeted 12 schools. The over performance in class room construction is a result of the spillover from the previous year.

Table 4.1.3 Construction at primary, secondary, and BTVET

Infrastructure Outputs	Target FY 2011/2012	Actual FY 2011/2012	% of target reached
Primary			
Rehabilitated primary schools established	12	11	91.7%
Classrooms rehabilitated (primary)	84	24	29%
Classrooms constructed (primary)	64	148	231.3%
Secondary			
New secondary schools constructed	22	19	86.4%
Secondary school class rooms targeted for rehabilitation	15	14	93.3%
Secondary school classrooms targeted for completion	7	28	400%
New secondary classrooms constructed	58	53	91.4%
Existing schools expanded and renovated.	19	19	100%
BTVET			
No. of workshops constructed	0	0	N/A
No. of workshops rehabilitated	45	10	22.2%
No. of New BTVET established	7	4	57.1%
No. of libraries rehabilitated	1	1	100%

Source: MoES 2012

Classroom construction, renovation and expansion of existing secondary schools

The introduction of Universal Secondary Education, increased enrollment that has demanded a focus on construction and rehabilitation of more facilities to enable access, and reasonable classroom: student ratios. In FY 2011/12, 19 new secondary schools were constructed against a target of 22. The planned number of secondary school classrooms for rehabilitation was 15 and by the end of the financial year, 14 had been rehabilitated. There was good performance in the number of secondary schools targeted for expansion and renovation, with 19 schools renovated out of the targeted 19 schools by year-end. The sector also constructed 53 new secondary classrooms out of the planned 58. Similarly good performance was achieved in construction of classrooms, with 28 classrooms competed/constructed against a target of 7. This equates to 400% performance level. This over performance in class room construction is attributed to the rolled over of incomplete construction from the previous FY 2010/11.

Construction and Rehabilitation of BTVET facilities still on going

According to the NDP, BTVET (Business Technical Vocational Education Training) is strategic in stimulating skills development enhance job creation, providing good quality employment in the country. As a result, government started initiatives to improve the technical skills of the population, in order to realise sustainable development. In the period under review, the BTVET sub sector focused on the construction and rehabilitation of libraries and construction of new BTVET facilities and workshops. A sum of 7.33bn was released out of an approved budget of 8.51bn and all was spent. Ten workshops were rehabilitated out of the planned 45, one library was rehabilitated as planned, four new BTVET out of the seven targeted were established and workshops were constructed. The sector explains that the reason for this performance level in construction under BTVET was due to construction that is still ongoing.

4.1.3 Quality and Relevance of Education services

Declining Literacy and numeracy levels for P3 and P6

The quality of learning outcome at primary level is measured by the ability to read simple statements and reason with numbers as the basic means of appraising the quality and relevance of education in the final school examinations. According to MoES' Basic Education Department, literacy is defined as reading, writing and the other two essential skills of listening and speaking while numeracy refers to the good basic knowledge of mathematics.

In the year under review, the percentage of pupils rated proficient in literacy at P.3 fell from 57.6% in 2010/11 to 47.9%. Similarly, there was a decline in literacy rates at P.6 from 50.2% in FY 2010/11 to 41.3% in FY 2011/12. The sector attributes the decline in pupils' performance in literacy as a result of the increasing number of pupils in government schools which is not matched with resources as well as the high rate of absenteeism among pupils and teachers.

Numeracy rates at P.3 and P.6 have declined from 72.8% and 55% in FY 2010/11 to 63% and 45.6% in FY 2011/12 respectively. This is attributed to a number of issues including inadequate practice by pupils, inappropriate use of assessment guide by the teachers, theoretical teaching without showing practical application, some teachers are deficient in the skills of geometry, insufficient geometrical instruments for teachers and pupils and giving exercises and tests which do not encourage application of learnt concepts in novel situations.

Figure 4.1.3 Trend in Literacy Rates for P3 and P6

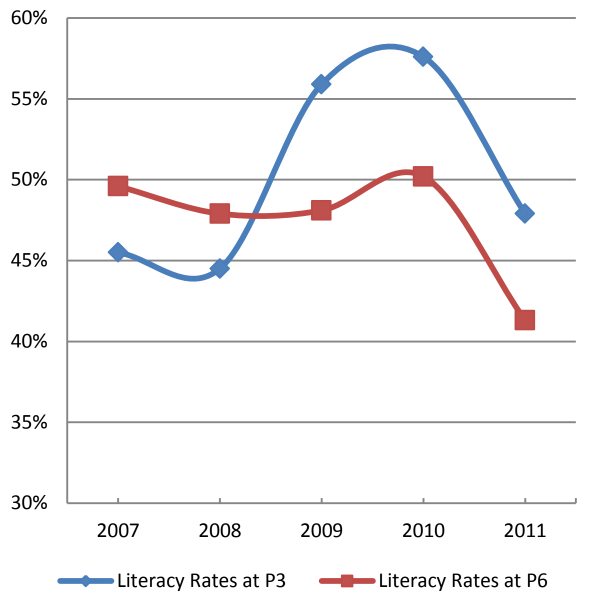
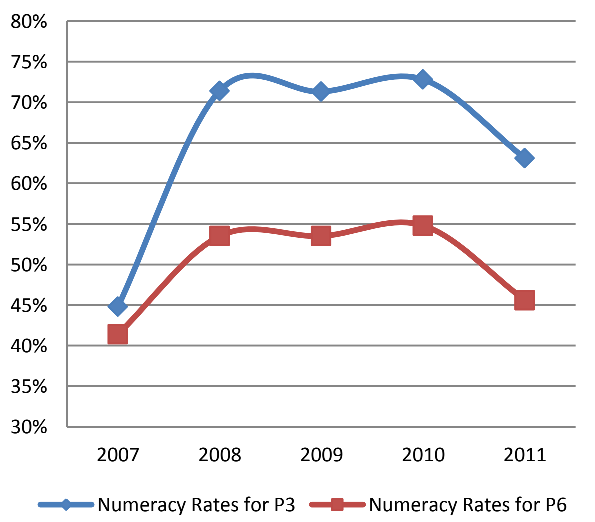


Figure 4.1.4 Trend in Numeracy Rates for P3 and P6



A number of studies[32] indicate this poor quality and state that many children in lower primary struggle to read English and do basic mathematics. The UWEZO report 2012 shows that 9 out of every 10 children in P3 could not read and understand an English story text from P2 level. EGRA (Early Grade Assessments) indicates that 51% of P.2 pupils in the central and 82% of pupils in Lango region cannot read a single word in a simple paragraph. NAPE (National Assessment of Progress in Education) also reveals that just over half of the pupils showed such low proficiency in literacy and a decline in numeracy level at P.3.

Number of pupils passing PLE with grades I-III

There was slight improvement in the number of candidates scoring division I to III from 316,483 (JAF III) to 317,353 (JAF IV) translating into an increase of 0.3 percentage points. In addition, the proportion of females obtaining grade I to III also improved by 0.1 percentage point, up from 48% in FY 2010/11 to 48.1% in FY 2011/12. Despite the improvement in the number of pupils passing PLE with grades I-III, the set targets were not met.

4.1.4 Improving effectiveness and efficiency in delivery of education services

Pupil Teacher Ratio

The Pupil Teacher Ratio (PTR) in Government schools has continued to fluctuate at 54:1 whereas the PTR in the private schools has improved significantly at 27:1 in FY 2011/12, possibly caused by high rate of enrollment in government-aided schools. The PTR in government-aided schools improved from 54:1 in FY 2010/11 to 53:1 in FY 2011/12. This is attributed to government's implementation of the new teacher deployment formula. However this PTR is still low given the fact that the NRM manifesto aims to achieve a PTR of 45:1.

In addition to the implementation of the new teacher deployment formula, the sector was able to track absenteeism and report to District Education Officers and District Inspection Officers, took punitive action against absentee head teachers, and implemented Customised Performance Targets for head-teachers as well constructed teachers' houses starting with hard to reach areas. However what remains not clear is why these strategies and action have not had direct effect on the learning outcomes especially literacy and numeracy rates.

Scholastic Materials

In the financial year under review the output instructional materials for primary schools had an approved budget of UGX 18.44bn; all was released but UGX 18.43bn spent. The sector did not plan to procure and distribute any text books for P.5 to P.7 due to the ongoing revision of the primary school curriculum. The sector planned to procure 176,400 curriculum materials but only 23,190 were procured. The sector attributes this level of performance to inadequate funds. This performance is not in line with the level of spending considering that almost the entire budget released was spent.

In the secondary school sub-sector, the student text book ratio stood at 2 against a target of 3 while 3,834 science kits were provided for secondary school even though no target had been set for this item in the work plan. This level of performance indicates that the sector needs to improve on planning because since it utilised 76.33% of the planned budget and even delivered on the output (Instructional materials for secondary schools) that had not been budgeted for.

Under the JAF IV, the sector maintained the plan to protect at least 8% of the non-wage budget for the procurement and distribution of text books and other instructional materials and track materials.

[32] UWEZO Uganda National Assessment (2011) Early Grade Reading Assessments (EGRA 2010) and NAPE report (2010).

Inspection and supervision of schools

In the FY 2011/12, the sector planned to carry out monitoring and supervision in schools to improve effectiveness and efficiency in the delivery of education services.

Under the primary sub-sector, the sector received and spent 87.1% of its planned budget. The sector managed to inspect and visit 1,036 schools with emergencies and in hard to reach areas out of the targeted 1,044. The sector visited each school once a term during the FY 2011/12.

Under inspection (Primary, secondary, BTVET) and monitoring of construction works in Primary Teachers Colleges, the sector received and spent 62.5% of the planned budget. The sector achieved its target of 2,000 teachers' supervision in curriculum training, inspected 4,332 secondary schools/institutions out of the targeted 2,908, and inspected 900 BTVET institutions of the targeted 200. Low performance however was in the area of 296 training colleges that were inspected out of the targeted 600.

4.1.5 Low performance in the recruitment of teachers under the Education Service Commission

Under the Management of Education Service Personnel, ESC planned for UGX 2.69bn and received 95.9% of the planned budget. The number of personnel that were recruited was 2,964 out of the targeted 5,000. This spending is not in line with level of performance since 95.9% of the budget was spent and only 59.3% of the personnel were recruited consequently requiring an explanation.

4.1.6 Progress in implementation of the recommendations from the PIRT

In the third phase of the PIRT meeting, various recommendations were made for improving education service delivery. There were four recommended actions namely:-a) Government providing incentives to private sector to provide demand driven vocational training which was on track, b) Strengthening the regulatory and qualification setting functions of BTVET which was on track, c) Ensuring skills requirement study in Oil and Gas sector incorporates private sector input to enhance current efforts at the Uganda Petroleum Institute - Kigumba (UPIK) and Makerere University which study had to be completed and incorporated into curriculum by end of 2010 and d) To link UPIK to other technical centers of excellence both of which were not assessed because work was still ongoing.

4.2 Health Sector

The major focus and goal of the Health Sector is to attain a good standard of health for all people in Uganda, targeting the promotion of a healthy and productive population. This will be attained through reductions in mortality and morbidity from the major causes of ill health and premature death. The sector is led by the Ministry of Health (MoH) and includes the Health Service Commission (HSC), National Drug Authority (NDA), Mulago Hospital Complex, Butabika National Referral Hospital, Uganda Aids Commission, Regional Referral Hospitals and District NGO Hospitals, District Primary Care services, Uganda Blood Transfusion Services and National Medical Stores.

4.2.1 Overview of sector performance

In FY 2011/12, 42% of the outcome indicators showed progress with 25% of them achieving over and above their targets while 25% showed a decline with 42% not achieving their target. 33% had no data for assessment. 34% of the sector outputs were achieved, 54% were not achieved and 11% of them had insufficient data for assessment.100% of the PIRT actions were on track and 80% of the JAF actions were on track while 20% were off track.

Table 4.2.1: Performance Scorecard for the Health Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	42%	25%	0%	25%	42%	33%	12

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	34%	54%	11%	35
MoH	44%	40%	16%	25
HSC	0%	100%	0%	1
Local Government	11%	89%	0%	9

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
PIRT	100%	0%	0%	5
JAF	80%	20%	0%	5

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	804.7	605.56	75%	603.25	100%	75%
MoH	207.72	65.71	32%	65.05	99%	31%
NMS	206.81	191.48	93%	191.48	100%	93%
Hospitals	135.91	99.8	73%	99.8	100%	73%
HSC	2.98	2.5	84%	2.57	103%	86%
LG	193.38	173.26	90%	n/a	n/a	n/a
Others*	26.28	20.61	78%	18.88	92%	72%

* these include commissions and institutions that report to the Health Sector such as the Heart Institute

The overall approved sector budget for FY 2011/12 was UGX 804.7bn out of which 75% was released, 99.6% was spent. The Ministry of Health had an approved budget of UGX 207.7bn with a release of 32%, of which 99% was spent. There is no clear explanation for the low release to the Ministry.

The National Medical Stores on the other hand had a UGX 206.8bn budget, of which 93% was released, all of which was spent. The referral hospitals had a total budget of about UGX 135.9bn with a general release of 73%, of which all was spent (100%). Local government received 90% of its budget release but figures are not available for hoe much of this release was spent.

Table 4.2.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	11		1		7	
Year end	Green	Red	Green	Red	Green	Red
	5	5	0	1	2	5
	45%	45%	0%	100%	29%	71%

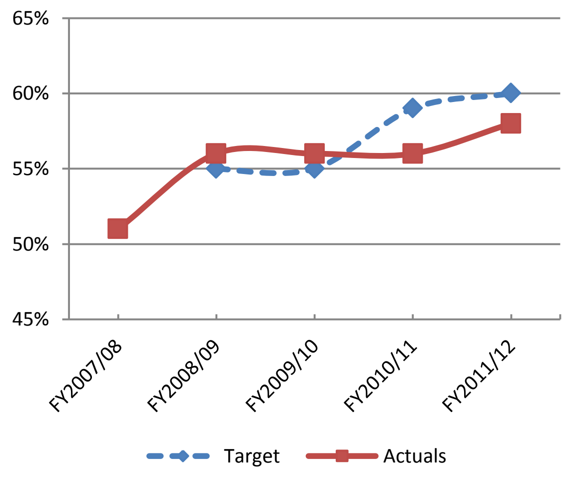
Table 4.2.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

4.2.2 Improvement in maternal and child health

In order to improve maternal and child health, the sector focused on various interventions which included uptake of family planning, provision of vaccines as vitamin A supplementation, immunisation, massed- worming, health education and provision of quality reproductive systems.

Improved proportion of deliveries in health facilities

Figure 4.2.1 Trend of approved posts filled by qualified health workers in Health facilities



Increasing the proportion of deliveries in health facilities has an effect on the reduction of maternal and child mortality and has shown an improvement. One of the MDG 5 targets is to reduce maternal mortality by 75% on 1990 figures by 2015. According to the Uganda Demographic and Health Survey 2011 (UDHS) Uganda has achieved a 60% reduction. Although 95% of pregnant women who gave birth in the last 5 years received some antenatal care from a skilled provider, only 59% of live births in the last five years were delivered by a doctor or nurse/midwife and 57% were delivered in health facilities[33].

The sector shows that for the financial year 2011/12, the proportion of deliveries in health facilities has continued to improve from 33% in 2009/10 to 39% in 2010/11 and now 41% in the

[1,2]Uganda Demographic and Health Survey 2011

year under review[34]. The sector notes that if the significant human resource gaps at service delivery points were closed, then the status would improve.

The improvement in health services is also indicated in the reported increase of the percentage of women attending antenatal care with the cases rising from 32%in the FY 2010/11 to 35% in FY 2011/12. This shows a positive trend from the previous years and with more health information and campaigns the situation is likely to improve further.

Data from the sector shows that the Contraceptive Prevalence rate (CPR) declined in the year under review, falling from 33% in FY 2010/11 to 30% in FY 2011/12. Data from health surveys going back to 1988 show that there has been a steady increase in the CPR from 5% in 1988/89 to 30% in 2011. The current rate is well below the HSSIP target of 40% however. The percentage of districts supervised and monitored for improvements in quality of care in reproduction health services declined from 100% in 2010/11 to 45% in 2011/12. The sector attributes this low coverage to inadequate funding.

4.2.3 Improved HIV/AIDS Care services but the prevalence still on increase

HIV prevalence is the number of persons living with HIV at a given time regardless of the time of infection, whether the person has received a diagnosis (aware of infection), or the stage of HIV disease. Prevalence of HIV among Antenatal Care clients between 15-24 years was 7.3% in 2011/12 against a target of 3.2%. This statistic has been on the increase since 2007. This is the most accurate statistic but clearly captures only a small proportion of the population. The Uganda Aids Commission[35] reports figures suggesting a prevalence rate among the whole population of 6.7% in 2011.

Figure 4.2.2 HIV/AIDS Prevalence Rate

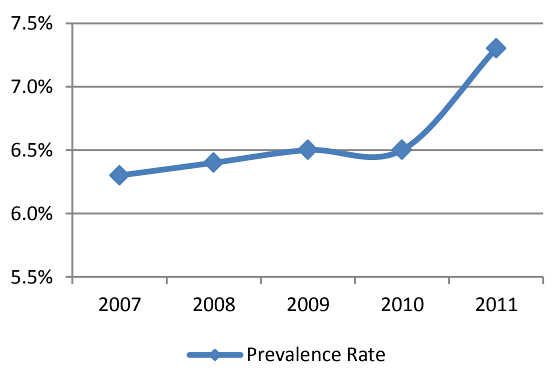
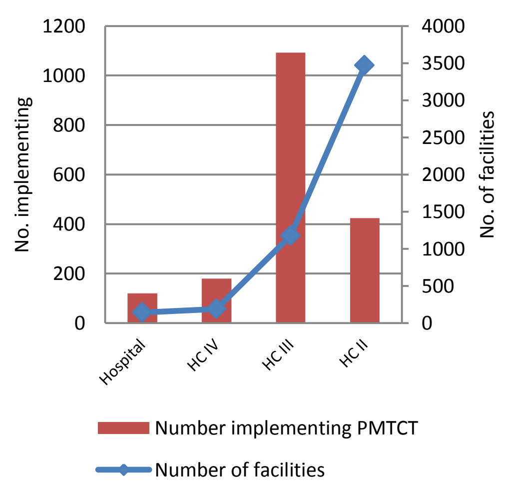


Figure 4.2.3 PMTCT Implementation by Health Facility Level



The percentage of Health Centre IV offering HIV/AIDS care with anti-retroviral therapy (ART) services shows 96% achievement against a target of 88%. The progress compared to the previous year's achievement of 90% shows a positive trend. The increase in HIV prevalence is partly explained by prolonged survival of HIV infected persons due to widespread use of antiretroviral drugs.[36] Tracking new infections (incidence) is a better measure of the dynamics of the epidemic but it can be difficult and inaccurate to estimate. Using mathematical modeling, The Uganda Aids Commission[37] estimates that there were 128,980 new infections for the 12 months to December 2010. Using the trend from figures in this report suggest 137,684 new infections during the 12 months to December 2012.

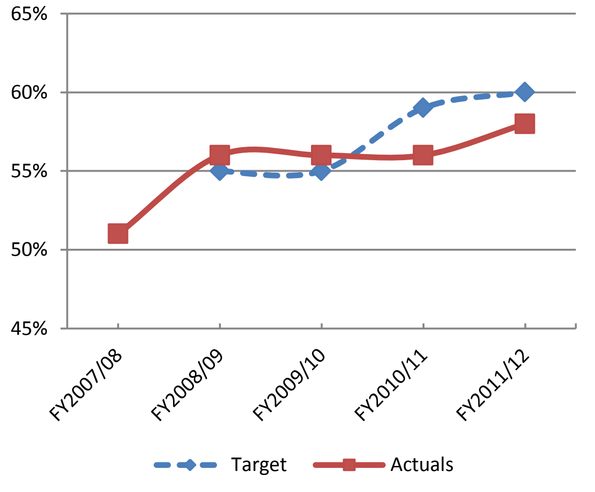
[34] Note that this is an unexplained divergence from the UDHS data
[35] Global Aids Response Progress Report 2012, Uganda Aids Commission
[36] Uganda AIDS Indicator Survey 2011
[37] Global Aids Response Progress Report 2012, Uganda Aids Commission

There has been an increase in prevalence since 2007, as the graph shows. This increase therefore shows that despite the reported increase of HIV/AIDS care and services, there is need to have a holistic package that also caters for interventions for both prevention and care services for the HIV/AIDS with the revival of the vigorous campaigns that had improved the situation rates in the 90s.In addition, as the graph illustrates the HIV services are delivered at the lowest health centers. However there is no parity between the highest numbers of HCII and the level of PMTCT service delivery

Slight Improvement in staffing Levels

The proportion of approved posts filled by health workers was 58% against a target of 60% and compared to 56% in 2010/11. This shows that there is still gross under-staffing particularly in the lower level service areas (see chart below). The slight improvement is attributed to increased advocacy for more staffing and support extended to District Service Commissions to recruit but recruitment has been hampered by fixed wage ceiling for many districts.

Figure 4.2.4 Trend of approved posts filled by qualified health workers in Health facilities

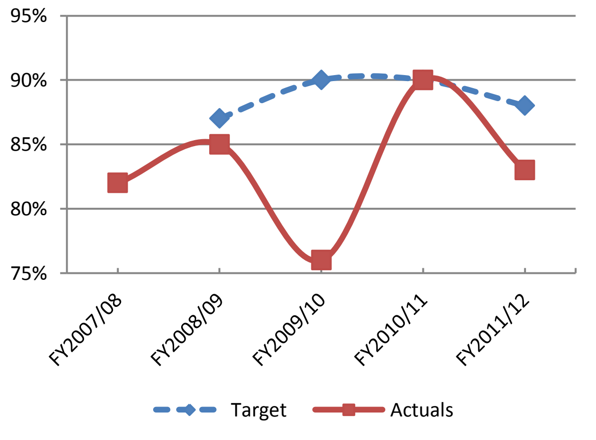


According to the Health Service Commission, the number of appointments made was 181 against a target of 1000. This was because of lack of Commission members for the first three quarters of 2011/12. However, it is pertinent to note that from the budget spent, Health Service Commission handled 562 other Human Resources for Health (HRH) decisions e.g. confirmations and re-designations. The commission completed data entry for 7000 applications for the advertised 1,334 Health Workers vacancies.

Underfunding in Primary Health Care (PHC)

The sector has continued to mitigate infant and maternal mortality through pentavalent (DPT3) vaccines to the infants and IPT2 to pregnant women. The immunisation coverage of infants with the third dose of pentavalent vaccine (DPT3) declined from 90% in the 2010/11 to 83% in 2011/12. The sector attributes this under-performance to in adequate Primary Health Care funds for implementation of community outreaches, human resource and logistical constraints such as lack of health workers to go for outreach and lack of vehicles/motorcycles, fuel and allowances for outreaches. Similarly, the Expanded Programs for Immunisation (EPI) review done at the end of 2010 indicated that the proportion of funds released for Uganda Expanded Program on Immunisation (UNEPI) operational activities has reduced by 50% over the last five years.

Figure 4.2.5 Proportion of children immunised with DPT3

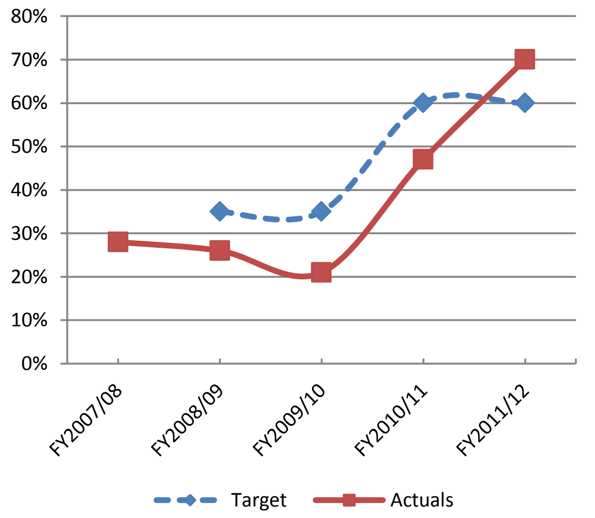


In response to the wild Polio Virus outbreak in Mayuge and Bugiri, one mass polio campaign was carried out in 48 districts in Eastern Uganda as a carryover from the previous year. There were two rounds in eight high risk districts in Eastern Uganda following the wild polio outbreak in the neighboring Nyanza province of Kenya, as a preventive measure. Other two rounds of house to house campaign were done in 22 high risk districts bordering DRC as a preventive measure against the wild polio virus outbreak that claimed many lives in DRC

Significant Improvement in proportion of facilities with no stock outs of the 6 tracer medicines.

According to the Annual Health Sector Performance Report for 2010/11, 43% of health facilities had no stock out of tracer drugs, up from 21 percent in 2009/10 but still below the target of 60%. The sector in FY 2011/12 had 70% achievement of health facilities with no stock out of tracer drugs over and above the set target of 60 %. The graph below shows clearly that there is a positive progress in the achievement of the outcome.

Figure 4.2.6 Trend of health facilities with no stock outs of 6 tracer medicines



National Medical Stores has stated that reasons for fewer stock outs are that the government increased funding by 90%; the basic kit for HC2 and HC3 ensured that all essential medicines were included which used to be left out during ordering; the Last Mile Delivery (LMD) directly to all lower health facilities ensured that medicines arrived in time (they used to delay at DHOs offices) and the policy of embossment of medicines has reduced theft of government drugs.

NMS has 7 regional customer care offices that visit all the health facilities and ensure that they place orders in time (for HC4 and above) and that there is increased alignment of facility orders to the procurement plans. This ensures that by the time an order reaches NMS, the medicines will already be available and hence a higher order fulfillment rate by NMS.

Infrastructure Development

The major interventions in the NDP and Manifesto 2010-2015 include rehabilitation of health center IIIs, health center IVs and construction of 3 new general hospitals in Kampala. There was construction of health facilities in the year under review as indicated in the table below. However, the sector does not have milestones/set targets for the civil works to enable performance assessment in this area of infrastructure development. A Budget Monitoring and Analysis Unit (BMAU) report on construction in the sector[38] raises concerns about the quality of this and other construction work. It attributes issues in part to a lack of supervision visits on the part of the Infrastructure Division of the Ministry of Health. During the construction of Apac hospital, which lasted two years, this division made just two site visits. No visits were made to Nebbi hospital, This has contributed to a wide range of issues, including a lack of water supply to parts of the hospital. Works planned for Rushere Community Hospital do not appear to tackle important issues, such as a lack of water supply and too little staff accommodation. The same report looks at health infrastructure improvements carried out at

[38] MoFPED 2012, Budget Monitoring Report, Second Quarter, FY 2011/12

district level. A number of key challenges emerged. A common complaint was the capacity of contractors, In Busia, a contractor agreed to construct an OPD for UGX50m. MoFPED guidelines suggest that an OPD costs UGX70m. The quality of the construction was poor, due to the low price. There is a need to ensure that contracts are not automatically agreed with the lowest price bidder and that bids are benchmarked with available data to ensure that contractors can realistically complete agreed projects. Poor supervision is part of the problem, resulting in poor performance on the part of contractors not being dealt with in a timely manner.

Table 4.2.2 Status of Infrastructure Development

Planned Output	Status
Construction of Operating theatre and paving of yard at OPD at Masafu Hospital	- Completed
Construction of Operating theatre and paving of access and yard at OPD Kapchorwa hospital	- Completed
Construct staff houses and health facilities in Karamoja region with support of 12.8 bn from the Italian Government	- Bids received for consultancy but Funds not yet secured from Italian Government
Complete the rehabilitation and equipping of Kisozi and Buyiga HC IIIs	- Kisozi 80% complete - Buyiga 10% complete - Construction in Phases to be completed by 2013/14
Rehabilitation of pediatric ward at Apac Hospital	- Completed
Water supply and Sewerage system at Nebbi Hospital	- Completed
External works at Mbale and Mbarara blood banks	- Completed - Defects liability ended for Mbale - Defects liability ongoing for Mbarara

The BMAU report recommends that the Contracts Committee should seek the advice of district engineers, who will often know which contractors are capable of completing a given project on time and to the standard required.

The project implementation schedule has also caused problems. Districts only learn of their allocation late in the financial year. The result is procurement starts at the beginning of the financial year for which funding is provided. Often construction is then rolled over to the following financial year. In other cases, price increases between the point of budgeting and planning for construction and the actual implementation of the project means that capital budgets are too low. Price rises can also cause contractors to request a contract variation or even abandon works. Higher prices must be agreed by the Contract Committee and MoFPED, which delays projects even further. Contracts Committees should ensure that potential future price rises are considered when bids are submitted.

A lack of staff is also a common theme. A lack of district engineers in Kabale means cost and quantity estimates for planned projects are delayed, which has a knock-on effect for the procurement and implementation process. In Kyenjojo, a lack of procurement personnel means that the procurement process is longer than it should be.

4.3 Water and Environment Sector

The Water and Environment sector objectives are to provide safe water and hygienic sanitation facilities, and to manage and develop the water resources of Uganda in an integrated and sustainable manner. The sector is also responsible for the critical role of managing the environmental resources. The sector is led by Ministry of Water and Environment and has other constituent institutions which include National Environment Management Authority and National Forestry Authority, the National Water and Sewerage Corporation[39] and LGs.

4.3.1 Overview of sector performance

Out of the total Sector outcome indicators (17), 47%, showed a positive change from the last year's performance of, 24% remained unchanged while 29% indicated a negative change. When these indicators were measured against their annual target for the FY 2011/12, 35% of the total outcome indicators were achieved, 53% were not achieved while 12% had no indicator targets to form a basis of assessment.

The total approved budget for the Water and Environment sector excluding Local Government grants was UGX222.52bn, of which, 61% (UGX136.55bn) was released and 95% (UGX129.05bn) of the release spent. Overall, the sector achieved 37% of the output indicator targets.

There was an increase in the approved budget to the Ministry of Water and Environment from UGX165.55bn in the previous FY 2010/11 to UGX193.35bn (17% increase) in the year under review. The release declined to UGX 105.56bn from UGX112.65bn (7% decrease) over the same period and 93.8% (UGX99.047bn) of the release was spent. The Ministry achieved 35% of the total indicator targets.

National Forestry Authority's approved budget was UGX18.1bn out of which UGX21.79bn released and all spent. The supplementary spending of UGX3.69bn went towards the payment of wages for contract staff. The Authority achieved 44% of the output indicator targets.

National Environment and Management Authority received 83% (UGX9.19bn) of the approved budget of UGX11.09bn, spent 88% (UGX8.09bn) of the release and achieved 33% of the output indicator targets.

There was an increase in the approved budget for the Local government grants under Water and Environment Sector from UGX58.927bn in FY 2010/11 to UGX60.20bn (22% increase) in the year under review. However, the funds released remained almost unchanged at UGX53.60bn compared with UGX53.73bn in the previous year.

All three agreed Cabinet actions were still behind schedule by year end. JAF actions could not be assessed due to insufficient data on progress provided by the Ministry.

[39] A parastatal that operates and provides water and sewerage services and gets resources under the sectors' Off-budget component.

Table 4.3.1: Annual performance scorecard for the Water and Environment Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	47%	35%	24%	29%	53%	12%	17

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	37%	63%	0%	43
MWE	35%	65%	0%	31
NEMA	33%	67%	0%	3
NFA	44%	56%	0%	9

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
JAF	0%	0%	100%	8
Cabinet	0%	100%	0%	3

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	222.52*	136.55*	61%	129.05*	95%	58%
MWE	193.35	105.57	55%	99.05	93.8%	51%
NEMA	11.07	9.19	83%	8.09	88%	73%
NFA	18.1	21.79	120%	21.91	100.6%	121%
LG	60.2	53.6	89%	N/A	N/A	N/A

*The sector totals exclude Local Government data because the spent balances could not be established

Table 4.3.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	18		9		16	
Year end	Green	Red	Green	Red	Green	Red
	9	9	2	7	3	13
	50%	50%	22%	78%	19%	81%

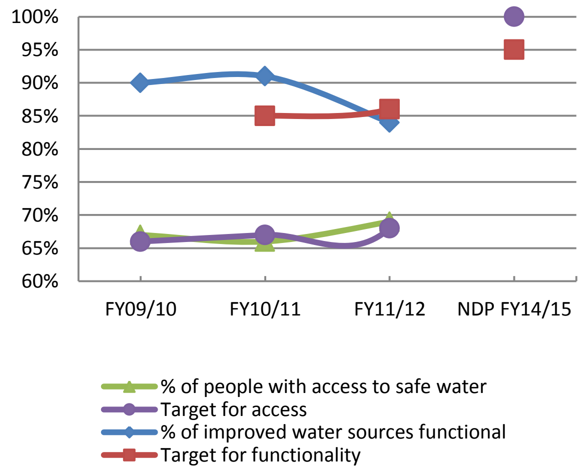
Table 4.2.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

4.3.2 Access to water and sanitation

Mixed performance in access to safe water in urban areas

The NDP is in line with the NRM Manifesto target to increase access to safe water in urban areas to 100% and functionality of water sources to 95% by the FY 2014/15.

Figure 4.3.1 Trend on Access to Safe Water in Urban Areas

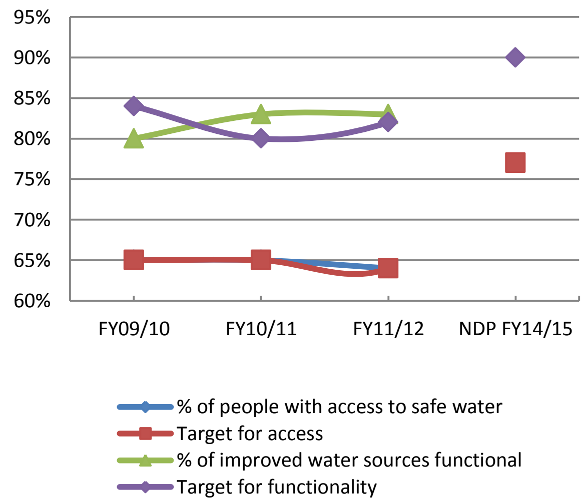


Access to safe water in urban[40] areas increased from 66% in the FY 2010/11 to 69% in FY 2011/12 against a target of 68% having fluctuated between 66% and 67% the last three years. The cumulative urban population served rose to 4.03 million people from 3.7 million in the previous year. Functionality of water sources in urban areas declined to 84% from 91% in FY 2010/11 against the target for the year of 86%. The Sector attributes the decline in functionality to the increase in fuel prices, breakdowns in electro-mechanical equipment of older schemes, load shedding and voltage fluctuations, limitations of production wells' yields/poor groundwater resource potential affecting older schemes, and road works on the major highways destroying pipelines of towns along these highways.

The Average cost per beneficiary of new water and sanitation schemes continues to improve in urban areas registering a per capita investment cost of USD 38 compared to USD 40 in the previous year and USD 46 in FY 2009/10. The sector attributes the reduction in cost to the cost effective use of ground-based sources which do not require conventional treatment and also serving bigger town populations.

The urban water supply and sanitation vote function received UGX30.89bn (41.7%) of the approved budget of UGX74.08bn and absorbed 81.8%. with the low release to the sub sector and only 16 piped water supply schemes constructed against the target of 38, the sector attributes the increase in access to safe water in urban areas to the newly constructed town piped water supply systems and one extension line covering the towns of Oyam, Adjumani, Kanungu, Nakaseke, Tirinyi-Kibuku, and expansion of the Koboko line.

Figure 4.3.2 Trend on Access to Safe Water in Rural Areas



Declining trend of access to water services in rural areas

The target for the NDP is to ensure that access to safe water in rural areas reaches 77% and functionality of the water sources 90% by FY

[40] Access to safe water in Urban refers to percentage of people within 0.2km of an improved water source in gazetted cities, municipalities and town councils

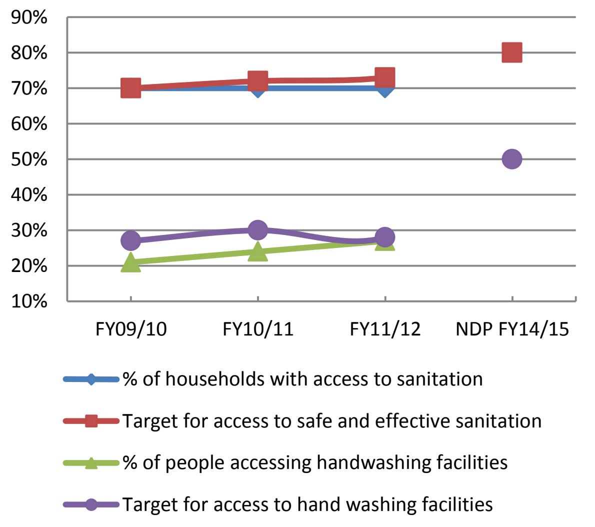
2014/15. Percentage of people with access to safe water in rural areas dropped to 64% in the FY 2011/12 after stagnating at 65% for the last three years. Although there was a drop in percentage terms, the population served increased by 597,496 persons served from 3.2 million people served in the FY 2010/11. The drop in percentage access to safe water in rural areas was attributed to the decommissioning of 511 water facilities due to functionality related challenges. Functionality of the water sources in rural areas has stagnated at 83% for the last two financial years having increased by three percentage points from 80% in FY 2009/10. Rural water supply and sanitation vote function received UGX21.61bn of the approved budget of UGX17.21 (126%). The Ministry constructed seven gravity flow schemes against the original projection of four and drilled 77 boreholes against the target of 100. The Per capita cost investment in rural areas improved from USD 47 in the previous year to USD 44 in the FY 2011/12 having risen from USD 41 in FY 2009/10.

With the rural population estimated to increase by 1,200,000 persons per year, access to safe water dropping and functionality of water sources stagnating, it is not clear why the targets were set lower than the achievements of the previous financial year.

Access to safe and effective sanitation trends remain unchanged

Sanitation has over the years dominated the discussions of Cabinet Retreats and recommendations have been made for the three ministries concerned of Health, Water and Environment and Education coordinated by OPM to address the challenge, however, performance in this area remains unsatisfactory. The NDP targets access to safe and effective sanitation to reach 80% while access to hand washing facilities at 50% and pupil latrine ratio at 40:1.

Figure 4.3.3 Trend on access to safe and effective sanitation



The percentage of households with access to safe and effective sanitation continued to stagnate at 70% three in a row. Pupil latrine ratio in schools also continued to worsen from 43 pupils per one latrine/toilet stance (43:1) in FY 2008/09, 54 pupils per one latrine/toilet stance (54:1) in FY 2009/10, 66 pupils per one latrine/toilet stance (66:1) in FY 2010/11 to 69 pupils per one latrine/toilet stance (69:1) in FY 2011/12. Improved performance was noted in percentage of people with access to hand washing with soap at house hold level increasing from 24% in FY 2010/11 to 27% in FY 2011/12 and the same in schools increasing from 33% in FY 2011/12 to 35% in FY 2011/12.

The low performance could be attributed to the low performance at output level where the Ministry carried out 18 national sanitation and hygiene campaigns against the projected 15, and did not construct any eco-san toilets in rural areas even when 30 had been planned for. This was attributed to new strategy adopted by the Ministry which uses framework contracts for construction of eco-san toilets and funds for this were utilised to carry out promotional activities (community sensitisation) in 14 districts. In urban areas, the Ministry carried out only 50 hygiene promotion campaigns against the original target of 170 and completed 60 ecosan and ecological toilets against the projected 90. The low performance in urban areas was largely attributed to the low release of funds. No clear investments and strategies aimed at addressing the sanitation challenges at both household level and in schools by the Ministry were identified at output level.

4.3.3 Water for production

Positive trend registered in capacity of water for production

The current total demand for water for production is estimated at 499 Million Cubic Metres (MCM). The cumulative water for production (WfP) storage capacity was 27.2MCM in FY 2011/12 from 21.2MCM in FY 2009/10 and 26.5MCM in FY 2010/11 meeting only 5.45% of the total demand. This level of supply is not sufficient to address the current and growing demand. Functionality of dams and valley tanks jumped from 24% in FY 2010/11 to 67% in FY 2011/12. The sudden improvement in functionality was attributed to the change in formulae which excludes old facilities that were constructed before 2000. The Ministry received UGX21.51bn (99.1%) out of the approved budget of UGX21.69b and all was spent.

The total volume added through investments by the ministry in the FY 2011/2012 was 605,400m^3 and this came from the completed valley tanks and dams. The Ministry constructed 127 valley tanks in the districts of Kiruhura, Lyantonde, Mororoto, Nepak, Amudat and Kotido against the target of seven contributing 256,900m^3. The over performance was attributed to the availability of government owned equipment in these districts. An extra 348,500m^3 came from the completed dams in Arechek and Kobebe in Moroto, Akwera dam in otuke and Longorim in Kaabong. The bulk water system in Rakai district was 30% complete.

4.3.4 Degradation of eco-systems

Slow progress in restoration and protection of forest cover

The last recorded figure for forest cover, down from 50% in 1990, was 18% (2009) against the NDP target of 24% in FY 2014/15. Of this forest cover, over 64% is owned by the private individuals. The Sector estimates that 92,000 hectares of forest cover are lost every year with 34% lost in private forests and 12% in the protected forests.

The sector’s focus during the year was on improving enforcement, demarcation of forest reserves and replanting formerly encroached forests. 392 patrol and environmental protection police was recruited to protect the 506 central forest reserves covering 1.2 million hectares, 3113Ha of degraded forest was replanted against a target of 7500 and 82km of forest boundary resurveyed and marked with concrete pillars against a target of 16.4km. 274ha of formerly encroached on forest reserves were planted against the projected 285ha. 275.3km of fire breaks were established and maintained during the year against the target of 545km. Despite the efforts by the sector, the progress is still slow compared with the rate of loss of forest cover currently experienced.

Slow progress in restoration and protection of wetlands in the country

Wetland coverage has continued to decline over the years last recorded at 10.9% (2008) of the land surface area from 15.6% in 1994 against the NDP target of 30%. In real terms, 11,267.7 square kilometres (30%) of Uganda’s wetland ecosystems representing 4.7% of the Uganda land area has been lost within the last 15 years from urban, industrial and real estate expansion and off season cultivation in wetlands. By water regime categories, over the same period (15 years), the country lost more permanent wetlands, at 4,523.8 square kilometres (43.5%) than seasonal wetlands at 6,743.9 square kilometres.

For the financial year under review, the sector through the National Environment Authority planned to carry out 10 restoration activities and 900 environment and inspection audits. By year end 8 restorations activities and 825 environment and inspection audits had been carried out. 837

environmental impact assessment reports were reviewed and approved against the target of 800. Although this performance points to increased compliance in the sub sector, it is not having direct impact considering the declining wetland cover throughout the country and this could be a challenge of enforcement of recommendations from these audits and assessments. 25,759.80ha of degraded eco-systems were restored against the target of 17,800ha. 122km of ecosystems boundary were also demarcated to protect the ecosystems.

4.3.5 Weather and climate change

Only 200 weather and climate stations in the country were active throughout the year against the established 450 stations. Eight seasonal forecast and advisories were issued against the projected four which were issued to carter for extra demand in Bududa, in the flood prone areas of Katakwi and in the Central Region. The Weather, climate and climate change vote function received 3.6bn (41.3%) out of the approved budget of 8.79bn and all was spent.

Weather and climate variability remain a critical obstacle in meeting development objectives such as poverty alleviation, food and water provision and even improved health. The recent events such as frequent severe droughts, floods, landslides demonstrate the vulnerability of Uganda to extreme climate events. Meteorological services guide in the mitigation and adaptation to these climate variability. It is not clear whether the current early warning mechanisms and mitigation measures are put in place are robust enough to detect, prevent and reduce the effects of the variability weather and climate.

4.4 Social Development Sector

The Social Development Sector works to strengthen communities' rights and provide social protection. Its major focus is to empower communities to harness their potential through cultural growth, skills development and labour productivity. The sector is led by the Ministry of Gender, Labour and Social Development (MGSLD) and works closely with affiliated statutory institutions established by the Acts of Parliament which include, *inter alia,* the National Women's Council, the National Youth Council, the National council for Children, National Cultural Center, the National Library and the Industrial Court.

4.4.1 Overview of sector performance

Social development measures its performance through improvements in community empowerment, as assessed by involvement in decision-making and adult literacy, improving access to services for the vulnerable and opportunities for employment for all. The sector had eight outcome indicators of which five were on a positive trend and three showed a downward trend. The downward trend negatively affected the promotion of labor productivity and employment.

The sector received 64.6% of its planned budget and spent 100% of the release. Of the 64 output indicators, 64% were achieved while 36% weren't as per the discussions in the subsequent paragraphs. Fifteen of the 17 agreed actions were met.

Table 4.4.1 Performance Scorecard for the Gender, Labour and Social Development Sector

Outcome Trends

	% positive trend	% achieved against target	% unchanged trend	% negative trend	% not achieved against target	% no data	Denominator
Total	38%	63%	38%	38%	38%	0%	8

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	64%	36%	0%	64
MGLSD	64%	36%	0%	64

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Planned	88%	12%	0%	17

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	26.69	18.42	64.6%	18.34	100%	69%
MGLSD	26.69	18.42	64.6%	18.34	100%	69%

Table 4.4.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	54		1		6	
Year end	Green	Red	Green	Red	Green	Red
	36	18	0	1	2	4
	67%	33%	0%	100%	33%	67%

Table 4.4.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

4.4.2 Empowering Communities for development

As a vote function, community mobilisation and empowerment received only 56.8% of the approved budget (2bn) of which, 54.5% was spent. Against this budget, the following performance was realised:

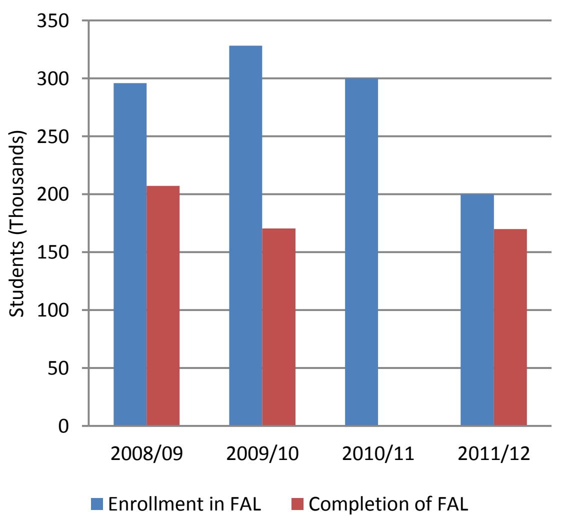
Adult Literacy programme implementation still low

The NDP notes that ignorance and lack of knowledge hinder the poor from harnessing available opportunities for getting out of poverty. If communities are not empowered, citizens may not make rational developmental decisions. The NDP aims to expand Functional Adult Literacy (FAL) programmes to reach all villages and increase adult enrollment and training. According to the Uganda National Household Survey Report 2009/2010, urban household members were more likely to be literate (88 %) than their counterparts residing in the rural areas (69 %). About 60 % of the adult women in the country are literate, compared to 80 % for men. Owing to that, sub counties are supposed to implement FAL programmes and community libraries are to be supervised, monitored and evaluated. Accordingly, 80 sub counties were targeted to implement FAL programmes of which 75 were achieved. Although this was a 93.8 % achievement, the number of sub counties targeted to implement FAL is still low compared to the over 1,000 sub counties in the country.

Decline in the enrollment of FAL learners

A big challenge still faces the Ministry as enrollment in FAL has been on a downward trend since FY 2009/10. The reason given is that more money was spent on administration as a result of the new districts and administrative units created. Enrollment in FAL targeted 300,000 learners but only realised 200,000, of which 170,000 completed the training. As illustrated in the figure, completion rates have remained below enrollment.

Figure 4.4.1 Enrollment and Completion of Functional Adult Literacy Programmes



1000 copies of the Community Development Policies were printed and disseminated as planned. Similarly, the target of printing 1000 copies of the Non Formal Adult Learning Policy was met. The sector planned to disseminate 1000 copies of the National Action Plan for Adult Literacy (NAPAL) and realised this target. 200,000 materials were to be acquired and disseminated to all libraries but only 100,000 were disseminated. This performance is attributed to the failure of the organisation that had pledged to donate the books to meet its pledge. In contrast, timely release of resources led to the dissemination of the targeted 200 copies of the National Bibliography of Uganda. The sector targeted printing of 10,000 FAL materials but only printed 6000, which it attributed to increases in the cost of printing and no releases for two quarters.

About 50% of the five indicators under monitoring, technical support, supervision and backstopping were achieved. The performance is attributed to no development releases for two quarters (the 2nd & 4th quarters) and insufficient recurrent releases to the ministry.

4.4.3 Gender mainstreaming lagging

The ultimate goal of gender mainstreaming is to achieve gender equality. It is important that there is access to opportunities and control of resources by both genders in order to optimise development results. One of the NDP’s strategies is to promote gender mainstreaming in development plans, programmes and projects (NDP pg. 284). The gender-specific barriers (legal, institutional and socio-cultural) that restrict the equal distribution of resources between males and females should be addressed at the micro-economic and macro-economic level. There are concerns that the current global economic crisis necessitates *increased* action to ensure that women and girls obtain equal access to economic opportunities and are enabled to contribute equally to the growth and development of their country’s economy (UNDP 2008, 2009). The NRM Manifesto aims to uphold all the affirmative action clauses in the Constitution of Uganda and enact laws that empower women in the political, economic and social sectors. FY 2011/12 shows that gender mainstreaming is still being implemented at a slow pace since it was applied in seven[41] sectors only.

Gender mainstreaming had an approved budget of UGX 2.41bn of which 64% was released and 62% spent. A thousand copies of the Gender mainstreaming guidelines were printed and disseminated, via off-budget support On the other hand, insufficient releases on the non-wage recurrent budget contributed to only seven out of ten MDAs mainstreaming gender and other social development concerns into their plans and budgets. The sector achieved the targeted five guidelines and standards for mainstreaming gender and other social development concerns due to the off-budget support. Creation of demand for reproductive health was achieved in all the 48 targeted districts. The sector also promoted reproductive rights through training and sensitisation in all the 48 targeted districts using off-budget interventions.

4.4.4 Improvement in labour productivity and employment not yet realised

According to the Uganda National Housing survey 2009/10, Uganda’s total labour force (employable labour) was estimated at 11.5 million persons and is projected to reach 19 million by 2015. The annual growth rate of labour is 4.7 % per year, which is above the national population growth rate of 3.2 % per year. This high growth rate poses a challenge, in that jobs need to be created to match the increasing labour force. The industrial sector which is the immediate alternative employer is still under-developed. The NDP notes that Government has put in place several labour laws to regulate the work environment and facilitate delivery of labour services. However, few labour officers have been recruited to provide technical advice to employers (NDP, pg. 205). In addition the level of awareness of the provisions of existing labour laws is very low among workers and employers. Uganda’s human resource base is still characterised by qualitative and quantitative skills deficits especially in technical areas and inadequate qualified persons in some sectors like health.

[41] Social Development sector, Education, Health, NPA, UBOS, the Budget directorate at MFPED and Agriculture

Decline in the number of workplace investigations in major towns

Workplace inspections contribute to an enabling environment for increased labour productivity. Consequently, there's increased protection of workers through improved compliance with labour standards. However, the NDP notes that there is inadequate funding at the centre and in LGs to register and undertake sufficient inspections and investigations of workplaces. As a result, the sector's indicators geared towards workplace inspections were not realised. Three hundred sixty workplaces in the major towns were due to be investigated but only 260 were actually investigated. The sector targeted 300 workplace inspections and 668 were carried out due to internal reallocation of funds.

Thirteen out of 15 labour disputes were investigated and settled. The 4480 labour complaints targeted were all registered, however, only about 10% of the complaints registered were settled by the department concerned. The rest of the cases are not yet attended to, since the Industrial Court is not yet constituted to handle the arbitration. In addition, resources are not sufficient to resolve all the cases registered. The 80% target of inspection of labour places for compliance with the labour laws and standards was achieved. These statutory inspections were done using the additional resources reallocated from the sector ceiling to the Department of Occupational Safety and Health (OSH). A 25% backlog of labour disputes/cases arbitrated by the industrial court was not achieved. This performance was attributed to the absence of the Industrial Court in the Ministry.

Promotion of labour productivity and employment had UGX 2.29bn approved of which 61.1% was released and 58.5% was spent.

4.4.5 Social protection of vulnerable persons

Social protection[42] directly reduces poverty, supports excluded citizens to access services, provides a foundation on which to build productive livelihoods and enables citizens to live a life of security and dignity. It entails all public and private interventions that address vulnerabilities associated with being or becoming poor. It is a public investment in human capital that facilitates human endeavors and also enables the poor to avoid, cope with and mitigate risks. According to the NDP, these interventions currently include: provision of social assistance to the chronically poor; care for the elderly, orphans and other vulnerable children; special needs education and training; community based rehabilitation services for PWDs; social security for public sector and private sector employees; pensions for public sector employees and relief services to disaster victims (pg. 275). Currently, the elderly population is estimated at 1.3 million, of which, only 7.1 % have access to pension, 60 % being males (UNHS 2009/10). This means that 92.9 % require social protection measures to enable them cope with vulnerability.

Support of vulnerable individuals only in a few districts

The burden of looking after orphans coupled with limited economic activities can put a lot of stress on older persons and impoverish them. Older persons are often marginalised or excluded from the benefits of development and are particularly vulnerable to exploitation and income shocks. It is important that their efforts are complemented by both the state and the private sector. On that note, Development Partners piloted the Social Assistance Grants for Empowerment (SAGE) which the Government has rolled out as a cash transfer programme for older persons. The SAGE programme aims to provide a monthly direct income support of UGX 23,000 to UGX 95,000 towards poor and

[42] Social protection is concerned with preventing, managing, and overcoming situations that adversely affect people's wellbeing. It consists of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability and old age.

vulnerable households in 14 pilot districts[43]. A core component of the SAGE programme is a Senior Citizen's Grant (SCG) to senior citizens.[44] This is a pilot project at present, in 14 districts. In the financial year under review, Government committed UGX 125m towards SAGE but released only UGX 32.5m, to complement UGX 4.75bn from the development partners towards the SAGE programme. This funding from Government is still too low to cover the entire country.

To extend social protection services to the vulnerable, the sector developed and implemented the three policies, guidelines, standards and action plans to support the vulnerable groups. Seventeen institutions (Children, Youth and PWDs) in the ministry were provided with technical support, supervision, monitoring and evaluation. Provision of technical support, supervision, monitoring and evaluation to 80 LGs was carried out, with support from off-budget interventions. A target of 166 assessments of babies' and children's homes nationwide, were carried out, from both the ministry budget and off-budget activities. Likewise four programmes for vulnerable groups targeted for monitoring and evaluation were achieved with support from off-budget interventions. However, this poses a challenge of sustainability, given that achievement is attributed to off-budget interventions.

Additional resources reallocated from the sector ceiling to the Department of Occupational Safety and Health (OSH), led to the achievement of 435 youth in 19 Promotion of Children and Youth (PCY) districts trained in vocational skills. Similarly, 480 youth targeted in 12 districts were trained in entrepreneurship and business skills, meeting the target. The target of supporting 216 youth groups in 25 districts (19 project and 6 other districts) was met due to timely release of resources. One hundred and twenty seven street kids (58 abandoned/lost and 59 juvenile) were settled as planned. This output was achieved due to co-funding with off-budget interventions. Two hundred and sixteen vulnerable groups were supported and empowered to participate and benefit from the development process, as planned, due to co-funding with off-budget interventions. One thousand eight hundred vulnerable individuals were targeted for support but 12,249 were achieved. This target was heavily over-achieved due to co-funding with off-budget interventions.

Slow progress of vulnerable persons trained in vocational entrepreneur skills

Vocational skills are some of the important skills that vulnerable people should possess, for they ensure food security and rural development, both important in fighting poverty. Skills development strategies must look not only at households but also at communities and territories, as local conditions are a key element. (International Institute for Educational Planning Newsletter July- September 2006). Skills development contributes to social and economic integration. Developing job-related competencies among the poor, the youth and the vulnerable is crucial to progress in reducing poverty. The challenge is that the sector targeted 1164 vulnerable persons to be trained in vocational entrepreneurial life skills, but only 650 were trained. This performance is attributed to lack of funds in the 2nd and 4th quarters.

The number of vulnerable and marginalised groups to access seed/start-up capital was five, as planned. Achievement was due to early planning. The target of 1,548 children to be supported with welfare services was achieved as planned. These were the total number of children in the Ministry institutions that were fed and provided with care and protection.

Social protection for vulnerable groups had a budget of UGX9.24bn but only 29.7% was released and 29% was spent.

[43] Apac, Kaberamaido, Katakwi, Kiboga, Nebbi, Kyenjojo, Moroto, Nakapiripirit, Amudat, Kyengegwa, Kyankwanzi, Zombo, Napak and Kole
[44] Senior citizens are those aged 65 years and above (60 years in Karamoja).

5. Security, Justice and Governance

5.1 Accountability Sector

The objectives of the Accountability Sector focus on effective budget preparation and monitoring, increasing citizens' demand for accountability, establishing value for money in service delivery, compliance to procedures and efficient tax collection. The sector is led by the Office of the Accountant General, and is comprised of Ministry of Finance, Planning and Economic Development (MFPED), Office of the Auditor General (OAG), Uganda Revenue Authority (URA), the Inspectorate of Government (IG), the Directorate of Ethics and Integrity (DEI), Uganda Bureau of Statistics (UBOS), and the Public Procurement & Disposal of Assets Authority (PPDA).

5.1.1 Overview of sector performance

The analysis of sector performance over the past two financial years reveals that only 36% of outcome measures show a positive trend in FY 2011/12, compared to 40% in FY 2010/11, while 45% show a negative trend compared to only 30% in FY 2010/11. 9% remained unchanged which is close to the 10% unchanged in the previous year. In the FY 2011/12, 36% of the sector outcome indicator targets were achieved while 64% were not achieved (Table 5.1.1).

The positive change in outcomes was mainly realised in clean audit reports (Central Government and statutory bodies), number of contracts subjected to open competition (by contract value), and percentage of PPDA audit recommendations implemented by MDAs and LGs. At outcome level, 79% of the PPDA audit recommendations had been implemented but only 17% of contracts in MDAs had complete procurement records (by number) in FY 2011/12, down from 26% in FY 2010/11. Considering that procurement records are a vital aspect of a good procurement system, there is a need to put more emphasis on ensuring that 100 of MDAs contracts have complete procurement records.

The analysis of budget credibility was based on approved budget compared to release, aggregate expenditure out-turn compared to original approved budget and expenditure compared to budget released. Findings show that budget performance fell below expectation as indicated by some major variances between allocations and actual releases of service delivery sectors (by sector and front line service delivery levels), budget variance between releases and actual expenditure in service delivery sectors and delayed releases for some sectors and institutions.

The approved budget for the accountability sector was UGX 778.65bn (GOU + Donor) of which UGX 665.36 bn was GOU. By end of FY 2011/12, the sector had received UGX 439.70bn (GoU + Donor) which translates into 57% of the annual approved budget and absorbed 98% of the budget released. Out of this URA, IG and OAG received the highest portions of their budgets, registering 108%, 96% and 87%, respectively. MoFPED received the lowest release at 66% of their approved budget.

Out of 142 identified output targets, 54% were achieved, while 35% were not achieved and there was insufficient data to assess 11% of the output indicators. A comparison with FY 2010/11 indicates a slight decline in percentage of outputs achieved at 60% in FY 2010/11 and 54% in FY 2011/12. The consolidated output performance indicates that URA had 50% output targets achievement, OAG had 50% and IG also had 50%, while MoFPED and UBOS registered 55% and 79% respectively. Directorate of Ethics & Integrity (DEI) received 84% of the approved budget but achieved 44% of the output targets. PPDA with 83% of the approved budget released achieved only 38% of their output indicator targets.

The analysis of the implementation of the Cabinet actions, JAF 4, and PIRT actions revealed that 48% of agreed JAF actions, 53% of Cabinet actions and 50% of PIRT actions were on track, while 36% of JAF actions, 47% of Cabinet actions and 38% of PIRT actions were off track. The remainder had insufficient data to form a basis of assessment. The evidence of implementation of Cabinet actions as agreed in the Cabinet Retreat of FY 2010/11 is mainly reflected in the Budget Framework Paper (BFP FY 2012/13) and Ministerial Policy Statements (MPS FY 2012/13) of the respective institutions.

Table 5.1.1 Performance Scorecard for the Accountability Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	36%	36%	9%	45%	64%	0%	11

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	54%	35%	11%	142
OAG	50%	39%	11%	18
MFPED	55%	37%	8%	71
URA	50%	29%	21%	14
IG	50%	40%	10%	10
DEI	44%	28%	28%	7
UBOS	79%	21%	0%	14
PPDA	38%	50%	13%	8

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	53%	47%	0%	15
PIRT	50%	38%	13%	8
JAF	48%	36%	16%	25

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	778.65	439.70	57%	432.69	98%	56%
OAG	36.51	31.71	87%	26.47	83%	73%
MFPED	290.05	191.89	66%	191.64	100%	66%
URA	115.77	125.42	108%	124.02	99%	107%
IG	25.99	24.87	96%	24.84	100%	96%
DEI	3.16	2.65	84%	2.65	100%	84%
UBOS	50.71	45.05	89%	45.05	100%	89%
PPDA	7.06	5.73	81%	5.72	100%	81%

Table 5.1.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	52		23		12	
Year end	Green	Red	Green	Red	Green	Red
	37	15	8	9	1	11
	71%	29%	35%	39%	8%	92%

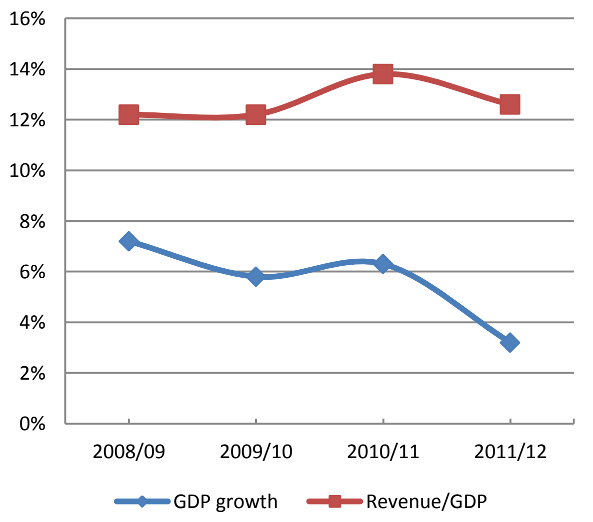
Table 5.1.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

5.1.2 Revenue performance

Decline in Revenue performance & Economic Growth

The mobilization of domestic revenues is critical in determining a country's development and economic growth. In FY 2011/12, revenue as a share of GDP fell to 12.7% against a planned target of 13.7%, down from 13.8% in FY 2010/11. The decline in performance in revenue collection was attributed mainly to the slump in general economic activity. With this trend, the medium term goal of government of increasing the revenue to GDP ratio closer to the sub-Saharan average of 20% as set in FY 2009/10 will take some time to achieve.

Figure 5.1.1 GDP Growth Rate and Revenue Performance



The analysis of performance of arrears as a macroeconomic policy by MoFPED indicates that arrears as a percentage of total expenditures is still high in Government, with 6.6% of arrears registered in FY 2011/12 against a planned target of 3%. In terms of investment, government has reviewed and concluded Investment Protection Agreements (IPAs) with China, South Africa, Germany, UAE, Tunisia and South Sudan. More IPAs will be reviewed and negotiated in FY 2012/13 as funds are made available.

Uganda Revenue Authority (URA) achieved net revenue collections worth UGX 6,208.35bn against a target of UGX 6,169.28bn, effectively representing 100% achievement in FY 2011/12. Compared to FY 2010/11, URA net revenue collections grew by 22%. Out of the aggregate, customs tax collection was UGX 2,902bn, 98% of the target of UGX 2,943.04bn. Although this was below the target, it was a 16.1% increase compared to the previous year. Domestic revenue continued to perform well in nominal terms, with collections of UGX 3,306.35bn against the targeted UGX 3255.8bn, performing at 101.6%. This was mainly attributed to improved performance in the banking, telecommunications, manufacturing (beer) and electricity and oil subsectors that enhanced domestic revenues. Surpluses were recorded under; corporation tax (UGX 39.37bn). tax on bank interest (UGX 5.12bn), local excise (UGX 22.26bn), VAT on beer (UGX 9.99bn), VAT on phone talk time (UGX 22.16bn) and stamp duty on sales and purchase agreements between Tullow Oil and two other oil companies (Total and CNOOC, worth UGX 72.02bn).

The percentage of revenue as a share of GDP dropped to 12.6% in FY 2011/12 from 13.8% in the previous year, yet URA indicated improved revenue collection against target for FY 2011/12 as compared to FY 2010/11. There is a need to clarifyy this ambiguous position.

5.1.3 Budget formulation and monitoring

The sector contributes to efficiency in service delivery through the formulation and monitoring of credible budgets, predictability and control in budget execution, comprehensiveness and transparency of the budget and ensuring that budgeting is policy based. This section partly makes use of the Public Expenditure and Financial Accountability (PEFA) assessment conducted in June and July 2012. Comparison has also been made with a prior assessment that was conducted in November/December 2008.

Findings indicate that in FY 2008/09 and 2009/10, budget credibility was fairly good, with most sectors receiving 95%of their approved budget. However, in FY 2010/11 there were major budget variances in the Security, Public Administration, ICT and Energy sectors, which received over and above their approved budgets. FY 2011/12 was more categorised by under releases in the sectors of Accountability, (received 57% of its approved budget), Social Development (65%), and Lands, Housing and Urban Development (77%). Just as the previous FY, there were over releases only in the sectors of Public Administration (receiving 146% of the approved budget), Legislature (157%) and Security (101%). Supplementary budgets are still used to revise budgets in line with actual expenditures, and these are partially compensated by widespread under spending of development budgets. This reduces confidence in the budget as a statement of government intent.

Budget discipline and credibility

A credible and consistent budget is vital for enhancing accountability in public revenues and expenditure. In FY 2011/12, the budget release to most frontline service sectors[45] was within the target of 95% to 100% of the allocation. Frontline service sectors were identified as Agriculture, Works and Transport, Education, Water and Environment, and Health. Frontline service delivery allocations are conditional grants to each of the identified sectors above. In FY 2011/12, the budget variance between allocations and releases to the frontline services indicates that for Works and Water 91% was released to frontline services (a 9% variation against a target of not more than 5%). The rest of the sectors were compliant with Agriculture receiving 99%, Education 97% and Health 97%.

The absorption of the releases allocated to frontline service delivery within all the frontline sectors was 100% with exception of Works at 98. All the sectors except Health made lower allocations to frontline services as indicated by the ratio of frontline service delivery allocations compared to total sector budget. Education's allocation to frontline service delivery was 76% of the sector budget against a target of 77%, Agriculture 48% against planned 54%, Works 15% against planned 19%, and Water 43% against planned 50%.

An analysis of budget discipline as determined by variance between allocations and releases has been made on the basis of both Government only (GoU) and Government and Donor totals (GoU + Donor). The Annual Budget Performance Report (ABPR) for 2011/12 by MoFPED, indicates that an overall GoU total of UGX 7,469.75bn was approved in FY 2011/12 for all sectors, out of which UGX 7,384.44bn was released (98.9%) and UGX 7,340.40bn (98.3%) was spent by all sectors. Whilst the approved GoU+Donor total was, UGX 9,360.75bn in FY 2011/12 for all sectors, UGX 8310.99bn (88.8%) was released and UGX 8135.38bn (86.9%) was spent.

[45]Frontline service delivery in this case is defined as the core decentralized grants and central government transfers to LGs for the delivery of core services

Analysis of the sector budget releases as measured by the percentage budget variance between approved and releases by sector (GoU only) indicates that the biggest under releases were experienced in Accountability (which received only 57% of the approved budget), Social Development (received 67%) and Lands, Housing & Urban Development sector (received 80% of the approved budget). A trend analysis also reveals that for FY 2010/11, the same sectors got under releases. However, some sectors received more than the approved budget. These were Public Administration (146%), Legislature (157%), Security (117%) and Justice, Law & Order, which received 109% of the approved budget in FY 2011/12. In spite of the agreed Cabinet action on supplementary spending the situation continues unabated with some sectors continuously suffering large under releases.

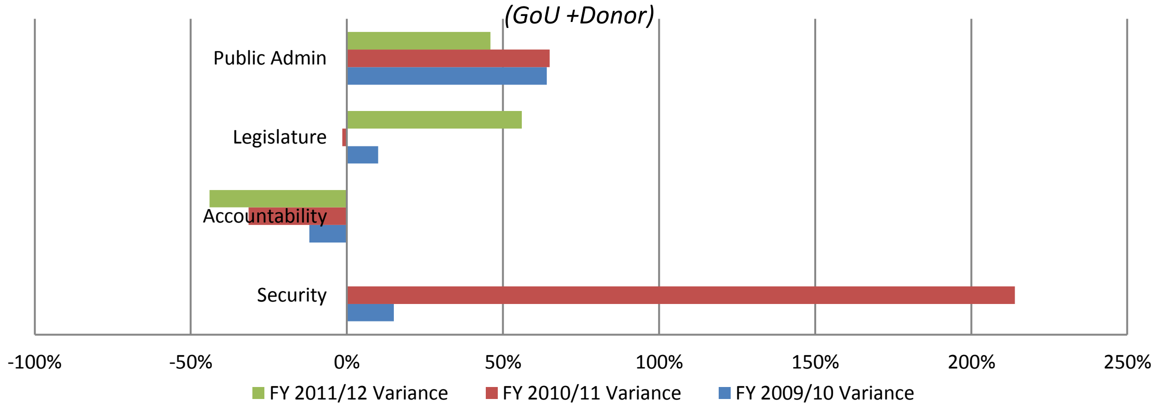
Table 5.1.2 Variance between approved budget and releases, by sector

GoU (MTEF)	FY 2009/10 variance	FY 2010/11 variance	FY 2011/12 variance
Agriculture	13%	-3%	-7%
Lands, Housing and Urban Development	-30%	-40%	-20%
Energy & Mineral Development	-25%	54%	-10%
Works & Transport	-29%	-5%	1%
Information Communication Technology	-23%	53%	7%
Tourism Trade and Industry	17%	-4%	-2%
Education	-25%	-1%	-3%
Health	3%	-1%	-2%
Water and Environment	-18%	-11%	-4%
Social Development	0%	-19%	-27%
Justice, Law and Order	28%	18%	12%
Public Sector Management	31%	6%	-4%
Legislature	10%	-2%	57%

The absorption capacity of frontline services is measured by the variance between the budget released and actual expenditures based on GoU totals only. For FY 2011/12, the sectors of Agriculture, Water, Education, and Health registered zero variance, indicating 100% absorption of funds, while the Works sector had a variance of 2%, within the 5% target. Supplementary expenditure during the year was managed in large part through reallocations within the resource envelope. This is in line with the Cabinet action of 2010/11 to the effect that sectors should reallocate within their MTEF to avoid supplementaries which disrupt budget execution and impact negatively on performance.

Figure 5.1.2 Sectors with Consistent Percentage Variances between Approved Budgets and Releases for FY 2009/10, 2010/11 and FY 2011/12

(GoU +Donor)



Budget performance as assessed by the variance between approved budgets and releases by sector (GoU + Donor) for FY 2011/12 reflects lower variances especially in the frontline service sectors of Water, Education, Works and Health. Releases to sectors for the past three financial years including GoU+Donor, plus non-tax revenue collected by some sectors are highlighted in Table 5.1.3 below. Releases to the Accountability sector have gradually reduced with the sector receiving 88% in FY 2009/10, 68% in FY 2010/11 and 56% in FY 2011/12, whereas the security budget has stabilised from 314% in FY 2010/11 to 100% in FY 2011/12. It is however not clear why Public Administration and Legislature sectors continuously receive more than their approved budget.

Table 5.1.3 Variance between approved budget and releases, by sector

	Variance between approved budget & release		
GoU + Donor (MTEF) including non-tax revenue	**FY 2009/10**	**FY 2010/11**	**FY 2011/12**
Agriculture	13%	-22%	-31%
Lands, Housing and Urban Development	-30%	-40%	-24%
Energy & Mineral Development	-25%	-4%	-17%
Works & Transport	-29%	-21%	-7%
Information Communication Technology	-23%	53%	7%
Tourism, Trade and Industry	17%	-29%	-17%
Education	-25%	-21%	-9%
Health	3%	-15%	-26%
Water & Environment	-18%	-40%	-37%
Social Development	0%	-25%	-35%
Security	15%	214%	1%
Justice, Law & Order	28%	17%	9%
PSM	31%	-12%	-27%
Accountability	-12%	-32%	-44%
Legislature	10%	-2%	56%
Public Admin	64%	65%	46%

Comprehensiveness and transparency of the budget

From the review of the performance report by the Accountant General, public enterprises and higher-level LGs are submitting more timely financial statements. Better reporting of non-tax revenues has also made the revenue and expenditure accounts more comprehensive. Fiscal transparency is generally good, the budget classification meets international standards and budget documentation is comprehensive. Whereas there have been several efforts to improve local revenue collection levels, their contributions to the LG budgets has remained low – at less than 3% for districts and slightly higher for urban areas. Assessments have shown that all local revenue performance remains below 50% of total potential. This is largely attributed to the weak institutional arrangements for revenue administration. Changes in revenue sources, particularly with the abolishment of the graduated tax, has reduced the viability of revenues for LGs. The existing legal framework also does not fully enable LGs to collect revenues, despite the introduction of new sources of revenue like the Local Government Hotel Tax (LGHT) and the Local Services Tax (LST).

There is greater readiness to put key fiscal data onto official websites, such as those of MoFPED, the PPDA and the Auditor General. The Oracle IFMS was rolled out to 17 additional sites (11 central and six local government votes) and this has improved budgeting, accountability and financial management in government institutions. So far, 66 sites are covered, with an additional 17 sites expected to be covered by October 2012. However, there is little transparency with regard to the formulae for transfers of conditional grants to higher-level LGs. Although there has been an underlying set of formulae since 2003, unpredictable vertical allocations make the subsequent horizontal allocations also variable. Delays in making the quarterly transfers from the Treasury add to the unpredictability of receipts by mainly LGs.

5.1.4 Compliance to accountability policies, service delivery standards, and regulations

Compliance to policies, standards and regulations as measured by percentage of clean audit reports at the local government and central government level and in statutory bodies indicates improved performance in central and LGs with only statutory bodies falling below the target. There is a positive trend in central government audit reports and statutory bodies while LGs' trend remains unchanged over the past three financial years. Therefore, the measures used to assess the Government's compliance with accountability policies, standards and regulations illustrate improved performance compared to FY 2010/11. The percentage of clean audit reports at the local government remained unchanged at 45%, as in FY 2010/11, against a target of 45%. At central government level, the percentage was 59% against a target of 55%, some way above the 40% performance from FY 2010/11. For statutory bodies, the percentage declined over the year, registering 61% by year-end, against a target of 65%. It is unclear why the target of clean audit reports is set low in spite of the requirement to have all audited reports clean as the best practice.

The Public Procurement and Disposal of Public Assets Authority (PPDA) in their annual report made sector-specific recommendations aimed at improving procurement in government. Out of 667 PPDA audit recommendations, 525 were implemented, registering 79% performance compared to 78% in FY 2010/11. However, this was below the target of 100% for FY 2011/12. 91% of the contracts were subjected to open competition (by contract value), and only 17% of the total number of contracts had complete procurement records. It is thus not clear why only 17% of the contracts had complete procurement records and yet 91% were subjected to open competition, considering that all contracts should have complete procurement records. This needs to be addressed in order to create efficiency in procurement.

Performance in audit fell below expectation with only 79%, 53% and 43.9% of statutory bodies, special projects and MDAs respectively audited. There was a decline in performance in the number of value for money audits carried out. The Auditor General's Quarter 4 performance report indicates that none of the Value for Money (VFM) audit reviews and recommendations were implemented. Furthermore, delays in the release of the Treasury Memoranda affected follow up on the implementation of the audit recommendations.

5.1.4 Public expenditure on monitoring and evaluation across the government

In order to achieve efficient service delivery, there is a need for a well-coordinated monitoring and evaluation (M&E) system. Findings from a rapid review of public expenditure on monitoring and evaluation[46] across Government MDAs carried out in 2011/12 indicate that financing of M&E is generally dispersed to many vote functions and outputs within a particular vote. M&E supports the decision making process and enhances transparency and accountability in Government. Therefore, strengthening M&E systems helps Government to improve the way it is delivering public services and achieving results. A draft National Monitoring and Evaluation Policy was developed by OPM. This is aimed at improving the performance of the public sector through strengthening the cost-effective production and use of objective information on implementation and results of national strategies, policies, programs and projects. This draft is currently before Cabinet awaiting approval.

Findings from the evaluation exercise indicate that the average number of vote functions in MDAs under which M&E was budgeted for was 3.5, with the Ministry of Education and Sports having the highest number with 7. The average number of outputs which had a budget for M&E within the recurrent and development budget per MDA was 7.8 and 7.5 respectively. 38 outputs under recurrent expenditure and 24 outputs under development expenditure had a budget for M&E activities in MoFPED. In the Ministry of Water and Environment 22 outputs under development expenditure and in Ministry of Works and Transport 36 outputs under development expenditure had budgets for M&E. The most common vote function under which monitoring and evaluation is budgeted for within MDAs is policy, planning and support services. In LGs, the most common vote function and output is the Local Government Management Service Delivery (LGMSD) and M&E, respectively. It was also established that recurrent expenditure on monitoring activities accounted for 43%, 31% and 31% of the total expenditure on M&E activities in all MDAs during the FY 2009/10, FY 2010/11 and FY 2011/12, respectively. Some MDAs spent more than 7% of their total development budget on M&E, compared to 7 out of 19 MDAs which spent less than 2% of their total development budget on M&E activities during the period under analysis. The expenditure trend across many MDAs is also not systematic, casting doubts on the sustainability of expenditure on evaluation activities. Comprehensive Management Information Systems are currently in place in the Health, Education and Water & Environment Sectors. Other sectors are in the process of installing a comprehensive MIS.

The current levels of staffing and their technical capacities in M&E when compared against the requirements outlined in the draft policy show deficits only in technical capacity and not in levels of staffing. This is with the exception of some large sectors like Education where they need more staff compared to the current level. Most of the staff have relevant bachelors and masters degrees and experience. However, what is lacking is technical skills in M&E. For example, out of 85 staff sampled in the study, only 25% had a certificate in M&E and only 6% had a diploma in M&E, indicating a big gap in technical capacities. The shortage of critical technical capacities appear to even be worse in LGs as only one had a certificate and only 2 had a diploma out of the nine staff sampled, in four districts.

[46] Public expenditure on monitoring and evaluation across the government of Uganda

Therefore, in order to make M&E more effective rather than spreading its various components across the budget, it is important to establish and dedicate a budget line in the Chart of Accounts for Statistics, Monitoring and Evaluation. This will make it easy to identify outputs and track the resources spent on M&E. Equally important is to ensure that all MDAs and LGs establish and dedicate personnel for statistics, monitoring and evaluation. Currently, the position of M&E officer does not exist in the public service establishment. One or more positions responsible for monitoring, statistics and evaluation at the level of senior or above should be created at all unit levels. These may be by establishment of new positions, or assignment from existing ones.

The Uganda Bureau of Statistics in collaboration with 16 MDAs developed and has been implementing Sector Strategic Plans for Statistics (SSPSs) under the Plan for National Statistical Development (PNSD). The PNSD has been integrated in the NDP. Although statistical development has been included in the overall national plan, this has not been matched with the appropriate budgets to ensure a major transformation in statistical development, especially in MDAs. Complete integration would enhance production of quality statistics which are vital for good governance, formulation, monitoring and evaluation of policies, management of business and efficient decision making.

5.2 Justice, Law and Order Sector

The sector's activities in the FY 2011/12 were based on the Second Sector Strategic Investment Plan (SIPII) of 2006/07 - 2010/11, whose key objectives are to promote rule of law and due process, foster a human rights culture across the JLOS institutions, enhance access to justice for all especially the marginalised and the poor, reduce the incidence of crime, promote safety of the person and security of property and enhance the sector's contribution to economic development.

The Ministry of Justice and Constitutional Affairs (MoJCA) leads the Justice, Law and Order Sector (JLOS). Other sector members include: the Judiciary, Ministry of Local Government (Local Council Courts), Ministry of Gender Labour and Social Development (Juvenile Justice Department), Uganda Law Reform Commission, the Directorate of Public Prosecutions (DPP), Judicial Service Commission, Uganda Law Society, Uganda Prisons, Uganda Police Force, Uganda Human Rights Commission, Law Development Centre, Ministry of Internal Affairs, National Citizenship and Immigration Control, Centre for Alternative Dispute Resolution (CADER) and the Tax Appeals Tribunal (TAT).

5.2.1 Overview of sector performance

Supplementary funding is becoming a permanent feature in the sector's spending as evidenced by the sector release in the past three years. The total annual sector budget for FY 2009/10 was UGX344.35bn but the actual release rose to UGX442.05bn, equivalent to 128%. In FY 2010/11, the allocation increased by 55% to UGX532.23bn, but the release increased further by 17.3% to UGX624.07bn. The FY 2011/12 followed the same trend with the release of UGX 582.04 bn, surpassing the approved budget of UGX 552.86 bn by 5.3%. The beneficiaries of the supplementary funding over the years have been the same MDAs, including Ministry of Justice and Constitution Affairs which received 231% in FY 2010/11 and 161.3 % in FY 2011/12 of the approved budget and Uganda Police Force which received 134% and 123.4%. The other MDA that benefited from the supplementary during FY 2011/12 was Ministry of Internal Affairs, which received 102.9% of the approved annual budget. In contrast, other departments and agencies such as National Citizenship and Immigration Control, and Uganda Human Rights Commission received less than their approved budget, by 43% and 14% respectively.

According to the ministry, supplementary funding worth UGX21.9bn was in respect of enhancement of staff salaries, the Heritage Oil case in London, and the Lango and Acholi war debt claimants, hence they did not have direct impacts on service delivery.

In terms of performance, the sector data analysis revealed that 69% of outcome indicators had a positive change in FY2011/12, 23% a negative change, while 8% remained unchanged. Progress has been made mainly in access to justice for all especially the marginalised and the poor, while decline was noted in the promotion of rule of law and due process, and reduction in incidence of crime.

Overall, the sector was able to achieve 77% of the outcome targets, and 41% of output targets after spending 105% of the approved budget. 57% of the output targets were not met, while 2% did not have sufficient data to enable assessment.

Table 5.2.1 Performance Scorecard for Justice, Law and Order Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	69%	77%	8%	23%	23%	0%	13

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	41%	57%	2%	106
MoJCA	25%	75%	0%	12
MoIA	50%	43%	7%	14
Judiciary	50%	50%	0%	10
DPP	33%	67%	0%	9
JSC	67%	33%	0%	6
ULRC	0%	100%	0%	5
UHRC	22%	67%	11%	9
UPF	61%	39%	0%	18
UPS	29%	71%	0%	7
NC&IC	50%	50%	0%	6
URSB	60%	40%	0%	5
LDC	20%	80%	0%	5

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	20%	80%	0%	5

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	552.86	582.04	105%	581.73	100%	105%
MoJCA	35.58	57.38	161%	57.37	100%	161%
MoIA	10.51	10.82	103%	10.80	100%	103%
Judiciary	63.37	58.10	92%	58.06	100%	92%
DPP	12.42	12.12	98%	12.1	100%	97%
JSC	2.26	2.08	92%	2.06	99%	91%
ULRC	2.99	2.95	99%	2.95	100%	99%
UHRC	8.80	7.57	86%	7.56	100%	86%
UPF	242.44	299.22	123%	299.17	100%	123%
UPS	72.48	70.68	98%	70.58	100%	97%
NC&IC	94.64	53.96	57%	53.96	100%	57%
URSB	1.76	1.76	100%	1.74	99%	99%
LDC	5.62	5.4	96%	5.4	100%	96%

The Cabinet Retreat that discussed the GAPR for FY 2010/11 agreed upon key actions aimed at improving sector performance in selected areas. These include recruitment of State Attorneys, appointment of Judges of the Supreme Court and Court of Appeal, institutionalising use of recording equipment in all courts, increase of funding for the recruitment of 2,500 police officers per year for the next 5 years, and providing funding for clearance of arrears of court awards and compensations. The sector continues to perform poorly in the implementation of these five actions. It was reported that only one action relating to the recruitment of 15 state attorneys was on track, while the implementation of the rest of the actions was off track. The main reason advanced by the sector for the lag in the implementation of the actions is lack of funding. For the case of providing funds for clearance of arrears of key court awards and compensations, only UGX 4.35 bn was allocated for the FY 2012/13. The sector considers UGX 250 bn is needed for that purpose.

Table 5.2.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	50		26		25	
Year end	Green	Red	Green	Red	Green	Red
	31	19	8	18	3	22
	62%	38%	31%	69%	12%	88%

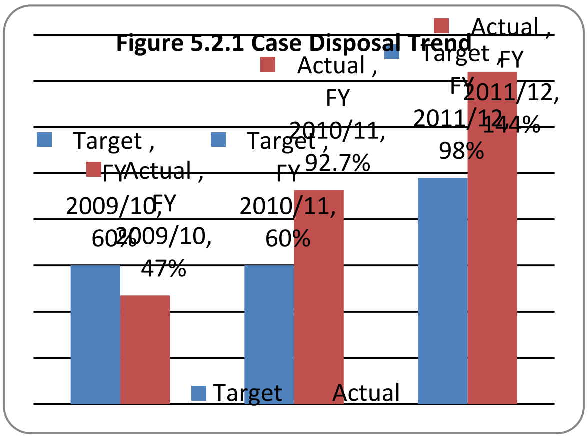
Table 5.2.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

5.2.2 Disposal rate of cases improves amidst low capacity in the judiciary

Equitable access to justice is measured through the disposal rate of cases, the reduction in case backlog, the average length (months) of stay on remand for capital offenses, and the remand period for petty offenses.

Case disposal is one of the sector's key focus areas under SIP II with an objective of increasing judicial services amidst the ever increasing population. This has largely been targeted through the improvement of processes and promotion of quick wins programme, but also through increasing the rate of formal disposals in courts. These concerted efforts have begun to bear fruit as evidenced by a massive 144% performance in the financial year under review, a significant improvement from 92.7% in FY 2010/11, and from 47% and 27.4% in FY 2009/10 and FY 2008/09 respectively. Areas of progress included civil suits and appeals in the High Court, where 10,383 cases were disposed of against the planned 3,500 (296.7%); civil appeals in the Court of Appeal where 189 against a target of 135 cases (140%) were disposed of; civil appeals and criminal appeals in the Supreme Court where 136.7% and 100% of the targets of 30 and 29 cases respectively were disposed of; and civil suits (family, criminal, civil, land and anti-corruption) in the Magistrate Courts where 102,442 out of the planned 76,000 cases (134.8%) were disposed of.

Figure 5.2.1 Case Disposal Trend



The sector particularly attributes this performance to the sessions approach that targeted old cases under a case backlog reduction programme, recruitment of 39 new magistrates and also implementation of special case clearance sessions targeting civil justice. Areas where disposal of cases did not meet the planned target include criminal appeals in the Court of Appeal where 50 out of the planned 250 cases (20%) were disposed of and criminal suits and appeals in the High Court where 2,525 out of the planned 4,500 cases (56.1%) were disposed of. Slow progress in the disposal of criminal appeals in the Court of Appeal and criminal suits and appeals in the High Court was attributed to inadequate number of judges to reach the required quorum.

Overall, the sector performed quite well in the reduction of the case backlog at 28% against the target of 30%. This performance, which was a strong increase from 4.8% in FY 2010/11, was credited to the improved rate of disposal of cases. Major case backlog reduction rates were registered in the Chief Magistrates Court (from 4.2% to 2.9%), Supreme Court (from 0% to -39.7%[47]), Magistrate Grade 2 Courts (from 19.7% to 7.6%) and Magistrate Grade 1 Courts (from 13.3% to 5.5%). Poor performance was registered in the High Court, with an increase from 1.6% to 16.5% and the Court of Appeal from 22.2% to 28%. This poor performance was due to lack of quorum in the Court of Appeal, especially for criminal cases and an inadequate number of judges in the High Court. The sector proposes that to expedite the improvement of judicial services to citizens, the number of judges in the High Court should be increased from the current 50 to 82 as recommend by the Legal and Parliamentary Affairs Committee.

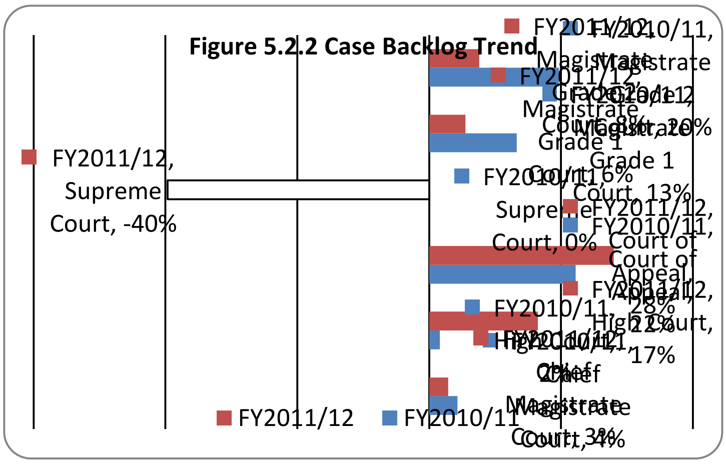


Figure 5.2.2 Case Backlog Trend

5.2.3 Rule of law and due process registers mixed progress

Possession of national identity cards is a constitutional requirement for every citizen of Uganda. National identity card contains biometric data by which aspects of a person's features may be verified. It can be used to ensure proper identification of nationals, distinguish a national and a non-national and to detect fraud. In the FY 2011/12, Government set out to issue 1.5m identity cards. However the sector reported that cumulatively only 409 national identity cards were personalised and issued, to senior citizens, politicians, Members of Parliament and other senior government officials. The absence of a personalised centre and the failure by the Treasury to release UGX18.94bn to pay outstanding contractual obligations were reported by the sector as main reason for the poor performance.

The average time taken to issue a passport increased to ten days from eight previously achieved in FY 2010/11. However, the number of applicants who received passports in FY 2011/12 was 18% above the target of 60,000. The sector attributed this performance to the increased number of applicants for passports during the financial year. Other areas of good performance registered were in the issuance of work permits with 14 days, against the targeted 21 days.

The Ministry of Internal Affairs plays an important role towards the sector's objective of enhancing due process. In this effort, support to NGO development was strengthened in FY 2011/12, with data showing that 682 NGOs were registered against the anticipated 600 (114%); Further, 179 NGOs were monitored out of the 100 planned (179%) and advisory services were extended to 1,370 NGOs against 1000 initially anticipated (137%). This over performance was attributed to the recruitment of

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[47] Backlog = ((Disposed - Filed) X 100)/Brought forward. -39.7% backlog means 39.7% of cases brought forward in Supreme Court (pending by end of FY 2010/11) were disposed of in addition to all cases filed during FY 2011/12.

more technical staff. Performance of dispute resolution within and between NGOs, which was registered at 104%, was credited to the creation of the NGO Board's complaints management committee that enabled timely holding of arbitration meetings. Other areas that recorded good progress were the issuance of community service orders (8546/8000, 106.8%), reportedly due to improved support by the Courts; the facilitation of District Community Service Committees performing at 114% (40/35) and the printing and distribution of the National Policy on Small Arms and Light Weapons. Poor performance was noted in training on best guidelines of arms management (32%), demobilisation of reporters (14%) and those given reinsertion packages (90%), and cases handled and disposed of using forensic technology (77%).

According to sector submission, 24,040 companies against 18,000 projected (133%) were registered with the Uganda Registration Services Bureau, 48,996 birth certificates were issued against a target of 45,000 (109%) and nine patents were registered against the target of four (225%). Reasons provided for the various achievements included improved staffing through recruitment, partial restructuring becoming a fully-fledged semi-autonomous institution, re-engineering business processes, and additional assistance from other partners under the Private Sector Competitive Project II (PSCP II) in the business registry.

5.2.4 Slight decline registered in the percentage of population accessing laws

Access to and the enjoyment of the rule of law is a fundamental right of all citizens. The sector seeks to provide the law to the population through simplification and translation of laws, as well as their publication. In FY 2011/12, the targeted population with access to the laws declined to 47.7% down from 52% in the previous year, while two laws (67%) out of the three were translated into local languages. These were the Domestic Violence Act, translated into Runyoro, Rutooro, Runyankole-Rukiga, Luganda, Ateso, Ng'akaramojong, Lukhozo, Acholi and Alur and the Local Council Courts Act, 200, which was translated into Ngakarimojong (to be published in FY 2012/13) and Ateso (already published). Translation of the constitution into Luganda was not concluded due to financial constraints but is being prioritised in FY 2012/13. However, the sector recognises the constraint of the long process involved in the simplification, revision and translation of laws as a hindrance to the rule of law and due process. This was responsible for the low performance of the Law Reform Commission in FY 2011/12, when only one[48] of the five targeted bills was successfully tabled in Parliament. Suffice to note that there were other bills tabled during the reporting period but carried forward from the previous FY. The sector further indicated that most of the performance indicators set by the Law Reform Commission were out of its control.

In a similar development, the Ministry of Justice and Constitutional Affairs could not deliver on its expectations to draft and publish 40 bills during the review period. Performance was at 38% (15) which was also a decline from the 25 achieved during the FY 2011/12. The sector attributes the poor performance to the 2011 national elections and the subsequent formation of a new Government and appointment of a new Cabinet. During this period there was no parliamentary business which inevitably impacted on the legislative process. Further, the process of induction of the new Members of Parliament, the adoption of new rules of procedure and the compilation of the legislative program further delayed the legislative process, all contributing to the very low performance.

Despite public outcry on the high number of failures, the Law Development Centre continued with the challenge of ensuring the quality of its products. Data provided indicates that the failure rate is still high, as only 45% of students qualified on the bar course, while just 39% of those who were trained passed the diploma course in law. The centre expected an outturn of 500 students on the bar course

[48] The Trade Licensing (Amendment) Bill was tabled in parliament and later approved Cabinet

but achieved 404 (80.8%), resulting from both pre-entry and term time examination failures. Only 295 students were pursuing the diploma course in law, against the 350 students expected.

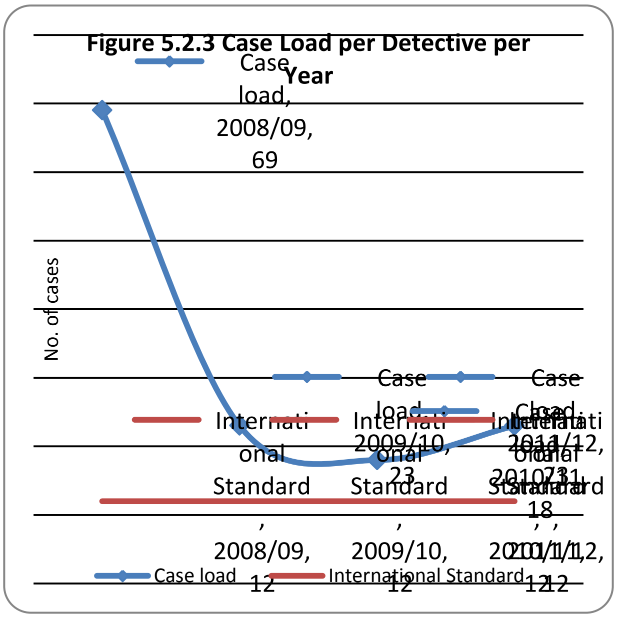
5.2.5 Slight reduction in crime rate registered

The sector's performance in reducing crime is measured through incidence (the ratio of crimes to the population), the rate of recidivism (re-offending) and the ratio of police to the general population as a measure of the state's response to this challenge.

The increasing population and the rising unemployment rate pose a challenge to the efforts of the Uganda Police Force and other security agencies to counter crime. However, the incidence of crime declined slightly from 314 per 100,000 people in FY 2010/11 to 302 in FY 2011/12 against a target of 330 per 100,000 people. The financial year under review witnessed intensified 'Walk-to-Work' demonstrations, which were countered by police reaction.

Overall, the number of cases investigated slightly increased from 262,938 in FY 2010/11 to 268,811 in FY 2011/12. Similarly, for forensic and cyber-crime investigations, performance was at 181% (1,596 against 880), which was attributed to increased interest in foreign employment which required clearance by verification of finger prints.

Strong performance was reported in international criminals repatriated at 551% (331 against 60) and sensitisation programs conducted on domestic and sexual violence at 164% (246 against 150). Other areas are emergency responses and rescues which were 1660 (211%) against the projected 750. 60 (120%) projects were monitored against 50 planned, and 250 sensitisation programmes on fires and emergencies were conducted, against a target of 150 (267%).



More attention has also been paid to international crime through intensified monitoring of the national borders and strengthening of internal security and cross-border criminal investigations. There was little progress on sensitisation and public awareness on counter-terrorism, where only 87 programs out of 10,500 planned (0.8%) were conducted. Similarly, the Police Force expected to train 150 personnel specifically to identify and respond to terrorist incidents but delivered only 60 for the FY. The remaining 90 have been recruited and await training, while 60 trained are already in service. Below target performance was also recorded with respect to the number of cases per CID officer which stayed at 23 against the targeted 20, which was blamed on the interruption by the 'Walk-to-Work' demonstrations, which also was reported to have affected the planned induction of 100 cadets and 500 PPOs into CID officers. Only 15 guns out of 350 projected were recovered in the anti-stock theft program. There was a reduction in cattle rustling incidents from 40 in the previous year to 22 in FY 2011/12. On the international scene, the sector had planned to deploy 500 peace keepers, but was affected by the closure of East Timor and Sudan missions, as well the failure to acquire clearance for deployment in Darfur.

5.2.3 Ratio of police to population slightly worsens

The ratio of police to the population has slightly worsened from 1:709 in FY 2010/11 to 1:755 in FY 2011/12. The ban on recruitment of public Servants has restrained the recruitment of 2,500 officers as agreed in the last Cabinet Retreat. The strength of the deployment in the reporting period was put at 42,223 – or 97% - against a target of 43,668, with death, desertions, retirements, discharge and resignations reported as the major reasons for not meeting the target. With this police population, the Force was able to investigate 99,917, but concluded 43,813 (133%) criminal cases against the annual target of 33,000, which is a notable 43% increase from 29,282 in the FY 2010/11.

The sector annual report still casts accommodation in the Police Force as a big challenge. By close of FY 2011/12, a total of 12,400 officers were being accommodated, according to a survey conducted in the year 2011. This number, which is inclusive of those housed in institutional rented facilities especially in up country stations, represents 29% of the total Police population. According to the Auditor General's report for the year ended June 2011, 4,360 available housing units accommodate about 9,331 police officers, representing only 24% of the entitled officers, at a ratio of one house accommodating two police officers. In some barracks, the report indicated that most families were sharing small rooms in housing units, including uniports, which are in most cases dilapidated.

5.2.4 Improved investigation of human rights cases

Uganda has been at the centre of human rights abuse debates both locally and internationally. Uganda Human Rights Commission under its mandate of ensuring observance of human rights investigated 512 (or 280%) of the anticipated 175 human rights abuse cases, reportedly due to additional funding provided under Peace Building Project in Gulu, as well as support from the Justice Law and Order Sector. Impressive performance was recorded in the area monitoring detention centres, where 458 against 450 detention centres were monitored in conformity with the human rights and standards as ratified by Uganda. Four out of six bills before Parliament were reviewed, namely, The HIV/AIDs bill; The Public Order Management Bill; The Mental Health Bill; The Prohibition of Torture, cruel, and degrading treatment Bill. The target for the registration of complaints was not met after a performance of only 55.9% - or 895 of anticipated 1,600 were handled, which was attributed to the fact that many of them were not of a human rights nature, hence had to be referred to other institutions for better management. Furthermore, of the 200 complaints projected, only 97 (48.5%) were concluded through tribunal and mediation due to reasons of a technical nature – lack of cooperation and failure by respondents to honour the Memorandum of Understanding as stipulated by the strict admissibility criteria.

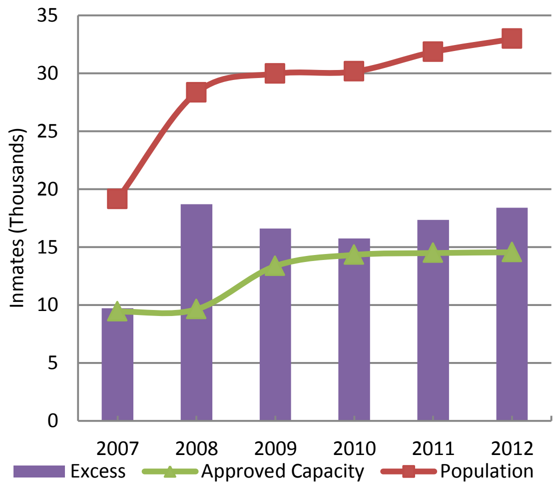
Production and distribution of UHRC publications again eluded the Commission, again, due to insufficient funding. The IEC posters and magazines which were supposed to produced under the Peace Building Project were only 3000 (12.5%) out of the projected 24,000, while only two (or 50%) issues of Your Rights magazine each compose of 2000 copies were produced and disseminated. UHRC was able to sensitise 1,592 (80%) Special Police Constables of the initial 2,000 planned for the year.

5.2.5 Average length of stay on remand continues to improve

Length of period offenders spend on detention, especially the poor and the marginalised, is a strong determinant on how effective the rule of law is in a given country. The SIP II is focused on the achievement through the coordination and improvement of the judicial processes among the JLOS agencies. Through increased disposal of cases in the courts over time, progress has been registered as evidenced in the reduction of average stay on remand for capital offenses to 11.8 months in FY 2011/12 from 27 months in FY 2009/10 to 15.1 months in FY 2010/11, and for petty offences from four months to three months. The proportion of total prison population convicted is recording a rather slow progress - from 45% to 47% and to 48% in the three consecutive FYs. Successive reports have also pointed the first-in first-out, quick wins program, as well as alternative dispute resolution mechanism in the achievements.

According to FY being reviewed, the sector achieved its annual targets of rehabilitation of prison which achieved at 12 against the planned 10 were constructed in the sector's program to expand on holding facilities. However, only 4 out of planned 8 prisons were rehabilitated. In this respect, the Prisons department boasts of 54.4% increase in prisons capacity from 14,421 to 14,559 inmates, over 150% of what it was five year ago (2007) although congestion still high at high due to a 72% increase prison population from 19,149 inmates in 2007 to 32,947 inmates in 2011/12. Examples of prison units said to have been renovated with support of EU funding include Kasangati, Nakasongola, Butiiti, Kibaale, Kabula, Iganga, Pece, Erute, Moyo, Jinja, Ruimi and Lira, while those where construction was completed are Kiruhura, Pader, Paidha and Oyam prisons.

Figure 5.2.4 Carrying Capacity of Ugandan Prisons



JLOS report – FY 2011/12 indicated that the occupancy rate, which measures the number of prisoners against approved space, slightly increased to 226%, from 225% and 213% in the previous financial years as the total number of inmates continued to rise. Furthermore, congestion in prisons reduced by 10%, while so far 70 out of 223 prison units are said to have totally eliminated the bucket system through the on-going rehabilitations.

Suffice to note that Prisons was one of the departments that benefited from supplementary funding in the reporting period although this does not exactly reflect on the general performance. Apart from the number offenders receiving counseling at 125%, all other indicators performed below target. Some of them are prisoners trained in vocational and agricultural skills at 95%, prisoners fed (96%), and admissions registered at Murchison Bay Hospital (65%).

It was reported that the prison population and attrition of prison staff are increasingly leading to poor warder to prisoner ratio, which was at 1:5 in FY 2011/12 from 1:4.5 in FY 2010/11. In addition, according to the JLOS Annual Performance Report 2011/12, effort is being made to heavily invest towards increasing prisons carrying capacity and improving sanitation, with a view of stemming pressures occasioned by the rising prisoner population as well as the changing categorisation of inmates from remands to convicts[49]. The sector calls for more investment in expansion of capacity of prisons, alternative methods of incarceration and sentences to imprisonment, addressing the long sentencing through the proposed guidelines, and the exploration of the possibility of decriminalising some petty offences.

[49] Proportion of total prison population who are convicted improved from 47 in FY 2010/11 to 48 in FY 2011/12 with average stay on remand for petty offences shifting from 4 months to 3 months and average stay on remand in for capital offences improving from 15.1 to 14 months.

5.3 Legislature Sector

The key sector objectives are to improve attendance and participation in plenary sittings and committee meetings, strengthen the oversight role of Parliament and provide tools necessary for members and staff to perform their duties well. Parliamentary Commission is the sole Vote that constitutes the sector.

5.3.1 Overview of Sector performance

Table 5.3.1 above is a summary of the sector's overall outcome trend, and output performance against the budget in the FY 2011/12. The total approved annual budget for the sector in FY 2011/12 was UGX 162.748bn, but UGX 255.149bn, representing (156.8%) was released and UGX 254.947bn, representing (156.7%) was spent. This sudden rise by up to 56.8% over the approved budget was attributed to the supplementary funding to cater for Parliamentary operations, largely, the facilitation of Members of Parliament's acquisition of motor vehicles and the initial unfunded gap between the MTEF and the approved Parliamentary Commission Budget. The sector further reported that UGX157.33bn (61.6%) was spent on the mandatory payment of salaries and emoluments to staff and Members of Parliament, although it is not clear why the Commission had initially budgeted for only UGX107.38bn for the same Vote Function. A further UGX 7.61bn went into Standing Committee meetings against a budget of UGX 4.59bn and UGX 81.24bn was released for Parliamentary Support Services against an initial budget of UGX 31.52bn, while Constituency Development Fund received UGX 1.24bn as budgeted.

The analysis of data indicators on sector outcomes show that 38% had a positive change, another 38% a negative change while 25% remained unchanged over the FY 2011/12. Overall, 75% of the sector's outcome indicators achieved their targets while 25% did not. At the output level, 64% of the output targets were achieved while 36% were not achieved

Table 5.3.1 Performance Scorecard for Legislature Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	38%	75%	25%	38%	25%	0%	8

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	60%	40%	0%	10
Parliament Commission	60%	40%	0%	10

Action Performance

Action	% on Track	% off Track	% no data	Denominator
Planned	67%	0%	33%	3

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	162.75	255.15	157%	254.95	100%	157%
Parliament Commission	162.75	255.15	157%	254.95	100%	157%

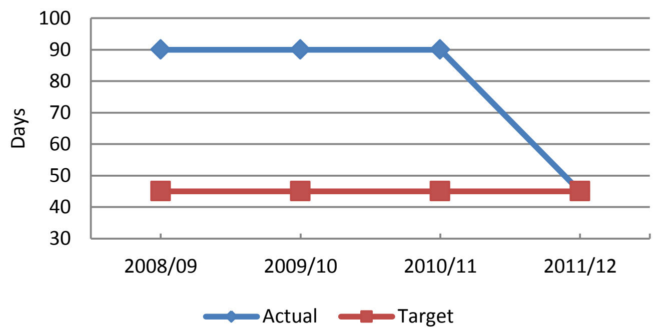
Table 5.3.2 Analysis of half year performance						
Half year	Green		Yellow		Red	
	6		1		3	
Year end	Green	Red	Green	Red	Green	Red
	5	1	0	1	1	2
	83%	17%	0%	100%	33%	67%

Table 5.3.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

5.3.2 Target performance on time taken to pass bills

Lack of a quorum as a requirement for debate and passing of policies and legislation has, over the years, been a persistent setback to the performance of the Parliament of Uganda. In effect, Parliamentary business is inevitably slowed causing delays in concluding mandatory responsibilities. Accordingly therefore, there have been deliberate efforts to strengthen the rules of procedure aimed at improving attendance.

Figure 5.3.1 Average number of days required to pass legislation

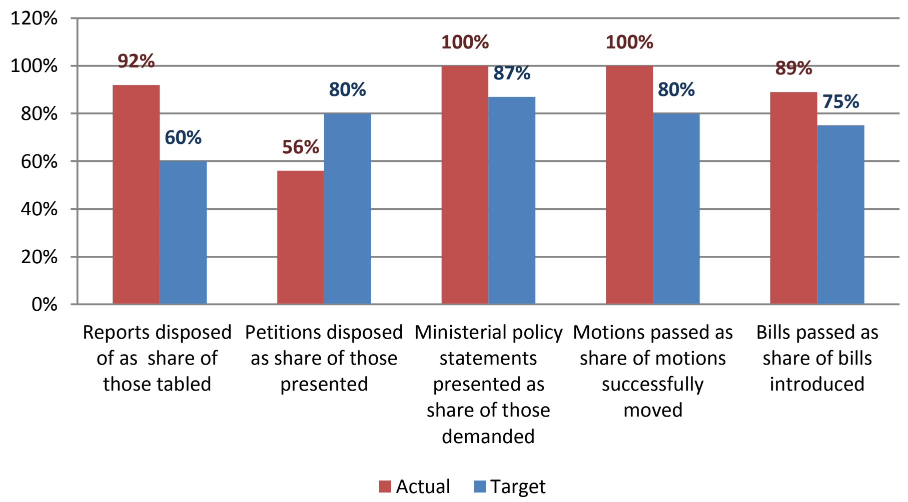


Against this background, Cabinet Retreat on the Government Performance Report for FY 2009/10 agreed that targets for plenary attendance and level of participation in Parliamentary debates should be recast to better reflect realistic projections of what is possible given the multiple responsibilities of MPs and the fact that participation in debates should reflect quality rather than quantity. Discussions to streamline this, among other indicators, were held between OPM and the sector, and the changes agreed upon have taken effect in this FY 2011/12 performance assessment. Quorum attendance of both Plenary and Committee meetings is now assessed based only at the point of decision making, but with initial debates proceeding without restrictions on numbers present. Because of this new approach, coupled with the introduction of a Parliamentary calendar which provides the timeframe for Parliamentary business, there was drastic reduction in the length of time taken to pass a bill. While in the past it took an average of 90 days to pass a bill, in the financial year under review, it was reduced to 45 days, which is consistent with the NDP and Parliamentary Rules of Procedure target. Consequently, 89 bills were debated and passed, surpassing the annual target of 75.

5.3.3 Strong oversight performance in the first year

The sector witnessed a slump in financial year 2010/11 as a result of the Parliamentary elections with 7 of the 8 indicators under legislation registering below target performance. Legislators reportedly spent most of the, otherwise, parliamentary business time in the constituencies seeking re-election. The FY 2011/12 was, therefore, a turn around with a large number of output targets being achieved, which could also be attributed to the fresh enthusiasm especially by the first timers in the August House. With the exception of the number of petitions disposed at (70% performance), and Standing Committee meetings held standing at 500 (88% performance) that were off target, the rest registered above target performances. According to the sector's submissions, there was strong performance on Reports disposed off at 153% (92 against a target of 60) compared to a paltry 13 in FY 2010/11; Ministerial Statements disposed of were also at an impressive 114% (100 against 87), sharply increasing from 21 in the FY 2010/11. There were 100 (125%) motions passed against a target of 80, which also moved from 30 in the FY 2010/11 and 89 (119%) bills passed as compared to only 22 in the FY 2010/11. The legislators also held 880 sessional committee meetings – equivalent of 119% - up from 206 in the FY 2010/11 and against the annual target of 740. Given the impact of elections on performance in the previous financial year, and the significant turn-around in the review year, Parliament may need to consider programming that brings forward as much business as possible during the financial year prior to elections. Reasonable targets can then be set for the election year on the basis of the available time.

Figure 5.3.2 Performance of the Legislature



5.3.4 Enhancing public representation in policy making

The legislative process in Parliament takes into account the need for public consultation as part of its strategy to enrich policy making. One of the means to engage the public is through public hearings. Parliament had envisaged that they would be able to prepare up to 45% of the drafted bills subjected to public hearing, but instead more than doubled it to 101, a performance that can be attributed to the vibrancy of the House in its first year after election. However, the Commission should consider as a matter of importance the need to hold capacity building workshops for MPs. Only one out of the planned four workshops was held in the FY 2011/12 even when there was an upsurge of new members who needed a lot of orientation to Parliamentary business. Similarly, only two of the 10 Outreach Parliamentary programs planned were held. On the other hand, Civil Society Organisations (CSO) which, by law, are allowed to participate in Committee debates, also repeated their 100% performance as in the last financial year. It has been argued that tracking CSO and other stakeholder participation in Parliamentary activities remains a challenge, and indeed further consideration is required to determine what can be done to address the issue. A proposal made by the sector in FY 2008/09 to accommodate a wider participation, such as the academia, is yet to be implemented.

5.3.5 Accountability Committee reports overwhelm plenary sessions

Parliament's role in providing oversight of Government's actions is a critical function of Uganda's parliamentary democracy. It is a process through which government activities are streamlined and accountability excesses are checked, and this is done through three different parliamentary committees. Public Accounts Committee examines audited accounts showing the utilisation of funds appropriated by Parliament to meet the public expenditures of central government; Committee on Local Government Accounts examines audited accounts in relation to Auditor General's report showing the utilisation of the funds appropriated by Parliament to LGs. The Committee on Commissions, Statutory Authorities and State Enterprises examines reports and audited accounts of Statutory Authorities, Corporations and Public Enterprises.

The Commission notes that the three Accountability committees in general continue to register commendable performances over the years, although in the financial year being reviewed, only 65% of the reports emanating from the Committees were considered for Plenary. It is through this continued output that they have continued to benefit from FINMAP (Financial Management Program me) funding. The various Accountability Committees are also known for their proactive nature in the leadership hence the ability to make use of the incentive effectively. Oversight roles by Parliament are also evident in the scrutiny of the national budget which was actually read on the 8th June 2011/12 and the policy statements, where Ministries, Departments and Agencies are made to realign their budgets to reflect the services the public expects of them.

In order to fulfill the mandate of providing the necessary tools to facilitate performance, the last Cabinet Retreat agreed as a key action on the sector that adequate space be provided for offices and committee meetings by constructing and equipping new Parliamentary Chambers. Reports indicate that work has begun with the parking yard completion expected by May, 2013 although the general status was reported as being at only 61%. Further works for more office accommodation, expected to be fast-tracked, are planned to commence in the eastern, northern and western wings of Parliamentary buildings soon after completion of the parking. In the short term, more office space is also being created for Members of Parliament by moving of staff of the Office of the President from Embassy House on Parliament Avenue.

5.4 Public Administration Sector

The Public Administration Sector aims to strengthen policy development and management across Government, conduct regular, free and fair elections, promote and manage international relations and commercial diplomacy, and facilitate the Presidency in fulfilling its constitutional mandate to coordinate, monitor and evaluate Government policies, programmes and projects. The Office of the President leads the sector, which also includes State House, Electoral Commission, Ministry of Foreign Affairs and the Kampala Capital City Authority (KCCA).

5.4.1 Overview of sector performance

Three out of four outcome measures[50] under commercial diplomacy and regional and international relations, namely, number of foreign missions operational, agreements and treaties on trade, tourism and investment signed, and Joint Permanent Commissions held with other countries on various cooperation issues, showed a positive change, while the value of Uganda's exports showed a negative change over the FY 2011/12(See Table 5.4.1 below).

The five institutions constituting the sector received varied releases against their annual approved budgets, with some receiving close to twice their approved budgets through supplementary spending and others experiencing budget cuts of more than half their approved budgets. Ministry of Foreign Affairs received up to 189% of which 58.5% of the total budget resource was supplementary to cover hosting of the ordinary summit of the International Conference of the Great Lakes Region (ICGLR) (UGX 2.00bn), contributions to international organisations (UGX9.62bn) and emoluments for persons to holder (UGX 0.20bn) and salary shortfalls (UGX 0.03bn), while State House and Office of the President received 247% and 110.7%, respectively. However, this was not the case with the Electoral Commission and Kampala Capital City Authority which received below their approved amounts at 76.3% and 45.3% respectively. With their respective budgets, Ministry of Foreign Affairs, Office of the President and State House delivered 25%, 82% and 100% of their output targets, respectively while Electoral Commission and Kampala Capital City Authority delivered 83% and 46% of their output targets, respectively.

Table 5.4.1 Analysis of half year performance

Half year	Green		Yellow		Red	
	17		1		3	
Year end	Green	Red	Green	Red	Green	Red
	16	1	0	1	1	2
	94%	6%	0%	100%	33%	67%

Table 5.4.1 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

[50] In the Cabinet Retreat that discussed the Government Annual Performance Report for FY 2010/11, it was noted that the scope of Sector outcomes assessed for the Public Administration Sector was narrow, and action agreed to address this was that the OBT should be revised to capture most of the outcomes. Discussions to improve the quality of both outcome and output indicators have been held between Office of the Prime Minister and the sector and changes made will be effected in FY 2013/14

5.4.2 Improving Uganda's commercial diplomacy

The primary functions of the Ministry of Foreign Affairs (MoFA) are to promote regional peace and security, good neighborliness and mutual cooperation. Together with its partner institutions, MoFA aims to improve international relations through organising and hosting bi-lateral meetings, facilitating the signing of agreements and treaties and hosting and facilitating trade delegations.

Uganda's missions remain central in promoting the country's commercial diplomacy. The opening of the Ankara Consulate in Turkey was a major stride made in the direction of commercial diplomacy. This was not just reinforcement of effective representation but also of strategic business importance to the country. Various agreements, resolutions, and Memorandum of Understanding (MOU) on trade, tourism and investment were signed during the financial year. As a result of these agreements, resolutions and Memoranda of Understanding, a number of Cooperation Frameworks for technology transfer, trade, Investment and Tourism, were concluded. The Ministry led negotiations between Uganda and Iran that resulted into cooperation in the areas of construction of a USD 30m modern abattoir at Nakirebe in Mpigi District, establishment of a 4,500 Hectare Agricultural Project in Kalungu District and construction of Naguru Police Health Centre where the first phase of the USD 1.5 Million project is scheduled to be completed in December 2012. .

Table 5.4.2 Performance Scorecard for the Public Administration Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	75%	25%	0%	25%	75%	0%	4

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	64%	30 %	6%	54
OP	82%	18%	0%	11
SH	100%	0%	0%	8
MOFA	25%	50%	25%	5
EC	83%	0%	17%	6
KCCA	46%	50%	4%	24

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	100%	0%	0%	1

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	231.46	338.91	146%	336.17	99%	145%
OP	42.82	47.42	111%	42.26	100%	110%
MoFA	10.77	20.25	189%	20.24	100%	189%
SH	63.65	157	247%	157	100%	247%
EC	47.14	35.97	76%	19	53%	40%
KCCA	10.2	4.62	45%	2.95	64%	29%

Further agreements were reached between Uganda and Kenya through signing of a Memorandum of Understanding to export ARVs and ACTs worth USD 6m annually from Quality Chemicals Industries (Uganda) Ltd and between Uganda and China to promote Uganda's Exports in China with China removing non-tariff barriers, in addition to securing investment by China Offshore Oil Corporation (CNOCC) in Uganda's Nascent Oil and Gas Industry. The CNOCC of China along with Total of France signed an agreement to invest about USD 1.4bn in the oil and gas sector in Uganda. China also confirmed support for the early establishment of a refinery in Uganda and investment in the infrastructure sector. The Ministry also negotiated and signed agreed minutes with the Government of South Sudan, which provided a framework of joint infrastructure development, establishment of joint trade arbitration and dispute settlement mechanisms, landing rights for each party's aircrafts, capacity building, and cooperation in management of trans-border resources. As a result, in December 2011, the Ministry seconded 40 civil servants from a cross section of Government Ministries, Departments and Agencies to South Sudan to assist in Capacity Building of the South Sudan Public Service.

At multilateral level, the Ministry negotiated Economic Partnership Agreements (EPA) with Europe and bilaterally with various countries. This provided an opportunity for the negotiation of favourable trade terms with the Belgium Government, and also secured agreements in the areas of avoidance of double taxation and capacity building. The Ministry engaged the Japan Export and Trade Organisation for more favorable market access mechanisms. Consequently, dried fruits and Art Crafts from Uganda are now sold in many of Japan's Leading Departmental Stores. However, amidst these achievements, the Ministry was able to facilitate only 207 trade delegations out of 300 initially planned, attributing the shortfall to the inadequate funding for this item.

The Ministry also disseminated information both in print and electronic media on Uganda's exports, investments, and tourism potential at Missions Abroad, International trade fairs and Tourism Expos including Paris, Beijing, Italy, Tokyo, Brussels, Nairobi, Abuja and Berlin where Uganda emerged the 3rd (out of 28) Best Exhibitor in the Africa Category. As a result of this information, Missions in Berlin, Copenhagen, Moscow, Ottawa, Beijing, New Delhi and Tokyo, among others, have since attracted, organised and led trade delegations to Uganda on various occasions

During the financial year, Joint Permanent Commissions (JPCs) which are bilateral meetings held to address pressing issues that need redress to enhance cooperation between countries, were held with – three countries of Rwanda, Ethiopia and Sudan, an improvement from two countries in FY 2010/11 – although the sector had envisaged to hold JPCs with five countries that included Egypt, Sudan, Cuba, South Africa and Nigeria which were postponed on request. The postponement of these JPCs resulted in not achieving the targets set for establishing cooperation in various areas- political, economic, cultural, military, etc.

5.4.3 Diplomatic, protocol and consular services continue to improve

Uganda's missions abroad continued to dispense diplomatic, protocol and consular services. The Sector reports that visas and other travel documents were provided. Available figures indicate that 40531 (101 %) out of 40,000 visas planned were issued, compared with 30,500 visas issued in FY 2010/11.

Negotiations are underway to allow detainees in various prisons in China to serve their respective sentences in Uganda. The Ministry has also instructed Uganda Mission in Abu Dhabi to work more closely with the Ugandan community in United Arab Emirates to address challenges they face, including alleged exploitation by employment agencies. The Ministry proposed that assistance should be extended to the bereaved families to repatriate the remains of their loved ones to Uganda, and also provide the community with the relevant information on taxes levied on the goods they send back home.

The Ministry facilitated the President's visits to Kenya, Tanzania, Ethiopia, United Kingdom, Eritrea, South Africa, Tanzania, Turkey, Israel, India and Burundi as well as visits by the Vice President to New York (US), Perth - Australia and Oslo – Norway. Similar services were accorded to the Prime Minister who visited United Arab Emirates. The Ministry also handled official and state visits to Uganda by Heads of State from Togo, Rwanda, Somalia, South Sudan, Kenya, Equatorial Guinea, Eritrea, Tanzania, Zambia, Central Africa Republic and Palestinian Authority. Also received and handled, were the visits of 21 Special Envoys from a number of countries delivering special messages to the President from his counterparts. In addition, protocol services were provided during the International Great Lakes Conference, Inter Parliamentary Union Assembly and other International conferences and meetings hosted by Uganda during the year.

Other protocols signed included the draft East Africa Community Protocol on Foreign Policy Coordination aimed at establishing a functional structure for effective representation of decisions taken by the EAC Partner States, the Instrument of Ratification for the Protocol establishing the Southern-Northern Transit Transport Corridor and Memorandum of Understanding on Joint Development of the Tanga-Arusha-Musoma-Kampala Route, among others.

5.4.4 All by-elections conducted despite challenges

By-elections are held as and when they arise, usually as a result of death, resignation or court order after an election has been nullified due to various electoral offences. A total of six by-elections[51]were conducted by the Electoral Commission in different districts in FY 2011/12, all arising out of instructions from the courts of law. There was no prior target set by the sector for this activity. The role of voter educators is critical before any election is held, hence the Commission saw the need to reinforce the numbers of voter educators in the areas of the by-elections. Although 20 voter educators were planned to be trained, a total of 30 were trained. In addition, 10 out of 4 planned voter education meetings were held, and 30 messages were issued through adverts, publications, print media, audio- visual aids, radio and television to reinforce the voter education and publicity drive

As a routine requirement to update national voters' register, the EC had planned to register 6000 new eligible voters in the country during the review period but instead 6574 new voters were registered. Similarly, 30 instead of the planned 26 duplicate and dead voters were cleaned from the register, although there is no logical explanation of how the target was arrived at.

5.4.5 Strengthening policy management and development across Government

The Office of the President aims to improve the quality and management of key policies through the Cabinet Secretariat. The measures of performance selected reflect the status of administrative measures to ensure conformity to existing regulations, timeliness and follow-up. They also perform monitoring of the economy and address the quality of Cabinet memos and their application.

Economic monitoring and research registers good performance

The President's Office supplements other sectors of Government in the monitoring of the economy. Reports submitted to OPM indicate that Office of the President successfully conducted studies on the developments of rural and urban markets, monitored progress in the oil-sub sector and value addition in fruits. Reports on the inspectorate function in government regarding roads, health, education and industries in several districts, and on the development of oil sub sector in the Albertine-Graben region were also produced. Reports on these studies and inspections were shared with the various stakeholders.

[51]By-elections were conducted in Entebbe Municipality, Busiro North county, Luwero district (Woman MP), Jinja East Municipality, Bushenyi-Ishaka Municipality and Busiro south County.

As part of the research and monitoring role of the sector, four reports on economic research and information were produced as planned. These were on social security policy, biosafety and biotechnology policies, cross border trade operations and horticultural development in Uganda. Reports of these studies were produced and the findings disseminated to stakeholders.

The Office of the President also carried out monitoring trips to assess the implementation performance of Prosperity for All programme, especially National Agricultural Advisory Services (NAADS) and Savings and Credit Cooperatives (SACCOs), Universal Primary Education and Universal Secondary Education programmes in Buikwe, and Wakiso Districts and produced reports. Monitoring of different Government programmes and projects were monitored in 40 out of 40 planned Districts across the four regions of the North, East, Central and West Uganda. Two additional reports were also produced as a result of assignments given to the Minister of State for Economic Monitoring by H.E the President, which were to assess mineral development at Kirwa wolfram mines, Kisoro district and Nyamuriro wolfram mines, Kabale district together with large scale tea and coffee growing in Kigezi sub-region.

To enhance monitoring of Government programmes and projects in the LGs, 175 RDCs, DRDCs and other Local Government leaders out of the planned 468 were trained in economic monitoring. In addition, three out of four planned stakeholders dialogue workshops on economic situation in the country and management of city/ urban markets were held in Kampala.

The economic policy monitoring, evaluation and inspection vote function had an approved budgeted 0.83bn, and all the money was released and spent.

Cabinet support and policy development strengthened

To improve the quality and management of key Government policies, a total of 190 staff in Government were trained in policy formulation against a target of 150.

The number of Cabinet policy papers (Cabinet Memoranda) from MDAs reviewed and endorsed was 228 against a target of 85 reflecting a performance of 268% during FY 2011/12. The sector further held 55 (120%) of the planned 46 Cabinet Meetings (an increase from 45 in FY 2010/11). The high number of Cabinet meetings was necessitated by the need to deal with the increased number of Cabinet Memoranda. The number of Cabinet extracts issued from these meetings to Ministries surpassed the target (5128 against 4800), an evidence of improvement in decision making by the Executive. It is, however, not clear why the Sector lowered the target on Cabinet Meetings from 72 in FY 2010/11, yet the year was characterised by national elections with expectation of fewer Cabinet meetings owing to absence of Ministers

According to the financial data provided, Cabinet Support and Policy Development as a Vote Function had an approved budget of 2.29bn, of which 82.9% was released and all spent, and all output indicator targets were achieved as planned.

5.4.6 Support to the Presidency

The promotion of regional integration and international relations aimed at political, social and economic gain, as well as the creation of investment opportunities, is one of the objectives of State House. In FY 2011/12, the sector reported that the President visited 33 out 12 countries planned, compared to 18 in the FY 2010/11. It was also reported that the President also hosted 18 Heads of State against eight initially expected and up from 13 in FY 2010/11. The president also held and attended 31 regional and international meetings against the eight projected. The sector observed that the increased activity levels were due to emerging continental and regional matters of security and diplomacy, which ultimately matched with the spending of UGX156.65bn against approved budget of UGX 63.6bn by State House.

Presidential initiative and community outreach programmes over-perform

One of the challenges faced by the Presidency is the need to respond to numerous requests made by communities, of which attempts are made fulfill within the budget. In FY 2011/12, up to 80% (although it is a drop from 90% in FY 2010/11) of the promises made were fulfilled by Office of the President against a projection of 60%. Additionally, the President also received many invitations to community functions, and while the initial plan was for him to attend 50, he attended 93. Also catered for in community outreach activities are the Presidential donations, school fees scheme, support programmes such as distribution of animals and crops to various interest groups and individuals where 601 heifers, 271 pigs, 6000 birds and 399 goats were procured and distributed country-wide, although the sector did not provide the planned target. Communities were also supported through various training programmes in income generating integrated agro-enterprises. Also notable among the outreach activities include the establishment of one agro machine and SACCO per model village in Busia, Sironko, Kamuli, Kaliro, Tororo, Mukono, Masaka, Shema, Bushenyi, Rukungiri, Mpigi and Ntungamo districts.

Community outreach programmes consumed a total of UGX43.7bn (615%) against the original budget of UGX8.09bn. The extra funds were got through supplementary funding which was reportedly requested to enable the sector honour Presidential pledges. Mass mobilisation towards poverty reduction, peace and development consumed UGX24.35bn against the approved budget ofUGX14.21bn.

5.4.7 Improving service delivery in Kampala

The mandate of KCCA is to facilitate the delivery of quality services to the City in a manner that ensures value for money. KCCA meets its mandate by implementing programmes financed by Government, Development partners as well as from local revenues.

Improving the quality of road network and public safety below target

The original budget provision for improving road and drainage network in Kampala City was UGX 45.5bn (UGX 30.5bn Central Government and UGX 15bn Road Fund) with focus on roads reconstruction and maintenance. Out of this, only UGX28bn was released and all spent, and with these funds, only 22% of the targets were achieved by close of the FY. It was however, reported that most of the works were still on-going by the end of the financial year.

The reconstruction of Kafumbe-Mukasa & Kisenyi roads, supervision services for reconstruction of Kafumbe-Mukasa & Kisenyi roads, maintenance of roads in Nakasero, Kololo, and the central business district areas were all handed over by the Ministry of Works and Transport to KCCA. The Authority however, reported that works stalled on Kafumbe-Mukasa road due to unfinished sewerage project still under the jurisdiction of Ministry of Works and Transport and a contract period extension of six months has been sought that will cost the Authority an extra UGX 664,138,025. Under the Kampala Institutional Infrastructure Development Programme (KIIDP) project funded by the World Bank, UGX 24.2bn was provided for upgrading several roads such as Bukoto - Kisaasi Road, Kalerwe- Ttula Road, Kawempe- Mpererwe, Kimera Road, Kansanga- Lukuli Road, Salama-Munyonyo Road to bitumen Standard. By end of the financial year, it was reported that only 30% of the work had been completed.

The Authority is also conducting periodic maintenance of Nakivubo Channel and auxiliary drains in an effort to reduce flooding in the city. However, it is not clear why this project was contracted out at a cost of UGX 2.33bn for two years with funding expected from Local Revenue, when the original allocation was UGX 1.2bn.

Other maintenance and minor repair works were reported to be in progress with the aim of reducing flooding in the areas of Bugolobi, Clock tower, Jinja road, Industrial Area and Shoprite-Lugogo. Upgrading of Phase I and Phase II of the drainage Black Spots (Jinja road –Access road, Buganda road-Kyagwe road) were contracted at a cost of UGX 4.0bn and UGX 1.27bn respectively, and work was ongoing by the year end. Lubigi channel, one of the seven primary drainage channels was also under construction at a cost of UGX 20.3Bn funded by the World Bank. It is expected that when completed, the channel will address the flooding challenges in the Bwaise and Kalerwe areas.

In another development, UGX 1.28bn was allocated for revamping the Street Lighting System (2,700 street lights) in the Central Business District and paying for electricity bills which was completed.

Social economic development off target

For the FY 2011/12, UGX 1.00bn from Central Government (LGMSD) was allocated for construction and renovation of classrooms, teachers' houses and toilets in UPE schools in Kampala. Also UGX 1.30bn (SFG) was allocated for the purchase of furniture, construction of toilets, renovation and completion of structures which stalled due to lack of funds. Overall, the authority achieved 68% of its targets under this area, 25% was not achieved, while the remaining 7% was not assessed as data provided was insufficient.

It was reported that re-roofing of main classroom and library blocks at Old Kampala Primary School had been completed while the renovation and construction of different classrooms and staff quarters was at various stages of procurement. These include: renovation of a classroom block at Nateete Muslim Primary School; re-roofing of Nakasero Primary School with iron sheets; renovation of staff quarters at Kyambogo Primary school; renovation of Ttula Primary School; construction of a 4-unit double storied staff quarters at St. Lawrence Kigoowa; renovation of staff quarters at Nabagereka Primary School and renovation of staff quarters at St. Mbaga Tuzinde, Kiwatule, among others.

KCCA had planned to carry out inspection in 1767 schools but only 502 (only 28.4%) Government and Private Schools were inspected. This under performance was attributed to budget cuts under this output during the financial year. The Authority through the directorate of Public Health and Environment constructed and renovated 4 health units out of the planned 8, purchased 5 ambulances and supplied 5 dental equipment as planned. However, details of distribution of ambulencies and dental equipment were not provided by the Authority in its submission.

Solid Waste Collection and Disposal

Average garbage collection stood at 29,543 tons/month as at end of June, 2012 from 16,000 in April 2011 indicating an improvement of 84.6 percentage points. This good performance is attributed to KCCA's improved supervision, improved garbage fleet management and the increased number of casual labourers recruited. Over 700 litter bins were distributed in the Central Business District, KCCA schools and Hospitals to promote responsible solid waste management, although, this was below the target of 815 for the financial year.

Development of city markets on schedule

Under the Markets and Agricultural Trade Infrastructure Improvement Programme (MATIP), Government planned to construct six markets in the City; Wandegeya, Busega, Ntinda, Nakulabye, Kasubi and Kansanga. Construction of Wandegeya Market is moving on as scheduled. The construction of the rest of the markets is yet to start.

5.5 Public Sector Management

The key objectives of the Public Sector Management Sector focus on establishing mechanisms that will promote coordinated and harmonised policy, planning, budgeting, monitoring and evaluation at National and Local Government levels, attracting, recruiting and retaining a highly-skilled and professional workforce, developing management and operational structures for an efficient and effective decentralised service delivery system, implementation of East African Integration through implementation of the East Africa Customs Union, establishment of the EA Common Market and a Monetary Union and ultimately the East African Federation.

The sector is led by the Office of the Prime Minister (OPM) and includes the Public Service Commission, Ministry of Public Service, Ministry of East African Community Affairs, Ministry of Local Government, Local Government Finance Commission and National Planning Authority.

5.5.1 Overview of Sector Performance

Achievement of the sector outcome indicators showed the number of indicators exhibiting a positive trend over the three year period from 2009/10 to 2011/12 increasing from 33% in FY 2009/10 to 47% in FY 2011/12. 40% of the indicators in 2011/12 showed a negative trend and 13% had no data, as shown in the summary score card.

The approved budget for the sector was UGX 985.1bn of which UGX 727.3bn, (74%) of the approved budget, was released and UGX 700.036bn, (96%) of the release, was spent. Three MDAs received significantly lower funds than budgeted: National Planning Authority (NPA), OPM and the Local Government Finance Commission (LGFC). With the releases the Sector achieved 62% of the outputs original targets, 30% were not achieved and 8% had no data and could not therefore be assessed. 50% of the JAF4 actions were on track while the rest had no sufficient data. 70% of the actions arising from the Cabinet Retreat of December 2011 were on track, 20% were off track and 10% did not have sufficient data for assessment. The two PIRT actions for the sector are on track.

LGFC registered overall good performance, achieved 100% their output targets with 57% of the UGX 7.4bn approved budget released and all was spent. This raises questions as to whether the LGFC's output targets were stretching enough.

Conversely, Ministry of Public Service (MoPS) achieved 18% of its annual targets, 45% were not achieved while 36% did not have data and therefore were not assessed. The ministry received UGX 283.7bn which is about 100% of the approved budget and spent 95% of the release.

Table 5.5.1 Analysis of half year performance

Half year	Green		Yellow		Red	
	27		2		10	
Year end	Green	Red	Green	Red	Green	Red
	21	6	1	1	6	4
	78%	22%	50%	50%	60%	40%

Table 5.5.1 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

Table 5.5.2 Performance Scorecard for Public Sector Management Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	47%	53%	0%	40%	33%	13%	15

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	62%	30%	8%	61
OPM	53%	42%	5%	19
LGFC	100%	0%	0%	3
NPA	67%	33%	0%	3
PSC	100%	0%	0%	6
MoLG	79%	21%	0%	14
MEACA	80%	20%	0%	5
MoPS	18%	45%	36%	11

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	70%	20%	10%	10
PIRT	100%	0%	0%	2
JAF	50%	0%	50%	8

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	985.08	727.3	74%	700.04	96%	71%
OPM	175.45	115.3	66%	102.69	89%	59%
LGFC	7.45	4.21	57%	4.21	100%	57%
NPA	11.41	9.36	82%	9.36	100%	82%
PSC	4.27	4.06	95%	4.06	100%	95%
MoLG	189.99	92.61	49%	92.61	100%	49%
MEACA	15.30	15.18	99%	15.13	100%	100%
MoPS	283.82	283.74	100%	270	95%	95%

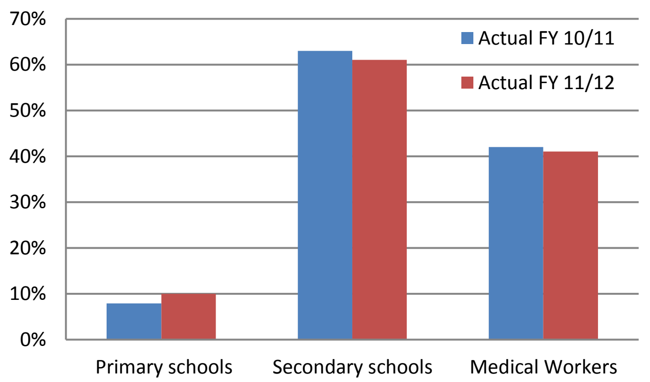
5.5.2 Recruitment and Retention of Public Servants

In order to improve service delivery, the quality and quantity of the workforce needs to strengthened across the public service. The key function of the Public Service Commission (PSC) is to recruit and retain a highly skilled and professional workforce for the public service. This is done through filling declared vacancies, handling recruitment submissions, conducting the annual Graduate Recruitment Exercise (GRE) and supporting, monitoring and building capacity of District Service Commissions (DSCs). Together with the MoPS, PSC aims to develop and implement performance contracts/agreements, reduce vacancy rates, develop competence based tests for different professions in the service and develop performance standards for DSCs.

Data submitted by PSC shows that the percentage of declared vacancies filled had been increasing for the past 3 years: 68% in FY 2008/09, 72% in FY 2009/10 and 300% in FY 2010/11 but dropped sharply to 87% in the last financial year, against the 100% target. Data from PSC indicated that key positions requiring specific skills like mining engineering and land valuation were not filled. This is also happening at district level as reported by the Budget Monitoring and Accountability Unit (BMAU) report of FY 2011/12 which indicated that most of the districts' engineering departments face capacity constraints in terms of staffing[52]. Additionally the Commission reported that the unfilled vacancies were as a result of, submissions being received in the last quarter of FY 2011/12, which were carried forward to FY 2012/13 and the creation of KCCA, which required new staff to be recruited. For the last 3 years the percentage of concluded appeals has been on the increase: 89% in FY 2008/09 to 95% in FY 2009/10 and 100% in FY 2010/11 but dropped to 75% in the last financial year. The Commission attributed this drop to ongoing cases being received in the last quarter of the last financial year, which have been carried forward to FY 2012/13, incomplete submissions that require further clarification and some cases pending further consultations.

By-year end the vacancy rate in primary schools was 10% against the target of 11%. This means that the vacancy rate for primary schools has gone from 7.9% FY 2010/11 to 10% in FY 2011/12 while the vacancy rate for secondary and medical workers has gone down slightly from the FY 2010/11.

Figure 5.5.1 Vacancy Rates in HTR/HTS Areas



Results from an absenteeism evaluation carried out by OPM under the Government Evaluation Facility (GEF) shows that willingness to work on all five official working days was affected by region, housing, age of a public servant, workload and the functional level of the employee. The older age category of 46 years and above was found to be more likely to work all the official days compared to age category of 18-25 years (Table 5.5.1). Results from the study also show that those who felt over-worked exhibited a higher intention to be absent (46%) compared to those who felt that they are not over-worked (32%). Similarly, organisations which had a free housing policy had a lower proportion (36%) of employees with an intention to be absent compared to 43% in organisations without a staff housing policy.

There is a statistically significant relationship between one's obligation to report to a supervisor and his/her intention to be absent. Only 39.7% of those who were obliged to report to another officer exhibited an intention to be absent as compared to 52% amongst those who were not under any supervision. High absenteeism rates were also observed on the first and last days of the week especially in new districts and hard-to-reach areas where public servants choose not to reside but rather return to their home districts on Thursday/Friday) and then travel back Monday evening or Tuesday morning. For example, in Manafwa, a new district with accommodation challenges due to its terrain, most public servants reside in neighboring Mbale district. In Kalangala district, some public servants stay in Masaka and others in Kampala[53]. Furthermore, the report established that in some HTR/HTS areas, even if one has the money, the houses

Table 5.5.1 Absenteeism and contributing factors

Contributing factors	**Intends to be absent**	
Age group	**Yes**	**No**
18-25	62.3%	37.7%
26-35	49.5%	50.5%
36-45	36.4%	63.6%
46-65	27.5%	72.5%
Over-worked	53.6%	46.4%
Not over-worked	67.9%	32.1%
No free housing	57.4%	42.6%
Free housing	64.5%	35.5%
Obliged to report to another	60.3%	39.7%
Not obliged to report to another	48.1%	52.0%

Source: OPM absenteeism study, 2012

52 Budget Monitoring Report, Third quarter FY 2011/12, May 2012
53 Evaluation of the Effectiveness of Government of Uganda's Response to Curb Absenteeism in the Public Service - Government Evaluation Facility - Office of Prime Minister, 2012

may not be available. When staff stay far from their work place, they are more likely to be absent from work with excuses such as transport and bad weather.

The evaluation study aimed at assessing the effectiveness of the Government's measures for tackling absenteeism across the public sector, with an aim to determine what is and is not working. The analysis revealed that among the interventions that have a significant impact on the intention to be absent included; recognise staff with outstanding attendance record, capacity built in leadership , management & attendance control, flexible work schedule, salary increment. Those with no impact included: stern warning, dismissal/termination, provision of housing, provision of transport, improved work environment through favorable policies & work safety improvements, close supervision.

In order for the Government to curb absenteeism the study made recommendations which include (but were not limited to) the following: MoPS should in future adopt a bottom-up participatory approach of reviewing and re-designing the measures in consultation with key stakeholders (Public Servants, Leaders, the Public & CSOs) in order to properly understand the factors that contribute to the problem, the Government through MoPS should provide funding to facilitate the implementation of the measures for effective implementation. For example some LLGs can't afford to procure hard cover registers.

At the beginning of the financial year, the MoPS planned to bring the retention rate of staff in hard to reach areas to 95% and achieved to 83% by year end. This shows that the retention rate increased last FY from 74% in FY 2010/11. However, the sector did not provide an explanation for this performance.

5.5.3 Role of performance frameworks in improving service delivery

The budget speech FY 2011/12 enforces the need to improve service delivery through the implementation of performance contracts for top civil servants and Heads of Departments. This has been led by MoPS, whose mandate is to develop, manage and administer human resource policies, manage systems and procedures for the public service, strengthen Results Oriented Management (ROM) and strengthen service delivery through implementation of client charters across MDAs and LGs.

The proportion of head teachers put on performance agreements (PAs) was 92% by year missing the 97% target. The ministry reported that this was because some of the schools did not have School Management Committees (SMC). SMCs are signatory to the agreements in the performance agreements. Although the target was not achieved the percentage of teachers on PAs has increased from 82%FY 2010/11. Data from the ministry further shows that 100% of hospital directors were put on performance agreements[54].

The assessment last year of MoPS data indicates that 75% of MDAs and LGs against the target of 97% were able to mainstream a results framework into their work process through linkages with the output oriented budgeting[55] and 6 sectors out of 9 disseminated service delivery standards[56]. This was done with 75% of the budget released and all spent. With 70% of the budget released and all spent, 29 out of the targeted 40 MDAs and LGs developed and implemented client charters[57]. All the

[54] One hospital did not have a director.
[55] Ministries of Health, Education and Sports, Water and Environment, Works and Transport, and LGs of Iganga, Entebbe MC, Masaka, Gulu, Moyo, Kabale, Mbale and Katakwi including their Urban authorities and Mbale, Gulu, Masaka Regional Referral hospitals.
[56]The sectors are: Ministry of Health, Ministry of Education and Sports, Ministry of Water and Environment, Ministry of Works and Transport and Ministry of Public Service.
[57] The MDAs and LGs are: Iganga DLG, Entebbe MC, Luwero DLG, Ministry of Public Service &Ministry of Tourism, Trade and Industry(MTTI), Kalungu, Masaka, Kayunga, Mukono, Lyantonde, Rakai, Kiruhura, Mbarara, Budaka, Bugiri, Wakiso and Jinja including their urban Councils. Ministry of Health, Gulu, Masaka and Mbale regional referral hospitals.

targeted 11 MDAs/LGs operationalised the Integrated Public Payroll System. This was made possible with about 64% of the budget released and all releases spent. Furthermore, 32 MDAs & LGs had their organisational structures reviewed and customised against the target of 33 with about 73% of the budget was released and 96% spent. The ministry planned to cascade Results Oriented Management/Output Oriented Budgeting (ROM/OOB) to four Joint Budget Support Framework (JBSF) sectors and fourteen LGs, by year end, ROM/OOB had been cascaded to four JBSF Sectors and eight LGs and their urban authorities[58]. Good performance was registered under the HR Management vote function, as all of the 11 targeted MDAs/LGs had operationalised the Integrated Public Payroll System.

PSC reported that 17 competence based selection instruments were developed against the target of 15.The competence based selection instruments help in identification of relevant competences for a given position or job. The Commission reported that induction training was conducted at 41 District service Commissions against the target of 33. 80 District Service Commissions were monitored and provided with technical guidance against the target of 73.The training and technical guidance is given to new secretaries and new district service commissions to help improve service delivery at the LGs.

5.5.4 Progress towards EAC integration

The key function of the Ministry of East African Community Affairs (MEACA) is to support Uganda's integration into the East African Community (EAC). The integration process is hinged on 4 major pillars, namely the Customs Union, Common Market, Monetary Union and finally Political Federation. The integration process is done by way of harmonisation of diverse policies and programmes in the region, enhancing public participation and awareness in EAC regional integration and providing leadership, guidance and support for strengthening integration.

There was good progress made in accelerating the integration of the EAC states. The ministry is working with relevant Ministries, Departments and Agencies (MDAs) whose laws impact on the Common Market to review and bring about the necessary amendments to conform to the Common Market Protocol. In addition, the ministry is working with the Uganda Law Reform Commission to facilitate MDAs to prepare draft bills in their sectors. Even though the process of identifying laws is an ongoing process, so far, some laws have been identified[59] and their review is ongoing. For example, working with Ministry of Internal Affairs, a zero draft for the National Migration Policy was prepared and is now undergoing public consultations. Also working with working with MoFPED, the Capital Markets Authority Act was amended to empower the Capital Markets Authority to create new license categories.

At the beginning of the financial year, the ministry planned to prepare a second draft policy paper on the development of the National Policy on EAC integration to help the management of the integration agenda and to serve as a reference point in implementation of the agenda in Uganda. The ministry has come-up with a draft issues paper to guide the process. The process of drafting the policy is expected to start immediately, after which validation of the draft will commence. The policy[60] is expected to be finalised by the end of FY 2012/2013.

[58] The **Four Sectors** are: Education Sector, Health Sector, Water Sector and Works Sector. And the eight **LGs** are: Entebbe M/C, Iganga, Mbale, Katakwi, Moyo, Gulu, Masaka and Kabale. Regional referral hospitals of Masaka, Gulu and Mbale.

[59] Uganda Citizenship and Immigration Control Act, Cap 66, Employment Act, Act No.6/2006, Workers Compensation Act, Cap 225, Labor Unions Act, Act No.7/2006, External Trade Act, Cap 88, Investment Code Act, Cap 92, Business Names Registration Act, Cap 109, The Companies Act, 2012, Trade (Licensing) Act Cap 101, Civil Aviation Authority Act, Cap 354, Traffic and Road Safety Act, 1998 Cap 361, Food and Drugs Act, Cap 278, The Trade Marks Act, Act 17/2010, The Patents Act, Cap 216, The Copyright and Neighboring Rights Act, 2006.

[60] Elements of EAC integration policy can be found in various official documents and statements (such as the National Development Plan (NDP), the NRM Manifesto (Chapter five), the National Trade Policy (NTP).

To enhance public awareness and public participation in EAC regional integration, the ministry planned to carryout 10 sensitisation campaigns of stakeholders on the EAC integration process and achieved the target. 47 Secondary schools were sensitised with EAC Clubs formed and facilitated in these schools spread in 17 districts of Uganda (central, eastern, southwestern (Masindi), mid-West Lango sub region and west Nile region).

5.5.5 Progress towards improved coordination, monitoring, planning and budgeting at National and Local Governments

One of the key functions of the OPM is to coordinate, monitor and implement Government policies across Ministries, Departments and other public institutions. The Presidential Directive on implementation of the Baraza initiative was carried out in 74 districts,[61] more than the planned 50 in the last financial year. 17 out of the planned 16 cross and intra-sectoral issues were resolved through the institutional coordination framework. The report on Government Business in Parliament was produced.

OPM produced the GAPR for FY 2010/11 and the Government Half-Annual Performance Report for FY 2011/12 as planned, and they were discussed during the Retreat of Ministers and Permanent Secretaries in December 2011 and March 2012 respectively. Under the Government Evaluation Facility, six evaluation studies were initiated, among which evaluation of Government's response to absenteeism in the public service which was completed in draft by year-end, evaluation of Government's Employment Strategy to be completed by end of calendar year 2012 led by Ministry of Finance, Comparative evaluation of public and private service delivery models in Uganda led by NPA/OPM to be completed by end of FY 2012/13, Public Procurement Disposal of Public Assets Authority's (PPDA) development impact and its role in ensuring efficiency and effectiveness of public procurement in NDP priority sectors in Uganda led by OPM/World Bank to be completed by Feb 2013, Effectiveness of the Land Act and Registration of the Titles Act in curbing the practice of illegal land evictions led by OPM (design phase) and PRDP Impact Evaluation (NUSAF II, Community Infrastructure Rehabilitation component) in design phase.

The major function of NPA is to coordinate and harmonise national development planning and provide support and guidance to the national and local bodies responsible for the decentralised planning process. Data from NPA shows that National Development Report on the performance of the economy for FY 2010/11 and the annual progress report on the Programme of Action for FY 2009/10 and FY 2010/11 were produced. Furthermore, NPA reported that wider consultations on the draft Nation Vision is to continue before the final draft is produced for dissemination. The popular version of the NDP will be disseminated in the FY 2012/13. In order to strengthen planning capacity at National and LG Levels, seven public/private beneficiaries were supported under the Uganda Country Capacity Building Program (UCCBP) and capacity needs of 15 public/private institutions were assessed to inform UCCBP extension.

5.5.6 Contribution of Special Programmes to livelihood in disadvantaged areas

To enhance livelihoods of persons in disaster prone and former conflict affected areas, the Government has implemented a number of special programs, such as the PRDP, Luwero-Rwenzori Development Plan (LRDP), Karamoja Livelihood Program (KALIP) and the Northern Uganda Social Action Fund Phase II-(NUSAF II).

[61] The implementation of the Citizen's Demand for Accountability (Baraza) initiative has been conducted in a number of districts which include; Eastern region; Dokolo, Mayuge, Butaleja, Tororo, Iganga, Bukedea, Pallisa Northern region; Lira, Oyam, Arua, Otuke, Apac, Kabong, Central region; Mpigi, Mubende, Nakasongola, Mukono, Kalungu, Luwero, and Rakai Western region; Ibanda, Kasese, Kabale, Kanungu, Kiruhura, Kisoro, Masindi, and Bundibugyo.

To effectively prepare and respond to disasters, 15 out of the targeted 10 risk, hazard and vulnerability assessments were conducted[62]. Forty disaster preparedness/contingency plans for LGs were prepared to help to cater for the event of a disaster. The reason for performance was that all LGs are requirement to have disaster management plans. Thirty permanent houses were constructed for Bududa survivors to complete their resettlement in Kiryandongo. Furthermore, food and non-food relief items were provided to two million disaster victims by year end[63]. In addition, 8540 Congolese refugees were received and settled in Nakivale, Oruchinga and Rwamwanja Refugee Settlements.

Within the PRDP and KIDP frameworks, OPM coordinated the up-scaling of agriculture livelihood programmes in the North, (NUSAF 2 and ALREP) and in the Karamoja sub region (NUSAF 2 and KALIP). These efforts have augmented the overall PRDP goal of bridging the socio-economic disparities between the North and the rest of the country. Other key achievements registered in the period under review for the PRDP included monitoring and supervision of PRDP implementation in the 55 Districts and 9 Municipalities, production of 9 monitoring reports, construction of 92 teachers and health workers houses in some hard to reach districts[64], construction of 650 classrooms, 580 staff houses, 591 latrine stances, 551 boreholes, 44 shallow wells, 63 maternity wards, 63 OPD wards, rehabilitation of 114 boreholes, opened 1,086 Kms of roads, constructed 2 dormitories to accommodate 400 trainees at the Northern Uganda Youth development Centre (NUYDC) and 3 semi detached houses for instructors at the NUYDC among others. Under the KIDP, 10 dams were constructed in Napak, Moroto and Kotido Districts, 300 youths were trained in the use of the Hydraform technology[65], 10,800 acres of farmland were opened, 75,000 cows were branded under the anti-cattle theft programme using the bolus tracking technology, 320 ox-ploughs were procured and distributed[66], 200 walking tractors were procured, 832 cows and 224 goats for women and youths groups under the community empowerment programme were procured, and 23 teachers and health workers houses in Napak District were constructed. Under the LRDP programme, OPM commenced the construction of Nalutuntu Health Centre in Mubende District, procured and handed over 2 tractors to the Bunyangabu Civilian veterans, distributed 455 spray pumps and 13,333 hand hoes, provided support to 60 SACCOs, distributed 2,922 bags of cement for civilian veterans, rehabilitated 46 boreholes and constructed 44 watering points in Luwero, procured and distributed 5 maize mills, 3 food and fruit processing plants in Nakaseke and Mubende Districts, opened 106.3 Kms of roads, constructed 19 classrooms and 6 staff houses.

5.5.7 Progress towards improved Service Delivery at Local Government level

One of the themes of the 2011/12 budget was to improve service delivery. One of the ways to achieve this is by enhancing revenues at LG level, where the services are needed. LGFC helps LGs to analyse their budgets and ensure effective mobilisation and equitable distribution of financial resources. The Ministry of Local Government (MoLG) is mandated among other duties to inspect, monitor, and where necessary offer technical advice/assistance, support supervision and training to all LGs.

Data submitted by MoLG shows that under the output of monitoring and support supervision of LGs, 89% of LGs have functional Technical Planning Committees (TPCs), Public Accounts Committees (PACs), District Service Commissions (DSCs), Land Boards and contracts committees, more than the targeted 85%. All District LGs established DSCs following a circular by the ministry. 99% of LGs were

[62] Vulnerability assessments are a continuous process and are conducted on continuous basis especially in disaster prone regions

[63] These activities covered Karamoja, West Nile, Acholi and Lango sub regions as a result of drought, Teso due to water logging and Central, Eastern and Western Uganda because of storms.

[64] Otuke, Lamwo, Napak and Zombo.

[65] Training carried out at Lolengedwat, Nakapiripirit, Acerer, Moroto and Napak districts

[66] The distribution was as follows: Kaabong (32), then Napak (28), Moroto (28), Kotido (28), Abim (28), Nakapiripirit (28) and Amudat (28).

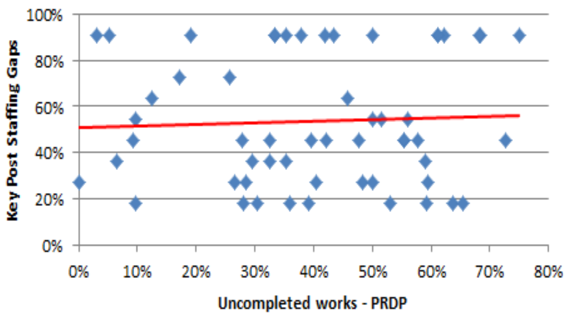
supported in conflict resolution, more than the target of 75%. This performance was achieved with 85.3% of the budget released and all spent. This performance was attributed to the induction of councilors during the second half of the year. By year end, 16 out of the 30 targeted urban councils had been supported, monitored, supervised and mentored. The ministry reported that the small coverage was due to insufficient funds.

Under the output on inspection and monitoring of LGs, 44 LGs were covered by routine inspection by year end, overshooting the target of 40. 54 LGs were monitored on PAF against the target of 50. This was achieved with 143.8% budget released and all spent. Under the Annual National Assessment of LGs output, 94% of districts against the 85% target and all municipal councils were meeting the minimum conditions set by the ministry. This performance was achieved with 102% of the budget release and all spent. This performance was attributed to support supervision provided by the ministry. Under financial management and accountability in LGs strengthened, 38% of LGs had clean audit reports against the annual target of 37%.This performance was due to the involvement of private sector in revenue collection.

One of the roles of LGFC is to help LGs analyse their budget and help LGs enhance revenue mobilisation and generation. With about all of budget released and all spent 133 LGs annual budgets were analysed out of targeted 45 LGs. The ministry attributed this over performance to the target of 45 being the quarterly target that was erroneously recoded in the OBT. The annual target for LG budget analysis was all 133 LGs i.e. 111 district budgets and 22 municipal council budgets. Ninety six out of 70 LGs were applying best practices[67]. This involves checking whether LGs are complying with the criteria during revenue collection.

5.5.8 Staffing in Local Governments

Figure 5.5.2 Correlation between Key Post Staffing Gaps and Incomplete PRDP Works



Staffing at LGs has been a challenge for some time. In 2010-11, 26% posts across the entire establishment structure were filled in LGs in the PRDP region, as compared to 35% in the rest of the Country. Forty seven percent of key administrative posts, like the CAO and Planner were filled in the PRDP region, as compared to 52% in the rest of the Country[68]. For quite some time now LGs have indicated that lack of enough staff has been the reason for some of the underperformance in relation to delivery of services and budget performance, however the red line (figure 5.5.2[69]) shows that there is almost no correlation between key staffing positions and completion of works and the study further suggests that staffing levels have no correlation with spend and completion rates at LGs[70].

[67] The Commission provides technical support on local revenue mobilization and generation to LGs in the areas of Property Rates, LST, LGHT, Royalties, Trade Licenses, Markets and other sources of revenues.
[68] PRDP study on LG performance and capacity challenges by Office of the Prime Minister, 2012.
[69] Source: OPM - LG performance & capacity challenges, presentation to TWG, August 2012.
[70] The study covered completion rates regarding PRDP projects.

5.6 Security Sector

The key objectives of the sector are to preserve and defend the sovereignty and territorial integrity of Uganda, build adequate and credible defense to address both internal and external threats, provide intelligence information to support national security and stability, and create military alliances that enhance regional security and stability. The portfolio of the Minister for Security falls under this sector although its budget is provided for under the Vote 001 of the Office of the President. Overall, this sector is led by the Ministry of Defense (MoD), and its other members include Internal Security Organisation (ISO) and External Security Organisation (ESO).

5.6.1 Overview of sector performance

The analysis of sector outcome data shows that 60% of the indicators reflected a positive change and 40% remained unchanged over the FY 2011/12. At the output level, performance was at 100% overall, with all the 24 indicators achieving their targets, an improvement from 89% in FY 2010/11. Specifically, 14 output targets for Ministry of Defence, 5 output targets for ISO and 5 output targets for ESO were all met.

The Sector had approved budget (GOU +Donor) of UGX 974.87 bn. for FY 2011/12. The sector reported that the donor funding of UGX 137.44 bn was from African Union specifically for AMSON operations, indicating that the approved GOU budget (without external financing) was only 837.43 bn. The Annual Budget Performance Report for FY 2011/12 of Ministry of Finance, Planning and Economic Development indicate that by the end of the financial year, UGX 984.07 bn, including donor funds, had been released, representing 100.9% of the approved budget. The sector also indicated that additional UGX 146.23bn was requisitioned to fund emergency classified operations under ESO, and also to cover wage shortfall and other UPDF expenditures in the Ministry of Defence during the financial year. It is, however, not clear whether the UGX 146.23 bn requisitioned for emergency classified operations was part of the release of UGX 984.07 bn.

Successive assessments indicate that Ministry of Defence is a consistent beneficiary of supplementary budgets, reportedly as a consequence of under-funding. It has been argued that these additional requisitions tend to interfere with national economic planning processes. In an effort to address the challenge, the Cabinet Retreat held in FY 2010/11 agreed that the MTEF ceiling for the Security Sector should be raised in the FY 2012/13 to meet the financial requirements of the sector rather than resorting on supplementary. However, the data provided by the sector indicate that this was not implemented in the financial year under review, nor is there evidence that it will be done in the FY 2012/13 since according to the Ministerial Statement of Defence only UGX 909.96bn is planned for the sector in FY 2012/13.

Table 5.6.1 Analysis of half year performance

Half year	Green		Yellow		Red	
	9		1		1	
Year end	Green	Red	Green	Red	Green	Red
	9	0	1	0	1	0
	100%	0%	100%	0%	100%	0%

Table 5.6.1 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

Table 5.6.2 Performance Scorecard for the Security Sector

Outcome Trends

	% positive trend	% achieved against target	% un-changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	60%	100%	40%	0%	0%	0%	5

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	100%	0%	0%	24
MoD	100%	0%	0%	14
ISO	100%	0%	0%	5
ESO	100%	0%	0%	5

Actions Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	0%	100%	0%	1

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector Total	974.87	984.07	101%	983.8	100%	101%
MoD	938	927.08	99%	926.81	100%	99%
ISO	27.21	30.56	112%	30.56	100%	112%
ESO	9.67	26.42	273%	26.42	100%	273%

5.6.2 Country's sovereignty and territorial integrity remains stable

The Security Sector is focused primarily on protecting the country's sovereignty and territorial integrity. It is, therefore, mandated with the responsibility of ensuring a stable, peaceful and secure nation, and this is reflected in reduced cross border armed conflicts, reduced internal security threats and high safety level of security for people and property.

Early warning mechanisms key in sustained national peace and stability

The eyesore incident of the Al-Shabaab attack that rocked the nation in July 2010 may have raised the security radars, as the country witnessed no major internal or cross-border security incident in the reporting period. While the attack was claimed on Uganda's involvement in the peace mission in Somalia, it did not dampen the spirit of the commitment as more and more UPDF soldiers continued to be deployed there. Similarly, security was tightened internally through both physical deployment at vulnerable points and increased vigilance in the intelligence systems. FY 2011/121 was, therefore, characterised by public awareness campaigns and warnings of security nature. Internal stability as reflected by the level of security for people and property, was assessed as "medium-high" against the target of "high"[71].

Overall, the sector attributes the sustained national peace and stability to the effective early warning mechanisms and enhanced military and security monitoring capabilities that were instrumental in the detection and neutralisation of potential threats. Good security relationship with neighboring countries

[71] The Security level is measured as: Low; Medium-low; Medium; Medium-high; and High

is also noted to have been critical, especially in the intelligence coordination. Internally, the boarder security threat by the LRA, the cattle raids by the Karamojong, and the civil disobediences have over the last one year been successfully handled by the UPDF and Police. With the cross-border security threats, the Operation Lightning Thunder (OLT) has registered quite a number of positive successes evidenced by several of the LRA field commanders having been captured during the financial year. The camp dwellers at Katakwi and Toroma which was a result of cattle raids have all returned to their homes. Even with the emergency of civil protests that struck the nation due to harsh economic recession, the UPDF always provided the necessary support to the Uganda Police Force (UPF) whenever called upon. Nevertheless, externally, terrorism remained a menace, a matter that is being dealt with through a coordinated international effort.

5.6.3 Implementing the Defence Strategic Infrastructure Investment Plan

The MoD continues to implement its development strategies as stated in the Defence Strategic Infrastructure Investment Plan (DSIIP) of FY 2009/10. The long term plan outlined the strengthening of logistical-welfare support in terms of construction, rehabilitation and maintenance of new and old facilities in the areas of accommodation, training, health and storage facilities, and the general infrastructure, with the aim of consolidating the welfare of the national army. In FY 2011/12, MoD planned to conduct construction, renovation and upgrading works worth UGX 24bn, which was to be undertaken under direct or contracted terms. Some of the projects completed, include, Nakasongola staff quarters; Mbarara barracks sewerage system/works; Kaweweta RTS water system; Moroto HCIII; Muhoti HCIII; Bondo HCIII: Achol Pii Medical quarters and theatre; Hima and Muhoti mortuary, among others. Others are the renovation of Gulu barracks, Moroto Junior staff quarters and several Commanding Officers' Houses. Other categories of renovated buildings also include training facilities, administration blocks, workshops, offices and army shops. Only part of the planned work was reportedly done given the inadequate release as opposed to the planned amount of UGX 24bn/=. Assessment of performance was not possible due to lack of clear set annual targets.

5.6.4 Enhancing Defence capacity against Internal and External threats

The expenditure of the sector continues to be dominated by Government's focus on the enhancement of the capability of UPDF in line with the Defence transformation programme. Over the years, the trend had exhibited continued prioritisation on acquisition of equipment and machinery primarily aimed at ensuring combat readiness of soldiers, which is a prerequisite for a stable, peaceful and secure nation. According to the financial data, the Ministry of Defence spent a total of UGX 926.81bn in FY 2011/12. This amount is an equivalent of 99% of the total approved annual budget of UGX 938bn. Internal allocations indicate that out of the total expenditure, UGX 425.7bn (105.8%) was spent on the acquisition, upgrading and maintenance of Defence equipment, while another UGX 5.77bn went into intelligence information gathering by the UPDF. Expensive modern technologies as well as the rising exchange rate on the dollar were some of the other justifications the sector gave for the high expenditure.

In the reporting period, an approved budget worth UGX 122.2bn was provided for capacity consolidation and classified UPDF support to acquire assorted strategic weapon system and gather classified information. However, this was not adequate, and a supplementary of 23.5bn was added, hence a total expenditure of 145.7bn. Additionally, the sector got another UGX 152.75bn to cater for emergency classified operations under ISO, ESO and to cover wage shortfall and other UPDF expenditures. Specifically MoD received UGX 132.5bn, ISO UGX 3.35bn, and ESO UGX 16.9bn as supplementary in the financial year 2011/2012.

5.6.5 Expenditure on Logistics and Welfare continues to attract Supplementary funding

The Ministry of Defence continues to enhance welfare and logistical support as reflected in subsequent annual expenditures. This is a critical component in the effective functioning of a national army and is reflected in regular provision of foodstuffs, uniforms, fuel and medical care, amongst other logistical requirements. This, therefore, forms the basis upon which credibility of security capability/capacity, as well as efficiency and effectiveness is measured. In FY 2011/12, targets of various indicators under welfare and logistics were either met or surpassed, all of which having benefitted from huge supplementary funding. Fuel procured and supplied consumed up to UGX 47.54bn, amounting to 460% of the initial budget, even when only UGX 45.10bn was released. Similarly, expenditure reported on foodstuff which more than doubled to UGX47.47bn (212%) up from UGX35.15bn spent in FY 2010/11, was also more than the amount (UGX 40.02bn) released, and so was expenditure on uniforms at UGX 12.70bn (110%) against the annual target and actual for last financial year. The Ministry attributes its overspending on supplementary funding to accrued domestic arrears, but with regard to food, it mentions unfavorable fluctuating prices, increased feed-able strength, increased training programmes, and fluctuating exchange rate that affected dry ratio items. Justification on increased cost of fuel was reportedly the ever increasing prices, increased operations, increased land and air capabilities, as well as increased training, and high dollar rates, among others.

5.6.6 Enhanced Medical care ensures stable coverage

Medicare was one of the areas that continued to register target performances in the second year running, after initially experiencing very low releases. The 65% of military personnel accessing the relevant services was fully met, with drugs, sundries, treatment abroad and primary health care among other services being provided to the UPDF soldiers and their families. While UGX 2.71bn was budgeted to be spent during the review, UGX 3.41bn is indicated as released, while UGX 3.89bn (143% of the budget) was the amount actually spent. An explanation provided reveals that the Ministry had a backlog of medical cases for treatment both abroad and locally which could not be met by the initial budget. This raised the necessity for a supplementary funding where UGX 700m was provided, but whose inadequacy could only be topped up by another UGX 47.5m from domestic arrears by the various health care service providers within the country. However, what stands out in this assessment is the improved access rate to health services by soldiers to the current 65% from a mere 16% in FY 2009/10.

5.6.7 Multi-disciplinary training reinforces Professionalisation program

The measurement of Defence capacity has been defined through the level of professionalism of the army which reflects the combat readiness, and based on the Defence Review, is determined by the level of training, equipment and preparedness. The sector reports that the force has well regularised and modern training programs according to international professional standards, and in its self-assessment, rated both the level of professionalism and the response to national threats as “high”. In the year under review, the professionalism enhancement program was vigorously managed, with Officers and Men undergoing various training courses both at basic and advanced levels.

Numbers trained continue to exceed target

Training of staff is a continuous activity with overlapping annual cycles. The sectors’ plan was to train and retrain over the medium term, and this is reportedly on-going. The 20 components planned and all conducted in the FY included: Basic, Leadership, Advanced, and Specialised courses, where the total targeted number was surpassed (6,921 against 6,000) without additional funding. Over fourteen inland courses, including air force pilot, Senior Command and Staff, Junior Staff, Company Commander, Officer Cadet, Non-commission Officer, and Peace Support Operation were conducted.

Others are basic military training, basic logistics and engineering, signal level III, clerical, engineering, tank crew, and artillery gunnery courses. Over 120 officers were facilitated for training in different countries abroad in various advanced courses that include Leadership, Command Staff, Specialised and Professional courses. The Ministry indicated spending UGX 6.95bn on this output, an amount higher than the annual budget of UGX 6.31bn, the overhead of which was reportedly acquired through supplementary funding. Suffice to add that the army's ideal response to national threats is considered effective given the sector's inadequate allocations in view of its operational nature and role. The methodology of measurement ("high") as used by the sector still poses a challenge as it is qualitative and subjective.

5.6.8 Internal and External Intelligence collection maintains target performance

The Internal Security Organisation (ISO) is mandated to collect internal intelligence, and this constitutes one of its key responsibilities. In the FY 2011/12 being assessed, it met its target of generating 208 reports. The sector also rated the level of both technical intelligence and human intelligence collected as "good" as targeted. The rating for intelligence has not been clearly defined, to which OPM continues to advise that the elements that constitute the rating "good" be availed to enable a comprehensive assessment. The institution, however, considers this information classified, hence a clear understanding of performance in this area will remain a challenge. However, while the security-focused targets continue to be achieved year-in year-out, there was notable turn-around in performance on training of staff. A total of 200 ISO and 100 administrative staff underwent training as planned, as opposed to the 25% performance which had persisted for the last three financial years. It was also indicated that the Vote benefited from a supplementary budget which overshot its annual budget by 12%. A total of UGX 30.56bn that was spent against an annual budget of UGX 27.21bn would have been a boost to its general performance, especially on the staff training programs. Despite this development, ISO reported that there has been increased demand for operations which have not been matched by a corresponding increase in resource allocation.

The mandate of the External Security Organisation (ESO) is to contribute to the enhancement of effective, efficient and credible security capacity that readily addresses specifically external threats. They gather both human and technical intelligence data and brief the relevant authorities daily. Like ISO above, ESO continued to perform as planned, achieving all its FY 2011/12 output targets. The generation of the relevant data, as well as the Weekly Intelligence Reports and the daily briefing to the relevant authorities – were all rated as "Yes". Like with ISO, the measure of performance assessment of the above output is qualitative and subjective, which makes it difficult to know the extent to which the output performed. . Unlike in the recent financial years, ESO was a huge beneficiary of supplementary funding in FY 2011/12, with a release of UGX 26.42bn – translating into 273% of the annual budget of UGX 9.67bn. All the money was spent, the detail of which is reported as classified.

5.6.9 Contributing towards stability and security in the African Region

The success of the armed forces is also determined by the role it plays in supporting and enhancing stability and security in the region within which it operates. Uganda has continued to play a leading role in her effort to establish peace in the Great Lakes Region. In 2008/09, Uganda's armed forces were supporting eight regional peace initiatives, and this dropped to only two major ones in FY 2009/10 – African Mission in Somalia (AMISOM) and Operation Lightning Thunder (OLT) in Democratic Republic of Congo and Central Africa Republic.

Uganda's Success story in the stability and security in the African region

Through FY 2010/11 to FY 2011/12, the sector reported presence of the UPDF in various countries pursuing different missions, the most notable being the AMISOM. Uganda continued to massively deploy alongside Burundi and Kenya, where significant progress has been registered in not only eliminating the Al-Shabab from the capital, Mogadishu, but also establishing an enabling environment for the people of Somalia to embark on the economic revival, as well as for the international community to respond to the humanitarian crisis. AMISOM has been able to facilitate the transfer of the Transitional Federal Government (TFG) from Kenya to Somalia, which led to the eventual establishment of a home-based government through the recent election of both Members of Parliament and the President.

Secondly, the Lord's Resistance Army is still an active force, operating in several countries in Central Africa, where it lately scaled up abductions and killings. The UPDF is, therefore, also present in the Democratic Republic of Congo (DRC) where it continues to team up with the Force Armees de la Republique Democratique du Congo (FARDC) and Armed Forces of Central Afrique (FAC) in its continuous effort to disable the LRA forces. This effort has been strategically joined by the United States of America who has deployed both its troops and equipment, with the ultimate aim of ensuring total elimination or capture of the LRA leadership and their followers. Other UPDF foreign undertakings in the FY are said to include their engagement in various joint training exercises, which include Ex – Milima – Kilimanjaro, Ex Natural Fire and Ex Amani Carana.

The Joint Operation by Government of Southern Sudan (GOSS), Democratic Republic of Congo (DRC) and Central African Republic (CAR) and AMISOM, have been very successful and Uganda has continuously been lobbying for more regional and international support to this initiative. The sector indicates that the African Union together with the United Nations are coordinating the regional and international efforts

5.6.10 Continued commitment to the East African Community peace initiative

The road map reportedly agreed upon by the East African Community as a mechanism to mitigate negative armed force within the region was to upgrade the Memorandum of Understanding on Defence and Security affairs to a protocol. With the African Union having sanctioned the formation of Regional Reaction Forces on the African continent, Uganda is an active member of the Eastern Africa Standby Force (EASF). UPDF annually participates in military exercises that are meant to enhance the force's readiness to respond to disasters and calamities in the East African region.

Performance in this outcome was good overall, and this was attributed to the willingness of member states to contribute to the peace process, which has also led to the completion of the protocol on Defence and Security. Increased participation by other regional governments in the AMISOM, for instance Kenya, Ethiopia in addition to Burundi and Uganda has yielded better results than the previous years. As by end of the FY, the AMISOM troops had more control of the Somalia territory than the weakening Al-shabaab terrorists.

The biggest challenge for the sector and for the Government at large is the insufficient budgetary allocations, resorting to supplementary every year. For the last six or so years, Ministry of Defence, and the Security Organisations have been consistently receiving supplementary spending as a result of limited MTEF ceiling for the sector. Supplementary spending affects the performance of sectors where reallocations are made and these impacts on implementation progress of Government programmes and service delivery to the public. It is not clear why the budget ceiling for this sector has not been raised as was agreed in the retreat of Cabinet of December last year.

6. Rural Development

The Rural Development cluster includes the sectors of Agriculture and Lands, Housing and Urban Development.

6.1 Agriculture Sector

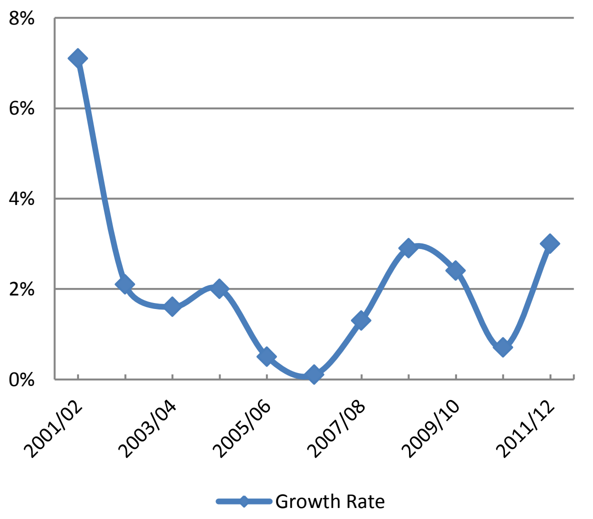
The vision of the agricultural sector is to be a competitive, profitable and sustainable sector. The objectives of the Development Strategy and Investment Plan (DSIP) are to increase rural incomes and livelihoods and to improve household food and nutrition security. This is to be achieved through enhancing factor productivity (land, labour and capital) in crops, livestock and fisheries, developing markets for primary and secondary agricultural products within Uganda, the region and beyond and ensuring favourable legal, policy and institutional frameworks that facilitate private sector expansion and profitability.

The sector is led by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), and includes the National Agricultural Research Organisation (NARO), the National Agricultural Advisory Service (NAADS), the Plan for the Modernisation of Agriculture (PMA) Secretariat, Cotton Development Organisation, Dairy Development Authority (DDA), Uganda Coffee Development Authority, the National Genetic Resource Information Centre and Data Bank (NAGRC&DB) and the Coordinating Office for Control of Trypanosomiasis in Uganda (COCTU).

6.1.1 Overview of Sector Performance

Available statistics[72] indicate that although the contribution of agriculture to total GDP has been fluctuating since 2001/02, the sector continues to dominate the Ugandan economy. It contributed approximately 22.9 per cent of GDP in 2011 and 65.6 % of working population is engaged in agriculture, forestry and fishing industry. The sector grew by 3% up from 0.7% in 2010/11, the highest rate of growth since 2002/03. However, this rate is still below the country's population growth rate which is on average 3.2% currently.

Figure 6.1.1 Agriculture Sector Growth Rate



The share of monetary agriculture in total agriculture also increased from 13.7% to 14.2%[73]. There was no data available on average per capita farmer incomes and percent of rural (agro-based) population using the financial services of formal institutions. These would be important statistics for assessing the sector's performance.

58% of the sector's outcome indicators had a positive trend, 25% had a negative trend while 17% could not be assessed due to lack of baseline data. In terms of outcome performance against target, only 17% outcome indicator targets were achieved, 42% were not achieved and 42% had no targets. Tea, cotton and coffee had slight improvement in terms of volumes compared to FY 2010/11 but

[72] UBOS Statistical Abstract, 2012
[73] UBOS Statistical Abstract,2012

earnings from these were lower than last year's due to a fall in world market prices (for further information, refer to Volume 2 data annex).

The total approved budget (GoU+ donor)[74] of the agriculture sector was UGX 434.079 bn, out of which UGX 301.547 bn (69.5%) was released and 283.702bn (94.1%) spent.

With respect to delivery of services (outputs), the sector's performance was fairly good with 65% of the sector's output indicator targets achieved with 69.5% of the approved budget released. 94% of this released budget was spent. MAAIF received only 35% of its approved Shs 124bn which was all spent. NARO received 58% of the budget but spent only 77%. The reason for the low release was because the donor funds came just one month to the end of the financial year, GoU component of the release was all spent. MAAIF achieved 68% of their 15 output targets. National Agriculture Advisory Services (NAADS), National Agricultural Research Organisation (NARO) and Dairy Development Authority (DDA) had 67% of their output indicator targets achieved and 33% not achieved by the end of the financial year. UCDA and CDO had 57% and 64% of their targets achieved respectively. Data was available for all the output indicators.

Table 6.1.1 Performance Scorecard for Agriculture Sector

Outcome Trends

	% positive trend	% achieved against target	% un-changed trend	% negative trend	% not achieved against target	% no trend data	% no target data	Denominator
Total	58%	17%	0%	25%	42%	17%	42%	12

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	65%	35%	0%	55
MAAIF	68%	32%	0%	22
CDO	64%	36%	0%	11
UCDA	57%	43%	0%	7
NARO	67%	33%	0%	3
NAADS	67%	33%	0%	6
DDA	67%	33%	0%	6

Action Performance

Action	% on Track	% off Track	% no data	Denominator
Cabinet	50%	25%	25%	4
PIRT	83%	17%	0%	6

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector Total	434.08	301.55	69%	283.7	94%	65%
MAAIF	124.01	43.42	35%	43.3	100%	35%
CDO	7.94	8.95	113%	5.06	57%	64%
UCDA	9.29	13.27	143%	12.12	91%	130%
NARO	102.67	59.78	58%	45.92	77%	45%
NAADS	52.96	46.11	87%	45.96	100%	87%
DDA	4.26	3.55	83%	3.56	100%	83%

[74] MoFPED, Annual Budget performance Report(ABPR) 2011/12

Table 6.1.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	21		12		6	
Year end	Green	Red	Green	Red	Green	Red
	2	19	4	8	4	2
	10%	90%	33%	67%	67%	33%

Table 6.1.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

6.1.2 Inadequate use of fertilisers and other modern agricultural practices

Use of modern agricultural practices and inputs like pesticides and fertilisers (such as nitrogen, phosphorous and potassium), improved varieties, mechanisation of agricultural activities and irrigation is critical to improving agricultural production and productivity. This would in turn increase farmers' incomes as well as ensure food security for Uganda. The NDP highlights increased supply of water for agricultural production and improved access to high quality inputs as fundamental strategies for achieving the sector's objective of improving food security among the rural households.

In comparison with neighbouring countries, Uganda uses 40,000 tonnes of fertiliser annually compared to Rwanda which uses 250,000 tonnes. Rwanda is now considered more food secure than Uganda. Malawi is now a surplus producer of maize due to a commitment to increased fertiliser use, something that was not possible a few years ago[75]. The low fertiliser usage in Uganda is attributed to high fertiliser prices, bulk packaging of fertilisers, lack of knowledge and labour on their application, poor marketing and supply and the belief that fertilisers negatively affect soil quality. These statistics indicate a need to design mechanisms that will make these inputs both available and affordable to Ugandan farmers.

The sector does not have an indicator that directly measures the use of fertilisers and other improved agro-chemicals but there are interventions taken to deliver on this. In the financial year 2011/12 MAAIF registered 77 and 72 chemical dealers and agro-chemicals respectively. Also, 186 staff were trained in pest surveillance, diagnostics and control against a target of 50 while 21 mobile plant clinics and diagnostic centres were operational, higher than the planned 20. The above target performance in these two areas was attributed to the outbreak of Giant Loopers, Maize Stalk borer and Coffee Leaf Rust that called for enhanced surveillance and attracted extra budgetary resources. The sector reported that they planned to carry out 60 crop disease and pest control interventions and achieved 74 by end of 2011/12. The number of livestock vaccinated was 2,405,000, above the planned 2,000,000.

Uganda Cotton Development Organisation (UCDO) planned to purchase and distribute 138,000 tins of pesticide to cotton farmers but achieved 838,836 by end of the financial year, thanks to support from private ginners who responded to the high demand for their finished cotton. UCDO also planned to purchase and distribute 1,000 spray pumps but achieved 489% (4,890) of the target for the same reasons.

[75] EPRC, July 2011-The role of fertilizers in the transformation of Uganda's agriculture

Water for agricultural production was a major area of focus in the NDP and the NRM manifesto. In order to reduce the consequences of over-dependence on natural rains, the NRM manifesto set out to rehabilitate four medium scale irrigation schemes (Doho in Butaleja, Mubuku in Kasese, and Olweny in Lira/Dokolo and Agoro in Kitgum). The government was to establish four new medium size irrigation schemes each with 2,000 hectares for promotion of irrigation. MAAIF crop department planned to construct six dams for crop based irrigation and had constructed seven by the end of the financial year. The department also constructed seven irrigation schemes out of the 10 planned for due to inadequate release of funds. However, the sector's data suggests that there is still too much dependence on natural rains as most of the performance rates are attributed to uncertain rain patterns. There is also no data regarding the area under irrigation as a percentage of agricultural land with irrigation potential and how these interventions have contributed towards achievement of outcomes. Lack of such data makes it difficult to assess progress in such critical areas that influence production and productivity.

6.1.3 Big gap between on-station and on-farm yields for improved varieties

Improving agricultural technological development is one of the strategies highlighted in both the NDP and the NRM manifesto. The responsibility of leading agricultural research is vested in the National Agricultural Research Organisation (NARO). This is a fundamental component of the sector in ensuring production and productivity through new and improved varieties that can withstand harsh climatic conditions, pests and diseases. In order to carry out the agricultural research function, NARO budgeted for Shs 102 bn and received only 58%. NARO released 25 new varieties by end of the financial year. The research agency also planned to initiate 72 research studies under the competitive grants scheme but none of these was realised owing to the late release of Agricultural Technology and Agribusiness Advisory Services (*ATAAS*) project funds. Some of the released funds were instead spent on the 13 on-going studies. NARO also generated 90 agricultural technologies. Under animal breeding and genetic development, the National Genetic Resource Information Centre and Data Bank (NAGRC&DB) planned to produce and sell 2,542 breeding cattle but achieved only 1,425 with all the UGX 2.41bn released and spent for this output.

Despite the above interventions, studies show that the a lot still needs to be done in order to have tangible outcomes. One study[76] indicates that current on-farm yields for most crops are far below the average that can be attained at the research station.

Table 6.1.1

Crop	On-farm yield (kg/ha)	On-station yield (kg/ha)	Yield gap (%)
Banana	5,000	45,000	800
Cassava	3,300	35,000	961
Ground nuts	700	3,500	400
Maize	2,300	7,000	204

Data source: UCA 2008/9 and NARO

There has been a widespread concern about the level of adoption of new technologies which seems to be very low and therefore not contributing adequately to the sector's objective of increasing production and productivity. Because of that, there is need to strengthen collaboration between the agriculture sector MDAs especially between NAADS (which is responsible for dissemination of the technologies), MAAIF crop department and NARO if the sector is to get better results.

[76] EPRC, July 2011- The role of fertilisers in the transformation of Uganda's Agriculture

6.1.4 Contested findings on the impact of NAADS

The National Agricultural Advisory Services Organisation (NAADS) is by far the biggest Government extension services delivery institution in Uganda though crop agencies like UCDA and UCDO also carry out some extension services. NAADS received 87% (46.105) of its UGX 53bn budget and all the release was spent by end of the financial year 2010/11, to achieve 67% of their output indicator targets.

NAADS promoted and supported 17 technology demonstrations and 11 strategic enterprises at national level. Under farmer institutional development, 64,800 functional farmer groups were supported by the agency. CDO established 2,899 demonstration plots for farmer training and recruited 120 extension workers. The establishment of demonstration plots was above target due to financial support from private ginners and the number of extension workers was increased for better coverage of cotton growing areas. UCDA set a target to provide technical extension services to 300 coffee exporters and primary processors but achieved below target with only 200 reached as some of the premises were not operating and others were inaccessible. Also 103 coffee quality control officers were trained by the coffee authority.

The performance of extension services is fair at output level but empirical evidence on the impact of NAADS gives mixed conclusions. According to a study[77] conducted by the Budget Monitoring and Accountability Unit of MoFPED and released in February 2012, the NAADS programme had a positive impact on food security among farmers. This was reflected in reduction of households eating only one meal a day. The report points out though that the scope of programme coverage is still very limited both in number of farmers reached (only 34%) as well as level of agricultural production supported. The funding for the NAADS programme at local government level is inadequate and this is worsened by increase in the number of parishes as the fixed funds have to be shared among more parishes. Findings also show that the supported farmers attributed only 25% of their production to NAADS interventions. It is recommended that the NAADS programme should be adequately funded to enable sufficient outreach to farmers for enhancing household and national food security. Areas that require additional funding include food security farmers and market oriented farmers, training the NAADS staff and equipping and financing the operations of the districts and sub-county NAADS offices and officers.

Another study (Benin, 2009) had found that between 2004 and 2008, NAADS was associated with an average of 24-53 percent increase in per capita agricultural income of the programme's direct participants compared to their non-participating counterparts. However, other commentators note that, despite reported successes of the programme, overall indicators for agricultural growth are not improving (Joughin and Kjoer, 2011).

A survey was carried out by EPRC in May 2010 comparing NAADS and non-NAADS farmers. Its findings indicate that there were no significant differences between NAADS and non-NAADS farmers in terms of the area cultivated, output and yield of maize, groundnuts and rice. The only exception was groundnut enterprise where, on average, the area cultivated by NAADS farmers was slightly higher (about 2 acres) relative to their non-NAADS counterparts (1.4 acres). The survey revealed that when the economic value of the inputs provided to NAADS farmers is imputed into costs of production, the non-NAADS farmers' gross profits tend to be significantly greater than that of NAADS farmers. In particular, results for maize in the survey suggest that NAADS farmers make losses if NAADS subsidy was to be fully refunded by the farmers. The likely reason for this is the high (inflated) value imputed on NAADS inputs by NAADS administrators on one hand and the low cost of

[77] Financing the Food Security Budget in the National Agricultural Advisory services, Adequacy and Impacts in a decentralized system

production by non-NAADS farmers. This is due to overreliance on the use of local inputs and family labour on the other hand.

6.1.5 Marketing and value addition

The agriculture sector DSIP 2010/11-2014/15 points out that marketing and value addition constraints are one of the four major challenges to the sector. All agriculture sector MDAs are supposed to contribute towards marketing and value addition. The NDP and NRM manifesto also identify a number of strategies to improve marketing and value addition. These include but are not limited to: enhancing value addition to primary products & promoting collective marketing, promoting Small and Medium Enterprises (SME) industrial development and establishing a Commercialisation Challenge Fund (CCF).

The budget speech and background to the budget emphasised sustaining and expanding the established Agricultural Credit Guarantee Scheme. In addition, they pointed out strengthening the incentive scheme for agricultural exports and the development of a national programme for commercial access to inputs. The provision of incentives to the private sector would lead to acquiring technologies and tools for use by farmers' groups and individuals.

In terms of output performance towards marketing and value addition, MAAIF planned to have a total of 60 farmer groups involved in primary processing but reached 92 groups. The seemingly above target performance was attributed to the fact that some of the groups that were too large split into smaller groups for ease of management. The department of animal resources constructed 5 livestock markets. UCDA certified 3.04 million bags of coffee for export and this performance was attributed to higher volume of coffee production in the financial year. The number of bags of specialty coffee produced and exported 57,413 by the end of the financial year. Generic promotions were undertaken on the exported coffee. NAADS supported 11 agro-processing/ value addition units at the national level.

Dairy Development Authority planned to procure and distribute 510 units of milk handling equipment but achieved 139% of the target due to an allocation of more funds by parliament. They procured and distributed 10 labor saving technologies. The number of farmers trained on dairy production and marketing was also below target with 1078 trained against a target of 1200. 132 milk road tankers were inspected, registered and licensed. For purposes of quality assurance, 1564 dairy premises were inspected, registered and licensed against the planned 655 as result of establishment of new offices in Mbarara and Malaba.

There is however no evidence to assess the impact of these interventions on marketing and value-addition. There is also no data regarding the status of the Agricultural Credit Guarantee Scheme and how it has influenced the sector's performance.

6.2 Lands, Housing and Urban Development sector

The vision of the sector is that Uganda's land resources are used productively and sustainably for security of livelihoods and poverty eradication. The key objectives of the sector include: security of land tenure and productive use of land resources, efficient, effective and sustainable physical planning and urban development, and improved housing quality and increased housing stock that meets the housing needs of the population.

6.2.1 Overview of sector performance

The sector was allocated UGX 32.4 bn, of which 77% was released and of this 99% was spent. The Ministry of Lands, Housing and Urban Development had a budget of UGX 18.1 bn, of which 65% was released and of this 100% was spent. The Uganda Lands Commission was allocated UGX 13.3 bn, of which 98% was released and 100% of this was spent.

Assessment of the outcome performance against targets revealed that three of the five sector outcome indicators recorded a positive trend; the target on one indicator was not achieved while there was no assessment on two other indicators due to data gaps. Three indicators registered a positive trend while the rest could not be assessed due to absence of data. A summary of annual sector performance is presented in the scorecard below.

Table 6.2.1 Performance Scorecard for the Lands, Housing and Urban Development Sector

Outcome Trends

	% positive trend	% achieved against target	% un-Changed trend	% negative trend	% not achieved against target	% no data	Denominator
Total	60%	40%	0%	0%	20%	40%	5

Output Performance

Outputs	% achieved	% not achieved	% no data	Denominator
Sector	32%	68%	0%	34
MoLHUD	27%	73%	0%	26
ULC	50%	50%	0%	8

Action Performance

Action	% On Track	% Off Track	% no data	Denominator
Cabinet	20%	80%	0%	5
PIRT	67%	33%	0%	3

Budget Performance

Budget	Approved (Bn UGX)	Released (Bn UGX)	% budget released	Spent (Bn UGX)	% release spent	% budget spent
Sector	32.4	24.9	77%	24.6	99%	76%
MoLHUD	18.1	11.7	65%	11.4	100%	66%
ULC	13.3	13.1	98%	13.1	100%	99%

The sector reported an insignificant increase in percentage of land that is surveyed and registered, from 20% recorded in FY 2010/11 to 20.5%. This under-performance was because the activity is demand driven; few people have requested the sector the survey and register their land. It is also important to note that most of the transactions reported are taking place in Buganda where land is already surveyed and registered as people sell land; surveying to establish boundaries is often demanded.

The sector, quoting data from the UN Habitat 2009 report, highlighted that the percentage of urban population living in slums and informal settlements has increased from 60% to 63.6%, due to an increase in the urban population and due to many unplanned developments taking place in urban areas. The urban population is growing because of rural-urban migration: many poor people who cannot afford decent housing live in slums. In addition, the sector registered an increase in housing stock[78] from 6.2m to 6.3m indicating an upward trend, although the country still experiences a huge housing deficit of 550,000 units. The sector could not report on the percentage of people living in permanent housing, this awaits the national population census.

As presented above, the sector achieved targets on 32% of output indicators, and did not achieve targets on 68% of the indicators but no reasons were given for this poor performance. This year round the sector was able to provide data on all output indicators, due to better collaboration with the Uganda Bureau of Statistics (UBOS). In regard to assessment on actions from the Cabinet Retreat to discuss the GAPR 2010/11, the sector registered on-track rating of 20%, with 80% of the actions off-track.

For the period 2010-2015, the NDP and the NRM manifesto proposed strategies and interventions that would enable the sector to execute its mandate. Among these was, the rollout of the Land Information System to 6 district land offices, construction of 9 Regional land offices, promotion of rural housing development schemes, increased access and availability of long-term affordable housing finance, formulation of the National Land Policy, promotion of good sanitation and hygiene practices in households, communities and rural growth centres and locate and monitor earthquakes, map seismic risk and mitigate their impact. These would be achieved through the targets established and achieved annually.

Table 6.2.2 Analysis of half year performance

Half year	Green		Yellow		Red	
	6		6		21	
Year end	Green	Red	Green	Red	Green	Red
	5	1	1	5	6	15
	83%	17%	17%	83%	29%	71%

Table 6.2.2 provides an analysis of what happens to indicators that are rated green, red or yellow at the half year stage, in the Government Half Annual Performance Report. The purpose of the GHAPR is to provide an update on progress in the first six months of the year and establish remedial actions for each sector to turn red or yellow indicators green. The purpose of this analysis is to explore the likelihood that an indicator that is considered off track or cannot be judged at the half annual stage is assessed as achieved at the end of the year.

[78] National housing stock refers to the total of number of housing units in the country. A housing unit refers to a separate and independent place of abode, intended for habitation by one household, or one not intended for habitation but occupied as living quarters by a household at the time of enumeration.

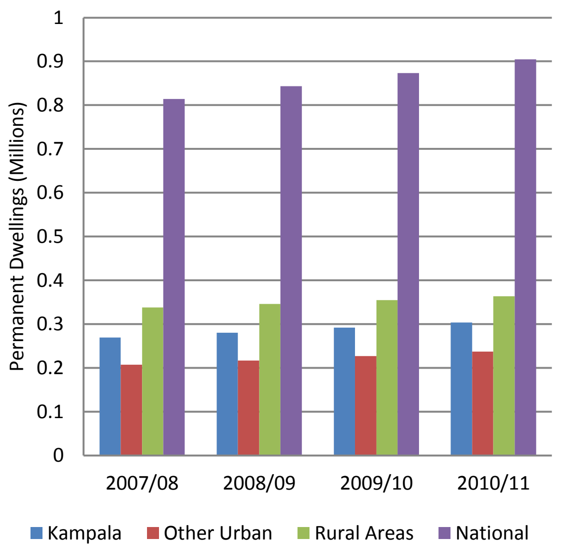
6.2.2 National housing deficit

Uganda's population has been rising steadily and hit 34 million this year, from 24.7 million in 2002 and is projected to reach 54.8 million by 2025. The national housing deficit stands at 550,000 housing units with 160,000 units in urban centres and Kampala alone accounting for 100,000 units.

Quality housing is a critical necessity and a human right. Housing not only provides shelter, but is the cornerstone of community life, the centre of family activities, and a reference point for societal esteem, as well as the most important financial asset most households will ever acquire. There is a limited or fragmented effort by the sector and approaches by the private sector do not to favour the largely poor population. The number one commitment of the Habitat Agenda, also known as The Istanbul Declaration, ratified by Uganda, binds countries to promote adequate shelter through the provision of tenure and promotion of the right to adequate housing, including access to land, credit and basic services.

The housing stock has been growing too slowly to keep up with population growth. According to the recent Lands, Housing and Urban Development Statistical Abstract 2012, the national housing stock has increased by 6.7% since 2008, and currently stands at 6.3m units. Of these, only 0.94m are permanent, leaving an estimated 3.8m Ugandans still homeless, of which 2.8m living in rural areas.

Figure 6.2.1 Permanent Housing Stock



The majority of housing in the country is provided by individuals depending on their ability to afford constructing a house. Government responses, are meant to focus on policy and service delivery mechanisms, including a pro-poor housing policy, affordable mortgage ,among others to meet the housing need in terms of quality, adequate numbers, affordable and appropriate type of housing to the population.

The establishment of management corporations for condominium estates and the implementation of Kasoli Housing Development project, which are key interventions in the housing sub-sector, still remain off track. During the FY 2011/2012, the sector recorded a 37.5% achievement of the target on this intervention. By close of FY 2010/2011 it had achieved 20% progress and as noted above, there has been minimal improvement in the housing stock and number of people living in permanent housing.

The World Bank (2012) suggests that four million housing units will need to be built in Uganda before 2035. The same report thinks that direct public expenditure on housing cannot meet the growing housing need. The report proposes addressing the supply and demand constraints for all income groups, including financial and pension sector reforms and ensuring the availability of long-term capital to finance the housing gap. Interventions like housing microfinance, mini-mortgages and subsidies are critical in this move just as part of the functional housing finance systems which benefit lower income groups. World Bank and the UN Habitat agree that the unavailability of reasonably priced and well-located serviced land is the single greatest constraint to the rapid expansion of housing opportunities for low and moderate income households.

6.2.3 Land administration

The challenges of the land tenure system have led to land disputes and conflicts between landlords and tenants. A core role of the sector is designing and universalising a land tenure system that would instill confidence in individuals, communities and institutions which own or desire to accumulate land as an asset.

During FY 2011/2012, the Ministry of Lands, Housing and Urban Development achieved one out of four indicator targets related to land registration, handled two out of the ten land related laws, regulations and guidelines planned. On land titles, the sector reported that the activity is demand driven and the procedure of tax clearance by URA constrains demand significantly. The target on number of titles sorted, scanned and entered in the database was achieved due to the commitment from the LIS project which provided resources timely. The number of leases processed was off-target due to lack of lease documents as a result of limited funding. The number of titles issues was also off-target due to the lack of cover papers as a result of limited funding. None of the surveys and mapping indicator targets was achieved the due to lack of funds in the quarter three and four, limited manpower for systematic demarcation and bureaucratic negotiations with neighbouring countries.

According to the Lands Sector Strategic Plan (LSSP) only around 15% of Uganda's land has been surveyed, and a full physical cadastre exists only for parts of Kampala. The Land Information System, which if completed will speed up registration and titling, is yet to be completed and it takes a long time before a title is issued. Such delays often lead to discouraging or postponing of investment. On internal and international boarder demarcations, the sector has consistently failed to achieve targets on demarcations for both national and international boundaries. There has been an increase of districts whose boundaries need to be surveyed and demarcated.

The Poverty Status Report for Uganda 2012 recorded that a fluid market in rights to secure land is required to boost agricultural growth and facilitate urbanisation as a driver of growth. Land is one of the most important assets in Uganda, particularly for poor farmers, but the dominant mailo and customary land tenure systems are plagued by overlapping claims and restrictions on land use. According to the same report, the investment disincentives resulting from tenure insecurity reduce agricultural productivity by 25 percent. Therefore in an economy largely dependent on agriculture, the role of a secure land sector cannot be underestimated. Given problems surrounding land tenure rights, it must be made easier for smallholder farmers to use alternative forms of collateral.

In the Lands Sector Strategic Plan, the sector committed itself to contribute to the preservation and proper management of common property and resources, protect the security of tenure of tenants on registered land and protect the security of tenure of people on customary land. If the sector is to achieve a desirable state of land administration, fast-tracking execution of specific commitments, including efficient and cost-effective delivery of land services and enforcing sustainable land-use is a pre-requisite.

According to the LSSP, the delivery of land services, like resolution of conflicts and enforcement of land related laws, is primarily through decentralised structures, and the responsibility of public and private sector actors. Land administration and management is the responsibility of districts through their councils, District Land Boards, and Land Officers, and of sub-counties through their Sub-County Chiefs and Sub-County Land Committees. Technical services are provided through phased support to District Land Offices based on local demand and existing capacity. Despite these structures, there still exists land related issues especially a back log of land cases and conflicts, often solved through mob justice signifying inefficiencies that need to be addressed.

Concerning land-use planning, progress on implementation of the National Land Use Policy is behind target and yet districts to which physical planning guidelines and standards have been disseminated are still waiting. The National Land use policy was disseminated to 25 districts (out of 40 targeted) .The discovery of oil in the Albertine graben poses a fresh challenge to the sector to ensure that land there is effectively, efficiently and yet sustainably utilised. Many areas gazzetted for natural resources or wetlands have often been encroached on with authorities still battling with people who are making developments in areas like wetlands. The Albertine region, with the discovery of oil requires a comprehensive plan for development.

The Poverty Status Report for Uganda 2012 argues that industries require a minimum population catchment to ensure profitability, and stand to benefit from complementary services, proximity to other inputs, information and marketing spillovers. Establishment of industries in "wrong" areas still continues unabated. Such challenges require a more solid policy framework with enforcement of existing regulations, and these are currently still wanting.

6.2.4 Urban planning challenge

Part of the sector's mandate is to ensure effective and sustainable physical planning and urban development, through policy formulation and enforcement. As a result it is important to assess how the sector has performed in response to rising urbanisation and its attendant challenges including planning for infrastructure development.

According to the State of Uganda Population Report published in 2007, the country's urban growth rate of 5.1% has out-stripped society's capacity to meet human needs, leaving millions of people with inadequate incomes, diet, housing and other social services. Though urban areas cover less than 1% of the country, it accounts for an increasing percentage of the population with Uganda Bureau of Statistics (UBOS) estimating the urban population at 13% by 2011.

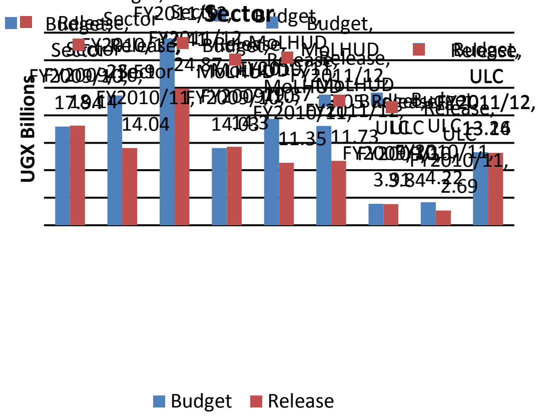
In FY 2007/2008, the Ministry established the Department of Land Use Regulation and Compliance with a mandate to ensure adequately planned land use systems that provide for orderly and sustainable urbanisation, industrial and infrastructure development. The department also has a mandate to update and harmonise all land use related policies and laws, and strengthen institutional capacity at all levels of government so as to guarantee that land use regulatory framework is complied with country wide. During FY 2011/2012, due to limited funding, targets on urban development policies, strategies, guidelines and standards were missed. It is important to note that seven out of fourteen urban centres compiling urban indicators and implementing urban campaigns. Also the National Urban Policy still remain at 25%.

Planning for urban transformation across the country will be needed to ensure that urban areas, especially Kampala, play their appropriate economic role and grow efficiently. Specifically, government ought to address prevailing planning, policy and investment bottlenecks in order to optimise returns from urbanisation. In February 2012, the World Bank published a synthesis report titled Promoting Inclusive Growth, focused on Uganda. The report highlighted pillars for addressing urban development bottlenecks, including equitable basic services as the key foundation of a successful urbanisation strategy;, reform of land policies and institutions to support urban efficiency, connectivity and mobility within cities, regional transport for freight movement including infrastructure improvements and regulatory reform and housing and slum improvement for livability. These will be key prerequisites for sustainable urban development in Uganda.

6.2.5 Sector Budget and output under-performance

For the last three financial years the sector has been receiving less than 100% of its budget and has consistently associated level of performance to lack of funding. According to sector data, the highest amount released to the sector in a single financial year was UGX 24.9 bn for FY 2011/2012, which was lower than budgeted and the lowest was UGX 14 bn in FY 2010/11. The releases for the sector have continuously declined save for the FY 2009/10 which registered an increase. The funding to the Ministry has been declining since 2010/2011 and relatively increasing for the Uganda Lands Commission.

Figure 6.2.2 Budget and Releases in the Sector



It is however, important to note tha,t though financing has been a common explanation for under performance by the sector, in FY 2011/12 the sector received 77% of its allocated budget and used it to deliver just 32% of the targets at output level, 20% of previous Cabinet Retreat actions and 67% of PIRT recommendations. This is a performance level well below the level of releases and suggests other factors may be to blame for under-performance in the sector. There is a need to urgently look other factors that could be contributing to continued failure to meet targets. These factors may include staffing levels, capacity of LGs, and demand from the public affect a number of outputs in the sector.

There is also need to review funding mechanisms proposed in the Lands, Sector Strategic Plan. The plan proposed two important new funding mechanisms to be developed and implemented over the lifetime of the LSSP: a move towards budget support for the land sector from development partners, and transfer of funds to local authorities for expenditure on local priorities within the sector. Increasing levels of funds were expected to be planned for, spent and accounted for. In addition, last financial year, over 50% of the sector budget was released to Uganda Lands Commission which handles one component of government land administration. The Ministry of Finance Planning and Economic Development (MoFPED) needs to explain the justification for such a funding shift especially whether government is intentionally prioritising government land administration.

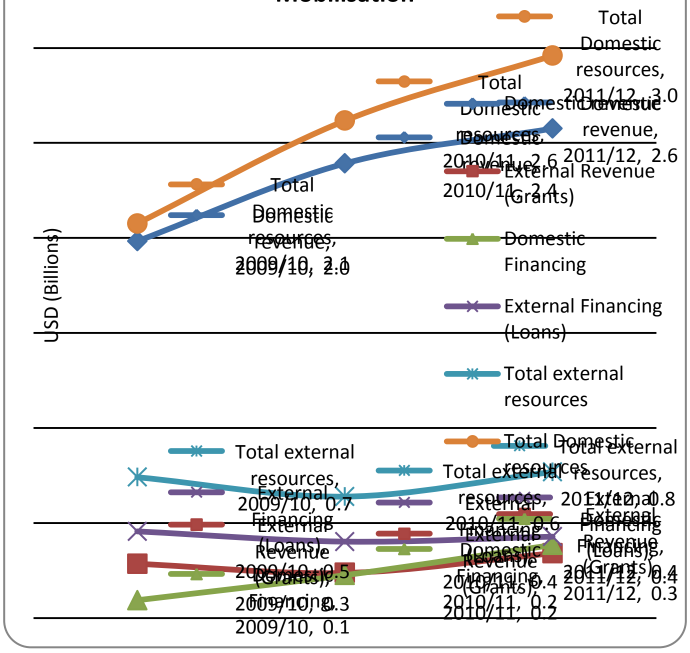
7. Development Partners and Official Development Assistance

This chapter provides an overview of the achievements and key challenges remaining surrounding the delivery and management of ODA. It provides a basis for mutual accountability between GoU and its Development Partners (DP) for the effective delivery of ODA resources and the achievement of results.

7.1 Contribution of ODA to the National Budget

In the FY 2011/12 budget a total of USD 1,178m of external resources were projected as compared to USD 951m in the FY 2010/11. USD 409.9m was expected in the form of budget support and USD 768.3m in the form of project support. However, in terms of its relative contribution to total public expenditure, external assistance (excluding budget support) remained at about 19% for FY 2010/11 and FY 2011/12, as illustrated in figure 7.1.1. The contribution of grants to total budget revenue remained at 15% in FY 2011/12, while external financing increased from 12% in FY 2010/11 to 15% in FY 2011/12 budget estimates. This trend is in line with GoU commitments to reduce overall reliance on foreign assistance by increasing domestic resource mobilisation.

Figure 7.1.1 External vs Domestic Resource Mobilisation



In FY 2011/12 10 new loans and 33 new grant agreements were signed, amounting in total to USD 1.1bn. Of this new additional resource envelope, 24% was committed in the form of budget support, while 76% was pledged in the form of project support.[79] The total volume of new loans contracted as a percentage of overall new external resources mobilised during 2011/12 decreased compared to the previous year, as depicted in Table 7.1.1. This was partly due to increased new grant financing particularly budget support from the United Kingdom for the period 2011/12 – 2014/15.

Table 7.1.1: Total New Loan and Grant concluded in USD m (2009/10-2011/12)

	FY 2009/10		FY 2010/11		FY 2011/12	
	Amount	Share	Amount	Share	Amount	Share
Total New External Financing	1,597		1,422		1,120	
New Loans Signed	1,049	65.7%	1,174	82.6%	620	44.7%
New Grants Signed	548	34.3%	248	17.4%	500	55.34%

Source: MFPED

[79] New external financing in a given financial year refers to multi-year loan and grant agreements signed during that period and do not represent actual aid flows.

7.2 Predictability of Assistance

The FY 2011/12 national budget projected external assistance amounting to USD 1,178 m compared to USD 951m projected in FY 2010/11. Actual disbursements fell 30% short of this projected figure, as only USD 822m out of the projected amount was disbursed. There are number of factors which explain the low disbursement performance. Project support disbursements are dependent to project performance; overall project performance has been slow. The slow implementation and/or low absorption of resources is attributed to procurement, changes in design, land acquisition, delays in effectiveness, and financial management.

The slow disbursement jeopardises the credibility of the budget. In order to ensure credibility of the budget, Government has undertaken reforms for better planning at budget preparation stages through improved coordination with DPs to ensure better estimation of foreign inflows at the beginning of the financial year.

Regarding slow project implementation, the Government is the process of strengthening Public Investment management with a view of improving project selection, appraisal and analysis (including economic analysis) before the project is approved and sanctioned for funding. Furthermore, the Government has improved its ability to monitor project implementation and aid information management. Government has installed a web based aid information management system as a means of enhancing aid information management. This will greatly improve GoU ability to monitor disbursement performance. Predictability in foreign assistance flows has improved during recent years, as illustrated in Table 7.1.2 below.

Table 7.1.2: Disbursement Performance of Loans and Grants (including Debt Relief)

USD millions	2010/11			2011/12		
	Approved	Outturn	Disbursement Rate	Approved	Outturn	Disbursement Rate
Grants						
Total Grants	524	381	73%	600	432	72%
Budget Support	287	176	61%	260	230	88%
Projects	237	205	86%	340	202	59%
Loans						
Total Loans	427	403	94%	578	390	67%
Budget Support	25	102	407%	150	102	68%
Projects	410	301	73%	428	288	67%

7.3 Alignment of Priorities

Alignment of external assistance to National development priorities is critical for development effectiveness. The importance of close alignment of external support is one of the key principles of the Paris Declaration and Busan outcome on Development effectiveness. In FY 2011/12 the overall distribution of project money was broadly in line with the expenditure framework under the NDP. Most project funds were allocated towards Works and Transport followed by Energy and Minerals, and Public Sector Management, categories to which the NDP earmarked substantial funding (see table 7.1.3).

Table 7.1.3: Summary of Donor Disbursements by Sector FY 2011/12 in Millions of USD

DONOR	Agriculture	Lands & Housing	Energy	Works & Transport	ICT	Trade & Industry	Education	Health	Water & Environment	Social Development	Security	JLOS	Public Sector Mgt	Accountability	Public Administration	General Budget Support	TOTAL	% of Total Disbursement
ADF	18.60	12.35	6.93	90.54	-	-	12.87	4.28	11.60	-	-	-	12.77	-	-	-	**169.93**	18.4%
EU	-	-	-	23.64	-	0.63	-	-	0.70	-	-	2.31	16.33	0.06	-	58.19	**101.86**	11.1%
IDA	7.80	1.17	28.52	42.41	-	-	27.32	17.03	10.17	-	-	-	69.40	13.40	0.20	48.66	**266.08**	28.9%
IFAD	5.54	-	-	-	-	-	-	-	-	-	-	-	3.95	2.34	-	-	**11.82**	1.3%
IDB	-	-	-	0.07	-	-	0.24	-	-	-	-	-	-	0.78	-	-	**1.09**	0.1%
OPEC	-	-	-	-	-	-	0.21	-	-	-	-	-	-	-	-	-	**0.21**	0.0%
NDF	-	-	1.78	0.55	-	-	-	-	2.20	-	-	-	-	-	-	-	**4.53**	0.5%
UN	-	-	-	-	-	-	-	-	-	-	7.20	-	-	-	-	-	**7.20**	0.8%
GEF	-	-	1.62	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.62**	0.2%
ACBF	-	-	-	-	-	-	-	-	-	-	-	-	0.26	0.10	-	-	**0.36**	0.0%
GLOBAL FUND	-	-	-	-	-	-	-	34.86	-	-	-	-	-	-	-	-	**34.86**	3.8%
AU	-	-	-	-	-	-	-	-	-	-	63.19	-	-	-	-	-	**63.19**	6.9%
AUSTRIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.72	**7.72**	0.8%
BELGIUM	-	-	-	-	-	-	-	0.21	-	-	-	-	-	0.14	-	-	**0.35**	0.0%
CHINA	-	-	-	52.50	1.18	-	-	-	-	-	-	-	50.12	-	-	-	**103.80**	11.3%
DENMARK	-	-	-	-	-	-	-	-	2.47	-	-	-	-	-	-	9.00	**11.47**	1.2%
GERMANY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.43	**9.43**	1.0%
IRELAND	-	-	-	-	-	-	8.51	-	-	-	-	12.29	-	1.80	-	-	**22.60**	2.5%
JAPAN	-	-	2.01	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.01**	0.2%
NORWAY	0.10	-	34.59	-	-	-	-	-	0.68	0.17	-	-	-	0.50	-	10.00	**46.04**	5.0%
SPAIN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.55	**7.55**	0.8%
SWEDEN	-	-	-	-	-	-	-	-	-	-	-	-	-	1.16	-	6.73	**7.88**	0.9%
UK	-	-	-	-	-	-	-	-	-	0.69	-	-	0.01	-	-	39.13	**39.82**	4.3%
TOTAL	**32.04**	**13.52**	**75.45**	**209.71**	**1.18**	**0.63**	**49.15**	**56.38**	**27.82**	**0.86**	**70.39**	**14.60**	**152.83**	**20.28**	**0.20**	**196.41**	**921.45**	
	3.5%	1.5%	8.2%	22.8%	0.1%	0.1%	5.3%	6.1%	3.0%	0.1%	7.6%	1.6%	16.6%	2.2%	0.0%	21.3%		

Source: *MFPED*

7.4 Use of Government Systems

The use of country systems to manage ODA resources has long been recognised as a crucial principle for the effective use of aid resources and has become a central plank of the aid effectiveness agenda. Both the Paris Declaration, Accra Agenda for Action and Busan Outcome Document affirm the importance of partner government's capacity to implement its policies and manage public resources through its own institutions and systems in order to achieve and account for development results. The use of country systems is a prerequisite in order to achieve effective and sustainable development outcomes of aid. ODA must be delivered in a way that supports government ownership and strengthens, rather than undermines, country systems. Despite these commitments, the results of the 2011 Paris Monitoring Survey indicate that progress in many countries in increasing the use of government Public Financial Management (PFM) and procurement systems was particularly slow.

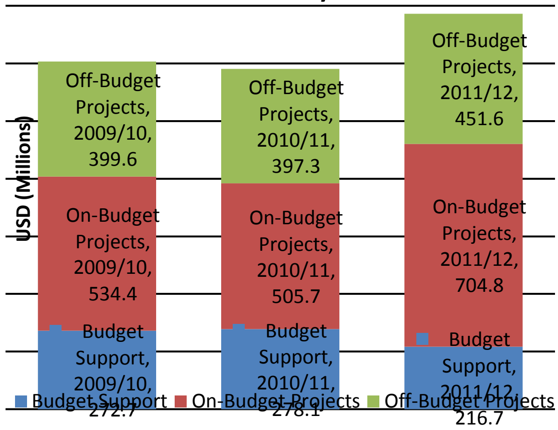
Despite Governments efforts to improve Public Financial Management systems with a view of ensuring transparency and accountability, a significant amount of ODA is still channeled outside Government systems. During FY 2011/12 Uganda received off-budget aid amounting to USD 451m, which is equivalent to 39% of all project aid. This share has remained rather stable in recent years at 43% and 44% in FY 2009/10 and FY 2010/11 respectively. Meanwhile, the use of budget support as an aid modality has declined substantially from 61% of total on-budget assistance in 2008/09 to 24% in FY 2011/12.

On-budget (MTEF) projects make use of Government PFM systems such as planning, appropriation and budgeting procedures but vary in the extent to which they make use of other systems such as budget execution, financial reporting and auditing procedures. Off-budget ('Non-MTEF') project support or technical cooperation is not integrated into Government spending plans and the appropriation of project funds are not subject to parliamentary approval. Government planning, PFM and/or procurement procedures are, to a large extent, not used in full in the management and disbursement of these resources/projects. Budget support is the aid modality which uses country systems to its fullest extent, as it uses country PFM systems and is completely integrated into the budget planning and execution process. Figure 7.1.3 illustrates the composition of aid inflows according to different aid modalities.

7.5 The Partnership Policy

GoU continues to be committed to efficient management of ODA, as well as to increasing the effectiveness of aid. During the past financial year the Government embarked on the process of developing a Partnership Policy (PP), which aims to improve the effectiveness of development assistance, through greater government ownership and leadership, strengthen economic management of aid, by increasing the use of government systems to deliver development assistance and by improving the coordination of off-budget flows and increase transparency and accountability between the Government, DPs, and civil society in general.

Figure 7.1.2 External Assistance by Aid Modality



The PP, once approved by Cabinet, will replace the Partnership Principles of 2003 between GoU and its DPs. The PP sets out a number of commitments and actions for both GoU and DPs, to maximise aid effectiveness and are thus GoU's main policy to continue working towards achieving the principles of the Paris Declaration and Busan Outcome on Development Effectiveness.

The Partnership Policy sets out the guiding principles for the relationship between DPs and Government and the priorities for the external assistance they provide. In particular, it outlines the policies which the Government and DPs will pursue in the following areas

- Reducing Aid Dependency
- Emphasising preferred modalities for Development Cooperation
- Increasing alignment with government systems
- Reducing transactions costs
- Increasing Predictability of aid flows
- Deepening Mutual Accountability and Domestic Transparency

A monitoring framework with specific actions and indicators has been developed in order to measure progress in the implementation of the policy.

7.6 Policy Measures to Enhance the Coordination and Mobilisation of External Resources

The Government is currently facing a decline in ODA commitments, particularly in terms of budget support. This decline is partly driven by the current global economic crisis, which has caused many donors to look into their own public finances. Macroeconomic projections for the medium term covering financial years 2011/12 – 2014/15 confirm this declining trend in external assistance. In addition, higher political sensitivity to aid among the general public in partner countries will probably imply a shift from budget support to projects, as budget support is considered politically more risky by donor countries. In fact, most DPs in Uganda have been hesitant to commit to scaling up general or sector budget support over the medium term.

Absorption capacity in a number of Ministries, Departments and Agencies (MDAs) has remained low, due to delays in implementation and accountability of aid-funded interventions. At the same time, accurate and timely ODA reporting, especially when it comes to tracking ODA channeled outside government systems (off-budget) to MDA, NGOs and the private sector, also remains a challenge.

In light of these developments, GoU has embarked on measures which aim at enhancing the management and timely disbursement of project aid, such as the promulgation of the PP, continued donor portfolio reviews, a review of the Public Investment Management system, the implementation of an enhanced framework for monitoring externally-financed projects, and installation of a web based aid information management system.

7.6.1 Government-led portfolio reviews

MFPED continues to undertake portfolio reviews with development partners, in order to identify and address any implementation issues hindering the achievement of project objectives. The portfolio reviews involves representatives from DPs, implementing agencies and civil society.

Several cross-cutting issues affecting the absorption and effective utilisation of project loans and grants were identified by the reviews and were subsequently addressed. Problematic areas included procurement delays caused by the complex procurement procedures required by some DPs, capacity constraints on the part of project implementers, weaknesses of internal audit functions within some MDAs and delays in the parliamentary approval of some loan agreements.

GoU aims at undertaking Annual Portfolio reviews with all DPs as part of its increased efforts to ensure timely and efficient disbursement of project aid and the achievement of project objectives. Furthermore, the reviews will help to increase the short-term predictability of project financing by helping to ensure that conditions are met for timely disbursement.

7.6.2 Monitoring framework for externally financed projects

MFPED has developed a monitoring framework for externally financed projects through which project implementers will be required to report on the physical and financial performance of projects. A monitoring template and database have been developed to capture detailed project and portfolio level information, in order to improve the management and reporting on the use of project funds.

7.6.3 Aid information management

Over time there has been a significant improvement in data collection and reporting. However, bringing ODA data into a single source for Government remains a challenging task. In this regard, MFPED is in the final stages of operationalising a web-based system, the Public Investment Management and Information system (PIMIS) to ensure timely and accurate ODA reporting. The Public Investment Management and Information system (PIMIS) is expected to improve information flows between Development Partners, Government and other stakeholders. PIMIS will provide an online software tool that can improve the availability of aid information and promote sharing of data across the project cycle from planning and implementation to monitoring and evaluation stages. With information stored in an easily accessible system, government will be able to make informed decisions about resource allocation. This will in turn strengthen donor coordination, harmonisation, and alignment of development assistance with national priorities, increase the use of government systems to channel aid, and foster overall transparency during project execution.

Annex 1 Acronyms

ADB	African Development Bank
ADF	Allied Democratic Front
AGOA	African Growth Opportunity Act
AMIS	Aid Management Information System
AMISOM	African Mission in Somalia
ATAAS	Agriculture Technology and Agribusiness Advisory Services
AU	African Union
BFPs	Budget Frame Papers
BoU	Bank of Uganda
BPO	Business Process Outsourcing
BTVET	Business Technical Vocational Education Training
CAADP	Comprehensive Africa Agriculture Development Program
CADER	Centre for Alternative Dispute Resolution
CAR	Central African Republic
CCF	Commercialisation Challenge Fund
CDO	Cotton Development Organisation,
CHOGM	Commonwealth Heads of Government Meeting
CMP	Common Market Protocol
COCTU	Coordinating Office for Control of Trypanosomiasis in Uganda
COMESA	Common Market for East and Southern Africa
CPI	Consumer Price Index
CSOs	Civil Society Organisations
DBICs	District Business Information Centers
DDA	Dairy Development Authority
DEAR	Directorate of Economic Affairs and Research
DEI	Directorate of Ethics and Integrity
DMS	Document Management System
DPP	Directorate of Public Prosecutions
DRC	Democratic Republic of Congo
DSA	Debt Sustainability Analysis
DSIIP	Defence Strategic Infrastructure Investment Plan
DUCAR	District Urban and Community Access Roads
EA	Exploration Area
EAC	East African Community
EASF	Eastern Africa Standby Force
EC	Electoral Commission
EPA-TAPSS	Economic Partnership Agreement related Trade and Private Sector Support
ERT	Energy for Rural Transformation
ESO	External Security Organisation
EU	European Union
FAC	Armed Forces of Central Afrique
FAO	Food and Agricultural Organisation
FARDC	Force Armees de la Republique Democratique du Congo
FINMAP	Financial Management and Accountability Programme
GAPR	Government Annual Performance Report
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFC	Global Financial Crises
GOSS	Government of Southern Sudan
GOU	Government of Uganda
GRE	Graduate Recruitment Exercise

HDI	Human Development Index
ICSC	Implementation Coordination Steering Committee
ICT	Information and Communications Technology
IDA	International Development Agency
IFEM	Interbank Foreign Exchange Market
IFMS	Integrated Financial Management System
IG	Inspectorate of Government
IMF	International Monetary Fund
IPPS	Integrated Personnel and Payroll System
ISO	Internal Security Organisation
IT	Information Technology
JAF	Joint Assessment Framework
JBSF	Joint Budget Support Framework
JLOS	Justice, Law and Order Sector
JPCs	Joint Permanent Commissions
KCCA	Kampala City Council Authority
LGFC	Local Government Finance Commission
LGs	Local Governments
LRA	Lord's Resistance Army
LRDP	Luwero-Rwenzori Development Plan
LRDP	Luwero-Rwenzori Development Plan
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MATIP	Markets and Agricultural Trade Improvement Project
MDAs	Ministries Departments and Agencies
MEACA	Ministry of East African Community Affairs
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MLHUD	Ministry of Lands, Housing and Urban Development
MoD	Ministry of Defence
MoES	Ministry of Education and Sports
MoFA	Ministry of Foreign Affairs
MoH	Ministry of Health
MoICT	Ministry of Information and Communications Technology
MoJCA	Ministry of Justice and Constitutional Affairs
MoLG	Ministry of Local Government
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MTEF	Medium Term Expenditure Framework
MTTI	Ministry of Tourism Trade and Industry
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Service
NAADS	National Agricultural Advisory Service
NAGRC&DB	National Genetic Resource Information Centre and Data Bank
NARO	National Agricultural Research Organisation
NDF	Nordic Development Fund
NDP	National Development Plan
NEER	Nominal Effective Exchange Rate
NGOs	Non-Governmental Organisations
NITA-U	National Information Technology Authority
NMS	National Medical Stores
NPA	National Planning Authority
NTBs	Non-Tariff Barriers
NTR	Non-Tax Revenue

NULEP	Northern Uganda Livelihoods Enhancement Programme
NUSAF	Northern Uganda Social Action Fund
OAG	Office of the Auditor General
OBT	Output Budgeting Tool
OLT	Operation Lightning Thunder
OPD	Outpatient Department
OPEC	Organisation of Petroleum Exporting Countries
OPM	Office of the Prime Minister
PAF	Poverty Alleviation Fund
PAYE	Pay As You Earn
PEFA	Public Expenditure and Financial Accountability
PIRT	Presidential Investors Round Table
PMA	Plan for the Modernisation of Agriculture
PMF	Performance Monitoring Framework
PNFP	Private Not For Profit
PPDA	Public Procurement & Disposal of Assets Authority
PPP	Public Private Partnership
PRDP	Peace Recovery and Development Plan
PSC	Public Service Commission
PSI	Policy Support Instrument
PSM-SIP	Public Sector Management Strategic Investment Plan
REER	Real Effective Exchange Rate
SACCOs	Savings and Credit Cooperatives
SADC	Southern African Development Cooperation
SIP	Sector Investment plan
SME	Small and Medium Enterprises
SMMP	Sustainable Management of Mineral Project
TAT	Tax Appeals Tribunal
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communication Commission
UCDA	Uganda Coffee Development Authority,
UETCL	Uganda Electricity Transmission Company Limited
UGX	Uganda Shillings
UHRC	Uganda Human Rights Commission
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
UNBS	Uganda National Bureau of Standards
UNRA	Uganda National Roads Authority
UPDF	Uganda People's Defence Force
UPL	Uganda Post Limited
URA	Uganda Revenue Authority
URF	Uganda Road Fund
USD	United States Dollar
UTB	Uganda Tourism Board
VAT	Value Added Tax

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OFFICE OF THE PRIME MINISTER