MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

# DEVELOPMENT PLAN IMPLEMENTATION (DPI) PROGRAMME

## Annual Performance Report FY 2023/24

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## Annual Performance Report FY 2023/24

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# FOREWORD

**"... this report provides an account of the progress made by the DPI Programme, the challenges encountered, and the opportunities."**

The Development Plan Implementation (DPI) Programme Annual Performance Report for Financial Year 2023/24 presents a reflection on efforts to advance Uganda's national development agenda under the Third National Development Plan (NDP III). As the NDP III period comes to an end, this report provides an account of the progress made by the DPI Programme, the challenges encountered, and the opportunities that lie ahead in our pursuit of inclusive growth, fiscal discipline, and effective service delivery.

During FY 2023/24, the programme registered progress in GDP growth, improvements in the revenue-to-GDP ratio, and enhanced alignment of annual budgets with NDP III objectives. However, the slow pace in achieving NDP III targets, the continued high incidence of supplementary expenditures, the rising stock of domestic arrears, persistent data gaps, and weak indicator tracking continued to undermine our ability to deliver more impactful and accountable results.

This report, therefore, serves as a call to action, urging all stakeholders across Government to double efforts in implementing planned interventions in the final year (FY 2024/25) of NDP III in order to improve results and achieve intended outcomes of the programme. In the final year of NDP III and the transition to NDP IV, we should build on the gains made under NDP III and put in place strategies to overcome any implementation challenges.

On behalf of the Programme Leadership Commitee, I thank all institutions and individuals who contributed to this report and to the implementation of the DPI Programme over the past year.

**Hon. Matia Kasaija**
**Minister of Finance, Planning and Economic Development/**
**Chairperson, Development Plan Implementation Programme Leadership Committee**

# ACKNOWLEDGEMENTS

> **"The report provides valuable insights into the progress made towards achieving the objectives of the NDP III."**


On behalf of the Ministry of Finance, Planning and Economic Development, I extend my sincere appreciation to all those who contributed to the preparation of the Development Plan Implementation (DPI) Programme Annual Performance Report for Financial Year 2023/24.

This report is the result of extensive consultations involving technical teams from the Ministries, Departments and Agencies, and I commend the DPI Programme Working Group for its commitment in coordinating the process and ensuring that the report accurately reflects the realities of implementation on the ground.

The report provides valuable insights into the progress made towards achieving the objectives of the Third National Development Plan (NDP III), while candidly highlighting areas where our performance must improve. It is evident that while the Programme registered gains in GDP growth, revenue mobilisation, and budget alignment to the NDP, there remain pressing challenges attributed to resource constraints, fiscal discipline, weak institutional capacity and inefficiencies in our systems – all of which are affecting the pace of delivering NDP III results.

These insights will be crucial in the preparations for the implementation of the Fourth National Development Plan (NDP IV). The Ministry remains committed to driving reforms that enhance accountability, transparency, and efficiency in the use of public resources to ensure sustainable development outcomes for all Ugandans.

On behalf of the Programme Working Group and on my own behalf, I thank all our partners and stakeholders for their support. I look forward to your continued collaboration.



**Ramathan Ggoobi**
**Permanent Secretary and Secretary to the Treasury/Chairperson, DPI Programme Working Group**

# Abbreviations and Acronyms

| | |
|---|---|
| **AAS** | Annual Agricultural Survey |
| **AfCFTA** | African Continental Free Trade Area |
| **AFROSAI-E** | African Organisation of English-Speaking Supreme Audit Institutions |
| **AML** | Anti-Money Laundering |
| **APEX** | Executive Oversight Framework under Office of the President |
| **APRM** | African Peer Review Mechanism |
| **ART** | Audit Recommendation Tracking |
| **BFPs** | Budget Framework Papers |
| **BoU** | Bank of Uganda |
| **CAPI** | Computer-Assisted Personal Interview Device |
| **CET** | Common External Tariff |
| **CG** | Central Government |
| **CIPS** | Chartered Institute of Procurement and Supply |
| **CIS** | Community Information System |
| **CISA** | Certified Information Systems Auditor |
| **CIT** | Corporate Income Tax |
| **COBE** | Census of Business Establishments |
| **CoC** | Certificate of Compliance |
| **COMESA** | The Common Market for Eastern and Southern Africa |
| **COP** | Conference of the Parties |
| **CPA** | Certified Public Accountancy |
| **CPI** | Consumer Price Index |
| **CSO** | Civil Society Organisation |
| **CSpro** | Census and Survey Processing System |
| **DCDO** | District Community Development Officer |
| **DEO** | District Education Officer |
| **DHS** | Demographic and Health Survey |
| **DLG** | District Local Government |
| **DPI** | Development Plan Implementation |
| **DRMS** | Domestic Revenue Mobilisation Strategy |
| **DTAs** | Double Tax Agreements |
| **DTS** | Digital Tax Stamp |
| **DUCAR** | District, Urban and Community Access Roads |
| **EAC** | East African Community |
| **EACOP** | East African Crude Oil Pipeline |
| **E-Cash** | Electronic Cash |
| **EFRIS** | Electronic Fiscal Receipting and Invoicing Solution |
| **eGP** | Electronic Government Procurement |
| **E-Mobility** | Electric-powered vehicles for transportation |
| **EOC** | Equal Opportunities Commission |
| **FamilEA** | Family in East Africa |
| **FAO** | Food and Agriculture Organization |
| **FOCAC** | Forum on China-Africa Cooperation |
| **GBV** | Gender-Based Violence |
| **GCF** | Gross Capital Formation |
| **GDP** | Gross Domestic Product |
| **GFP** | Global Focal Point |
| **GoU** | Government of Uganda |
| **GPS** | Global Positioning System |
| **H.E.** | His Excellency |
| **HC** | Health Centre |
| **HLG** | Higher Local Government |
| **HRMS** | Human Resource Management System |
| **ICBT** | Informal Cross-Border Trade |
| **IEC** | Information, Education, and Communication |
| **IFMS** | Integrated Financial Management System |
| **IT** | Information Technology |
| **IUIU** | Islamic University in Uganda |
| **KEI** | Key Economic Indicators |
| **KMC** | Kiira Motor Corporation |
| **LDC** | Least Developed Country |
| **LEGS** | The Local Economic Growth Support (LEGS) Project |
| **LGFC** | Local Government Finance Commission |
| **LGMSD** | Local Government Management of Service Delivery |
| **LLG** | Lower Local Government |
| **MAAIF** | Ministry of Agriculture, Animal Industry and Fisheries |

| | |
|---|---|
| **MDAs** | Ministries, Departments, and Agencies |
| **MoFA** | Ministry of Foreign Affairs |
| **MoH** | Ministry of Health |
| **MoICT** | Ministry of Information, Communications and Technology |
| **MoJCA** | Ministry of Justice and Constitutional Affairs |
| **MoPS** | Ministry of Public Service |
| **MWE** | Ministry of Water and Environment |
| **NCEM** | National Central Electronic Monitoring |
| **NDP III** | Third National Development Plan |
| **NDP IV** | Fourth National Development Plan |
| **NHRDP** | National Human Resource Development Plan |
| **NGO** | Non-Governmental Organisation |
| **NHRS** | The National Human Resource Survey |
| **NIN** | National Identification Number |
| **NiPN** | Nutrition Information Platform for Nutrition |
| **NIRA** | National Identification and Registration Authority |
| **NLGRB** | National Land Governance and Regulatory Board |
| **NPHC** | National Population and Housing Census |
| **NTR** | Non-Tax Revenue |
| **PBS** | Performance-Based Budgeting System |
| **PDMIS** | Parish Development Model Information System |
| **PIAP** | Programme Implementation Action Plan |
| **PIMS** | Project Information Management System |
| **PLE** | Primary Leaving Examination |
| **PNSD** | Plan for National Statistical Development |
| **PPDA** | Public Procurement and Disposal of Public Assets Authority |
| **PPI** | Producer Price Index |
| **PPIH** | Producer Price Index - Hotels |
| **PPI-M** | Producer Price Index - Manufacturing |
| **PROFIRA** | Project for Financial Inclusion in Rural Areas |
| **SACCO** | Savings and Credit Cooperative Organisation |
| **SRHR** | Sexual and Reproductive Health and Rights |
| **TIN** | Tax Identification Number |
| **TVET** | Technical and Vocational Education and Training |
| **TWG** | Technical Working Group |
| **UBOS** | Uganda Bureau of Statistics |
| **UCAA** | Uganda Civil Aviation Authority |
| **UCDA** | Uganda Coffee Development Authority |
| **UDHS** | Uganda Demographic and Health Survey |
| **UgIFT** | Uganda Intergovernmental Fiscal Transfers |
| **UGX** | Uganda Shilling |
| **UHIS** | Uganda Harmonised Integrated Survey |
| **ULC** | Uganda Land Commission |
| **UN** | United Nations |
| **UNBS** | Uganda National Bureau of Standards |
| **UNCHE** | United Nations Council for Higher Education |
| **UNFPA** | United Nations Population Fund |
| **UNHS** | Uganda National Household Survey |
| **UNICEF** | United Nations Children's Fund |
| **UNPS** | Uganda National Panel Survey |
| **URA** | Uganda Revenue Authority |
| **URC** | Uganda Railways Corporation |
| **URF** | Uganda Road Fund |
| **URSB** | Uganda Registration Services Bureau |
| **US** | United States |
| **USD** | United States Dollar |
| **USS** | Uganda Statistics Society |
| **VAT** | Value Added Tax |
| **VFM** | Value for Money |
| **WB** | World Bank |
| **WBSCI** | World Bank Statistical Capacity Indicator |
| **WHO** | World Health Organization |

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# Executive Summary

## Key result areas

Achieving at least **80% of NDP III targets**

Increasing **GDP growth** to **7%**

**Revenue-to-GDP ratio to 14.59%**

**90%** of the annual budget to **NDPIII priorities aligned**

Capping **supplementary expenditure** at **3%**

**Reducing domestic arrears** to **0.2%** of total public expenditure

As Uganda continued its journey towards achieving the Third National Development Plan (NDP III) objectives, the DPI Programme remained central to coordinating implementation efforts, tracking performance, and ensuring alignment between planning and resource allocation. This fiscal year marked the fourth year of NDP III implementation, a critical period during which the country sought to consolidate the recovery from COVID-19 disruptions while accelerating progress towards its medium-term development goals.

At the heart of the programme's ambition were several key result areas, including achieving at least 80% of NDP III targets, increasing GDP growth to 7%, increasing the revenue-to-GDP ratio to 14.59%, aligning 90% of the annual budget to NDPIII priorities, capping supplementary expenditure at 3% of the approved budget for FY2023/24, and reducing domestic arrears to just 0.2% of total public expenditure in FY2023/24. These targets reflected Uganda's commitment to fiscal discipline, strategic investment, and results-based planning.

Yet, as the year closed, performance against these indicators revealed a more complex narrative. The proportion of NDPIII targets achieved stood at only 50.4%, a modest improvement from 29% in the previous year, but far from the financial year's target of 70%. This performance, while indicative of some forward movement, also highlighted persistent weaknesses in data systems and institutional capacity. A considerable number of indicators could not be measured due to missing baseline data, unclear methodologies, or poor reporting frameworks. These gaps continued to limit the Programme's ability to account for progress and to support evidence-based decision-making.

Economic growth showed signs of resilience, with the GDP growth rate reaching 6% in FY 2023/24, a steady climb from 3% recorded in FY 2020/21. Although the target of 7% was not achieved, the rebound suggests growing confidence in the domestic economy and recovery in key sectors. This momentum, however, must be sustained through consistent public investment, improved productivity, and greater economic diversification to shield the country from future shocks.

Revenue mobilisation efforts gained some traction, with the revenue-to-GDP ratio improving from 12.95% at the start of NDP III (FY 2020/21) to 13.72% by the end of FY 2023/24. While still below the year's target of 14.59%, this upward trend is encouraging. However, reaching the ultimate target of 15.43% by 2025 will require intensified efforts to broaden the tax base, improve compliance, and combat tax evasion.

On budget alignment, there was some progress, with the alignment of the national budget to NDP III priorities improving from 60% in FY 2020/21 to 71% by FY 2023/24. However, achieving the desired 90% alignment requires not only stronger technical planning capacities within Ministries, Departments, and Agencies (MDAs) but also more robust enforcement mechanisms.

Despite these gains, the surge in supplementary expenditure presents a significant concern. In FY 2023/24, supplementary spending ballooned to 17.3% of the approved budget – far exceeding the targeted ceiling of 3%. This trend signals deteriorating fiscal discipline and weak budget execution controls. The frequent resort to supplementary budgets often reflects poor prioritisation and planning by MDAs, as well as insufficient scrutiny during the budgeting process. Such unplanned spending not only disrupts the implementation of core development programmes but also undermines public confidence in the budget as a tool for resource management and policy implementation.

Even more concerning is the situation with domestic arrears. By the end of the reporting year, the arrears stock stood at UGX 13.814 trillion, up from UGX 10.502 trillion in FY 2022/23. This 31.5% increase signals a deeper systematic problem with commitment controls and cash management. Without more decisive action, these arrears could jeopardise service delivery and crowd out critical development spending.

Looking ahead, the success of the DPI Programme, and indeed the broader NDP III framework, will depend on our ability to confront and address the critical challenges identified in this report. Upholding strict fiscal discipline, strengthening data systems, improving indicator tracking, and reinforcing alignment between planning and budgeting are essential.

**Emerging Issues**

Several emerging issues were observed during the implementation of the DPI Programme in FY 2023/24. First, limited institutional ownership of the Programme, especially at Local Government levels, undermined coordinated implementation, with many stakeholders continuing to view the DPI Programme as externally driven rather than as an integral part of their mandates. Second, the integration of Programme-based planning and budgeting remains weak, with many Votes still operating in the traditional sector approaches, resulting in fragmented reporting and limited visibility of Programme outcomes.

Third, there was a noticeable mismatch between Programme priorities and budget allocations, further exacerbated by limited flexibility in the public finance management system to support cross-cutting interventions. Finally, although the DPI Programme emphasises evidence-based decision-making, inadequate data governance, including the absence of disaggregated and real-time data, hindered performance measurement and adaptive management.

These issues point to the need for stronger institutional commitment, alignment of financing with Programme priorities, targeted capacity building, and investments in data systems to strengthen the Programme-based approach under NDP IV.

The proportion of **NDPIII targets achieved stood at only 50.4%**, a modest improvement from **29%** in the previous year, far from the financial year's target of **70%**

**Revenue-to-GDP ratio improved to 13.72%** by the end of FY 2023/24, from **12.95% at the start of NDP III (FY 2020/21)**

**Supplementary spending ballooned** to **17.3%** of the approved budget – far exceeding the targeted ceiling of **3%.**

The **arrears stock stood** at **UGX 13.814Trn**

# 1 Introduction

# 1 Introduction

## 1.1 The National Development Plan III

Uganda's NDP III (2020/21 to 2024/25) was introduced as part of the country's strategy to accelerate socio-economic transformation. It builds on the achievements and lessons learnt from the first two National Development Plans (NDP I and NDP II), with a key focus on inclusive growth, industrialisation, and sustainable development. Unlike previous plans, which largely emphasised output-based planning and implementation, NDP III adopts a programmatic approach aimed at ensuring better integration and synergy between different sectors of the economy. This approach involves grouping development initiatives into specific programmes, such as the DPI Programme, which are designed to tackle cross-cutting issues and facilitate coordination around common outcomes.

NDP III has a clear goal: to increase household incomes and improve the quality of life for all Ugandans by promoting inclusive and sustainable economic growth. It aligns with Uganda Vision 2040 by setting ambitious targets for poverty reduction, job creation, human capital development, infrastructure expansion, and environmental sustainability. Within this broader framework, the DPI Programme serves as the institutional mechanism for ensuring that the National Development Plan is not only well-conceived, but its implementation is also well executed and that progress is measured against clearly defined performance metrics.

## 1.2 The Development Plan Implementation (DPI) Programme

The Development Plan Implementation (DPI) Programme is at the heart of NDP III, and plays a pivotal role in its execution, coordination, monitoring, and evaluation. This Programme encompasses a wide range of activities focused on facilitating plan (NDP) implementation and oversight to ensure the achievement of its key performance targets.

The DPI Programme plays a vital role in addressing the gap between planning and implementation, ensuring that it enhances the delivery of key NDP III expected results by improving coordination, its financing, strong monitoring systems and accountability mechanisms. The DPI Programme aims to bridge gaps in these areas by focusing on building the capacity of Government institutions, enhancing the efficiency of public resource allocation, and fostering a results-oriented approach to development.

## 1.3 The DPI Programme's Objectives

The core objective of the DPI Programme is to enhance the efficiency and effectiveness of NDP III implementation by putting in place mechanisms that support its successful execution. The programme's key target is to achieve at least 80% of the plan's objectives. This is guided by six strategic objectives discussed further below.

**1. Strengthening Capacity for Development Planning.**

This objective focuses on improving the quality and efficiency of planning processes across various Government institutions and Local Governments. It emphasises the need for better alignment between national development plan and strategic plans of MDAs and Local Governments to ensure a coordinate development policy and planning framework during implementation. It also addresses gaps in the planning capacity of MDAs and Local Governments, improving public investment management, and fostering a culture of using evidence in plan formulation and decision-making across Government.

**2. Enhancing Budgeting and Resource Mobilisation**

Budgeting is one of the most critical aspects of national development, as it determines how much funding is available for key projects and initiatives across all NDP III programmes. This objective focuses on ensuring that national budgets are aligned with development priorities under NDP III, and that resources are mobilised to facilitate the implementation of these initiatives. Additionally, it seeks to reduce the country's reliance on external financing by promoting greater domestic resource mobilisation and improving public financial management in order to contribute to sustainable economic growth and fiscal stability.

3. **Strengthening Implementation Capacity to Ensure a Focus on Results.**

Many development plans fail to achieve their intended outcomes because of poor implementation. This objective addresses this challenge by building the capacity of Government institutions to implement projects effectively and to focus on achieving tangible results and strengthening service delivery systems to ensure that development initiatives are felt at the grassroots level. It also seeks to improve access to essential services, contributing to the overall social and economic well-being of the citizens. This holistic approach ensures that the NDP III's vision is not only achieved but also sustainable in the long term.

4. **Enhancing Coordination, Monitoring, and Reporting Frameworks and Systems.**

Effective monitoring and reporting are essential for tracking the progress of development initiatives and ensuring that they stay on course. This objective focuses on strengthening the systems and frameworks for monitoring and evaluating development programmes under the NDP. It seeks to improve coordination between different Government agencies, as well as between the Government and development partners, to ensure that information is shared efficiently and that any issues or challenges are addressed in a timely manner. Enhanced reporting systems also contribute to greater transparency and accountability during implementation, allowing citizens to track the progress of national development plans.

5. **Strengthening the National Statistical System to Generate Reliable Data for National Development.**

Reliable data is the foundation of effective planning and decision-making. Without accurate and timely data, it is difficult to assess the impact of development initiatives or to make informed decisions about resource allocation. This objective focuses on improving the capacity of Uganda's national statistical system to generate high-quality data that can be used to inform development planning, policy formulation, and programme evaluation. It involves strengthening the coordination between different data-generating institutions, improving data collection and analysis methods, and ensuring that data is accessible to policymakers and other stakeholders.

6. **Strengthening the Research and Evaluation Function to Inform Better Planning and Implementation.**

Research and evaluation are critical components of the development process, as they provide the evidence needed to inform planning, policy formulation, and implementation. This objective aims to enhance the research and evaluation capacity of Government institutions, enabling them to assess the effectiveness of development programmes and to make data-driven adjustments where necessary. It also seeks to promote a culture of learning and continuous improvement within Government institutions, ensuring that lessons learnt from past development initiatives are used to inform future planning.

## 1.4 Structure of the Report

This report provides a detailed analysis of the performance of the DPI Programme in relation to its targets set during FY 2023/24. The report will examine each of the six objectives in turn, assessing the extent to which targets have been met and identifying any variations in performance from previous fiscal years. The report aims to highlight areas of success and to identify opportunities for improvement in the implementation of the DPI Programme.

The remainder of this report is structured to provide an in-depth analysis of the programme performance against the result areas, and each of the six core objectives of the DPI Programme. Each chapter will focus on one objective, outlining the key outcomes and indicators associated with that objective, and providing a detailed analysis of performance for FY2023/24. Finally, the report will conclude with a summary of key findings and recommendations for improving performance under the DPI Programme in future fiscal years.

# 2 DPI Programme Key Result Areas and Financial Performance

# 2. DPI Programme Key Result Areas and Financial Performance

## 2.1 Performance against Key Result Areas

NDP III set ambitious targets for the DPI Programme to drive economic growth, enhance fiscal discipline, and align national development efforts with NDPIII priorities over the plan period (FY 2024/45). These include:

(i) Achieving at least **80%** of **NDP III targets by 2025**;
(ii) Increasing **GDP growth** from **6.2%** to at least **7% annually**;
(iii) Raising the **revenue-to-GDP ratio** from **12.95%** to **15.43%** (rebased) by 2025;
(iv) Improving alignment between **Annual Budgets** and **NDP III** from **60%** to **90%** by 2025 at both national and programme levels;
(v) **Maintaining supplementary budget expenditure** (net of loan servicing) **below 3%** of the approved budget; and
(vi) **Reducing domestic arrears** as a percentage of total expenditure from **1%** in FY 2017/18 to **0.2%** by 2025.

Below is a detailed report on performance against each of these key result areas over the period of the NDP III.

**Table 1: DPI Programme Performance against Key Targets**

| Indicator | Baseline | Actual | | | | Target |
|---|---|---|---|---|---|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 |
| (i) Proportion (%) of NDP III targets achieved | N/A | 16 | 17% | 29% | 50.4% | 70% |
| (ii) GDP growth rate | 6.20% | 3% | 4.60% | 5.2% | 6% | 7% |
| (iii) Revenue-to-GDP ratio | 12.95% | 13.20% | 13.70% | 13.78% | 13.72% | 14.59% |
| (iv) Annual Budget alignment to NDP III (%) | 60% | 54.80% | 63.40% | 60.1% | 71% | 90% |
| (v) Supplementary expenditure as a percentage of the initial approved budget | <3% | 10.28% | 9.86% | 6.15% | 17.30% | <3% |
| (vi) Domestic arrears as a percentage of total expenditure | 1% | 6.90% | 1.50% | 1% | 0.40% | 0.40% |

The performance on the above DPI key result areas shows incremental progress in some but highlights significant challenges in others. For instance, while in several areas, performance still lag significantly behind targets, there are some very good developments in the cases of two of the six key indicators, namely GDP growth rate, and revenue-to-GDP ratio. Performance on these two indicators has been very strong over the year. The section below discuses performance for each of the indicators above in detail.

### 2.1.1 Improve achievement of the NDP III targets

Improving plan implementation, including achievement of set results, is a key goal of Government under the DPI Programme. Under NDP III, this is measured using the indicator "Proportion (%) of NDP III targets achieved".

The score against this indicator improved marginally from 17% in fiscal year (FY) 2021/22 (during the mid-term review) to 29% in FY 2022/23 and, thereafter, 50.4% in FY 2023/24. While this has improved significantly, it is far from the target for the year of 70%.

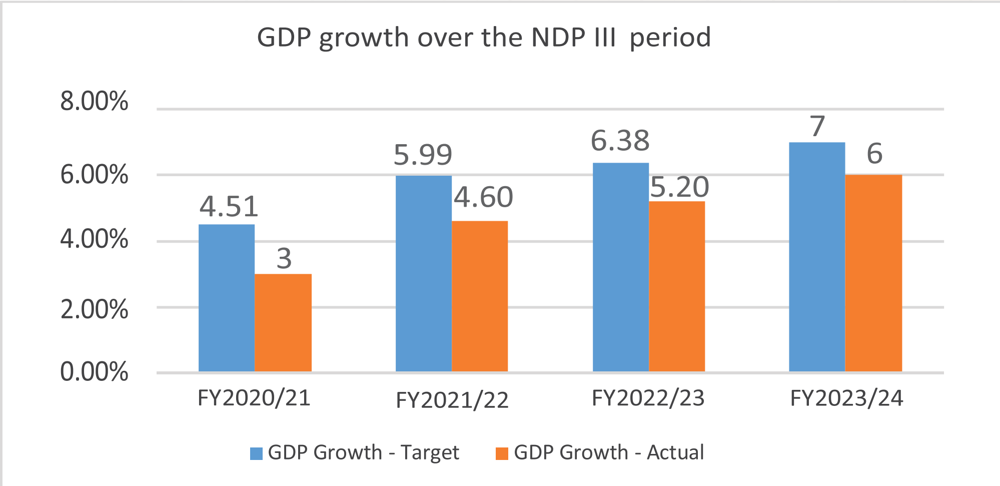
As has been noted in past reports that performance with regard to achieving NDP III targets continues to suffer from constraints encountered in earlier years of the plan. First, there were gaps in the result and reporting framework arising from many indicators that were inappropriate for measuring progress and many for which there was no data[1]. Second, NDP III introduced the programme-based approach (PBA), a new concept which required time for many stakeholders to appreciate it. Moreover, the formation of programme structures (Programme Working Groups and secretariats) to support this new

1 For instance, the NDP III mid-term review found that for 56% of indicators in the results and reporting framework, there was no data.

approach and, in particular, to coordinate common outcomes, was slow and a major factor in the weak performance in the implementation of the plan. Third was the disruption, earlier in the plan period (FY 2020/21 and FY 2021/22), caused by the COVID-19 pandemic, which weakened conditions for plan implementation. Going into NDP IV, these factors will need to be addressed to improve performance against this indicator.

### 2.1.2 GDP growth

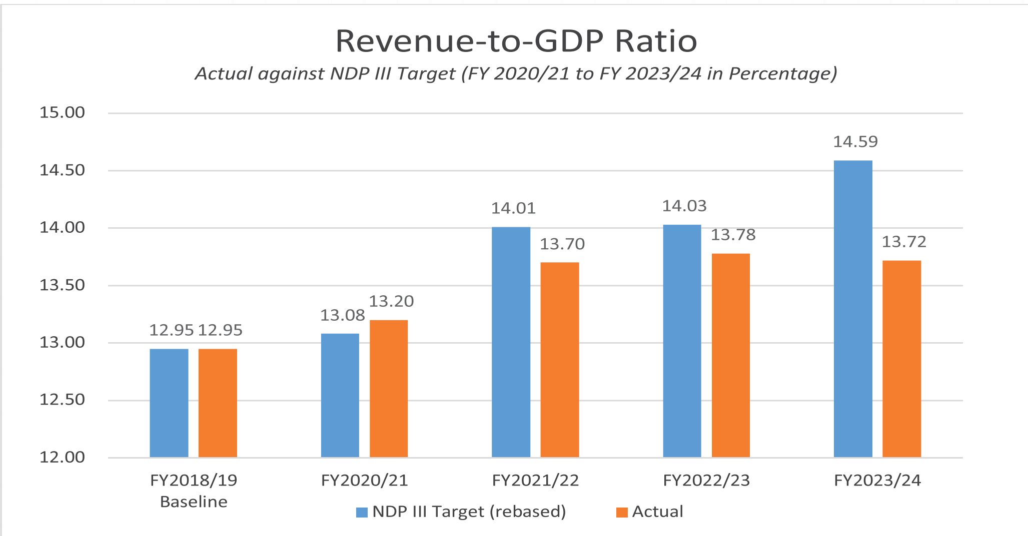
The performance of 6% at the end of the year (FY 2023/24) is in line with the continued recovery of the economy after COVID-19, improving from 3% in FY 2020/21. While this still lags behind the target of 7% for FY 2023/24, as has been over the earlier years of NDP III (see graph), it is strong performance, improving from 5.2% as at end of FY 2022/23. Carrying from the past years, growth continued to be spread across all sectors, with most of it attributable to the services sector (transport, trade, etc.), industry (manufacturing), and agriculture, forestry, and fishing[2]. The spread is a strong point as it attests to the sustainability of this economic growth over the medium term.




### 2.1.3 Revenue-to-GDP ratio

Adequacy of revenues is key to the implementation of the NDP. The revenue-to-GDP ratio has shown consistent improvement, rising from 13.2% in FY 2020/21 to 13.72% in FY 2023/24. While this remains behind the target of 14.59% in FY 2023/24, 13.7% is considered strong performance, increasing from 13.2% in FY 2022/23.

**Figure 1: Revenue to GDP Ratio over the years**




2 See Annual Budget performance report for FY 2023/24.

This improved performance is attributed to increased economic activity, increased collections and recovery of tax arrears, but also represents efforts to improve efficiency and consolidation of revenue collections and report over the period.

### 2.1.4 Reduction in domestic arrears

The **stock of arrears increased substantially** to **UGX 13.814 Trn** by the end of FY 2023/2024, an increase of **31.54%.**

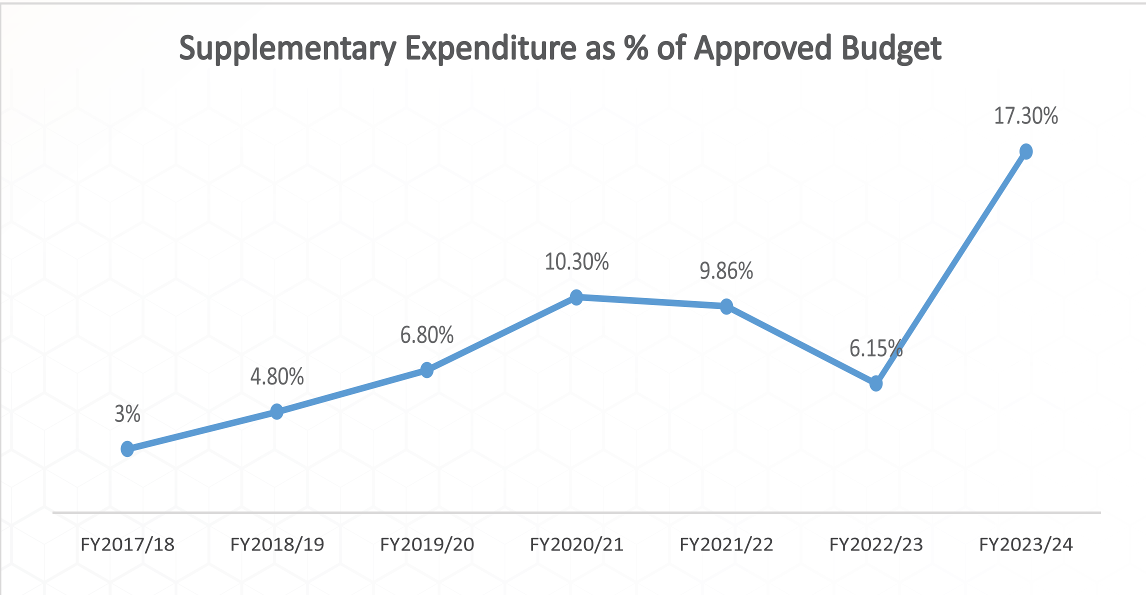
While domestic arrears against expenditure was within the target of 0.4%, the stock of arrears remains very high. As at end of FY 2023/2024, the stock of arrears had increased substantially from UGX 10.502 trillion in FY 2022/2023 to UGX 13.814 trillion by the end of FY 2023/2024, an increase of 31.54%.

Moreover, as observed by the Auditor General's reports, the rate of contracting domestic arrears is much faster than the rate of payment. For instance, between FY 2023/24 and FY 2022/23, arrears increased by 3.31 trillion, a figure much bigger than the budgetary provision. Being unable to stem growth remains the biggest challenge with respect to eliminating domestic arrears. Therefore, performance with respect to arrears clearance remains dismal and will require a bolder strategy going forward. This also highlights persistent challenges in fiscal discipline and budget credibility, and calls for strengthening commitment controls and aligning expenditure with realistic revenue projections and national priorities to prevent further accumulation.

### 2.1.5 Managing supplementary budget expenditure

Supplementary budget expenditures undermine budget objectives and its credibility and consequently weaken the Government resolve and commitment to implement NDP III. As at end of FY 2023/24, supplementary expenditure stood at 17.3% of the approved budget, a major jump from 6.15% in FY 2022/23.

**Figure 2: Supplementry Expenditure as % of approved budget**




At least 103 votes out of 171 (excluding LGs) received supplementary funding during the year. This is widespread and raises concern about prudence in budgeting by votes and in exercising control over the issuance of supplementary funding.

Moreover, at least 10 votes got supplementary funding exceeding 50% of their approved budgets, a clear indication that budget preparation is not working as it should.

**Table 2: Supplementary Budget Allocations to MDAs**

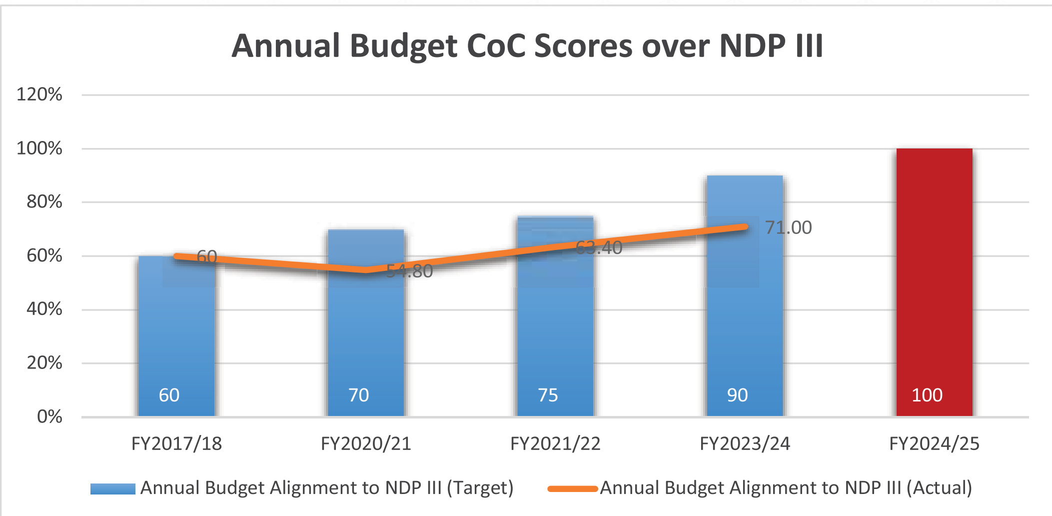
| Vote | Approved Budget (UGX bn) | Supplementary allocation (UGX bn) | Suppl as % of Approved Budget |
|---|---|---|---|
| National Identification and Registration Authority (NIRA) | 59.74 | 300.00 | 502% |
| National Council of Sports | 48.90 | 175.00 | 358% |
| Science, Technology and Innovation | 241.59 | 757.08 | 313% |
| Uganda Industrial Research Institute (UIRI) | 11.96 | 21.30 | 178% |
| Ministry of Lands, Housing & Urban Development | 165.44 | 260.47 | 157% |
| State House | 421.92 | 377.93 | 90% |
| Uganda Land Commission (ULC) | 27.33 | 20.00 | 73% |
| Ministry of Trade, Industry and Co-operatives | 118.26 | 71.42 | 60% |
| Uganda Bureau of Statistics (UBOS) | 249.30 | 147.29 | 59% |
| Uganda Embassy in Japan, Tokyo | 5.34 | 2.94 | 55% |
| Electoral Commission (EC) | 148.89 | 77.49 | 52% |

Supplementary practices clearly result from weak fiscal controls, including inadequate enforcement of budgetary limits and lapses in monitoring and managing spending within approved allocations. Furthermore, the poor setting of priorities by MDAs has led to frequent requests for unplanned expenditures, undermining fiscal discipline and diverting resources away from strategic development objectives. This trend signals the need for stronger oversight mechanisms and improved planning to ensure expenditures align with national priorities and remain within budgetary limits. Therefore, going forward, greater control will need to be exercised to restore compliance with the statutory limit of 3%.

### 2.1.6 Improving alignment of budgets to plans

Strengthening alignment between the national budget and NDP III is critical for its (NDP III) delivery. Only when the budget allocations respond to the objectives and priorities of the NDP will it be possible to implement it. Alignment of the budget to the NDP III over the year, based on the Certificate of Compliance (COC) issued by the National Planning Authority (NPA), has seen gradual improvement, increasing from 54.8% in FY 2020/21 to 71% in FY 2023/24. However, sustaining this momentum and reaching the target of 90% will require enhanced accountability and institutional frameworks to enforce alignment.

**Figure 3: Annual Budget CoC Scores over NDP III**



Overall, achieving NDP III targets will require addressing the inherent systemic weaknesses while leveraging existing progress to sustain momentum in key areas.

## 2.2 Programme Financial Performance

The financial performance of the DPI Programme during the financial year reveals both strong execution in some budget categories and persistent challenges in others.

**Table 3: DPI Financial Performance**

| | Approved Budget FY 23/24 | Revised Budget FY 23/24 | Released FY 23/24 | Spent FY 23/24 | % Budget Released | % Budget Spent | % Releases Spent |
|---|---|---|---|---|---|---|---|
| Recurrent Wage | 310.15 | 310.15 | 308.75 | 288.54 | 99.55% | 93.03% | 93.45% |
| Recurrent Non-Wage | 18,290.97 | 20,069.21 | 19,737.77 | 15,995.48 | 98.35% | 79.70% | 81.04% |
| GoU | 249.12 | 394.8 | 384.27 | 381.17 | 97.33% | 96.55% | 99.19% |
| Devt. Ext Fin. | 13.56 | 13.56 | 13.56 | 15.02 | 100.00% | 110.77% | 110.77% |
| **GoU Total** | **18,850.24** | **20,774.16** | **20,430.79** | **16,665.19** | **98.35%** | **80.22%** | **81.57%** |
| Arrears | 3,519.46 | 3,519.46 | 1,514.79 | 1,514.78 | 43.04% | 43.04% | 100.00% |
| **Total Budget** | **20,383.26** | **24,307.18** | **21,959.14** | **18194.99** | **90.34%** | **74.85%** | **82.86%** |

The Recurrent Wage budget remained unchanged at UGX 310.15 billion, with a high release rate of 99.55% and an expenditure rate of 93.03%. This reflects strong alignment between planning, fund disbursement, and spending.

The Recurrent Non-Wage budget was revised upwards from UGX 18,290.97 billion to UGX 20,069.21 billion – an increase of about 9.7%. This follows additional funding (supplementary) to cover increased costs relating to statutory claims and debt payments (UGX 3,742.5 billion), facilities and equipment for surveys under UBOS (UGX147.3 billion) and multiple other areas under MoFPED (UGX 30.3 billion), among others. While 98.35% of this revised allocation was released, only 79.70% was spent, indicating challenges in fund absorption.

**Recurrent Wage budget** remained unchanged at **UGX 310.15 bn, with a high release rate of**

**99.55%**

**Recurrent Non-Wage budget was at UGX 20,069.21 bn** – an increase of about

**9.7%**

**A commendable 97.33% of the revised budget** was released and

**96.55%**

**spent**

Notably, only 81.04% of the released funds were utilised. This under-performance highlights a need to address bottlenecks in spending capacity and implementation.

In the GoU development category, the budget was significantly increased by 58.4%, from UGX 249.12 billion to UGX 394.8 billion, mainly on account of additional funding under UBOS, MoFPED (National Authorising Officer) and Kampala City Council Authority (KCCA).

A commendable 97.33% of the revised budget was released and 96.55% spent, reflecting high operational capacity and effective scaling when additional resources are provided. Development External Financing was steady at UGX 13.56 billion but recorded 110.77% in expenditure relative to the budget. This overspending suggests either underestimated project costs or gaps in initial planning and forecasting.

The total GoU-funded budget (Recurrent + Development) increased from UGX 18,850.24 billion to UGX 20,774.16 billion. Releases stood at 98.35% and expenditure at 80.22%, with only 81.57% of the released funds spent – again pointing to overall absorption inefficiencies. Arrears clearance performed poorly, though the allocation remained unchanged at UGX 3,519.46 billion, and only 43.04% of the budget was released and spent. This may signal a policy shift or cash flow constraints affecting arrears settlement.

Overall, the total revised budget for the programme rose from UGX 20,383.26 billion to UGX 24,307.18 billion, marking a 19.3% increase. Despite 90.34% of the revised budget being released, only 74.85% was spent, translating into a fund absorption rate of 82.86%.

**Table 4: DPI Programme Budget Performance by Vote (Figures in Billions)**

| Vote | Approved Budget | Revised Budget | Budget Released | Spent | % Budget Released | % Budget Spent | % Releases Spent |
|---|---|---|---|---|---|---|---|
| EOC | 14.2 | 14.2 | 14.2 | 14.1 | 100 | 99 | 99 |
| IG | 9.4 | 9.4 | 0.3 | 0.3 | 3 | 3 | 100 |
| KCCA | 2.5 | 2.9 | 2.9 | 2.9 | 100 | 100 | 100 |
| LGFC | 1.8 | 2 | 2 | 2 | 100 | 100 | 100 |
| MoFPED | 399.9 | 430.6 | 425.8 | 424.9 | 99 | 99 | 100 |
| MoFA | 0.3 | 0.3 | 0.3 | 0.3 | 100 | 100 | 100 |
| Min. of KCC & MA | 0.1 | 0.1 | 0.1 | 0.1 | 100 | 100 | 100 |
| MoLG | 2.3 | 2.3 | 2.3 | 2.3 | 100 | 100 | 100 |
| NLGRB | 13.6 | 13.6 | 13.6 | 12.6 | 100 | 93 | 93 |
| NPA | 39.6 | 40.6 | 40.6 | 40.6 | 100 | 100 | 100 |
| Population Council | 0.2 | 0.2 | 0.2 | 0.2 | 100 | 100 | 100 |
| OAG | 1 | 1 | 1 | 1 | 100 | 100 | 100 |
| OOP | 16.1 | 16.1 | 16.1 | 15.7 | 100 | 98 | 98 |
| OPM | 53.7 | 56.2 | 54.1 | 52.8 | 96 | 94 | 98 |
| Treasury Ops | 18,951.20 | 22,693.70 | 20,362.10 | 16,605.80 | 90 | 73 | 82 |
| UBOS | 249.3 | 396.6 | 396.6 | 394.3 | 100 | 99 | 99 |
| URA | 620 | 620 | 620 | 617.7 | 100 | 100 | 100 |
| Missions Abroad | 8.07 | 8.49 | 7.73 | 7.58 | 91 | 89 | 98 |
| **TOTAL** | **20,383.26** | **24,308.28** | **21,959.89** | **18,195.19** | **90** | **75** | **83** |
| **TOTAL (excl. Treasury Ops)** | **1,432** | **1,615** | **1,598** | **1,589** | **99** | **98** | **99** |

The high-performance rates are replicated across all programme votes except for the Inspectorate of Government, where only 3.2% of budget was released and spent. The low release was as a result of the transfer of the Vote development resources to another programme – Government and Security.

The high-performance rates above notwithstanding, based on the rather weak performance against targets discussed in the earlier section, there is need to continue improving efficiency around funds absorption and utilisation through, among others, expenditure review and tracking, streamlined procurement processes, and enhanced project management to boost the achievement of intended programme results.

# 3 Programme Performance by Objective

# 3 Programme Performance by Objective

This section provides an assessment of the DPI Programme's performance against its key objectives as outlined in the Programme Implementation Action Plan (PIAP). It evaluates progress in achieving targeted outcomes, highlighting successes, challenges, and areas requiring strategic intervention. The analysis is based on performance against strategic interventions and key outcome indicators to measure efficiency and alignment with the National Development Plan (NDP) priorities

## 3.1 Objective 1: Strengthen Capacity for Development Planning

Development planning is the cornerstone of successful national growth and development. It involves the process of organising, directing, and coordinating the resources and actions to achieve long-term development goals. The Government's development agenda is outlined in the National Development Plans (NDPs) and Vision 2040, which serve as guiding frameworks for national efforts aimed at promoting sustainable economic growth, poverty reduction, and overall socio-economic development. The capacity to effectively plan, implement, and monitor development initiatives is, therefore, a key determinant of the success or failure of national development goals. Recognising this, the Development Plan Implementation (DPI) programme under NDP III prioritised the strengthening of capacity for development planning as one of its core objectives.

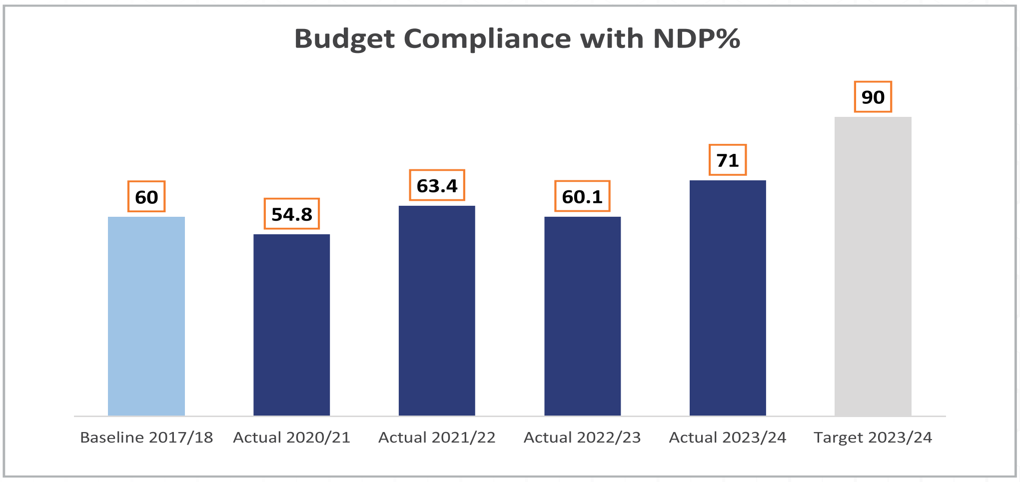
During FY 2023/24, the DPI Programme set specific targets to strengthen the capacity for development planning in Uganda. These targets were mapped across several key performance indicators, including the number of Government MDAs that developed and implemented integrated development plans, the number of Local Governments that improved their planning processes, and the number of MDAs trained in development planning processes.

This chapter provides a detailed discussion of the performance of these indicators for FY 2023/24 against the set targets and historical performance, while also identifying key variations, challenges, and opportunities for improvement.

### 3.1.1 Outcome 1: Improved Alignment of the Plans and Budgets

This outcome focuses on ensuring that the national budgets are effectively aligned and compliant with the National Development Plan (NDP). Such alignment is essential for guiding public expenditure towards strategic priorities, which are set out in the NDP to promote sustainable development and improve national performance in key sectors. The two key indicators for measuring this outcome are **Budget Alignment to the NDP (%)** and **Budget Compliance with the NDP (%). Budget Alignment to the NDP (%)** measures the extent to which budget allocations reflect the priorities and objectives of the NDP during planning, while **Budget Compliance with the NDP (%)** evaluates how actual expenditures adhere to and deliver on the NDP priorities during implementation. These terms are used interchangeably in this report.

**Figure 4: Budget Compliance with NDP %**



#### 3.1.1.1 *Budget Compliance to NDP (%)*

The Certificate of Compliance (CoC) of the Annual Budget, issued annually by NPA, provides insight into the extent of alignment of the budget, including through the Budget Framework Papers (BFPs) and Annual Budgets (ABs) statements, to the NDP. The compliance of the Annual Budget (AB) with the NDP is derived through a stepwise approach at five different levels, namely: Macro-economic, National Strategic Direction, Programme, MDA and Local Government (LG) levels. Annual budget compliance with the NDP fell from 60% in FY 2017/18 to 54.8% in FY 2020/21 on account of the impact of the COVID-19 pandemic, which forced the Government to shift budget resources away from plan priorities towards emergency health and economic recovery efforts.

The AB score for FY 2023/24 is 71%, reflecting a satisfactory performance. This is up from 60.1% registered in FY 2022/23. This performance is disaggregated along five levels as in the table below.

**Table 5: Certificate of Compliance (CoC) of the Annual Budget Performance**

| No. | Level of Assessment | Weighted Score (%) | | | | Classification (FY 2023/24) |
|---|---|---|---|---|---|---|
| | | FY20/21 | FY21/22 | FY22/23 | FY23/24 | |
| 1 | Macro-economic compliance | 59.1 | 75.0 | 66.4 | 72.7 | Satisfactory |
| 2 | National Strategic Direction | 61.0 | 68.4 | 65.8 | 74.5 | Satisfactory |
| 3 | Programmes | 48.9 | 59.9 | 64.7 | 70.7 | Satisfactory |
| 4 | MDAs | 60.8 | 64.5 | 65.2 | 73.3 | Satisfactory |
| 5 | Local Govts | 51.5 | 60.5 | 44.7 | 70.8 | Satisfactory |
| | **Overall Score (Weighted)** | **54.8** | **63.4** | **60.1** | **71.0** | **Satisfactory** |

The overall score of 71% for FY 2023/24 fell significantly short of the target of 90%, implying more effort is required to exercise control over the budget during both preparation and execution. However, as seen in the table above, there is a positive trend in compliance over the NDP III period, reflecting efforts to improve the alignment of the budget (including during its execution) with the NDP.

**Emerging Issues under the Macro-Economic Compliance Level**

a) There is a need for enhanced coordination and streamlining of non-tax revenue (NTR) activities across the Government by MoFPED to foster an improved NTR value chain, including assessment, collection, reporting, and accountability of NTR.

b) There is a need for more detailed feasibility studies and implementation plans, better coordination of Government contributions in budgeting, improved planning for rights of way and land compensation, strengthened contract management, and overall enhancement of project management capabilities.

**Emerging Issues under the National Strategic Direction Level**

a) Restructure the Performance-Based Budgeting System (PBS) to directly support the implementation of the National Development Plans through the Annual Budget.

b) Regarding the core projects, there is a need to prepare, budget and release funds in a timely manner towards fast-tracking the implementation of these high multiplier projects, which were envisioned to have a significant impact on the realisation of the NDP III results.

c) Increase investment in the development and rehabilitation of key urban infrastructure in the Greater Kampala Metropolitan Area (GKMA), as well as all major cities and municipalities.

d) To achieve the leisure tourists surge envisioned in NDP III, there is a need for the budget of FY 2024/25 to prioritise the upgrading of upcountry aerodromes.

e) Invest in the expansion of the broadband infrastructure to parish level and facilitate last-mile connectivity to increase the internet penetration rate (internet users per 100 people).

f) Conduct a hydrographic survey and the production of new navigation charts for the lakes to ease the deployment of water transport infrastructure and facilitate connections across Lake Victoria.

g) Prioritise investment in sports infrastructure to improve talent identification and nurturing of talent as well as ensuring Uganda's readiness for AFCON 2027.

h) Prioritise and allocate resources for investment in the extraction of minerals to directly increase the contribution of minerals to GDP in NDP IV.

At programme level, compliance with NDP III for the Development Plan Implementation (DPI) Programme was rated at 72.5%. This is a weighted score of 69.0, 50.3 and 91.0% compliance at Programme Resource Allocation, Programme Level Assessment (Intermediate Outcomes) and NDPIII Projects Implementation, respectively (see table below). This is satisfactory, notwithstanding that this declined over the past three years.

**Table 6: DPI Programme Assessment**

| Summary for Performance | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 |
|---|---|---|---|---|
| Programme Resource Allocation | N/A | 85 | 83 | 69 |
| NDP III Programme Level Assessment (Intermediate Outcomes) | 98.2 | 75.3 | 45.8 | 50.3 |
| NDP III Projects Implementation | 100 | 76.3 | 96.4 | 91 |
| Overall Programme-Level Performance | 99.1[3] | 77.7 | 74.8 | 72.5 |

***Source: Certificate of Compliance Report, NPA.***

Under the NDP III project implementation assessment, the DPI Programme was 91.0 % compliant in the FY2023/24. This was a weighted score of 50.9, 90.9 and 97.7% compliant on the BFP allocation, half-year expenditure outturn and progress in project implementation, respectively. The good performance was mainly attributed to the good budget release to the projects and good progress in project implementation for the majority of projects, apart from the Retooling of MoFPED.

Under Programme Resource Allocation, the Development Plan Implementation (DPI) Programme was 69.0% compliant in FY 2023/24. This was a weighted score of 87.5, 94.7 and 58.8% compliance on the BFP allocation, AB allocation and half-year budget outturn respectively.

The satisfactory performance of the programme was majorly attributed to the minimal deviation of the AB allocations from the NDP III estimated costs.

In the assessment of Programme Intermediate Outcomes, the DPI Programme was 50.3% compliant to the NDP III intermediate outcome targets in the FY 2023/24. This was a weighted score of 100.0 and 17.4% compliance on the BFP and AB intermediate outcome targets, respectively.

The average performance was attributed to the limited AB intermediate outcome targets in the programme votes' budgeting instruments which created data gaps and limited computation at programme level.

**Under the NDP III project implementation assessment**, the DPI Programme was **91.0 %** compliant in the FY23/24

**Under Programme Resource Allocation, the DPI Programme was 69.0%** compliant in FY 2023/24.

The DPI Programme was **50.3% compliant to the NDP III intermediate outcome targets** in the FY 2023/24.

3 Paragragh 1041, page 264 of the FY 2020/21 Certificate of Compliance, NPA

### 3.1.2 Outcome 2: Effective Public Investment Management

This outcome focuses on enhancing the efficiency and effectiveness of public investment management, ensuring public projects contribute significantly to economic development and growth. Improving public investment management (PIM) is critical for Uganda's long-term development goals as it aims to maximise returns on resources spent on development projects over time.

#### *3.1.2.1 Gross capital formation (% of GDP)*

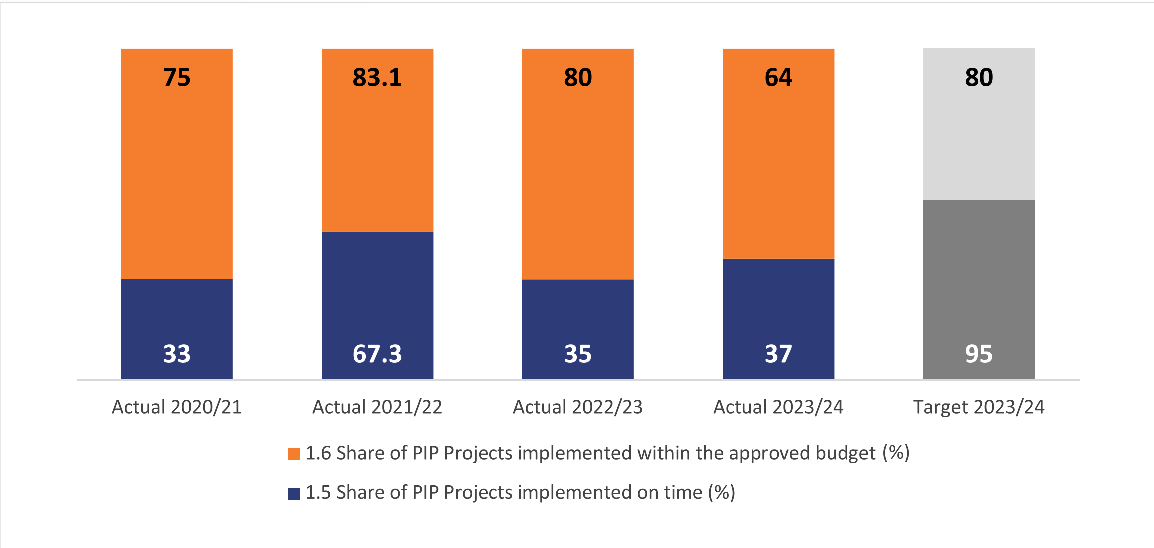
This indicator measures the net investments made within an economy – as a proportion of the GDP, including public and private sector investments. In Uganda, Gross Capital Formation (GCF) has been relatively stable over the period, starting at 24.2% in 2017/18. However, it has slightly declined, reaching 23% in FY 2022/23, which indicates a stagnation in investment activity over the past few years.

The data for FY 2023/24 is currently missing, but the target of 27.41% suggests the Government aimed to significantly boost investments. The decline in GCF is attributed to challenges in mobilising resources for investment, inefficiencies in project implementation, and broader macro-economic factors like inflation or budget constraints. For Uganda to meet its growth objectives, increasing capital formation is critical, as it indicates higher investment levels that can spur productivity and economic growth. The gap between the actual and target GCF highlights the need for stronger efforts in mobilising and utilising public and private resources for investment.

#### *3.1.2.2 Share of PIP projects implemented on time (%)*

This indicator is about projects in Public Investment Plan (PIP) that were implemented on time during the year. Performance against this indicator shows a fluctuating trend. In FY 2020/21, only 33% of projects were completed on time, but this dramatically improved to 67.3% in FY 2021/22. However, this improvement was short-lived, as the share dropped to 35% in FY 2022/23 and only slightly increased to 37% in FY 2023/24, which is significantly below the target of 95%.

**Figure 5: Performance of NDP III PIP Projects**




Overall, performance has continued to improve under this indicator. Judging by the trend above, the year 2021/22 was an outlier (a one-off). Project implementation remains weak and continues to be affected by unpredictability in budget disbursements affecting project cash flows, long procurement processes, inadequate capacity of the suppliers and weak contract management.

#### *3.1.2.3 Share of PIP projects implemented within the approved budget (%)*

On the other hand, the percentage of PIP projects completed within the approved budget has shown relatively strong performance (see Figure 2), starting at 75% in FY 2020/21 and peaking at 83.1% in FY 2021/22. However, performance dropped to

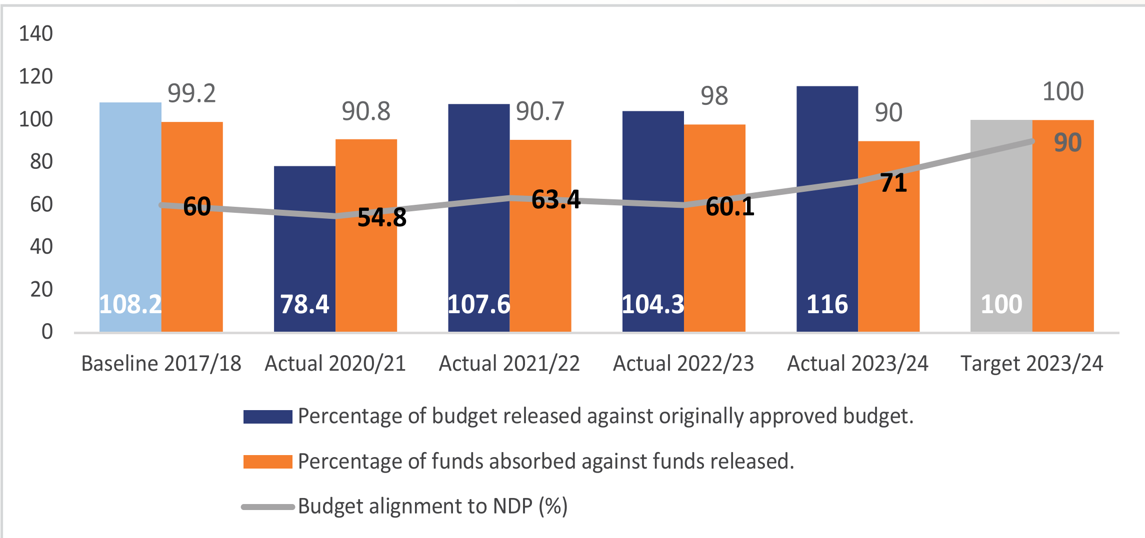
80% in FY 2022/23 and further declined to 64% in FY 2023/24 against a target of 80%. The decline in performance is attributed to additional costs related to acquiring right of way and changes in scope, particularly for infrastructure projects, resulting in cost escalations. To reverse the downward trend, measures such as better project cost control, early securing of right of way for infrastructure projects, more rigorous budget monitoring, and improving the financial management capacity of implementing agencies will be crucial.

### 3.1.3 Outcome 3: Effective and Efficient Allocation and Utilisation of Public Resources

This outcome focuses on ensuring that public resources are allocated and utilised in a manner that supports national priorities, improves service delivery, and maximises the impact of public spending. It is crucial to the success of the Development Plan Implementation (DPI) Programme because efficient public financial management underpins the ability to implement development projects, achieve policy goals, and ensure fiscal sustainability. By improving budget execution, absorption capacity, and alignment to national development priorities, Uganda can better achieve its development objectives and improve governance outcomes.

This outcome is measured using two indicators, namely (i) percentage of budget released against approved budget; and (ii) funds absorbed against funds released. Performance against these indicators is illustrated herein below.

**Figure 6: Budget Execution, Absorption Capacity, and Alignment to National Development Priorities**




#### *3.1.3.1 Percentage of budget released against the originally approved budget*

The budget released has exceeded the originally approved budget over the period of NDP III, except for one financial year – FY 2020/21. The provisions above budget have always been financed through the supplementary allocations. In FY 2020/21 performance against this indicator was 78.4%, largely due to budget constraints and the economic impacts of the COVID-19 pandemic and other factors, which resulted in reduced revenue and affected the quality and distribution of expenditure across programmes to provide room for additional funding needs in other key sectors of health, security and public administration.[4]

For FY2023/24, the percentage increased to 116%, indicating that more funds were released than initially approved – supplementary expenditures during the year stood at about 17% of approved budget.

**116%**, indicating that **more funds were released than initially approved.** Supplementary expenditures during the year stood at about **17% of approved budget.**

4 Development Plan Implementation Programme FY 2020/2021 Annual Performance Report.

However, performance was not uniform across all programmes, as indicated in the table below. With an overall deviation of 30%[5], some programmes received more funding than the approved budget, while others received less funding.

**Table 7: No. of Plans Approved**

| NDP Programme | Approved Budget | Supplementary | % Budget Released | % of Release Spent |
|---|---|---|---|---|
| Administration of Justice | 432.4 | 0.8 | 93% | 97% |
| Agro-Industrialisation | 1,814.2 | 86.3 | 70% | 84% |
| Community Mobilisation and Mindset Change | 36.3 | 17.6 | 134% | 97% |
| Development Plan Implementation | 20,383.3 | 3,925.0 | 108% | 83% |
| Digital Transformation | 243.3 | 50.9 | 75% | 99% |
| Governance and Security | 7,730.2 | 1,237.7 | 111% | 99% |
| Human Capital Development | 9,583.5 | 464.9 | 101% | 90% |
| Innovation, Technology Development and Transfer | 256.7 | 776.6 | 377% | 100% |
| Integrated Transport Infrastructure and Services | 4,502.7 | 702.5 | 88% | 93% |
| Legislation, Oversight and Representation | 945.8 | - | 96% | 99% |
| Manufacturing | 219.1 | 70.3 | 70% | 99% |
| Mineral Development | 47.3 | 10.0 | 47% | 86% |
| Natural Resources, Environment, Climate Change, Land and Water Management | 434.5 | 194.2 | 138% | 65% |
| Private Sector Development | 1,911.1 | 88.7 | 91% | 95% |
| Public Sector Transformation | 228.7 | 7.1 | 102% | 98% |
| Regional Development | 1,383.3 | 1.8 | 74% | 98% |
| Sustainable Petroleum Development | 447.1 | 132.2 | 109% | 98% |
| Sustainable Energy Development | 1,349.1 | 434.0 | 85% | 88% |
| Sustainable Urbanisation and Housing | 539.5 | 124.3 | 117% | 98% |
| Tourism Development | 248.8 | 3.0 | 100% | 98% |
| **TOTAL** | **52,736.8** | **8,328.1** | **103%** | **89%** |

**The Mineral Development programme, at 47%,** performed worst in this instance on account of the slow execution of programme activities.

As shown in the table above, some programmes received significantly less funds than approved budget. The Mineral Development programme, at 47%, performed worst in this instance on account of the slow execution of programme activities. Four other programmes that received funding significantly below (less than 80%) approved budget – namely Regional Development, Manufacturing, Digital Transformation, and Agro-Industrialisation. There were also programmes that received significantly more resources than the approved budget.

The Innovation, Technology Development and Transfer programme is an outlier as it received 776.6 billion (more than three times the original approved budget) in supplementary funding across all items. This accounts for the 377% in releases (see table above), which was also largely spent.

So, while performance on this indicator is impressive, there remain concerns about commitment to priorities at budget formulation, particularly where significant deviations at programme level are identified. The high level of supplementary budget (17% of approved budget) and the specific case of the Innovation, Technology Development and Transfer programme, which received supplementary funding amounting to more than three times its original budget, highlight concerns about capacity and commitment to budgetary controls and discipline. This will need to be addressed going forward.

5 The deviation is computed as average % by which the funds released deviates from the approved budget by programme.

#### *3.1.3.2 Percentage of funds absorbed against funds released*

This measures the rate at which MDAs utilised the funds disbursed to them. In FY 2017/18, the absorption rate was high, at 99.2%, indicating that almost all the funds released were utilised, which reflects strong capacity in executing planned expenditures. However, starting in FY 2020/21, there was a notable decline in absorption to 90.8%, and 90.7% in FY 2021/22. This dip coincides with the significant budgetary disruptions caused by the COVID-19 pandemic, which affected project execution, delayed Government operations, and impacted the efficiency of fund utilisation.

In FY 2022/23, the absorption rate recovered to 98%, signalling an improvement in the public sector's ability to spend released funds as a result of the recovery of Government operations post-pandemic and the restoration of more regular budget execution processes. Despite this improvement, FY 2023/24 saw the absorption rate decrease to 89%, below the target of 100%. The Natural Resources, Environment, Climate Change, Land and Water Management programme, at 65%, accounts for most of the reduced absorption. Inefficiencies in programme execution across the board or challenges in the timely disbursement of funds is likely to have hindered full utilisation of the funds released.

Budget execution practices need to be examined to improve efficiency in the delivery of resources to programme activities. This includes addressing bottlenecks in fund utilisation by MDAs, such as delayed procurement processes, capacity constraints, and other process inefficiencies.

#### *3.1.3.3 Key interventions under this objective*

##### *3.1.3.3.1 Strengthening capacity for development planning, particularly at the MDAs and Local Governments.*

###### *3.1.3.3.1.1 Strategic planning by Votes*

Strengthening the capacity for development planning, particularly at the MDAs and LGs, is a critical intervention to achieve better alignment of budgets. This process translates into MDA and LG plans that are aligned to the NDP, which then provide a basis for the annual budget of votes.

During FY 2023/24, NPA provided technical backstopping to LGs and MDAs to align their plans with the NDP III programmes. The table below shows the number of plans cumulatively approved by NPA over the financial years.

**Table 8: No. of Plans Approved**

| | No. of entities | No. of plans cumulatively approved in FY | | | |
|---|---|---|---|---|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| MDAs | 186 | 55 | 130 | 159 | 173 |
| LGs | 176 | 11 | 81 | 144 | 172 |

By the end of FY 2023/24, 173 MDA plans (93%) had been approved, while 13 plans were still under review. The number of approved District Development Plans was 172 (97.7%), while four were under review. Similar to the case with Local Governments, delays in submitting plans by MDAs impacts the timely completion of the exercise.

These delays also undermine the relevance of the strategic plans in supporting the NDP implementation. Going forward, NPA should consider restricting the period after issuance of a new NDP, within which LGs and MDAs are required to complete their strategic plans.

###### *3.1.3.3.1.2 Preparation of NDP IV*

In efforts to achieve Vision 2040, NPA commenced the preparation of the Fourth National Development Plan (NDP IV) starting with the preparation of a roadmap which laid out activities and timelines for delivering NDP IV. Activities included, among others, preparation of the strategic direction, reviewing MDAs' and LGs' development planning guidelines, integration of regional and global agendas, costing of the plan, developing the macro-economic and M&E frameworks, and several consultations.

The consultations were with Cabinet where His Excellency the President outlined key priority development areas, namely (i) commercialisation of agriculture; (ii) industrialization; (iii) ICT services; and (iv) wealth creation programmes. Other consultative meetings were held with political leaders, senior Government officials, development partners and civil society organisations (CSOs).

***Hon. Ministers, Raphael Magezi, Amos Lugoloobi and NPA Executive Board Chairperson during consultations.***

**Table 9: Summary of the NDP IV Strategic Direction**

| The Theme, Goal and Strategic Objectives Based on the Cabinet Approved NDP IV Strategic Direction | |
|---|---|
| Theme | Sustainable industrialisation for inclusive growth, employment, and wealth creation. |
| Goal | The goal of this Plan is to "achieve higher household incomes, full monetisation of the economy, and employment for sustainable socio-economic transformation". |
| Strategic Objectives | a) Sustainably increase production, productivity and value addition in agriculture, minerals, oil and gas, tourism, ICT and financial services.<br>b) Enhance human capital development along the entire life cycle.<br>c) Support the private sector to drive growth and create jobs.<br>d) Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT.<br>e) Strengthen good governance, security, and the role of the state in development. |

Following the approval of the NDP IV Strategic Direction by Cabinet, a National Planning Conference was held in May 2024. This conference signalled the commencement of the process for formulation of the detailed NDP IV.

The conference was officiated by Hon. Amos Lugoloobi, the Minister of State for Finance, Planning and Economic Development (Planning), the Permanent Secretary and Secretary to the Treasury, and the Head of Public Service and Secretary to the Cabinet. The conference was attended by planners from across MDAs and LGs, representatives of the private sector, development partners, CSOs, and academia.

***Hon. Amos Lugoloobi during the NDP IV launch at the Office of the President.***

*PS/ST Ramathan Ggoobi during the NDP IV launch at the Office of the President.*

During the year, NPA also facilitated a consultative process for the preparation of the NDP IV Programme Implementation Action Plans (PIAPs). This involved engagements with various Programme Working Groups (PWGs), MDAs, development partners, CSOs and private sector representatives. The purpose of these stakeholder engagements was to ensure that the final plan reflects a collective view and addresses the needs of the country. This was critical in fostering ownership and commitment to the plan and leveraging the knowledge, expertise, and experience gained from previous national plans.

#### *3.1.3.3.1.3 African Peer Review Mechanism*

Uganda is a member of the African Peer Review Mechanism (APRM), a regional framework for strengthening democratic governance and inclusive development. Member countries under this framework have to conform to policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration.

The APRM imposes development targets to which Uganda needs to align, and therefore, it becomes relevant as a regional planning framework, just like the Sustainable Development Goals (SDGs), Agenda 2063, and the East African Community (EAC). For this reason, the APRM Secretariat is housed at NPA. With respect to this process, NPA undertook the following specific activities during the year:

(i) NPA hosted a high-level forum on South Triangular Cooperation for Sustainable Development. This forum played a crucial role as a platform for sharing experiences and promoting cooperation among stakeholders to address common development challenges. Agreements reached in the forum were captured in a report which was disseminated to all members.

(ii) NPA produced the Annual APRM Progress Report for FY 2023/24. This report outlines the achievements and plans related to the performance of the National Governing Council of the African Peer Review Mechanism (APRM-NGC) for fiscal year 2022/23. It also provides a comprehensive overview of the year's achievements and highlights key areas of focus to ensure the national APRM objectives are met.

(iii) NPA also published the APRM targeted review reports on selected binding constraints hindering Uganda's development, including:

1) The **report on under-developed infrastructure** which presents a comprehensive assessment of Uganda's infrastructure in the areas of transport, energy, and digital infrastructure, and the impact to the country's development agenda.
2) The **report on under-developed agriculture** providing an overview of the state of agriculture in Uganda and highlighting constraints on the county's development programme.
3) The **report on non-responsive Civil Service** providing an assessment of Uganda's Civil Service and gaps with respect to delivering the country's development goals.

The above reports are published on the official NPA website (www.npa.go.ug).

### *3.1.3.3.1.4 Gender mainstreaming*

During the year, the Equal Opportunities Commission (EOC) undertook its annual assessment of Government's plans and budgets on gender mainstreaming and integration. This assessment covered the NDP programmes and the individual MDAs and Local Governments. The assessment, as shown in the graph in Table 12 revealed that, overall, there was a decline in gender mainstreaming across programmes.

In the context of planning and in response to this performance, the EOC conducted activities for building capacity among the MDAs and LGs in gender mainstreaming and gender-responsive budgeting. A total of 320 technical officers from selected MDAs and 135 district planners across Local Governments were trained. The Commission also trained 17 Local Government Councils on their oversight role in scrutinising the budget. These include Buvuma, Mukono, Nakaseke, Luweero, Butaleja, Sironko, Bukedea, Kibuku, Kyotera, Gomba, Butaleja, Bududa, Manafwa, Namisindwa, Mbale, Iganga and Bugweri.

***The chairperson EOC with District planners during capacity building of district planners on gender and equity budgeting.***


***Hon. Safia Nalule Jjuuko, the Chairperson EOC, delivering her opening remarks during a one-day training workshop for Planners and Gender Focal Persons on gender- and equity-responsive Planning & Budgeting.***


***Mr. Godfrey Kakala facilitating a presentation on understanding the key gender and equity entry points for action in the budgeting cycle during the one-day training programme for planners and the Global Focal Point (GFP) at the EOC head office at Kingdom Kampala Hotel.***

*3.1.3.3.1.5 Development of gender and equity guidelines*

The Commission developed vote-specific gender and equity guidelines for a number of MDAs. The guidelines were to support MDAs in addressing gender and equity requirements for inclusive planning. The vote guidelines developed in F2023/24 include those for the Ministry of Defence and Veterans Affairs (MODVA), the Electoral Commission, the Ministry of Foreign Affairs (MoFA), the Inspectorate of Government, the Judiciary, KCCA, the Ministry of Gender, Labour and Social Development (MGLSD), the Ministry of Tourism, Wildlife and Antiquities (MTWA), the Ministry of Education and Sports (MoES), the Ministry of Health (MoH), the Ministry of Justice and Constitutional Affairs (MoJCA), the Petroleum Authority of Uganda (PAU), public universities, regional referral hospitals, the Ministry of Water and Environment (MWE), the Ministry of Trade, Industry and Cooperatives (MoTIC), and the Ministry of Land, Housing and Urban Development (MHLUD).

*3.1.3.3.1.6 Upgrading of Gender and Equity Information Management System (GEMIS)*

The Gender and Equity Management Information System (GEMIS) was improved to support the assessment of Programme Budget Framework Papers (BFPs), Vote Ministerial Policy Statements (MPSs) and Local Government Budget Framework Papers (LGBFPs). The system provided the basis for the assessment and issuance of the FY 2023/24 certificate of gender and equity compliance with the programmes, votes and LGs.

#### ***3.1.3.3.2 Strengthening human resource planning to inform skills projections and delivery of national human resource capacity to support expansion of the economy***

During the financial year, NPA embarked on formulating a five-year Human Resource Development Plan (NHRDP) concurrently with NDP IV. Leveraging the knowledge, expertise, and experience gained from previous national plans to ensure a robust development strategy, this plan was developed in line with the National Development Planning Regulations.

The theme of the second NHRDP is to build a skilled and resilient workforce for sustainable development while the goal is to build a skilled, resilient and competitive workforce to drive sustainable development. The strategic objectives of the second NHRDP are to:

1. Strengthen the alignment of the national education and training system with current and future labour market needs.
2. Revolutionise and increase access to Technical and Vocational Education and Training (TVET) to enhance employment and employability of Ugandans.
3. Create an enabling ecosystem for employment, entrepreneurship, and innovation to drive job expansion and economic opportunities.
4. Establish an integrated manpower planning ecosystem to enhance coordination and effectiveness of workforce development.

#### ***3.1.3.3.3 Strengthen Public Investment Management across the entire Government to be able to develop bankable projects on time***

Public investments are key for delivering the national plan. Efficiency in **Public Investment Management (PIM)** is critical in improving the allocation and use of public resources to meet development goals. Funds allocated for the implementation of the projects need to be utilised efficiently and in alignment with the country's development goals.

*3.1.3.3.3.1 Strengthening capacity for PIMS across Government*

During the year, as part of strengthening public investment management, the Development Committee (DC[6]) reviewed the Project Information Management System (PIM) guidelines to include gender equity, climate change and green growth. The revised DC guidelines were finalised and approved and were due for dissemination by the end of the FY.

The DC also reviewed the Public Investment Plan (PIP) – a repository of all projects funded by the Government, to improve their quality and to remove poor, non-performing projects, and projects that had been concluded.

6 The Development Committee located at the Ministry of Finance, Planning and Economic Development oversees, on behalf of the Minister, the selection of new projects to be funded by Government consistent with national development objectives and priorities and with resources available. It also issues, from time to time, guidelines to MDAs and Local Governments on the preparation of new projects.

This is important, as it creates space for new projects approved during the year.

Improving the capacity of MDAs for project development and management continued throughout the year. Through NPA, in partnership with the PIM Centre of Excellence, Makerere University, up to 80 technical staff from various MDAs were trained on project preparation and development.

Other significant advancements include the completion of the consultations and drafting of the PIMS policy, and the stocking of the PIM Centre of Excellence at Makerere University with long-term training materials developed by the university and approved by MoFPED.

Sector-specific investment management manuals for Energy, Petroleum, Mineral Development and Integrated Transport Infrastructure and Services programmes were drafted and approved. Stakeholder consultations were also undertaken to inform the drafting of manuals for Agro-Industrialisation and Natural Resources, Environment, Climate Change, Land and Water Management programmes.

The Public Investment Financing Strategy (PIFS) handbook was disseminated to all relevant stakeholders and the general public. A workshop on sensitisation of MDAs on their roles and responsibilities in implementation of the PIFS was held. This workshop was carried out as the kick-starting activity of the implementation activities. MDAs were formed into technical working groups which provided a review of the key strategies, proposed additional strategies and provided tentative timelines for their implementation.

The second phase of the Integrated Bank of Projects (IBP) system was launched and was in use by the end of FY 2023/24. Capacity-building activities for technical staff at all levels of Government on the use of the upgraded IBP system was undertaken. This will enable performance reporting on projects by both MDAs and Local Governments to be carried out in a timely manner.

During FY2023/24, NPA supported the development of several feasibility and pre-feasibility studies to enhance the quality of new projects. By the end of the fiscal year, six studies were fully completed, providing critical insights and recommendations for various projects. Additionally, three studies were at the prefeasibility stage, indicating progress towards more detailed planning, while seven studies remained at the conceptualisation level. These efforts are essential in guiding evidence-based decision-making and ensuring that development initiatives are viable and aligned with national priorities. The table below provides details of these feasibility and pre-feasibility studies.

**Table 10: Feasibility and Pre-feasibility Studies Supported by NPA**

| S/N | Name of the Study | Status by End of FY 2023/24 |
|---|---|---|
| 1 | Feasibility study for the construction and equipping of the Planning House | Completed |
| 2 | Feasibility studies for industrial parks, including Jinja, Kasese, and Soroti | Completed |
| 3 | Feasibility study on the Uganda Cassava Integrated Development Project | Completed |
| 4 | Feasibility study of a construction company in Uganda | Completed |
| 5 | Feasibility study for the establishment of a coffee soluble plant under a public-private partnership (PPP) arrangement | Completed |
| 6 | Immediate interventions and harmonisation of cargo operations between Uganda Airlines and Uganda Air Cargo Corporation | Completed |
| 7 | Feasibility Study on the Preparation of Sustainable Bio-fuels Infrastructure Development Project | Draft pre-feasibility and feasibility study reports completed |
| 8 | Support the development of the pre-feasibility and feasibility of the South Sudan Economic Hub | Prepared the draft feasibility study and detailed engineering designs |
| 9 | Support to URA in developing the pre-feasibility and feasibility studies for the proposed construction of URA regional offices and staff housing in Mbale, Gulu and Fort Portal | Prepared the pre- feasibility report |
| 10 | Preparation of the value chain analysis and pre-feasibility study for the high-density charge batteries for e-mobility and battery energy storage system | Completed the concept with Kiira Motor Corporation (KMC) |

***Source: NPA***

### 3.1.3.3.3.2 Public-private partnerships

Public-private partnerships (PPP) provide a form of cooperative arrangement between the Government and the private sector, to finance public investments. This form is suitable in situations where the Government is unable to raise funds to deliver in time key investment projects. The technical unit for the management of PPPs is the PPP Unit located within the MoFPED. It is also the secretariat to the national PPP Committee which reviews and vets project proposals under the PPP. In November 2023, the 38th and 39th PPP Committee meetings were convened to review and take decisions on new projects.

The PPP Act provides for the establishment of a Project Development Facilitation Fund (PDFF) as a mechanism to support the early-stage development of PPPs, including, where necessary, covering costs for feasibility studies, transaction advisory services and other preparatory costs. During the year, as part of efforts to operationalise the PDFF, the PPP Unit, in consultations with NPA and the Project Analysis and Public Investments Department at MoFPED, drafted regulations for the operationalisation of this fund. These regulations were discussed at the 39th meeting of the PPP Committee. In addition, the PPP Unit, together with NPA, prepared the operations manual for the Project Preparation Facility (PPF) – a separate fund managed through the NPA, to facilitate the preparation of projects, other than PPP.

During the year, Local Government PPP guidelines were also launched aiming at enhancing the use of PPPs in delivering infrastructural projects within Local Governments. The guidelines focus specifically on strengthening the capacity for PPP identification, development, procurement, and implementation. The launch involved approximately 200 participants from LGs across the country as well as development finance institutions, MDAs and financial institutions. In addition, the PPP Unit provided technical support to a range of Government agencies in developing project documents at various stages of the PPP cycle. These agencies include Uganda Railways Corporation (URC), Gulu Logistics Hub Project, Uganda Coffee Development Authority (UCDA), Uganda National Roads Authority (UNRA), Kyambogo University (KYU) and the National Information Technology Authority-Uganda (NITA-U).

## 3.2 Objective 2: Strengthen Budgeting and Resource Mobilisation

Budgeting and resource mobilisation are two critical components of Uganda's national development framework. They provide the financial resources and mechanism to deliver funding to implement development plans and achieve socio-economic objectives. Under NDP III, budgeting is critical for driving the realisation of long-term national development goals. It ensures that resources are allocated, managed, and utilised to meet the strategic priorities outlined in the NDP III. Resource mobilisation, on the other hand, focuses on generating the necessary financial resources, from both domestic and external sources, to fund national development programmes.

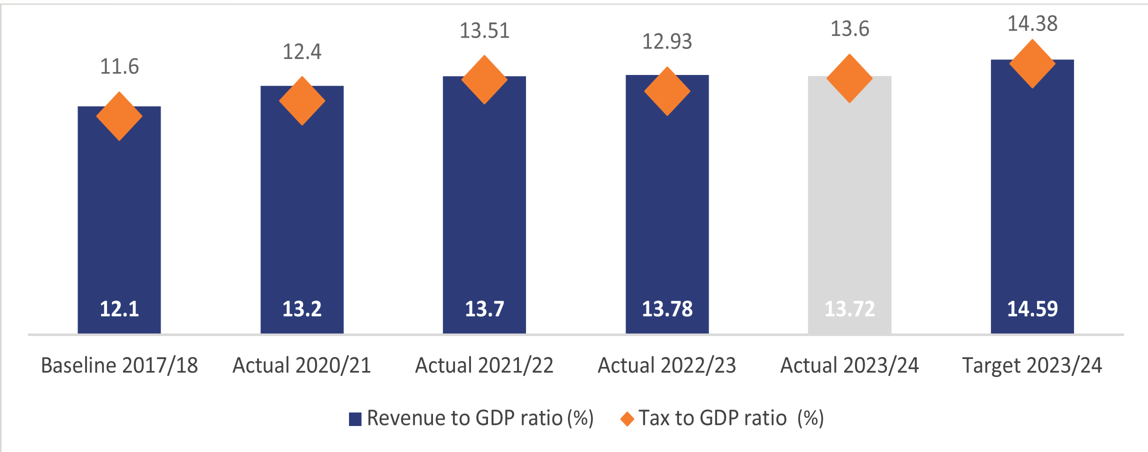
In FY2023/24, the DPI Programme pursued specific targets aimed at enhancing the budgeting processes and improving the Government's ability to mobilise resources. These targets were mapped against several performance indicators, which measured the efficiency of budgetary allocations, revenue collection, external financing, and public investment management. This chapter provides an analysis of the performance of these indicators for FY 2023/24, comparing the results to the set targets, as well as examining trends from previous fiscal periods. It also explores variations in performance, the challenges faced in strengthening budgeting and resource mobilisation, and the opportunities for improvement moving forward.

**Performance against Key Outcomes under the Objective**

### 3.2.1 Outcome 1: Increased Budget Self-sufficiency

The ability of the Government to generate adequate revenue to cover its budgetary expenditures without significantly depending on external funding sources is known as budget self-sufficiency. Uganda can attain fiscal stability, have more control over its fiscal policies, and improve its capacity to carry out development initiatives by lowering its reliance on borrowing. By strengthening revenue mobilisation initiatives, including broadening the tax base, and encouraging adherence to tax laws, the DPI Programme seeks to increase fiscal self-sufficiency. The graph below shows a trend in the performance of the key indicators of tax-to-GDP ratio and revenue-to-GDP ratio that are used to evaluate Uganda's progress towards greater fiscal self-sufficiency.

**Figure 7: Revenue Performance over the Years**




Performance in the FY 2023/24 tax-to-GDP ratio fell short of expectations, achieving 13.6% against a projected 14.38%, representing a nearly 1% shortfall. Similarly, the revenue-to-GDP ratio improved to 13.72% but remained below the target of 14.59%. This underperformance can be attributed to the expansion of the informal sector from 51% in 2017/18 to 54.3% in 2023/24, low tax compliance, and a limited tax register. These factors, combined with potential economic disruptions, policy implementation delays, and inefficiencies in revenue collection, contributed to the slower-than-expected growth and hindered the achievement of projected outcomes.

In FY 2023/24, Uganda Revenue Authority (URA) was given a revenue target of UGX 29,218.98 billion, an increase of UGX 4,009.93 billion (15.91%) from UGX 25,209.05 billion collections realised in FY 2022/23. The tax policy and administrative measures were projected to yield revenue worth UGX 1,638.90 billion during the financial year.

**Table 11: Trend of Revenue Collections under NDP III (Figures in UGX Billions)**

| Revenue Head | Actual | | | FY 2023/24 | | |
|---|---|---|---|---|---|---|
| | FY2020/21 | FY2021/22 | FY2022/23 | Target | Actual | % |
| Domestic Revenues (Tax and NTR) | 12,144.01 | 13,663.89 | 16,426.41 | 19,002.79 | 18,384.86 | 96.75% |
| International Trade Taxes | 7,505.86 | 8,434.82 | 9,326.64 | 10,853.37 | 9,553.36 | 88.02% |
| Less Tax Refunds | 374.8 | 440 | 543 | 637.18 | 637.26 | 100.01% |
| **Total** | **19,275.07** | **21,658.71** | **25,210.05** | **29,218.98** | **27,300.96** | **93.44%** |

Cumulatively, URA's net revenue collections were UGX 27,301.22 billion, against a target of UGX 29,218.98 billion, posting a performance of 93.44 % and shortfall of UGX 1,917.76 billion. A growth of 8.30% (UGX 2,092.17 billion) was realised in the period July to June FY 2023/24 compared to the same period last year.

The gross domestic revenue collections were UGX 18,384.86 billion, against a target of UGX 19,002.79 billion, registering a performance of 96.75% and a deficit of UGX 617.93 billion. Subsequently, substantial growth of UGX 1,959.45 billion (11.93%) was realised as compared to FY 2022/23.

Domestic revenues accounted for 65.80% of the total URA gross revenue collected during the financial year. Domestic revenues registered a surplus of UGX 424.53 billion, while indirect domestic revenues recorded a deficit of UGX 823.98 billion and NTR (including stamp duty and embossing fees) registered a deficit of UGX 218.48 billion.

Cumulatively international trade taxes (customs) collections were UGX 9,553.63 billion, against a target of UGX 10,853.37 billion, registering a performance of 88.02% and UGX 1,299.75 billion was below the target. Despite the deficit, growth of UGX 226.98 billion (2.43 %) was realised in FY 2023/24 compared to FY 2022/23. Customs collections accounted for 34.20% of the total revenue collected.

Total tax refunds for FY 2023/2024 were UGX637.26 billion, against a projection of UGX 637.18 billion. Domestic revenue refunds accounted for 92.57% (UGX 589.94 billion) of the total refunds, 3.85% (UGX 24.54 billion) of the refunds were customs, while 3.57% (UGX 22.78 billion) were court cases. While there has been commendable progress towards increasing domestic revenue as a share of GDP, there is need for renewed focus on revenue mobilisation strategies. Ensuring consistent growth in domestic revenue is critical for achieving greater budget self-sufficiency in the future, particularly as the country faces rising fiscal demands and challenges related to economic volatility.

**Revenue mobilisation at KCCA**

Kampala City is Uganda's capital and centre of business activity. By law, KCCA has a mandate for the collection of revenues from the citizens and users of the city, which it can then apply to finance public services, including the operation and maintenance of the city infrastructure and other services. Growth of these revenues is important to enable the city to achieve greater autonomy and sufficiency in financing its services.

**URA's net revenue collections**
A growth of
**8.30%**
**UGX 2,092.17 bn**

The
**Gross Domestic Revenue** collections were
**96.75%**
**UGX 18,384.86 bn**

In FY 2023/24, KCCA collected UGX 114.1 bn in revenue, exceeding a target of UGX102.7 billion by 11.36%. Property rates, the largest source of revenue, generated UGX 57.7 billion (about 51% of the total) followed by business and trading licence fees (UGX 17.4 billion or 15.3%), local service tax (UGX 14.97 billion or 13.1%) and others (see the table below).

**Table 12: KCCA Revenue Performance**

| Revenue Source | FY 2017/18 Actual (UGX bn) | FY 2020/21 Actual (UGX bn) | FY 2021/22 Actual (UGX bn) | FY 2022/23 Actual (UGX bn) | FY 2023/24 Budget (UGX bn) | FY 2023/24 Actual (UGX bn) | Contribution by Source (2023/24) | Growth 2017/18 to 2023/24 |
|---|---|---|---|---|---|---|---|---|
| Business License Fees | 19.92 | 15.06 | 15.58 | 16.67 | 14.86 | 17.42 | 15.3% | -13% |
| Property Rates | 23.78 | 36.95 | 43.55 | 52.29 | 54.19 | 57.77 | 50.6% | 143% |
| Ground Rent | 7.40 | 5.19 | 4.82 | 6.22 | 5.34 | 5.12 | 4.5% | -31% |
| Street Parking Fees | 5.41 | 2.70 | 3.56 | 2.63 | 3.36 | 3.57 | 3.1% | -34% |
| Advertising Fees | 2.83 | 0.01 | 0.00 | 0.00 | - | - | 0.0% | -100% |
| Market Dues/Fees | 1.29 | 0.43 | 0.02 | 0.22 | 0.37 | 0.46 | 0.4% | -65% |
| Park User Fees | - | - | 1.28 | 3.56 | 2.81 | 5.11 | 4.5% | |
| Land Fees | 4.39 | 1.19 | 2.47 | 2.65 | 3.33 | 2.49 | 2.2% | -43% |
| Local Service Tax | 11.49 | 11.79 | 11.79 | 14.01 | 12.96 | 14.97 | 13.1% | 30% |
| Building Fees | 2.33 | 5.16 | 8.22 | 3.57 | 3.30 | 4.14 | 3.6% | 77% |
| Local Hotel Tax | 2.67 | 0.81 | 1.35 | 2.21 | 1.56 | 2.50 | 2.2% | -6% |
| Other Revenue Sources | 2.09 | 0.92 | 0.64 | 0.88 | 0.61 | 0.53 | 0.5% | -75% |
| **TOTAL** | **83.61** | **80.23** | **93.27** | **104.92** | **102.69** | **114.09** | **100.0%** | **36%** |

In general, KCCA own-source revenues have grown significantly (by 36%) since FY 2017/18. KCCA's digitisation programme, including specifically the introduction of the e-Citie platform, has been a major contributor to this growth.

However, this growth has been dominated by one source – property tax, which has more than doubled (143%) over the period. The tremendous growth in this source is attributed to the introduction of a mass valuation system (CAM/CAMV) for properties which rapidly expanded the valuation roll, providing timely information on ratable properties across the city. It is also important to note that growth has regressed for some sources (as seen in the table above) due, largely, to institutional capacity weaknesses. Gaps in the law have also affected performance in some sources such as advertising fees, where a court decision forced the suspension of the source. These factors have to be addressed for sustainable revenue growth at KCCA.

**KCCA own-source revenues** have grown significantly by **36%** since FY 2017/18.

### 3.2.2 Outcome 2: Sustainable Economic Growth and Stability

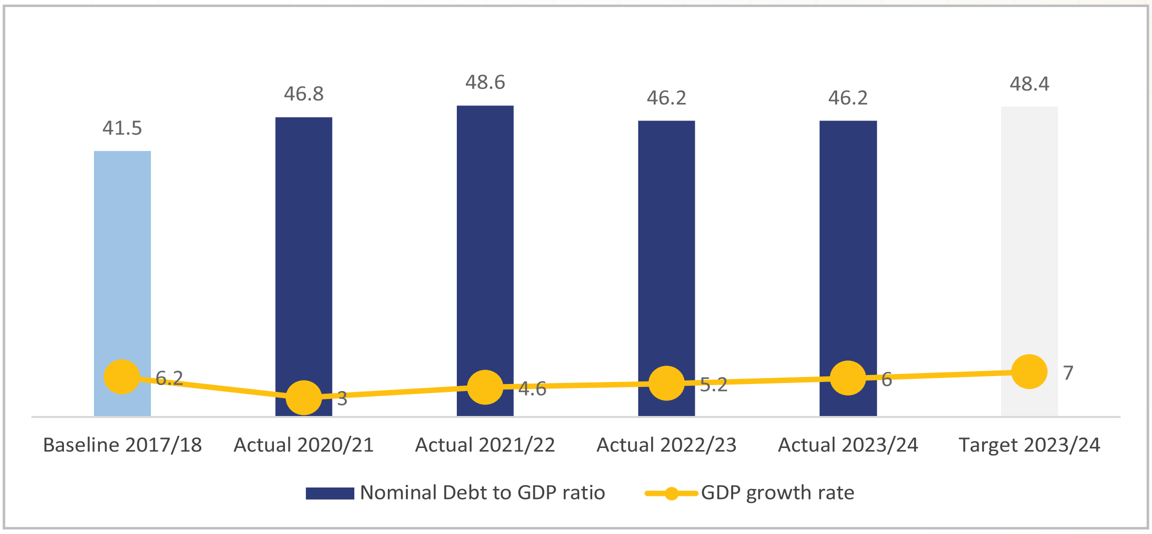
The DPI Programme is centred on accelerating national development by ensuring that the necessary fiscal resources are available and managed efficiently to support key sectors such as infrastructure, health, and education. Sustainable economic growth is fundamental to achieving this goal, as it drives revenue generation, increases employment opportunities, and raises overall productivity. At the same time, managing debt levels ensures that the country can continue to finance critical development projects without jeopardising its financial stability or future growth prospects.

This outcome focuses on achieving consistent and balanced economic growth while maintaining macro-economic stability, particularly in managing public debt. It seeks to ensure that the economy grows at a sustainable pace, enabling the Government to meet its fiscal and development obligations without compromising long-term financial health. A strong GDP growth rate is indicative of increased economic activity, job creation, and improved living standards, while a stable nominal debt-to-GDP ratio ensures that the country's debt remains at manageable levels, minimising risks of fiscal crises or defaults.

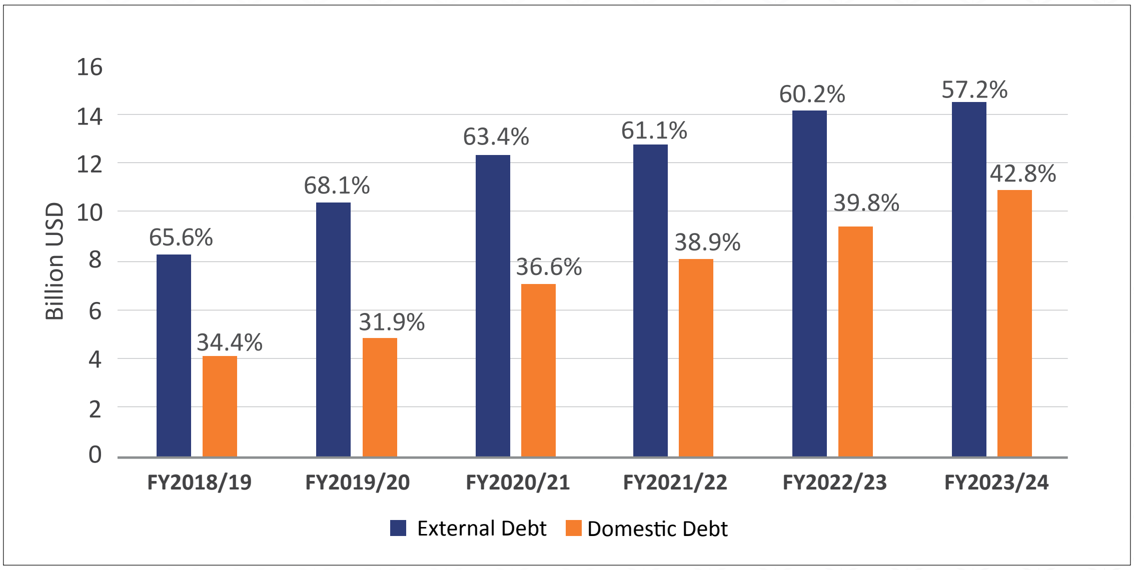
The **GDP growth rate** presents a mixed performance over the period under review. Starting from a baseline of 6.2% in 2017/18, the economy faced a significant slowdown, particularly during 2020/21 when growth dropped to 3%, largely attributable to the COVID-19 pandemic and its aftermath. However, recovery efforts took hold, with the growth rate improving to 4.6% in 2021/22, and further to 5.2% in 2022/23. Despite this positive trend, the actual GDP growth rate for 2023/24 stands at 6%, which is below the target of 7%. While the economy has rebounded, achieving higher growth levels remains challenging, due to global economic uncertainties, inflationary pressures, and slow domestic investment growth, which points to the need for targeted economic stimulus measures to maintain a steady upward trajectory in economic growth.

While the **nominal debt-to-GDP ratio** has largely remained stable at 46.2% in FY 2022/23 and FY 2023/24, the overall trend has been on the increase. However, the ratio of 46.2% in 2023/24 is below the target (48.4%), which is a positive sign of improved fiscal discipline and debt management. The stabilisation of debt levels suggests that while borrowing remains an essential tool for financing the country's growth, efforts to ensure debt sustainability are being taken seriously.

**Figure 8: Nominal Debt to GDP Ratio**




While the trend indicates a moderate recovery in GDP growth and a stable nominal debt-to-GDP, it is crucial to sustain fiscal discipline, promote domestic investment, and create a more conducive environment for growth in key sectors. The relative containment of debt notwithstanding, the composition – between domestic and external – has changed.



In the graph above, domestic debt has seen a steady growth over the period of NDP III from 36.6% in FY 2020/21 to 42.8% in FY 2023/24. This is an opportunity – reducing external dependency, but also a challenge to private sector growth due to competition in the same credit market.

### 3.2.3 Outcome 3: Fiscal Credibility and Sustainability

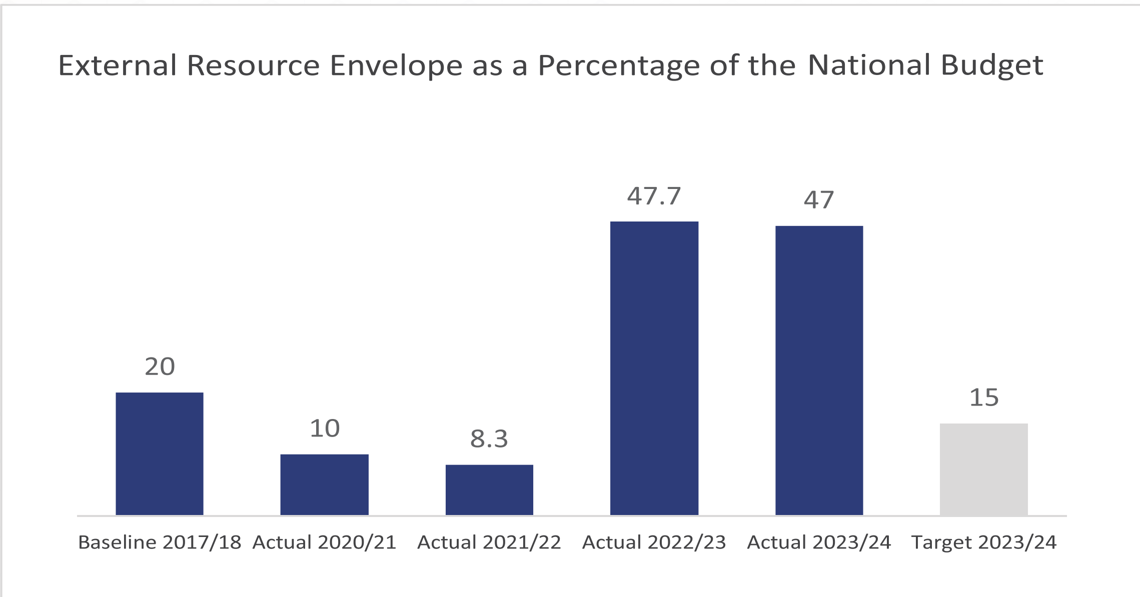
This outcome focuses on maintaining a sound and stable fiscal environment where the Government can finance its expenditure in a sustainable manner without over-reliance on external sources or accumulating unsustainable levels of debt. Fiscal credibility refers to the Government's ability to meet its budgetary commitments, ensuring transparency, predictability, and efficiency in revenue collection and expenditure. Fiscal sustainability, on the other hand, refers to maintaining a balance between revenue generation, borrowing, and expenditure over the long term without risking financial instability.

Achieving fiscal credibility and sustainability ensures that the Government has the financial resources needed to meet development goals, while avoiding the risk of fiscal crises that could derail progress. By maintaining fiscal discipline, the Government can enhance service delivery, improve resource allocation, and promote an environment conducive to economic growth and social development.

As is observed in the discussion below, performance under this outcome in general reveals significant fiscal risks. Addressing emerging issues will require stronger fiscal discipline, enhanced debt management, and the need for stronger commitment to financing of Local Governments to meet the DPI Programme's goals.

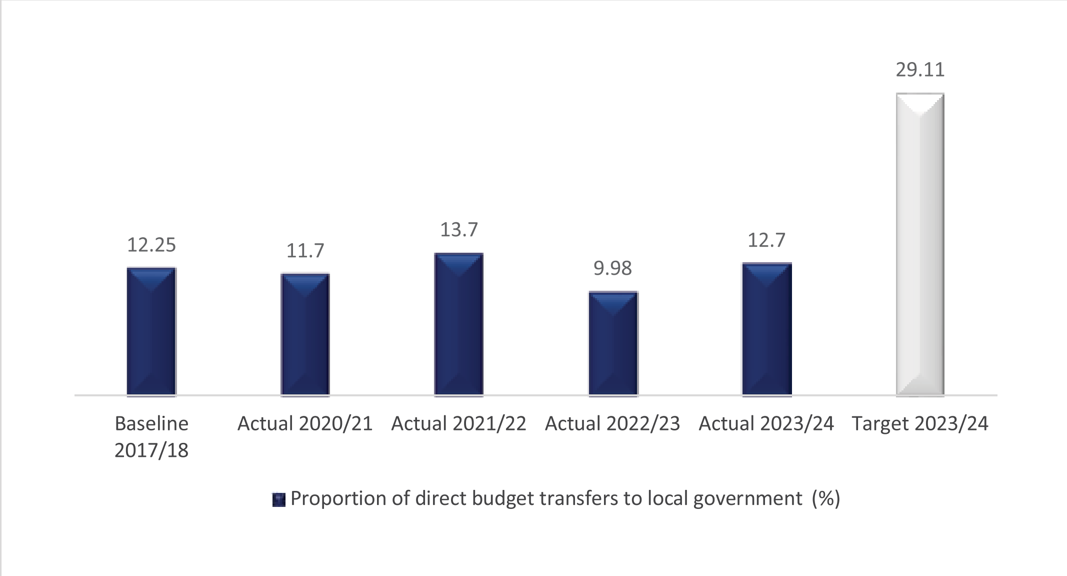
The **External Resource Envelope as a percentage of the National Budget** shows a highly volatile trend. Starting from 20% in 2017/18, it decreased to 10% and 8.3% in 2020/21 and 2021/22, respectively, indicating a reduced reliance on external resources during those years. However, there was a sharp increase to 47.7% in 2022/23 and this remained at 47% in 2023/24, well above the target of 15%. This dramatic rise is due to heightened dependence on external financing, and increased borrowing in response to economic recovery needs and budgetary pressures. The trend highlights a challenge in maintaining fiscal sustainability, as over-reliance on external funding can pose risks to budget credibility, especially if the resources are unpredictable or come with stringent conditions.

**Figure 9: External Resource Envelope as a Percentage of the National Budget**



The **Proportion of Direct Budget Transfers to Local Governments** has largely remained significantly lower than NDP targets over the years. Direct budget transfers are those using the formal grant system prescribed in law. They include UgIFT transfers under the development grant but exclude other funds through national projects or initiatives.

**Figure 10: Proportion of Direct Budget Transfers to Local Governments**




From a baseline of 12.25% in FY 2017/18, performance on this indicator declined to 11.7% in FY 2020/21, with a modest recovery to 12.7% by FY 2023/24. However, this remains well below the DPI Programme target of 29.11%. The shortfall reflects underlying structural challenges, including the rapid expansion of the national fiscal expenditure programme, especially in capital-intensive sectors such as infrastructure, which tends to crowd out allocations to priority human capital and service delivery interventions. Without a deliberate shift towards more balanced and strategic investment planning, significant progress on this indicator may remain constrained in the medium term.

However, there has also been a major expansion of budgetary flows to Local Government programmes by way of national initiatives and projects in the recent years which are not captured in the grant system. The most prominent of these is the Parish Development Model (PDM), through which UGX1.078 trillion was delivered under its financial inclusion pillar to Local Government-based activities. This is equivalent to nearly 20% of the funds transferred through the grants system (aggregate transfer through the grant system amounted to UGX 5.6 trillion in FY 2023/24).

The aggregate quantity of these flows using channels outside the grant system could not be ascertained. Therefore, while the score on this indicator, based on the grant system, has remained low (12.7% against a target of 29.11% in FY 2023/24), there is a possibility that, with the incorporation of all other flows outside the formal grant system, this would be significantly higher. It is important, therefore, that ways are explored to streamline and integrate these other flows into the grant system guided by the law to increase the impact.

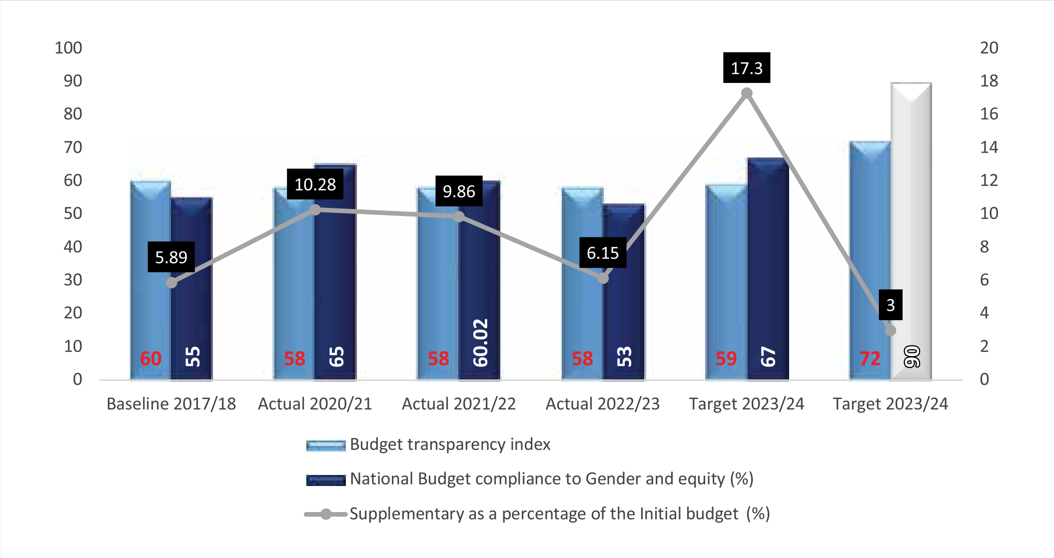
### 3.2.4 Outcome 4: Improved Budget Credibility

This outcome aims to ensure that the national budget is both realistic and reliable, reflecting the Government's ability to accurately forecast revenues, allocate resources effectively, and execute planned expenditures. Budget credibility is achieved when the actual implementation of the budget closely matches the approved plans. It involves maintaining transparency in the budgeting process, ensuring compliance with specific policy priorities (such as gender and equity), and limiting the need for supplementary budgets that reflect poor initial planning.

In terms of resource mobilisation, a credible budget enhances the Government's ability to forecast and collect revenues in line with realistic economic conditions. A credible budget minimises the risk of under- or over-estimating revenues, which can destabilise the Government's ability to meet its financial obligations.

In relation to **budgeting**, improved budget credibility ensures that public funds are allocated and used according to planned priorities. This means that key sectors such as infrastructure, healthcare, and education can receive timely and adequate funding to meet their targets. By limiting the use of supplementary budgets, the Government can avoid disrupting its fiscal policy and maintain a steady flow of resources to critical areas. In the context of gender and equity compliance, budget credibility ensures that specific policy goals aimed at inclusivity and equality are consistently addressed. Thus, enhancing budget credibility contributes directly to effective resource mobilisation and efficient budgeting, ensuring that fiscal and development objectives are met.

**Figure 11: Trend of Supplementary as a % of the Initial Budget, National Budget Compliance with Gender and Equity (G&E), Budget Transparency Index over the Years.**




### *3.2.4.1.1.1 Budget transparency*

The **Budget Transparency Index**, which measures the extent to which the public has access to information about the Government's budget and spending, shows fluctuating performance. From a baseline of 60 in 2017/18, the index stood at 58 in FY 2021/22 and 59 FY 2023/24. This performance remained below the baseline and target of 72 for FY2023/24.

Based on International Budget Partnership, an international non-profit organisation that conducts the *Open Survey Report*, which publishes the indicator, Uganda should prioritise the following actions to improve budget transparency:

1. Publish the Citizens Budget online in a timely manner. The Citizens Budget should be published online in the same timeframe as the document it simplifies.
2. Include in the Executive's Budget Proposal data on the financial position of the Government and data on the macro-economic forecast. This includes publishing information on financial and non-financial assets held by the Government, estimates of expenditure arrears, and information on contingent and future liabilities. Furthermore, the Executive's Budget Proposal should include information that shows how all new policy proposals affect expenditures and revenues and how the proposed budget links to the Government's policy goals for the budget year and subsequent ones.
3. Include in the Year-End Report comparisons between borrowing estimates and actual outcomes and comparisons between the original macro-economic forecast and actual outcomes.
4. Improve the comprehensiveness of the Audit Report and Mid-Year Review.[7]

7 Open Budget Survey, 2023.

*3.2.4.1.1.2 National Budget compliance with gender and equity*

**Overall budget compliance**

The **National Budget compliance with gender and equity** requirements indicator tracks the Government's commitment to allocating resources in consideration to addressing gender and equity concerns. This indicator shows significant fluctuations over the years. From a baseline of 55% in FY 2017/18, compliance improved to 65% in FY 2020/21 but dropped to 60.02% in FY 2021/22 and further to 53% in FY 2022/23[8] but improved to a record high of 67% in FY 2023/24. However, this was still far below the target of 90%. The shortfall from the target is attributed to challenges in, among others, gender disaggregation in national policy implementation, resource allocation to gender issues, clarifications in monitoring frameworks to target gender and equity priorities and limited technical capacity among others. Therefore, the inconsistent performance points to a need for stronger institutional mechanisms to ensure that gender and equity considerations are consistently integrated into the budget process.

**Compliance of Programmes under Budget Framework Papers**

Programme Budget Framework Papers (BFPs) are medium-term planning documents of programmes. During the year, the Equal Opportunities Commission (EOC), a body charged with the promotion of gender equity in Uganda, assessed 20 Programme Budget Framework Papers (BFPs) for FY 2024/25, as required under the Public Finance Management Act, Cap. 171. Nineteen BFPs passed the assessment with an average compliance score of 57.6%, while the Digital Transformation Programme was not assessed due to non-submission of relevant documents.

**Table 13: Gender and Equity Assessment Results FY 2024/25**

| S/N | Programme | FY2022/23 | FY2023/24 | FY2024/25 |
|---|---|---|---|---|
| 1. | Human Capital Development | 80% | 61.00% | 71% |
| 2. | Community Mobilisation and Mindset Change | 79% | 68.00% | 70% |
| 3. | Legislation, Oversight and Representation | 69% | 60.00% | 69% |
| 4. | Development Plan Implementation | 73% | 61.00% | 69% |
| 5. | Tourism Development | 63% | 60.00% | 64% |
| 6. | Public Sector Transformation | 70% | 53.00% | 64% |
| 7. | Integrated Transport and Infrastructure Services | 68% | 54.00% | 64% |
| 8. | Administration of Justice | 70% | 50.00% | 62% |
| 9. | Private Sector Development | 61% | 51.00% | 61% |
| 10. | Natural resources, Environment, Climate Change, Land and Water Management | 75% | 55.00% | 60% |
| 11. | Agro-Industrialisation | 69% | 56.00% | 60% |
| 12. | Governance and Security | 68% | 56.00% | 60% |
| 13. | Sustainable Development of Petroleum Resources | 59% | 57.00% | 57% |
| 14. | Sustainable Energy Development | 54% | 53.00% | 56% |
| 15. | Innovation, Technology Development and Transfer | 69% | 52.00% | 55% |
| 16. | Mineral Development | 59% | 62.00% | 55% |
| 17. | Sustainable Urbanisation and Housing | 65% | 61.00% | 55% |
| 18. | Manufacturing | 68% | 26.00% | 50% |
| 19. | Regional Development | 65% | 31.00% | 50% |
| 20. | Digital Transformation | 67% | 60.00% | - |
| | **Average** | **67.6%** | **54.35%** | **57.6%** |

***Source: EOC Programme Budget Framework Papers Assessment FY 2024/25***

8 National Budget Assessment Report FY 2022/23.

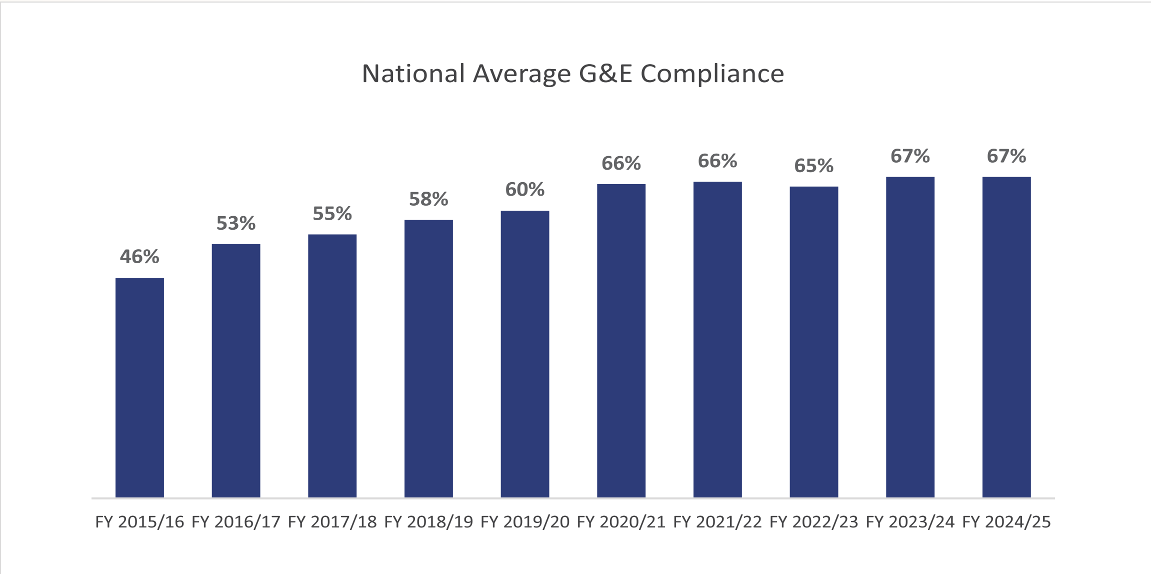
Additionally, the EOC evaluated 162 Ministerial Policy Statements (MPSs) to guide the issuance of gender and equity certificates.

The best performing programmes in FY 2023/24 were Human Capital Development, Community Mobilisation and Mindset Change, Development Plan Implementation, Mineral Development and Sustainable Urbanisation and Housing. The least performing programmes were Manufacturing and Regional Development.

There was, however, a decline in performance of programmes from 68% in FY 2022/23 to 54% in FY 2023/24. The Commission cited several reasons for this decline, including limited technical capacity in key MDAs to address gender and equity, failure by most MDAs to address recommendations issued by the Commission, limited reporting on the key achievements disaggregated by location and gender, among other variables, and limited reporting on the targeted sub-regions which are lagging behind, as listed in NDP III.

**Compliance under Ministerial Policy Statements:** Under the assessment of the Ministerial Policy Statements (MPSs), performance has improved over the years. MPSs are annual workplans of MDAs and Local Governments (also referred to as votes). The overall national compliance with gender and equity requirements for Vote Ministerial Policy Statements was 65% for FY 2023/24. The best performing MDAs were MGLSD, KCCA, MTWA, MWE and National Agricultural Research Organisation (NARO), among others. The worst performing MDAs were mostly missions abroad.

**Figure 12: Ten Years' National Average Trend on Compliance of Ministerial Policy Statements with Gender and Equity Requirements**




***Source: EOC Ministerial Policy Assessment Reports FYs 2015/16 – 2024/25***

### Tracking of gender and equity commitments

Tracking gender and equity commitments in key programmes such as Agro-Industrialisation and Sustainable Urbanisation revealed notable progress but also challenges, including limited community involvement, inadequate supervision, insufficient funding, delayed implementation of projects and weak Central-Local Government coordination. Below are some of the projects tracked.

*EOC staff engaging Mt. Elgon Organic Farmers Ltd located in Mbale District.*


*Signpost for the model farmer of solar-powered water for production equipment and installation works for the Irrigation systems in Katakwi District.*

*EOC staff with some of Balema Kweyamba Association members in Rwimi Town Council, East Ward Kaburosoke Cell in Bunyangabu District.*


*A group picture of EOC staff with Bakonzo Organic Farmers Cooperative Union members.*

The EOC also monitored the participation of persons with disabilities (PWDs) in development programmes and noted progress. However, the Commission identified gaps, such as the lack of comprehensive guidelines for PWD inclusion and limited mobilisation of interest groups.

PWDs continue to face barriers in accessing opportunities in both Government development programmes and the private sector. This is attributed to inaccessible service delivery points, especially in the private sector, public transport, information and marginalisation in the communities.

*Entebbe Municipality Council Speaker being carried to preside over council.*

#### 3.2.4.1.1.2 Budget adjustments – Supplementary appropriations

Section 25(1) of the Public Finance and Accountability Act (PFMA) stipulates that any supplementary expenditure requiring additional resources beyond what has been approved by Parliament shall not exceed 3% of the total approved budget for that financial year.

**Supplementary as a percentage of the initial budget** indicator reveals one of the most concerning trends for budget credibility. The baseline was 5.89% in 2017/18, but it rose sharply to 10.28% in 2020/21 and remained high at 9.86% in 2021/22, and drastically spiked to 17.3% in 2023/24, far exceeding the target of less than 3% of the initial budget. This trend is particularly concerning as the use of supplementary funding now appears to be a much more entrenched and acceptable practice. During the year, 103 out of 163 (63%) votes received supplementary funds.

At least half of these votes (52) received supplementary budgets amounting to above 10%. In five of these cases, amounts received in supplementary budgets exceeded the approved budget: the Ministry of Lands and Housing (157%), NIRA (502%), the National Council of Sports (358%), and the Ministry of Science, Technology and Innovation (313%), and Uganda Industrial Research Institute (178%). This clearly points to major weaknesses in the attention paid to budget formulation but also a willingness to let votes bypass budgetary controls as they bid for money during preparation.

**Table 14: Volumes of Supplementary Budgets Issued against Approved Budget in FY 2023/24**

| Range of supplementary value against approved budget | Aggregate value of supplementary budgets (UGX bn) | No. of votes receiving supplementary budgets in this range |
|---|---|---|
| Below 10% | 617.1 | 51 |
| Between 10% and 20% | 4,711.7 | 19 |
| Between 20% and 50% | 811.3 | 22 |
| Between 50% and 100% | 697.1 | 6 |
| Between 100% and 200% | 281.8 | 2 |
| Above 200% | 1,232.1 | 3 |
| **TOTAL** | **8,351.0** | **103** |

The continued approval of supplementary budgets without a corresponding increase in revenue or financing reflects fiscal indiscipline and undermines the achievement of the original budget objectives and plans.

Reversing this growing trend will call for stronger budget discipline across all MDAs, along with more accurate forecasting and improved contingency planning to manage unforeseen expenditures. MoFPED will also need to continue exercising greater control during budget execution to discourage supplementary applications.

### *3.2.4.2 Progress on key interventions*

#### *(a) Reducing informality and streamlining taxation at national and Local Government levels*

During FY 2023/24, under URA, 1,022,940 new taxpayers were added to the taxpayer register, representing a growth of 29.22%, against targeted growth of 17%. At the end of June 2024, the taxpayer register had 4,523,234 taxpayers. Of these, 216,947 were non-individuals and 4,306,287 were individual taxpayers, as analysed in the table below.

**Table 15: Growth in the Taxpayer Register during FY 2023/24**

| Tax registration type | As at 1st July 2023 | As at 30th June 2024 | Increase/Decrease |
|---|---|---|---|
| Non-individual | 194,143 | 216,947 | 22,804 |
| Individual | 3,306,151 | 4,306,287 | 1,000,136 |
| **Total** | **3,500,294** | **4,523,234** | **1,022,940** |

***Source: URA Databases***

Strategies that facilitated the performance of the register are mainly attributed to:

1. Continued adoption of a simple and fully online registration system at URA.
2. Taxpayer education and engagements using Tax "Katales" conducted by URA. In addition, audience-specific taxpayer media campaigns, including radio and TV talk shows, were impactful for registering growth. Mobile tax education and registration using the Tenge bus across different parts of the country, especially in remote areas, made important contributions to this process as well.
3. Continued implementation of the registration calendar at URA. Among the activities concerning the registration calendar involved frequent field visits and door-to-door engagements to identify unregistered taxpayers, and register more taxpayers, especially for income tax and rental income.
4. The use of third-party data sharing and

analysis to identify potential taxpayers continues to be instrumental in the register expansion drive.

#### *3.2.4.2.1 Facilitate the development of an integrated identification system*

1. NIRA is the lead agency on this intervention by mandate and function. URA systems were integrated with NIRA and URSB, which enabled the validation and capability for issuance of instant TINs for non-individuals. This process review has been vital in fast tracking individual TIN registrations and approvals, which has also enabled growth of the tax register.

2. The partnership between NIRA and URA is productive. However, URA needs to have the capability to access more details on the NIN to enhance the validation process of registration. Discussions between the two institutions on the need to have NIN as the unique identifier for business registration purposes are still ongoing, with NIRA expected to take the lead and have necessary infrastructure and upgrades in place.

#### *3.2.4.2.2 Expand financing beyond the traditional sources*

During the year, the Ministry of Foreign Affairs (MoFA) undertook a number of initiatives to promote investment and development cooperation and mobilise non-traditional sources of finance. These are highlighted below:

a) Signing of a Memorandum of Understanding (MoU) between Micro, Small and Medium-Sized Enterprises (MSMEs) with the East African Crude Oil Pipeline (EACOP) under a grant fund from African Development Fund (ADF) worth USD 500,000. The project, has seen the training of over 400 SMEs in the 10 EACOP districts (Kikuube, Hoima, Kakumiro, Kyankwanzi, Mubende, Gomba, Sembabule, Lwengo, Rakai and Kyotera). Out of these, 137 were women- and youth-led enterprises.

b) MoFA also participated in the 16th FOCAC (Forum for China-Africa Cooperation) meeting in Beijing, where the Chinese Government accepted to finance MoFA extension building project through a grant of USD 5.3 million.

c) Coordinated the successful implementation of a Euros 15 million multi-faceted Hungarian development cooperation programme that focused on water management, cyber security, e-governance, tourism and healthcare. Notably, the Uganda Heart Institute was refurbished, receiving state-of-the-art intensive care unit equipment worth USD 4.3 million. In addition, Uganda's financial cyber resilience was enhanced through the establishment of a Security Operations Centre (SOC) in Kamwokya.

d) Participated in the 28th United Nations Climate Change Conference or Conference of the Parties (COP 28) in the United Arab Emirates, where developed countries pledged to support developing countries to mitigate environmental loss and adaptation to climate change.

e) Coordinated the grant of 70 motor vehicles to facilitate the Non-Aligned Movement (NAM) and Global 77 (G77) plus the China Summit in Uganda. These vehicles are valued at USD 2.548 million.

f) Coordinated Uganda's participation in the FOCAC Senior Officials' meeting with special attention to the Nine Programmes Project pool for Uganda, amounting to approximately USD 18 million.

g) Coordinated donations amounting to UGX 24.8 million from Japanese not-for-profit organisations towards road construction, enhancing accessibility for students attending the Komorebi Primary School and a football academy in Gulu.

#### *3.2.4.2.3 Amend and develop relevant legal frameworks to facilitate resource mobilisation and budget execution*

A tax expenditure governance framework was developed, and its implementation commenced during FY 2023/24. The framework is intended to strengthen oversight and control over tax expenditures to eliminate abuse and to improve transparency and monitoring of their effectiveness. A tax expenditure report for FY 2023/24 reviewing tax incentives was prepared and submitted to Parliament by 31st December, 2023 in accordance with the law (PFMA, 2015 as amended). Relatedly, during the year, a tax expenditure rationalisation plan was adopted and its implementation proceeded in a phased manner.

As a result of this plan, various exemptions were repealed from the VAT and Income Tax (Amendment) Acts of the FY 2023/24 budget. In addition, in line with the framework, consultations with relevant stakeholders were undertaken on the proposed tax policy revenue measures for FY 2024/25.

During the financial year, KCCA proposed various amendments to revenue administration laws to enhance the revenue operations of KCCA. These amendments were drafted in collaboration with the Local Government Finance Commission (LGFC) and aimed at addressing the administrative gaps in property rates, hotel tax, local service tax (LST), presumptive LST and ground rent.

The National Lottery and Gaming Regulatory Board (NLGRB) under Section 1 of the Lotteries and Gaming Act, 2016 operationalised a National Lottery. Once fully operating, the National Lottery is expected to generate an annual average revenue of UGX 147 billion, of which UGX 87 billion is gaming tax and UGX 60 billion is non-tax revenue. This will support the implementation of the national budget and the NDP and good causes. NLGRB procured a firm to conduct the lottery. On 8th August 2023 the agreement to conduct the National Lottery was signed between GoU and Ithuba Uganda Limited. The National Lottery started operations on 1st June 2024. The progress is at 95% completion based on the scheduled start up milestones.

NLGRB also undertook drafting of amendments to the Lotteries and Gaming Act, 2016 and drafting of the revised fees regulations under Section 70 of the Act.

(a) Development of gaming standards: Based on the law, standards are to be set by the Board to guide the manufacture, supply, installation, adaptation, maintenance or repair of gaming or betting machines. These standards are used as a basis for testing and certification of gaming machines and equipment and for ensuring transparency in the gaming activities. During the year, 14 standards for gaming equipment and software were drafted and submitted to Uganda National Bureau of Standards (UNBS) for approval. By the end of the year, UNBS had approved five out of the 14 standards.

(b) During the year, amendments to gaming fees regulations and drafting of fines and penalties regulations were undertaken. Amendments were intended to: (i) cover gaps in fees that had been omitted by the Lotteries and Gaming (Fees) Regulations, 2017; (ii) introduce incentives for local businesses to participate in the gaming industry, which is currently dominated by foreigners; and (iii) harmonise the fees chargeable within the region. The amendments were submitted to MoFPED for processing.

#### *3.2.4.2.4 Implement electronic tax systems to improve compliance both at National and LG levels Systems at URA*

The Electronic Fiscal Receipting and Invoicing Solution (EFRIS), is a Government smart business solution that provides businesses with a platform to maintain records in an easy, secure and retrievable digital format, quick processing of tax claims or refunds, fair tax assessments, track and validate business transactions in real-time, among others.

URA implemented EFRIS commencing with a pilot on 15th May 2020 and full rollout on 1st January 2021. In accordance with the Tax Procedures Code Act 2014, section 73A, a person who conducts business and is Value Added Tax (VAT)-registered is required to issue an e-invoice or e-receipt for any supply or sale regardless of whether the supplied or sold good is subject to VAT.

As at 30th June 2024, the total EFRIS register stood at 77,967 taxpayers, out of whom 35,375 were VAT-registered taxpayers and 42,592 not VAT-registered. EFRIS usage was at 91% (25,871 taxpayers issuing against 28,369 active/filing taxpayers). A total of 6,829 VAT taxpayers were not registered on EFRIS (19% of the VAT register). These include diplomats, diplomatic missions and public international organisations that are not required to register for EFRIS.

EFRIS, however, continued to have operational challenges during the year, with many of these relating to technical infrastructure and taxpayer capacity. URA will continue its capacity-building campaign as well as technical support to taxpayers to improve the operations of EFRIS.

During the financial year, URA continued with the implementation of the Digital Tax Solution (DTS), which is a technology solution that was sought to aid the enforcement arm of revenue administration to mitigate revenue losses and deter existing deficiencies in tracking and tracing of locally manufactured and imported products.

Overall, 1,249 sites exist on the DTS register, representing 920 manufacturers and 329 importers. Revenue collected from DTS analysis assessments as well as new penal tax and penal tax arrears amounted to UGX 16.17 billion during FY 2023/24. In addition, enforcement operations during the period led to the recovery of UGX 20.98 billion as a consequence of 1,038 seizures.

**Systems at NLGRB**

By law, NLGRB is required to establish and maintain a National Central Electronic Monitoring (NCEM) system for detecting and monitoring significant events associated with casino, gaming and betting activities and analysing and reporting on these in accordance with the law. This will curb under-declaration of revenue by gaming operators, ensure protection of minors and vulnerable groups from the adverse effects of gaming, and restrict money laundering and terrorism financing activities in the gaming industry.

By the end of the year, a number of modules of the National Central Electronic Monitoring (NCEM) System had been implemented, including for online casino, online sports betting, land-based gaming, responsible gaming and anti-money laundering (AML). The online casino and sports betting modules were launched during the year and integrated with the systems of licensed online operators. The rollout of the land-based, responsible gaming and AML modules was also completed during the FY 2023/24. To increase effectiveness, NCEMS was integrated with URA systems. The integration with NIRA was underway by the close of the year.

With the implementation of NCEMS in FY 2023/24, the revenue from gaming increased to UGX 193 billion, up from UGX 151.9 billion in FY 2022/23 – a 20% growth. This is better than the target of 160 billion for the year. Relatedly, the percentage of underage gaming was reduced by 80%.

#### *3.2.4.2.5 Systems for Local Government revenue management*

Implementation of the Integrated Revenue Administration System (IRAS) and electronic Local Government Revenue (e-LogRev) systems for revenue administration over the past years have seen significant growth in Local Government own-source revenues (OSR) from UGX 247 billion in FY 2020/21 to UGX291 billion in FY 2021/22, and UGX 346 billion in FY 2022/23. In addition, implementation of systems has been found to improve governance and accountability in revenue operations, enhance taxpayer confidence, reduce local revenue leakages, and provide more convenience to tax payers in settling payments.

As part of efforts to expand systems for local revenue management, the Local Government Finance Commission (LGFC) provided technical support in the rollout of IRAS in another 24 Local Governments, which included 22 districts of Kanungu, Ibanda, Bundibugyo, Ntoroko, Bunyangabu, Isingiro, Kyenjojo, Obongi, Yumbe, Kalungu, Butambala, Buwheju, Bugiri, Busia, Kotido, Bukedea, Manafwa, Agago, Terego, Maracha, Madi-Okollo and Butaleja; and two municipalities of Ibanda and Masindi. The targeted 28 LGs were adequately trained to start using IRAS for local revenue collection and management.

The Commission also rolled out IRAS to enhance local revenue collection performance in an additional selected 42 vote-level LGs, which include 40 districts of Nakapiripirit, Nabilatuk, Karenga, Kaabong, Obongi, Ngora, Bukwo, Kween, Bugweri, Kalaki, Buyende, Bulambuli, Namisindwa, Bududa, Namutumba, Namayingo, Buvuma, Kibuku, Luuka, Budaka, Rubanda, Rukiga, Rubirizi, Kassanda, Kyegegwa, Buliisa, Rwampara, Kazo, Mitooma, Sembabule, Lwengo,Kitagwenda, Kamwenge, Ibanda, Isingiro, Kyotera, Kiryandongo, Kagadi, Kakumiro, Kikuube and two municipalities of Kotido and Kapchorwa. This activity was implemented effective 29th April 2024 and concluded by 17th May 2024. Cumulatively, IRAS was implemented in 166 votes effective FY 2019/20 to FY 2023/24 while 10 vote-level LGs were supported by e-LogRev by the same date.

During the year, a comprehensive Mass Taxpayer Register was compiled for each LG and this provided the baseline data on revenue sources and taxpayers in IRAS. A Comprehensive Property Register with valuation lists was also prepared for each LG to provide a basis for assessment and estimation of property tax. Property tax remains the source with the highest potential for revenue across all Local Governments.

#### *3.2.4.2.6 Fast-track the review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process*

During the year, MoFPED carried out sensitisation on the National Public Sector Procurement Policy (NPSPP) to enlighten the stakeholders and collect views for improvement of the legal framework. The NPSPP gives the strategic direction of the procurement function. The dissemination of the NPSPP was undertaken in 13 regions together with the dissemination of the PPDA Regulations 2023.

The NPSPP was disseminated to 1,385 stakeholders. In addition, 126 procurement practitioners were sensitised on the Procurement Risk Management Manual. Procurement and disposing entities have been experiencing challenges while executing the procurement function and, therefore, this manual will improve efficiency in the execution of the procurement activities and aid in risk identification in the procurement function.

The Ministry also facilitated the revision of PPDA Regulations 2014, which saw the PPDA Regulations 2023 gazetted on 08th December 2023 and come into force on 5th February 2024. The purpose was to create efficiency, promote procurement as a socio-economic tool and simplify procurement and reduce the cost of doing business without compromising quality. These revised regulations were disseminated to stakeholders and the public. Furthermore, 1,385 key stakeholders were sensitised in all the five regions and in 13 regional towns of Masaka, Mukono, Jinja, Mbale, Soroti, Gulu, Moroto, Arua, Lira, Hoima, Mbarara, Fort Portal and Kabale.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted inspections on Procurement Disposal Entities (PDEs) in both the Central Government and LGs during the year. These fact-finding inspections are intended to inform procurement policy and legal reviews, including identification of capacity training gaps and challenges that hinder effective service delivery and make recommendations for improvement. In addition, there is need to establish the current situation in selected procurement and disposal entities. This enables review of the organisational, institutional and human resource aspects since they have never been revisited since the enactment of the PPDA law. During FY 2023/2024, PPDA has conducted procurement inspections in 36 entities. The inspection of Uganda's missions abroad has never been undertaken due to financial constraints. However, this remains a critical area of concern as various oversight reports indicate a lack of appropriate guidance and regulation of procurement activity in their operations.

The introduction of **Electronic Government Procurement (e-GP)** was aimed at improving efficiency in the procurement function. This was piloted in 36 entities and will be rolled out to all Government entities. The plan to roll out the system was, however, put on hold during the year following a review[9] which recommended significant enhancement and upgrade of the system. Therefore, only 36 entities remained enrolled on e-GP.

The upgrade of the e-GP system requirements was concluded following the review. In addition, entity readiness assessment for 248 entities was undertaken in preparation for the rollout of the system next financial year. Training of 5,418 system users from different entities was concluded. The training covered, among others, URSB, PPDA, the Office of the Auditor General (OAG), MoJCA, the Office of the Prime Minister (OPM), MoFA, MoH, MWE, the Uganda Institute of Information and Communications Technology (UICT), the Ministry of Works and Transport (MoWT), the Ministry of Public Service (MoPS), MoES, the Uganda Civil Aviation Authority (UCAA), and other stakeholders.

The procurement professionals have not been having a body to regulate them. The enactment of the Institute of Procurement and Supply Management (IPSM) Act will lead to the establishment of the institute and bring together both the public and private sector procurement and supply chain professionals in Uganda. It will address

9 The review was undertaken by a firm, Ernest and Young, promoted by the Government, development partners and other stakeholders.

the issue of standards, provide advice and advocate for the procurement and supply chain management function.

On 22nd March 2022, Cabinet approved the principles for the bill. Subsequently, the drafting of the bill by the First Parliamentary Counsel was carried out. Consultations with stakeholders on the draft bill were also undertaken during the year. The bill will proceed to final drafting and enactment in FY 2024/25.

The PPDA Appeals Tribunal (PAT) is a major player in the procurement administrative review process. The PAT's core function is to hear applications for review of decisions of the Accounting Officers made to it by aggrieved bidders, or persons whose rights are adversely affected by the decision of the Accounting Officer.

The PAT held four awareness drives on their role in the regions of Busoga, Bunyoro, Rwenzori and Greater Masaka in 54 PDEs, and 477 stakeholders were sensitised to the role of the PAT. The essence of these sensitisation drives was to equip the stakeholders aggrieved by the outcome of the procurement process with knowledge of the role of the Tribunal. Fifty-eight cases were also heard and determined, and decisions issued on time. All cases handled are published on the Tribunal website.

#### *3.2.4.2.7 Integrate GoU Public Financial Management (PFM) Systems*

As part of the PFM integration programme, the Government of Uganda (GoU) has undertaken significant initiatives to strengthen Public Financial Management (PFM) systems through targeted change management and stakeholder engagement activities. These efforts are aimed at enhancing the capacity of PFM cadres and improving PFM processes and systems. Key activities included physical hands-on training on the Integrated Financial Management System (IFMS) re-implementation, the commissioning of IFMS in Kazo, Bukomansimbi, Kitagwenda, and Kassanda DLGs, and the recording of domestic arrears alongside the reconciliation of General Ledger balances. Additionally, training was provided to the OAG staff. Stakeholder engagements on E-Cash implementation and the asset data migration process, including the introduction of new asset registers, were also conducted to ensure seamless integration and adoption of these systems.

To further reinforce accountability and compliance, Treasury Inspection Reports on PFM matters were prepared and disseminated. These included the Quarterly Treasury Inspection Report on the Management of Receivables and Write-Offs, which assessed the handling of outstanding Government debts, and the Quarterly Treasury Inspection Report tracking the follow-up of prior Treasury Inspection recommendations and unresolved Treasury Memoranda issues. These reports play a critical role in identifying gaps, ensuring corrective actions, and promoting transparency in the management of public funds. Together, these initiatives demonstrate GoU's commitment to advancing PFM reforms through capacity building, system enhancements, and rigorous oversight mechanisms.

#### *3.2.4.2.8 Analytical report on the cost-benefit analysis for Government tax exemptions and subsidies*

Under this intervention, MoFPED, through the Tax Policy Department, carried out cost-benefit analysis studies on VAT incentives for fiscal years 2011/12 to 2021/22. In addition, the Ministry prepared a tax expenditure report for FY 2023/24 and undertook a study to review the tax remission regime under the Tax Procedures Code Act 2014. During the same period, studies on the Corporate Income Tax (CIT) gap and on the Personal Income Tax (PIT) and VAT database were carried out. Other efforts included undertaking a regulatory impact assessment (RIA) on the imposition of taxes based on new proposals.

The Ministry continued to monitor and track the implementation of the Domestic Revenue Mobilisation Strategy (DRMS) initiatives for FY 2024/25. In this regard, the Ministry reviewed tax incentives in line with the approved Tax Expenditure Governance Framework, as well as the operations and effectiveness of Double Tax Agreements (DTAs) that were in place. To encourage increased investments in petroleum and mining and sustainable revenue flows for the Government, the Ministry developed new fiscal regimes under the sector.

Additionally, the new transposed EAC Common External Tariff (EAC- CET) 2022 was reviewed, finalised and implemented by the end of the year under review.

## 3.3 Objective 3: Strengthen Capacity for Implementation to Ensure a Focus on Results

The capacity to execute development programmes and projects determines the success of the broader national development agenda. Strengthening capacity for implementation ensures that Government agencies, ministries, departments, and Local Governments have the necessary skills, resources, and institutional frameworks to translate plans into tangible results that benefit the population.

NDP III places strong emphasis on results-based implementation, recognising that development plans can only achieve their intended impact if they are executed efficiently and monitored rigorously. Under the DPI Programme, the focus on implementation capacity is guided by several objectives, including improving institutional performance, building the capacity of public institutions to deliver on their mandates, enhancing the monitoring and evaluation (M&E) function, and fostering a culture of results-oriented service delivery.

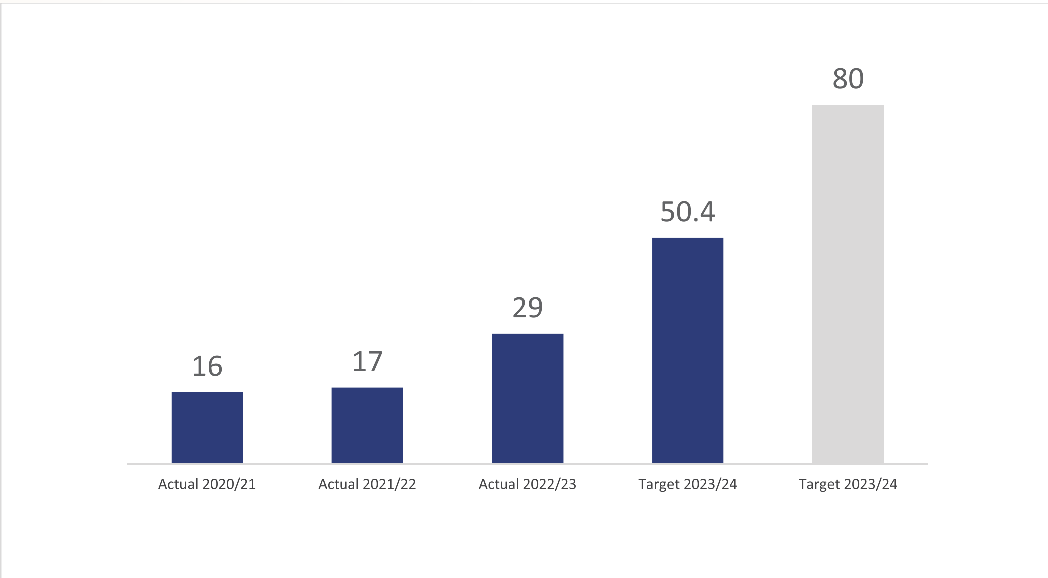
The programme recognises that achieving the goals of NDP III depends not only on sound planning and budgeting, but also on the Government's ability to implement projects and programmes within the set timelines and budgets.

**Performance against Key Outcomes under the Objective**

### 3.3.1 Outcome 1: Improved Development Results

Improved development results mean that projects and programmes across sectors deliver tangible benefits, contributing to socio-economic progress, and aligning with the Government's strategic objectives. It reflects the effectiveness of implementation, monitoring, and evaluation systems, ensuring that resources are used efficiently and result in measurable progress.

**Figure 13: Proportion of NDP Results on Target (Percentage)**




#### *3.3.1.1 Proportion of NDP results on target*

The **Proportion of NDP Results on Target** measures the effectiveness of Government institutions in achieving the set goals under the NDP. This indicator highlights how many of the NDP's targets are being met and, by extension, how well the Government's efforts are aligned with its development objectives. At mid-term review in FY 2021/22, only 17% of the NDP results were on target, rising slightly to 29% in 2022/23 and to 50.4% in FY 2023/24, below the FY 2023/24 target of 70%. As has been reported in previous reports, this underachievement is attributed to the excessive number of indicators, many of which were ambiguous, unmeasurable, or poorly defined, alongside significant capacity gaps and limited financing for the implementation of planned outputs in the Programme Implementation Action Plans (PIAPs).

At programme level, DPI performance stood at 53%, against a planned target of 90% as at end of FY 2023/24. Though better than the NDP III score, DPI performance was slightly above average. Strengthening institutional capacity is essential for improving development outcomes, particularly in the planning, coordination, and execution of interventions outlined in the PIAPs, with further efforts directed towards better prioritisation and allocation of available resources and enhancing coordination across the agencies involved in the implementation process.

### 3.3.2 Outcome 2: Statistical Programmes Aligned to National, Regional, and International Development Frameworks

This outcome emphasises the alignment of Uganda's statistical systems with national, regional, and international development standards. It reflects the country's commitment to improving the quality, reliability, and comparability of its statistical data, which is crucial for informed decision-making, policy formulation, and tracking progress on development goals. The outcome is measured by the **World Bank Statistical Capacity Indicator (WBSCI)**, which assesses a country's ability to meet international standards for statistical collection, processing, and dissemination[10].

The baseline score in FY 2017/18 was 74.4, which is a respectable rating, but data was unavailable for FY 2020/21, indicating possible gaps in reporting or disruptions in the evaluation process. In FY 2021/22, the score dropped to 70, showing a decline in Uganda's statistical capacity.

However, there was a slight improvement in 2022/23, with the score rising to 71.1, though this is still below the baseline.

In 2023/24, the actual score remained at 71, significantly missing the target of 77.76.

This under performance against the 2023/24 target is attributed to the insufficiently resourced statistical infrastructure to meet growing data demands, both domestically and internationally. There are also gaps in data quality, collection methodologies, or integration with international standards, which hinders the accuracy and reliability of statistical reporting.

There is a need to **strengthen statistical capacity** by investing in modern data collection and processing technologies, enhancing the skills of its statisticians, and improving coordination among the national agencies responsible for statistics. This is particularly important, given the increasing need for timely, high-quality data to monitor progress on national, regional, and global development frameworks such as the NDP, the African Union's Agenda 2063, and the UN's Sustainable Development Goals (SDGs). Without robust statistical programmes, tracking progress and making data-driven policy decisions become challenging, ultimately affecting the ability to achieve key development outcomes.

### 3.3.3 Outcome 3: Improved Service Delivery

This outcome is focused on enhancing the quality, accessibility, and satisfaction levels of public services in key sectors such as water transport, electricity, extension services, and administrative and legal services. The level of satisfaction in these areas serves as a measure of the Government's effectiveness in delivering essential services to its citizens. Ensuring high levels of service satisfaction is critical for building public trust, enhancing citizen well-being, and supporting economic development.

**Table 16: Level of satisfaction of public service by service (Survey done in FY 2020/21)**

| Indicators | | Baseline FY 2020/21 | Actual | | | FY2023/24 | |
|---|---|---|---|---|---|---|---|
| | | | FY 2021/22 | FY 2022/23 | Target | Actual | |
| Level of satisfaction of public service by service | Water transport | 69 | 77.1 | N/A | N/A | 100 | N/A |
| | Electricity | 61.8 | 82 | N/A | N/A | 100 | N/A |
| | Extension services | 75 | 78.8 | N/A | N/A | 100 | N/A |
| | Administrative and legal services | 60 | 57 | N/A | N/A | 100 | N/A |

10 The indicator assesses the maturity and performance of national statistical systems in five key areas (pillars): data use; data services; data products; data sources; and data infrastructure.

The Uganda Bureau of Statistics (UBOS) conducted the 2021 National Service Delivery Survey (NSDS) in collaboration with the Ministry of Public Service. Like the previous National Service Delivery Surveys, the NSDS 2021 collected information on selected sectors, namely education; health; water and sanitation; environmental management; energy use and minerals; lands and housing conditions; justice, law and order; agricultural services; transport services (road infrastructure, water and air transport); public sector management; and accountability. The survey was aimed at providing information about the performance of the selected sectors for policy formulation, implementation and monitoring at all levels of governance. It should be noted that the NSDS is conducted every five years to assess trends in service delivery across various sectors.

The DPI Programme accordingly tracks progress of the level of satisfaction of public service of some of the sectors as highlighted below:

1. *Water transport*: Satisfaction with water transport services started from a baseline of 69% in FY 2017/18, and then scored 77.1% in FY 2020/21. Since no follow-up survey has been conducted to date, the level of satisfaction remains unknown from FY 2021/22 to FY 2023/24, with a 100% target. Findings from the NSDS indicate that the lead constraints while using water transport were unreliable service and bad weather. A notable proportion of respondents reported that other water transport types like speed boats are costly[11].

3. *Electricity*: Public satisfaction with electricity services rose significantly from a baseline of 61.8% in FY 2017/18 to the 82% in FY 2020/21 registered during the NSDS. However, the lack of data for later years leaves a gap in understanding recent performance, making it difficult to assess whether further improvements or declines occurred in FY 2022/23 and FY 2023/24. The findings from the survey indicate that at the national level, households that used electricity indicated that it was available for an average of 17 hours a day and experienced load shedding about three times a week.

4. *Extension services*: Satisfaction with extension services showed a slight improvement from a baseline of 75% in FY 2017/18 to 78% in FY 2020/21. The survey report indicates that the major constraint faced was inadequate funding, followed by lack of equipment, with 5% of the extension workers stating that they are job-insecure[12], which indicates the improvement in reaching farmers and delivering agricultural support more effectively.

5. *Administrative and legal services*: Satisfaction with administrative and legal services experienced significant fluctuations. Starting from a baseline of 60% in FY 2017/18, satisfaction dropped to 57% in FY 2020/21. Since no follow-up survey has been conducted to date, the level of satisfaction remains unknown from FY 2021/22 to FY 2023/24, with an 85% target. The findings indicated that, overall, more than seven in every 10 households were satisfied with the way their issue or case was handled. At national level, the highest satisfaction was realised for those households that sought justice from customary courts, followed by LC II and LC I, whereas the lowest satisfaction was reported by households that sought services from the Land Office. Addressing these problems is crucial to restoring public confidence in these essential services.

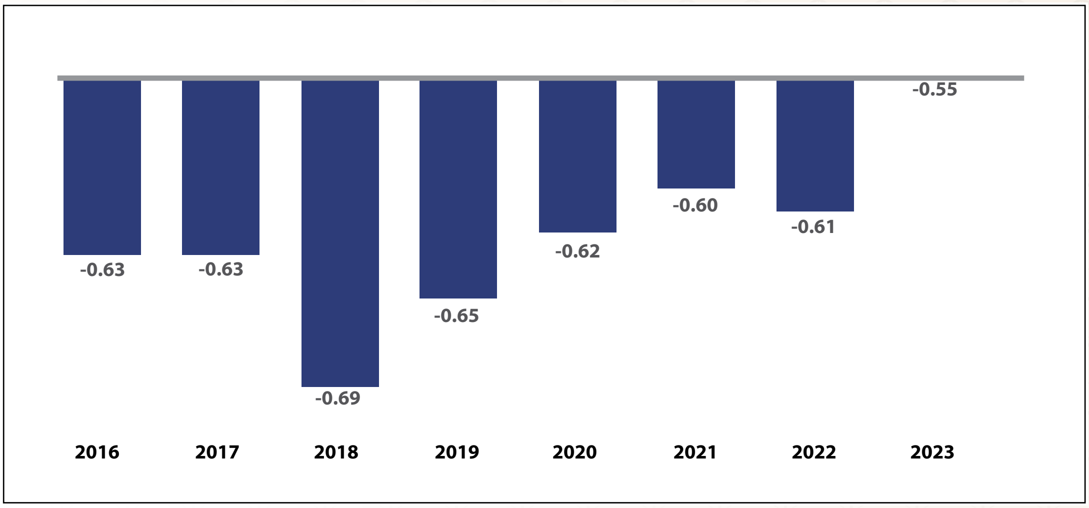
#### 3.3.3.1 Government Effectiveness Index

The Index of Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the Government's commitment to such policies.

Uganda's score on the index has continued to improve over the NDP period. The latest value from 2023 is -0.5513 points, an improvement of 0.06 points in 2022, with a global ranking of 128 (against 193 countries) and 17th in Africa. In comparison, the world average is -0.04 points, based on data from 193 countries. Historically, the average for Uganda from 2016 to 2023 is -0.62 points. The minimum value, -0.69 points, was reached in 2018, while the maximum of -0.55 points that recorded in FY 2023/24.

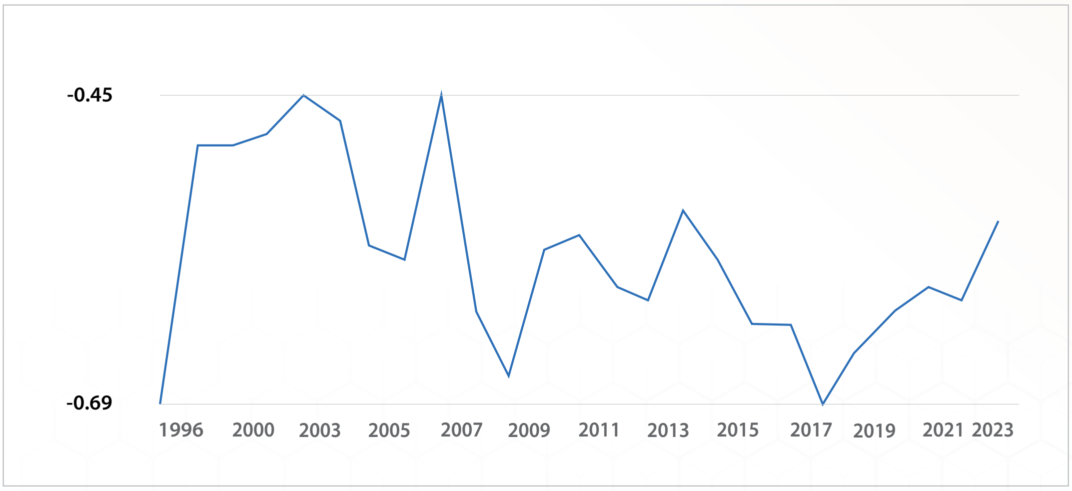
11 UBOS National Service Delivery Survey (NSDS).
12 UBOS National Service Delivery Survey (NSDS).
13 https://www.theglobaleconomy.com/Uganda/wb_Government_effectiveness/

**Figure 14: Government Effectiveness Index**




A more effective Government is essential for attracting foreign direct investment (FDI), supporting entrepreneurship, and creating an enabling environment for economic growth. The relatively low score suggests that despite some improvements, Uganda continues to face challenges that could impede the success of large-scale economic reforms and projects. This is especially important, given that Uganda aims to achieve upper middle-income status and improve living standards as outlined in **Vision 2040** and the **National Development Plan (NDP III)**.

**Figure 15: Historical Series of Government Effectiveness Index over the Years**




### *3.3.3.2 Institutional capacity for project implementation*

Institutional capacity is critical for ensuring that Government programmes are implemented effectively. This includes the ability of MDAs, as well as Local Governments, to manage development projects, allocate resources efficiently, and overcome challenges that may arise during implementation. For FY 2023/24, the target was to increase the proportion of MDAs and Local Governments with strengthened institutional capacity for project implementation to at least 75%.

Performance in this area was below target, with only 65% of MDAs and Local Governments reporting strengthened institutional capacity for project implementation by the end of FY 2023/24. This represented a slight improvement from FY 2022/23, when 60% of institutions reported strengthened capacity. The improvement was largely due to targeted capacity-building initiatives, including training programmes for public sector employees, technical assistance to MDAs, and efforts to improve coordination between central and Local Government agencies.

However, significant challenges remain.

Many institutions continue to face capacity constraints, particularly at the Local Government level, where limited financial and human resources, as well as high staff turnover, have hindered efforts to improve implementation performance. Additionally, there were delays in the rollout of some capacity-building programmes, particularly those aimed at improving project management and procurement skills, which further constrained the ability of institutions to implement development projects effectively.

Moving forward, it will be critical for the Government to intensify efforts to build institutional capacity, particularly at the Local Government level, where capacity gaps are most pronounced. This includes providing additional training and technical support to Local Governments, enhancing resource allocation to build institutional capacity, and improving coordination between MDAs and Local Governments to ensure that development projects are implemented more efficiently.

#### *3.3.3.3 Indicator 2: Project Completion Rates*

Project completion rates are a key measure of the Government's capacity to implement development programmes within the set timelines and budgets. For FY 2023/24, the target was for at least 85% of development projects to be completed on time and within budget. Timely project completion is critical to ensuring that development benefits are realised quickly and that public funds are used efficiently.

Performance in this area fell short of the 95% target, with only 37% of development projects completed on time in FY 2023/24. This represented a decline from FY 2022/23, where on average 75% of projects met these criteria. The underperformance was largely due to delays in procurement, land acquisition challenges, and capacity constraints at the implementing agencies. In particular, large-scale infrastructure projects, such as road construction and energy projects, faced significant delays, which resulted in cost overruns and pushed back project completion timelines.

The Government has recognised these challenges and has begun implementing reforms aimed at improving project management and reducing delays in project execution. These reforms include the introduction of stricter project appraisal and selection processes, enhanced monitoring of project timelines, and efforts to streamline procurement procedures. However, these reforms are still in the early stages, and their full impact on project completion rates is expected to be seen in future fiscal years.

To improve project completion rates, the Government needs to address the underlying causes of project delays, including inefficiencies in procurement, inadequate project planning, and coordination challenges between implementing agencies. Additionally, there is a need for stronger accountability mechanisms to ensure that project timelines and budgets are adhered to and that any delays or cost overruns are addressed promptly.

#### *3.3.3.4 Indicator 3: Implementation of Monitoring and Evaluation (M&E) Frameworks*

Monitoring and evaluation (M&E) is a critical component of results-based implementation. Effective M&E ensures that development programmes are monitored continuously, that progress is tracked, and that corrective actions are taken when necessary to keep projects on track. For FY 2023/24, the target was to ensure that at least 80% of Government projects and programmes were covered by a robust M&E framework.

Performance in this area was satisfactory, with approximately 82% of Government projects and programmes covered by an M&E framework in FY 2023/24 meeting the target. This was an improvement over FY 2022/23, when 78% of projects were covered by M&E frameworks. The improvement can be attributed to efforts by the Office of the Prime Minister (OPM) and MoFPED to strengthen the M&E function across Government institutions. This included the rollout of the Government Performance Management Information System (GPMIS), which enhanced the ability of MDAs and Local Governments to track project performance and take corrective action where necessary.

Despite this progress, there are still gaps in the implementation of M&E frameworks, particularly at the Local Government level. Many Local Governments lack the capacity and resources to conduct effective M&E, which has led to inconsistent monitoring and reporting on project performance.

Additionally, while M&E frameworks have been established for most Government projects, the quality of the data collected and the ability of MDAs to use this data to inform decision-making remain areas of concern.

To address these challenges, the Government needs to provide additional support to Local Governments to enhance their M&E capacity. This includes providing training on data collection and analysis, as well as ensuring that Local Governments have access to the necessary resources and tools to conduct effective M&E. Additionally, there should be greater emphasis on using M&E data to inform decision-making and improve project performance, particularly in cases where projects are at risk of delay or underperformance.

### *3.3.3.5 Indicator 4: Results-Oriented Service Delivery*

One of the key objectives of the DPI Programme is to foster a culture of results-oriented service delivery across the public sector. This involves ensuring that public institutions are focused on delivering tangible development outcomes and that public services are responsive to the needs of the population. For FY 2023/24, the target was to ensure that at least 75% of public institutions adopted a results-oriented approach to service delivery.

Performance in this area was mixed, with approximately 70% of public institutions reporting the adoption of a results-oriented approach to service delivery in FY 2023/24. This represented a slight improvement from FY 2022/23, when 65% of institutions reported adopting this approach. The improvement can be attributed to efforts by the Government to promote Results-Based Management (RBM) across the public sector, including the introduction of performance-based contracts for public sector employees and the establishment of results-oriented performance targets for MDAs.

However, challenges remain in institutionalising a results-oriented culture within the public sector. Many institutions continue to face capacity constraints, including limited human and financial resources, which have hindered efforts to adopt a more results-focused approach to service delivery. Additionally, there are gaps in the monitoring of institutional performance, particularly in terms of tracking the achievement of results-oriented targets and holding institutions accountable for under-performance.

To promote a stronger focus on results, the Government needs to intensify its efforts to institutionalise results-based management across the public sector. This includes providing additional support to MDAs and Local Governments to build their capacity for results-oriented service delivery, as well as strengthening accountability mechanisms to ensure that public institutions are held accountable for delivering measurable development outcomes.

### *3.3.3.6 Progress on Key Interventions*

#### *3.3.3.6.1 Reviewing and reforming the Government Annual Performance Report (GAPR) to focus on achievement of key national development results*

During the year, the Office of the Prime Minister (OPM) conducted two Central Government Performance Assessments, i.e., the National Annual Performance Report (NAPR) – FY 2022/23, and the National Half-Annual Performance Report (NHAPR) – FY 2023/2024. The NAPR 2022/2023 was discussed during the Government retreat held on 13th September 2023, which made recommendations for service improvement across Government. The National Annual Performance Report FY 2023/2024 was also discussed. OPM also conducted two Local Government Performance Assessments:

(i) The Lower Local Government (LLG) Performance Assessment for 2023, which informed the Higher Local Government (HLG) service delivery performance assessment (LGMSD) 2023; and

(ii) The LGMSD Assessment for 2023. The report made recommendations for service delivery improvements and was used in the allocation of resources to Local Governments for FY 2024/25.

To operationalise the National SDG Coordination Framework, SDG Roadmap and Strategic Plan, OPM held Technical Working Group (TWG) meetings, which included the Data TWG spearheaded by UBOS, the Popularisation and Communication TWG spearheaded by the Ministry of Information Communication and Technology and National Guidance (MoICT&NG), the Finance and Resource Mobilisation TWG spearheaded MoFPED, the Planning and Mainstreaming TWG spearheaded by the National Planning Authority (NPA), and the

Monitoring, Reporting and Coordination TWG spearheaded by OPM. Through the TWGs, the following were accomplished:

- Developed two Voluntary National Reviews 2016 and 2020. Produced SDG Progress Reports 2018, 2021, 2022 and 2023 (Mid-term Progress report on the SDGs).
- Developed the SDG Localisation Guidelines and translated the SDGs into 13 local languages, in addition to producing and disseminating IEC materials.
- Developed a guide to streamline NDP IV to the SDGs. This guide was revised and passed by the Technical Working Group on Planning and Mainstreaming spearheaded by NPA.
- Developed the Third Roadmap for the Implementation of the SDGs that will tally with the development of Uganda's NDP IV. This process will need resources, especially for the procurement of the consultant.
- Improved Government financial support and commitment to SDGs, including the adoption of the Integrated National Financing Framework (INFF) and other financing strategies.
- Increased awareness about SDGs and increased participation of stakeholders in SDG activities, especially LGs, CSOs, the private sector, students and academia, as well as citizens.

***3.3.3.6.2 Strengthening implementation, monitoring and reporting of Local Governments***

During the year, OPM coordinated and conducted seven *barazas* in the districts of Namisindwa, Bugweri, Gomba, Kikuube, Bukwo, Kwania and Terego. Through the *barazas* the citizens have engaged in monitoring Government programmes and enforced accountability.

OPM disseminated the *Baraza* Implementation Progress Report in the five districts of Zombo, Oyam, Pader, Amuria and Moroto.

The development of the SDG and A2063 Localisation Guidelines were finalised and launched. In an effort to support the Localisation of the Sustainable Development Goals (SDG), OPM carried out a number of initiatives which included the following:

a) Supporting Local Governments to conduct and complete the Voluntary Local Reviews. This was done in 10 districts of Mukono, Mayuge, Mubende, Mbarara City, Lira City, Jinja City, Iganga, Namutumba, Oyam, Gulu and Amuru. The Voluntary Local Reviews will be rolled out in at least 60 more districts before the end of 2025.

b) As part of efforts to promote the localisation and implementation of the SDGs, several key activities were carried out in 14 districts. These included the printing and distribution of IEC materials in multiple local languages to raise public awareness and understanding of the SDGs. Regional SDG festivals and forums were organised to provide platforms for dialogue, experience-sharing, and showcasing local innovations aligned with the SDGs. Capacity-building sessions were conducted for Local Government leaders such as District Planners, District Community Development Officers (DCDOs), and other technical officers to enhance their ability to integrate and track SDG implementation at the local level. In addition, Local Government staff were engaged on the practical and context-specific aspects of implementing SDG-related interventions. These activities were implemented in the following districts: Gulu City, Lira City, Mbarara City, Jinja City, Mubende, Luweero, Kiboga, Omoro, Amuru, Mayuge, Mukono, Kibuku, Pallisa , and Butebo.

c) Non-state actors such as religious leaders and CSOs were also supported to operationalise the localisation of the SDGs.

d) Conducting support supervision/ follow-ups on the integration of SDGs and A2063 in the Local Development Initiative in 18 districts, which included Kamwenge, Kitagwenda, Kabarole, Kyenjojo, Isingiro, Ntungamo, Sheema, Rubirizi, Bushenyi, Buhweju, Mitooma, Ibanda, Mbarara, Mbale, Sironko, Manafwa, Bududa and Bulambuli.

To track and facilitate service delivery, OPM established and maintained partnerships through various engagements, namely:

(i) The Ministry of Works and Transport (MoWT), Uganda Road Fund (URF), MoLG, MoFPED, NPA etc. on the maintenance and rehabilitation of District, Urban and Community Access Road (DUCAR) network;

(iii) The Inter-Ministerial Project Management Working Group to oversee the financial and physical performance of Government projects financed by loans;

(iv) The UN through the Pulse LAB to harness the value of data as a critical resource for socio-economic development with MICT&NG;

(v) District Education Officers (DEOs)/ Municipal Education Officers (MEOs) of 41 districts to monitor teacher presence at schools; and

(vi) MoES to review the Uganda Secondary Education Expansion Project etc.

#### *3.3.3.6.3 Field monitoring of service delivery in selected regions*

OPM conducted 15 follow-up visits on the implementation of recommendations from various coordination platforms, i.e., the utilisation of nutrition plans in districts and accompanying challenges; the introduction of the Wendi system in PDM implementation; the status of established seed schools; the recommendations on white elephant projects in the Agro-Industrialisation and Human Capital programmes in the districts of Zombo, Paidha, Nebbi, Madi- Okolo, Pakwach, Omoro, Pader, Gulu, Moroto, Napak, Abim, Soroti, Katakwi, Amuria, Mbale, Manafwa, Sironko, Bulambuli, Kapchorwa, Kween, Bugiri, Jinja, Namutumba, Butaleja, Luuka, Kaliro and Tororo; the establishment of a tea factory in Zombo; the status of roads in West Nile; the status of implementation of key Presidential Investors Round Table (PIRT) recommendations on the thematic areas of transport and logistics, mineral value addition, oil and gas, tourism, and agricultural value addition; (vii) the status of one-stop centres at border posts in West Nile; (viii) the status of tourism in West Nile and the Murchison Falls focusing on the facilitating infrastructures; (ix) the status of the PDM in the sub-counties in West Nile, Bugisu, Sebei etc.

#### *3.3.3.6.4 Operationalise the High-Level Public Policy Management Executive Forum (Apex Platform)*

During the year, the Office of the President produced an Oversight Monitoring and Evaluation Framework with emphasis on gender- and equity-sensitive indicators. This output was produced in line with the oversight role of the Presidency. The framework has been reviewed to be consistent with NDP IV.

A number of reports were produced, namely:

a) An oversight results report on the performance of NDP III with attention to special interest groups.

b) An oversight results report on the impact of ICT interventions on socio-economic transformation with attention to the impact on female-headed households, PWDs and the youth in Uganda.

c) A follow-up report on the status of implementation of recommendations by the inaugural APEX Platform meeting which was held on 13th July 2022 at Kololo Ceremonial Grounds, where HE the President was the chief guest. Following the APEX Forum, a number of recommendations were agreed upon to strengthen the implementation of the 23 Presidential Directives. Accordingly, the Office of the President followed up with the implementing MDAs on the status of implementation of these recommendations, and this informed the report.

d) A status report on the implementation of the 23 Presidential Strategic Guidelines and Directives. The report was supported by field-based evidence on the implementation of the guidelines. Cabinet, under Minute 55 (CT 2024), considered the report and agreed on the following priority actions:

1. Improve revenue collections to facilitate the implementation of the outstanding directives.
2. Address the issue of power tariff to reduce the cost of production.
3. Address the transport cost, among others, by repairing the old metre railway.

The Office of the President, through its Manifesto Implementing Unit, is charged with ensuring that the progress of implementation of the manifesto commitments is tracked and reported to the Presidency and the other Government entities. During the year, a number of initiatives were undertaken, as highlighted below:

a) The Manifesto reporting tool was developed and launched on 5th March 2024. This tool was developed to ensure consistent and timely reporting on the implementation of the Manifesto commitments by MDAs.

b) A mid-term review (MTR) of the National Resistance Movement (NRM) Manifesto 2021–2026, which presents the status of the implementation of the various commitments was conducted.

c) An annual Manifesto Performance Report was compiled after the Manifesto Week 2023. This is in line with the role of the Manifesto Implementation Unit to ensure the Manifesto commitments are tracked regularly.

d) The Manifesto commitments and achievements were popularised in eight print media publications, 30 TV talk shows, 30 radio talk shows, eight online publications, a documentary was produced, Manifesto stakeholder engagements held were with district leaders (Greater Eastern Region and the West Nile Sub-region), and two reports were produced. Consultative meetings were held with all MDAs on the implementation of the Manifesto (2021–2026) achievements and progress in the last three years. This was aimed at enabling the citizens to know the extent to which the Manifesto had been implemented and the strategy to achieve in the remaining period of the Manifesto of 2021/2026.

e) Manifesto progress reports were compiled each for the Central (Buganda) Region as well as the sub-regions of Bukedi, Busoga, Teso, Bunyoro, Acholi, Lango, Rwenzori, and Luweero Triangle. The primary focus was to assess and verify the progress of the implementation of Government programmes and projects, with particular attention to the PDM and Emyooga initiatives. Other key areas of focus included livelihoods, water for production, the status of developments in health, education, electricity, and infrastructure, especially the road network across the region.

f) Four tracking reports of the Manifesto commitments in 20 NDP III programmes were produced, i.e., Digital Transformation; Sustainable Energy Development; Innovation, Technology Development and Transfer; Sustainable Development of Petroleum Resources; and Mineral Development. The focus was on ascertaining the performance of each NDP III programme in connection with achieving the Manifesto commitments earmarked in the Manifesto 2021–2026.

## 3.4 Objective 4: Strengthen Coordination, Monitoring, and Reporting Frameworks and Systems

Effective coordination, monitoring, and reporting are foundational pillars for ensuring that national development efforts under NDP III are implemented successfully. The DPI Programme recognises the central role of well-coordinated Government actions and robust monitoring and reporting frameworks in driving the achievement of national goals. Strengthening these frameworks and systems not only facilitates better alignment of public institutions with the objectives of the NDP but also enables timely tracking of progress and transparent reporting on results.

Uganda's NDP III emphasises an integrated and coherent approach to governance, where MDAs, as well as Local Governments, work in synergy towards achieving common development objectives. A well-functioning coordination system helps prevent duplication of efforts, ensures resource optimisation, and enhances the overall efficiency of Government operations. In addition, monitoring and reporting frameworks serve as critical tools for assessing the effectiveness of development programmes, identifying bottlenecks, and ensuring accountability. The DPI Programme's focus on strengthening these frameworks is, therefore, aimed at ensuring that development initiatives are implemented in a coordinated manner, monitored effectively, and reported accurately.

This chapter provides an analysis of the outcomes achieved in FY 2023/24 under the strengthening Coordination, Monitoring, and Reporting Frameworks and Systems objective.

### 3.4.1 Outcome: Improved Compliance with Accountability Rules and Regulations

Compliance with accountability rules and regulations is crucial for the effective management of public resources and the building of public trust. This outcome focuses on three key performance indicators that assess the effectiveness of institutional mechanisms in addressing audit findings and enhancing financial accountability:

1. Proportion of prior year external audit recommendations implemented.
2. Percentage of internal audit recommendations implemented.
3. External auditor ratings (percentage of unqualified audit opinions).

These indicators provide valuable insights into the Government's commitment to strengthening financial management systems and ensuring greater accountability. The graph below shows performance in the three indicators over the NDP III period.

#### *3.4.1.1 Proportion of prior year external audit recommendations implemented*

The implementation of external audit recommendations demonstrates the Government's effort to address weaknesses in financial management and improve accountability. For FY 2023/24, 2,803 recommendations were tracked and 884 (31%) were fully implemented, compared to the target of 52%, 979 (35%) were partially implemented, and 940 (34%) were not implemented.

Over the past four fiscal years, the proportion of implemented external audit recommendations has steadily increased, rising from 26% in FY 2020/21 to 31% in FY 2023/24. This upward trend reflects continuous reforms to enhance Government accountability, including capacity-building initiatives and the adoption of stronger monitoring mechanisms by the OAG. These recommendations mainly relate to continued use of supplementary expenditure above acceptable limits, procurement irregularities in Local Governments, underutilisation of budgeted funds, incomplete infrastructure projects etc.

Failure to implement audit recommendations has led to persistent financial mismanagement, wastage of public resources, and weak service delivery due to repeat irregularities and poor project execution. This has, in effect, eroded public trust, weakened institutional performance, and puts the country at risk of losing donor confidence, ultimately compromising the effectiveness of Government programmes and national development priorities.

### *3.4.1.2 Percentage of Internal Audit Recommendations Implemented*

Internal audit recommendations are essential for improving risk management, operational efficiency, and compliance with regulatory standards. In FY 2023/24, the implementation of internal audit recommendations reached 85%, against an annual target of 100%. The above average achievement of set targets reflects MOFPED's effective strategies to strengthen internal controls and address audit findings. Key strategies included fostering closer engagement between internal audit units and senior management, encouraging a culture of accountability through regular follow-ups, and providing technical support to underperforming sectors.

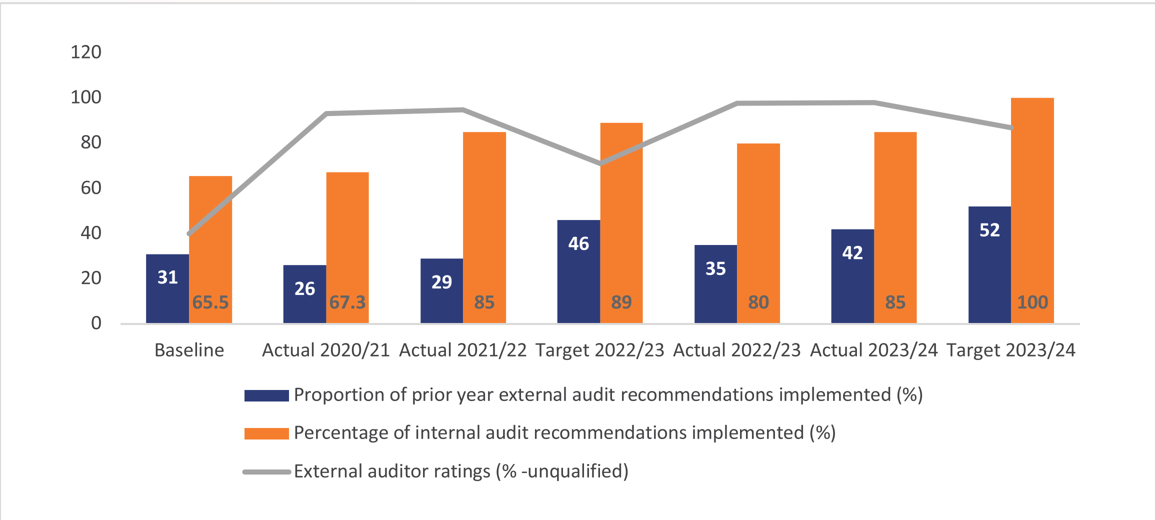
This high implementation rate sets a benchmark for other public institutions, showcasing the success of structured follow-up mechanisms and dedicated audit committees. Over the past three years, the implementation rate of internal audit recommendations has consistently increased from 67.3% in FY 2020/21 to 85% in FY 2023/24, highlighting the Government's commitment to internal oversight.

Despite this overall success, some sectors, particularly at the Local Government level, continue to lag in implementing internal audit recommendations. This discrepancy highlights varying levels of capacity and prioritisation across different entities.

### *3.4.1.3 External auditor ratings (percentage of unqualified audit opinions)*

External audit ratings are a key measure of financial reporting quality and adherence to accounting standards. They also serve as an indicator of public trust in financial management. In FY 2023/24, Uganda achieved 98% unqualified audit opinions, surpassing the target of 87%. This represents significant progress in aligning financial reporting with international best practices and reflects the effectiveness of initiatives aimed at improving financial transparency and accountability.

**Figure 16: Percentage of unqualified opinions**




The sustained improvement in external audit ratings over the past four years, rising from 93.17% in FY 2019/20 to 98% in FY 2023/24, demonstrates the maturity of Uganda's financial management systems. High audit ratings are a reflection of improved transparency, reduced errors and inconsistencies in reporting, and enhanced integrity of financial records. These improvements have increased stakeholder confidence and contributed to more efficient financial management, reinforcing public trust in the management of national resources.

Some of the key interventions undertaken under this objective were:

### *3.4.1.3.1 Development of an effective communication strategy for NDP III*

Effective communication among institutions and with external stakeholders is critical to the success of the NDP III. To ensure the plan is well understood and can be effectively implemented, the Government, through NPA, developed a comprehensive communication strategy for NDP III during FY 2023/24. This strategy includes a variety of initiatives aimed at disseminating information and engaging citizens across the country throughout the plan implementation.

Key strategies for operationalising this communication plan included the successful completion of a nationwide dissemination campaign for NDP III. The Government developed citizen guides in multiple languages, including English, Kiswahili, Acholi, Lusoga, Ateso, Luganda, and Runyankole, as well as in braille and audiovisual formats, ensuring accessibility for all citizens. In addition, a series of workshops were conducted to continuously popularise NDP III, including the launch of the Mid-Term Review Reports. Digital dissemination efforts were also implemented through platforms such as YouTube, Twitter, and the NPA website.

Despite the development of radio and television programmes to further promote NDP III, budget constraints hindered the complete rollout of these media initiatives. Nevertheless, the ongoing efforts to engage citizens through multiple channels have contributed significantly to raising awareness and ensuring that the plan is well communicated.

#### *3.4.1.3.2 Development of an Integrated M&E Framework and System for the NDP*

Monitoring and evaluation (M&E) systems are essential for tracking the performance and progress of NDP III. These systems, by establishing clear indicators, enable stakeholders to measure progress against set targets, foster accountability, and facilitate early detection of challenges. They also enhance transparency, support effective planning, improve resource allocation, and promote evidence-based decision-making.

In FY 2021/22, NPA and OPM, with support from the European Union, developed and launched an Integrated M&E System for NDP III. The system is yet to be rolled out to key coordination institutions, including NPA, OPM, the Office of the President, the NITA-U, MoFPED and UBOS.

The full operationalisation of the system was delayed due to capacity limitations at OPM. This was addressed during the year with funding provided through the Resource Enhancement and Accountability Programme (REAP). These funds were used to hire experts and strengthen staff capacity in preparation for the rollout of the system. The system is expected to be in full use by the end of FY 2024/25.

Despite these challenges, OPM successfully organised seven *barazas* in the districts of Namisindwa, Bugweri, Gomba, Kikuube, Bukwo, Kwania, and Terego. These *barazas* enabled citizens to engage directly in the monitoring of Government programmes, thereby strengthening accountability. Additionally, progress reports on *baraza* implementation were disseminated in five districts – Zombo, Oyam, Pader, Amuria, and Moroto – aimed at fast-tracking the implementation of findings and recommendations from previous *barazas*.

OPM also developed the National Evaluation Agenda, a comprehensive framework outlining priorities for conducting evaluations across Government programmes, policies, and initiatives. The agenda is set for discussion by the DPI Programme Working Group and OPM and will provide a strategic roadmap for evaluating the effectiveness, efficiency, and impact of Government programmes.

#### *3.4.1.3.3 Development and rollout of the National Public Risk Management System*

Efforts to develop and implement the National Public Risk Management System have been aligned with international best practices to improve risk management in the public sector. Key actions during FY 2023/24 included the ongoing facilitation of the development of risk management frameworks, including risk appetite frameworks and statements for institutions such as the Inspectorate of Government (IG), the Uganda Land Commission (ULC), Uganda Management Institute (UMI), and the Ministry of Defence and Veterans Affairs (MODVA). These frameworks aim to ensure that public entities are better equipped to identify, assess, and mitigate risks.

MoFPED also developed the National Budget Fiscal Risk Statement for FY 2024/25 to support the National Budget Framework Paper, highlighting potential fiscal risks that could affect budget execution. By the end of the year, the Draft National Enterprise Risk Management (ERM) Strategy was at 25% completion.

In line with strengthening public sector risk management, MoFPED also built the capacity of staff through training in Enterprise Risk Management (ERM) and Certified Public Accountancy (CPA). These initiatives are expected to enhance the ability of public institutions to manage risks effectively and ensure the long-term sustainability of Government programmes.

#### *3.4.1.3.4 Enhancement of staff capacity for high-quality and impact-driven performance audits in FY 2023/24*

Significant progress was made in enhancing the capacity of the Office of the Auditor General (OAG) to conduct high-quality and impactful performance audits across Government entities during FY 2023/24. This effort is in line with the OAG's ongoing objective to increase the scope and effectiveness of value for money (VFM) and specialised audits.

To enhance the skills of staff, the OAG facilitated specialised training for seven employees in key areas such as oil, gas and extractives, and IT systems audits. Additionally, an office-wide refresher training session was held on the new Forensic Audit Manual, attended by 228 technical audit staff. This training, part of the integrated audit approach, aims to create a multi-skilled pool of auditors who are proficient in applying diverse audit techniques.

In total, 35 staff members were supported to undertake professional certification courses, including ACCA, CISA, CISM, CPA, and CIPS. These efforts contribute to building a highly skilled workforce capable of tackling complex audits and providing actionable insights.

A key initiative in FY 2023/24 was the adoption of the AFROSAI-E Integrated Competence Framework (ICF) for Supreme Audit Institutions. The ICF outlines the functional knowledge, skills, behavioural and leadership attributes required for various roles within the office. Customisation of the framework to suit the OAG's specific needs is expected to streamline training and capacity-building efforts. Furthermore, the development of a comprehensive training curriculum, with technical support from the National Curriculum Development Centre (NCDC), is underway and is expected to be completed in early 2025.

During the financial year, MoFPED, through its Internal Audit Department, developed the National Fiscal Risk Statement 2024/25 and five staff were trained in Enterprise Risk Management (ERM) and Certified Public Accountant (CPA). Seventy-two votes complied with the requirements of the Audit Manual, especially in terms of timelines for submission of Annual Plans for FY 23/24. An Audit Committee Manual was drafted and further consultations were undertaken to finalise it. Engagements on updating the Audit Committee Manual and the finalisation of the draft of the internal audit strategy with various stakeholders were undertaken.

##### *3.4.1.3.4.1 Ongoing audits and training initiatives:*

Six training audits were underway and yet to be completed by the end of the reporting period. These are on the following topics:

1. Implementation of the National ICT Initiative Support Programme by the Ministry of ICT and National Guidance
2. Management of Railway Services by the Uganda Railway Corporation
3. Management of Investment Incentives by the Uganda Investment Authority
4. Implementation of the LEGS Project by the Ministry of Local Government
5. Management of Research Outputs in Public Universities
6. Regulation and Development of the Dairy Industry by the Dairy Development Authority

These audits are intended to provide hands-on experience and further enhance the competencies of the staff involved.

#### *3.4.1.3.5 Strengthening internal audit and performance audits:*

Under MoFPED, the development and implementation of an internal audit strategy were central to improving the overall audit framework. To strengthen compliance with the audit manuals, MoFPED conducted an assessment, revealing that 72 Votes complied with the requirements, particularly regarding the timely submission of annual plans for FY 2023/24.

Additionally, the Internal Audit Directorate under the MoFPED conducted several performance audits, including audits on:

- Water and Sanitation
- The Project for Financial Inclusion in Rural Areas (PROFIRA) Programme
- The Uganda Good Governance and Infrastructure Fund (UgIFT)
- Inspections in Local Governments
- Waste Disposal in Selected Cities
- Skills Development Projects
- Foot-and-Mouth Disease Control

These audits reflect the Ministry's commitment to enhancing public sector accountability and improving governance processes across various sectors.

#### *3.4.1.4 Develop an integrated system for tracking implementation of internal and external audit recommendations*

Pursuant to the objective of realising effective follow-up of audit recommendations, the development of a comprehensive Audit Recommendation Tracking (ART) Platform was conceptualised under the Government of Uganda PFM Reform Strategy 2018-2025. Development of this system, which is being spearheaded by the OAG, commenced in 2021, with system design, testing, user training and piloting successfully completed.

During the reporting period, the ART was customised to cater for OAG needs and emerging areas. In addition, upload of audit recommendations for the previous four audit cycles was undertaken, following data cleaning and quality review. This process was enriched by engaging Accounting Officers to provide responses on the status of implementation of audit recommendations as well as physical verification of submitted responses by OAG staff. Notably, the rate of responses received from Accounting Officers stood at 87%.

At the time of reporting, a total of 16,079 recommendations, covering the four financial years, had been uploaded. It is envisaged that the system shall be ready for rollout in the first half of FY 2024/25.

##### *3.4.1.4.1 Performance/value for money audits, specialised audits, and forensic investigations*

The Office of the Auditor General (OAG) made significant strides in enhancing its capacity to carry out performance/value for money (VFM) audits, specialised audits, and forensic investigations. As part of efforts to increase the number of VFM and specialised audit undertakings, the OAG invested in developing the skills of its staff. During the year, 18 out of 25 staff members were facilitated to complete the VFM 3 Module Diploma course, a critical step in improving the quality and effectiveness of audits aimed at enhancing public sector efficiency and accountability.

In line with its mandate, the OAG conducted engineering audits on 154 public works projects, a part of the 416 planned VFM audits. While this is a significant achievement, the underperformance in completing the full set of planned audits can be attributed to budgetary constraints and the high demand placed on limited resources. These challenges highlight the need for sustained investment in audit capacity and resources to ensure comprehensive and timely audits across all sectors.

MoFPED commissioned VFM audits in the Integrated Financial Management System (IFMS) and audit of the Land Management Information System (LMIS). Pre studies for VFM performance audits were also undertaken for the performance of the UgIFT Programme, and solid waste management in the Kampala Metropolitan Area.

Special Audit Reports were produced for Uganda Support to the Municipal Infrastructure Development Programme and the audit of Kampala Institutional and Infrastructure Development Projects.

The rate of responses received from **Accounting Officers** stood at **87%.**

**A total of 16,079** recommendations, covering the four financial years, had been uploaded.

The OAG conducted engineering audits on **154 public works** projects, a part of the **416 planned VFM audits.**

## 3.5 Objective 5: Strengthen the Capacity of the National Statistics System to Generate Data for National Development

The fifth objective under the DPI Programme is to strengthen the capacity of the national statistics system to generate high-quality, reliable, and timely data for national development. Data plays a crucial role in shaping national policies, facilitating evidence-based decision-making, and tracking the progress of development initiatives. Without accurate and up-to-date data, it becomes difficult for policymakers to assess whether the country is on track to meet its national development goals or to make informed adjustments to ongoing programmes. The availability of quality data also allows for greater transparency and accountability in Government operations, contributing to improved governance.

The national statistics system encompasses a wide range of data collection, analysis, and dissemination activities carried out by various Government institutions, led by the national statistics office. This system must be robust enough to provide the necessary information for effective planning, monitoring, and evaluation of national development programmes, especially under the NDP III. The focus of this objective is twofold: first, to ensure that the national statistics system can generate and maintain up-to-date baseline indicators for NDP III; and second, to promote the use of data for evidence-based policy formulation and decision-making.

The Uganda Bureau of Statistics (UBOS) Act, 1998 provides for the development and maintenance of a National Statistical System (NSS) to ensure the collection, analysis and publication of integrated, relevant, reliable and timely statistical information. It established the Bureau as the coordinating, monitoring and supervisory body for the National Statistical System. In addition to being the source of official statistical information, the Bureau is responsible for:

1. Providing high quality central statistics information services;
2. Promoting standardisation in the collection, analysis and publication of statistics to ensure uniformity in quality, adequacy of coverage and reliability of statistics information;
3. Providing guidance, training and other assistance as may be required to other users and providers of statistics;
4. Promoting cooperation, coordination and rationalisation among users and providers of statistics at national and local levels so as to avoid duplication of effort and ensure optimal utilisation of scarce resources; and
5. Promoting and being the focal point of cooperation with statistical users and providers at regional and international levels.

This chapter reviews the NSS's performance in FY 2023/24 against three key indicators: the proportion of NDP III baseline indicators that are up to date; the proportion of key indicators updated with periodic data; and the proportion of the NDP results framework informed by official statistics.

**Performance on Key Indicators for FY 2023/24**

### 3.5.1 Proportion of NDP III baseline indicators up-to-date and regularly updated

This indicator measures the proportion of baseline indicators under NDP III that are kept up-to-date and regularly updated with new information. Baseline indicators are critical for tracking progress towards the achievement of national development goals, as they provide a starting point against which future performance can be measured. Ensuring that these indicators are up to date allows policymakers to make informed decisions based on current data, rather than relying on outdated or incomplete information.

The baseline for this indicator was set at 60% in FY 2017/18. There was no available data for FY 2020/21. However, in FY 2021/22, the performance stood at 55%, which represented a decrease from the baseline. In FY 2022/23, the performance improved to 66%, though it fell short of the target of 85%. For FY 2023/24, the target was set at 90%, but actual performance remained at 66%, indicating no further progress compared to the previous year.

The lack of improvement in updating baseline indicators between FY 2022/23 and FY 2023/24 is a concerning trend, highlighting systemic weaknesses in the indicator framework. While there was some progress in FY 2021/22, the stagnation in subsequent years despite ambitious targets, suggests persistent challenges in data collection, reporting, and monitoring. The excessive number of indicators, many of which were ambiguous and lacked clearly defined data sources, reporting frequencies, or responsible entities, may have created difficulties in tracking progress.

Additionally, weaknesses in statistical frameworks and capacity constraints within data-producing institutions further limited the ability to generate reliable, periodic updates. These issues, combined with insufficient coordination among Government agencies and limited resources, contributed to the failure to meet the FY 2023/24 target of 90%.

This persistent under performance reduces the effectiveness of performance monitoring, weakens accountability, and hampers evidence-based policymaking. Without urgent reforms to streamline indicators, improve data collection frameworks, and enhance institutional capacity, the gap between targets and actual performance is likely to persist, undermining the overall effectiveness of NDP III implementation.

### 3.5.2 Proportion of key indicators up to date with periodic data

This indicator tracks the proportion of key national indicators under NDP III that are updated periodically with new data. Key indicators are essential for monitoring the progress of national development initiatives and evaluating the effectiveness of Government policies. Periodic data updates are necessary to ensure that these indicators reflect the most recent developments and provide an accurate picture of the country's progress towards its development goals.

The baseline for this indicator was set at 40% in FY 2017/18, and like the previous indicator, there was no available data for FY 2020/21. In FY 2021/22, the proportion of key indicators updated with periodic data was 44%, representing a slight improvement from the baseline. However, this proportion remained unchanged in FY 2022/23, despite a target of 83%. For FY 2023/24, the target was set at 95%, but the actual performance once again remained at 44%, showing no improvement for the third consecutive year.

The stagnation in performance highlights systemic issues within the indicator framework. The sheer volume of indicators, combined with their ambiguous definitions, created difficulties in data collection, reporting, and monitoring. Many indicators lacked clearly defined data sources, frequency of reporting, or responsible entities, leading to inconsistent tracking. Additionally, weaknesses in statistical frameworks and capacity constraints within data-producing institutions further limited the ability to generate reliable, periodic updates.

### 3.5.3 Proportion of NDP results framework informed by official statistics

This indicator measures the extent to which the results framework of the National Development Plan (NDP) is informed by official statistics. The results framework serves as the foundation for evaluating the success of the NDP as it outlines the key outcomes and outputs expected from the implementation of the plan. Official statistics are crucial for ensuring the accuracy and reliability of this framework, as they provide objective data on the progress of national development initiatives.

The mid-term review revealed critical weaknesses in the indicator system supporting NDP III, including widespread data gaps and an excessive number of ambiguous indicators. Although the baseline for this indicator was set at 30% in FY 2017/18, performance over the NDP III period has not been reported due to a lack of reliable data.

This poses a serious challenge for planning by weakening accountability and increasing the risk of misaligned interventions. While there has been some improvement in aligning the official statistics framework with NDP III, the overall weaknesses in data availability and indicator clarity continue to undermine the effectiveness of the planning and monitoring processes.

#### *Performance against key interventions*

Below is a discussion of performance under key interventions under this objective. It should be noted that UBOS is the lead agency in the execution of the majority of the interventions listed below:

### *3.5.3.1.1 Align and synchronise national survey and census programmes to NDP III, Africa Agenda 2063, SDGs and other development framework data requirements*

A number of surveys and censuses are aligned to the development frameworks through the National Standard Indicator Framework, whose update is done on an annual basis. This culminated in, for example, the production of the GDP estimates before the budget is ready. Other key products produced include: Key economic indicators, consumer price indices (weekly and monthly), real estate surveys (quarterly), the Community Information System (PDM), surveys on gender-based violence (GBV) and sexual and reproductive health and rights (SRHR) (ad hoc), the National Service Delivery Survey (every five years), Uganda National Household Survey (every three years), the National Panel Survey (yearly), the Annual Agricultural Survey (yearly), producer price indices (quarterly), construction sector indices (quarterly), water, oil and gas, energy and mineral, infrastructure statistics (annually), migration statistics (monthly), the National Labour Force Surveys (every five years), the National Population and Housing Census (aligned to the calendar for censuses in the region), the National Livestock and Agricultural Census (every 10 years), the Census of Business Establishments (COBE) every 10 years.

#### *3.5.3.1.1.1 Key highlights of the figures produced include:*

**Annual Gross Domestic Product (Revised)**: The size of the economy is estimated to have expanded by 6.1% during FY 2023/24, up from the 5.3% growth registered in FY 2022/23. In nominal terms, the economy expanded to UGX 202,725 billion, compared to UGX 183,004 billion registered in FY 2022/23 (Table 1).

**Table 17: Revised Annual Gross Domestic Product for FY2023/24 (Base=2016/17)**

| | 2018/19 | 2019/20 | 2020/21 | | 2021/22 | 2022/23 | 2023/24 |
|---|---|---|---|---|---|---|---|
| GDP at market prices | | | | | | | |
| At current prices (billion shillings) | 132,090 | 139,689 | 148,310 | | 162,750 | 183,004 | 202,725 |
| At constant 2016/17 prices (billion shillings) | 122,787 | 126,410 | 130,881 | | 136,886 | 144,191 | 153,040 |
| Quantity index (2016/17=100) | 113.1 | 116.5 | 120.6 | | 126.1 | 132.9 | 141.0 |
| Constant price growth rates (%) | 6.4% | 3.0% | 3.5% | | 4.6% | 5.3% | 6.1% |
| Implied deflators (2016/17=100) | 107.6 | 110.5 | 113.3 | | 118.9 | 126.9 | 132.5 |
| GDP per capita at current prices | | | | | | | |
| GDP per capita (UGX '000) | 3,321 | 3,403 | 3,500 | | 3,723 | 4,058 | 4,359 |
| GDP per capita (USD) | 889 | 916 | 957 | | 1,042 | 1,081 | 1,154 |

**Quarterly Gross Domestic Product:** The table below shows quarterly Gross Domestic Product registered during FY 2023/24.

**Table 18: Quarterly Gross Domestic Product up to FY2023/24 (Base=2016/17)**

| | 2022/23 | | | | 2023/24 | | | |
|---|---|---|---|---|---|---|---|---|
| Period | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| ORIGINAL ESTIMATES | | | | | | | | |
| GDP at market prices | 38,758 | 35,486 | 33,441 | 36,507 | 40,927 | 37,552 | 35,802 | 38,758 |
| Agriculture, forestry & fishing | 11,105 | 8,201 | 6,448 | 7,574 | 11,647 | 8,344 | 6,707 | 8,431 |
| Industry | 9,410 | 9,224 | 9,214 | 9,882 | 10,277 | 9,574 | 9,773 | 9,942 |
| Services | 15,786 | 15,593 | 15,192 | 16,348 | 16,255 | 16,991 | 16,512 | 17,462 |
| Adjustments | | | | | | | | |
| Taxes on products | 2,457 | 2,469 | 2,587 | 2,703 | 2,748 | 2,644 | 2,810 | 2,923 |

**Consumer Price Index (CPI) – Inflation figures:** Annual inflation as measured by the Consumer Price Index for Uganda for the 12 months to June 2024 increased to 3.9%, compared to 3.6% registered in the year ended May 2024.

***UBOS officials during the monthly release of Consumer Price Index (CPI) for May 2024.***

**Producer Price Index – Manufacturing and Utilities (PPI-M&U)**: Producer Price Indices and inflation in manufacturing and utilities were disseminated, under which inflation as measured by the Producer Price Index for manufactured goods and utilities for the 12 months to December 2024 was registered at 1% compared to 0.6% registered in the year ended November 2024. This was mainly attributed to annual inflation for the manufacturing sector that registered 1.4% in the year ending December 2024, compared to 0.8% in the year ending November 2024.

**Producer Price Index – Hotels & Restaurants (PPI-H&R)**: The annual inflation as measured by the Producer Price Index for Hotels and Restaurant Services for the four quarters to quarter three FY 2022/23 increased to 3.2%, compared to 3.0% registered in quarter two FY 2022/23.

**Construction Input Price Indices and Construction Sector Inflation:** Construction sector inflation as measured by the Construction Input Price Index for Uganda for the 12 months to March 2024 for inputs of the construction sector increased to 1.7%, compared to 1.5% registered for the year ended February 2024.

**External Trade Statistics Bulletin for May 2023:** It indicates that in March 2023, total external trade increased by 34.4% from that recorded in February 2023; and that total exports increased by 110.3% in March 2023 recorded in February 2023. The sharp increase in export earnings was due to high exports of gold and gold compounds, which contributed 42.4% to total exports. Total import flows increased by 5.5% in March 2023 from that registered in February 2023.

Annually, trade flows in March 2023 increased by 30.8% to US$ 1,465.9 million from US$ 1,120.5 million recorded in March 2022. Imports increased by 3.8% to US$ 833.0 million in March 2023 compared to US$ 802.8 million recorded in March 2022. Similarly, exports increased by 99.2% to US$ 632.9 million in March 2023 in comparison to US$ 317.7 million registered in March 2022.

**National Housing and Population Census 2024:** The Bureau conducted the 6th post-independence National Population and Housing Census over the period 10th–31st May 2024. The census preliminary results indicated that the total population of Uganda was 45.9 million persons in 2024. This represents an increase of 11 million persons from the 2014 census. Overall, there has been a steady increase in population size over the years from 1969 to 2024.

**Figure 17: Total Census Population, 1969 – 2024**

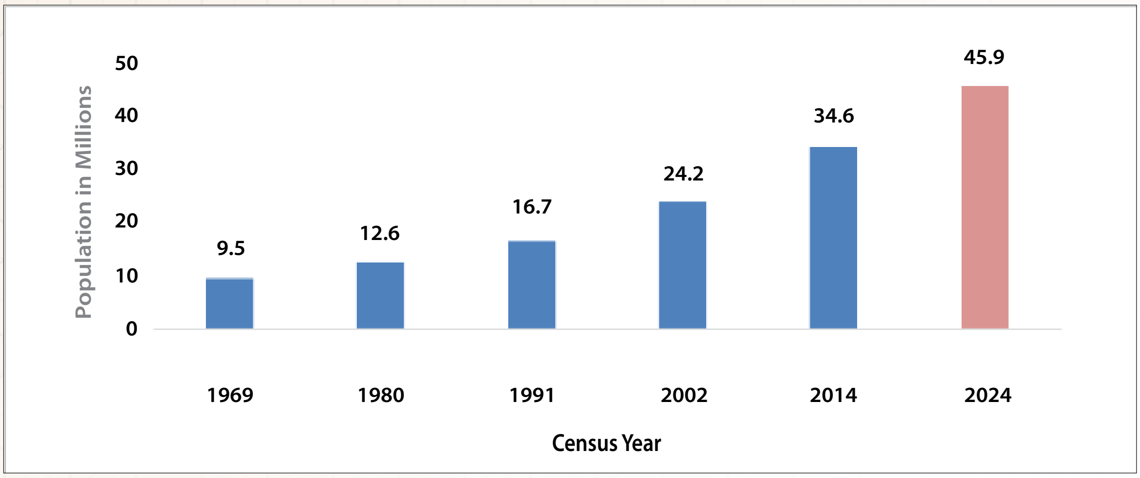



Figure 19 above provides more insight into population growth, intercensal period, average annual increase (in thousands), and average annual growth rates from 1911 to 2024. It shows a consistent growth in both male and female populations from 2.5 million persons in 1911 to 45.6 million persons in 2024. There are varying rates of increase over different census periods. The population growth rate has dropped from 3.0% in 2014 to 2.9% in 2024.

**Table 19: Population size, Intercensal Population Increase, and Average Annual Growth Rates, 1911-2024**

| Background characteristics | Male | Female | Total | Intercensal Period | Average Annual Increase (000's) | Average Annual Growth Rate) |
|---|---|---|---|---|---|---|
| Census Year | | | | | | |
| 1911 | 1,116,903 | 1,349,422 | 2,466,325 | 1911- | | |
| 1921 | 1,320,286 | 1,534,322 | 2,854,608 | 1911-1921 | 39 | 1.5 |
| 1931 | 1,707,437 | 1,834,844 | 3,542,281 | 1921-1931 | 68 | 2.2 |
| 1948 | 2,481,394 | 2,477,126 | 4,958,520 | 1931-1948 | 83 | 2.0 |
| 1959 | 3,236,902 | 3,212,656 | 6,449,558 | 1948-1959 | 143 | 2.5 |
| 1969 | 4,812,447 | 4,722,604 | 9,535,051 | 1959-1969 | 300 | 3.9 |
| 1980 | 6,259,837 | 6,376,342 | 12,636,179 | 1969-1980 | 262 | 2.7 |
| 1991 | 8,185,747 | 8,485,558 | 16,671,705 | 1980-1991 | 367 | 2.5 |
| 2002 | 11,824,273 | 12,403,024 | 24,227,297 | 1991-2002 | 647 | 3.2 |
| 2014 | 17,060,832 | 17,573,818 | 34,634,650 | 2002-2014 | 882 | 3.0 |
| 2024 | 22,495,030 | 23,440,016 | 45,935,046 | 2014-2024 | 1,165 | 2.9 |


***Executive Director/Census Commissioner, UBOS delivering the NPHC 2024 preliminary results at Serena Hotel, Kampala.***

***A mapping field team conducting an interview with one of the respondents.***

**Key Economic Indicators 132nd ISSUE: Q2 2023/24 (Oct – Dec 2023):** The report reflects the performance of the economy during the second quarter (Oct-Dec 2023) of the 2023/24 financial year on the Gross Domestic Product performance.

**Original unadjusted estimates constant prices:** Year-on-year Quarterly Gross Domestic Product (QGDP) for the second quarter (Q2) of 2023/24 grew by 5.5%, compared to the growth of 4.5% registered in Q2 of the previous year.

**Sectoral performance:** Year-on-year gross value added for the agriculture sector grew by 1.6% in Q2 of 2023/24 as compared to growth of 12.5% in Q2 of the previous financial year. The growth in the agricultural sector was due to cash crop growing activities, which registered a 7.5% growth in Q2 2023/24, compared to a decline of 7.5% in Q2 2022/23.

Year-on-year gross value added for the industry sector grew by 6.8% in Q2 of 2023/24, compared to a decline of 3.0% in Q2 of the previous year. This growth was due to an increase in construction activities, which grew by 3.3% in Q2 2023/24, compared to slow growth of 0.6% recorded in Q2 2022/23. However, manufacturing activities declined by 1.0% in Q2 2023/24, compared to growth of 1.2% in Q2 2022/23.

The services sector year-on-year gross value added grew by 6.0% in Q2 of 2023/24, compared to a growth of 5.5% in Q2 of the previous year. This growth was mainly driven by an increase in trade and repairs activities and real estate activities, which grew by 5.5% and 3.9%, respectively, in Q2 of 2023/2024.

**National Livestock Census 2021:** UBOS conducted the National Livestock Census (NLC) 2021 with an overall goal of providing information on the structure and organisation of the livestock sector in Uganda. Specifically, the NLC 2021 provides, inter alia, a frame for livestock sample surveys; statistics on basic characteristics of livestock, farm infrastructure, farm equipment and machinery; as well as aspects of the management of agricultural holdings disaggregated by sex. This information is used as benchmark data to validate and improve the reliability of livestock statistics generated from annual surveys and administrative sources.

**Livestock-keeping households:** NLC 2021 revealed that there were 6.8 million households that were keeping at least one livestock type. This is estimated to be about 72.8% of the 9.3 million projected households in 2021. Disaggregation by gender showed that 4.5 million livestock-keeping households were male-headed, representing 65.9%, while 2.3 million, constituting 34.1%,were female-headed. The youth-headed livestock-keeping households (18 – 30 years) were 1.4 million, representing 20.1% of all livestock-keeping households.

**Cattle population and milk production:** The total cattle population was 14.5 million, an increase of 26.9% from 11.4 million reported in 2008. Indigenous cattle constituted 77%, while exotic/cross-breed represented 23%. The regional distribution of the total cattle population as per the NLC 2021 findings show that the Eastern and Western Regions had the highest number of cattle estimated at 3.3 million (23%), followed by the Central Region, with 3.0

million cattle, representing 20.8%, and least was recorded in the Northern Region as well as Karamoja, with about 2.4 million cattle, representing 17%. Sub-regional analysis indicated that Karamoja had the highest number of cattle, with 2.4 million (16.7%). This was followed by Ankole, with 1.8 million (12.4%), and Buganda North, with 1.6 million (11.0%). The least number of cattle were reported in Kigezi, with 305,000 (2.1%) and Bukedi with 469,000 (3.2%). In terms of breed, the Ankole sub-region had the highest population of exotic/cross-breed cattle, with 1.1 million, contributing 32.6% of the total exotic/cross-breed cattle population in Uganda in 2021. This was followed by Buganda North, with 741,000 (22.3%) and Buganda South, with 633,000 (19.0%). The sub-regions with the least population of exotic/cross-breed cattle were Bukedi, Teso, Acholi, Karamoja, Lango, and West Nile, each contributing less than 0.5% of the total exotic/cross-breed cattle population in the country in 2021.

The total milk production in 2021 was estimated at 71.7 million litres per week, translating into an annual production of 3.7 billion litres, compared to 667.5 million litres recorded in 2008. This was a fivefold increase in milk production in the country. The highest percentage of milk production was in the Western Region, which contributed 40.0%, followed by Central, with 34.3%, while the Northern Region had the least, with 3.7% of the total milk production. Ankole produced the highest amount of milk, estimated at 1.2 billion litres in 2021, followed by Buganda South, with 668.3 million litres of milk, and Buganda North, with 610.5 million litres. The least annual milk production was reported in the Acholi sub-region, with 45.3 million litres.

**Goat population:** The total goat population was 17.4 million goats in 2021, an increase of 39.4% from 12.4 million goats reported in 2008. Indigenous goats constituted 97.2% of the total goat population, while exotic/cross-breed constituted 2.8%. The Western Region had the highest goat population of 4.6 million, contributing 26.3% to the national herd size. This was followed by the Northern Region with 4.1 million, contributing 23.4% to the national herd size. Sub-regional analysis indicated that Karamoja had the highest number of goats with 2.6 million (15.2%). This was followed by West Nile with 1.99 million goats (11.5%) and Ankole, with about 1.98 million goats (11.4%). The least number of goats were reported in Bukedi, with 508,000 goats (2.9%), and Elgon with 569,000 goats (3.3%).

**Sheep population:** The total sheep population was 4.4 million in 2021, an increase of 27.8% from 3.4 million sheep reported in 2008. Indigenous sheep constituted 98.2% of the total sheep population in Uganda, while exotic/cross-breed represented 1.8 %. The Karamoja sub-region had the highest sheep population of 1.8 million, contributing 40.4% to the national herd size. This was followed by the Western Region with about 900,000, contributing 20.6% to the national herd size. Sub-regional analysis indicated that Karamoja had the highest number of sheep, with 1.8 million (40.4%). This was followed by Teso, with 405,000 (9.3%) and West Nile, with about 398,000 sheep (9.1%). The least number of sheep were reported in Busoga, with 55,000 sheep (1.3%), and Bukedi, with 65,000 (1.5%).

**Pig population:** The total pig population was 7.1 million in 2021, an increase of 122.5% from 3.2 million pigs reported in 2008. At regional level, the Western and Central Regions, each with about 2.3 million pigs have the highest pig population, with each contributing about 32% to the national herd size. The Karamoja sub-region had the least population with about 82,000 pigs, contributing only 1.2% to the total pig population. Sub-regional analysis indicated that Buganda South had the highest number of pigs, with 1.2 million (17.2%). This was followed by Buganda North, with 1.1 million (15.0%) pigs and Bunyoro with 0.7 million (10.5%). The least number of pigs were reported in Karamoja, with 82,000 pigs (1.2%) and Bukedi with 227,000 (3.2%). At district level, Wakiso had 426,000 pigs, followed by Mukono, with 231,000 pigs, and Kagadi, with 195,000, had the highest pig population in the country in 2021.

**Access to extension services:** The findings revealed that 56.5% of the livestock-keeping households had access to extension services in 2021. Access to extension services was reported to be highest among cattle-keeping households, estimated at 72.2%, followed by pig-keeping households, with 64.6 %, while the least was reported among households that practise apiculture, at 26.6 %.

**Farm equipment and infrastructure:** The commonly used farm implements by livestock-keeping households were hand farm tools (hoes and pangas), representing 81.4% of the livestock-keeping households and only 0.2 % owned a tractor. In addition, 11.3% of the livestock-keeping households owned spray pumps. The findings on farm infrastructure revealed that 9.4% of the livestock-keeping households owned a water reservoir (overhead tanks, ponds), 11.8% owned a store for inputs (vet drugs, tools) and 5.7% owned a store for animal feeds. About 3% of the cattle-keeping households owned a cattle crush.


***The UBOS Executive Director, Dr. Chris Mukiza, Board Chairperson, Dr. Albert Byamugisha (left centre), with the Minister of State for Agriculture, Animal Industry and Fisheries (Animal Industry), Lt. Col. (Rtd) Bright K Rwamirama (right centre) during the launch of the National Livestock Census 2021 in Kampala.***

**Uganda Water Accounts Report 2021 – 2022:** Water satellite accounts are a comprehensive and specialised accounting framework designed to assess and manage water resources and their economic implications. These accounts provide a systematic way to measure and track the various aspects of water availability, usage, and their economic values within a given region or country, in this case Uganda.

The water accounts are compiled by estimating and populating three important tables: i) The water-data input table; ii) the physical water supply table; and iii) the physical water use table. The information set out below is drawn from the tables. The gross water input for 2022 was estimated at 253,578,894 million cubic metres, which was higher than the 220,407,327 million cubic metres estimate of 2021. Similarly, total water consumption increased by 17.3% to 33,938,875 million cubic metres in 2022, from 28,921,586 million cubic metres in 2021.

Water use efficiency (WUE) increased to UGX 144,194 in 2022, from UGX 67,573 registered in 2021. The annual water use per capita for 2022 was 5,912,056 cubic metres, which was higher than the 5,389,531 cubic metres registered in 2021. The average water use per household per day registered an increase to 52.8 litres in 2022 from 52.6 litres in 2021.

**The 2023 Statistical Abstract:** The abstract contains statistical information derived from the latest censuses, surveys and administrative records of MDAs, Higher Local Governments and some CSOs in the National Statistical System. The information covers statistics on the environment, demographic characteristics, socio-economic characteristics, production and macro-economic status. The statistics are presented either in the calendar year running from January to December or the financial year running from July to June, depending on data availability.

**Uganda National Household Survey (UNHS):** Completed data collection for FY 2023/24 and the report writing was concluded. The dissemination of findings is scheduled for March 2025.

**Demographic and Health Survey (UDHS):** The 2022 Uganda Demographic and Health Survey (UDHS) is the seventh implemented under the DHS programme in Uganda. UBOS, in collaboration with MoH, the United Nations Children's Fund (UNICEF), and the United Nations Population Fund (UNFPA), implemented the survey. Financial support for the 2022 UDHS was provided by the Government of Uganda. The information collected through the 2022 UDHS is intended to provide policymakers and programme managers in MoH and other organisations with information for designing, monitoring, and planning future population- and health-related programmes and interventions effectively. Generated indicators are relevant to the Health Sector Strategic and Investment Plan 2020/21–2024/25, NDP III, and SDGs. Key findings from the report indicate that:

1. The median age at first marriage is 19 years for women aged 25–49 and 25 years for men age 25–49.
2. 23% of married women reported that their husband has more than one (multiple) wife.
3. More men (17%) had never had any recent sexual intercourse compared to women (13%).
4. 38% of currently married women aged15–49 are using modern family planning methods.
5. 40% of sexually active unmarried women aged 15–49 are using modern family planning methods.
6. The total demand for family planning for currently married women aged 15–49 is 66%.
7. The unmet need for family planning for currently married women aged 15–49 is 24%.
8. 63 % of children aged 12–23 months are fully vaccinated (basic antigens).
9. Among children under 5 with symptoms, treatment or advice was sought for: 84% of children with symptoms of acute respiratory infection; 86% of children with fever; and 69% of children with diarrhoea.
10. 18% of children have their births registered, with a birth certificate.
11. 76% of children aged 1–14 years experienced any violent form of discipline.
12. 56% of children aged 24-59 months are developmentally on track in health, learning, and psychosocial well-being.
13. Among women and men aged 15–49: 23% of women and 14% of men experienced physical violence in the 12 months preceding the survey; 11% of women and 4% of men experienced sexual violence in the last 12 months before the survey; 84% of women whose husbands are often drunk have experienced physical, sexual or emotional violence; 52% of married women with cash earnings participate in decisions about how to use their earnings; 80% of married women can say no to their husband if they do not want to have sexual intercourse; 40% of married women do not participate in specific household decision-making.

Overall, all (100%) of household drinking water sources were found to be safe with respect to arsenic; 31% of households in Uganda used improved sanitation facilities; and 55% of households in urban and 36% in rural areas wash hands with water and soap.

***UDHS field staff display their Computer-Assisted Personal Interview (CAPI) devices – tablets – and readiness to go to the field.***

As part of data quality assurance, the UDHS data and processes have been peer-reviewed by a team from the UN family (UNFPA, WHO and UNICEF).

The consultants based their concern on five result areas to guarantee the quality of the UDHS report. Some of the parameters included ascertaining if all collected data was transmitted to the server and compiled into datasets, establishing survey representation in terms of weights for the various questionnaires, reviewing data quality both on the dataset and the response rate, compiling the key indicators that have been listed using Stata and CSpro, and to identify skills development in terms of data compilation and development of tables.

During the meeting, the UNFPA Deputy Resident Representative, Mr. Daniel Alemu, committed continuous support by UNFPA towards statistical surveys and censuses. He stated that UNFPA will provide some of the tablets that shall be used for the forthcoming census enumeration. In addition, other support efforts should go towards benchmarking, which is very critical for delivering an inclusive National Population and Housing Census.

***Development partner representatives together with UBOS staff during a meeting at Sheraton Hotel.***

**Uganda Harmonised Integrated Survey (UHIS):** The Bureau continued with the implementation of the Uganda Harmonised Integrated Survey (UHIS), integrating the activities of Uganda National Panel Survey (UNPS), and the Annual Agricultural Survey (AAS), with support from the World Bank (WB), FAO and GoU during FY 2023/24. The UNPS is a longitudinal survey with a sample of approx. 6,000 agricultural and non-agricultural households. The Bureau completed data collection for Wave II and report writing is ongoing. Also, data collection for wave III is ongoing, with three trips of data collection covered.

***UBOS official during the monitoring of UHIS, Wave II in Kyotera District.***

***3.5.3.1.2 Acquire and/or develop necessary statistical infrastructure in the NSS (National Statistical System), including physical, information and communication technology and human resources***

Statistical work is heavily dependent on technology for data collection, processing, analysis and dissemination. Some MDAs in the NSS, including UBOS, Bank of Uganda (BoU) and URA, adopted modern methods of data collection involving the use of Computer-Assisted Personal Interviews (CAPI), processing, and for dissemination. Field infrastructure and data flow between some sectors and Higher Local Government departments such as Water and Environment, Education, Health, Social Development, BoU, Immigration, URA and Agriculture, improved. The field infrastructure, particularly for Geo-Information Services, improved over time, with increased use of GPS but only in a few institutions, such as UBOS, MWE, MoWT, MOH and MAAIF.

UBOS continued to implement the IT guidelines, among them the application development guidelines, remote access guidelines, back-up guidelines, and dissemination procedure/steps. UBOS also specifically undertook systems development, data management, dissemination and communication of UBOS products. These included, among others: (i) implementation of digital systems for NPHC 2024 (Household, Accommodation, Institution, Floating and Community) and survey data capture applications for UNHS, NHRS, NiPN, ICBT and Migration, UHIS Household, UHIS Non-Household, time taken to cross the border survey and accommodation survey; (ii) implementation of the UBOS HRMS, and the audit system; (iii) setting up IT infrastructure for UBOS staff; iv) installation of networks for three floors at Statistics House; (v) management of UBOS data assets; (vi) development and implementation of the census e-recruitment system; (vii) development of the NPHC 2024 monitoring dashboard; (viii) development and implementation of the tablet provisioning system for NPHC 2024; and (x) management of data processing activities.

On the dissemination and communication of UBOS products, 250 documents were uploaded on the website with open access for the period, including the Statistical Abstract, UDHS, National Livestock Census, Metadata Handbook, AAS 2020, key economic indicators (KEIs), monthly CPI, and PPI M&U. Additional uploads include PNSD III and the UBOS statistical plan. The website received 206,500 visits during financial year 2023/24. However, in addition to the UBOS website as one of the functional e-data platforms, the others include Twitter and Facebook.

Other specific communication and dissemination activities carried out by UBOS in FY 2023/24 aiming at strengthening the NSS infrastructure include: (i) strengthening the standardisation of the dissemination of statistical information and data; (ii) improving accessibility to information and data through regularly updating and uploading statistical and non-statistical data and information on the UBOS internet platforms; (iii) improving the usability of statistical data and information by providing an advance annual release calendar; (iv) developing digital materials for surveys; and (v) designing data visualizations of key statistics. UBOS continued with the development of the CPI electronic data collection system and provided support to the design of the Strategic Plan for Statistics (SPS). By the end of the year, 161 (SPSs) were approved of which 137 for HLG, 21 for MDA and 3 for CSOs.

***3.5.3.1.3 Harness new data sources, including big data, data science, block chain technologies and geospatial technologies in statistical production***

During the year, the Bureau accomplished the mapping exercise in preparation for the upcoming Population and Housing Census 2024 using geospatial methods – a non-traditional source.

***3.5.3.1.4 Review and update the National Standard Indicator (NSI) Framework in line with NDP III, Agenda 2063 and SDGs***

The NSI Framework was reviewed and, through a quadripartite arrangement involving OPM, MoFPED, NPA and UBOS, a four-level hierarchical structure was adopted:

- Level I: Presents key indicators that track the country's graduation from LDC to Medium-Income Country. These indicators are defined by the United Nations Department for Economic and Social Affairs.
- Level II: Presents indicators that facilitate tracking progress towards the

realisation of the NDP III goal, objectives and key result areas.

- Level III: Presents indicators that measure progress towards the realisation of the NDP III programme objectives and outcomes. It covers the 20 NDP III programmes.
- Level IV: Presents indicators that track the implementation of the Programme Implementation Action Plans (PIAPs) in MDAs. These are mainly output indicators and intermediate outcome indicators.

The Bureau compiled data/statistics and updated levels I and II of the NSI Framework. In collaboration with MDAs, the Bureau is compiling data for the update of NSI Level III, considering the reprioritised NDP III Results and Reporting Framework.

#### *3.5.3.1.5 Standardise and operationalise the use of standard statistical infrastructure, including the rules, regulations and instruments for conducting censuses and surveys among data producers*

The operational guidelines for the production of quality statistics were finalised following multi-stakeholder engagements within the NSS. The Statistical Quality Assessment and Certification Framework (SQACF) was rolled out to stakeholders from HLGs and MDAs.

#### *3.5.3.1.6 Mainstream documentation of methodologies (metadata) for NSS indicators*

Metadata for all the Level 1 National Standard Indicators (NSI) was developed. In addition, metadata for 45 Level 2 and 186 Level 3 NSIs were also developed. This was done through the engagement of various data producers within the NSS. The compilation of the standards profile for key UBOS outputs was concluded.

#### *3.5.3.1.7 Build the capacity of the civil society and private sector organizations in the production and use of statistics*

During FY 2023/24, the Bureau:

a) Established the capacity gaps and needs assessment for all Local Governments, NGOs, CSOs, UNCHE and Uganda Statistics Society (USS). This will inform capacity enhancement for these groups.

b) Built capacity in data management for a workforce of 80 personnel responsible for handling data at the National Drug Authority.

c) Built capacity for statistics champions in Buganda Kingdom as per the signed MoU.

d) Drafted a UBOS course curriculum, a module distributor, and a course catalogue.

e) Developed training modules (in Microsoft Excel and Stata, introductory modules) on the statistics eco-system.

f) Undertook a professional seminar for statisticians in Uganda on leveraging data and analytics capabilities for sustainable transformation with the USS.

g) Developed, reviewed and engendered the capacity building programme for NSS.

#### *3.5.3.1.8 Research to improve methodology for key statistics and indicators in FY 2023/24*

Research to improve statistical methods was conducted in four forms: (a) to establish practical computation methods to generate new/missing statistics/indicators, especially for such indicators reported to lack data under the NDP-III data matrix; (b) to check the compliance of compilers with agreed methods in the generation of statistics/indicators; (c) to assess the relevance of methodology for selected indicators in line with new developments in statistical methods; and (d) to approve methodology submitted by researchers who seek UBOS authorisation to undertake various national surveys in line with the law on undertaking national censuses and surveys in Uganda. All forms listed were undertaken following a demand-driven approach to promote the use of relevant methods in statistical production in the NSS. The Bureau undertook methodology research to support the production of outputs and reports listed below:

a) A model to estimate the economic burden of road crashes/accidents in Uganda – led by Global Health Advocacy Incubator (Aug 23).

b) Prevalence of corruption and anti-corruption efforts in Uganda – spearheaded by the Department of Ethics and Integrity, President's Office (Sept – Oct 23).

c) Compilation report of 168 out of 209 NDP III indicators reported as lacking data points.

d) Compilation of 8 SDG indicators that did not have data points.

e) Development of the NSS/UBOS research agenda 2023/24 and 2024/25.

f) Doing the business, getting the job done. Ugandan citizens' opinions and experiences on business, employment and poverty 2023, by Twaweza East Africa.

g) Nutrition situation in KCCA region.

h) National Nutrition Governance Report 2023.

i) Cooperative Resilience Index.

j) ICT Development Index – Telecommunication Development Bureau/International Telecommunication Union Geneva.

k) Draft paper on compilation of workers' productivity statistics in Uganda.

l) Embarked on the process for the production of environment and climate change indicators.

m) Uganda Entrepreneurship Index and survey on state and health of entrepreneurship in Uganda, spearheaded by Ichuli and MasterCard Foundation.

n) Concept note for global review of all methodologies used by UBOS in the production of statistics.

o) Attended the COMESA Master Sample Guidelines training before their adoption.

p) Development of a sample for a study on family relations "FamilEA study", by Makerere University.

q) Methodology for the barrier analysis study on nutrition in targeted districts by Kyambogo University.

r) Methodology for Human Resources Survey 2024; survey data collection in progress.

s) Methodology for the Annual Personal Transfers Survey by Bank of Uganda.

t) Methodology for the Census 2024, whose preliminary results were released June 2024.

The Bureau also conducted methodology compliance assessments of the following surveys/studies:

- FinScope 2023 Survey, spearheaded by Bank of Uganda.
- CASCADE Survey by Kyambogo University.
- Rapid Assistive Technology Survey by USAID/Makerere University.
- CARIFAS by Uganda Cancer Institute, Mulago Hospital.
- UHIS-(AAS+Panel) conducted by the UBOS Department for Social Surveys and Censuses.
- Census enumeration in cities and refugee settlements conducted by the Local Governments.
- Listing for non-household agricultural enterprises under UHIS by the Department of Economic Surveys.
- UNHS 2022/23 conducted by the UBOS Department for Social Surveys.

#### ***3.5.3.1.9 Support statistical professional development and application through collaboration with the academia and relevant international organisations***

Regarding partnerships with academia, on 1st March 2023, the Bureau welcomed its inaugural cohort of graduate trainees from diverse universities offering statistics training. A group of 11 trainees commenced a one-year, full-time, fixed-term engagement with UBOS at the entry level of its staff. The graduate trainee initiative aims to enhance the statistics production process and functions as an accelerated professional development platform, fostering the skills and workplace proficiency of potential statisticians, data scientists, economists, and other allied professionals.

During the year, the Bureau established collaborative arrangements with academic institutions, particularly those offering higher education in statistics and related fields. As a result of these efforts, a Memorandum of Understanding (MoU) was executed between the Bureau and Uganda Christian University, Mukono to enhance collaborative statistics capacity building. This MoU outlines the specific ways in which both parties will collaborate to advance research and the development of statistical skills among university staff and students. Furthermore, it aims to enhance the application of statistical knowledge within the National Statistical System. The implementation plan for this MoU was formulated by the university in conjunction with the Bureau. Subsequently, its execution commenced, beginning with an assessment conducted by the Bureau of the capacity needs of both students and staff at the university.

The Bureau collaborated with the School of Statistics and Planning at the College of Business and Management Sciences in Makerere University, Kampala. This collaboration involved taking part in a consultative meeting aimed at evaluating academic programmes, as mandated by the National Council for Higher Education (NCHE). The discussions during the meeting revolved around the proposal to launch six new graduate courses. These proposed courses are the PhD in Quantitative Economics, PhD in Statistics involving both coursework and research, a Postgraduate Diploma (PGD) in Actuarial Science, a Master's in Actuarial Science, a PGD in Data Analytics, and a Master's in Data Analytics.

The Bureau provided financial backing to organisations dedicated to the promotion and advancement of the field of statistics. The Bureau subscribed to the International Statistics Institute (ISI) and the Uganda Statistics Society (USS) for the year 2023/24. The funds provided were utilised to cover operational expenses, arrange workshops and events, facilitate journal publication, support research and development, and create networking opportunities, among others. In addition, the Bureau offered technical assistance during seminars organised by USS at various universities. Throughout the year, USS conducted seminars at Uganda Christian University, Mukono, Kyambogo University, and Islamic University In Uganda (IUIU) Mbale, with exclusive facilitation by UBOS staff.

#### *3.5.3.1.10 Enhance the compilation, management and use of administrative data among the MDAs and LGs*

The Bureau is spearheading the collection of administrative data in the Central and Local Governments. Several initiatives were undertaken including, but not limited to, the following:

**Community Information System**

- Strategy document reviewed to address upcoming community data dynamics for the operationalisation of the CIS.
- Harmonised the community data collection tool with the PDMIS and intergraded it with 2024 National Population and Housing Census community module.
- Revised the CIS Indicator Framework.
- Reviewed functional guidelines for the design of the online CIS platform.
- Produced community data for 138 Lower Local Governments (LLGs).

**Local Government administrative data**

During FY 2023/24, UBOS, under Local Government administrative data:

- Oriented LG staff from all Local Governments on the revised structure and guidelines for the compilation of the LG Statistical Abstract.
- Harmonised the reporting format on administrative data for Local Governments. Eighty-one LGs have submitted their administrative data points to date.
- Oriented LGs on reporting of 8 SDG indicators.

## 3.6 Objective 6: Strengthen the Research and Evaluation Function to Better Inform Planning and Plan Implementation

Strengthening the research and evaluation function within the DPI Programme is vital for improving public policy debates and enhancing decision-making processes. Research and evaluation play a pivotal role in bridging the gap between policy formulation and effective implementation. They enable the Government to monitor the progress of its programmes, assess their outcomes, and adjust strategies as necessary to ensure that objectives are met.

For the DPI Programme, strengthening research and evaluation capacity within key institutions is intended to improve the quality of data and analysis to guide planning and implementation decisions. Evaluating Government programmes is critical for assessing their effectiveness and efficiency, but also for informing policy debates, ensuring accountability, and supporting decision-makers in making informed choices.

The integration of research findings into the policy-making process is essential for fostering evidence-based decision-making. However, research and evaluation must go beyond mere data collection; the findings must be used to adapt and refine policies and programmes to address emerging challenges. Although efforts have been made to implement research and evaluation frameworks, the capacity to conduct evaluations at a scale and depth necessary for meaningful policy impact remains limited. Research outcomes have not been sufficiently utilised, and the quality of evaluations conducted has often been hindered by inadequate resources, lack of training, and weak institutional frameworks for integrating findings into policy adjustments.

This chapter focuses on the critical role of research and evaluation in shaping policy debates, guiding public decision-making, and ensuring that Government programmes under NDP III are efficiently executed and aligned with the changing priorities of the country. The key performance indicator under review for FY 2023/24, namely the proportion of Government programmes evaluated, demonstrates both the progress made and the significant challenges faced. While efforts have been made to conduct evaluations, the results show a gap in comprehensive programme evaluations, limited research capacity, and inadequate utilisation of evaluation findings to inform policy adjustments. The poor performance of NDP III programmes during the mid-term review, coupled with challenges in the reporting framework, highlights the need for deeper reforms in research and evaluation to foster better public policy outcomes.

### 3.6.1 Performance on Key Indicators for FY 2023/24

The key indicator for FY 2023/24, i.e., the proportion of Government programmes evaluated, remains critical in assessing the overall performance of Government initiatives. However, the performance of this indicator has been far from satisfactory, particularly given the context of the mid-term review of NDP III.

In FY 2022/23, only the mid-term review evaluation was undertaken, meeting the target for that year. The same target was set for FY 2023/24, and this target was met again with the evaluation of the carryover from FY 2022/23. While meeting the target may appear to be a success, it highlights a fundamental issue: the limited number of evaluations conducted each year means that no individual Government programme is being evaluated, leaving much of the implementation progress unexamined. With the vast scope of NDP III, which spans multiple sectors and encompasses numerous programmes, evaluating at mid and final implementation is insufficient to provide the insights needed for policy adjustment or improvement.

Looking only at the mid-term review of the NDP III is deceitful as many other projects, both those funded by Government and development partners, undergo some sort of evaluation (mid-term, final, and impact) on an annual basis. It is, therefore, apparent that the indicator on the proportion of Government programmes evaluated has not been accorded the importance it deserves by the institution responsible for its measurement and reporting. For example, limited effort has been taken to develop a national evaluation calendar for all programmes and projects covering the NDP III period. If available, the national evaluation calendar would be the base for the computation of many indicators, including the indicator on the proportion of Government programmes evaluated.

#### 3.6.1.1 Build research and evaluation capacity to inform planning and implementation as well as monitoring and evaluation

During the financial year, URA sought more opportunities for improving research and evaluation capacity, which resulted in securing support from institutions such as The United Nations University World Institute for Development Economics Research (UNU-Wider) (UGX 0.158 billion).

During FY 2023/24, URA carried out a structural review that resulted in the elevation and repositioning of the research function from the IT Department to the Strategy and Risk Management Department. This provided a clear and wider mandate to execute research across the whole organisation.

During the period, research and studies were conducted to establish and validate any actions that may be taken to improve decision-making, business intelligence, and policy recommendations which, ultimately, support revenue mobilisation. The research areas were:

- Performance and user perspective on EFRIS.
- Users' experience regarding ease of use of the e-tax systems in Uganda.
- The impact of the import substitution policy on international trade revenue.
- Effect of investment deductions on Corporate Income Tax performance in Uganda.
- Tax agents' impact on compliance.
- Unlocking insights from trade data: Analysing imports, warehousing, and re-export trends.
- Integrating the informal sector into the tax net of Uganda: A case study of the agriculture sector.
- Assessment of the benefits and challenges of the tax incentives among the taxpayers. A case of income tax and deemed VAT.

However, there is a need to increase funds to enhance capacity to carry out a wider scope of studies.

NPA held the 13th National Development Planning Forum (NDPF), which focused on the "Youth who are Neither in Employment nor in Education or Training (NEETs) in Uganda". This was based on a policy paper by NPA, which highlights the need to prioritise interventions to address the increasing number of this category of youths, given that they are prone to manipulation into religious and political extremism. Key findings included:

- While more jobs are being created by the Ugandan economy (1.6 million between 2016 and 2021), many Ugandan youths are unable to find and/or create jobs (the youth unemployment rate is 16.5%, while the national rate is at 12%).
- The NEETs population has almost doubled in the last decade, with an average annual rate of 8.4% over the last decade from 2.5 million in FY 2012/13 to 4.2 million in FY 2022/23, and this is projected to increase to 5.8 million in 2031/32 if the status quo remains the same.
- The majority of the NEETs drop out of school early due to lack of school fees or education being unaffordable.
- The majority (58%) of NEETs either had no formal schooling or have had some primary-level education. Only 8% had post-secondary education.
- The majority of NEETs were reluctant to get employment in the agricultural sector due to unguaranteed financial returns arising from the inherent nature-based risks associated with the sector.

By the end of the financial year, NPA prepared five research papers, out of which two are in final draft (Sugarcane and Neonatal Sepsis) and three are finalised, i.e.: i) The Nexus between Transitional Justice and Development; ii) Labour Market Situation Analysis Report to Inform the NDP IV - Human Resource Development Plan (HRDP) and Youth Employment Challenges and the Informal Economy; and iii) Improving Working Conditions and Reducing Informality among Youths in Uganda. The various research papers are prepared for the purpose of generating evidence to inform policy and decision-making.

#### 3.6.1.2 Equal Opportunities Commission Annual Report

In accordance with its mandate, the Equal Opportunities Commission (EOC) prepared and launched its 10th Annual Report on the State of Equal Opportunities in Uganda for financial year 2022/2023. The theme of the report, "Fostering Inclusive Growth through Equitable Participation and Benefit from

Government Programmes", emphasises the importance of ensuring that all citizens, regardless of their background, benefit equitably from Government initiatives. The report can be accessed at the EOC website (www.eoc.go.ug)

The key thematic areas under the annual report included: National planning; budget appropriation and execution; state of equal opportunities in political participation; human capital development focusing on education and health; distribution of project loans for infrastructure development; access to employment among the MDAs; and major factors of production. Some of the key findings included the following:

- Over time, there has been an increase in the number of women appointed to serve in the Cabinet. In the 2006 Cabinet, there were only 10 women (14.7%), in 2011 women in Cabinet comprised 28.8%, in 2016 women accounted for 28.7% of Cabinet, and in 2021, the proportion of women in Cabinet increased to 45.8%.
- Over time, the proportion of women in Parliament has been steadily rising. It remained at 25% in both the 7th and 8th Parliaments, increased to 33.7% in the 9th Parliament, dropped with 0.7 percentage points to 33% in the 10th Parliament, and then rose to 33.8% in the 11th Parliament.
- The 10th Annual Report on the State of Equal Opportunities in Uganda established that there exist regional variations in PLE performance. The best performing regions were identified as: Kampala (75%), Ankole (73%), Buganda South (68%), Tooro (66%) and Kigezi (61%). The worst performing sub-regions were: Elgon (43%), Bukedi (45%), Acholi and Lango (46%), Teso (48%), and West Nile (49%).
- The study also established that the worst performing districts in PLE were Madi-Okolo, Agago, Oyam, Pader, Alebtong, Otuke, Lamwo, and Amolatar.
- The report revealed regional disparities in performance in UCE. The best performing regions were identified as: Kampala (59%), Ankole (55%), Buganda South (54%), and Kigezi (54%). The worst performing sub-regions were: Elgon (38%), West Nile (40%), Bukedi (41%), Busoga (43%) and Karamoja (44%).
- Over the past nine years, a total of 13,405 students have benefitted from the University Students Loan Scheme, out of whom the majority, at 68.6% (9198), were male and only 31.4% (4207) were female.
- The Karamoja sub-region had the least proportion of students accessing the University Students Loan Scheme (1.7%). This means that out of the 13,405 students that have benefitted from the programme over the years, the sub-region has had only 224 beneficiaries.
- Uganda's health sector remains significantly under-funded, mainly relying on private sources of financing, especially out-of-pocket spending. At 7.9% of total Government expenditure, public spending on health is far below the Abuja target of 15% that Government committed to.
- The Bukedi sub-region, which consists of seven districts (Budaka, Busia, Butaleja, Butebo, Kibuku, Pallisa, and Tororo) did not have any regional referral hospital.
- Four districts neither had a Government hospital nor a health centre (HC) IV. These were Agago, Kalaki, Namisindwa and Napak.
- The sub-counties in the country that did not have HC IIIs were 172 in number. The lack of equitable access to HC IIIs in some of the sub-counties detrimentally impacts the capacity of the vulnerable and marginalised groups of people to access healthcare.

Some of the key recommendations include the following:

- The Ministry of Health (MoH) should construct a referral hospital in the Bukedi sub-region so as to enhance equitable service delivery, as well as improve the health outcomes of the people in the sub-region and to decongest Mbale Hospital.
- In line with the National Health Policy that prioritises the construction of a General Hospital or HC IV in each district, MoH should consider constructing hospitals in the 76 districts that lack a Government hospital.
- The Ministry of Education and Sports should construct more secondary schools in the districts of Northern and Eastern Uganda, including those in the hard-to-reach areas.

Several other studies were conducted by EOC, focusing on compliance with the requirement for equal opportunities in Government programmes. Notable reports produced include the following:

1. **Audit on Compliance with Equal Opportunities in the Implementation of the Internet Connectivity Project:** This audit focused on ensuring that the rollout of internet connectivity across various regions of Uganda was conducted in an equitable manner, ensuring that all communities, including marginalised groups, had equal access to this vital service.

2. **Audit on Compliance with Equal Opportunities in the Implementation of the Albertine Region Sustainable Development Plan Project**: This audit assessed how the Albertine Region Sustainable Development Plan incorporated equal opportunity principles, particularly in the distribution of benefits from the project.

3. **Study on Access to Social Services among Vulnerable Groups in Urban Slums:** This study explored the challenges faced by youth, older persons, PWDs, and children living in slums in accessing basic social services such as healthcare, education, and housing. The findings from this study will guide future policy and program interventions aimed at improving service delivery to these vulnerable groups.

These audits and studies, alongside the annual report, provide valuable insights into the state of equal opportunities in Uganda and underscore the importance of ongoing efforts to promote inclusivity in Government programmes. The findings and recommendations will guide future actions aimed at fostering equitable development and ensuring that all citizens benefit from national resources and initiatives. The reports can be accessed at the EOC website (www.eoc.go.ug).

Research and audits by the Commission highlighted inequalities in key sectors, e.g., in education, schools under Universal Primary Education (UPE) and Universal Secondary Education (USE) continued to charge fees, hindering access for vulnerable groups, while regional disparities persisted in examination performance and scholarship distribution. In the energy sector, rural areas like Karamoja and West Nile reported the lowest household electricity connections (1% –1.6%). Similarly, the University Students Loan Scheme exhibited inequities, with only 0.7% of beneficiaries being students with disabilities and minimal scholarships allocated to the Karamoja sub-region. These findings were captured in the EOC's 10th Annual Equal Opportunities Report, themed "Fostering Inclusive Employment and Wealth Creation", which detailed progress in achieving equitable participation in Government programmes, focusing on planning, budget execution, political engagement, and access to factors of production.

To strengthen socio-economic research, during the financial year, the Office of the President produced reports on emerging issues in the economy highlighted below:

a) Two socio-economic research reports: (i) Process evaluation on the implementation of PDM in 30 sampled districts in Uganda. This was conducted to establish the extent to which the PDM guidelines were being adhered to by the implementers. This action was also undertaken to establish what was working well and what was not working well in the implementation of PDM for timely remedial actions to be taken. Following the above activity, a Cabinet Paper was prepared to inform the Cabinet. (ii) A report on the diagnosis of Musevenomics for action.

b) Report on the status of the implementation of the Innovation Fund Project in Nabusanke and developing of the solar-powered pump by Makerere University. The report was produced in line with the role of the Office of the President as provided for under the Innovation Fund Framework. Following the above exercise, it was established that the two projects were not progressing as per their original implementation plan. Accordingly, the Office of the President resolved that the Uganda Industrial Research Institute (UIRI) should mobilise funds to address the mechanical and structural issues affecting the facility at Nabusanke. Additionally, the Office of the President followed up on the continuation of the development of the solar-powered irrigation pump by Makerere University.

c) Quarterly reports, i.e., (i) on the deliberations of the APEX Platform Secretariat; (ii) on the APEX Platform Technical Committee; (iii) for the APEX Platform Steering Committee; and (iv) the APEX Platform Technical Committee to review the concept notes for the studies on the impact of ICT on socio-economic transformation over the period 2010–2023 and the performance of NDP III produced. One APEX Platform Technical and Steering Committee Meeting to review the Draft Status Report and the Cabinet Memorandum on the implementation status of the 23 Presidential Directives and Guidelines and Agriculture Commercialisation was held.

d) Oversight monitoring of Government programmes was conducted in the West Nile, Lango, Bukedi and Teso sub-regions and four reports were produced. The areas of monitoring included: Education; Health; Works and Transport; Water and Environment; Production and Marketing; Social Development; and Local Government Administrative Services. A report on the establishment of Acholi Bur Agro-Processing Plant in the Acholi sub-region was produced.

e) Service delivery review reports on the following were produced: (i) The oversight inspection of service delivery in the Kigezi and Ankole sub-regions; (ii) The implementation of Uganda Intergovernmental Fiscal Transfers (UgIFT) Programme in Greater Bushenyi; (iii) The challenges affecting Uganda's iron and steel industry; and (iv) The plight of the former employees of Uchumi Supermarket. Following the above action, the Office of the President held meetings with the district authorities and private service providers to address the challenges identified during the inspection conducted in the Greater Bushenyi Region.

### 3.6.2 Key challenges and actions to strengthen research and evaluation

The challenges related to research and evaluation within the DPI Programme are varied and multifaceted. Several issues have contributed to the low number of programme evaluations, the poor performance of NDP III programmes, and the limited use of research findings in policy debates and decision-making.

1. **Inadequate capacity for research and evaluation:** A key challenge in strengthening the research and evaluation function within the DPI Programme is the lack of adequate capacity within Government institutions. Many agencies responsible for conducting evaluations face constraints in terms of staffing, training, and financial resources. Research and evaluation units within these institutions often lack the necessary tools, expertise, and personnel to carry out large-scale, high-quality evaluations. This lack of capacity means that only a small fraction of Government programmes is evaluated each year, which in turn limits the ability of policymakers to make data-driven decisions.

2. **Insufficient use of research findings in decision-making:** Even when research and evaluations are conducted, there is often a gap in how findings are used in decision-making. Research outcomes are sometimes not effectively communicated to decision-makers, or, when shared, they are not acted upon in a timely manner. This disconnect between evaluation results and policy adjustment means that valuable insights into programme performance are lost, undermining the potential for evidence-based decision-making. In some cases, the lack of follow-up mechanisms to track the implementation of evaluation recommendations means that findings do not translate into tangible improvements in programme implementation.

3. **Inadequate data collection and reporting systems:** The mid-term review of NDP III revealed a major issue with the quality of data collected for monitoring and evaluation purposes. Over half (56%) of the indicators in the NDP III had no data available for assessment. This absence of data makes it impossible to evaluate programme performance accurately or assess the effectiveness of Government interventions. The lack of data is indicative of a broader issue with data collection systems, which remain underdeveloped and insufficient to meet the needs of the DPI Programme. Without accurate and timely data, evaluations become meaningless, and decision-making is hindered.

4. **Misalignment between the original plan and new priorities:** Another significant challenge is the misalignment between NDP III, which was formulated before the COVID-19 pandemic, and the new priorities that emerged post-pandemic. The mid-term review highlighted that NDP III was no longer fully aligned with the country's shifted priorities after the pandemic, particularly in areas related to health, education, and economic recovery. This misalignment affected the performance of Government programmes, leading to a low evaluation score of just 17%.

5. **Limited scope of evaluations**: The narrow focus of evaluations, with only one programme being evaluated per year, limits the breadth of insight gained from these evaluations. Given the large number of programmes under NDP III, evaluating just one programme per year is inadequate to provide a comprehensive understanding of how Government initiatives are performing. A more extended and regular evaluation process is needed to ensure that the full range of programmes is evaluated and that comprehensive data is collected to inform broader policy decisions.

# 4

# Emerging Issues and Performance Challenges in the Implementation of the DPI Programme

# 4 Emerging Issues and Performance Challenges in the Implementation of the DPI Programme

## 4.1 Emerging Issues

During FY 2023/24, the implementation of Uganda's DPI Programme revealed a number of emerging challenges that have implications for the effective realisation of its objectives under NDP IV. The DPI Programme, conceived as a strategic reform vehicle to enhance Government performance, accountability, and service delivery through a results-oriented and evidence-driven approach, faced both structural and operational constraints that warrant immediate and sustained attention.

### 4.1.1 Limited institutional ownership at Local Government level

A central issue observed was the limited institutional ownership of the DPI Programme, particularly at the Local Government level. While the programme is designed to be a cross-cutting enabler for efficient and accountable governance, its implementation at sub-national levels remained weak. Many Local Government stakeholders did not fully internalise the programme as part of their institutional mandates. Instead, it continued to be viewed as a centrally driven or externally imposed initiative, rather than a tool to enhance the delivery of their own services. This disconnect undermined the coherence and coordination required for successful programme execution. The lack of local ownership can be attributed to a combination of factors, including insufficient orientation, limited engagement in programme design, and the absence of clear accountability mechanisms that tie DPI results to Local Government performance.

### 4.1.2 Weak integration of programme-based planning and budgeting

Although Uganda has adopted the Programme-Based Approach (PBA) as the guiding framework under its national development planning system, many MDAs as well as Local Governments continue to operate within the confines of traditional sector-based planning. This persistence of sectoral approaches has resulted in fragmented planning and budgeting processes, which do not adequately reflect the holistic and cross-cutting nature of programme implementation. For the DPI Programme specifically, this has led to difficulties in aligning activities with intended outcomes, undermined the visibility of results, and compromised the integrity of performance reports. Programme-based budgeting is intended to link resources directly to results; however, where Votes continue to submit and report using outdated sector structures, the DPI's contribution to improved performance becomes obscured in financial and narrative reporting.

### 4.1.3 Mismatch between programme priorities and budget allocations

In addition, the FY 2023/24 review of DPI Programme implementation revealed a significant mismatch between programme priorities and actual budget allocations. Despite the articulation of clear strategic objectives and interventions under the Programme Implementation Action Plans (PIAPs), these priorities were not adequately resourced in many instances. This was due in part to structural rigidities in Uganda's public finance management system, which limit the ability to reallocate resources towards emerging or cross-cutting priorities. The current budgetary framework continues to emphasise fixed ceilings and incremental allocations, leaving little room for adaptive funding or realignment with programme objectives. As a result, critical DPI interventions – such as investments in digital infrastructure, performance monitoring tools, and institutional capacity building – were either underfunded or not funded at all. This financing gap creates a disconnect between planning and implementation, limiting the impact of the programme and weakening stakeholder confidence in the reform process.

### 4.1.4 Inadequate data governance and limited availability of disaggregated, real-time data

While the DPI Programme promotes evidence-based planning and decision-making as a core pillar, the availability, quality, and timeliness of data remain significant constraints. The implementation process in FY 2023/24 exposed persistent weaknesses in data governance across both Central and Local Government institutions. Many MDAs and Local Governments lacked access to disaggregated data, especially by gender, region, or age, which is essential for inclusive and targeted planning. In several cases, performance data was either outdated, incomplete, or inconsistently reported. The lack of real-time data and interoperable systems made it difficult to track progress, measure outcomes accurately, or adapt implementation strategies based on evidence. Additionally, while some institutions had functional Management Information Systems (MIS), there was no overarching framework that ensured their integration and consistency with national reporting standards. This absence of coordinated data systems undermined not only performance measurement but also accountability and learning across Government.

#### 4.1.5 Way Forward

The DPI Programme, by design, requires a shift in institutional culture – one that prioritises results, embraces continuous learning, and fosters cross-institutional collaboration. However, such a shift cannot occur without deliberate and sustained investment in capacity building, policy coherence, and system-wide change management.

There is a clear need for deeper institutional commitment to the DPI Programme by embedding DPI priorities into the strategic and operational frameworks of all Government institutions, with particular attention to Local Governments. Senior leadership at all levels must be held accountable for DPI results, supported by appropriate change management strategies and incentives.

Furthermore, the alignment of budgets with programme priorities must be enhanced by introducing greater flexibility in public finance rules and encouraging MDAs and Local Governments to reorient their resource allocations in support of programme outcomes. Targeted capacity building must go beyond workshops and include mentorship, peer learning, and the institutionalisation of knowledge within public service systems.

In parallel, the Government should accelerate investments in statistical infrastructure and governance, ensuring that all institutions have the tools and standards necessary to generate, analyse, and use data effectively. The rollout of the NDP indicator tracking and reporting system with real-time performance dashboards, in addition to enhanced accountability mechanisms, can help operationalise the DPI Programme's evidence-based decision-making framework.

## 4.2 Performance Challenges

The DPI Programme faced significant performance challenges which may have hindered the programme's ability to fully achieve its targets and deliver the intended results.

The purpose of this chapter is to examine the core challenges that affected the performance of the DPI Programme, as evidenced in past reports, including the mid-term review of NDP III, and to explore possible actions to address them. These challenges, which span planning, coordination, monitoring, data collection, and evaluation, had a profound impact on the overall performance of the programme and, by extension, the success of the NDP III.

### 4.2.1 Inadequate alignment with post-pandemic realities

One of the most significant challenges faced by the DPI Programme is the lack of alignment between the original NDP III Framework, which was developed before the COVID-19 pandemic, and the current national priorities. The pandemic had far-reaching effects on the economy, health systems, and social welfare. As a result, there was a need for a strategic reprioritisation of national objectives to respond to the new challenges posed by the pandemic, such as economic recovery, public health system strengthening, and building resilience against future crises. However, during the mid-term review of the plan, there were deliberate efforts to adjust and re-prioritise the framework.

### 4.2.2 Weak institutional capacity and coordination

Institutional capacity remains a significant challenge for the effective implementation of the DPI Programme. Key agencies such as the National Planning Authority (NPA), the Office of the Prime Minister (OPM), and the Uganda Bureau of Statistics (UBOS), are tasked with coordinating the implementation, monitoring and evaluation of NDP III. However, these institutions often struggle with limited technical expertise, inadequate staffing, and resource constraints, which impede their ability to perform their functions effectively.

Strengthening institutional capacity is essential for ensuring that the DPI Programme achieves its objectives. A critical first step is investing in continuous capacity-building programmes for staff across these key institutions. Training in areas such as project management, monitoring and evaluation (M&E), and data analysis will help improve the technical skills of those involved in programme implementation. Specialised leadership and management training for senior officials will ensure better coordination and decision-making.

Moreover, inter-agency coordination is crucial for successful programme implementation. The creation of a centralised coordination framework will enable NPA, OPM, and other Ministries to work together more effectively, ensuring that there are no overlaps or delays in the execution of the programme. Establishing a dedicated task force for DPI Programme coordination could streamline the process and ensure that all stakeholders remain aligned with the programme's objectives.

Furthermore, improving the technical capacity of these institutions by investing in expert consultants or partnerships with international development organisations can help address the skill gaps in critical areas. Having a robust accountability framework that includes regular performance reviews, audits, and evaluations will ensure that all institutions remain accountable for their roles in the programme's success.

### 4.2.3 Challenges with data collection and monitoring systems

Accurate and timely data is essential for monitoring the progress of the DPI Programme and informing decision-making. However, data collection systems in Uganda have been a persistent challenge, with incomplete or low-quality data affecting the ability to track key performance indicators (KPIs). The absence of reliable data hampers the ability to assess programme impact, identify areas requiring adjustment, and make evidence-based policy decisions. In fact, during the mid-term review of NDP III, it was noted that 56% of the indicators lacked data, which severely impacted the ability to track the programme's performance.

To address these issues, the Government will focus on strengthening the national data collection systems. This will include investing in modernising data collection techniques, expanding geographical coverage, and ensuring that data is gathered in a timely manner. Furthermore, improving the capacity of institutions like UBOS to manage and analyse data, as well as the capacity MDAs/LGs for the collection and management of administrative data is crucial for enhancing the accuracy and reliability of performance reports.

Developing a national data warehouse, where data from various sectors and programmes can be consolidated, will help streamline access to information, making it easier to monitor progress across different programmes. Real-time data collection and reporting systems will allow for more immediate feedback on programme implementation, enabling faster decision-making and intervention where necessary.

Regular audits and data validation exercises will also be carried out to ensure the quality and reliability of the data being collected. These exercises will help identify discrepancies or errors in data reporting and ensure that stakeholders have access to credible and accurate information.

### 4.2.4 Resource constraints

Resource constraints have also posed a significant challenge to the effective implementation of the DPI Programme. Budget shortages have led to delays in critical activities such as capacity-building, M&E, and the rollout of key initiatives. With limited funding, many programme activities have either been scaled back or deferred, resulting in a lack of progress on key development targets.

To address the resource constraints, the Government needs to increase budget allocations for NDP implementation by channeling more resources towards key areas such as monitoring and evaluation, capacity building, and infrastructure development. In addition, emphasis should be placed on enhancing the efficiency of existing resource use through the performance-based budgeting system, ensuring that funds are directed to the most critical and high-impact priorities.

Additionally, beyond strengthening its traditional revenue mobilisation systems, the Government should continue to explore innovative financing mechanisms, such as public-private partnerships (PPPs), to mobilise resources for the programme.

The Government also needs to engage development partners for technical and financial support, including exploring proposals such as establishing a multi-donor fund specifically for NDP initiatives to address the gap in funding.

### 4.2.5 Limited stakeholder engagement and ownership

Stakeholder engagement, particularly at the Local Government level, remains a significant challenge in the DPI Programme's implementation. Without strong local ownership, programmes can become disconnected from the needs of the communities they intend to serve. This has resulted in a lack of alignment between national goals and local priorities, reducing the relevance and impact of development initiatives.

To address this challenge, the Government should strengthen Local Governments' capacity to align their development plans with the national priorities outlined in NDP III. The Government should continue to explore efforts to provide Local Governments with the necessary capacity and resources to align local development plans that are consistent with the overall national strategy.

Inclusive participation is also essential for ensuring that all stakeholders, including local communities, CSOs, and the private sector, have a voice in the planning and implementation process. Public consultations and town hall meetings shall be institutionalised at both the national and local levels to encourage greater community involvement. Feedback mechanisms should be established to allow citizens to contribute their views on Government programmes and policies.

### 4.2.6 Complex and rigid reporting frameworks

Finally, the complexity and rigidity of the current reporting framework for NDP III have hindered the timely and accurate tracking of programme performance. The current reporting system is cumbersome, and the lack of flexibility has made it difficult to adapt to changing demands for information under the NDP. As a result, stakeholders have struggled to generate useful real-time insights into the performance of the DPI Programme.

To improve the reporting framework, the Government shall simplify and standardise reporting processes across Ministries and agencies. Clear, concise reporting templates shall be developed, making it easier for stakeholders to track and report progress on KPIs.

Incorporating real-time monitoring systems into the reporting framework will help speed up data collection and reporting, enabling faster decision-making. Regular training for all stakeholders on reporting standards will ensure that reports are consistently high quality.

### 4.2.7 Limited baseline and timely data to facilitate monitoring and tracking the results of the implementation of key Government policies, programmes and projects

Monitoring Government projects, policies, and programmes presents significant challenges, primarily due to the lack of comprehensive baseline data, delays in updates, and the prevalence of ambiguous or poorly defined indicators. Many indicators under NDP III, for instance, are poorly defined, not assigned to any institution etc., making it difficult to assess progress accurately. Compounding this issue are capacity gaps within the institutions responsible for data collection and reporting, as well as weak coordination among MDAs. These shortcomings hinder effective monitoring, leaving policymakers ill-equipped to track performance, identify gaps, and make informed decisions.

To address these challenges, the Government must prioritise strengthening national statistical systems. This can be achieved by improving coordination among key institutions such as UBOS and MDAs. Standardising indicator definitions, streamlining data collection processes, and investing in digital data management tools are critical steps to enhance the accuracy and timeliness of data. Additionally, capacity-building initiatives should be implemented to equip personnel with the necessary skills for effective data collection, analysis, and reporting. Establishing a centralised data repository, accompanied by clear reporting guidelines, would further ensure consistency and reliability in performance tracking. These measures would collectively support more effective policy implementation and decision-making.

# 5 Annexes

# 5. Annexes

## 5.1 Performance trend of DPI Programme Outcome Indicators

| Objective | Outcome | Indicators | Baseline FY 2017/ 18 | Actual FY 2020/ 21 | Actual FY 2021/ 22 | Actual FY 2022/ 23 | Actual FY 2023/ 24 | Targets 2023/ 24 |
|---|---|---|---|---|---|---|---|---|
| **1.** Strengthen capacity for development planning | Effective and efficient allocation and utilization of public resources | 1.1 Percentage of budget released against originally approved budget. | 108.2 | 78.4 | 107.6 | **104.5** | **116** | 100 |
| | | 1.2 Percentage of funds absorbed against funds released. | 99.2 | 90.8 | 90.7 | **98** | **90** | 100 |
| | Improved alignment of the plans and budgets | 1.3 Budget alignment to NDP (%) | 60 | 54.8 | 63.4 | **60.1** | **71** | 90 |
| | | 1.3 Budget compliance to the NDP, % | 60 | 54.8 | 63.4 | **60.1** | **71** | 90 |
| | Effective Public Investment Management | 1.4 Gross Capital formation (% of GDP) | 24.2 | 23.3 | 23.5 | **23** | **0** | 27.41 |
| | | 1.5 Share of PIP Projects implemented on time (%) | - | 33 | 67.3 | **35** | **37** | 95 |
| | | 1.6 Share of PIP Projects implemented within the approved budget | - | 75 | 83.1 | **80** | **64** | 80 |
| **2.** Strengthen budgeting and resource mobilization | Sustainable economic growth and stability | 2.1 GDP growth rate | 6.2 | 3 | 4.6 | **5.5** | **6** | 7 |
| | | 2.3 Nominal Debt to GDP ratio | 40.6 | 46.8 | 48.6 | **46.2** | **46.2** | 48.4 |
| | | 4.4 External resource envelope as a percentage of the National Budget. | 20 | 10 | 8.3 | **47.7** | **47** | 15 |
| | | 4.5 Present Value of Public Debt stock / GDP | | 37.6 | 40.2 | **39** | **37.2** | |
| | | 4.7 Proportion of direct budget transfers to local government | 12.25 | 11.7 | 13.7 | **9.98** | **12.7** | 29.11 |
| | Increased Budget self sufficiency | 2.4 Revenue to GDP ratio | 13.36 | 13.2 | 13.7 | **12.93** | **13.72** | 14.59 |
| | | 2.5 Domestic revenue to GDP (%) | 14.61 | 12.4 | 13.51 | **13.78** | **13.6** | 14.49 |
| **3.** Strengthen capacity for implementation to ensure a focus on results | Improved development results | 3.1 Proportion of NDP results on target | N/A | NA | 17 | **29** | **50.45** | 90 |
| | Statistical programmes aligned to National, regional and international development frameworks | 3.2 World Bank Statistical Capacity Indicator (WBSCI) score | 74.4 | NA | 70 | **71.1** | **71** | 78.88 |

| Objective | Outcome | Indicators | Baseline FY 2017/ 18 | Actual FY 2020/ 21 | Actual FY 2021/ 22 | Actual FY 2022/ 23 | Actual FY 2023/ 24 | Targets 2023/ 24 |
|---|---|---|---|---|---|---|---|---|
| 4. Strengthen coordination, monitoring and reporting frameworks and systems | Improved budget credibility | 4.1 Budget transparency index | 60 | NA | | **58** | **58** | 72 |
| | | 4.2 National Budget compliance to Gender and equity | 55 | 65 | 60.02 | **53** | **67** | 90 |
| | | 4.3 Supplementary expenditure as a percentage of the initial approved budget | 5.89 | 10.3 | 9.86 | **6.15%** | **17.3** | <3 |
| | | 4.4 Arrears as a percentage of total expenditure for FY N-1 | 1 | 6.9 | 1.5 | **1** | **0.4** | 0.4 |
| 5. Strengthen the capacity of the national statistics system to generate data for national development | Evidence based decision making | 5.1 Proportion of NDPIII baseline indicators up-to-date & updated | 60 | | 55 | **66** | **66** | 90 |
| | | 5.2 Proportion of key indicators up-to-date with periodic data | 40 | | 44 | **44** | **44** | 95 |
| | Enhanced use of data for evidence-based policy and decision making | 5.3 Proportion of NDP results framework informed by official statistics | 30 | | | **98** | **98** | 100 |
| 6. Strengthen the research and evaluation function to better inform planning and plan implementation | Improved public policy debates and decision making | 6.1 Proportion of government programmes evaluated | | | | **1** | **1** | 1 |
| | | 6.1 Proportion of prior year external audit recommendations implemented, % | 31 | 26 | 29 | **35** | **42** | 52 |
| | | 6.2 Percentage of internal audit recommendations implemented | 65.5 | 67.3 | 85 | **80** | **85** | 100 |
| | | 6.3 External auditor ratings (unqualified) | 40 | 93.17 | 94.7 | **97.7** | **98** | 87 |

## 5.2 Pictorial moments during the implementation of National Population and Housing Census 2024 activities.

*H.E. Yoweri Kaguta Museveni, the President of Uganda, having a photo moment with Executive Director/ Census Commissioner, UBOS, Chairperson Board, UBOS and other Board members after the release of National Population and Housing Census 2024 preliminary results at Serena Hotel in Kampala.*

*H.E. Yoweri Kaguta Museveni, the President of Uganda, having a photo moment with District Census Commissioner Representatives, Executive Director/Census Commissioner, UBOS, the Chairperson Board, UBOS and other Government officials, during the release of National Population and Housing Census 2024 preliminary results at Serena Hotel in Kampala.*


*The Archbishop of Church of Uganda, Stephen Kaziimba (left) and the UBOS Board Chairperson, Dr. Albert Byamugisha (right) and other officials in the centre during a stakeholder engagement between UBOS and religious leaders across the country on the NPHC 2024.*

*The Inter-Religious Council members and other religious leaders in the country during a stakeholder engagement between UBOS and religious leaders across the country on the NPHC 2024.*

*The Honourable Members of Parliament with the Executive Director, UBOS during the National Population and Housing Census 2024 breakfast meeting at Serena Hotel in Kampala.*

*A consultative meeting between the Uganda People's Defence Forces representatives and UBOS representatives led by the Deputy Executive Director during preparations for the NPHC 2024.*

*Field supervision of NPHC 2024 implementation by UBOS officials across all parts of the country spearheaded by the Executive Director, Dr. Chris N. Mukiza.*

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