



THE REPUBLIC OF UGANDA

SECOND NATIONAL DEVELOPMENT PLAN (NDPII) 2015/16 – 2019/20

Uganda Vision 2040

“A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years”

NDPII Theme

“Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”

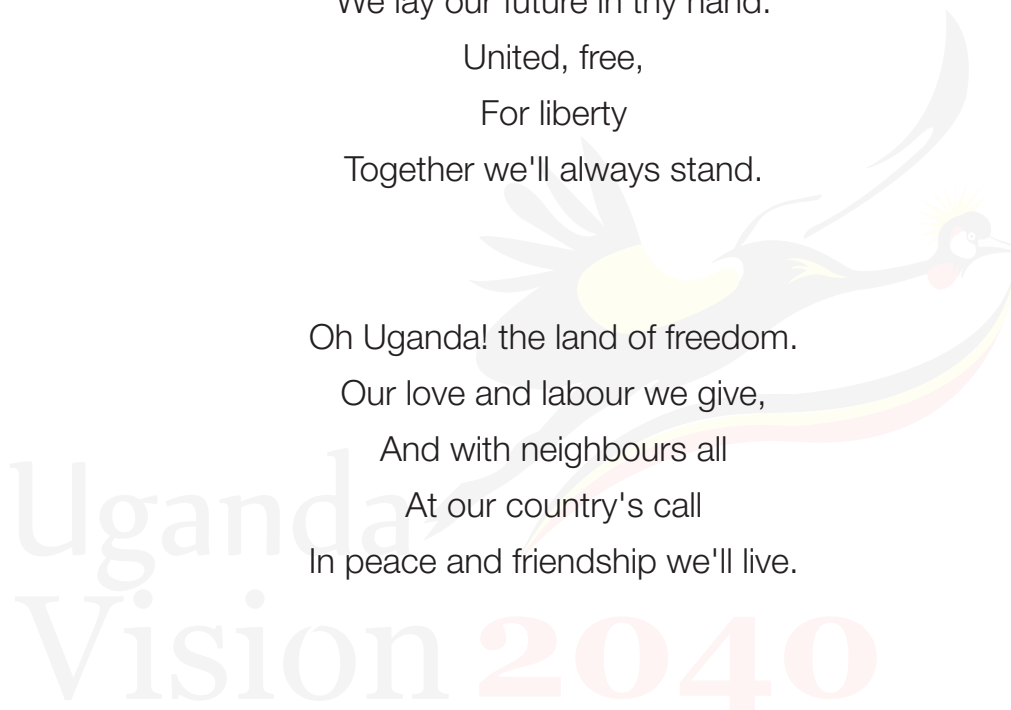
June 2015

NATIONAL ANTHEM

Oh Uganda! may God uphold thee,
We lay our future in thy hand.
United, free,
For liberty
Together we'll always stand.

Oh Uganda! the land of freedom.
Our love and labour we give,
And with neighbours all
At our country's call
In peace and friendship we'll live.

Oh Uganda! the land that feeds us
By sun and fertile soil grown.
For our own dear land,
We'll always stand:
The Pearl of Africa's Crown.



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ABBREVIATIONS AND ACRONYMS

AfDB	Africa Development Bank
ANC	Antenatal Care
ASM	Artisanal Small-scale Miners
BOU	Bank Of Uganda
BRICS	Brazil,Russia ,India China And South Africa
BTJET	Business Technical ,Vocational Educational And Training
CBR	Central Bank Rate
CDO	Cotton Development Organization
CNDPF	Comprehensive National Development Planning Framework
COCTU	Control of Trypanosomiasis in Uganda
COMESA	Common Market For East And South Africa
CSOs	Civil Society Organizations
CPI	Corruption Perception Index
CSWCT	Chimpanzee Sanctuary Wildlife Conservation Trust
CTBTO	Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)
DDA	Dairy Development Authority
DGSM	Department Of Geological Surveys And Mines
DPP	Directorate Of Public Prosecutions
DSCs	District Service Commissions
EABI	East African Bribery Index
EAC	East African Community
EADB	East African Development Bank
EAPP	East Africa Power Pool
ECD	Early Childhood Development
EFU	Electricity ,Fuel And Utilities
EIA	Environmental Impact Assessment
EmOC	Emergence Obstetric Care
ENR	Environment and Natural Resources
EPA	Economic Partnership Agreement
ERA	Electricity Regulatory Authority
ESO	External Security Organization
EU	European Union
FAL	Functional Adult Literacy
FBOs	Faith Based Organizations

FIPs	Framework Implementation Plans
FRL	Forest Reference Level
FY	Financial Year
GDP	Gross Domestic Product
GKMA	Greater Kampala Metropolitan Area
GOU	Government of Uganda
GAPR	Government Annual Performance Report
HEP	Hydro Electric Power
HMIS	Health Management Information System
HTTI	The Hotel and Tourism Training Institute
ICT	Information and Communication Technology
ICTeS	ICT-enabled Services
IFCPPI	Institutional Framework for Coordination of Policy and Program Implementation
IFMS	Integrated Financial Management System
ILO	International Labour Organization
IPCC	Integrated Panel On Climate Change
IPPS	Integrated Personal ,Payroll And Pension System
ISO	Internal Security Organization
JARD	Joint Annual Review Of Decentralization
JCRC	Joint Clinical Research Centre
JSC	Judicial Services Commission
JLOS	Justice Law And Order Sector
KCCA	Kampala Capital City Authority
KP	Kyoto Protocol
LDCs	Low Developing Countries
LED	Local Economic Development
LG	Local Governments
LGDPs	Local Government Development Plans
LICs	Low Income Countries
LPG	Liquefied Petroleum Gas
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture Animal Industries and Fisheries
MDA	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MEAs	Multilateral Environment Agreements
MFIs	Micro Finance Institutions
MIA	Ministry of Internal Affairs
MLHUD	Ministry of Land Housing And Urban Development

MoD	Ministry of Defence
MoES	Ministry of Education and Sport
MoFA	Ministry of Foreign Affairs
MFPED	Ministry of Finance Planning And Economic Development
MoGLSD	Ministry of Gender Labour And Social Development
MoH	Ministry of Health
MoICT	Ministry of Information Communication And Technology
MoJCA	Ministry of Justice And Constitutional Affairs
MoLG	Ministry of Local Government
MSMIs	Micro, Small and Medium Size Industries
MTEF	Medium Term Expenditure Framework
MTWA	Ministry of Tourism Wildlife And Antiquities
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organization
NBI	National Backbone Infrastructure
NCCP	National Climate Change Policy
NCD	Non- Communicable Diseases
NDP	National Development Plan
NDR	National Development Report
NEMA	National Environmental Management Authority
NGOs	Non-Government Organizations
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
NSSF	National Social Security Fund
NTCs	National Teachers Colleges
NTD	Neglected Tropical Diseases
NUSAF	Northern Uganda Social Action Fund
O&M	Operation And Maintenance
OBT	Output Budgeting Tool
ODA	Official Development Assistance
OPM	Office of the Prime Minister
PCC	Policy Coordination Committee
PFM	Public Financial Management
PMTCT	Prevention Of Mother To Child Transmission
PPP	Public Private Partnerships
PRDP	Peace Recovery And Development Plan
PSM	Public Sector Management
PSs	Permanent Secretaries
PWDs	Persons With Disabilities

R&D	Research Development
RPDP	Regional Physical Development Plans
SAGE	Social Assistance Grants For Empowerment
SBA	Skilled Birth Attendants
SDGs	Sustainable Development Goals
SDPs	Sector Development Plans
SGR	Standard Gauge Railway
SPTIC	Science Parks and Technology Incubation Centres
SSM	Small-Scale Miners
STEI	Science Technology Engineering and Innovation
STI	Science Technology and Innovation
SWG	Sector Working Groups
TICC	Technical Implementation Coordination Committee
TORs	Terms of References
UBOS	Uganda Bureau of Statistics
UDB	Uganda Development Bank
UDBL	Uganda Development Bank Limited
UDC	Uganda Development Corporation
UEDCL	Uganda Electricity Distribution Company Ltd
UEGCL	Uganda Electricity Generation Company Ltd
UEPB	Uganda Export Promotion Board
UETCL	Uganda Electricity Transmission Company Ltd
UFA	Uganda Forestry Authority
UHRC	Uganda Human Rights Commission
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
ULRC	Uganda Law Reform Commission
ULS	Uganda Law Society
UNBS	Uganda National Bureau Standards
UNCCI	Uganda National Chamber Of Commerce And Industry
UNCST	Uganda National Council For Science And Technology
UNESCO	United National Educational Scientific And Cultural Organization
UNFCCC	United Nations Framework Convention On Climate Change
UNHS	Uganda National Household Survey
UNICEF	United Nations International Children's Emergency Fund
UNMA	Uganda National Meteorological Authority
UNRA	Uganda National Roads Authority
UPDF	Uganda Peoples Defence Forces
UPE	Universal Primary Education

UPF	Uganda Police Force
UPS	Uganda Prison Services
URF	Uganda Road Fund
URSB	Uganda Registration Services Bureau
USD	United States Dollar
USE	Universal Secondary Education
UTB	Uganda Tourism Board
UVRI	Uganda Virus Research Institute
UWA	Uganda Wildlife Authority
UWEC	Uganda Wildlife Education Centre
UWEP	Uganda Women Entrepreneurship Programme
UWTI	Uganda Wildlife Training Institute
WTO	World Trade Organization
YLP	Youth Livelihood Programme



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FOREWORD

Fellow Ugandans and well-wishers, I take this opportunity to present to you the second National Development Plan (NDPII), which is designed to propel Uganda towards middle income status by 2020, in line with the aspirations of Uganda's Vision 2040. This Plan aims at strengthening Uganda's competitiveness for sustainable wealth creation, employment and inclusive growth.

The Plan prioritizes investment in five (5) areas with the greatest multiplier effect on the economy; which are:-

- (i) Agriculture;
- (ii) Tourism;
- (iii) Minerals, oil and gas;
- (iv) Infrastructure development; and
- (v) Human capital development.

The effective implementation of this Plan is expected to lead to an average growth rate of 6.3 per cent and per capita income of USD 1,039 by 2020.

As a major sector in the economy, the NDPII emphasizes commercialization of agriculture, to increase production and productivity along the value chains. It emphasizes agro-processing and marketing as a launch path to industrialization. Investment in value addition to agricultural products can expand the GDP size, while improving the Country's Balance of Payments Position (BOP).

In the minerals, oil and gas sector, the Government will focus efforts on adding value to the raw minerals through beneficiation and investing in major oil and gas infrastructure, such as the refinery and associated pipelines, for example, in the case of iron ore, when processed, a tone of refined steel is worth about USD 680, while that of unprocessed iron-ore only earns USD40.

Tourism investments emphasize aggressive marketing, diversification of products and development of tourism supporting infrastructure and services, including airports and roads to tourism areas, as has been done for Queen Elizabeth and Murchison Falls Parks. The tourism sector is already earning the country USD 1 billion per annum from the unique and adverse attractions.

In this Plan, infrastructure and human capital development are upheld as fundamental enablers for socio-economic transformation of the country, in line with Uganda Vision 2040.

The Government will focus on addressing the infrastructure challenge of high electricity and transport costs, through investing in energy, railway and road infrastructure. We shall emphasize relevant skills development, starting with investments in early-childhood development and improving the quality of education, training and healthcare at all levels. For successful implementation of the NDPII, the following key strategies will be pursued: ensure macro-economic stability with fiscal expansion for frontloading infrastructure investments; industrialization and export oriented growth through value addition, agro processing, mineral beneficiation and light manufacturing; increased employment creation through fast tracking skills development and harnessing the demographic dividend; strong public/private partnerships for sustainable development; and strengthening governance mechanisms and structures.

To realize the goal of this Plan and fast track the country's socio-economic transformation, I urge Ugandans, particularly the leaders, policy makers and implementers, to have a positive mindset and the right ideological orientation to facilitate efficient and effective implementation of this Plan.

I call upon all Ugandans in the public and the private sector to embrace the objectives of this Plan and implement the selected interventions and projects therein with great commitment. I urge the private sector, development partners, civil society, faith-based and cultural institutions to support Government towards the implementation of the Plan. With the prevailing peace and political stability, which we should all guard jealously, I believe that Uganda will steadily move towards middle income status and greatly attain improved standards of living for the majority of the citizenry by 2020.

Finally I wish to appreciate all those who contributed to the development of this Plan.
For God and My Country



Yoweri Kaguta Museveni

PRESIDENT OF THE REPUBLIC OF UGANDA

ACKNOWLEDGEMENT

I wish to acknowledge with gratitude various stakeholders and institutions for their tremendous contributions in the formulation of the Second National Development Plan (NDPII). The technical guidance of the Core Technical Committee, Core Drafting Team and the NPA Expanded Board has been very insightful and is therefore highly appreciated.

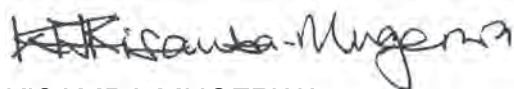
The Authority is immensely indebted to the various Sector Technical Teams that produced Sector Issues Papers whose content was instrumental in informing a number of NDPII interventions. Additionally, our gratitude is also extended to all Ministries, Departments and Agencies as well as Local Governments that worked closely with NPA in formulating and validating the Plan.

I acknowledge and appreciate the contributions of the Private Sector whose views and recommendations have been useful in driving the private sector agenda of the NDPII with an ultimate aim of establishing a private-sector-led economy in the medium to long run. Similarly, Civil Society Organisations, Faith-Based Organisations, the Media, Cultural Institutions and the Academia are highly appreciated for their tireless efforts in providing inputs to the NDPII.

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KISAMBA MUGERWA

Chairperson, National Planning Authority

EXECUTIVE SUMMARY

This National Development Plan (NDPII) is the second in a series of six five-year Plans aimed at achieving the Uganda Vision 2040. The goal of this Plan is to propel the country towards middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth.

The Situation

Uganda's development status and trends over the period 2008/09 to 2013/14 reflect an improvement in a number of areas. Uganda's economic growth rate has averaged 5.5 percent between 2010/11 and 2013/14, remaining below the target of 7.2 percent for the entire NDPI.

Agriculture remains the backbone of Uganda's economy. In 2012/13, the sector accounted for 25.3 percent of the country's GDP from 24.7 percent in 2010/11. It employs about 72 percent of the total labour force (formal and informal), 77 percent of whom are women, and 63 per cent are youth, mostly residing in the rural areas. Over the NDPI period, the sector registered sluggish growth from 1.0 percent in 2010/11, to 1.33 percent during 2013/14. Farming is still dominated by smallholder farmers engaged in food and cash crops, horticulture, fishing and livestock farming. The sector's strength is leveraged through, among others, the National Agricultural Policy 2013 which sets a solid framework to guide investment and delivery of agricultural services.

Tourism is another important sector that has been growing consistently since the restoration of peace and security, and now accounts for around 9 percent of GDP, amounting to USD1.7 billion. Foreign visitors brought into the country an equivalent of USD1.003 billion in foreign exchange earnings in 2012, from USD 662m in 2010.

The minerals sub-sector's contribution to GDP was estimated to be 0.3 percent in 2012/13. Value added by the sub-sector at current prices increased from UGX 134 billion in 2010/11 to UGX 185 billion in 2012/13, mainly driven by exports of gold and cement. Government has put a lot of emphasis on attracting private investment in mineral resources exploration and development through the provision of geo-scientific information on minerals, and management of equitable and secure titles systems for the mining industry.

In the Oil sub-sector, a total of 111 exploration and appraisal wells have been drilled in the country since 2006, out of which 99 wells encountered oil and/or gas in the subsurface. This represents a success rate of over 89 percent, which is among the highest globally. The total oil reserves confirmed in place is estimated at 6.5 billion barrels of oil and 100 billion cubic feet of gas in less than 20 percent of the Albertine Graben, with 1.5 billion

barrels recoverable. A total of 127 wells have been drilled, of which 115 have encountered hydrocarbons, and 21 oil and gas discoveries have been made in the Albertine Graben. The private sector investment in the sector has been increasing and between 2010 and 2012, the cumulative investment in the sub-sector was about USD 1.8 billion.

The index of production for manufacturing stood at 199.5 in the year 2013, indicating a 3.2 percent rise from the year 2012. The food processing sub-sector registered the highest positive growth of 10.5 percent, followed by saw milling (8.4 percent), while other industry groups combined recorded a positive rise of 5.7 percent. There are over 2,000 registered enterprises, engaged in; agro-processing (63percent); metal fabrication, furniture, bricks and tiles (12 percent); pharmaceuticals and other chemicals (6 percent); paper, plastics and cosmetics (6 percent); confectioneries (3 percent); electricals and electronics (3 percent); and others (10 percent). There is a huge potential for Uganda to generate more wealth by engaging in the export of processed agricultural commodities and simple manufactured goods to the region, especially, the Republic South Sudan and the Democratic Republic of Congo (DRC).

Uganda's exports per capita are still among the lowest in the world even though there has been a marked increase in the growth of exports for the middle income countries on the continent over the last decade. The share of manufactured exports, as a proportion of total exports, increased from 4.4 percent in 2010/11 and 6.0 percent in 2011/12. The export basket remains narrow and is dominated by primary products, including coffee, fish, tobacco, gold, and flowers. Reliance on these exports has made the export sector vulnerable to fluctuations in world market prices and the vagaries of weather, culminating in a significant long-term decline in the country's terms of trade.

Significant progress is noticeable in addressing poverty and vulnerability in Uganda, with the national poverty rate declining from 56 percent in 1992 to 19.7 percent in 2012/13. However, over 6.7 million people remain poor and poverty disparities exist across regions, social groups as well as between rural and urban areas.

Income inequality as measured by the Gini coefficient reduced from 0.426 in 2009/10 to 0.395 in 2012/13, and is higher in urban areas (0.41) compared to the rural areas (0.34). While Special programmes are in place to address inequalities, the designs for implementation have to be improved.

While economic growth has improved over the years and absolute poverty reduced to 19.7 percent, this growth has not generated the momentum needed to transform Uganda's economy at the pace anticipated in the Uganda Vision 2040. The low growth rates have affected the rate of wealth creation. This is further explained by the low investments in key growth opportunities that would lead to the rapid accumulation of wealth at all levels.

Uganda has registered a modest increase in total employment during the last three years. By 2012/13, the total labour force was 16.3 million persons. The percentage of people employed in the formal sector is small compared to those who are self-employed. The

proportion of the labour force that is self-employed rose from 70.9 percent in 2009/10 to 81.5 percent. The proportion of the labour force in paid employment fell from 21.5 percent in 2009/10 to 18.5 percent in 2012/13. In 2012/13, 15 percent of the labour force had no formal education. The labour force growth rate is estimated at 4.7 percent per annum in 2012/13. There is a projected job gap of 13 million people between the formal labour market size and the total employable labour force.

Human capital development remains a major concern for this Plan, despite investments in health, education and skills development. In terms of health indicators, the country is still far from the ultimate goal of health for all. The Under-5 Mortality Rate, though improved from 137 in 2005/6 to 90/1000 live births in 2012/13, remains high. The Infant Mortality Rate, in particular has only reduced from 85 deaths per 1000 live births in 1995 to 54 deaths 2012/13, while the Neonatal mortality rate has remained relatively constant at 27 deaths per 1000 live births. The Maternal Mortality Ratio has stagnated at about 438 per 100,000 live births.

In education, the implementation of UPE program since 1997 resulted into increased access, from 2.5 million to 8.5 million pupils in 2013. The Pupil/Book ratio has stagnated at an average of 4:1 during the period 2009 to 2013. The repetition rate reduced from 11.7percent in 2009 to 10.3percent in 2013. The pupil teacher ratio at the national level has stagnated at 49:1 between 2009 and 2013. The gender gap in primary schools has narrowed to about 1percent (50.5percent girls and 49.5percent boys).

While some progress has been made towards skilling the Ugandan labour force, the economy still faces substantial skills gaps in key sectors. Over the last five years, progress has been made mainly in formal areas of Business, Technical, Vocational Education and Training (BTNET), registering a 73 per cent increase in enrolment, from 24,598 in 2009 to 42,674 in 2013, of which 28,024 (66 percent) are males and 14,650 (34 percent) are females. At the higher education level, total enrolment increased by 18 percent from 169,476 in 2009 to 201,376 in 2013, with a significant increase in female enrolment.

Significant progress has been made in strengthening gender equality and women's empowerment. There has been formulation of a gender responsive regulatory framework, including policies and strategies. Further, there has been a process for institutionalization of gender planning in all sectors and increased collection of gender disaggregated data and information through research. As a result, there has been improvement in the number of women in political leadership and gender parity in enrolment of girls at primary level, in addition to increased ownership of land by women. Despite the progress made, only 27 percent of registered land is owned by women and although 70 percent of the women are engaged in agriculture, less than 20 percent control the outputs and proceeds from their efforts.

Development Context

The Plan is in line with the Uganda Vision 2040 and builds on the achievements registered under the first National Development Plan (NDPI), while taking into consideration the challenges encountered and lessons learnt during its implementation. The Plan also seeks to leverage the Country's growth opportunities and honour development and partnership obligations at the national, regional and global levels e.g. EAC, COMESA, IGAD, Africa Agenda 2063, the Post 2015 Development Agenda, and UNFCCC.

Strategic Direction

The goal of this Plan is to attain middle income status by 2020. This will be realized through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth. Thus, the Plan sets key four objectives to be attained during the five year period. These are: (i) increasing sustainable production, productivity and value addition in key growth opportunities; (ii) increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness; (iii) enhancing human capital development; and (iv) strengthening mechanisms for quality, effective and efficient service delivery. In order to achieve these objectives, Government will pursue a number of development strategies including: (i) ensuring macro-economic stability with fiscal expansion for frontloading infrastructure investments; (ii) industrialization and export oriented growth through value addition, agro processing, mineral beneficiation, selected heavy and light manufacturing; (iii) an employment creation strategy through fast tracking skills development and harnessing the demographic dividend; (iv) strong Public/Private Partnerships (PPPs) for sustainable development; (v) a private sector led growth and a quasi-market approach; and (vi) strengthening governance mechanisms and structures.

NDPII Expected Results

Over the Plan period, Government will focus on attaining the following results: (i) Increasing per capita income from USD788 to USD1,039; Increasing GDP growth rate from 5.2 to 6.3 percent (ii) reducing the poverty rate from 19.7 per cent to 14.2 per cent, and reducing inequality co-efficient from 0.443 to 0.452; (iii) reducing the number of young people not in education, employment or training by at least 20 per cent; (iv) increasing manufactured exports as a percentage of total exports from 5.8 percent to 19 percent; (v) increasing the percent of the population with access to electricity from 14 percent to 30 per cent; (vi) increasing access to safe water from 65 percent to 79 percent in rural areas and from 77percent to 100 percent in urban areas; (vii) increasing the quantity of total national paved road network from 3,795 kilometres to 6000 kilometres; (viii) reducing the Infant Mortality Rate per 1,000 live births from 54 to 44 reducing the under - 5 mortality rate per 1,000 live births from 90 to 51 and the Maternal Mortality Ratio per 100,000 live births from 438 to 320/100,000; (ix) reducing fertility from 6.2 to 4.5 children per woman; (x) reducing child stunting as a percent of under-5s from 31 percent to 25 per cent; (xi) increasing primary to secondary school transition rate from 73 percent to 80 percent and Net Secondary Completion from 36 percent to 50 percent.

Macroeconomic Framework

The macroeconomic strategy for the NDPII is underpinned by the objective of maintaining macro-economic stability and the need to raise resources to address the infrastructure deficit. Overall, the strategy envisages modest growth, largely driven by public and private investment. The strategy is also characterized by the frontloading of infrastructure spending and scaling down of expenditure in the last two financial years of NDPII implementation, in order to harmonise with the regional and international development frameworks. Emphasis is also put on domestic resource mobilization and harnessing of new sources of financing beyond the traditional sources.

This framework is informed by the following assumptions: The macro-economic convergence criteria of the EAC monetary union, which requires the country to meet specific targets, namely; a ceiling on headline inflation of 8 percent; a ceiling on the fiscal deficit, including grants of 3 percent of GDP; a ceiling on public debt of 50 percent of GDP in net present value terms; a reserve cover of 4.5 months of imports and maintaining core inflation below 5 percent as agreed in the Policy Support Instrument (PSI) of the IMF. The achievement of the above targets has been the basis of arriving at the chosen macro-economic strategy for NDPII.

The average targeted growth rate of about 6.3 percent will be driven by growth in public and private investments and exports. Infrastructure spending will be the major driver for the fiscal deficit peaking at 8.6 percent of GDP by 2016/17 and 2017/18 and later consolidating to 4.8 percent in 2019/20 to prepare for the East African Community convergence criteria. There will be increased efforts in domestic revenue mobilization, particularly focusing on raising corporation tax revenues, widening the VAT coverage and improving efficiency of tax collection. This will translate into revenues and grants increasing from 14.5 percent in 2015/16 to 15.9 percent of GDP in 2019/20. Expenditures are expected to peak to 22.9 percent of GDP in 2017/18, owing to infrastructure expenditure in the critical years of the NDPII.

The Plan will be financed by both public and private resources, with about 57.8 percent being Government and 42.2 percent being private contributions. The overall cost of the NDPII is estimated at approximately UGX 196.7trillion, of which UGX 113.7 trillion is Government funding and UGX 83.0trillion is private sector contribution. Of the UGX 196.7trillion, UGX 22.1trillion is wage, UGX 32 trillion is non-wage and UGX 133.9 trillion is development. Public financing sources will include External financing namely, budget support, concessional loans, semi-concessional borrowing, non-concessional borrowing; domestic financing, namely bank financing, Bank of Uganda, Commercial Banks; and non-banking financing. The non-public sources of financing will include: Public Private Partnerships (PPP), direct private sector investments (domestic and foreign) and CSO contributions. However non-concessional financing will target projects with capacity to pay back.

Priorities of the Plan

This Plan prioritizes investment in three key growth opportunities which are: Agriculture; Tourism; Minerals, Oil and Gas, as well as in two fundamentals: Infrastructure and Human Capital Development. Investment in the five priority areas will follow the entire value chains, which have guided the identification of priority projects and interventions in these areas. This is intended to rally the various players along the value chains, while maximizing sectoral linkages and increasing efficiency in resource use.

In agriculture, emphasis will be placed on investing in 12 enterprises (Cotton, Coffee, Tea, Maize, Rice, Cassava, Beans, Fish, Beef, Milk, Citrus and Bananas), along the value chains. Focus will be on: Strengthening agricultural research; implementing the single spine extension system; technology adaptation at the farm level; increasing access to and effective use of critical farm inputs; promoting sustainable land use and soil management; increasing access to agricultural finance with specific options for women farmers; and strengthening agricultural institutions for effective coordination and service delivery.

Under the tourism priority area, the Plan will focus on improvement, diversification and exploitation of tourism products. Emphasis will be placed on: aggressive marketing; investment in tourism facilitating infrastructure (energy, water, and ICT); appropriate skills development and improvement in related services; increasing the quantity and quality of accommodation facilities; intensifying the provision of security and protection of tourists and tourist attraction sites; combating poaching and eliminating the problem of wildlife dispersal to ensure maximum exploitation of tourist attractions and amenities; capacity building, tourism management (Regulation and enforcement, grading and classification of hotels and restaurants) and; conservation of tourism sites and wildlife.

In the Minerals, Oil and Gas development priority area, six key minerals are earmarked for exploitation and value addition. These are: Iron ore, Limestone/Marble, Copper/Cobalt, Phosphates, Dimension stones and Uranium. In addition, the exploitation of an estimated resource of 6.5 billion barrels of oil with a recoverable potential of 1.4 billion barrels is prioritized. Key investments in this area will include: Development of geological surveys; investment in more survey and exploration; faster acquisition of land; construction of 3 pipelines to transport crude oil to Lamu and Mombasa; refined products to Kampala, Eldoret and Kigali, and Liquefied Petroleum Gas (LPG) to Kampala and Gulu; construction of an oil and gas refinery; and increased prospecting and processing of the selected minerals.

Investment in transport infrastructure will include: the Standard-Gauge Railway; and upgrading of strategic national roads from 3,795km to 6,000km. In line with this Plan's prioritization framework, strategic roads to support exploitation of minerals, oil and gas, tourism and decongestion of traffic in the city areas will be targeted. In addition, efforts will be geared towards increasing the volume of passenger and cargo traffic by marine traffic.

As regards to energy infrastructure, investment will be focused on exploitation of the abundant renewable energy sources including hydropower and geothermal, so as to increase power generation capacity from 825MW in 2012 to 2,500MW by 2020; expansion of the national electricity power grid network; and promoting energy efficiency and use of alternative sources of energy.

In the ICT area, priority is on extension of the National Backbone Infrastructure (NBI), construction of ICT incubation hubs/ centres and ICT parks.

Government will also invest in water for production infrastructure to boost commercial agriculture and industrial activities. Emphasis is on construction of large and small scale water schemes for irrigation, livestock and rural industries, while increase cumulative storage from 27.8 to 55 Million cubic metres.

The human capital development priority area will focus on increasing the stock of a skilled and healthy workforce towards the production of human capital to accelerate the realization of the demographic dividend.

Under Health, emphasis will be on: mass management of malaria (mass malaria treatment for prevention); National Health Insurance scheme; universal access to family planning services; health infrastructure development; reducing maternal, neonatal and child morbidity and mortality; scaling up HIV prevention and treatment; and developing a centre of excellence in cancer treatment and related services.

The education component will focus on: Strengthening Early Childhood Development (ECD) with special emphasis on early aptitude and talent identification; Increasing retention at primary and secondary levels, especially for girls, as well as increasing primary-to-secondary transition; increasing investment in school inspection; reviewing and upgrading the education curricula.

The skills development component will focus on: reforming of the curriculum at all levels to produce skills that are relevant to the market; expanding skills development to include formal and informal through strengthening coordination, regulation and certification of both formal and non-formal training; and establishing skill development centres of excellence in prioritized areas.

In regards to the social development component, emphasis will be on: strengthening Labour Market Information System (LMIS) and Employment Services; implementing a national programme for women economic empowerment; promoting creative industries for job creation especially for young people; establishing and operationalize productivity centres at national and regional levels for improving the productivity of the Ugandan workers; developing and implementing a programme to inculcate positive values and mind-sets to produce “skilled and cultured people”; expanding access to contributory social security for workers in the informal sector and gradual roll-out of a non-contributory social pension scheme for older persons; and scaling up the youth livelihood programme.

The water and sanitation component will focus on: increasing access to safe water and sanitation level in rural and urban areas.

To realize the Plan targets, the following core projects shall be implemented: Karuma hydro power plant; Isimba hydro power plant; Industrial substations; Ayago hydro power plant; Grid Extension in North-East, Central and Lira; Masaka-Mbarara Transmission Line; Kabale-Mirama Transmission Line; Grid Extensions; Standard Gauge Railway; the Entebbe Airport Rehabilitation; Kampala-Jinja highway; Kibuye-Busega-Nabingo; Kampala Southern by-pass; Kampala-Bombo Express highway; Upgrading of Kapchorwa-Suam Road; Kampala-Mpigi Expressway; Rwekunya-Apac-Lira-Kitgum-Musingo Road; Road Construction Equipment; Hoima Oil Refinery; Oil-related infrastructure projects; Albertine region airport; Albertine region roads; Agriculture Cluster Development Project (ACDP); Markets & Agriculture Trade Improvement Project (MATIP II); Farm Income Enhancement and Forest Conservation II; Tourism Marketing and Product Development Project; Renovation of 25 Selected General Hospitals; Mass treatment of malaria for prevention; Comprehensive Skills Development Project; Uganda Women Entrepreneurship Programme (UWEP); the Youth livelihood Programme (YLP); Strengthening mobilization, management and accountability for public resources.

Implementation, Monitoring and Evaluation

To address implementation bottlenecks, existing institutional implementation arrangements will be strengthened and the following reforms will be implemented:

- a) A Delivery Unit will be established in Office of the Prime Minister (OPM) with a fully functional technical team to fast track implementation of the core projects, Presidential initiatives and key sector results (Big Results).
- b) The Sector Working Groups (SWGs) will be institutionalized, and made binding with a lead agency and functional secretariat. The roles of the non-state actors such as the private sector, civil society and development partners will be clearly articulated during implementation of the Plan.
- c) All Accounting Officers at national and local government level will sign performance contracts in line with NDPII results and targets.
- d) The NPA will issue a Certificate of Compliance of MDA plans and budgets to NDPII before they are approved by Parliament.
- e) A national service programme will be established and institutionalised for building patriotism, inculcating national values and changing mind-sets towards improved service delivery.

- f) A Private Sector/Civil Society Forum will be established to discuss progress in the implementation of the NDP II by Non-State Actors.

To facilitate tracking of planned results, the following reforms will be made in the monitoring and evaluation framework:

- a. Sector reviews will be redefined to focus on performance reporting on the realization of NDPII macro and sectoral results and will be serviced by the Sector Working Group Secretariats.
- b. The NDP Annual Review Forum will be established to review progress on NDPII performance. At the district level, an NDP II review forum will be established to provide a platform for stakeholders at all levels to provide feedback on implementation of this Plan.
- c. The Terms of Reference (ToR) of the Joint Annual Review of Decentralization will be expanded to also include progress made by LG on the implementation of NDPII priorities at the decentralized level.



PART I: BACKGROUND, SITUATION ANALYSIS AND DEVELOPMENT CONTEXT

1. Part I of the Plan contains Chapters 1, 2 and 3 which provide the Background, Situation Analysis and Development Context respectively. The background chapter gives a brief of the planning process and delves into the performance of NDPI for the period 2010/11-2013/14. NDPI was the first of the six five-year development plans provided under the Comprehensive National Development Planning Framework (CNDPF) that was drawn towards realizing the Uganda Vision 2040 (see Annex 1). The chapter covers the achievements, implementation challenges; the key lessons learnt over the NDPI period and concludes by introducing the NDP II and its structure. The situation analysis chapter covers the country's macroeconomic developments in the real, fiscal, monetary and external sectors of the economy. In line with the NDP II theme of strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth, Uganda's economic situation is analysed along the pillars of wealth creation and employment, competitiveness, and inclusive growth. The development context chapter focuses on key development opportunities, international, regional and national development obligations and concludes with identifying workable strategies for exploiting the available opportunities.

Uganda
Vision 2040

CHAPTER 1: BACKGROUND

1.1 Introduction

2. This Plan (NDP II) is the second of the six five-year NDPs that will be implemented under Vision 2040 and covers the fiscal period 2015/16 to 2019/20. It builds on the achievements attained under NDP I, mitigates the challenges encountered during its implementation, and seeks to take advantage of regional and global development opportunities. Unlike its predecessor, NDP II will serve as the point of reference to inform government planning processes, thereby eliminating parallel planning.
3. The number of prioritized growth opportunities and development fundamentals has been narrowed to only three and two respectively to increase impact and create growth momentum. The three prioritized growth opportunities include; Agriculture, Tourism, and Minerals, Oil and Gas and the development fundamentals are; Infrastructure and Human Capital Development. The NDPII emphasizes prioritization of interventions through a value chain analysis; a Spatial Framework; alignment of sector/MDA/LG priorities and budgets with NDPII priorities; appropriate financing modalities for the priority interventions; and addressing the challenges of weak public sector systems among others.
4. This is in line with the Uganda Vision 2040 which aims at transforming the country from being a predominantly peasant and low income to a competitive, upper middle income status with a per capita income averaging at USD9,500 by 2040. The Vision provides the development paths and strategies that will guide this transformation and is conceptualized around strengthening the development fundamentals in order to successfully harness the abundant economic opportunities.
5. The development fundamentals include: infrastructure; Science, Technology, Engineering and Innovation (STEI); land use and management; urbanization; human resources; and peace, security and defence. The identified opportunities, which are considerably under-exploited, include: agriculture; oil and gas; tourism; minerals; Information and Communication Technology (ICT) business; abundant labour force; geographical location; trade; water resources; and industrialization. Implementation of the vision is to be done through three 10-year development plans and six 5-year National Development Plans (NDP).
6. This is the second of the six NDPs envisaged under the Comprehensive National Development Planning Framework (CNDPF) towards implementation of the Uganda Vision 2040. The first Plan, 2010/11 to 2014/15 (NDPI) was instrumental in instilling the

culture and discipline of planning as a basis for development planning and financing. Its goal and thrust was on **“Growth, Employment and Socio-economic Transformation for Prosperity”** and it focused on eight (8) strategic objectives to guide its implementation. These included: increasing household incomes and promoting equity; enhancing the availability and quality of gainful employment; improving the stock and quality of economic infrastructure; increasing access to quality social services; promoting science, technology, innovation and ICT to enhance competitiveness; enhancing human capital development; strengthening good governance, defence and security; and promoting sustainable population and the use of environmental and natural resources.

7. The strategic objectives were designed to undertake policy reforms and strategies aimed at unlocking the country’s most binding constraints to development, namely: i) weak public sector management and administration; ii) inadequate financing and financial services; iii) inadequate quantity and quality of human resources; iv) inadequate physical infrastructure; v) gender issues, negative attitudes and mindsets; vi) low application of science, technology and innovation; and vii) inadequate supply and limited access to critical production inputs.

1.2 Performance of NDPI for the Period 2010/11 – 2013/14

8. This section summarises the main achievements and outstanding challenges arising out of the implementation of NDPI. A detailed discussion of these issues is contained in Chapter 2. The discussion is structured around elements of the goal and objectives of the NDPI.

1.2.1 Growth

9. The highest growth rate over the last four years of NDPI implementation was achieved in 2010/11 at 9.7 percent. This performance was, however, not sustained as it decelerated to 4.4 percent the following year, and 3.3 in 2012/13 before recovering to 4.5 in percent in 2013/14. Over the four years of NDPI implementation, overall average GDP growth rate was 5.5 percent below the 7.2 percent envisaged over the same period. The fluctuations of the growth rates were as a result of many factors, worth noting are the impacts of climate change, drought, flooding and severe storms on productivity and infrastructure. It is worth noting that Uganda weathered the storm of the global financial crisis and has been growing above the Africa’s average of 5.1 percent since 2010.

1.2.2 Employment

10. There was a modest increase in total employment during the first four years of NDP I implementation. The percentage of the working labour force increased from 70.9 percent in 2009/10 to 75.4 percent by 2010/11. However, the proportion of the labour force in paid employment fell from 21.5 percent in 2009/10 to 18.5 percent in 2012/13 while the youth unemployment rate¹ remained high, estimated at 78 percent.

1.2.3 Socio-Economic Transformation

11. The percentage of people living below the poverty line decreased from 24.3 percent in 2009/10 to 19.7 percent in 2012/13. There was an improvement in life expectancy at birth from 51.5 in 2009/10 to 54.5 years in 2011/12. However, there was a drop in the literacy rate from 73 percent in 2009/10 to 71 percent in 2012/13 mainly due to high school dropout rates at primary level. The country also registered some improvement in economic performance as evidenced by an increase in income per capita (Section 1.2.4) as well as the expanding share of industry and services in total economic output.

1.2.4 Increasing household incomes and promoting equity

12. There was an increase in household income as depicted in the increase in per capita income from USD 607 in 2008/09 to USD 788 in 2013/14. The increment in income per capita was in line with the target of the NDP I of USD 718 in the same period. Income inequality decreased as measured by the Gini coefficient which decreased from 0.426 in 2009/10 to 0.395 in 2012/13². While the national percentage of people living below the poverty line decreased, there remained significant disparities in poverty levels across regions, in rural-urban divide with the highest levels reported in Northern Uganda (44 percent) followed by the Eastern region at 24.5 percent. Uganda moved from 43rd to 29th in the global gender gap ranking between 2008/09 and 2011/12 suggesting some successes in equalizing access to services and opportunities between women and men³.

1.2.5 Enhancing the availability and quality of gainful employment

13. While the proportion of the labour force employed increased, only a small proportion was engaged in wage employment (18.5 percent), the majority remaining largely in subsistence agriculture (72 percent). The youth constitute about 4.4 million of the total labour force of which 3.5 million live and work in rural areas and about 80 percent of them are employed in non wage employment as of 2011. This state of affairs implies that the bulk of the population is still in need of enhanced quality and gainful employment.

¹ Without work, i.e. are not in paid employment or self-employment; and currently available for work (ILO definition)

² The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

³ NDPI Mid-Term Review Results Framework Thematic Report, 2013

1.2.6 Improving stock and quality of economic infrastructure

14. The proportion of national paved roads in fair to good condition increased from 74 percent in 2010/11 to 80 percent in 2013/14, but below the NDPI target of 85 percent. The condition of national unpaved roads in fair to good condition increased from 64 percent to 67 percent over the same period, exceeding the NDPI target of 55 percent. Although there has been an increase in the stock of National paved roads from 3,200 kilometres in 2009/10 to 3,795 kilometres in 2013/14, the proportion of paved roads to national road network stood at only 18.1 percent in 2013/14.
15. In regard to railways infrastructure, the construction process of the standard gauge railway line was launched. The proportion of freight cargo by rail was 8.0 percent in 2012/13, which was less than the 8.9 percent in 2011/12 and 10 percent registered in 2010/11. The NDPI target of 17.8 percent in 2014/15 is therefore not likely to be achieved. Water transport infrastructure remained under developed during the plan period.
16. The total electricity generation capacity increased by 38 percent from 595MW 2010 to 825MW in 2012. This mix of generation capacity includes: large hydropower plants such as Nalubaale, Kiira and Bujagali; Small and Mini hydropower plants such as Africa EMS Mpanga, Bugoye Power Plant, Kabalega Power plant (Buseruka), Kasese Cobalt Company Ltd, Ishasha Power plant etc.; Co-generation power plants such as in Kakira and Kinyara Sugar Works; and Thermal power generating plants such as Jacobsen in Namanve and, EletroMaxx in Tororo. The transmission infrastructure was expanded with the construction and completion of the evacuation line from Bujagali to Kawanda. Construction of the 220KV from Bujagali to Tororo and Mbarara to Mirama Hills is ongoing.
17. Regarding ICT infrastructure, the National Backbone Infrastructure (NBI) was extended to a number of districts. The total span of fibre optic cables laid out in the country is 5,110 kilometres by both the government and private sector, providing seamless connection across the country from Malaba to Mutukula, Katuna and Nimule borders. Additionally, in order to provide faster internet speeds, 4G technologies have been rolled out using Long Term Evolution (LTE). However, a huge ICT infrastructure gap still exists.

1.2.7 Increasing access to quality social services

18. There was positive progress towards achieving the NDPI targets in several key health indicators. Physical access to health facilities increased, with the proportion of the population leaving within 5 kilometres of a health facility standing at 72 percent in 2014. The DPT3 pentavalent vaccine coverage is 97 percent in the same period

and has surpassed the NDPI target of 87 percent. However, there was a reversal in Maternal Mortality Rate between 2006 and 2011 and the condition of health facilities remains sub-optimal as discussed in the situation analysis. The proportion of health facilities without drug stock-outs also increased.

19. In regard to education services, there was a reduction in the Gross Primary School Enrolment Ratio (GER) from 128 in 2010 to 110.9 percent in 2013. The transition rate from P7 to S1 increased from 47 percent in FY2006/07 to 73 percent in FY 2013/14 and access to secondary education increased by 67.4 percent over the same period. Although more primary teachers were recruited and deployed in FY 2012/13, the school dropout rates remain high and the quality of primary school education continued to be negatively affected by the high pupil to teacher ratio, among others.

20. Based on estimated total population served in both large and small towns, there was a continued increase in accessibility to safe water in urban areas (i.e. from 66 percent to 69 percent and 70 percent) in 2011, 2012 and 2013 respectively. Safe water coverage in rural areas increased from 61 percent to 65 percent while sanitation coverage increased from 51 percent to 70 percent during the period FY2005/06 and FY 2013/14. Furthermore, the percentage of people within 1 kilometres of an improved water source increased from 64 percent in 2013 to 65 percent in 2014, and the functionality rate of the existing water sources also increased (from 84 percent to 85 percent) during the same time.

Box 1.1: Key achievements of NDP I

- Poverty Reduced from 24.5 percent in FY2009/10 to 19.7 percent in FY 2012/13.
- Under five mortality reduced from 137/1000 live births in 2006 to 90/1000 live births in 2011.
- Electricity installed Generation increased from 595MW in 2010 to 825MW in 2012.
- Life expectancy at birth increased from 51.5 in 2009/10 to 54.5 years in 2011/12.
- Percentage of the population accessing electricity from the national grid increased from 10 percent in 2009 to 14 percent in 2013.
- The transition rate from P7 to S1 increased from 47 percent in FY2006/07 to 73 percent in FY 2013/14 largely due to the introduction of USE.
- Volume of national paved roads increased from 3,264 kilometres in 2011 to 3,795 kilometres in 2013
- Per Capita income increased from USD665 in 2009/10 to USD 788 in 2013/14.
- ICT sector contribution to GDP increased to 8.1 percent in 2012/13 from 5.5 percent in 2009/10
- Macro-economic stability and growth
- Sustained peace and security across the entire country

1.2.8 Promoting science, technology, innovation to enhance competitiveness

21. Government has established a Science, Technology and Innovation (STI) system monitoring mechanism through Uganda National Council for Science and Technology

(UNCST) and promoted competitive STI funding mechanism through the millennium science initiative programme. However, no progress has been registered regarding the construction and development of regional Science Parks and Technology Incubation Centres (SPTIC) envisaged under NDPI.

1.2.9 Enhancing human capital development

22. Uganda's labour market continues to face a shortage of requisite skills, with only few people being in possession of some form of tertiary education qualification. There was a mismatch between the curriculum at the tertiary institutions and the labour market requirements, which explains the high graduate unemployment rates on Uganda's labour market. The student enrolment in science and technology at both private and public universities is less than 27 percent which is way below the UNESCO minimum of 40 percent required for a country to economically take off and participate in the global knowledge based economy (UNESCO). About 4 percent of the population above 15 years of age has an educational attainment above the secondary school level.

1.2.10 Strengthening Good Governance, Defence and Security

23. The country's performance on the four main governance principles of development assistance (peace and stability, democracy, human rights, and rule of law/access to justice) was satisfactory⁴. The whole country, including the northern parts that had for a long time been insecure, enjoyed a stable security environment over the NDPI period. However, in regard to economic and corporate governance, there were significant shortcomings that had negative influences on achievement of NDPI results. The main limitation noted in this area was the frequent supplementary budgets that channelled funds away from service delivery sectors to administrative sectors. In addition, Uganda's score on the corruption perception index (CPI) oscillated between 2.4 and 2.9 during the NDPI period. In terms of promoting gender equality and women's rights, the Domestic Violence Act, 2010 and the Prohibition of Female Genital Mutilation Act, 2010 were enacted, however, enforcement remains limited.

1.2.11 Promoting sustainable population and use of the environment and natural resources

24. The country's population increased from 24.2 million in 2002 to 34.9 million in 2014⁵. Whereas, the percentage of people living in urban areas increased from 12.3 percent in 2002 to 18.6 percent in 2014, about 60 percent of this urban population still lacks basic amenities such as decent housing, sanitation, and a safe water supply⁶. Uganda's forest cover declined from 4.9 million hectares in 2003 to 3.6 million hectares in 2013, i.e. from 24 percent to 18 percent of national land cover.

⁴ NDPI Mid-Term Review Results Framework Report, 2013

⁵ UBOS, 2014, National Population and Housing Census Provisional Results

⁶ UN-Habitat, 2013

1.3 NDP I Implementation Challenges

25. **Slow implementation of core projects:** This was mainly due to inadequate technical capacity in public service to prepare and implement such projects, delays in mobilising project financing, procurement delays, absence of adequate institutional and/or legal frameworks for example, in the case of Oil and Gas, and the delays in enacting the public-private partnerships Bill. Annex 2 illustrates the progress made under each core project of NDP I.
26. **Limited alignment of planning and budgeting instruments with the NDP:** At the launch of NDP I, some sectors, Ministries, Departments and Agencies (MDAs), and Local Governments had running Development/Investment Plans. As such, there was a disparity between the NDP I priorities and financial allocations and those of the Sectors/MDAs/LGs. For example, only eight out of the 15 core projects were considered in the National Public Investment Plan.
27. **Limited prioritisation and poor sequencing of interventions:** A review of NDP I found that it lacked a clearly defined over-arching critical path for the achievement of its objectives, except for the 15 priority core projects. However, even these lacked well documented key milestones. In effect, NDP I lacked proper prioritisation and sequencing of development interventions. For instance, establishment of the iron ore smelter required substantial increase in energy generation and establishment of a railway, both of which are yet to happen.
28. **Inadequate spatial analysis and representation in the Plan:** NDPI did not adequately analyse and spatially represent the strategic planned interventions. This contributed to continued low levels of the country's competitiveness. Infrastructure plans did not connect to areas of high resource potential, and there was inadequate spatial integration of transport and modal connectivity. Consequently, industrial development remains functionally inefficient, costs of production are high, resources are wasted and potential synergies which could lead to increased output are not realised.
29. **Inadequacies in the NDP I results framework:** About half of the baseline and annual indicators and targets for NDP I performance were missing while many others were not ambitious or unrealistic. Thus monitoring and evaluation of the implementation of NDP I was rendered difficult.
30. **Limited financing of NDP I:** Financing posed a major problem for the successful execution of NDP I due to slow progress in domestic revenue mobilisation, poor prioritization and sequencing of projects, and withholding of "on-budget" and "off-budget" donor support due to governance concerns. Tax revenue as a percentage of GDP stagnated at an average of 11.1 percent between 2010/11 and 2012/13, and

only increased to 12.4 percent in 2013/14. As a result, and in light of the declining external assistance from 1.89 percent in 2010/11 to 1.45 percent of GDP in 2012/13, the financing and implementation of NDPI was seriously hampered. Development of new innovative financing mechanisms/ instruments such as infrastructure bonds was slow due to delays in finalizing the legal framework governing Public Private Partnerships (PPP). The cost of finance and unavailability of long term finance further constrained private sector investments under NDPI.

31. **Weak Public Sector Management:** Public sector management was characterised by low enforcement of critical reforms and innovation; inappropriate procurement procedures, processes and management; corruption; conflicting, overlapping and duplication of mandates; low levels of productivity; non-compliance with service delivery standards where available; and low motivation and remuneration compounded by the poor mind set and negative attitudes. In addition, weak and limited sub-national institutional and technical capacity to plan and deliver on mandated services coupled with limited fiscal space and inadequate public service standards were key constraining factors to achievement of the NDP I objectives.
32. **Land Related Constraints:** Challenges in securing land for public infrastructure projects coupled with high compensation costs led to delays in the start of some of the major energy, transport and other infrastructure development projects, for example Entebbe Express Highway, Bujagali HEP, the oil refinery in Kabaale-Hoima District, the Phosphate Industry in Tororo District, and Iron ore deposits in Kabale District, among others.
33. **Limited involvement of Non-State Actors especially during implementation:** Although they were consulted during the formulation process, a number of non-state actors including Private sector, Civil Society Organisations (CSOs), media, Development Partners and the Academia were not sufficiently involved in the implementation of NDP I, at both central and local government levels. There was a lack of an effective platform to engage the non-state actors in determining the country's strategic direction during the formulation of NDP I as well as in the implementation process. There were delays in setting up of the partnership policy that would define terms of engagement.
34. **Limited integration of cross-cutting issues** in sectoral plans, programmes and projects due to lack of synergies and coherence across sectors and Local Governments on what priorities to be undertaken. Key among these are gender, environment, nutrition and HIV/AIDS.
35. **Inadequate preparedness to respond to Natural Disasters:** The Country witnessed destructive droughts, flooding, landslides and severe storms resulting in diversion of resources from development interventions to procurement of relief commodities and emergency responses.

1.4 Key Lessons

- a. Conscious effort is required to address gaps in development across regions and population groups through specific programmes and interventions that are either mainstreamed within sector plans or are standalone programmes.
- b. Prioritisation of interventions/projects and sequencing their implementation is critical in guiding efficient allocation of resources to key growth drivers, while addressing the key constraints to development.
- c. Absence of strategic Spatial Framework negates inter-sectoral co-ordination and synergies. Therefore, there is need to introduce spatial aspects into planning.
- d. Lack of bankable projects affects absorptive capacity, wastes time and affects efficiency. Therefore, there is need to develop detailed project proposals and make projects bankable at the start of plan implementation.
- e. Weak sector wide approach to planning and implementation affects harnessing inter-sectoral linkages and efficiency gains. There is need to strengthen the sector wide approach to planning and implementation as well as sector re-clustering where required.
- f. Positive mindsets and commitment among the leaders, implementers, and the general population is critical for effective plan implementation.
- g. Alignment of planning and budgeting instruments is necessary to ensure efficient and timely implementation, while keeping focus on national priorities. Therefore establishing a mechanism to facilitate alignment of sector and local government plans, including plans of development partners and civil society to the National development plan is paramount.
- h. Need for stronger institutional capacity and improved public sector management. Public sector institutions need to be improved to deliver on the Public Investment Plan (PIP), but also to work together to enhance synergies across sectors.
- i. There is need for robust early warning systems and disaster preparedness plans to build resilience capacities in order to mitigate the impact of natural disasters on infrastructure and productivity.

1.5 Structure of NDP II

36. The NDP II is organised in four broad parts: Part I comprises the Background, Situation Analysis and Development Context; Part II is the Strategic Direction, and Macroeconomic Strategy and Financing; Part III covers the Sectoral Objectives and Interventions for achievement of the Plan Targets; and Part IV is the Monitoring and Evaluation Framework and Implementation Strategy.

CHAPTER 2: SITUATION ANALYSIS

2.1 Introduction

37. This chapter presents a detailed review of Uganda's development status and trends over the period 2008/09⁷ to 2013/14. It presents the country's achievements, challenges and identifies areas that need to be addressed over the period 2015/16 – 2019/20. It is structured around the country's competitiveness, wealth creation and employment as well as inclusive growth.

2.2 Competitiveness

38. Uganda dropped eight places in the global competitiveness index from 121 (out of 142 economies) in 2011/12 to 129 (out of 148) in 2013/14. Areas where Uganda is performing relatively well compared to other factor driven economies⁸ include: labour market efficiency, market size, innovation, and financial market development. Areas where the economy is not doing well include: Infrastructure, macroeconomic environment, institutions, health and primary education and, higher education and training (Figure 2.1). There is continued need to reduce costs of doing business by investing in infrastructure (transport, ICT and energy), improve public sector management, deliver basic services effectively and improve skills and innovation. Openness to drawing in international experience and investment to enhance technology transfer and diffusion is also important as the economy diversifies and businesses and investors move into value addition in key sectors.

Figure 2.1: Comparison of Uganda's Competitive Position to Peer Group



Source: World Economic Forum, Global Competitiveness Report, 2013/14

⁷ 2008/09 was the base year for NDPI and utilized different data sets generated at different periods

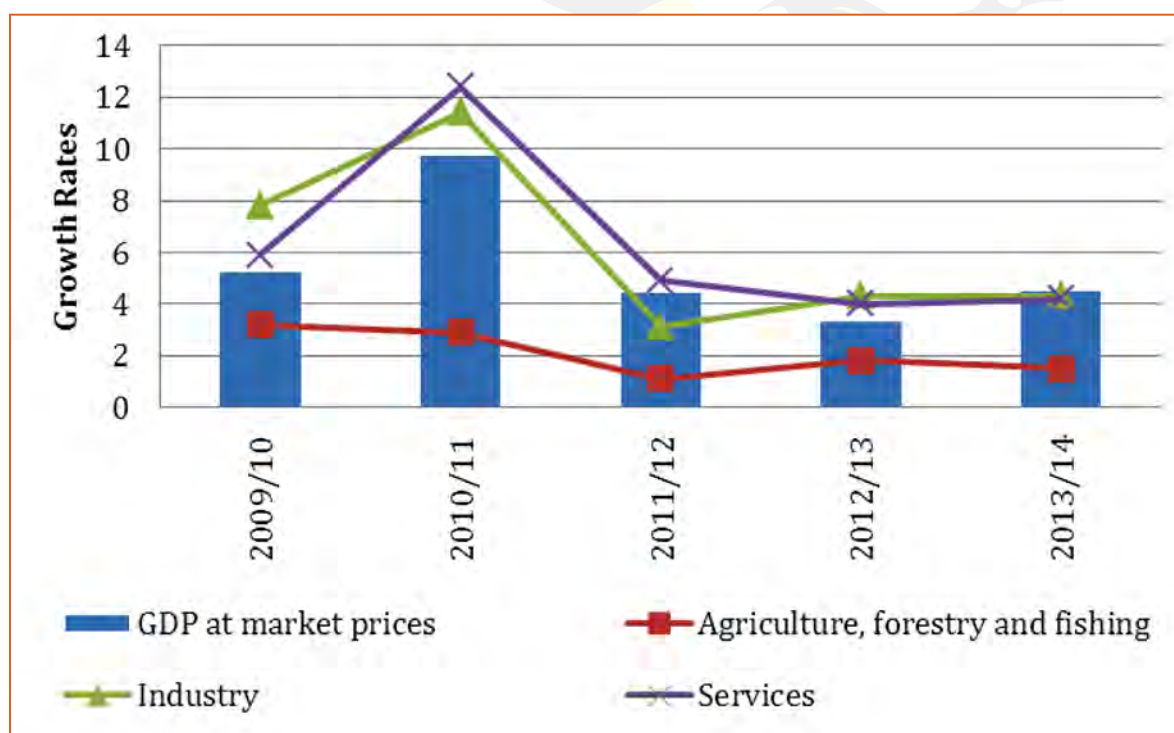
⁸ Factor-driven economies are those whose growth is dependent on their factor endowments—primarily unskilled labour and natural resources.

2.2.1 Economic Management and Financial Services

2.2.1.1 Real Sector

39. Uganda's economic growth rate has averaged at 5.5 percent between 2010/11 and 2013/14, with the highest being 9.7 percent in 2010/11. The average growth rate was below the target of 7.2 percent for the entire NDPI and 8 percent per annum for the Vision 2040 period. In real terms, the services sector continued to lead and contributed 50.3 percent of GDP in 2012/13, followed by agriculture with 23.5 percent and industry with 18.4 percent. The most significant sub-sector activities that have grown rapidly over the past five years are: Information and Communications, with a GDP share of 9 percent as at 2013/2014 and a growth rate of 16.8 percent; and Construction with a GDP share of 6.5 percent and a growth rate of 9.6 percent in 2013/14. Both the Industrial and Services sectors emerged as the most resilient and good performing sectors, demonstrating higher potential for recovery and growth than the agriculture sector. However the services sector grew at 6.3 percent overtaking industry by a margin of 0.1 percent.

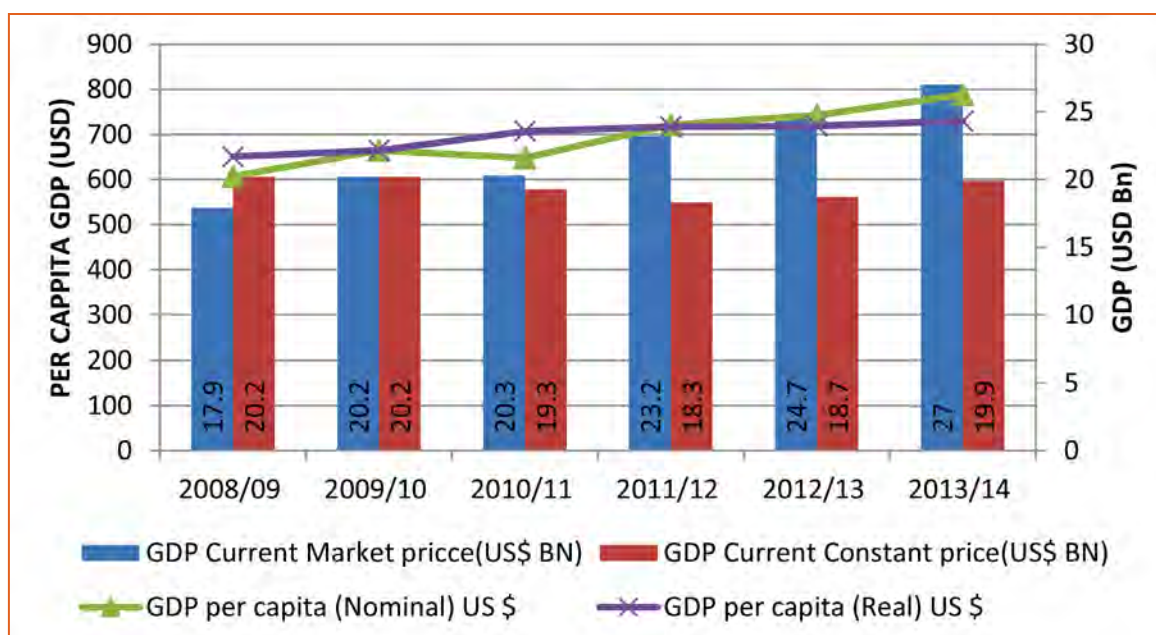
Figure 2.2: Trends of Economic Growth Rate by Sector



Source: Uganda Bureau of Statistics, 2013

40. Average per capita income increased from USD665 in 2009/10 to USD788 in 2013/14 at current prices. In real terms GDP per capita increased during the same period as shown in the Figure 2.3. However, the country's economic growth has not effectively translated into significant wealth creation taking into account the effects of inflation and exchange rate depreciation.

Figure 2.3: Economic Growth Performance, 2008/9 – 2013/14



Source: Uganda Bureau of Statistics, 2014

2.2.1.2 Fiscal Developments

41. **Fiscal Deficit:** The overall government budget deficit level was unstable over the three years, increasing from an overall balance including grants of 2.5 percent of GDP in 2011/12 to 3.4 percent in 2012/13 and to 5.0 percent in 2013/14. The movements are partly explained by the changing architecture of Official Development Assistance (ODA) and incidents of withholding of external assistance by some partners, on account of fiduciary concerns. Without grants, the overall balance in the national expenditure was 6.3 percent of GDP in 2013/14 (Table 2.1).
42. Given the country's budget deficit over the years, Uganda's total debt stock rose from UGX11,234.9 billion in 2010/11 to UGX15,939.1 billion in 2012/13 (close to 30 percent of GDP). External debt in 2012/13 was UGX9,893.3 billion (USD3.761 billion). In 2012/13, the total stock of domestic debt stood at 10.4 percent of GDP and 15.8 percent of GDP for the total stock of External debt.

Table 2.1: Revenue and Expenditure Developments (percentage of GDP)

Indicator	2010/11	2011/12	2012/13	2013/14
Indicator	2010/11	2011/12	2012/13	2013/14
Total URA Collections	11.6	10.44	11.34	12.29
Net URA Collections	10.86	10.33	11.19	11.76
Non-URA Collections (Non Tax)	0.74	0.11	0.14	0.18
Domestic Taxes	5.99	5.53	6.52	6.81
Direct Taxes	3.54	3.35	3.81	3.8
Indirect Taxes	2.66	2.58	3.11	3.1
o/w VAT	1.54	1.57	2	1.94
o/w Excise duty	0.67	0.61	0.7	0.8

International Trade Taxes	5.38	4.89	4.81	5.22
Fees and Stamp Duty	0.23	0.19	0.17	0.21
Grants	1.89	2.91	1.45	1.08
Budget Support Grants	1.1	1.07	0	0.31
Project Grants	0.8	1.84	0	0.77
Total expenditure and net lending	18.93	15.71	16.18	17.86
Overall balance (including grants)	-3.57	-2.53	-3.39	-4.96
Overall balance (excluding grants)	-5.48	-4.48	-4.87	-6.29
Gross public external debt/GDP	20.92	20.53	22.19	25.46
External debt-service ratio	1.16	1.18	1.39	1.59

Source: Uganda Bureau of Statistics 2014 (GDP Estimates Rebased to 2009/10)

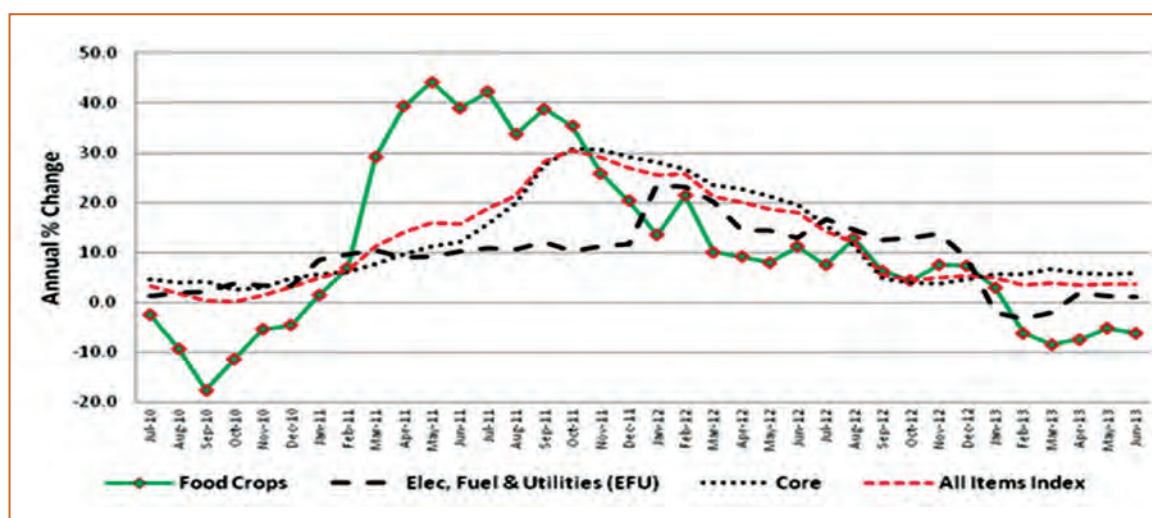
43. Domestic Revenue and Financing Options: Over the last decade, total collections by Uganda Revenue Authority (URA) have increased threefold in nominal terms. However, the trends in net URA collections, as a percentage of GDP, show a stagnation of revenue performance. Net URA collections, as a percentage of GDP, were 10.33 percent in 2011/12; 11.19 percent in 2012/13; 11.79 percent in 2013/14. There are three main reasons for this stagnation: the large informal sector that constitutes 43 percent of GDP; the narrow tax base composed of a few tax payers coupled with a weak tax exemptions regime; and weaknesses in tax administration.
44. In order to fund development, there is need to increase domestic resource mobilisation, by reviewing exceptional tax hurdles, broader tax exemptions and the categorisation of formal and informal sectors. The NDPI was financed using traditional sources, largely through foreign concessional borrowing and domestic borrowing. During the NDPII period, it is important to explore new sources beyond the traditional sources, including alternative innovative sources, such as locally dominated bonds and infrastructure bonds, while ensuring that expansion of the public debt fits within a sustainable fiscal and monetary framework. There is also need to increase registration and categorisation of the informal and formal sectors for easy traceability.
45. The highest value of grants received was in 2011/12 at 2.9 percent of GDP; however, this dropped to a lower value of 1.45 percent in 2012/13, and reduced further to 1.08 percent in 2013/2014 due to the fiduciary concerns cited above. Total expenditure and net lending as a percentage of GDP declined from 18.9 percent in 2010/11 to 17.9 percent in 2013/14, despite pressures of demand for services as shown in Table 2.1.
46. Debt Sustainability: Debt sustainability analysis for 2013 confirmed that Uganda's total public debt was still sustainable and the country was under no debt distress, over the period of NDP I. The Public Debt-to-GDP ratio is currently (2013/14) at 26.14 percent and is projected to peak at about 42 percent in 2019/20, but will remain below the 2013/14 debt strategy threshold of 50 percent throughout the projection period. The debt is however still highly sensitive to non-concessional borrowing, given the current structure of the external debt.

47. **Resource Allocation and Budget Management:** In order to ensure efficient allocation of resources and alignment of budgetary systems with the national priorities/objectives that are in line with the Uganda Vision 2040 and the NDP, public finance management systems through the use of various planning and budgeting tools. The Government has made progress in strengthening public financial management through the implementation of the broader Public Financial Management (PFM) reforms. As a result, the quality of budget preparation, execution and reporting has undergone significant reforms including among others; implementation of the Integrated Financial Management System (IFMS), Output Oriented Budgeting (OOB), a long term expenditure framework for enhanced revenue and expenditure forecasting and issuance of several budgeting documents.
48. The Public Expenditure and Financial Accountability (PEFA) assessment and the mid-term review (2013) for PFM reform strategy recognized a weakness in the budget governance in areas of budget credibility and control, enforcement of compliance with regulations and the capacity to design and implement projects or programmes. In this regard, the government launched the strategy for the PFM reforms for the period July 2014 to June 2018 that instituted accountability measures to efficiently and effectively utilise public resources including: innovations in cash management such as implementation of the Treasury Single Account (TSA); rollout of the Integrated Personnel, Payroll and Pension System (IPPS); enhanced budget transparency;; and enforcement of controls through the Integrated Financial Management System (IFMS). There is therefore need to ensure that the strategy is effectively implemented so as to build up on the successes of the previous reforms.

2.2.1.3 Monetary Sector Developments

49. Prior to July 2011, Bank of Uganda (BoU) primarily used two instruments to regulate the supply of money in circulation in order to control inflation and maintain a stable exchange rate. These were the issuance or redemption of Treasury Bills and Bonds and sale or purchase of foreign exchange. The use of these instruments became less effective as regulation of the amount of money in circulation became rather difficult, due to the use of the Uganda shilling as a medium of exchange in some neighbouring countries. Heavy reliance on the issuance of treasury bills and bonds also became expensive in terms of interest payments, increasingly taking resources which could have been utilised to finance other priority programmes and projects in the budget. In July 2011, Bank of Uganda changed the tools for controlling inflation, to rely primarily on the variations in interest rates or cost of borrowing. The inflation trends over the NDPI period are shown in Figure 2.4.
50. From the first year of NDPI, inflation persistently increased in consumer prices, mainly caused by the effects of drought on agricultural prices, high demand from neighbouring countries for Ugandan products, exchange rate depreciation and rising

Figure 2.4: Inflation trends, 2010/11 – 2012/13



Source: Bank of Uganda, 2013

global commodity prices. These causes of inflation have persisted except in the third year. In July 2010, annual headline inflation rate was 3.3 percent and by June 2011 it had increased to 16.0 percent.

51. Annual core inflation which excludes food crops, fuel, electricity and metered water rose to 12.2 percent in June 2011. That same year, food crops and Electricity, Fuel and Utilities (EFU) inflation increased to 39 percent and 10.3 percent in June 2011 from minus 2.5 percent and 1.3 percent in July 2010, respectively.
52. The adverse supply-side shocks emerged from the rise in global crude oil prices that fed through into domestic fuel prices. In addition, there were shocks from the persistence of tensions on international food markets and of a supply shortfall on the related segments of the domestic market, resulting in a faster pace of increase of both volatile food prices and prices of staple food items included in the core index. Furthermore, exchange rate depreciation contributed to the observed elevation in inflation. All in all, the climax of inflation recorded during the period was in 2011/12, when inflation was 23.5 percent compared to the target of 6 percent. This situation continued in the first half of the year 2011/12, and core inflation was due to depreciation of the shilling until the second half of the financial year, when the monetary policy action by BoU on the prices took effect.
53. In 2012/13, food accounted for 27.2 percent of the overall Ugandan consumer basket of goods and services and, hence annual food price inflation significantly influenced Uganda's annual headline inflation rate. Whereas annual food price inflation fell to 11.2 percent in June 2012 from 39.0 percent in June 2011, inflation of non-food items (which accounted for the remaining 73.8 percent of the consumer basket), was much more moderate. In regard to the prices of Electricity, Fuel & Utilities (EFU), the prices rose to the highest of the year in December 2011 to 23.5 percent, before declining steadily to 12.9 percent in June 2012. By end of June 2013, headline inflation was 3.6

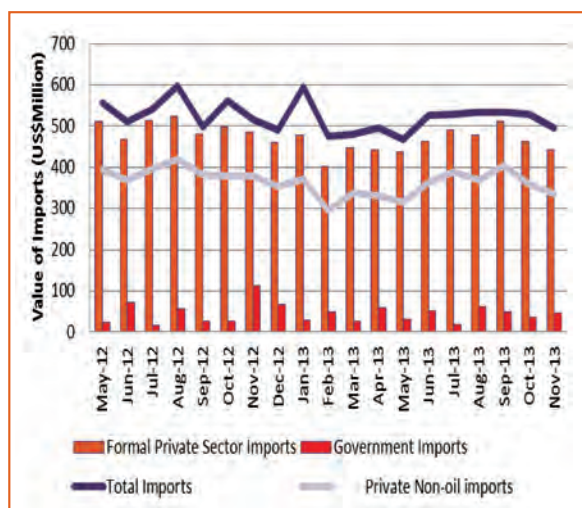
percent while core inflation was 5.8 percent. The country continued to import highly priced commodities, especially household goods, clothing and foot wear, whose domestic prices are affected by exchange rate depreciation.

54. In the first year of NDPI, there was a tight monetary policy stance and high inflation expectations from the increase in average yields on both Treasury Bills and Bonds and commercial banks' lending rates. The annualised yield on the 91-day, 182-day and 364-day papers rose from 4.3 percent, 4.9 percent and 5.8 percent in July 2010 to 13.3 percent, 14.0 percent and 15.2 percent at end June 2011 respectively.
55. In 2011/12 the tight monetary policy stance and high inflation expectations continued and the annualized yield on the 91-day, 182-day and 364-day papers rose from 13.09 percent, 13.47 percent and 13.30 percent in July 2011 to 16.7 percent, 17.11 percent and 16.14 percent at the end of June 2012, respectively (Figure 2.4).
56. It is observed that the interest rates' spread remain as wide as 22 percent and this could be hampering savings mobilization. Whereas there were attempts by the Central Bank to influence the reduction of lending rates, through the reduction of the CBR, the response from the commercial banks was rather weakly elastic that it took a long time for the commercial banks to reduce lending rates.

2.2.1.4 External Sector Developments

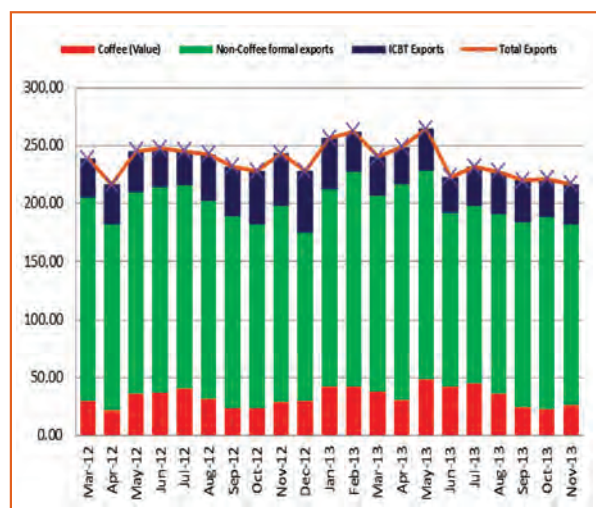
57. Net Exports decreased from 10.9 percent in 2012/13 to 8.4 percent in 2013/14. The trade balance was in deficit by the end of 2013/14 because of the higher value of imports, compared to the low value of exports (Figures 2.5 and 2.6). It is however encouraging to note that imports for investment constitute the biggest proportion of total imports. Tobacco, fish, oil re-exports and coffee (in that order) continue to dominate Uganda's key exports list.
58. COMESA countries remain the main destination of formal exports, accounting for about 56.5 percent of total exports over the last eight years, followed by the EU at 28 percent and the Middle East at 10 per cent. The major markets for Uganda's formal exports in the region are: South Sudan, DR Congo, Kenya and Rwanda, accounting for over 81.1 percent of exports to the region. Regarding import sources, Asia, COMESA, Middle East and European Union remain the key sources of Uganda's imports. The major sources of Uganda's imports in 2012 were: India (29 percent), Kenya (15 percent), China (13 percent), United Arab Emirates (9 percent), South Africa (6 percent) and Japan (6 percent). Whereas imports from the Middle East declined between 2011/12 and 2012/13, those from COMESA remained stable.

Figure 2.5: Composition of imports



Data Source: Bank of Uganda

Figure 2.6: Composition of exports



2.2.1.5 Financial Services

59. The country's financial system has gone through reforms since the early 1990s. The intention of these reforms was to strengthen and broaden the financial system but also enhance competition in the financial system. The financial system soundness and efficiency has greatly improved. Extension of credit to the private sector improved over the last decade, with an average credit growth of about 24 percent per annum. However, the degree of diversification of the financial systems and the level of gross domestic savings stands at 9.57 percent of GDP (2013/14), which is very low compared to 23.6 percent, the average for low income countries and 28.6 percent for the lower middle income group⁹. The pension assets in Uganda are only at 2.18 percent of GDP compared to 58 percent of GDP in South Africa.
60. **Financial inclusion:** The financially excluded persons declined significantly from 4.3 million adults in 2009 to 2.6 million adults in 2013. This was partly attributed to the mobilization of the rural population to join village savings and other voluntary groups to save money for boosting their small businesses. In addition, mobile money services have addressed the poor connectivity by accessing geographically hard to reach areas that the formal banking institutions could not.
61. **Commercial Banking and Microfinance:** As of April 2014, Uganda had 26 licensed commercial banks, with about 544 branches and 5.5 million accounts. The commercial banks hold about 80 percent of the total assets of the financial system and the National Social Security Fund (NSSF) holds the remaining 20 percent. Savings are still low despite remedial measures in the past which included: NSSF improving its return on savings; starting the financial literacy project; Setting up Uganda Retirement Benefits Regulatory Authority (URBRA) to put in place a framework to enable the informal sector to participate in formal saving schemes; and having SACCO's empowered to mobilize savings.

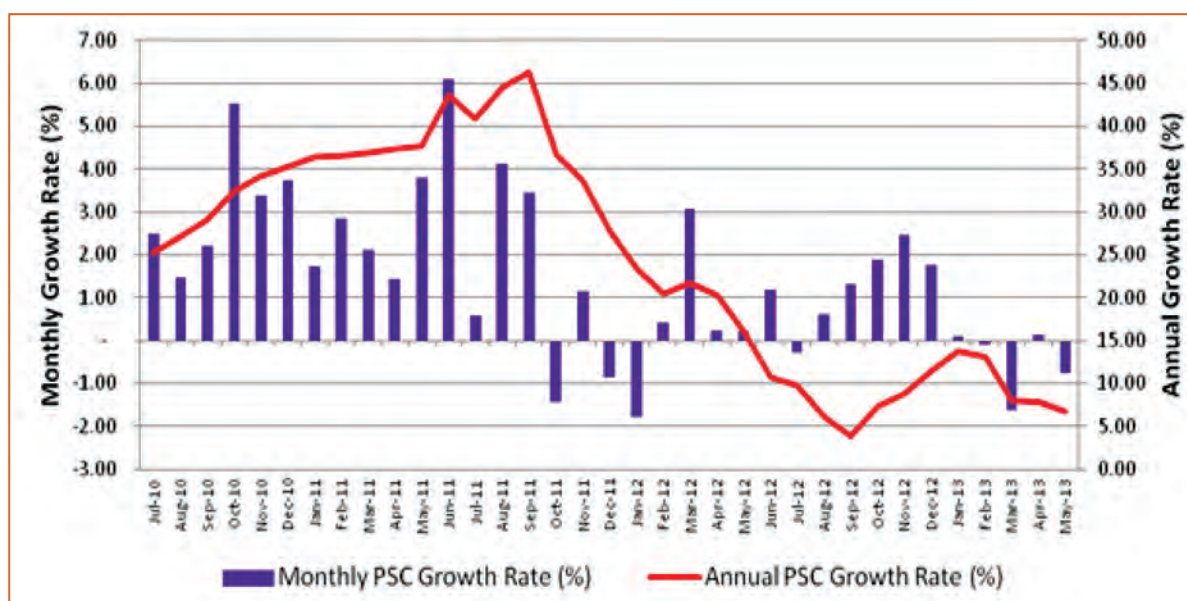
⁹ Source: WDI

62. SACCOs and MFIs are still experiencing weaknesses in regard to their sustainability, due to the low mobilization of savings from the public, over dependence on Government through the Uganda Micro Finance Support Centre, lack of regulation and also the fraudulent activities that are a vice to the people's savings. Banks still provide low interest rates on savings, there are still no proper recording of informal saving mechanisms, there is inefficient utilisation of accumulated savings for national development and the pension sector reforms are yet to take full effect.
63. Given the low levels of savings, the banking system faces high costs in mobilising medium to long term resources. Combined with the high costs of financial transactions in Uganda, real interest rates charged by the banks are very high. It is quite common for commercial banks to charge interest rates in the range of 19 to 23 percent for investment projects.
64. **Development Banking:** There are two development banks operating in Uganda - Uganda Development Bank (UDB) and East African Development Bank (EADB). While these offer longer term finance, their lending operations are small in comparison to the total credit extended by the commercial banks. The banking system is not the best suited to provide medium and long term resources given that most of their deposit liabilities are of short term nature.
65. **Capital Markets:** 2012/13 was a period of recovery in the capital markets industry, after 2011/12 was characterised by the highest inflation rates in the last decade. The high inflationary environment adversely affected the growth and performance of the capital markets as investments were diverted to the more lucrative government bond markets. However, as the high inflation rate and government bond yields tapered off in 2012/13, activity picked up in the capital markets. During the same period the country witnessed the largest transactions in the history of Uganda's capital markets in both the equity and bond markets.
66. Overall, Uganda's capital markets are characterised by under capitalisation and limited investment opportunities. The Stock Market remains thin, with only 16 companies listed on the Uganda Securities Exchange (USE). Equity markets are poorly developed and only large and well established firms can realistically raise finance in equity markets. As a result, most firms seeking finance for investment on the domestic market have to rely on loan finance, for which the most important source is the banking system. In addition, there is limited knowledge and reach of capital markets; perceptions of lack of safety of capital markets; low number of listed entities; low public float of some listed entities; and laissez faire attitude and change aversion.
67. **Insurance Services:** Uganda's Insurance industry has been steadily growing for the last five years averaging at 22.5 percent in terms of the Gross written premium with a total asset base of UGX 774 billion. By the end of 2013/14, the insurance industry had the following players licensed: one re-insurance company; 21 insurance

companies; 27 insurance brokers; 18 loss assessors/adjustors; 13 health membership organisations; and 894 agents. Out of the 21 insurance companies licensed, 13 are non-life, two are life while six are composite (life and non-life) companies which are expected to effectively separate operations. However, insurance premium is only 0.57 percent of GDP compared to 3.4 percent in Kenya and 15.4 percent in South Africa, reflecting very low penetration of insurance services in the country due to, in part, lack of a National policy on insurance. The low insurance penetration could be viewed as an opportunity for growth of the sector.

68. **Remittances and money transfers:** The role of Ugandans living abroad is evident in the remittances into the country, which as a source of foreign exchange as well as resources for consumption and investment have grown steadily in recent years. It had risen to USD910 million, equivalent to 4.3 percent of GDP during 2012. The recipient households use remittances to support general household expenses and education (81 percent was used on the consumption compared with 16.9 percent used for non-consumption purposes and 2.3 percent that was transferred to other households). However, beyond sending remittances, the Ugandan diaspora have not played a major role in terms of promoting trade, public-private partnerships and FDI, creating businesses and entrepreneurship as well as transferring knowledge and skills. Money transfers increased from 30 percent in 2009 to 55 percent by 2013. These changes were mainly attributed to the increased use of mobile money services that grew from less than 1 million users, in 2009, to about 5.1 million users in 2013.
69. **Private Sector Credit:** The major difference between the saving and lending rates of commercial banks (wide interest rate spread), averaging 22 percent, continue to hamper savings mobilisation and hence the persistence of high lending rates. Reduction in the Central Bank lending rate has not triggered a commensurate reduction in the commercial lending rate. The commercial lending rate for Uganda was 21.4 percent as of June 2014, the highest in the region compared to Kenya at 15.1 percent, Rwanda at 16.7 percent and Tanzania at 15 percent during the same period. Limited access to credit has been consistently identified as one of the major challenges to doing business in Uganda.
70. Efforts to contain inflation by the central bank led to an increase in the Central Bank Rate (CBR) from 13 percent in July 2011 to 23 percent in November 2011, and a decline in private sector credit growth from 44 percent in 2010/11 to 11.1 percent in 2011/12 as is depicted in Figure 2.7. The increase in the CBR and the corresponding commercial bank rates resulted in a shift towards borrowing dollar denominated loans. In 2011, all sectors registered an increase in foreign exchange lending except the agriculture sector, which declined by 0.7 percent. The target for private sector credit was set at 13.9 percent of GDP for the 2012/13. But by the end of the year, the level of credit to the private sector was 12.09 percent of GDP, about 1.83 percentage points below the target.

Figure 2.7: Private Sector Credit Growth, 2010/11 – 2012/13



Data Source: Bank of Uganda, 2013

71. The quality of the credit portfolio was a big issue in Uganda, largely due to the absence of; an effective Credit Reference Bureau (CRB), a comprehensive biometric registration database, and a movable collateral registry which has increased risks for lenders and also contributed to the problem of high interest rates. The recent developments in credit reporting system has led to an improvement in the quality of the credit portfolio. As a result, there was a reduction of total non-performing loans, as a percentage of total advances, from 2.2 percent in July 2010 to 1.4 percent as at the end of June 2011.
72. Growth in investments overall, both by the private sector and the government, grew at a low rate. In 2011/12, domestic private consumption and investment spending grew by 5.0 percent and 4.1 percent compared to 9.4 percent and 4.9 percent in 2010/11, respectively. While gross capital formation grew at 10.3 percent in 2010/11, it drastically declined to 3.0 percent the following year, before rising to 9.0 percent in 2012/13. The private sector has been the leading source of growth in investments, in line with the country's policy of private sector led growth. Out of USD 4.8 billion worth of fixed investments in 2011/12, the private sector contributed USD 3.6 billion (76 percent).
73. In view of the situation above, there is need to address the following outstanding issues: raise the tax to GDP ratio; integrate FDIs with local business firms; improve public financial management and consistency in the economic development frameworks; reduce interest rates; raise insurance penetration and national savings to GDP ratio; increase the level of capitalisation and widen investment opportunities in the capital markets; and improve statistical data production and policy research.

2.2.1.6 National Statistics Production and Services

74. The implementation of the Long Term Census and Survey Programme has also enabled the statistical system to generate key statistical information¹⁰ that informs government planning processes and decision making. The implementation of the Plan for National Statistical Development (PNSD) (2007-12) enabled the statistical system to strengthen statistical development in key MDAs including: improvements in coordination and management of statistics production; enhancement of human resource and manpower; development of Uganda statistical standards for quality assurance; and the compilation of some key indicators required for the periodic Government Annual Performance Reviews (GAPR).
75. However, the country continues to be faced with poor quality of administrative data and limited coverage and usability of statistics. Usability and dissemination of statistics is affected by changing data requirements by the private and public sector users and the limited capacity to meet all user data needs or demands. Statistics production and management calls for improvement of harmonized standard core indicators and small area statistics to meet the changing national, regional and international demands.
76. There is also need for strengthening the production of key statistics including: unemployment and under employment rates and human capital, as well as Agriculture related data and indicators such as Producer Price Index (PPI)- agriculture; rural Consumer Price Index (CPI) and de-personalised CPI; and statistics on waste management, tourism, and minerals. Coordination and management of the National Statistical System (NSS), coupled with the weak institutional and organisational frameworks, is sometimes evident in the duplication of efforts within and between MDAs. This undermines the gains from systemic and synergetic linkages between MDAs and LGs. Further, appreciation of statistics is still limited and has constrained allocation of resources for statistical activities at national, sector and local government levels.

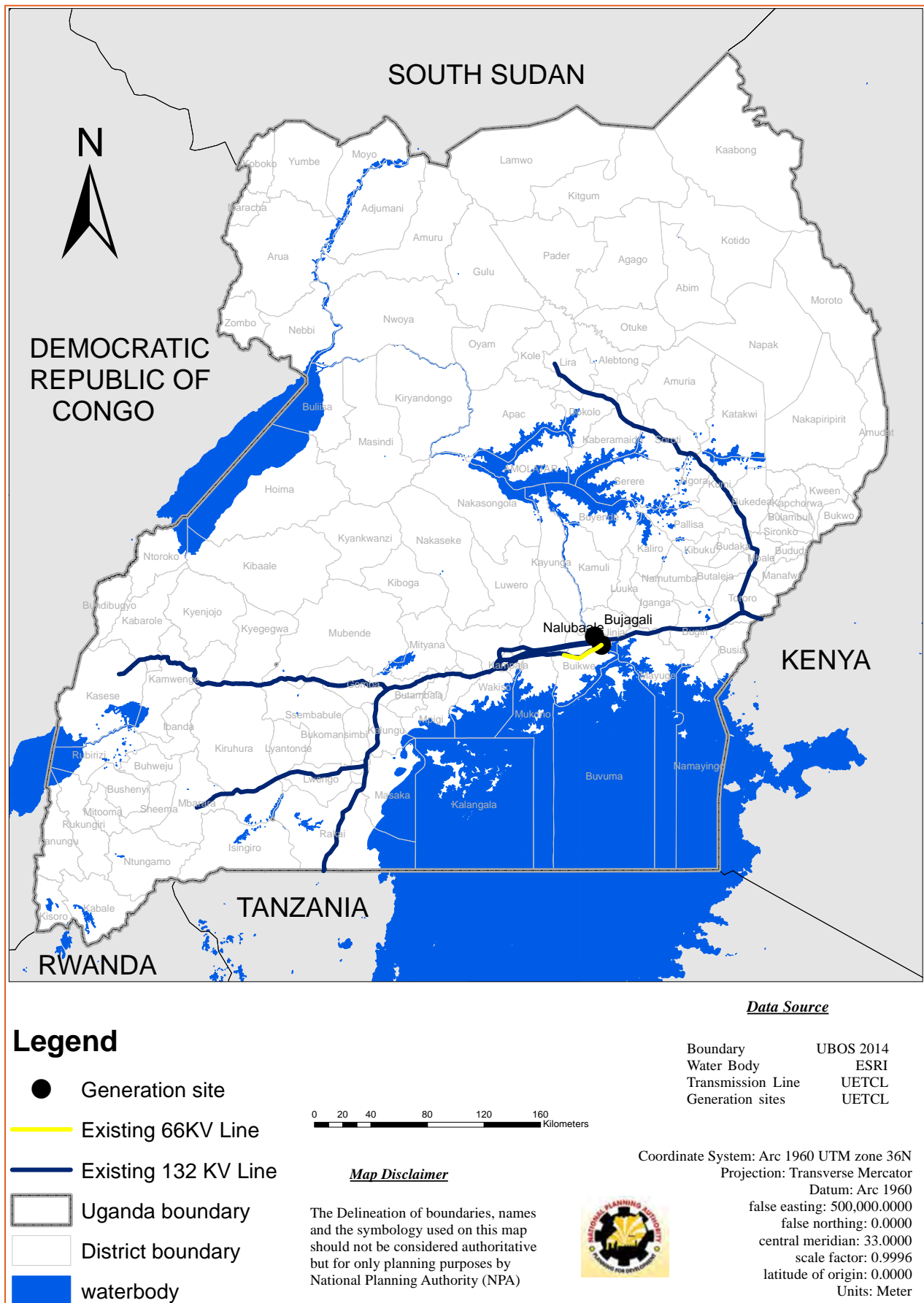
2.2.2 Infrastructure

2.2.2.1 Energy

77. Uganda's current energy balance comprises 92 percent biomass, 7 percent fossil fuels and 1 percent electricity. Most of the biomass energy is from wood, which is consumed in the form of charcoal and firewood. The main burden of biomass collection and use is by women who are the major domestic caretakers and employees in the informal food industry. The critical source of energy for industrial and commercial production in Uganda is electricity. Maximum domestic demand for electricity was

¹⁰ The National Population and Housing Census, Census of Business Establishments and Uganda Agricultural Census. The Surveys being conducted include among others the Uganda National Household Survey, the Uganda National Panel Survey, the Uganda Demographic Health Survey, the National Service Delivery Survey, the Labour Force Surveys, the Uganda Business Inquiry, the Private Sector Investment Surveys, the National Governance Survey, Innovation, Research and Development surveys, Informal Cross Border Trade, and Non Profit Institutions Surveys.

Map 2.1: Existing Power Transmission Grid Coverage and Generation Sites by 2014



at 495 MW in 2013 and grew to 510 MW in 2014. Map 2.1 illustrates the current power generation sites and transmission lines, which have changed little over the past forty years and reflect the past development pattern. A big proportion of the industrial enterprises, businesses and institutions do not have either sufficient or uninterrupted access to electricity from the national grid.

78. The pattern of electricity consumption in 2012 was as follows: 24 percent domestic activities, 11 percent commercial, 11 percent small industrial users and 47 percent large industrial. An increase in industrialisation in the country has seen increased use of electricity for industrialisation from 10.7 percent in 2007 to 47 percent in 2012. Uganda's electricity consumption per capita is still low, estimated at only 80 kWh per capita at the end of 2012, which is significantly lower than Africa's average of 578 kWh per capita and the world's average of 2,472 kWh per capita. This level of consumption compares poorly with countries like Kenya at 133 kWh, Ghana at 246 kWh and Zambia at 551 kWh per capita.
79. The total installed electricity generation capacity increased from 595 MW in 2010/11 to 850 MW in 2013/14. The growth in overall installed capacity in recent years has largely been due to additional capacity at Bujagali (250 MW) in 2012, and also includes 100 MW of thermal power that is on standby. The total grid electricity supply increased by 7.1 percent from 2,737.8 GWh in 2012 to 2,932.8 GWh in 2013.
80. Access to electricity increased from 11 percent in 2010 to 14 percent in 2012 and about 7 percent had access to electricity in the rural areas. A number of 33/11 kV electrification schemes have been commissioned in various parts of the country and Solar PV systems installed in households, health centres, schools and water pumping stations.
81. The key energy subsector challenges in Uganda still remain the lack of a good mix of energy sources in power generation; low level of access to modern energy; inadequate infrastructure for generation, transmission and distribution; low level of energy efficiency; high tariffs; the unreliable and inefficient supply; inadequate Institutional and regulatory capacity.
82. Therefore, to address the above constraints, there is need to increase power generation, transmission and distribution; increase access to electricity; promote use of renewable energy; develop nuclear energy and strengthen the institutional policy and legal framework.

2.2.2.2 Transport

83. Road Transport: The total national road network is categorised as National Roads (21,000 kilometres), District Roads (32,000 kilometres), Urban Roads (13,000 kilometres) and Community Access Roads (85,000 kilometres). Road transport has over the year's

registered tremendous growth as illustrated by the number of kilometres of both paved and unpaved roads. For the period 2011 to 2012 there was a notable increase in the length of paved national roads from 3,264 kilometres in 2010/11 to 3,795 in 2013/14 kilometres, and the paved urban roads, including dual carriage ways, stood at 2,122 kilometres in 2013 (19.6 percent of the total urban road network).

84. During the NDPI period the paved road stock increased at an average rate of 123 kilometres, lower than the targeted increase of 220 kilometres per year. The unpaved National roads increased from 17,120 kilometres in 2010/11 to 17,202 kilometres in 2013/14. National roads network increased from 20,000 kilometres in 2011 to 21,000 kilometres in 2013/14 representing a five percent increase. This was a result of Central Government taking over responsibility for construction/rehabilitation of national roads from the districts. All district and community access roads are not paved.
85. The Uganda Road Fund (URF) which was operationalised in January 2010 is responsible for financing maintenance of 21,000 kilometres of national roads by UNRA; 1207 kilometres of city roads by Kampala Capital City Authority (KCCA); 30,000 kilometres of district roads and 42,250 kilometres of community access roads by LGs; 8,500 kilometres by Town Councils; and 4,500 kilometres of municipal roads by Municipal Councils.
86. Rail transport: The rail infrastructure has not changed over the last five years. The current rail network comprises long meter-gauge rail lines, running from the east to the west of the country. Rail operations are limited to 640 kilometres between Kampala-Malaba, Kampala-Port Bell, Kampala-Nalukolongo and Tororo-Gulu, while the rest of the network is defunct. There has been a reduction in the proportion of freight cargo by rail from 10 percent in 2010 to 5.79 percent in 2013/14. This decline was a result of taxes imposed on imported grains which adversely affected cargo from Dar es Salaam through Port Bell which was way below the 2014/15 target of 18 percent.
87. Joint formal agreements for plans to build a new Standard Gauge railway (SGR) have been signed by the EAC Countries. The SGR project starts in Mombasa through Nairobi, Kampala, Kigali and Juba. A cross section of the different routes of the SGR to the South Western, Northern, North Western and Eastern Uganda will aid the mining industry through transportation of equipment and raw materials. The overall objective of the SGR is to jointly develop and operate a modern, fast, reliable, efficient and high capacity regional railway transport system as a seamless single system and as a mechanism to stimulate overall economic development.
88. Water Transport: The total freight on ferries as registered at Port Bell border post significantly increased from 8,634 tonnes in 2010 to 88,200 tonnes in 2012 and fell to 42,300 tonnes in 2013 and further fell to 8,100 in 2014. It is important to note that 70 percent of the cargo through Port Bell is wheat grain as the only sea cargo and

the remaining 30 percent comprises inter- regional cargo between Port bell and Mwanza mainly comprising the following commodities: cotton seeds/cake, mineral water, building materials, soap and cooking oil, sugar and rice, tobacco, and other agricultural produce. Marine Trade is 85 percent between Port Bell and Mwanza but there are few sailings to other ports of Musoma and Kisumu comprising 15 per cent.

89. Air transport: International air passenger traffic through Uganda grew from 416,697 in 2003 to 1,343,963 passengers in 2013 at an average annual rate of 12.4 percent. Domestic passengers at Entebbe International Airport (EIA) declined at an average annual rate of 5.4 percent from 44,383 in 2003 to 25,458 passengers in 2013, while transit passengers grew from 31,759 in 2003 to 94,583 passengers in 2013, at an average annual rate of 11.53 percent. Imports by air grew by an average of 5.69 percent per annum from 12,485 in 2003 to 21,723 tonnes in 2013, while exports grew at an average of 3.75 percent per annum from 23,515 to 33,978 tonnes in the same period. Aircraft movements grew at an average of 5.75 percent per annum from 17,361 in 2003 to 30,364 in 2013. Over flights grew at a higher average annual rate of 15.23 percent from 3,197 in 2003 to 13,199 movements in 2013.
90. The sector faces challenges of: weak legal, policy and institutional frameworks especially for the railway sub-sector; a weak local construction industry; limited connectivity to major tourism, mineral, oil and gas facilities as well as social services; poor maintenance of the roads; inadequate human resource capacities and limited funding.
91. To address the above constraints there is need to develop adequate reliable and efficient multi-modal transport network, support the national construction industry, improve human resource capacities, and strengthen relevant policy legal and regulatory frameworks.

2.2.2.3 Information and Communication Technology (ICT)

92. Over the years, government has put in place an enabling environment that has seen the ICT sector grow at a cumulative annual growth rate of over 25 percent with significant growth seen in areas of mobile devices, computer applications, information processing, storage and dissemination as well as mobile finance, e-finance, global connectivity and online trade. Over the NDPI period, the ICT sector contribution to GDP averaged at 3.1 percent and significantly contributed to national revenue. In terms of the share of ICT in export and import revenue, Uganda's ICT service exports¹¹ stood at USD74.9 million in 2011¹², which was 5.7 percent of total exports, while the import of ICT goods stood at 7.4 percent of total imports in Uganda. The sector has attracted an investment in excess of USD73 Million employing over 1 million people. The revenue collection from telecom companies amounted to Ushs332 billion by December 2013, up from Ushs289 billion in December 2012.

¹¹ Uganda's Information and communication technology service exports included computer and communications services (telecommunications and postal and courier services)

¹² World Bank, 2012

93. Optic fibre deployment in the country stood at 5,110.65 kilometres of optic fibre laid by both the Government and Private Sector. The number of operators providing infrastructure, voice and data services are over 36. Voice and data coverage of telecommunication services at sub-county level stands at 85 percent and 45 percent, respectively, largely accessed through mobile technologies. Operators in the broadcasting industry are over 240. Analogue Radio signals are accessible in all parts of the country while the analogue TV signal coverage exists in over 45 percent of the country. There are over 500 Post Offices including postal agencies and post shops nationwide and the number of courier access points has increased. The advent of mobile telephony has seen the number of telephone subscribers leap from 2.8 million in 2006 to 16.9 million in 2013. The number of Internet subscribers grew phenomenally from 15,000 in 2007 to 3.6 million as of 2013, using both fixed and mobile platforms. The Number of registered Mobile money subscribers rose steadily from 8.87million in December 2012 to 14.24 million in December 2013.
94. There has been an improvement in public service delivery, as a result of convergence of technologies and consolidation of e-Government services, which has led to the introduction and use of financial management services and other ICT-enabled Services (ICTeS) in Government. The laying of the National Backbone infrastructure will further consolidate e-government services and applications for efficiency.
95. Despite the remarkable achievements demonstrated by exponential growth of the sector in the last years, a number of challenges have emerged that have hindered further growth of the sector leading to the poor ranking of Uganda on the global ICT development index. These include: the high cost of internet bandwidth; vandalism and damage to infrastructure; poor quality of service; inadequate skilled human resource; limited local content (digital content); low uptake of e-services; and lack of commercial orientation for exploitation of the various ICT innovations. In addition, the increase in the benefits of ICT have not been matched with equal access to ICT platforms that are customized to the information needs of female artisans and smallholders, to link them with local and international buyers.
96. In order to improve access to ICT infrastructure and its usage as well as skills development in the sector, the country needs to address the limited ICT infrastructure network; invest in research, innovation and human capital development; implement policy reforms to ensure increased local participation, including ownership of ICT infrastructure and businesses, in order to reduce the externalization of sector gains.

2.2.2.4 Water for Production

97. Water for Production is defined to include provision of water infrastructure for irrigation, livestock, fishing, mining, wildlife, industries, aquaculture, maintaining the environment and ecosystem. Currently, only 2 percent of water is used for production,

with only 1 percent of potential irrigable area, where 15,000Ha out of 3,030,000Ha is under formal irrigation. Access to water for livestock at present is estimated at 48.8 percent. The country is increasingly facing a major challenge of prolonged droughts and unexpected floods due to climatic change and variability and is predicted to be water stressed by 2025.

98. Since 2006, the Water and Environment sector has constructed 11 dams with a total storage capacity of 14.7 Million Cubic Metres (MCM) in the water stressed and cattle corridor belt and 959 small to medium size valley tanks, with total storage capacity of 3.108 MCM in the selected livestock keeping districts countrywide. Total storage capacity for water increased from 17 million cubic meters in 2008/09 to 27.5 million cubic meters in 2012/2013, an increment of 62 percent.
99. To support agricultural production, three irrigation schemes were re-constructed, currently serving a total of 2,150Ha. This more than doubled the farm output providing food and incomes to the participating households with some of the produce entering the export market. To expand the use of water from the facilities created, the Ministry of Water and Environment constructed nine (9) windmill-powered water systems in Karamoja sub-region creating a total volume of 105,120 cubic metres of safe and clean water annually for both livestock and human consumption. However, the cumulative water for production Storage Capacity is currently meeting only 5.5 percent of the total demand of 499 million M3. Expansion of water storage capacity is not happening fast enough due to limited private sector players (investors and CSO). Accelerating agricultural and industrial production in the country will require the construction of more water for production facilities as well as ensuring that the already available infrastructure is fully functional and well maintained.

2.2.3 Human Capital Development

100. Over the years, human capital development has been viewed purely as a consumption sector thereby according it low priority in comparison with supposedly productive sectors. It is noteworthy however, that one of the major handicaps to Uganda's social and economic transformation is associated with the inadequacy of its human capital. There is therefore an urgent need for concerted and strategic investment in the country's human resource to turn it into the much needed human capital to drive the planned growth and transformation. The human resource must be healthy, educated and properly skilled. In addition, with increased urbanization, it is important that planning for land use in terms of housing (settlements) for the country's human resources is geared towards boosting human capital development.
101. Human development has been improving over the years though remains low compared to the countries that Uganda benchmarks with, such as Malaysia, South Africa and its neighbour Kenya (Table 2.2). The non-income Human Development

Index (HDI) for Uganda is 0.511 on a scale of 0 to 1. Uganda has over time performed well with non-income measures of human development but there is a reduction of 11 percent in the index, when income is included in the estimation of the level of human development. In regard to income distribution, gender disparities and the quality of education and health, the country is lagging behind its peers as well as inspirers.

Table 2.2: Performance on components of the HDI, 2012/13

HDI rank	Country	Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita (2011 PPP USD)	Human Development Index (HDI) Value	Change in rank
		2013	2013	2012	2012	2013	2012	2012-2013
15	Republic of Korea	0.891	81.5	11.8	17.0	30,345	0.888	1
62	Malaysia	0.773	75.0	9.5	12.7	21,824	0.770	0
63	Mauritius	0.771	73.6	8.5	15.6	16,777	0.769	0
118	South Africa	0.658	56.9	9.9	13.1	11,788	0.654	1
147	Kenya	0.535	61.7	6.3	11.0	2,158	0.531	0
152	Nigeria	0.504	52.5	5.2	9.0	5,353	0.500	1
164	Uganda	0.484	54.5	4.7	10.8	1,335	0.480	0

2.2.3.1 Population

102. Population size and growth Rate: During the period 1969 – 2014, Uganda's population increased by 25.3 million, from 9.5 million in 1969 to 34.9 million in 2014. Between 2002 and 2014, Uganda's population increased by 10.7 million in a period of 12 years, at an average annual growth rate of 3.03 percent, a slight decline from the rate of 3.20 observed between 1991 and 2002. This trend suggests that, the population of Uganda could reach 40.4 million by 2020, and 46.7 by 2025. More than half of the population (52 percent) is female, and due to the country's high fertility rate, estimated at an average of 6.2 children per woman, half of the population is children under the age of 15 years. On the other hand, the proportion of older persons (60 and above), has slightly decreased from 4.6 percent in 2002 to 4.2 percent in 2014. Owing to the high population increase against fixed land, the average population density of Uganda has increased from 48 persons per square kilometres in 1969, 123 in 2002 to 174 in 2014. The dependency ratio has also increased from 110 in 2002 to 124 in 2014.

103. Fertility: Uganda's total fertility rate has generally remained high, at 6.7 in 2006, decreasing slightly to 6.2 in 2011. The reasons for high fertility include early onset of marriage and childbearing, religious and cultural beliefs, and preference for large family sizes as a source of sustenance and social security. According to the 2011 UDHS, nearly a quarter (24%) of young women aged 15-19 years had already begun childbearing. Though modern contraceptive use has increased from 18 percent in 2006 to 26 percent in 2011, it is still too low to cause significant reductions in fertility levels. Nevertheless, the unmet need for family planning, though slightly decreased from 38 percent in 2006, remained high at 34 percent as of 2011.

104. Urban migration: The urban population has overtime increased five-fold from about 600,000 in 1969 to 3 million in 2002. Between 2002 and 2014, the urban population is estimated to have doubled to over 6 million. This growth has been due to both natural population increase and reclassification of some hitherto rural areas which increased urban centres from 75 in 2002 to 194 in 2014, and expansion of geographical areas of some existing ones.

Table 2.3: Key population Indicators

Indicator	1969	1980	1991	2002	2014
Total population (million)	9.5	12.6	16.7	24.2	34.9
Male population (million)	4.8	6.26	8.2	11.8	16.94
Female population (million)	4.7	6.38	8.5	12.4	17.92
Percent 0-4 years	19.3	n.a.	18.9	18.7	
Percent 15-24 years	16.2	n.a.	20.0	19.9	16.6
Percent of females with age 15-49	44.7	n.a.	44.5	43.7	38.7
< 18 (%)	51.4	n.a.	53.8	56.1	56.7
18-30 years (%)	21.7	n.a.	23.6	22.3	18.4
60 years & above	5.8	n.a.	5.0	4.6	4.2
Sex ratio (males per 100 females)	101.9	98.2	96.5	95.3	94.5
Dependency ratio	101.1	n.a.	102.5	110.2	124
Population Density	48	64	85	123	174
Percent urban	6.7	7.4	11.3	12.3	18.4

Source: UBOS

2.2.3.2 Health

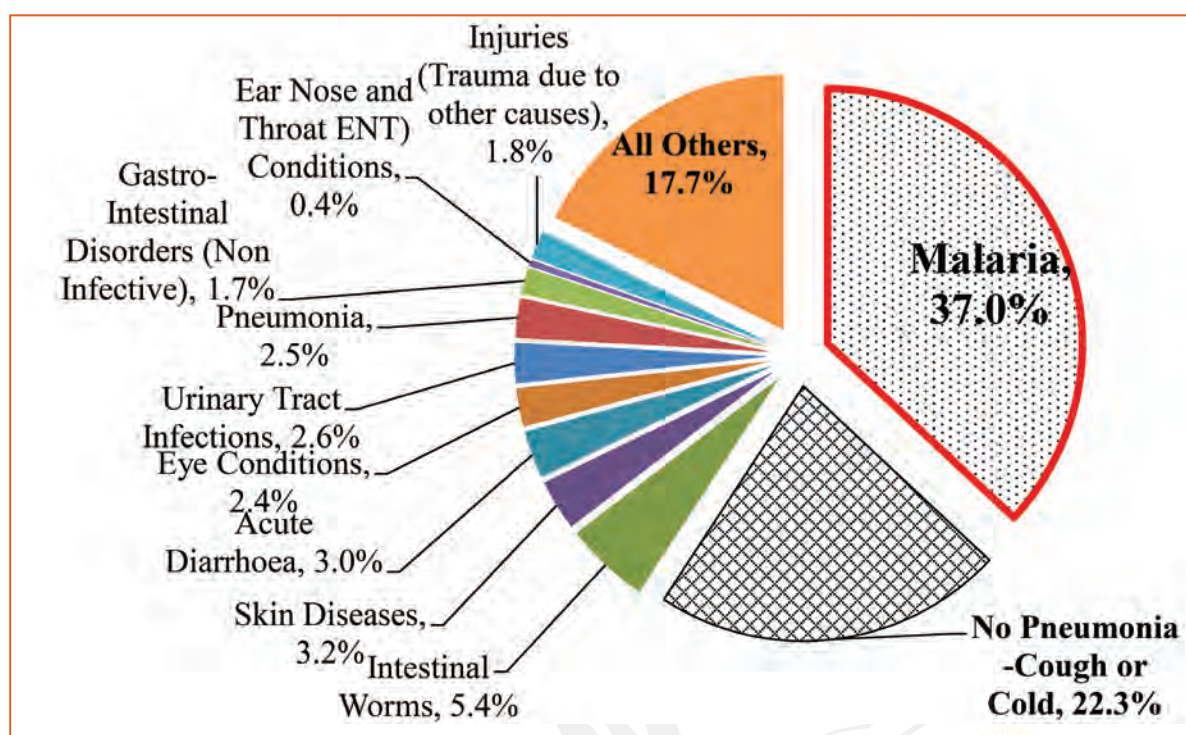
105. Despite the improvements in the health of Uganda's population over the years, the country is still far from the ultimate goal of health for all. One of the biggest drawbacks has been the high fertility that the country has been experiencing which has pushed up and sustained many of the poor health indicators such as maternal mortality ratio, and infant and child mortality rates. In addition, under-nutrition among children below 5 years and women of reproductive age has remained high.

106. Maternal and child health: Trends in health sector performance indicators reveal an improvement over the years. Uganda's under-5 mortality rate has reduced over the years from 152(UDHS, 1995) to 137 in 2006 and to 90/1000 live births (UDHS, 2011).

The Infant Mortality rate in particular has reduced from 85 deaths per 1000 live births in 1995 (UDHS, 1995) to 54 deaths (UDHS 2011), while the Neonatal mortality rate has remained relatively constant at 27 deaths per 1000 live births. While these have reduced over time, the indicators have not met the HSSIP targets of 56, 41 and 23 deaths per 1000 live births respectively. The maternal mortality ratio has reduced from 506 per 100,000 live births (UDHS, 1995) to 435 per 100,000 live births (UDHS, 2006). The trend has however stagnated at 438 per 100,000 live births (UDHS 2011). The major causes of maternal mortality include; haemorrhage (42 percent), obstructed or prolonged labour (22 percent) and complications from abortion (11 percent), compounded with high adolescent pregnancy rate at 24 percent.

107. HIV/AIDS: The HIV/AIDS epidemic has had great impact on the population and the disease burden remains unacceptably high. The HIV prevalence among persons aged 15 to 49 years stands at 7.3 percent (UAIS 2011), and there are disparities among men and women, with that of women being high at 8.3 percent compared to 6.1 percent for men. Overall adult prevalence estimated at 7.3 percent for 15-59 years, an increase in prevalence amongst adolescents i.e. boys 0.3-1.7 percent among 15-19 years, 2.6-3.0 percent for girls and currently, the estimated number of people eligible for antiretroviral treatment (ART) is 1.4 million. Among the youth aged 15 – 24 years of age, only 39.5 percent of the males and 38.1 percent of the female have comprehensive knowledge of HIV/AIDS.
108. However, recent efforts have led to successes, namely; the decrease from 28,000 in 2009 to 8,000 in 2014 (Aids Surveillance Data) in the number of infants born with HIV infection. This is a result of the scaling up of the program for Prevention of Mother to Child Transmission (PMTCT); the number of HIV infected persons put on antiretroviral treatment increased from 438,542 in December 2012 to 588,039 in December, 2013, leading to a significant reduction in AIDS-related deaths and improvement in the quality of life of HIV infected persons. There has also been a 50 percent reduction in new Tuberculosis infections due to scaling up of appropriate diagnostics and availability of anti-TB drugs. However, these gains are threatened by emergence of Multi Drug Resistance TB.
109. Malaria: Uganda is 95 percent malaria endemic with 5 percent being epidemic prone and malaria remains the leading cause of morbidity and mortality in Uganda especially among pregnant women and children. There has been slow progress towards reducing incidents of malaria cases which had a target of 15 percent by end of 2015, despite national efforts such as mass distribution of Long Lasting Insecticide Treated Nets (LLIN), Insecticide Residual Spraying (IRS), use of appropriate diagnostics and effective anti-malarial therapy and integrated community case management.

Figure 2.8: Top ten causes of all age illness, 2008/09 - 2012/13



Source: Data from the Annual Health Sector Performance Report (AHSPR) 2013

110. Malaria and non-pneumonia - cough or cold constitute the major illnesses that keep the population away from the production value chains, contributing 37 percent and 22.3 percent respectively for the last five years as is depicted in Figure 2.8. Recent research findings indicate that Malaria results in a substantial loss in GDP to Uganda, contributing to holding back long-term economic growth, and working against poverty eradication efforts and socioeconomic development of the country. Given the relationship between morbidity and economic growth, Orem, et al., (2012)¹³ indicate that an increase in malaria morbidity by one unit, while holding all other factors constant, per capita GDP decreases by US\$0.00767 per year. On this basis, it is recommended that investments in reducing malaria will contribute significantly to increasing productivity of Uganda's population, and hence, increasing GDP.
111. Non-Communicable diseases: Non-communicable diseases such as high blood pressure, cancers, diabetes, injuries and disabilities, genetic diseases and others are on the increase. While some of these diseases are genetic in nature, majority of them are due to lifestyles. Mental illnesses are on increase mainly due to challenges of urbanization, violence, and alcohol and drug substance abuse. The country has embarked on the first baseline for Non-Communicable Diseases (NCD) survey that intends to determine the burden of disease and the prevalence of risk factors for NCDs. However, the country still has low capacity to manage NCDs especially specialized centres and specialists.

¹³ Juliet Nabyonga Orem¹, Joses Muthuri Kirigia^{2*}, Robert Azairwe¹, Ibrahim Kasirye³ and Oladapo Walker. Impact of malaria morbidity on gross domestic product in Uganda. International Archives of Medicine 2012, 5:12

112. **Integrated Disease Surveillance and Response:** There have been significant improvements in disease outbreak response and disaster preparedness. These include; increased functionality of districts response teams from 71 percent in 2010/2011 to 83 percent in 2012/13 (IDSR 2013) and in response to epidemics from 52 percent in 2010/2011 to 57 percent in 2013. This however, falls short of the targeted 61 percent of HSSIP 2014/15 (MTR, 2013). There are new emerging challenges that are related to climate change, global warming, and urbanization among others that need to be addressed.
113. **Financing Health Services:** The trend in allocation of funds to the health sector shows an average increase of 20 percent per annum in absolute terms over the past four years of HSSIP. However, the allocation to health as percentage of the total Government budget has reduced from 9.6 percent in 2003/2004 (AHSPR, 2013/14) to 8.6 percent in 2014/15 of the total Government budget much lower than the Abuja Declaration target of 15 percent. This decline has taken place in the midst of rising health care demand and costs due to high population growth. As a consequence, the health care financing is largely dependent on financing from the households (43 percent), donors (34 percent) and 23 percent comes from Government and employers (NHA, 2013). The high dependence on financing by the households reduces access and utilization of health services and while dependence on donor funding affects the sustainability of health financing in Uganda.
114. **Human Resources for Health:** The proportion of filled vacancies in the health sector increased from 56 percent in 2009/10 (MTR, 2013) to 68 percent in (HRH Audit, 2014). While this achievement is laudable, there remains significant disparities in staffing between rural and urban settings; and across districts particularly midwives and doctors.
115. **Health Infrastructure:** The population living within 5 kilometres of a health facility as of 2012/13 was 72 percent. In addition, significant challenges remain with an old stock and inadequate infrastructure mainly general hospitals and lower level health facilities. The functionality of some health facilities particularly Health Centre IVs remains sub-optimal largely due to inadequate staff housing and equipment.
116. **Health Management Information System (HMIS):** A major achievement in the health sector has been the migration of the Health information system to DHIS2, a web-based information management system which has been rolled out to all districts. Despite the achievement, more improvements are required in timeliness and completeness of reporting attributed to poor connectivity and power shortages. Other important innovations in e-health geared towards improving data management and the flow of information from health facilities to Central level are m-Trac and e-health solutions targeted to improve information availability for patients.

117. **Medicines, Medical Products, Vaccines and Technologies:** The National policy on medical products and health technologies is Zero tolerance to stock out of Essential Medicines and Health Supplies (EMHS). As a result, the proportion of health facilities without drug stock-outs increased from 43 percent to 53 percent (AHSPR, 2012/13). However, most products and technologies are imported due to a low and immature local manufacturing capacity within the country.

2.2.3.3 Water and Sanitation

118. Safe water coverage in rural areas has improved from 61 percent to 65 percent and sanitation coverage has improved from 51 percent to 70 percent during the period FY2005/06 and FY 2013/14. The low sanitation coverage is attributed to low priority setting among some rural communities and local governments, inappropriate toilet technologies and weak supply and enforcement mechanisms. There have been many efforts to educate the populace and increase the demand for improved sanitation services, but with limited progress. In addition, utilisation of the sanitation services remains a major challenge.
119. Safe water coverage in the large towns stands at 77 percent while piped sewerage is estimated at 6 percent. The rest of the inhabitants rely on on-site sanitation facilities. Safe water coverage in the small towns has significantly increased from 55 percent to 60 percent as a result of completion of new construction works under the Water and Sanitation Development Facilities (WSDFs) arrangements instituted by the Ministry of water and Environment in the last 3 years.

2.2.3.4 Education and Sports

120. **Pre-Primary Education:** The net enrolment at pre-primary level stands at 10.1 percent (EMIS 2013). The provision of pre-primary education continues to be dependent on NGOs, multilateral organizations, and the private sector. This limits access with high disparities between urban and rural areas and among different socio-economic levels. According to MoES/ECD Survey, 60 percent of ECD centres are in the central or eastern region; over 80 percent of ECD centres are privately owned, and out of the financial reach of most Ugandans. The constraints include: inadequate government support; inadequate policy and regulatory framework and lack of qualified providers.
121. **Primary Education:** The implementation of UPE program since 1997 resulted in increased access from 2.5 million to 8.5 million in 2013. The Pupil/Book ratio has stagnated at an average of 4:1 from 2009 to 2013. The student repetition rate reduced from 11.7 percent in 2009 to 10.3 percent in 2013. The pupil teacher ratio has stagnated at 49:1 from 2009 to 2013 at the national level. The gender gap in primary schools has today narrowed to about 1 percent (50.5 percent girls and 49.5 percent boys). The growth of enrolment has increased demand on delivery inputs particularly classrooms, teachers, instructional material and teachers' houses. The national Pupil

Classroom ratio has improved from 68:1 in 2009 to 57:1 in 2013. The subsector challenges include: reduction in the capitation grant from UGX. 8,000 in 1997 to UGX. 6860 per child per annum; shortage of critical infrastructure; high pupil/textbook ratio; high dropout particularly by girls; high head teacher, teacher and pupil absenteeism estimated at 20percent; limited community participation; and rapid population growth estimated at 3.5percent per annum.

122. **Secondary Education Sub-sector:** The Student/Classroom Ratio (SCR) improved from 68:1 in 2009 to 57:1 in 2013 (EMIS 2013). In 2013, Government owned secondary schools were 1,019 (36 percent), private schools were 1,819 (64 percent). Enrolment in Government secondary schools is 669,225 (49 percent) and it is 693,514 (51 percent) in private schools. The introduction of USE program in 2007 increased the transition rate from P7 to S1 by 26 percent from 47 percent in 2007 to 73 percent in 2014, increased access to secondary education by 67.4 percent (814,087 students in 2007 to 1,362,739 students in 2014), reduced the gender gap as the absolute number of girls enrolled in S1 by 265,156 (71 percent) from 370,371 (2007) to 635,527 (2014).
123. As enrolment in UPE remains high, the demand for secondary schooling continues to rise dramatically. The Secondary Education allocation as a percentage of the sector budget has declined from 37percent in 2009/10 to 28.8percent in 2013/14; limited participation of the private sector in rural areas; the number of sub-counties without any form of secondary school has continued to increase; declining/low learning achievements/competencies; and inadequate Laboratory Assistants.
124. **Higher Education:** Total student enrolment in higher education increased by 26percent from 183,985 in 2010 to 232,612 in 2013. Universities continue to enrol the majority (67.3 percent) of post-secondary students (156,747) as of 2013. 60 percent of these are in Public Universities. The private providers cater for the remaining 40 percent. The number of students enrolled in Uganda's tertiary education level, regardless of age, as a percentage of the population of official school age (for the tertiary level) was a mere 5.4 percent (2010). This is far below the Sub-Saharan average of 6 percent and the world average of 26 percent and the preferred 40 percent needed for economic take off. Therefore, Uganda needs more university and college spaces to enrol more students.
125. Despite the increased enrolment in university education, student enrolment in science and technology programs at both private and public universities is still low (about 37 percent) which is below the minimum requirement of 40 percent of students registering in Science and Technology (UNESCO). Public funding to higher education remains at 0.3percent of GDP which is below the recommended share of at least 1percent. The provided funding does not match demand as student numbers are increasing by an annual average of over 10percent. The low staff level at the public universities which stands on average at 33percent of establishment definitely lowers the quality of service delivery.

126. **Teacher, Tutor, Instructor Education and Training (TIET):** There are key constraints affecting effective implementation of the TIET programs including: large catchment areas for coordinating centre tutors hamper effective and efficient teacher support hence a need for remapping; Gross under-funding for TIET institutions; Understaffing is a major problem for both TIET Headquarter Department and Institutions; Fragmented teacher policies and guidelines for Teacher Instructor and Tutors by various legal entities; Lack of competence profiles for ECD teachers, secondary school teachers, BTVET instructors, and Health tutors; Lack of a one-stop centre for teacher information management system, and manually operating a teacher registration and licensing process; No formal course designated for ICT in teacher education curricula; and The rollout of Kiswahili to primary schools and operationalisation of STDMS have remained unfunded priorities.
127. **Physical Education and Sports (PES):** The Education Sector declared PES as a compulsory subject in primary and secondary schools in 2009. This has resulted in: orientation training of 2300 secondary school teachers on handling the basic program of P.E; monitoring 284 secondary schools in 37 districts in implementing the policy of teaching PES; trained primary school teachers on P.E; development and dissemination of guidelines to improve the conduct of P.E in Educational Institutions; restructured primary school competitions in 2010 were more than 2000 primary schools teachers have been trained in kids athletics and ball game skills that has increased participation of children in primary schools national games and sports competitions. The key constraints include: lack of equipment; inadequate qualified personnel and limited funding.
128. **Special Needs Education (SNE):** The enrolment of pupils with special needs in primary schools is 173,767. Of these 92,315 are males and 81,452 are females in the categories of; Autism, Hearing impairment, mental impairment, multiple handicaps and visual impairment.
129. Key constraints in the delivery of SNE in Uganda include: inappropriate national examinations for learners who are deaf; challenges accessing specialized support in higher institutions of learning despite affirmative action; specialized support services (e.g. Sign Language Interpreters, Braille) are required but have not been formalized by Government; unsustainable supply of specialized instruction materials and equipment, which by their nature, are highly specialized; inadequate data collected on learners with special needs; funding for SNE activities is grossly inadequate and is not even clearly earmarked; much of the existing infrastructure in most education and training institutions is defective and disfavours children with SNE.
130. **Inspection:** Inspection of schools remains a challenge. To-date schools are still inspected once a term which is below the minimum of at least three times. The key challenges that government needs to resolve in the next five years include inadequate human resources, poor facilitation and lack of autonomy of the inspection function.

131. Overall, the sector is constrained by the following: low quality of education at all levels due to, shortage of critical infrastructure especially classrooms and sanitation facilities; high pupil/textbook ratio and inadequate supply of non-textbook materials; high dropout rate particularly by girls attributed to many factors including lack of school feeding programs and poor sanitary facilities in primary school; high head teacher, teacher and pupil absenteeism estimated at 20 percent; low completion rates to P7, weak capacity for school inspection; low university student enrolment in science and technology; pressure on the existing dilapidated facilities in public universities resulting in poor quality of service delivery; low unit cost of private students enrolled in public universities.

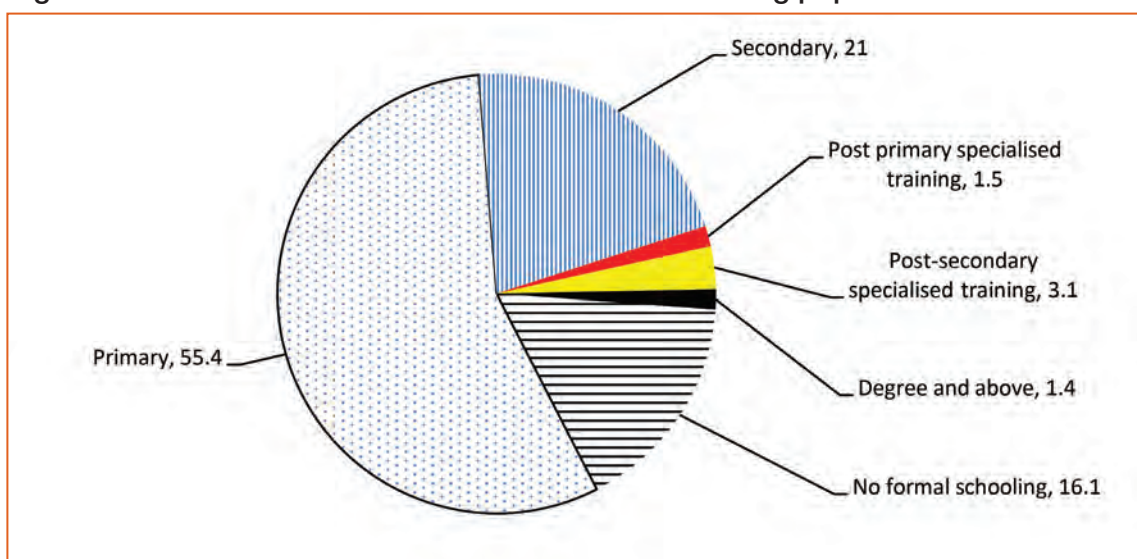
2.2.3.5 Science, Technology and Innovation

132. Over time a number of Research and Development (R&D) products have been developed in the clusters of appropriate technologies, banana value chain, crop breeding and disease control, malaria and livestock diseases control and ICT among others. The Uganda National Council of Science and Technology has supported various universities and research institutions to train scientists and engineers, develop research capacities and undertake cutting edge research. This has led to some modest development of the STI human resources capacity with the R&D personnel capacity increasing by 6.7 percent between 2010 and 2012. Besides, government has also increased the proportion of sponsorship to science-based courses at tertiary levels to 75 percent and created 3 science-based universities in the country. In setting the foundation for increased enrolment in science-based programs Government made science subjects compulsory in lower secondary.

133. Other key achievements include: the formulation of S&T policies such as the National Information and Communication Technology (NICT) Policy (2003); the National Biotechnology and Bio-safety Policy (2008); and the Science, Technology and Innovation (STI) Policy (2009); established Government of Uganda scientific innovations and value addition and value addition funding support mechanism, the Presidential Support to Scientists, with an annual allocation of UGX8 billion to support scientists in the development and commercialization of local innovations; establishment and nurturing of a number of S&T institutions and enterprises¹⁴; establishment of a world class research oversight and regulatory system at the UNCST; and forging of international partnership for scientific and technological development .

134. However, the proportion of R & D funding as a percentage of GDP is still low; averaging at 0.5 percent compared to the African Union recommended level of 1 percent for African countries. The bulk of the R&D funding in Uganda goes towards applied research which stands at UGX44.8 billion attracting 5 times more funding than

¹⁴ Such as the Appropriate Technology Policy Network (ATPN) Uganda Chapter; Uganda National Academy of Sciences (UNAS); Nabweru, Nakaseke and Buwama Community Telecentres; Uganda Society of Professional Chemists; and Uganda Science Journalists Association. The telecentre at Buwama has since been upgraded into an FM Radio Station and it is broadcasting at 103.3 FM and covers the areas of Buwama, Nkozi, Butambala, Gomba, Kalungu, Mpigi, Masaka, and other nearby districts.

Figure 2.9: Education and skills status of the total working population

Data Source: UNHS 2012/2013

basic research. Most of the funds for applied research finance agricultural sciences in NARO and engineering and technology in Uganda Industrial Research Institute; with medical sciences accounting for only 2.3 percent. Additionally, there is slow technology adoption and diffusion in the country coupled with a weak legal framework that supports innovation.

135. To enhance the sector's contribution to wealth creation and employment, there is need to address the challenges of low technology adoption and diffusion in the development process, the inadequate R&D facilitation, the poor coordination and guidance of research and development in Uganda and the weak legal and regulatory framework to respond to STI.

2.2.3.6 Skills Development

136. While some progress has been made towards skilling the Ugandan labour force, the economy still faces substantial skills gaps in key sectors of the economy as indicated in Figure 2.9. Over the last five years, progress has been made mainly in formal areas of Business, Technical, Vocational Education and Training (BTVET), registering a 73 percent increase in enrolment from 24,598 in 2009 to 42,674 in 2013, of which 28,024 (66 percent) are males and 14,650 (34 percent) females. However, the number of vacancies available in BTVET institutions compared to demand from primary and S1-S4 leavers still falls short by 60 percent. In regard to the informal sector, which from anecdotal evidence provides the biggest number of people at the lower skills level, not much progress has been registered in terms of standardization, quality and certification.

137. Since their establishment, the Uganda BTVET sector Examinations Boards, including:

Uganda Business and Technical Examinations Board (UBTEB), Uganda Allied Health Examinations Board (UAHEB) and Uganda Nurses and Midwives Examinations Board (UNMEB), have put in place an enabling environment through provision of uniform assessment tools and other manuals necessary for enhancement of skills development. All efforts have been made to standardize qualifications in the various fields of vocational education and training following the principles of Competence Based Education and Training (CBET).

138. The Boards have continued to conduct quality applied knowledge and skills Examinations with an ultimate goal of enabling the students to access further upward academic progression and being self-employed or getting employment in the world of work. This form of assessment creates easy accessibility to flexibility in learning and easy skills acquisition.
139. At higher education level, total enrolment increased by 18 percent from 169,476 in 2009 to 201,376 in 2013 with significant increase in female enrolment. Universities continue to enrol the majority of the post-secondary students (67.5 percent university enrolment against 32.5 percent at other tertiary institutions in 2006). Despite this increase, majority of the graduates from universities and other higher institutions of learning do not have the practical skills required in the job market. This is largely attributed to inappropriate curricula in these institutions and lack of linkage between the training institutions and potential employers.
140. Figure 2.9 indicates that 71.5 percent of Uganda's working population have either primary or no formal education, with only 21 percent attaining secondary level training and 4.6 percent having specialized skills training. The figure further indicates that only 1.4 percent of the total working population have attained a degree or higher training.

2.2.3.7 Maternal and Child Under-nutrition

141. Uganda faces various nutrition challenges. In Uganda today, 33 percent of children under the age of 5 are stunted (too short for their age) and almost half (49 percent) suffer from anaemia, according to the 2011 Uganda Demographic and Health Survey. Stunting (or low height for age) decreased by 5 percentage points from 2006 to 2011 but, even with this progress, more than 2 million children in Uganda are stunted. Thirty-three percent of children under 5 years of age in Uganda were vitamin A deficient, while 49 percent of children under 5, 31 percent of pregnant women, and 22 percent of non-pregnant women suffered from anaemia. Adolescent girls in Uganda were the most malnourished group among women of reproductive age, and 10 percent of all births in Uganda were low birth weight, despite national efforts to address the causes of malnutrition.

2.2.3.8 Lands and Housing

142. A crucial aspect of the strategy for realizing the Uganda Vision 2040 is the integration of the land sector function in national economic planning and development decision making. Given the fundamental nature of transparent rights of land ownership and improved tenure for all categories of land ownership, the following have to be sustained: easy access to land for productive investments, progress towards the harmonization of land sector institutions, policy, legal and regulatory framework for land management, modernization of land services delivery, land information and valuation systems and supporting infrastructure for planning and decision making.
143. The land tenure system raises concerns regarding the acquisition of land for construction of public infrastructure and urban development projects. There are four (4) land tenure systems in Uganda: Customary, Freehold, Mailo and leasehold tenure systems. Customary land tenure is by far the most common, accounting for about 80 percent of the total land available. Land held under the customary tenure system is largely untitled. Due to the high cost of land in the urban areas, it is a challenge acquiring land for urban infrastructure projects using limited urban council budgets is a big challenge. It is also a challenge to acquire land for public investments in areas where either the land is owned under customary law or owned by a large number of small holder farmers is also a challenge.
144. Development will depend on the Land Sector removing land tenure constraints and targeting services to priority areas. Secure rights to land enables land holders to plan and invest for the future and the confidence to consider wider livelihood options (including urban migration and livelihood diversification). Security of land access and use is therefore an important and always necessary pre-condition for the expansion of production and diversification of economic opportunity. In the case of customary land holding or in cases where people holding land under other tenure systems are unwilling to sell, massive sensitization programmes and negotiations will be promoted to ensure that the interests of all parties are duly protected. In order to promote a culture of trust and fair play, land tribunals will be activated to provide redress for people or organizations that might feel aggrieved in land matters.
145. Land management in Uganda faces a number of challenges. The main ones include: the increasing landlessness and land poverty as illustrated by the increasing numbers of people either encroaching on protected land or living in high risk areas; waste and abuse of government and former public lands; underutilization and scrambling over communal lands; discrimination of women and youth in accessing land; underutilization of land owned by cultural and religious institutions; inadequate land administration services especially land dispute resolution, valuation and land use planning; poorly functioning land sales and rental markets; and poor urban planning and proliferation of informal settlements and slums.

146. Government will, in addition to providing highly reliable land information, ensure the land market operates formally and uniformly throughout the country. Government will, as much as possible, ensure that land acquisition is driven purely by market forces, within the framework of the zoning laws and with minimum distortion. With only 20 percent of the land formally demarcated and registered, one of the cornerstone activities under NDPII is to embark on a nationwide systematic land demarcation and survey program that will formally title the remaining 80 percent of the land, mostly under customary tenure system by the end of the Vision period.
147. As of 2012, there were 6.82 million households living in 6.2 million housing units with an average household size of 5.0 persons. Most houses are owned by men due to the disparity in the incomes of men and women, although family houses are by law considered matrimonial property. The annual need for new housing for the entire country is estimated at 200,000 housing units of which 135,000 are rural and 65,000 in urban areas resulting from the population growth of 3.4 percent per annual and 5.2 percent urbanization rate. The estimated construction rate of reasonably good houses is estimated at 40,000 housing units in the rural areas and 20,000 urban areas. This will create a deficit of 135,000 houses nationally of which 95,000 are in rural areas and 45,000 in urban areas. In line with the projected fertility decline, Uganda will need about 12.6 million new housing units in the next thirty years. This means that Government in partnership with the private sector will invest in constructing appropriate housing estates in planned urban and rural areas to provide decent urban settlements.
148. In terms of household facilities, the UNHS 2009/10 indicates that the majority in Uganda still use rudimental facilities. The “Tadooba” remains the most commonly used source of lighting used in 66 percent of households with only 12 percent using electricity. As regards to cooking facilities, nearly all households (95 per cent) still use wood fuels (wood and charcoal) as a main source of fuel. As of 2010, 86 percent of the households in Uganda still used a pit latrine. The Majority of households (82 per cent) use toilets that do not have hand washing facilities while only 8 percent have hand washing facilities with water and soap.

2.2.4 Physical Planning and Urban Development

149. The Physical Planning function entails implementation of the Spatial Frameworks for arrangement and organization of socio-economic activities on land at the National, Regional, District, Municipality and other local levels to achieve optimal use of land and sustainable development. Physical planning is therefore a major vehicle for streamlining the country’s Vision and Spatial Framework. Urbanization plays a key role in the development process. Highly urbanized countries such as Malaysia, Singapore and China have attained high levels of urbanization through integrated physical planning and investment which has led to establishment of commercial

and industrial functional zones. These zones have attracted populations and in the process relieved pressure on the available land for other economic activities such as commercial agriculture.

150. The country lacks a National Physical Development Plan. In addition the existing Sectoral and Local Government social and economic development plans are not yet harmonized with Physical Plans. The extensive sprawling nature of settlements is reducing land available for agriculture, especially in more populated areas. There is a need to plan and build more concentrated urban settlements.
151. Uganda's annual urban growth rate of 5.2 percent is among the highest in the world and therefore needs urgent attention. However, the level of planned urbanization is still low in most regions of Uganda ranging between 7 percent and 14.5 percent. The urban population can be attributed to the creation of districts, rural urban migration, and natural growth among others. The urbanization process in Uganda is characterized by uncoordinated planning and development leading to unrestricted sprawling of the major towns.
152. The rapid increase in urban population is not matched with adequate physical plan preparation or implementation or growth and development of basic infrastructure, housing, and social amenities. This has led to overcrowding, traffic congestion, growth of slums and informal settlements, dilapidated housing, and poor sanitation. Most urban dwellers do not have stable sources of income and the level of urban unemployment is quite high. Also, there is no policy framework guiding urban development although Government is in the final stages of formulating a National Urban Policy.
153. To enhance the sector's contribution to the delivery of the plan, a planned urbanization policy will be pursued to bring about better urban systems that enhance productivity, liveability and sustainability while releasing land for commercial agriculture.

2.2.4.1 The Greater Kampala Metropolitan Area (GKMA)

154. Kampala, the capital city of Uganda, has grown four times since 1980s in structure and shape at a pace faster than its planning and structure re-adjustments. A city that had been estimated to host 300,000 at the maximum is now home to almost 2 million people. The rapid growth in the physical developments as well as in its population since early 1980s has caused Kampala to spread: east towards Mukono, west towards Entebbe, north towards Luwero, Wakiso and north-west towards Mpigi.
155. This unplanned rapid horizontal city development has caused structural and socio-economic challenges for the greater Kampala including: poor land tenure system; low levels of physical planning; lack of an integrated transport system; challenges related to environmental management; development of slums and unplanned settlements,

spiralling urban poverty exacerbated by high unemployment levels; poor infrastructure for markets, water and health service systems and housing; and severe challenges of crime, crowding, congestion and pollution.

156. The challenges affect wider areas that surround the city including Wakiso and its Town Councils; Jinja and Jinja Municipality; Mukono and Mukono Municipality; Entebbe Municipality as well as Mpigi. The overconcentration of development in Kampala has led to a primacy putting enormous pressure on the overall functioning of the city itself compared to other urban settlements across the country.
157. In 2010, Government created the Kampala Capital City Authority (KCCA) as a central government agency with overall responsibility to streamline operations and improve service delivery in the city. Over time, it has become apparent that the development challenges of Kampala cannot be resolved by KCCA alone. Thus in 2013, Cabinet approved the Greater Kampala Metropolitan Area (GKMA) Development Framework 2040 that provided the new boundaries and its associated maps. Greater Kampala spreads over an area of up to 839 sq kilometres. The framework also includes various physical, spatial, environmental, ecological, socio-economic and other plans designed under a Capital Investments Planning (CIP) modular that define intended micro and macro projects for the development of the greater Kampala.

2.2.5 Governance

158. Economic development and transformation cannot thrive if citizens and investors have no confidence in the rule of law and the justice system. The rule of law regulates economic activity, defines and affirms rights and obligations, therefore clarifying for investors the laws and institutional environment for doing business.
159. Good governance provides a setting for the equitable distribution of benefits from economic growth. The Constitution requires that the State promotes balanced development for all regions of the country, between rural and urban areas. It also requires the State to take special measures to develop Uganda's least developed areas and to pay special attention to the problems of the marginalized¹⁵. More equal income distribution stimulates consumption by the majority of the population and therefore raises productivity and results in sustainable growth. The fight against corruption is particularly important in regard to the reduction of poverty and inequality. Corruption impacts the poorest sections of society disproportionately, and generally benefits those already in positions of power and authority. Without reducing corruption and improving accountability, all other development goals could be severely compromised, including the economic growth and infrastructure aspects of the NDP.

¹⁵ Uganda Constitution, Objective XII of the National Objectives and Directives Principles of State Policy

160. Governance comprises Public Sector Management, Public Administration, the Legislature and Accountability Sector (LAS), Justice Law and Order Sectors (JLOS), as well as Defence and Security.

2.2.5.1 Public Sector Management

161. In the last five years, progress has been registered in public sector reforms and improved coordination including: the roll out of performance contracts for top civil servants and Heads of Departments; operationalisation of Integrated Public Payroll System (IPPS) across MDAs and LGs; identification of capacity gaps and technical guidance to District Service Commissions (DSCs) by the Public Service Commission; the National Government Evaluation Facility; output based budgeting which enabled MDAs and LGs to plan and budget against the provision of products and services, and quarterly reporting on spending and progress towards stated output targets as a basis for the next financial releases. This has been strengthened by the introduction of bi-annual Government performance assessment and reporting to Cabinet by the Office of the Prime Minister to provide timely information for decision making. The Budget Monitoring and Accountability Unit (BMAU), established in 2008, regularly tracks implementation of Government programmes and execution of budgets.
162. In addition, progress has been made in the implementation of the pillars of the EAC regional integration process. Trade facilitation initiatives under the EAC Customs Union have been strengthened with the completion of the One-Stop Border Post (OSBT) at the country's EAC border posts, the Cargo tracking system and reduction of Non-Tariff Barriers have eased the flow of goods resulting in reduction of clearing time by about 9hrs and also the SMS NTB reporting system to monitor NTBs is being implemented. Under the Common Market Protocol (CMP), initiatives have been undertaken to facilitate the free movement of capital, labour, services and goods. These include; implementation of an EAC payment system, removal of workers permits, and ratification of the Sanitary and Phyto-sanitary Protocol to effectively regulate trade in agricultural products. The Country had also ratified the EAC Monetary Protocol to facilitate trade by removing foreign exchange transactions across borders for competitiveness. Fast tracking the process of amendment of laws will be necessary for effective implementation of these protocols. Consultations on the road map of drafting the EAC Federal Constitution and the model Structure of the Political Federation were also started.
163. The sector is leading regional affirmative programmes for development in regions of Northern and Eastern Uganda as an incentive to peace and an alternative income source. This has been done in order to promote food security, and enhance the well-being and livelihoods of persons in disaster stricken and former conflict affected areas. The Government has implemented a number of special programmes targeting conflict stricken areas of Uganda, as discussed in the section 2.4.1.

164. Natural disasters lowered the performance of the GDP by an average of 3.5 percent between 2010 and 2014 and their impact was equivalent to 7.5 percent of the GDP in 2011 (World Bank-GoU: Uganda Rainfall Deficit 2010¹⁶). The value of disaster damages and losses in 2010 and 2011 was UGX2.8 trillion or USD 1.2 billion (World Bank-GoU) and the estimated recovery and reconstruction needs was estimated at UGX423.9 billion or USD 173 million. The major natural and human-induced disasters include drought, flooding, severe storms, famine, landslides, earthquakes, wild fires and lightning, conflicts and wars, accidents, terrorism, and environmental degradation. In May 2014, the flooding of rivers Mubuku, Nyamwamba and Nyamugasani in Kasese District caused the closure of Kilembe Hospital and many schools. Efforts have been made towards building the country's resilience to natural disasters namely: District Disaster Management Committees have been established and trained; food security has been promoted to enhance the wellbeing and livelihood of persons in disaster stricken areas. Positive strides have also been made towards the resettlement and repatriation of refugees.
165. The sector however, is still constrained by: weaknesses in policy making; capacity limitations in the coordination function; inadequate alignment of the sector and district plans to the NDP; weaknesses in data quality; weaknesses in service delivery in special programmes by the districts; limitations in regional planning; limited citizen participation and engagement in policy processes; and high cost of doing business. In addition, there is inadequate funding and fiscal decentralization; poor infrastructure (offices and transport facilities); inadequate staffing levels; unplanned urban development; and slow implementation of EAC integration in LGs. Other sector constraints include: ineffective implementation of a number of public service reforms; corruption; weaknesses in service delivery; lack of retention of highly skilled professionals, compounded by weak management, poor work environment, low motivation and remuneration; inability to retain personnel in hard to reach areas; and low adoption of ICT.
166. There is need to strengthen the policy, legal and regulatory frameworks; rationalize institutional structures and systems; right-size public administration; strengthen civil society and civic participation; build data and information systems; improve service delivery standard and quality infrastructure; eliminate instructional and mandate overlaps; broaden social protection and support systems; strengthen decentralization and improve overall government effectiveness in the execution and implementation of government programmes.

2.2.5.2 Public Administration

167. Over the past five years there has been increased deepening of democracy throughout the country including: enhanced institutional credibility of democratic institutions such as the electoral commission to conduct free and fair general and by-elections;

¹⁶ Uganda: The 2010-2011 Integrated Rainfall Variability Impacts, Needs Assessment and Drought Risk Management Strategy

and increased civic participation in democracy related activities. Uganda ranked in second position after Tanzania in the East African region in terms of deepening democratic governance. In the Economist Intelligence Unit's (EIU) Democracy Index 2012, Uganda was ranked 94th out of 167 countries, with an overall score of 5.16 points between 2006 and 2012. Of the 40 countries whose democracy systems had improved in Africa, Uganda ranked 19th.

168. A general improvement in Uganda's governance system was also indicated in the Mo Ibrahim Index of African Governance 2013, ranking in the 18th position out of the 52 African States from 20th in 2011. This improvement raises Uganda's image and eligibility for cooperation and support from Development Partners such as the World Bank and African Development Bank.
169. Several regional and international engagements were undertaken to enhance Uganda's relationship with its neighbours and other countries outside the region. In 2010/11, over 400 resolutions and agreements were initiated, negotiated and concluded between Uganda and other countries. These agreements were estimated to be worth over UGX 588.2 billion in inward direct investments from countries such as; Sri-Lanka, China, Kuwait, Russia, Denmark, the Netherlands and a few countries in the Middle East. This trend is a reflection of an increase in Uganda's competitiveness and attractiveness as a trade and investment destination. Promotion of regional and international relations enhanced Uganda's image abroad and reduced the security risk at the national and regional level which sustained the country's attractiveness for continued growth, productivity and development. Promotion of trade, tourism and inward direct investment enabled an increase in the country's foreign inflows, and foreign direct investments.
170. In 2012/13, an additional 14,473 visas were issued by the sector enabling an increase in the number of visitor arrivals in support of tourism and investment. This confirms the underlying continued growth in demand for tourism opportunities between Uganda and other countries, especially within the African Region.
171. Despite the marked progress in sector performance, some challenges persist including: low citizen involvement in national governance processes due to low awareness of citizen rights and the low level of patriotism; and lack of effective sector M&E systems to monitor key Government policies, programmes and projects. In addition, missions abroad are unable to effectively promote and market Uganda's image and untapped tourism, trade and investment potential due to the inadequacy of staff skills especially in Diplomacy and International Affairs and funding.
172. There is need to: strengthen policy development and M&E systems; attract investment and identify markets; attract cooperation assistance and contributions from the Diaspora; strengthen the capacity of Uganda's missions abroad to promote tourism, trade and investment; and strengthen citizen participation in development and electoral processes.

2.2.5.3 Legislature and Accountability

173. The Government of Uganda has adopted the ‘Zero Tolerance’ to Corruption Policy (2009). The policy recognizes that fighting corruption requires measures beyond legislation and sanctions against corruption. It also requires restoring public sector ethics and creating behavioural change. The National Anti-Corruption Strategy (NACS) stipulates a planning framework to make a significant impact on building the quality of accountability and reducing the levels of corruption in Uganda. There are general anti-corruption laws including the Anti-Corruption Act, 2009, the Inspectorate of Government Act, 2002, the Public Finance and Accountability Act, 2003, the Leadership Code Act, 2002, Whistle Blowers Act, 2010, the Public Procurement and Disposal of Public Assets Act, 2003, Budget Act, 2003, Access to Information Act, 2005, the Audit Act, 2008. These laws are the heart of the national legal framework that is relevant for the fight against corruption.
174. With improved press freedom, the media has been instrumental in exposing misappropriation of public resources, abuse of office, inadequacies in service delivery hence promoting accountability, transparency and good governance. However, the media still faces a number of challenges resulting mainly from the existing capacity gaps which have constrained its ability to adequately execute its oversight function.
175. International surveys and nationally representative data indicate that corruption in Uganda remains a major problem. The East African Bribery Index (EABI, 2013) found that 82 percent of respondents in Uganda described the current level of corruption as high, while 10 percent perceived it to be medium (Transparency International, 2013). This is consistent with the findings of National Governance Baseline Survey (NGBS) by Uganda Bureau of Statistics, 2013 that indicated that 83 percent of respondents believed that corruption is entrenched in the society and is a very serious problem.
176. The existing policy, legal and regulatory framework is still inadequate, for example, the absence of Leadership Code Tribunal, corporate status and legal regime for asset recovery. There is also weak co-ordination and collaboration among anti-corruption agencies including the delayed discussion and adoption of audit reports by Parliament (audit report backlog goes as far back as far as FY 2005/06). The government bureaucracy is characterized by lack of motivation and unnecessary delays; for example, to start a business, a company has to pass through 15 procedures that take 33 days and cost 76.7 percent of income per capita. The Private Sector Foundation Uganda (PSFU)¹⁷ notes that Uganda has the highest investment and business operating cost regime within the EAC region. Similar findings are echoed by the Global Competitiveness Index (GCI) which measures the micro and macro-economic foundations of national competitiveness. There is inadequate staffing of key government institutions, particularly at the local government level as low as 53 percent of the approved structure.

¹⁷ PSFU Private Sector Platform for Action, March 2012

177. Although the sector has greatly improved the fight against corruption, there is need to strengthen the capacity of the various institutions to effectively fulfil their mandates; improve compliance with accountability rules and regulations; and provide effective parliamentary oversight, legislation, and national budget scrutiny.

2.2.5.4 Justice, Law and Order

178. The Justice Law and Order Sector registered successes in areas of: law reform, as evidenced by the significant improvements in the enactment of laws and regulations in commercial, land, criminal and family justice; institutional efficiency leading to increased responsiveness to user needs as well as improving the regulatory environment for doing business; increased disposal of cases which has reduced average length of stay on remand to under one year for capital offenders; expansion and de-concentration of JLOS Service Points to reach out to specific groups with limited access to justice as well as hard to reach areas such as Karamoja; and strengthened processes to address corruption and human rights violations.
179. Improvements in the legal, policy and regulatory framework in the previous SDPs have seen the enactment of over 20 bills into law; formulation of regulations and creation of semi-autonomous and one stop units for business dispute resolution. These include the Uganda Registration Services Bureau (URSB); Directorate of Citizenship and Immigration Control and the Centre for Arbitration and Dispute Resolution (CADER) among others.
180. According to the global competitiveness report 2012-13, Uganda was ranked 49th out of 144 countries from 54th in 2011/12 as having an efficient legal framework for settling disputes with a score of 4.1 out of 7 as indicated in Figure 2.10. The country is also ranked 59th in regard to the efficiency of the legal framework in challenging regulation with a score of 3.9 out of 7 in 2012/13 from 3.8 in 2011/12, compared to Tanzania and Kenya that take position 70 and 69 respectively. According to the JLOS baseline survey 2012 public confidence in the enforcement of existing laws stands at 29 percent, use of Alternative Dispute Resolution (ADR) generally is at 80 percent but only 26 percent of the cases in courts and tribunals are resolved through ADR while the target population with access to updated laws stands at 52.6 percent.
181. Access to JLOS services has significantly increased. About 70 percent can now traverse shorter distances to access JLOS services, with corresponding reductions in the lead times for conducting business searches and registration of documents. Similarly, the ease of accessing travel permits improved from 34 days in 2000 to 10 days in 2013 for passports and from 3 months to 21 days for work permits. The Governmental Analytical Laboratory under the Ministry of Internal Affairs improved its service time from an average of 6 months in 2005/6 to 3 months in 2014. The URSB is currently understudying the possibility of providing services on line.

Figure 2.10: Global competitiveness Report Ranking on efficient legal framework for settling disputes



Source: Global Competitiveness Report 2012-13

Table 2.4: Disposal rate of cases in High Court Divisions

Row Labels	Brought Forward	Registered	Completed	Case disposal rate (%)	Pending
Anti-corruption	264	376	360	96	280
Commercial	1,585	2,273	1,705	75	2,153
Criminal	60,558	80,352	75,934	95	64,976
Civil	51,146	24,882	20,374	82	55,654
Executions	1,985	2,474	1,359	55	3,100
Family	15,503	12,790	10,847	85	17,446
Land	8,719	7,446	5,788	78	20,377
International crimes	6	-	-		6
Grand Total	149,766	130,593	116,367		163,992

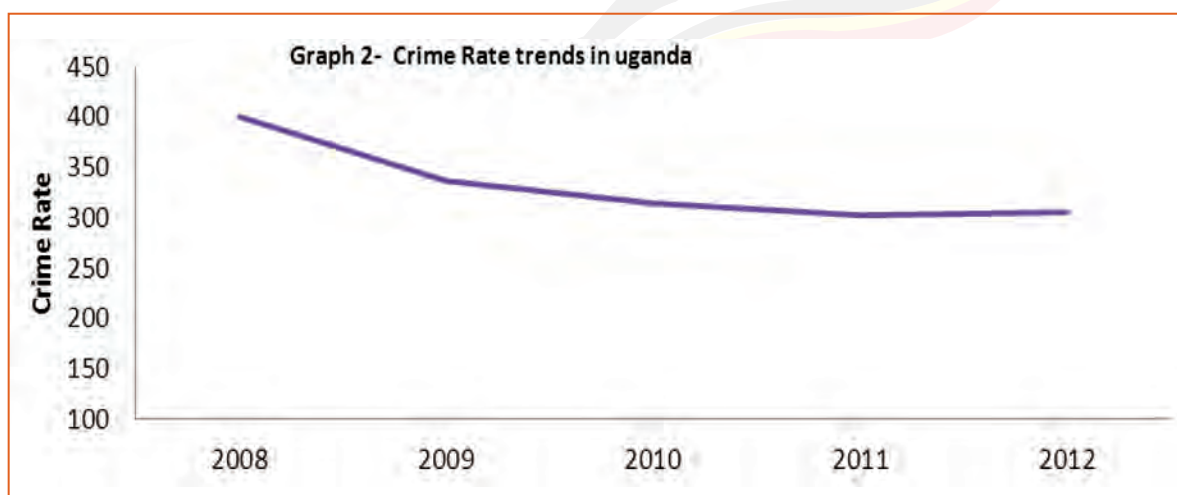
Source: JLOS Annual Report

182. With emphasis on the promotion of alternative dispute resolution mechanisms, the cost of accessing JLOS services has reduced. In the Commercial Division of the High Court, a mediation registry was established leading to the reduction of case backlog from 44 percent in 2009 to 28 percent in 2013. The establishment of the Land and Family Divisions at the High Court has increased the case disposal rates from 30.7 percent for commercial cases in 2007/8 to 75 percent in 2012/13 (Table 2.4).

183. The observance of human rights in the provision of JLOS services has greatly improved. Through JLOS interventions, Uganda Prisons Services for the first time in 10 years reversed the proportion of remand to convict population from 62:38 in 2003 to 53:47 in 2013. The average length of stay on remand for minor offenders reduced from 15 months in 2003/4 to 3 months and for capital offenders from 30 months in 2005 to 11.4 months in 2013. Human rights violations in prisons decreased with improvements in prisoner access to education, health services, improved diets, complaints mechanisms and a 22.4 percent overall increase in prison physical holding capacity. The sector also registered progress in improving personal safety and security of property. The incidence of crime reduced from 400 to under 300 for every 100,000 in 2013 as is depicted in Figure 2.11. The Police to population ratio improved from 1:1,734 in 2005 to 1:754 in 2012. There is now a police post in 95 percent of the sub-counties with the police strength standing at over 43,000 in 2013 compared to 15,000 in 2003.

184. Despite the above achievements, the sector was constrained by: institutional barriers to access JLOS Services; low levels of JLOS service delivery and institutional productivity; limited coordination between JLOS and other sectors thus affecting service delivery; poor staff welfare; corruption; limited infrastructure; and slow implementation and fulfilment of international and regional human rights obligations.

Figure 2.11: Crime Rate Trends



Source: JLOS Secretariat

185. There is need to: improve the legal, policy and regulatory environment that is conducive for doing business to create wealth and employment; enhance access to JLOS services particularly for vulnerable persons; promote human rights in order to ensure accountability, inclusive growth and competitiveness in Uganda; and fight corruption in order to strengthen Uganda's competitiveness for wealth creation and inclusive growth.

2.2.5.5 Defence and Security

186. Overall, the security situation in the country has remained stable. The sector's capabilities were improved, particularly, in the areas of equipment, training, capacity building, re-organisation of the Reserve Force, logistic support and management. New skills were integrated through targeted recruitment, training and retraining and efforts to instil work ethics, values and etiquette across the sector are being systematically imparted to change mind-sets of staff and increase productivity. In addition, defence alliances and diplomacy was strengthened and through these efforts the sector was situated as a key driver to regional stability and integration. The cooperation among the regional defence and security sectors improved the strategic and operational responses in dealing with global terrorism and cross-cutting national threats, like transnational border crimes, cattle rustling, money laundering, smuggling and Human Trafficking. The Ministry of Defence acquired former Lugazi University with an aim of turning it into a centre of excellence for research and development (R&D).
187. Despite the above achievements, the sector was constrained by: inadequate funding for the key sector projects and programmes leading to non-performance on some of the sector priorities. For instance, the External Security Organisation (ESO) and Internal Security Organisation (ISO) have had stagnant MTEFs for a number of years, timely retirement is not done, and procurement of domestic arrears is increasing; increasing threats to national security; weak institutional, legal and policy frameworks; natural and man-made calamities which are beyond the capacity of local authorities; retention of personnel due to poor terms and conditions of service and working environment; and lack of patriotism, including negative attitudes and mind-sets. In addition, there are still capability gaps across the sector that will have to be bridged in a more gradual manner.
188. There is need for continued professionalization and modernization of the sector; institutionalization of the reserve forces; clearance of backlog of retirement arrears and regularisation of retirement; enhancing sector welfare, including accommodation and medicare; and strengthening and institutionalization of Sector R&D in collaboration with national and regional East Africa Community (EAC) frameworks.

2.3 Wealth Creation

189. While economic growth has improved over the years and absolute poverty reduced to 19.7 percent, this growth has not generated the momentum needed to transform Uganda's economy at the pace anticipated in Uganda Vision 2040. The average growth rate (5.5 percent) of NDPI was far below the anticipated rate of 7.2 percent. The low growth rates have affected the rate of wealth creation. This is further explained by the low investments in key growth opportunities that can lead to the rapid accumulation of wealth at all levels.

2.3.1 Agriculture

190. Agriculture remains the backbone of Uganda's economy. In 2012/13, the sector accounted for 25.3 percent of the country's GDP up from 24.7 percent in 2010/11. The contribution of the sector to GDP in 2013/14 using current prices stands at 24.8 percent. It employs about 72 percent of the total labour force (including disguised labour), 77 percent of whom are women, and 63 percent are youth most of whom reside in the rural areas. Its contribution to total goods export earnings in 2012/13 was 40 percent. Over the NDPI period, the sector has registered sluggish growth (Table 2.5).

Table 2.5: Real GDP growth for Agriculture Sector

	2010/11	2011/12	2012/13	2013/14
Agriculture Sector GDP	1.00	0.68	1.13	1.33
Cash crops	-1.25	6.93	3.05	2.92
Food crops	0.58	-1.44	0.17	1.68
Livestock	2.49	2.37	2.96	2.92
Forestry	2.32	2.79	1.74	1.94
Fishing	1.49	1.60	2.18	-4.51

Source: Background to the budget by MFPED, 2014/15

191. The sector is dominated by food crops, forestry and livestock production accounting for 51.6 percent, 18.2 and 17.8 percent respectively. In addition, cash crops accounted for 7.2 percent, fishing 5.1 percent and agriculture support services accounted for 0.1 percent of the sector gross value added in 2013/14. The country is one of the leading producers of coffee, tea, cotton, cereals, bananas, livestock and fish products in the world. There exist enormous opportunities for agro-processing to increase the benefits from the sector which the country has not fully harnessed.

192. Agricultural production is mainly dominated by smallholder farmers engaged in food and cash crops, horticulture, fishing and livestock farming. Farmers that are categorised as subsistence are estimated to deliver between 75–80 percent of the total agricultural output and marketed agricultural produce. Smallholder/enterprises, commercial farmers and estate operators are about 15 percent, 3 percent and 0.5 percent of farmers respectively.

193. Despite the importance of agriculture in the economy, the sector's performance in recent years in terms of production and productivity, food and nutrition security has not been satisfactory mainly due to: slow technological innovations and adoption particularly amongst women farmers despite being the majority labour force; poor management of pests and diseases; limited access to land and agricultural finance that disproportionately affects women and youth farmers; a weak agricultural extension system, with access to extension services lowest among women, as well as over dependency on rain-fed agriculture. The majority of the women farmers lack

ownership and control over land (28 percent of women own agriculture land compared to 72 percent of men)¹⁸.

194. In addition, there are connectivity problems between the production areas and final markets leading to high transportation costs that reduce agricultural profit margins. The sector is also characterized by limited value addition which is attributed to poor post-harvest handling techniques, inadequate bulking and storage facilities, and high electricity costs. Besides, limited market information and capacity of the primary producers to meet the standards required in the export market limits the sector's contribution to the country's export earnings.
195. In spite of the sluggish performance, the sector is very strong and has abundant opportunities for investment. The sector's strengths are leveraged on the National Agricultural Policy 2013; a large pool of agricultural scientists and basic infrastructure; huge underutilized factors of production; an extensive service delivery structure; a comprehensive sector strategy (DSIP) and detailed Framework Implementation Plans (FIPs). Sector opportunities include: new and expanding markets, local and international; potential for increasing production; abundant human resources; value addition to raw or semi-processed products; abundant fresh water sources.
196. To enhance the sector's contribution to wealth and job creation, there is need to address the critical gaps in production, transport, post-harvest handling, processing and marketing of agricultural products so as to maximise the benefits from the agriculture value chains.

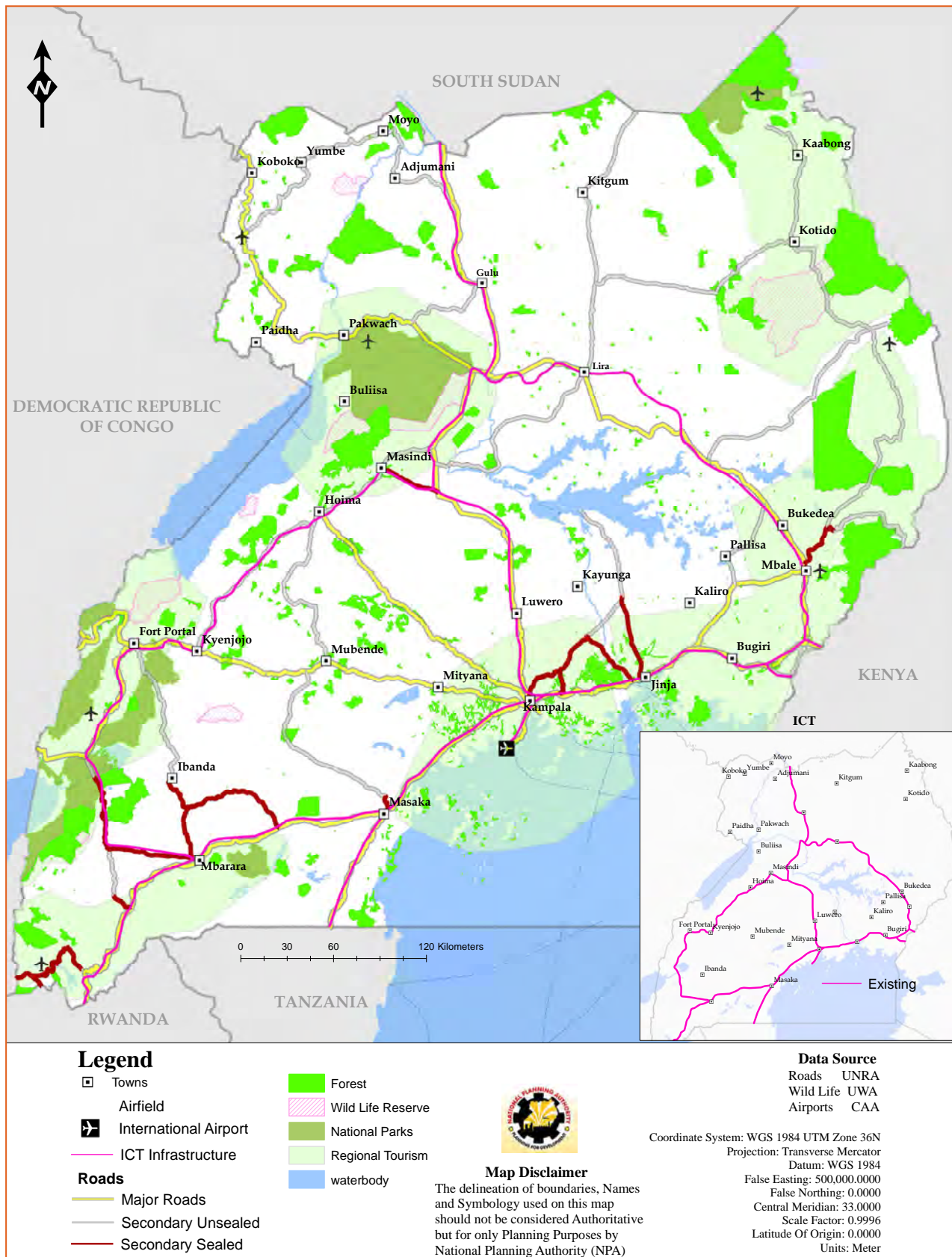
2.3.2 Tourism

197. Uganda is endowed with a variety of tourist attractions especially being a home to 53.9 percent of the world's mountain gorillas, 7.8 percent of the world's mammal species including the unique tree climbing lions and white rhinos, 11 percent of the world's bird species (1063 bird species), and variety of butterflies. Other unique attractions include chimpanzees and golden monkeys. The country has beautiful mountain ranges including the snow-capped Rwenzori Mountain ranges, second largest fresh water lake (Lake Victoria), third deepest lake (Lake Bunyonyi) and a source of the world's longest river (River Nile) with beautiful waterfalls and unique water scenery in the world.
198. The tourism sector has been growing consistently since the restoration of peace and security, and now accounts for around 9 percent of GDP, amounting to USD1.7 billion¹⁹. As a foreign exchange earner, the sector is estimated to account for about 19.6 percent of total exports or over 60 percent of total inflows from services annually.

¹⁸ UDHS 2011 as quoted in the UBOS Facts and Figures on Gender

¹⁹ World Bank, 2012, Report on Uganda Tourism Sector Situational Assessment

Map 2.2: Existing Tourism Infrastructure 2013/14



UBOS estimates that foreign visitors brought into the country an equivalent of USD1.003 billion in foreign exchange earnings in 2012, up from USD 805m in 2011 and USD 662m in 2010.

199. As a source of employment, the sector employs an estimated 200,000 people, which is 6.6 percent of the total labour force, of which only 7.5 percent are women employed in the lowest paying areas within the sector. The majority of the people (180,900) in the sector are employed directly in travel and tourism in Uganda. This figure rises to 447,400 people when all jobs indirectly supported by the tourism industry are factored in. Secondary and tertiary employment in other sub-sectors makes this figure even higher. These developments are supported by the increasing number of tourist arrivals where Uganda received 1,151,000 visitors in 2013, an increase of 21.7 percent from 2010 (945,899).
200. The disaggregation of tourist arrivals using the criteria of purpose of visit indicates three categories of tourists: “leisure” or “holiday tourists”, “visiting friends and relatives” (VFR), “business tourists”, and “transit tourists”. Leisure tourists represented only 15.7 percent (149,000) of all international arrivals to Uganda in 2010, declining to 12.4 percent (148,000) in 2012 and increasing to 15.6 percent (188,000) in 2013. Leisure tourists are the most coveted type of tourists, as they tend to stay longer and spend more money. Most of these leisure tourists come from traditional source markets of the United States, United Kingdom, Germany, Canada, the Netherlands, Australia, Italy, France, Sweden and Japan.
201. The sector is largely dominated by foreign tourists. Presently the country has one international airport that is too small to meet the growing international traffic, limited direct flights from key source markets, and lacks a national air carrier which would be used to market the country as a tourist destination. In addition, as illustrated in Map 2.2 access and connectivity to the various tourist sites is hampered by inadequate infrastructure. There is narrow product diversity, shortage of wildlife stock in key national parks, limited tourism activities and infrastructure in most parks, poor tourism skills, especially in the hospitality industry, and low motivation of human resources which impact negatively on the quality of service delivery.
202. To enhance the sector’s contribution to wealth creation and employment, effort needs to be put towards increasing and diversifying the stock of tourism products, aggressive marketing, link the tourism development areas along the Rift Valley with biodiversity conservation priority areas to create tourism/green zones. It is also important to link the Tourism regions with urbanisation corridors (MICE), plan for leisure tourism in high quality off-corridor locations and improve sideways linkages between tourism products, such as Wildlife parks and urban leisure in order to enhance tourism

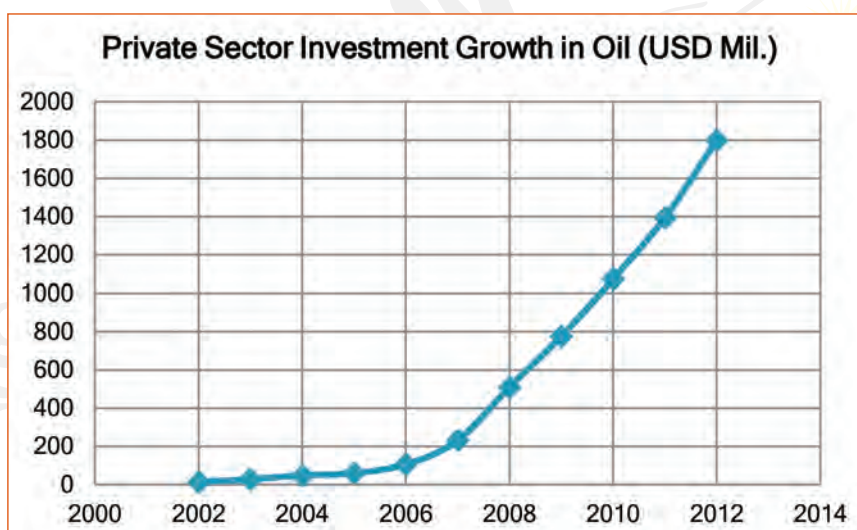
sustainability, building tourism skills, and above all maintaining peace and security in the country.

2.3.3 Minerals, Oil and Gas

203. The minerals subsector's contribution to GDP was estimated to be 0.3 percent in 2012/2013. Value added by the minerals subsector at current prices increased from UGX 134 billion in 2010/2011 to UGX 185 billion in 2012/2013 mainly driven by exports of gold and cement. The country has a huge potential in other mineral products that include: Copper, Cobalt, Tungsten, Beryllium, Bismuth, Columbite-Tantalite, Lead and Zinc ores, Lithium, Tin, iron ores, Platinum, Uranium, Rare Earth Metals, Marble, Limestone, Phosphate (Apatite and francolite), Vermiculite, Kaolin, Bentonite, Diatomite, Gypsum, Glass sands, Salts, Feldspar, Quartz, Pozzolana, Dimension Stones and Gemstones.
204. Government has put a lot of emphasis on attracting private investment in mineral resources exploration and development through the provision of geo-scientific information on minerals, and management of equitable and secure titles systems for the mining industry. Sixteen (16) potential mineral targets for exploration and development have been identified in the following locations: Iganga, West Nile, Moroto, South Eastern Uganda, Nigobya, Bukusu, Masindi, Buhweju, Pakwach, Kaiso, Mayuge, Kafunjo- Ntungamo, Makuutu, Hoima, Kaliro and Aboke.
205. Increased exploration and new data led to discoveries of: over 200 Million Tons (MT) of iron ore reserves at Muko in Kigezi and others in Buhara, Muyebe and Nyamiranga in Kabale District (48 MT), Butogota in Kanungu District (55 MT) and Bufumbira, and Kisoro (8 MT); over 300 MT of marble/limestone in Karamoja; over thirty (30) Uranium targets out of which ten (10) are considered priority uranium targets in Arua, Pakwach, Gulu-Kitgum, Masindi, Hoima-Kibaale, Fort Portal, Mbarara and Ntungamo. Mineral exploration in Karuma and geochemical, geophysical surveys show Nickel-Cobalt-Copper-Chromium, Platinum Group Minerals (PGM), Gold rich anomaly, and Rare Earth Elements which is 2kilometres long and 250 meters wide. There have also been developments in the Sukulu phosphate project in Tororo District.
206. Since 2006, a total of 111 exploration and appraisal wells have been drilled in the country, out of which 99 encountered oil and/or gas in the subsurface. This represents a success rate of over 89 percent, which is among the highest globally. The twenty one (21) petroleum discoveries in the Albertine Graben to date are; Turaco, Mputa, Waraga, Nzizi, Kajubirizi (Kingfisher), Kasamene, Ngege, Nsoga, Ngiri, Jobi, Rii, Ngassa, Taitai, Karuka, Wairindi, Ngara, Mpyo, Jobi-East, Gunya, Rii and Lyece. With the exception of Turaco, Taitai and Karuka which were considered to be non-commercial, the oil companies are taking forward appraisal of all the other eighteen (18) fields.

207. The total oil in place is estimated at 6.5 billion barrels of oil and 100 billion cubic feet of gas in less than 20 percent of the Albertine Graben with recoverable of 1.5 billion barrels. A total of 127 wells have been drilled of which 115 have encountered Hydrocarbons. A total of 21 oil and gas discoveries have been made in the Albertine Graben. Crude blend is between 230 to 330 API with very low sulphur of 0.16wt-percent. The appraisal for 9 of the discoveries has been completed and an application for production license submitted. Over 80 percent of the Albertine Graben is not yet licensed.
208. The upstream capital investments in oil and gas grew to about USD 2.5 billion by 2013 and are expected to increase as Uganda embarks on the next stage of field development and production. The private sector investment in the sector increased from USD 1.074 billion in 2010 to USD1.394 billion at the end of 2011. By the end of 2012, the cumulative investment in the sub-sector (mainly in the acquisition of seismic data and drilling of exploration and appraisal wells), was in the region of USD 1.8 billion (see Figure 2.12).

Figure 2.12: Private Sector Investment Growth in Oil (USD Mil.)²⁰



209. Other developments in the oil and gas sub-sector include the implementation of a commercialization plan that comprises a) development of a green field refinery of 60,000 BOPD to be located in Hoima District with an expected commissioning in 2017/18; b) use of petroleum for power generation; and c) export of crude oil through a pipeline or any other viable option.
210. The Petroleum (Exploration, Development and Production) Act, 2013 was passed in 2013 to regulate the oil and gas activities, and consequently the drafting of the attendant regulations is in progress.

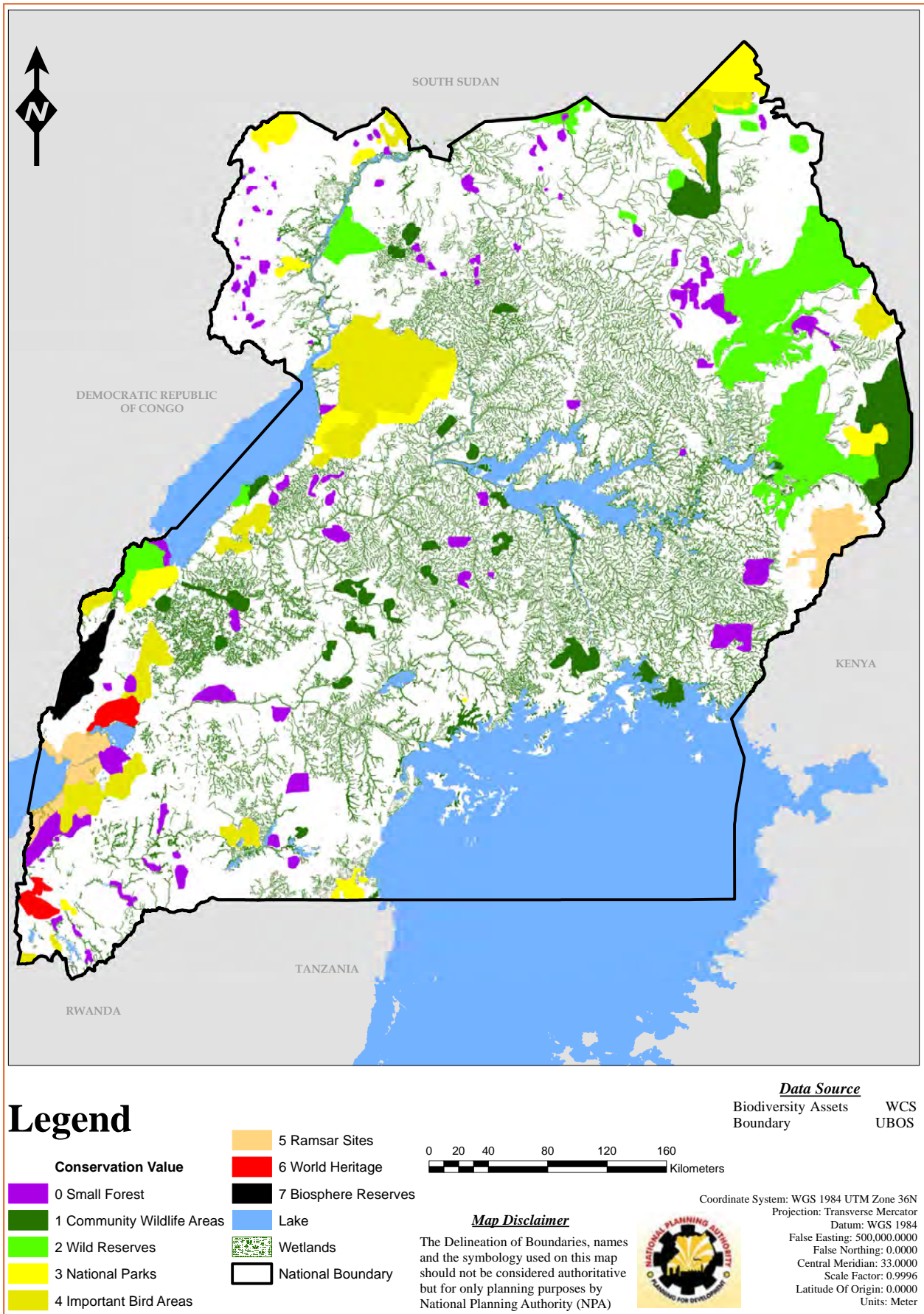
²⁰ Source: Ministry of Energy and Mineral Development

211. Uganda is destined to benefit from the opportunities explored along the minerals, oil and gas development value chain by addressing a number of challenges and emerging issues involved in minerals and petroleum development. The mineral sub-sector faces a number of challenges which include: an incomplete geological, geophysical, and geochemical mapping of Uganda; Inadequate infrastructure (electricity, rail, water and roads) to support exploration and Mining activities; difficulties in accessing land for Mining Projects; Lack of a geothermal development Policy and Legal Framework coupled with inadequacies in the mining policy; un regulated wide spread small scale and Informal Mining; an acute shortage of skilled personnel and a high proportional of small-scale artisanal miners who use indigenous and poor mining techniques; and Inadequate Earthquake disaster Management Infrastructure.
212. The petroleum sub-sector is challenged by: inadequate industry infrastructure to support upstream petroleum activities; excitement and high expectations from the general public; lack of skilled manpower, both in the public and the private sectors; inadequate financing; land acquisition for infrastructure development for oil prospecting; and low institutional preparedness; huge capital requirements and technical expertise needed for projects; inconsistent fuel supply leading to scarcity of petroleum products; and absence of a legal framework and associated technical capacity to regulate and minimize the attendant environmental risks.
213. Notwithstanding the above challenges in the sector, there exist opportunities that need to be explored which include promoting value addition for minerals particularly those that are exported in raw form. There is need to exploit the multitude of opportunities in the upstream, midstream and downstream sub sectors of the petroleum sector to effectively create wealth and generate more employment opportunities over the next five years.

2.3.4 Environment and Natural Resources

214. Uganda is gifted with unique weather and climate that supports resilient ecosystems and biodiversity (Map 2.3) resulting in unrivalled advantage amongst countries world over in food production, tourism and the services sector. Forests, trees and other biomass grow in all parts of the country providing good soils and watersheds for agricultural production. Large tracts of inter-connected wetlands exist providing habitat for birds, insects and other benefits to tourists and incomes for local communities. Environmental management is critical to support sustainability of the benefits from nature to support the country's economic growth
215. Over the NDPI period, the Environment and Natural Resource (ENR) sub-sector was successful at improving the urban environment in 17 municipalities through the construction of 12 solid waste composting plants in Arua, Masindi, Hoima, Lira, Soroti, Mbale, Jinja, Mukono, Fort Portal, Kasese, Mbarara and Kabale. Specialized equipment for Solid Waste Management was provided to the urban Local Governments

Map 2.3: Biodiversity Assets



in the towns of Busia, Tororo, Mityana, Gulu. Additionally, the sub-sector established a system for sound management of environmental aspects of oil and gas throughout the petroleum value chain as well as enhancing the compliance of manufacturing industries to environmental standards by 70 percent.

216. There was enhanced implementation of government commitments to Multilateral Environment Agreements (MEAs) and conventions. As per international and regional obligations, the country has developed a National Climate Change Policy (NCCP) that focuses on: providing direction for the key sectors that will be affected by the impacts of climate change; facilitating adaptation; and strengthening coordinated efforts amongst sectors towards building an overarching national development process that is more resilient. The sector also supported the review of policy and legal frameworks for environment management such as the National Environment Management Policy, and the National Environment Act among others to take into account new and emerging issues.
217. Environment and natural resources are under threat from both natural and man-made drivers of change including; poverty, rapid population growth, unplanned urbanization, expansion of informal settlements, industrialization and the impacts of climate change and variability among others. Fragile ecosystems including hilly and mountainous areas, riverbanks, lakeshores and rangelands are facing encroachment and degradation. Pollution levels are also on the increase and the country is contending with new and emerging environmental issues arising from e-waste, unsound use of chemicals, oil and gas development and the impacts of climate change such as droughts, floods, storms, heat waves and landslides that have had serious effects on agricultural production, food security, incomes, health status and the livelihoods.
218. In addition, the ENR sub-sector faces a number of challenges that include: limited prospects of long-term investments in both physical ecosystems protection and institutional capacity development; low level of awareness and appreciation of the critical linkages between environment and development; increasing demand for natural resources; limited strategic data and information for planning; and continue institutional policy reforms that have made long term planning challenging.
219. Given the importance of environment and natural resources in contributing to wealth creation and employment, there is need to maintain and manage a sustainable environment and natural resource base that is resilient to natural and manmade threats.

2.3.5 Climate Change

220. The achievement of long-term sustainable economic growth in the face of climate change is a primary concern in Uganda. The climate of Uganda is a valuable natural

resource and a major determinant of other natural resources like soils, water, forests and wildlife, as well as the human activities dependent on them. However, increasing emission of carbon dioxide and other greenhouse gases are changing the earth's climate.

221. The Intergovernmental Panel on Climate Change (IPCC), in its Fifth Assessment Report (AR5), found that the global climate has warmed since the 1950's. The report also indicates, with 95 percent certainty, that increased concentrations of greenhouse gases in the atmosphere, resulting from human activities, are responsible for the increased greenhouse gas concentrations (IPCC, 2014). The rising temperatures, as well as more erratic and extreme weather events are likely to take a disproportionate toll on Uganda. The impacts of climate change (droughts, floods, storms, heat waves and landslides) will most likely reduce the benefits derived from the natural resource base and this will have serious consequences on agricultural production, food security, forests, water supply, infrastructure, health systems, incomes, livelihoods and overall development.
222. Therefore, climate change potentially poses one of the greatest challenges for Uganda to realize its Vision 2040. For instance, climate change has brought about more and longer drought periods which impact differently on men and women farmers. In farming communities, the men go further away to look for pastures, while women walk longer distances for water and firewood, limiting the time for agricultural and food production. Uganda needs to respond to the challenges posed by climate change through both adaptation and mitigation to build resilience that is crucial to ensuring sustainable development. Though climate change is a global challenge to which global solutions must be found, the effects of climate change are local and local solutions are necessary while taking into consideration regional and national contexts.
223. Uganda is committed to addressing the climate change challenge. Major steps have been taken to create an enabling policy environment and to implement measures to adapt and mitigate climate change. Uganda signed and ratified both the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol (KP) thus committing itself to the adoption and implementation of policies and measures designed to mitigate climate change and adapt to its impacts. Uganda is also a party to the implementation of the EAC Climate Change Policy, which requires member states to initiate and develop consistent and harmonized, policies and plans to address climate change.
224. In line with international and regional obligations, Uganda has developed a National Climate Change Policy (NCCP) which aims at guiding all climate change activities and interventions in the country. The NCCP is intended to provide direction to the key sectors that will be affected by the impacts of climate change; facilitate adaptation; and strengthening coordinated efforts amongst sectors towards building an overarching

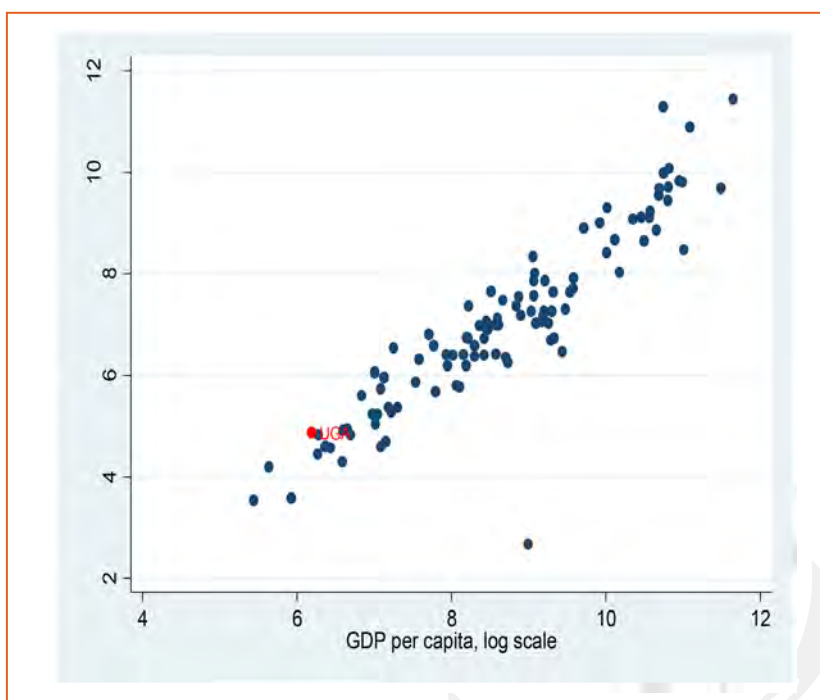
national development process that is more climate change resilient. In addition, guidelines for integrating climate change sectoral and local development plans and budgets have also been put in place. Uganda will continue to engage in discussions and actions with all stakeholders to promote climate change resilient and low carbon development pathways.

2.3.6 Trade, Industry and Cooperatives

225. Trade: In 2012, Uganda's total export earnings were USD 2.8 billion, of which, formal exports were worth USD 2.4 billion, while informal exports were worth USD 453.7 million. The overall export earnings rose by 11.8 percent between 2011 and 2012 after an increase of 17.1 percent between 2010 and 2011. In 2012, formal and informal exports earnings increased by 9.2 percent and 27.5 percent respectively. Uganda's informal exports, particularly, to the region are increasingly gaining prominence among the foreign exchange earners of the economy. The contribution of Traditional Exports (TEs) to overall formal export earnings decreased from 31.4 percent in 2011 to 25.1 percent in 2012. The TEs notable decrease in share is due to a notable decline in coffee earnings.
226. In Figure 2.13, each dot represents a country and the position of Uganda is at the lower left segment of the graph. This indicates that, Uganda's exports per capita are still among the lowest in the world even though there has been a marked increase in the growth of exports for the middle income countries on the continent over the last decade, compared to the country's comparators. The share of manufactured exports, as a proportion of total exports, increased from 4.2 percent in 2008/09 to 4.4 percent in 2010/11 and 6.0 percent in 2011/12. This growth, although well below the NDPI target of 12 per cent, is a trend in the right direction.

Vision 2040

Figure 2.13: Uganda Exports per Capita



Source: World Development Indicators, 2012

227. The export basket remains narrow and is dominated by primary products, including coffee, fish, tobacco, gold, and flowers. Reliance on these exports has made the export sector vulnerable to fluctuations in world market prices and the vagaries of weather, culminating in a significant long-term decline in the country's terms of trade. Production of goods for export in Uganda lacks sophistication owing to the limited technology and technical skills. There is inadequate capacity to expedite the necessary developments at the border markets, limited storage (warehouse, silos) capacity for effective post-harvest management and structured grain trade that would enable the country to address the challenge of the volatility of the prices of agricultural products. Export trade is also hampered by the continued existence of Non-Tariff Barriers (NTBs) and the inability of Ugandans to fully exploit the vast opportunities under the various market access opportunities that have been acquired through bilateral and regional engagements and agreements.

228. Uganda can benefit from the establishment of Economic Zones²¹ which foster economic growth by attracting private investment to boost industrial production of manufactured goods and processing of primary commodities. In 2014, Uganda enacted the Free Zones Act, 2014, which was intended to provide the necessary legal and regulatory environment for the establishment, management and maintenance of free zones in the country. Economic zones will; increase exports and promote diversification of exports, create backward and forward linkages with the local economy, generate new employment opportunities and generate fiscal revenue.

²¹ An economic Zone is a designated area within a country where imported goods can be stored or processed without being subjected to import duty. These zones range from Export Processing Zones (EPZs), free ports,

229. Industry: The industrial sector, which includes mining and quarrying, construction and manufacturing, has seen a modest decrease in its share of GDP from about 21.3 percent in 2011/12 to 20.6 percent, in 2012/13. In 2012/13 the sector grew by an estimated 4.3 percent compared to 3.1 percent in 2011/12. The key driver for this growth was recovery of the construction sector which grew by 10.8 percent and accounted for 61 percent of the value added to the sector. The slow growth of the construction sector in 2011/12 could be attributed to the unstable macroeconomic environment during that financial year that was characterized by high inflation, high interest rates and a slowdown in private sector credit to finance the sector.
230. Growth in the manufacturing sector declined by 2.5 percent during 2012/13. The Index of production for Manufacturing stood at 199.5 in the year 2013, indicating a 3.2 percent rise from the year 2012. The 'Food Processing' subsector registered the highest positive growth of 10.5 percent, followed by 'Saw Milling' (8.4 percent), and 'Other industry groups combined' recorded a positive rise of 5.7 percent. There are over 2,000 registered enterprises, engaged in; Agro-processing (63 percent), Metal fabrication, furniture, bricks and tiles (12 percent), Pharmaceuticals and other chemicals (6 percent), Paper, plastics and cosmetics (6 percent), Confectioneries (3 percent), Electricals and electronics (3 percent) and others (10 percent).
231. Currently, there is a huge potential for Uganda to generate more wealth by engaging in the export of processed agricultural commodities and simple manufactured goods to the region, especially, South Sudan and the Democratic Republic of Congo (DRC). A study²² done in 2014 urges the country to diversify its export basket into food processing and agrochemicals, manufacture of construction materials and equipment, as well as garments, machinery and chemicals in that order of priority, especially targeting the regional market. This range of goods also links very well with the other prioritized sectors either as inputs or outputs. For instance, agrochemicals are inputs of the agriculture sector, while food processing is an output.
232. To enable and sustain industrial growth, the country needs to address a number of challenges which include: inadequate infrastructure such as transport; energy supply; water and sewerage services; and ICT services. There is also inadequate infrastructure for undertaking standardization, testing and quality management including certification and accreditation of the locally produced industrial goods. In addition, it has increasingly become expensive to acquire serviced industrial land which has further increased the start-up costs of setting up an industry especially the Micro, Small and Medium Industries (MSMIs). There is a dire need for technical, production and managerial skills to address the current and new demands in the face of rapid technology transfer and innovations. And lastly, access to affordable finance to undertake long term-investment remains scarce.

²²Special Economic Zones (SEZs), agricultural zones, educational zones, financial services zones, free trade zones, industrial parks and ICT parks, science and technology parks, tourist and recreation centres and township SEZs. Hausmann et.al. (2014)

233. Cooperatives: Government has mobilized the population into cooperatives to reap from economies of scale both at production and marketing levels. Currently, there are 15,225 registered cooperative societies in the country. In the years 2013 and 2014, 481 cooperatives were registered and 1,185 are on provisional registration. There are about 100 Cooperative Unions and Area Cooperative Enterprises that are involved in value addition and agro processing of coffee, cotton, honey and fruits among others. Notable among them are; the Bugisu Cooperative Union Ltd, Ankole Coffee Producers Cooperative Union Ltd, Wamala Cooperative Union Ltd, Kayunga ACE, Teso Cooperative Union Ltd and Gumutindo ACE. The East Acholi Union has been assisted by the Government through PSFU to acquire machinery for cotton ginning.
234. There are over 6,351 registered SACCOS with savings of over UGX 120 billion, total shareholding of over UGX 25 billion and loans of UGX 80 billion. Cooperatives have also been formed in other sectors of the economy. For example, 2 energy cooperatives are managing the distribution of energy, 10 housing cooperatives are at various stages of development. Cooperatives are also managing public infrastructures like markets and transport terminals / taxi parks.
235. The development of cooperatives is hindered by the weak legal and regulatory framework governing cooperatives, limited skilled human resource, an acute shortage of storage facilities, low savings culture and low capitalization that constrains the sustainability of cooperatives.

2.4 Inclusive Growth

2.4.1 Labour and Social Development

236. Employment: Uganda has registered a modest increase in total employment during the last three years. According to the UNHS 2012/13, the total labour force was 16.3 million persons. The percentage of people employed in the formal sector is miniscule compared to those who are self-employed. The proportion of the labour force that is self-employed rose from 70.9 percent in 2009/10 to 81.5 percent. Of those who are self-employed, 73 percent were engaged in agriculture, forestry and fisheries, followed by 9 percent in trade and 5 percent in manufacturing, with a higher proportion of females than males. About 6 million (43 percent) working persons were in subsistence production with a higher proportion for females (49 percent) than males (37 percent). Uganda is faced with low labour productivity levels with a total factor productivity index of less than a unit compared to the global competitiveness standard of at least five units.
237. The proportion of the labour force in paid employment fell from 21.5 percent in 2009/10 to only 18.5 percent in 2012/13. In 2012/13, 15 percent of the labour force had no formal education. The labour force growth rate was estimated at 4.7 percent

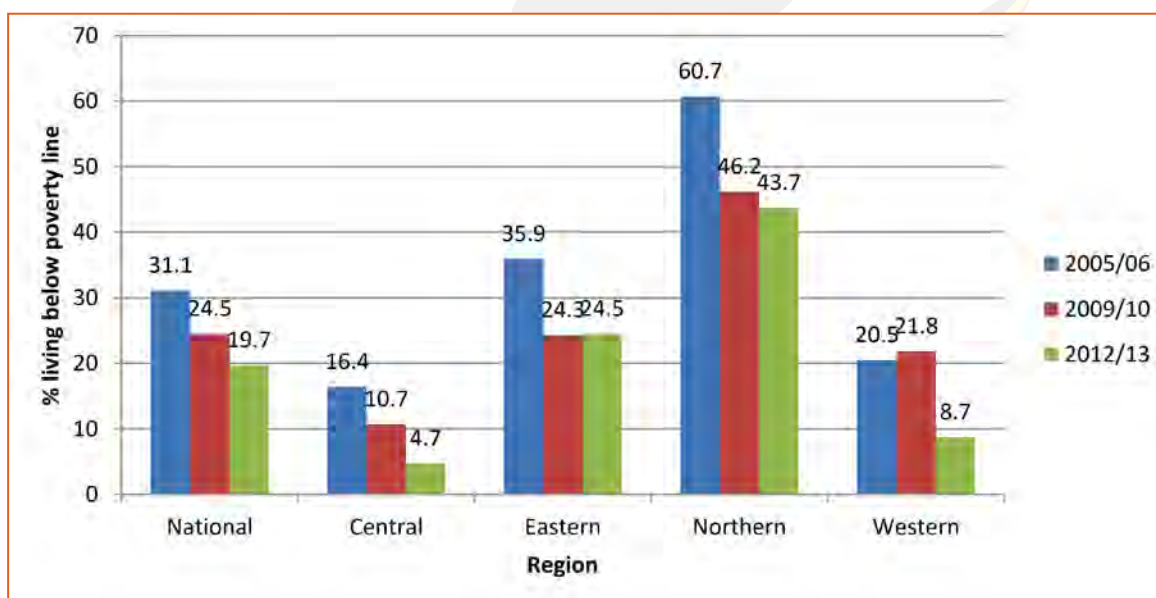
per annum in 2012/13. The huge increase in the size of the population aged 15 and above is explained by the population momentum generated by the persistence of high fertility. The projected²³ job gap of 13 million people between the formal labour market size and the total employable labour force required in 2040 illustrates Uganda's phenomenal job-creation challenge. So, while the effects of the demographic dividend could be harnessed through the increase in working age population, relative to dependent children, the pressure to create enough jobs for the big working age population is quite enormous. The highest rates of unemployment are in regions with low population and low economic activity including parts of the central region and Karamoja, as well as in the northern corridor. But the highest numbers of unemployed are in the urban areas around the northern corridor.

238. Labour markets abroad provide employment opportunities for Ugandans in the short run as the country develops its capacity to generate sufficient jobs for its labour force. The United Nations estimated that 628,845 Ugandans lived and worked outside Uganda in 2013, of which 53 percent were women. As of May 2014, 29 external employment recruitment agencies had been licensed and over 42,000 Ugandans formally recruited and deployed in Iraq, United Arab Emirates, Qatar, Saudi Arabia, Afghanistan, Somalia and South Sudan. Migrant workers' remittances into the economy were estimated at US USD 1,392 million in FY2012/13 which represented a significant increase of 215.5 percent from USUSD 646 million in FY2011/12. The remittances account for 4.0 percent of the GDP. In addition to the remittances, the migrants have acquired new skills, methods of work, and experience.
239. There is noticeable rampant breach of contracts, unsafe working conditions and sexual harassment, accidents and work related injuries. On average 2,000 cases of work related accidents are reported annually. Few employers provide a safe and healthy working environment for descent work. There is inadequate awareness and sensitization on Occupational Safety and Health (OSH) standards, limited personnel and logistics and enforcement of legislations has not been effective. These incidences contribute to low productivity, disabilities and loss of life. In Uganda, accidents are common in construction sites, factories, security and transport sectors and in the commercial agriculture sub sector.
240. In addition, occupational diseases are also on the increase. Immigrant workers impact on the job market thereby competing with Ugandans for the same jobs. From routine labour inspections, it is evident that migrant workers with similar skills as Ugandans do the same or even less work, but are paid higher. Others are smuggled or trafficked into the country, confined and work under very poor terms and conditions of employment. There is an information gap on migrant workers in the country making it difficult to regulate the inflow and working conditions of both skilled and less skilled immigrants.

²³ Harnessing the Demographic Dividend. Accelerating socioeconomic transformation in Uganda

241. **Poverty:** Significant progress is noticeable in addressing poverty and vulnerability in Uganda, with the national poverty rate declining from 56 percent in 1992 to 19.7 percent in 2012/13. However, as a result of the high population growth rate, the absolute number of people living below the poverty line has not reduced significantly. To date, over 6.7 million people remain poor and an additional 43 percent of the population is highly vulnerable to falling into poverty.
242. Additionally, there remain significant poverty disparities across regions, social groups as well as between rural and urban areas. Figure 2.14 indicates that poverty remains highest in Northern Uganda although decreasing at a faster rate than other regions. The poverty levels are much lower in the Central and Western regions.
243. **Child vulnerability:** An estimated 8.1 million children in Uganda live under conditions of serious deprivation or danger. Children who experience abuse, violence or are exploited, abandoned, or severely neglected (in or out of families) also face significant threats to their survival and well-being as well as profound life cycle risks that have an impact on human, social, and economic development. While there has been a significant reduction in the proportions of vulnerable children, the number of Uganda's children who are vulnerable to deprivation, abuse, violence and other challenging circumstances remains persistently high.

Figure 2.14: Poverty Trends across regions for 2005/06-2012/13



Source: UBOS, 2012/13

244. Overall, 38 percent of the children aged 0-17 years are vulnerable totalling 6.4 million children according to UNHS report 2009/2010. It is estimated that 8 percent of children in Uganda are critically vulnerable, 43 percent are moderately vulnerable while 55 percent of children under 5 years of age are affected by child poverty. Karamoja and West Nile have the highest percentage of children experiencing multiple child poverty (68 percent). Currently, 2.43m children are orphans, over 1.7m children below 14 years

are engaged in child labour (with 95.5 percent in agriculture), over 2.1m children live with older persons and 22,500 children fall victims of defilement offences annually. Some of the reasons that expose children to vulnerabilities include malnutrition, HIV and AIDS, orphan-hood, child abuse, neglect violence, limited family and community capacity.

245. In a bid to protect the vulnerable children, Government in partnership with Development Partners and civil society organizations in January 2014, established the Uganda Child Helpline (UCHL)-116 toll free line as a mechanism to increase reporting of cases of child abuse. The Helpline was established as a medium through which children abused and seeking different forms of help could report and be helped. In addition, Government has developed an Alternative Care Framework to promote family based care for children and facilitate access to suitable alternative care options for children deprived of parental care in Uganda. The lack of a strong child sensitive social protection system that would remove the financial and social barriers to accessing services complicates the situation of children.
246. Youth: The youth constitute 21.3 percent of the total population and 57 percent of the labour force. Seventy nine (79 percent) of youth live in rural areas where poverty levels are high and the major economic activity is agriculture. The youth in Uganda face numerous and multi-dimensional problems including: the persistence of inadequate employable skills; limited access to assets and other means of production; limited access to basic and critical health services, including sexual and reproductive health services, for example, only 30 percent females in Uganda have access to contraception services, the majority being youth; early marriages and pregnancies with prevalence rates at 22.3 for the ages of 12 – 17 years in select districts; substance and drug abuse as a coping strategy for lack of employment. They are also affected by peer influence and other social pressures, exposing them to HIV/AIDS, crime, unplanned pregnancies and STIs, lack of life skills needed to resist such pressures and to practice safe behaviour. Although teenage pregnancy has reduced from 43 percent in 1992 to 25 percent in 2013, it is still high as compared to other countries.
247. The Government initiated, the Youth Livelihood Programme (YLP), in 2013/14 as one of its interventions in response to the high unemployment rate and poverty among the youth. The programme development objective is to empower the youth to harness their socio-economic potential and increase self-employment opportunities and income levels. The YLP provides support in form of revolving funds for skills development projects and income generating activities initiated by youth groups. The first phase of the Programme in FY 2013-14 covered 27 districts. The Programme was scaled up in FY 2014-15 to cover the rest of the country in the second phase. A total of 32,374 youths (44 percent are female) have accessed support under the Programme and are presently engaged in self-employment in various vocational

trades and income generating activities as follows: agriculture (53 percent), trade (21 percent), vocational trades (9 percent), small-scale industry (8 percent), services (8 percent) and ICT (1 percent).

248. Disability: According to Uganda Population and Housing Census Report (2002) one out of every 25 persons in Uganda had a disability, the prevalence of disability increased from 2 percent among children of less than 18 years to as 18 percent among older persons. The Uganda National Household Survey of 2009/10 indicated that Persons with Disabilities were at 16 percent of the population translating to approximately 5.5 million persons with disabilities using the recently concluded Uganda National Population and Housing Census provisional results. Persons with Disabilities face various forms of barriers ranging from negative societal attitudes; discrimination, inaccessible physical environment, information and communication technology to those resulting from insensitive disability friendly regulatory frameworks. These result into unequal access to services in the area of education, employment, healthcare, transportation political participation and justice in communities by persons with disabilities.
249. During the implementation of NDP I, focus was towards equipping PWDs with employable skills in the Vocational Rehabilitation Institutions of the Ministry. Negative attitudes, discrimination, inaccessibility and insensitive laws and policies have been tackled through awareness raising, advocacy and networking, implementation of affirmative programmes and review of some policies and laws to make them disability sensitive such as the Building Control Act 2013 includes Accessibility Standards for PWDs.
250. The Community Based Rehabilitation, for equalization of opportunities, rehabilitation and inclusion of PWDs in their communities, is the current Government strategy towards interventions of PWDs. However, funding is accessed by only 26 districts in the Country which is a big gap. The Special Grant for PWDs is a Country wide affirmative programme for employment creation. The funding for the grant is still meagre to cater for the overwhelming demand by PWD groups.
251. Older persons: The number of older persons increased from 1.6 million 2009/10 (2.1 percent of total population) to about 1.8 million in 2013. Majority of the older persons live in rural areas where poverty is rampant with limited productive capacity, lack of decent shelter, lack proper health care and are often discriminated from service delivery yet they still care for a big number of vulnerable children. Currently, only 2 percent of older persons have access to pension of whom 60 percent are males. The Social Assistance Grant for older persons has facilitated access to a monthly social assistance grant to 110,334 older persons in 95,000 households.
252. Social Protection: Social protection is globally recognised as critical for sustained poverty reduction, inclusive growth and social cohesion. Many Ugandans however have no access to social security, Direct Income Support (DIS) or social care services

in times of hardship. This results in a high level of vulnerability to shocks and persistent poverty. Public investment in Social Protection stands at only 0.78 percent of GDP. Spending on DIS stands at only 0.33 percent of GDP which is significantly lower than the 1.1 percent of GDP which is spent on DIS on average by other low income African countries. Approximately, only 3 percent of the Ugandan population has access to formal social security. Only 2.8 percent and 2.3 percent of the working population are covered by the Public Service Pension Scheme (PSPS) and National Social Security Fund (NSSF) respectively. A number of small, private social security schemes managed by groups also do exist, but their impact remains minimal.

253. Government started implementing the Expanding Social Protection (ESP) Programme in FY 2009/10 to develop a comprehensive social protection policy and strengthen government leadership, commitment and investment in social protection and pilot systems for delivering social transfers. A key part of the Programme includes a cash transfer scheme, the 'Social Assistance Grants for Empowerment' (SAGE) pilot, which is now being implemented in 15 pilot districts. Regular monthly grants of UGX 25,000 have been provided to 110,334 beneficiaries. 63 percent of direct beneficiaries are women and the programme benefits 221,000 children. The grants are paid as an Old Age Grant for elderly citizens of 65 years and above and a Vulnerability Grant for labour constrained households such as those headed by older people, people with disabilities, orphans and widows. In addition, there are a range of other social assistance programmes, public works programmes. These programmes however are relatively small-scale and rely on Development Partners funding. There is adversity of projects and programmes providing Social Care and Support Services (SCSS) to key vulnerable groups such as Orphans and Vulnerable Children (OVC) and people with disabilities. The SCSS system however, is poorly coordinated, under-resourced and dependent on Development Partners funding.
254. In order to address the constraints within Uganda's social protection system, a draft National Social Protection Policy has been developed. This policy is intended to promote the expansion of the social protection system, improve coordination and guide investment in the sub-sector. Key priorities include: the expansion of direct income support schemes for poor and vulnerable groups; the expansion of contributory social security schemes to the informal sector; strengthening social care service provision to the most vulnerable; and institutional development within the sub-sector.
255. The Government is already in the process of reforming the Public Service Pension Scheme to improve sustainability and is also reforming the contributory social security system. The Uganda Retirements Benefits Regulatory Authority has been established to oversee the reform of retirement benefits and regulate the industry.
256. Community and Social Mobilisation: Community Mobilization is the process of organizing people and persuading them to agree to take actions or tasks that

address their common problems, challenges and concerns. A positive, desirable and sustainable change should be the ultimate outcome of community mobilisation efforts. As a process, community and social mobilization thus necessarily involves participation; empowerment and mutual respect to enable people express and analyse their individual and shared realities.

257. Although government has demonstrated commitment and progress towards poverty eradication and wealth creation as well as socio-cultural and political development of all its citizens (through programmes such as; NAADs, PMA, Primary Health Care, UPE and USE, Prosperity for All, Community Driven Development, NUSAF and PRDP), there is low community demand and uptake of programmes. This is mainly attributed to inadequate mobilisation of communities and limited access to development information. Lack of access to information hampers effective decision-making as well as access to essential services, constraining their participation in and benefit from development interventions which ultimately keeps the community in perpetual poverty and low human development.
258. Lack of knowledge and awareness coupled with negative attitudes and perceptions, negative behaviours and mind set of communities continue to undermine efforts towards parental and community involvement in education of children, access to and utilization of clean and safe water and proper sanitation practices, eradication of preventable diseases including HIV/AIDS, peaceful co-existence and security in communities and patriotism.
259. In order to address the community mobilisation challenges, a National Community Development Policy and its Action Plan have been formulated to strengthen the human resource and operational capacity for community development, revitalize the home and village improvement campaigns, rationalize and streamline all funds for mobilisation activities under the Social Development Sector.
260. Functional Adult Literacy(FAL): FAL Programme emphasizes the integration of basic literacy and numeracy with functional skills and empowers the non-literates and neo-literates to use the skills for improving their livelihoods and wellbeing. Since 1992 through FAL Programme the Ministry has extended adult literacy services to over 1,200,000 learners in 20,000 learning centres country wide. Capacity building efforts were enhanced and these included; training 20,000 literacy instructors and supervisors; development of manuals for literacy instructors and supervisors; development of FAL primers and follow up readers in 21 local languages; conducting learning needs assessment in different regions of the country; and, distribution of 10,000 badges.
261. The country still faces high levels of illiteracy. According to UNHS 2009/10, 6.9 million Ugandans (5.5 million women & 1.4 million men) aged 15 years and above are non-literate - unable to read, write and numerate with understanding. There is regional disparity in illiteracy levels. Northern Uganda has the highest rate (36 percent),

followed by eastern with 32 percent and western region has 29 percent. The central region has the lowest illiteracy rate currently at 17 percent. Library and information facilities that provide and promote relevant information, knowledge and services to communities for individual and national development are few in the country and are mainly urban based. There are only 34 out of the required 112 public libraries and 72 out of the required 365 community libraries.

262. In order to address low levels of literacy in the country, the National Adult Literacy Policy 2014 and Action Plan (2011/12-2015/16) have been put in place to guide the provision and coordination of adult literacy services.
263. Culture and Creative industries: Creative industries offer a potential for job creation and employment opportunities, strengthens cultural identity and values and influence perceptions in the utilization of community services. Uganda is a home to a total 65 indigenous communities each with its unique cultural values, beliefs, practices, heritage and so forth. The Uganda's diverse heritage has contributed to the steady growth of the economy by exploiting the creativity and innovations related to culture and creative industries.
264. There are over 12,000 types of trade in cultural and creative industries employing over 386,000 people by 2013. The types are in the areas of handicrafts, visual arts, performing arts, radio and TV broadcasting, Museum and heritage sites, publishing, design and fashion, music and drama among others. The export earnings of cultural goods and services averaged USD50m per annum. The 2013 Mapping Study shows that the contribution of creative industries to employment was only 4.5 percent and yet the industry has a high potential for job creation and employment.
265. The cultural and creative industries are inadequately supported financially. Most players have insufficient professional capacity to effectively run or stimulate the sector and the legal framework is not in consonance with the changing environment. In addition, the negative mind-set that many Ugandans portray today is as a result of ignoring the core values that rhyme with our cultures. This in turn has led to the breakdown in the socialization and family systems through which positive cultural values, norms, art, skills, beliefs and morals were transferred from generation to generation resulting into low productivity and moral decadence. The family has disintegrated and needs strengthening to be able to nurture culturally conscious citizens who will actively participate in Government programmes in pursuit of wealth creation and sustainable development.
266. With the emergence of the East African Community integration, issues of labour, free movement of persons and language become paramount. The Social Development Sector is strategically positioned to harness the dividends from this integration. The implementation of the decisions of the East African Community by different stakeholders needs strengthening.

2.4.2 Decentralized Service Delivery

267. Local Governments are the frontline service delivery points. They derive this mandate from the provisions of the LG Act CAP 243 and other provisions and bye-laws of the decentralization policy.
268. The grants to Local Governments have increased from UGX 721.5 billion in the 2003/04 to over UGX 2.3trillion in the 2014/15. The quality of staff has progressively improved through a number of capacity building programmes and in service training programmes. In terms of social accountability, the level of citizen participation in the local governance process has increased with more people participating in making decisions that affect them, right from the village to parish, sub-county, town council, division council, municipal council up to district level. This process has also improved downward accountability. Financial Accountability has been greatly facilitated by the improved reporting through IFMIS.
269. The drive for Local Economic Development and Community Driven Development is taking root and will focus Local Government on productive activities which are indispensable of the challenge of increased local resource mobilization. A strong policy and institutional framework is in place in terms of the Local Government legislation with a financing regime in place, clear mandates on decentralized planning, and an array of platforms for engagement. There are real opportunities for resource mobilization with modalities in place to raise and transfer resources directly to Local Governments. A number of Development Partners are prioritizing support to decentralization. The drive for the PPP policies at the LG level will facilitate and increase the capacity for districts to mobilise revenue to finance development programmes. A number of studies have been undertaken and to provide useful evidence to inform decentralization strengthening. Government's focus on socio economic transformation and wealth creation at the household level clearly establishes the local governments as a major channel for development expenditure.
270. A review of the performance of LGs shows that they are faced with a number of challenges in delivering services mainly related to: financing and revenue mobilization; human resources capacity gaps; urban development and physical planning; lack of ownership of land and administrative property; lack of capacity to respond to disasters and climate change; and governance. Conditional grants from Central Government accounted for an average of 91 percent of LG funding over the NDPI period. The direct central government transfers to local governments have declined from 25 percent of the total national budget in 2003/04 to 15.69 percent in 2014/15, a trend that has negatively affected service delivery. In general, LG staffing level is at 56 percent for the districts and 57 percent for the municipal councils - a state that has further constrained service delivery. Rapid urbanization characterized by an increase in urban centres from 28 in 1969 to more than 400 in 2013 (1 City, 22 Municipalities, 174 Town Councils and 207 Town Boards) has been without proper planning and

facing declining resources. In addition, governance at LGs characterized by poor coordination between the technical and political leadership especially in newly created districts is hindering service delivery.

271. Other challenges include: inadequate community mobilization for development resulting in general poor attitude towards work, civic disposition, and neglect of responsibilities by communities. This is mainly due to breakdown of social values, peoples' expectations of hand-outs from government and CSOs, mistrust of communities towards leaders due to persistent unfulfilled promises; limited Local Economic Development (LED) content in Local Government Development Plans; and limited funding for participatory planning and development function of LGs.

2.4.3 Inequality

272. Gender equality and empowerment of women: Uganda has made significant progress in strengthening gender equality and women's empowerment. Notable among these is the formulation of gender responsive regulatory framework including policies and strategies. Further, progress has been registered in the institutionalization of gender planning in all sectors and increased collection of gender disaggregated data and information through research. Some outcomes from these interventions include a critical mass of women in Parliament, gender parity in enrolment of girls at primary level, increased ownership of land by women, improved access to water and sanitation has reduced the time spent by women and children in fetching water.
273. Women, however continue to face constraints related to access to, control over and ownership of businesses and productive resources such as land and credit. The review further indicated that there is limited employment of women in skill-based industries and this constrains further women's income potential. Women are also marginalized in skills development, access to financial resources, employment in non-agriculture sectors and inheritance rights. Only 27 percent of registered land is owned by women. Although 70 percent of the women are engaged in agriculture, less than 20 percent control outputs from their efforts. Women comprise of the majority of labour force in the Agriculture Sector while men form the majority of the labour force in the Industry and Service Sectors. Female headed households comprise 80.5 percent of the agricultural subsistence workers compared to 67.5 percent of the male headed households. However, plots managed by women produce 17 percent less per acre on average than plots managed by men or jointly by other family members. In wage employment, fifty percent of the employed women work in the three of the lowest paying sectors compared to 33 percent of men.
274. Additionally, about 50 percent of women cite getting money as a problem for accessing health care while 41 percent cite distance to health facilities as a challenge for accessing health care. HIV/AIDS prevalence rates indicate higher vulnerability of

women and girls arising out of their limited control over decisions for safe sex. Among the age group of 15 to 19 year olds the female prevalence rate has increased from 2.6percent in 2006 to 3percent in 2011 while male prevalence rates in the same age group rose from 0.3percent to 1.7percent in the same age group.

275. Gender Based Violence (GBV) in all its manifestations (physical, sexual, FGM/C, emotional and psychological) remains a critical human right, public health and economic concern with 56 percent of women citing having experienced physical violence by the age of 15 years while 28 percent women aged 15-49 citing having ever experienced sexual violence compared to 9 percent of men in the same age group.
276. Absence of clear indicators for monitoring and evaluation of gender mainstreaming and limited availability of gender disaggregated data for effective programme design has made it difficult to assess impact attributable to gender mainstreaming efforts. Irregular gender audit has grossly limited the tracking of compliance to the regulatory and policy framework by different actors.
277. Significant achievements in improving the status of women and promoting gender equality over the last 10 years among others include:
 - i. The supportive policy and legal framework (Prohibition of Female Genital Mutilation Act, Domestic Violence Act, Uganda Gender Policy, and Draft Gender Based Violence Policy) was put in place to promote the rights of women;
 - ii. Over 5,600 technical staff in MDAs and local governments have been trained in gender planning, analysis and budgeting to ensure equitable participation of men and women in the development process;
 - iii. Gender and equity budgeting as a requirement for sectors and local governments to make the budgeting process and government policies, programmes and projects responsive to gender issues has been introduced;
 - iv. The Equal Opportunities Commission (EOC) was established to operationalize the Constitutional provision on equal opportunities;
 - v. Gender parity in primary school enrolment was achieved in 2009.
 - vi. Women Councils have been established from grassroots to national level to enhance women's confidence and to provide women at all levels with opportunities to rise into leadership positions.
278. In order to achieve gender equality and women's empowerment, Government will ensure a framework for coordinated interventions through a national policy to eliminate gender based violence and strengthen the capacity of women for increased competitive entrepreneurship and provide appropriate technologies to women.
279. Income Inequality: Though still relatively low compared to the Vision 2040 comparators, Uganda's level of inequality is increasing. Income inequality as

measured by the Gini coefficient reduced from 0.426 in 2009/10 to 0.395 in 2012/13, and is higher in urban areas (0.41) compared to the rural areas (0.34). The increasing level of inequality could perhaps be explained by the under-performance of the agriculture sector due to declining agricultural productivity, the out-dated BT/VET/tertiary education curricula that imparts skills that are not relevant in the labour market place, high school drop-out rates and the dominance of primary commodities in the export basket. An average of 43 percent of the working population was in subsistence production with the proportion higher for females (49 percent) than males (37 percent). Three quarters of the working population had either no formal schooling or had only primary level education.

280. There are also variations in human development outcomes such as school enrolment, infant mortality and under-five mortality across different geographical regions. In addition, risk and social vulnerabilities are on the increase and are generally associated with demographic characteristics such as age, sex, disabilities and covariate risks such as unemployment, access to social security, poor working conditions, poverty and disasters.
281. Government has, over the years, attempted to address the regional disparities in poverty and development through the introduction of the equalization grant, and through the introduction of special programmes. The equalization grant was introduced in FY1999/2000 as a top block grant to a number of districts mostly in Northern and Eastern Uganda to give those districts wider fiscal space to address some of the most pressing service delivery gaps. This grant was given to districts for purely social service delivery. This grant has consequently not grown in tandem with the increase in the resource envelope nor the number of districts that have continued to qualify for the grant. In addition, the grant did not incorporate an element of building the local economies and/or raising the incomes of the people in those districts.
282. The introduction of special programs began with the appointment of a Minister in charge of Luwero Triangle to head the Luwero Development Program. Having served as the center for the early 1980s liberation war, Luwero's economy and Infrastructure was badly damaged, hence the appointment of the Minister in charge of Luwero Triangle was meant to galvanize and refocus all efforts meant to restore the local economy and repair the damaged infrastructure. The establishment of the Luwero development program was quickly followed by the establishment of similar programs targeting areas that had been affected by the Joseph Kony/Northern Uganda conflict, the insurgency in Teso and the cattle rustling orchestrated by the Karamojong. Currently, all of the special programs are managed and coordinated by the Office of the Prime Minister and include the Karamoja Integrated Development Program (KIDP); the Luwero and Rwenzori Development Program (LRDP); and the Peace, Recovery and Development Plan (PRDP) that includes: the Northern Uganda Social Action Fund (NUSAF), Karamoja Livelihoods Programme (KALIP) and Northern Uganda Agricultural Livelihoods Recovery Programme (ALREP).

283. The most significant of the special programs both in terms of budget size and geographical coverage has been the PRDP. The PRDP was first introduced in 2009 as a three year plan for the recovery and development of Northern Uganda but has since been extended to cover more districts and a longer time frame. It currently covers 55 districts and 9 municipalities in the Greater North and about 38 percent of Uganda's population. However, only one third of the population in this area lives in districts that were significantly affected by conflict or cattle-rustling; another third has been sporadically affected by conflict and cattle-rustling and the last third has only suffered from spill-over effects of conflict or cattle-rustling. As such, even though the needs of these three district categories maybe different, the implementation of PRDP programmes continue to be uniform across the board regardless of economic opportunities or level of poverty.
284. The overall goal of the PRDP is to stabilize Northern Uganda and lay a firm foundation for recovery and development. Specifically, the PRDP aims at promoting socio-economic development of the communities of Northern Uganda to bridge the gap between the North and the rest of the Country, so that the North achieves "national average level" in the main socio-economic indicators. The PRDP is organized around four Strategic Objectives, namely: consolidation of State Authority; rebuilding and empowering communities; revitalization of the economy; and peace building and reconciliation. The PRDP is implemented through three modalities, which include the PRDP budget grant, On-budget special projects, and Off-budget funding.
285. Under the "PRDP budget grant", government provides grants through the budget as a top-up to the regular budget allocations of the benefitting Districts and central government agencies involved in PRDP implementation. Under the "On-budget special projects", some donors provide funds for special projects which are managed by the Government (e.g. NUSAF II funded by the World Bank & DFID, and KALIP & ALREP which are funded by the EU). Using the third modality of off-budget funding, donors and other development partners implement projects without the involvement of Government, either directly or through NGOs and CSOs.
286. One of the strengths of the PRDP is that it has enabled the mobilisation of significant additional resources to invest in the recovery of Northern Uganda. However, even though the region can no longer be categorized as immediately post-conflict, there is still a significant shortfall in its performance against key socio-economic indicators relative to the rest of the country. Northern Uganda contributes only a very small portion to national output especially in the industry and services, two sectors that have higher than average wages. The region contributes only 6 percent of the total national output for industry and services.
287. A review of the PRDP programme conducted in 2011 established that some progress had been made in all four objectives but with significant variation. More progress had been made under the first two Strategic Objectives: consolidation of

State Authority, and rebuilding and empowering communities, than under the third and fourth; revitalization of the economy; and peace building and reconciliation. Law and order had greatly improved and State Authority had been consolidated. Trust in authorities had also improved, indicated by the increased crime reporting rates. Communities and sub-counties reported that with the assistance of the PRDP, better services were being delivered though concerns were raised in some cases over lack of comprehensiveness of investments and lack of emphasis on functional service delivery.

288. An analysis of PRDP financing for the first two years of implementation showed that USD110.3m was provided through the PRDP grant, with Government providing over UGX 100bn in own-funding each year and the remainder was provided by budget support donors. An additional USD98m was provided through Special Projects. Donors reported a further USD382m in off-budget funding. In total, the PRDP received USD590.3m in its first two years of operation compared to an initial budget of USD 606 million for the first three years, indicating that the programme was on track to exceed its original budget estimates. However, the funding provided through Special Projects and donor off-budget financing included administrative costs and technical assistance. It was also not clear whether the reported off-budget funding was wholly additional, or it included projects that were already in existence before the start of the PRDP. In addition, the outputs of donor off-budget funding were hard to track as OPM was not the primary recipient of the project reports, even though individual interventions may be known at District level.
289. During the first two years of the PRDP, the bulk of the funding was provided to meet strategic objective 2, “Rebuilding and Empowering Communities”, which received USD388m (equivalent to 65.7 percent of total funding). About USD290m was channelled through off-budget interventions, USD66.5m through the PRDP grant, and USD30.9m through Special Projects. The PRDP objective 3 focused on “revitalizing the economy” received only USD89m (equivalent to 15.1 percent of total funding). Once again, the bulk of this was channelled through off-budget funding (USD38.1m), with the remainder being provided through Special Projects (USD31.6m) and the PRDP grant (USD19.3m). Strategic Objective 1, Consolidating State Authority, received the least funding (USD14.6m, or less than 3 percent of total funding), while it accounted for over two-thirds of the original PRDP budget.
290. The review concluded that even though progress was made, interventions had generally been weak, and conflict drivers such as land, youth unemployment and inadequate reintegration of ex-combatants were not adequately assessed or addressed. Provision of economic infrastructure (e.g. roads) yielded some positive results though support to farmers had not been adequately addressed. Much more support was needed in order to reduce income poverty and to provide economic opportunities for the youth. In addition, the balance of funding between Strategic Objectives was not fully in accordance with the needs of communities. Communities

surveyed cited social infrastructure, agricultural inputs and support to agriculture in general as high priorities, particularly in districts with high numbers of returnees. Further, though PRDP interventions follow sector guidelines and are in many ways similar to those implemented by the sectors, the sectors have not always played an active oversight role in its implementation to ensure optimization of investments or that the construction of infrastructure fits into sector development priorities.

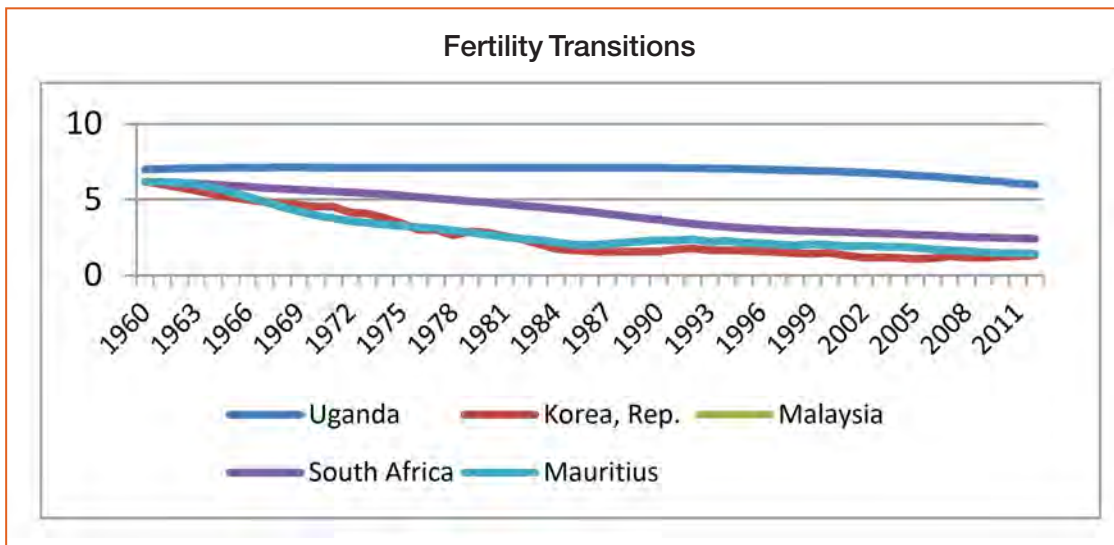
291. At the program level, the PRDP was predominantly focused on social infrastructure receiving an allocation of 53 percent of all funding. Economic Infrastructure rehabilitation, that is maintenance or upgrade of district or community roads, received just 4.4 percent of overall PRDP funding. Production and Marketing Enhancement received 7.6 percent of overall PRDP funding, entirely financed by Special Projects and off-budget interventions, while Environment, Land and Natural Resources received just 1.9 percent. In order to reduce income poverty and improve socio-economic indicators for the region, a greater portion of the funds should have been allocated to meet strategic objective 3, “revitalizing the local economy”.

292. Natural Disasters: Landslides, drought, famine, severe storms, wild fires and lightning are increasingly causing destructive impacts on investment in many parts of the Country. There are several factors that influence the risk of occurrence of disasters such as human and social vulnerabilities, coupled with overall capacity to predict, prepare for, respond to or reduce disaster impact. Low levels of disaster preparedness at National, District and Community levels are contributing factors. Disasters disrupt productive capacities of the population, destroy infrastructural and productive investments, divert resources meant for economic growth programmes and retard the pace of GDP growth rate. With increasing public awareness about disasters and disaster risks, climate change and global warming, society is ceasing to portray disasters as mere acts of nature and is therefore eager to contribute to sustainable solutions.

2.4.4 Dependency

293. The country is still faced with a high dependency ratio mainly due to the high fertility rate (Figure 2.15). While other developing countries have undergone rapid fertility transitions, Uganda’s fertility has remained high, although it decreased 6.2 children per woman in 2011 from 6.7 in 2006. High population growth in rural areas has resulted in the persistence of subsistence farming and low agricultural productivity.

Figure 2.15: Dependency Ratios and Fertility Transitions



Source: World Development Indicators, 2012

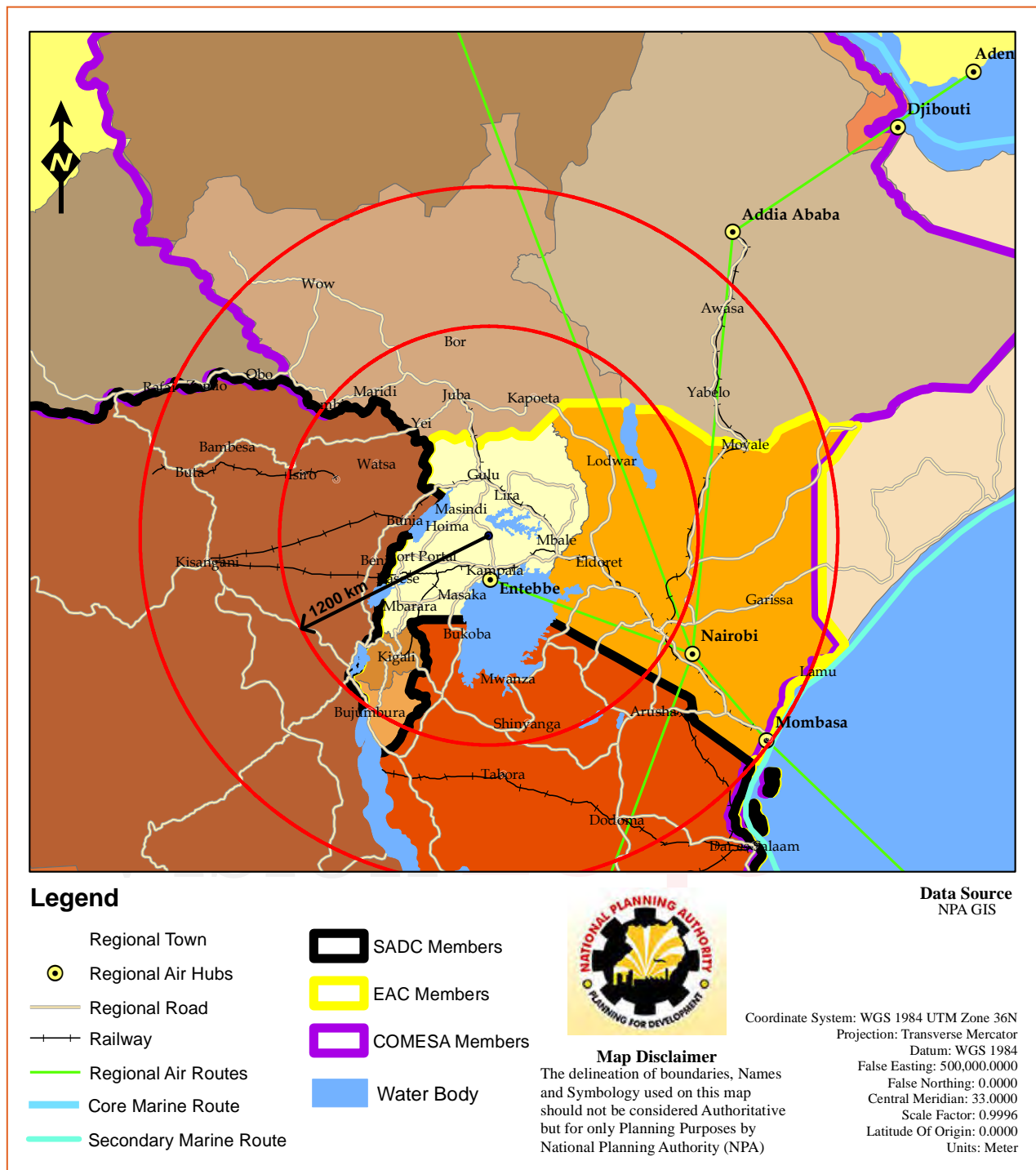
Uganda
Vision 2040

CHAPTER 3: DEVELOPMENT CONTEXT

3.1 Introduction

294. As a landlocked country, with a relatively small market, Uganda has to look outside its borders for opportunities to trade and import technology. In that regard, Uganda has committed to building a quasi-market oriented economy, fully prepared to take advantage of the unfolding global development opportunities. NDP II lays strategies to mitigate the impact of the challenges faced, fully cognizant of its development obligations as enshrined in the Constitution of the Republic of Uganda, the East African Community Integration Protocols, the Africa Agenda 2063, and the Post 2015 Sustainable Development Agenda.
295. The major development opportunities unfolding at the global and regional level include: the ongoing re-alignments of the global economic, geopolitical, security and social landscapes; and changes and advances in technology, production, trade, knowledge and labour markets. Global demographic trends and the growing global middle classes in emerging and developing countries also present valuable opportunities for Uganda.
296. Uganda's economic growth rate of 5.04 percent in 2012/2013 compared favourably with two of Africa's biggest economies; South Africa and Nigeria, at 7 percent and 5.3 percent, respectively. However, Uganda needs to grow at a much faster rate to catch up, for instance, with the size of the South African economy with a GDP of USD 350 Billion and a population of 52 million. For Uganda to change its GDP trajectory, value addition through industrialization or light manufacturing and the potential demographic dividend will be the key drivers, linked to trade, tourism, agriculture, and natural resource exploitation while taking full advantage of the changing distribution of global political and economic power. In the process, the country will put in place the appropriate policies, legal framework and programs to eliminate the main challenges impeding growth, including but not limited to: income inequality; unemployment (especially youth unemployment); unplanned urbanization; inadequate infrastructure, especially energy, transport and water for production, the slow pace of land reforms, impact of natural disasters; climate change and global warming.

Map 3.1: Regional Air and Marine Routes



3.2 Key Development Opportunities

3.2.1 Demographic Changes

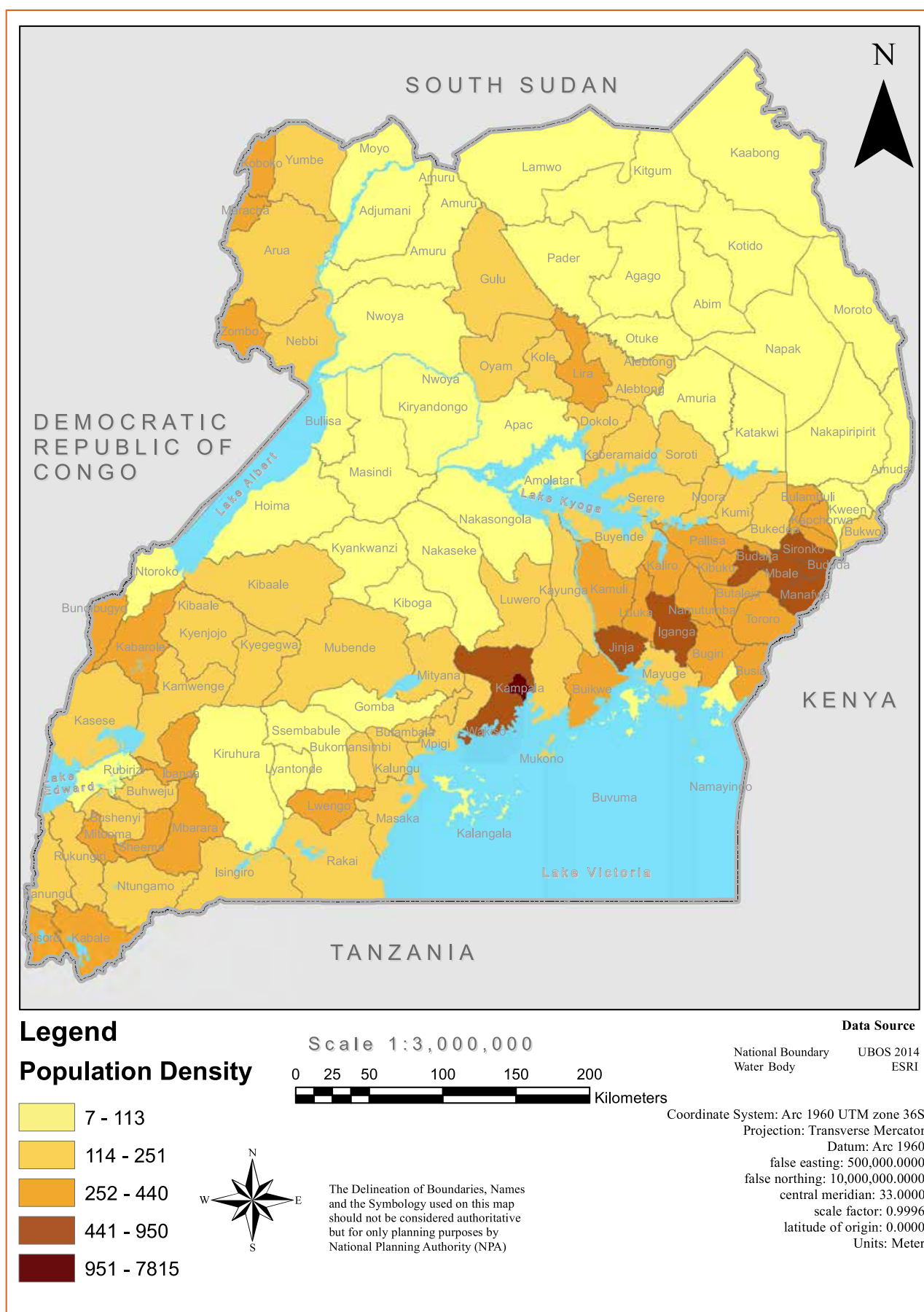
297. The world population of 7.2 billion in mid-2013 is projected to reach 8.1 billion in 2025, according to official United Nations estimates. Much of this increase is projected to take place in high-fertility countries, mainly in Africa. By 2063, Africa's population is projected to reach 30 percent of the world's population, second to Asia which will be making up 50 percent, even if its share of the world's GDP by that date is projected to be only 10 percent.
298. By 2030, most developing countries should have experienced fast enough economic growth rates, averaging 5 percent per year, to bring extreme poverty down below five percent. The consequent growth in the global middle classes in emerging and developing countries will lead to a surge in global demand for natural resources, food items and manufactured goods to service middle class life styles.
299. Uganda, although a low income country, can also benefit from the growth in the size of the global markets for food, natural resources and light manufactured goods by taking advantage of its demographic transition that is starting to take root, by increasing the volume, diversity and quality of goods produced in these categories. Although Uganda's population growth rate of 3.2 percent is projected to drop to 2.4 percent by the year 2040, the total population will increase to 61 million in 2040²⁶. The decline in the size of the young population cohorts, due to declining fertility and the rise of the working age population cohorts, potentially present a demographic dividend for Uganda which, if properly harnessed, could propel the rate of economic growth.
300. Map 3.2 shows the Uganda's population density as at 2014. Generally, the Central part of the country as well as the Eastern, Western and North-Western parts are the most densely populated and therefore in high demand of services.

3.2.2 Increased Global Demand for Agricultural Products

301. Closely related to the growth in global population, is the rising demand for food and food related items, as evidenced by the high and rising global food prices. The combined effect of the rise in total global population, the increasing numbers of the global middle classes, and the negative impact of climate change on food production around the world (due to flooding and droughts), has resulted in a consistent rise in the demand for food relative to food supply. As a predominantly agricultural country, this situation provides a big opportunity for Uganda to increase production, productivity and add value to a variety of its agricultural outputs.

²⁶ NPA – Harnessing the Demographic Dividend, Accelerating socioeconomic transformation in Uganda

Map 3.2: 2014 Population Density



3.2.3 Increased Global Demand for Natural Resources

302. At the global level, it is estimated that, between 2010 and 2040, world energy consumption will grow by 56 percent, with much of this growth derived from strong long term growth in the emerging and developing economies. Non-renewable fossil fuels continue to play a dominant role, supplying close to 80 percent of the world's entire energy demand. Uganda has made significant discoveries in natural resources in recent years and in the last five years; new minerals and fossil deposits have been discovered in commercial quantities.
303. The shift towards non-traditional and more efficient renewable sources of energy has been due to the undesirable effects of non-renewable fossil fuels on the environment (including but not limited to climate change) on one hand, and the need to ensure efficiency in energy consumption, for future availability and sustainability of these resources, since they are exhaustible on the other. Renewable energy (that includes sunlight, wind, rain, tides, waterfalls and geothermal heat) and nuclear power are the world's fastest growing energy sources, growing at approximately 2.5 percent per year²⁷.
304. In addition, whereas rapid advances in the development of new technology offers significant benefits to Uganda, if the transfer and adoption/absorption of new technologies is well managed, technological change and the development of new sources of energy, can reduce the considerable economic promise of Uganda's reserves of natural resources. For example, with increased automobile fuel efficiency and the boom in America's natural gas production, the U.S. is becoming less reliant on foreign petroleum oil supplies.
305. In this regard, while Uganda should intensify efforts for the exploration and production of fossil fuel, it should also start investing in the development of other renewable energy sources, particularly in solar, biogas and wind energy.

3.2.4 Increased Access to Development Finance

306. Until recently, Official Development Assistance (ODA) was the main source of funding for development, especially for the low income countries (LICs). Each of the three sources of Aid: Multilateral Institutions, Western and Asian countries and the civil society in the West set up mechanisms for funding development projects (especially infrastructure) in LICs, either with a strong grant element (concessional loans) or at no interest. However, there were always conditions attached to the use of these funds, which diminished the effectiveness of this Aid, especially when these conditions were not properly negotiated or internalized.

²⁷ (International Energy Outlook, 2013)

307. At a global level, the future will be characterized by the emergence of systemically relevant “growth poles” of several developing and transition countries – most notably the BRICS (Brazil, Russia, India, China and South Africa). At the Fifth BRICS Summit held in South Africa in March 2013, the BRICS leaders agreed to establish a new Development Bank, with sufficient capital for financing infrastructure. They also agreed to establish the BRICS Multilateral Infrastructure Co-Financing Agreement for Africa, which paves the way for the establishment of co-financing arrangements for infrastructure projects across the African continent.
308. The emergence of these new economic and political power centres potentially provide new sources of finance to fund Uganda’s development needs on concessionary terms. In order to seize this opportunity, the country needs to forge a proactive engagement strategy (especially through commercial diplomacy) with these emerging partners, harnessing the growing economic relations with them to advance its long-term development objectives.
309. Africa’s required annual infrastructure spending is estimated to be about USD93 billion per year. However, African countries spend only about USD45 billion annually on infrastructures, a third of which is contributed by donors and the private sector. Two thirds of the total amount of resources spent on infrastructure is used for operation and maintenance, and only one-third to finance new projects. This leaves a funding gap of USD48 billion annually. Over the past five years, the African Development Bank (AfDB) has invested over USD5.4 billion in critical infrastructure in Africa through private sector and public-private partnership (PPP) financing.
310. The “Africa50 Infrastructure” Fund launched by the AfDB together with the “Made in Africa Foundation” will help develop and fund bankable projects. By May 2015, “Africa50” received USD700 million of the expected USD1 billion as part of the move to shorten the time used to move an infrastructure project from preparation to development from an average of seven years to less than three years. China has recently pledged USD3 billion for joint investments with the World Bank/IFC in African infrastructure. In addition, the China-Africa Development Fund—supported by the China Development Bank, has already financed projects in more than 30 African countries. Additionally, the President Obama Power Africa initiative, which aims to double electricity access in Sub Saharan Africa (SSA), is a good source of funding for energy projects.
311. Ethiopia and Kenya are pioneering innovative ways of accessing previously untapped sources of funding. Ethiopia has issued diaspora bonds for financing public infrastructure, while Kenya has placed infrastructure bonds to the diaspora. Other African countries are also assessing their feasibility. The African Union in conjunction with AfDB and NEPAD has formulated two mechanisms for infrastructure reform, funds mobilization and capacity building: the Program for Infrastructure Development (PIDA) and the Short-term Infrastructure Program (STAP). STAP was developed based

on a survey of infrastructure projects under preparation by countries and regional institutions based on a number of criteria, including projects that are at an advanced stage of preparation which can therefore be fast tracked, projects that enhance regional integration, those that have stalled for political reasons, and projects that promote private sector involvement. PIDA, on the other hand, aims to develop a vision, policies, strategies and a program for the development of priority regional and continental infrastructure in transport, energy, trans-boundary water and ICT over the medium to long term.

312. Infrastructure development is costly and requires mobilization of significant resources. The EAC integration provides Uganda an opportunity to pool resources with other Partner States to develop regional transport infrastructure projects which are capable of increasing the country's connectivity with the region. These include regional road networks, regional railway networks, regional water ways, ports and other facilities. Efforts are already underway for Uganda, Kenya and Rwanda to jointly improve the quality of the road connecting the three countries and linking them to the sea at Mombasa. The Exim Bank of China and the three governments are also jointly financing the construction of the regional standard gauge railway from Mombasa to Tororo and further to Kampala-Kigali and a branch from Tororo to Gulu, Nimule to Juba.

3.2.5 Trade and Expansion of Markets

313. Trade is an important driver of economic growth and job creation worldwide. The success of the South East Asian countries (like South Korea) shows that, with political stability and commitment to development accompanied by proper policies, trade can drive economic growth and development. Trade has been a major engine of growth in all the emerging economies and extensive studies have consistently shown that export growth is closely linked to economic growth. Moreover, there is growing empirical evidence that improved trade performance is closely associated with increased employment opportunities and higher incomes for the poor. For Uganda, a small economy with low consumer purchasing power and agriculture as the dominant sector employing 72 percent of the total labour force, regional and international trade enables local producers to participate in the wider global value chains, access larger markets and increase productivity, efficiency and overall competitiveness in production.

3.2.6 Tourism potential

314. Tourism is one of the world's largest and fastest-growing economic sectors, recording high rates of growth and expansion. Many new destinations have emerged, challenging the traditional ones of Europe and North America. In the recent past, destinations and innovative tourism products in emerging economies have grown faster than in advanced economies and this trend is set to continue in the future.

315. In spite of the occasional shocks, international tourist arrivals have recorded virtual uninterrupted growth, rising from 277 million in 1980 to 528 million in 1995, and 983 million in 2011. In 2012, for the first time in history, tourism arrivals surpassed the 1-billion mark to reach 1.35 billion, representing a growth rate of 4 percent. The number of international tourist arrivals worldwide is projected to increase by 3.3 percent a year on average in the period 2010-2030. In the same period, arrivals to emerging economies are expected to increase by 4.4 percent a year, double the projected increase in the pace of 2.2 percent a year to advanced economies²⁸. This global trend shows enormous potential for tourism in Uganda, if the country's enormous tourism resource endowment (in terms of variety) is well planned and harnessed.

3.2.7 Science, Technological Innovation and Industrialization

316. Scientific, technological and innovation advancement is a critical precursor for industrialization and therefore development. It enables the creation of new firms and/or industries that act as avenues for commercializing new products and processes. This stabilizes the technology balance of payments through net exportation of R&D outcomes and production ready technologies. With technological innovation and absorption, countries now have the ability to industrialize faster and more cheaply than before.

317. Industrialization plays a vital role in the economic transformation of countries. Economies that are effectively engaging in external trade have a better chance of importing and absorbing new technologies and hence can industrialize faster. The huge demand for light manufactured goods and processed agricultural products in the region (particularly South Sudan and Congo), presents a major development opportunity given the current limited capacity for production of these categories of goods in the wider East African region, the large percentage of the population that is not in paid employment and the labour intensive/low technology nature of this type of manufacturing. Establishment of light manufacturing/agro-processing industries in Uganda would create good paying jobs that are resilient to economic fluctuations in the developed world for the large and increasing numbers of the jobless youth. Goal 8 (target 8.1) of the proposed Sustainable Development Goals implores member countries to achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour intensive sectors.

3.3 International, Regional and National Development Obligations

318. During the 14 year period since the millennium declaration, the world has seen some of the steepest reduction in the levels of poverty globally. The number of people living below the poverty line, which is on less than 1.25 dollars per day, fell by more than 500 million people. Child mortality reduced by more than 30 percent globally and

²⁸ World Tourism Organization Report, 2012

the number of children dying from malaria was reduced by one quarter. Overall, there has been remarkable progress made in all of the eight goals due to:

- Higher rates of economic growth, particularly in the low to middle income countries (including Uganda) driven by better and more evidence based policies, increased regional integration creating bigger markets and free movement of labour
- Increased involvement of non-state actors, and consequently better governance
- Increased budget outlays for basic social and economic services made possible by the high rates of economic growth and discovery of new natural resources, and more importantly
- Global commitment to the MDGs, which laid a rallying platform for concerted investments, particularly in social infrastructure.

319. By 2012/13, Uganda had already met two of the 17 MDG targets, and was on track to achieving another eight by 2015. The country halved the number of people living in absolute poverty five years ahead of schedule, and had also achieved debt sustainability. However, there are a number of areas where progress has been slow, stagnated or experienced reversals. These include:

- Reducing maternal mortality rates,
- Slow progress in giving women access to reproductive health services,
- Inadequate integration of sustainable development into country policies and programs; and
- Loss of valuable environmental resources. Progress has also been slow in reducing biodiversity loss and improving the lives of slum dwellers.

320. As the MDGs come to an end, a High level Panel of Eminent Persons was appointed by the UN Secretary General to draft, for consideration by the General Assembly, new goals and targets that would guide member states on the post 2015 Sustainable Development Agenda. The panel has recommended that rather than start on a new set of mutually agreed development goals, the sustainable development agenda should build on the achievements made under the MDGs and motivate countries to embark on a more sustainable development path.

321. Consequently, the next 15 years under the post 2015 development agenda will be guided by aspirations for a world that is more equal, more prosperous, more peaceful and more just. In that regard, a set of 17 goals and the attendant targets has been recommended, with all targets set at the national or even local level, to account for differences in contexts and starting points. Targets will only be considered achieved if they are met for all relevant income and social groups.

322. Holding the Presidency of the UN General Assembly during the debate, adoption and launch of the Post 2015 Sustainable Development Goals (SDGs), Uganda is in a uniquely advantageous position to lead by example by adopting and localizing the SDGs, and implementing projects geared towards achievement of the SDGs, particularly those that fit within the current national development obligations as

well as East African Regional Integration and African Agenda 2063 development commitments. NDP II presents the perfect opportunity to do this.

323. The full list of the recommended post 2015 Sustainable Development Goals and targets is shown in the Annex 3. However, this section presents the most critical of the development obligations and commitments in line with the Constitution of the Republic of Uganda, Uganda Vision 2040, the East African Regional Integration Protocols, Africa Agenda 2063 and the SDGs which have been integrated into NDPII as the platform for mobilizing resources to implement and monitor their achievement. They will also be integrated into the appropriate Sector and Local Government Plans and budgets, as well as, implementation, monitoring and evaluation frameworks.

3.3.1 Develop adequate Energy Supply

324. Review of the economic history of advanced economies shows that growth and development are inextricably linked to the use of electricity as form of energy. Government is committed to improving electricity generation and supply to support industrialization. Government has also made commitments at regional and international level to improve electricity generation and sharing among partner states through the Eastern Africa Power Pool (EAPP) in a bid to rationalize the generation and use of modern energy sources.

325. Sustainable Development Goal 7 obligates member states to ensure access to affordable, reliable, sustainable, and modern energy for all. Under Target 7.1, members are expected to ensure universal access to affordable, reliable and modern energy services. The Uganda Vision 2040 puts the target at 80 percent access to modern energy by 2040, up from the access rate of 14 percent in 2013.

3.3.2 Develop adequate Transport Infrastructure

326. There is a close relationship between regional integration, growth, and transport infrastructure. Infrastructure development helps to: reduce the cost of production and of doing business; widen and integrate markets; achieve economies of scale; encourage participation of the private sector; and attract foreign direct investment and technology, hence increase a country's competitiveness and effective participation in regional and global value chains.

327. Article 89 of the EAC Treaty gives prominence to regional infrastructure development as one of the major areas of cooperation to facilitate the movement of traffic within the Community, promote integration within the regional and global markets and further the physical cohesion of the Partner States. The Treaty calls on Partner States to "... evolve and expand the existing transport and communication links and establish new ones". The EAC Transport Strategy and Road Sector Development Program (2010–2020), and the 4th EAC Development Strategy for the period 2011/12–2015/16

outlines the broad strategic goals of the Community to include development of: (i) road connectivity and operations across the region; (ii) an efficient railway system, (iii) a safe, secure, and efficient air transport system; and (iv) a safe, secure, and efficient maritime transport system; and (v) integration of Information and Communication Technology (ICT) into regional initiatives.

328. SDG Goal 9 obligates member states to “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”. In particular, Target 1 under this goal requires member states to “develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all”.

3.3.3 Promote a Rule-Based Open Trading System and Regional Integration

329. Uganda’s push for regional integration and its membership in the EAC, COMESA, and the African Union and World Trade Organisation (WTO) is one of the strategic policy choices through which the country is promoting trade and access to new markets. The EAC gives Uganda access to a regional market of 1.82 million Kilometres², a population of 141.1 million people and a GDP of USD 99.8 billion. Intra-EAC trade grew from USD 711.8 million in 2004 before signing of the EAC Customs Union to USD 2.7 billion in 2013. Uganda’s exports to the EAC grew by about 400 percent from USD 128.5 million in 2005 to about USD 643.7 million. Thus, not only have EAC markets provided a growing outlet for Uganda’s exports, the country has also been gaining substantial market share of those markets. Furthermore, the regional market is increasingly becoming a fertile ground for growth of small-scale exporters, diversifying the export basket and adding value to the traditional export commodities. Thus, the EAC market is critical for nurturing new and inexperienced exporters and for diversifying the country’s export basket. Uganda’s membership to WTO provides her with access to the high end global markets of EU, Americas and Asia which though declining has remained important for transfer.
330. In addition, Uganda’s strategic location at the heart of East Africa, bordering and inter-linked to 5 other economies, makes it well placed to exploit the regional market. It is in a particularly advantageous position to supply neighbouring countries in the Great Lakes region and beyond i.e. South Sudan, the DRC and Kenya. Uganda’s private sector has already established trading partnerships in these countries mainly through informal means. Up until 2010, these countries accounted for 38 percent, 20 percent and 19 percent of Uganda’s exports respectively. Building on the existing trade relations, Uganda can play a stronger strategic role in increasing trade, particularly with the non-EAC Great Lakes countries.
331. Another important achievement of the EAC is the establishment of the Common Market effective July 01, 2010. Although not yet fully functional, the East African

Common Market is so far the only one of its kind in Africa. Full implementation of the Common Market Protocol is expected to increase investments in the region, as investors will be assured of a bigger single market, with free movement of all factors of production. In the current phase, Uganda along with the other members of the EAC will undertake a variety of trade and trade-facilitation measures, including removal of internal tariffs, non-tariff and technical barriers to trade, harmonization of standards, adopt an integrated border management system and eliminate restrictions on movement of labour, services, and capital. Regional cooperation will be taken to yet another level when the East African Community Monetary Union protocol becomes operational by 2020/21. The objective of the Protocol is to promote and maintain monetary and financial stability aimed at facilitating economic integration to attain sustainable growth and development of the community.

332. Regional Commitments: Protocol on the establishment of the East African Community Monetary Union. Particularly; Article 2 (b) attain the macroeconomic convergence criteria in article 6 (2) and maintain the criteria for at least 3 consecutive years. The criteria include:
- a) ceiling on headline inflation of 8 percent.
 - b) a ceiling on fiscal deficit, including grants, of 3 percent of GDP.
 - c) a ceiling on Gross Public Debt of 50 percent of GDP in Net Present Value terms; and
 - d) a reserve cover of 4.5 months of imports.
333. The indicative convergence criteria are;
- a) a ceiling on core inflation of 5 percent.
 - b) a ceiling on fiscal deficit, excluding grants, of 6 percent of GDP.
 - c) a tax to GDP ratio of 25 percent.
334. Relevant SDG Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development, particularly:
- a. strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection(17.1).
 - b. promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda(17.10).
 - c. increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020(17.11).
 - d. enhance global macroeconomic stability including through policy coordination and policy coherence(17.13).
 - e. enhance policy coherence for sustainable development (17.14).

3.3.4 Enhance Inclusive growth and Reduce Inequality

335. Globally, even though the number of people living on less than USD 1.25 per day was halved²⁹ between 1990 and 2013, inequality remains a major issue of concern.

The economic growth that has been achieved over the last decade has not generated the type and quality of jobs needed to stem the rising unemployment rates especially among the youth and women and has not substantially affected the number of people employed in the agriculture sector. A study by UNICEF³⁰ shows that inequality slows economic growth, results in health and social problems, and generates political instability. Countries with high inequalities, related to income and gender, tend to grow more slowly, are politically unstable and have significant social and health problems. Lessons from the developed world and more recently from the Arab World and the late industrialisers, on which vision 2040 is benchmarked, show that an inclusive development agenda promoting employment and universal social policies is key to rapid economic and social transformation. More equal income distribution stimulates consumption, raises productivity and helps sustain growth.

336. Goal number 10 of the Sustainable Development Goals and all its targets emphasize the importance of reducing inequality within and among countries. In addition, Targets 16.5 substantially reduce corruption and bribery in all its forms; 16.6 develop effective, accountable and transparent institutions at all levels; and 16.7 ensure responsive, inclusive, participatory and representative decision-making at all levels, are also very critical.
337. The Constitution of the Republic of Uganda mandates Government to take the necessary measures to bring about balanced development for all areas of the Country and between the rural and urban areas. It also mandates Government to take the necessary measures to develop the least developed areas.

3.3.5 Reduce Unemployment through Quality Education and Skills Development

338. The world is yet to fully recover from the global economic and financial crisis of 2008. The global unemployment rate is estimated³¹ to be 6.0 percent of the global labour force in 2014 and is projected to edge higher, due to slower than projected global economic recovery. The estimated unemployment rate for sub-Saharan Africa for 2014 is 7.5 percent, and has been steadily rising translating into crime, violence, conflict and for the girls, exposure to unfortunate vulnerabilities. The situation of the youth is especially dire. There are currently 1.8 billion adolescents and youth in the world, making up one quarter of the world's population. However, the global labourmarket outlook for young people has worsened for every region in the world.
339. The global youth unemployment rate increased from 12.9 percent in 2012 to 13.1 percent in 2013, while Africa's youth unemployment rate was estimated to be 51 percent in 2013. Of Africa's unemployed, 60percent are young people and youth unemployment rates are more than double those of adult unemployment in most

²⁹ UNDP, Millennium Development Goals Report 2013

³⁰ Global Inequality.Beyond the Bottom Billion.A quick review of Income distribution in 141 countries. UNICEF Working Policy Paper (2011)

³¹ ILO

African countries. Of those in employment, the proportion of young people in the informal sector is significantly higher than that of adults. More than 70 percent of Africa's youth live on less than USD 2 per day. Young people find it hard to get a first job and face many obstacles, ranging from discrimination, marginalization and poverty.

340. SDG Goal 8 places special emphasis on the need to reduce unemployment, especially youth unemployment. Two targets under this goal are particularly relevant: a) by 2020 substantially reduce the proportion of youth not in employment, education or training; and b) by 2020 develop and operationalize a global strategy for youth employment, and implement the ILO Global Jobs Pact.
341. In addition, SDG Goal 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all is also very relevant. In particular, by 2030:
- ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes (Target 4.1);
 - ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education (Target 4.2);
 - ensure equal access for all women and men to affordable quality technical, ensure vocational and tertiary education, including university (Target 4.3);
 - increase the percentage of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship (Target 4.4);
 - eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations (Target 4.5); and
 - ensure that all youth and at least a considerable percentage of adults, both men and women, achieve literacy and numeracy (Target 4.6).

3.3.6 Minimize Unplanned Urbanization

342. By 2030 there will be over one billion more urban residents and, for the first time ever, the number of rural residents will be starting to shrink. This matters because inclusive growth emanates from vibrant and sustainable cities, the only locale where it is possible to quickly generate the number of good jobs that young people are seeking. Good local governance, management and planning are the key to making sure that migration to cities does not replace one form of poverty by another, where even if incomes are slightly above USD1.25 a day, the cost of meeting basic needs is higher.

343. SDG Target 11.8 is to “support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning”. Many cities including Kampala have outgrown their original plans and face lagging services and housing. Moreover, in most of the developing world, especially in Africa, the development of cities is only partially planned and cities are surrounded by vast areas of informality and unplanned settlements which are highly inefficient. As a result, the urban system needs increasingly large amounts of resources to be made more functional and liveable, which are unaffordable when development is sprawling and unplanned. The city systems are not properly connected and articulated with the surrounding hinterland, due to lack of appropriate sub-national integrated development planning, rendering them dysfunctional and poorly coordinated.

344. SDG Goal 11 places the responsibility on member states to make cities and human settlements inclusive, safe, resilient and sustainable. Of particular relevance to Uganda is Target 11.1: “by 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums”.

3.3.7 Speed up and Complete Land Reform

345. Globally, access to land for production and public Infrastructure projects is a challenge owing to skewed ownership of land, with women and youth having limited access to productive land. Acquisition of land for public infrastructure where land is privately owned is often very expensive pushing up the costs of public infrastructure projects and delaying the construction of much needed public infrastructure.

346. The land reforms carried out in Japan, Taiwan, and South Korea in the 1950s and 1960s resulted in a consistent growth in the agriculture sector of over 4 percent per annum over the next decade. The experience of Vietnam and China was also similar. After carrying out comprehensive land reforms in late 1970s to mid-1980s, the growth rate of the agriculture sectors of these two countries ranged between 3.4 percent and 7.5 percent over the next decade hence precipitating the socio-economic transformation that these two countries enjoy today. Since Uganda has earmarked agriculture as one of the drivers of the country’s socio-economic transformation over the next ten years, before the industry and services sectors take over, Government needs to prioritize the fast tracking of land reform. Successful land reform will increase the growth rate in the agriculture sector from an average of under 2 percent over the last four years to a targeted minimum of 4.5 percent per annum, hence contribute to poverty reduction.

347. SDG goal 1. “End poverty in all its forms everywhere” and particularly Target 1.3 “by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources...” emphasizes the importance of improving access to land for those who need it.

348. The Uganda Vision 2040 also underscores the importance of land reform to enable faster acquisition of land for urbanization, infrastructure development and agricultural production.

3.3.8 End hunger, achieve food security and improved nutrition

349. Uganda is rated among the countries that are judged to be largely food secure. While a lot of progress has been made in improving the nutritional status, there is still room for progress. Nutrition is particularly important during early childhood, influencing an individual's health, cognitive development and economic outcomes into adulthood. Globally, under nutrition is estimated to be responsible for the death of 45 percent of all children. In Uganda however, the steep fall in the poverty rate has resulted into significant improvements in child nutrition. The share of underweight children under five years of age declined from 25.5 percent in 1995 to 13.8 percent in 2011, and the country is on track to meet the MDG target by 2015. Government efforts to promote maternal nutrition and care, including exclusive breastfeeding for the first six months of life; timely, adequate, safe and appropriate complementary feeding and micronutrient intake between 6 and 24 months; and the fortification of common staple foods has made a significant difference. However, more effort is needed to further reduce the number of cases of malnutrition and stunting.

350. The appropriate SDG goal for maintaining the momentum gained is SDG Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture. In particular, targets:

- end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round by 2030 (Target 2.1);
- end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons by 2030 (Target 2.2);
- increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development, and plant and livestock gene banks to enhance agricultural productive capacity in developing countries, in particular in least developed countries (Target 2.6).

3.3.9 Improve Health and Promote Well-being

351. Global trends show significant gains in the health and well-being of the people especially during the Millennium Development Goals period due to increased investments in basic social services and advances in technology. Life expectancy has increased; and maternal, infant and child mortality has fallen. In Uganda, the health trends indicate a general improvement over the years. However, recent evidence shows that maternal mortality ratio and the number of HIV/AIDS infections have started going up again. Similarly, there has been slow progress towards reducing

the incidences of malaria cases which had a target of 15 percent by end of 2015. The allocation to health as percentage of the total Government budget reduced from 9.6 percent in 2003 to 8.6 percent in 2014/15 as opposed to the Abuja Declaration target of 15 percent. Also Uganda's fertility rate of 6.2 is among the highest in the world.

352. SDG Goal 3: "Ensure healthy lives and promote well-being for all at all ages" necessitates an increase in budget allocations to the health sector. The targets below are especially critical for Uganda:

- reduce the global maternal mortality ratio to less than 70 per 100,000 live births by 2030 (Target 3.1);
- end preventable deaths of newborns and under-five children by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases by 2030 (Target 3.2);
- ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes by 2030 (Target 3.7).

3.3.10 Mainstream Climate Change Adaptation and Mitigation

353. The continuation of unsustainable consumption patterns in rich countries, the unrelenting expansion of world demand for natural resources are causing climate change whose impacts are set to pose considerable development and environmental challenges, and the resulting socio-economic effects could be far-reaching. The costs associated with Climate Change adaptation and mitigation as well as environmental degradation are set to rise as many more countries join the ranks of the developed world. Therefore, costs associated with Climate Change adaptation and mitigation as well as environmental degradation needs to be factored into the long-term planning.

354. To achieve the Uganda Vision 2040, there is need for clear long-term policies and strategies for adapting to the impacts of climate change while following a low carbon development path through adaptation and mitigation policies and practices. Uganda's approach to climate change adaptation is to strengthen the country's resilience. This involves increasing food security, reducing poverty, increasing levels of education, promoting skills development, and enhancing the integrity of ecosystems. From a mitigation perspective, Uganda will adopt mitigation policies and practices that have adaptation co-benefits, expand renewable energy programmes, promote energy efficiency and those that promote green growth and a green economy. This can however be effectively attained through adequate international climate financing and technological assistance. It is important to recognize that mitigation has multiple benefits to be gained by Uganda in the medium and long-term. Pursuing a low carbon development path has many benefits particularly given the links between climate change action, job creation, poverty reduction and economic competitiveness.

355. Relevant SDG Goal 13: Take urgent action to combat climate change and its impacts. In particular:

- integrate climate change measures into national policies, strategies, and planning (Target 13.2);
- improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning (Target 13.3);
- implement the commitment undertaken by developed country Parties to the UNFCCC to a goal of jointly mobilizing USD100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible (Target 13.4); and

356. Target 17.7 of SDG Goal 17: promote development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.

3.3.11 Achieve gender equality and empower all women and girls

357. The attainment of gender equality and women empowerment is a prerequisite for accelerated socioeconomic transformation. More than half of Uganda's population is women and yet they continue to be left behind in the development process, thus slowing down the country's economic development. Although Uganda has made significant progress in this area, including the formulation of gender responsive policies and strategies, institutionalization of gender planning in all sectors and increased availability of gender disaggregated data and information from research, women continue to face constraints related to access to, control over and ownership of businesses and productive resources such as land and credit. Overall, there is limited employment of women in skill-based industries and this constrains further women's income potential. Women are also marginalized in skills development, access to financial resources, employment in non-agricultural employment and inheritance rights.

358. Relevant SDG Goal 5: Achieve gender equality and empower all women and girls. In particular:

- End all forms of discrimination against all women and girls everywhere;
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life;
- Enhance the use of enabling technologies, in particular ICT, to promote women's empowerment;
- Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws.

3.4 Looking to the Future

359. As the country moves into the second five year plan of Vision 2040, it needs to craft strategies and projects that fully embrace the unfolding global opportunities as well as take cognizance of the development obligations of the country specified in the Constitution of the Republic Uganda, the East African Region Integration protocols, African Agenda 2063 and the post 2015 Global Sustainable Development Agenda. The major development opportunities include: rising regional and global demand for food, leisure/tourism and luxury goods due to the expanding global middle class; the emergence of new development partners that could be a source of concessional finance for development; strong global demand for primary resources that is expected to prevail over the medium to long-term; the emergence of bigger markets due to regional integration; and the rapid advances in science and technology that could easily be imported and adopted.
360. In order to take full advantage of these opportunities, the country needs to:
- i. Prioritize those sectors of the economy that will enhance production of food and food products, leisure and luxury goods and the newly discovered natural resources.
 - ii. Forge a proactive engagement strategy (specifically targeting commercial diplomacy) with these emerging partners to advance the country's long-term development objectives. For example, China alone provided 6 percent of all Africa's infrastructure funding in 2012, while official development assistance from all multilateral agencies provided only 4 percent.
 - iii. Articulate a transparent and development-oriented policy framework for the minerals sector, to retain a higher portion of natural resource rents and to utilize the proceeds towards achieving economic diversification and structural transformation.
 - iv. Make substantial investments in science, technology and innovation to take advantage of the growing sophistication of markets and global value chains.
 - v. Invest significantly in infrastructure, particularly in-country road and regional rail infrastructure, to facilitate evacuation of goods from the production areas to collection and processing centres and onward to the port of Mombasa and other transit points for export.
 - vi. Focus on creating the conditions and facilities for manufacturing export-led growth in themed production zones with low transport and energy costs. Identify and support specific manufacturing clusters strategically located for agricultural production combined with value addition to other raw materials from Uganda and neighbouring sources, as well as outsourcing from more advanced economies.

PART II: STRATEGIC DIRECTION, MACRO-ECONOMIC STRATEGY AND FINANCING

Introduction

361. Part II contains Chapter 4 and Chapter 5, the Strategic Direction of the Plan and the Macroeconomic and Financing Strategy respectively. The strategic direction highlights the key focus areas with the greatest multiplier effect that will propel Uganda to middle income status in the next five years as stipulated in the Uganda Vision 2040. It goes into detail of the goal, objectives, development results and priorities for the next five years. The macroeconomic strategy is underpinned by the objective of maintaining stability and the need to raise resources to address the infrastructure deficit. The strategy highlights the key development outcomes expected under the NDPII, the interventions and resources required to achieve these outcomes. The strategy also provides a motivation for the sources of growth and the expected socio-economic outcomes. The monetary and fiscal strategies are also highlighted in this Chapter. Overall, both chapters take cognisance of the Sustainable Development Goals (SDGs) that define the post-2015 global development agenda in setting the targets for the country's development results as well as the planned interventions envisaged in this Plan's macroeconomic framework. It is important to note that this Plan will have an addendum of the entire set of targets for all the SDGs after extensive consultations with all stake holders.

Uganda
Vision 2040

CHAPTER 4: STRATEGIC DIRECTION

4.1 Goal

362. The goal of this Plan is to attain middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth. Government shall pursue a private sector-led, export oriented, quasi-market approach, fast tracking infrastructure, industrialization and skills development strategies in order to achieve the objectives and targets for the 5 year period.

4.2 Development Objectives

363. This plan has four objectives, namely:

1. Increase Sustainable Production, Productivity and Value Addition in Key Growth Opportunities,
2. Increase the Stock and Quality of Strategic Infrastructure to Accelerate the Country's Competitiveness,
3. Enhance Human Capital Development, and
4. Strengthen Mechanisms for Quality, Effective and Efficient Service Delivery

4.3 Key Development Results

364. Table 4.1 sets out the key development results based on the Plan's macroeconomic projections, previous performance, Sustainable Development Goals, and Uganda Vision 2040 targets. The key result areas are; a competitive economy, increased employment and wealth, and skilled human capital.

Table 4.1: Key Development Results and Targets

NDPII Goal and Objectives	Development Indicator	Baseline	Targets	
		2012/13	2019/20	V2040
Overall Goal: To achieve middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth	1. Income per Capita (USD)	743	1,039	9,500
	2. Average economic growth rate*	5.2	6.3	8.2
	3. Percentage of people living on less than USD 1 a day	19.7	14.2	5.0
	4. Percentage of national labour force employed	75.4	79	94
	5. The number of young people not in education, employment or training	Census baseline 2014	By 20 percent	By 90 percent

Objective 1: Increase sustainable production, productivity and value addition in key growth opportunities	1. Manufactured exports as a percentage of total exports		5.8	19.0	50
Objective 1: Increase sustainable production, productivity and value addition in key growth opportunities	2. Labour Productivity (GDP per Worker - USD)	Agriculture	581	977.77	6,790
		Industry	5,106	7,871.35	24,820
		Services	2,441	5,217.65	25,513
	3. Nominal GDP (UGX Billions)		55,602	132,249	1,451,250
	4. Real GDP (UGX Billions)		25,203	40,760	128,200
	5. Forest Cover (percent Land Area)		14	18	24
Objective 2: Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness	1. Gross capital formation as a percentage of GDP		25.5	27.7	30
	2. Total national paved road network (Km)		3,795	6,000	119,840
	3. Percentage of cargo freight on rail to total freight		12	25.5	80
	4. Percentage of the population with access to electricity		14	30	80
	5. Consumption of electricity (Kwh Per capita)		80	578	3,668
Objective 3: Enhance human capital development	1. Life Expectancy at birth		54.5	60	85
	2. Infant mortality rate per 1,000 live births		54	44	4
	3. Under five mortality rate per 1,000 live births		90	51	8
	4. Maternal mortality rate per 100,000 live births		438	320	15
	5. Child Stunting as percent of under-5s		31	25	0
	6. Total Fertility Rate		6.2	4.5	3.0
	7. Primary to secondary school transition rate		73	80	
	8. Net Secondary completion rates		35.5	50	
	9. Average years of schooling		4.7	11	
	10. Safe water coverage	Rural	65	79	100
		Urban	77	100	100
Objective 4: Strengthen mechanisms for quality, effective and efficient service delivery	1. Government Effectiveness Index (2.5 weak; 2.5 strong)		-0.57	0.01	
	2. Public Resources Allocated to Local Governments Level (percent)		19	30	
	3. Corruption Perception Index (CPI)		2.9	3.7	7.1

Note: * this is an average for the Plan period ending that year

4.4 Development Strategies

365. In order to achieve the above objectives and results, the following strategies will be pursued:

1. **Fiscal Expansion for Frontloading Infrastructure Investment:** To realize the necessary public investment, government will harness concessional and semi-concessional financing and other development support facilities that are targeted to accelerate investment in infrastructure and human development, among others. However, government will be mindful of the need to maintain macroeconomic stability and a conducive environment necessary for maximizing the country's competitiveness both regionally and internationally.
2. **Industrialization:** To stimulate growth and employment, the country will promote value addition through agro-processing and mineral beneficiation as well as light manufacturing which have a higher multiplier effect on wealth creation. Particular effort will be made to transfer value addition technologies and offer agri-business skills to women. The private sector will be supported to establish technology incubation centres to enable promotion of technological innovation as well as importation and adoption of low cost technology.
3. **Fast tracking Skills Development:** In order to plug the current skills gap, government will establish five centres of excellence to rapidly build the necessary skills required in the key priority areas. Government will partner with the private sector to identify and train specialized expertise especially in the mineral, oil and gas, energy and transport infrastructure areas. In the medium to long term, government will partner with relevant non-state actors to enact reforms in education and training curricula in order to bridge the gap between the skills acquired at school and those required in the labour market.
4. **Export Oriented Growth:** Uganda's strategic location at the heart of East Africa makes it well placed to exploit the regional market. The region is increasingly becoming a fertile ground for small scale exporters, diversifying the export market and adding value to traditional export commodities. The establishment of the EAC common market and expected formation of the EAC monetary union will increase investment in the region as well as create a bigger single market with free movement of all factors of production. In this regard, the country will prioritize investment in key energy, ICT and transport infrastructure to lower the cost of doing business so as to increase the competitiveness of its private sector in the region and beyond. In addition, the country will diversify its export basket to include processed commodities.
5. **A Quasi-Market Approach:** A Quasi-Market approach will be pursued in order to increase efficiency of the public sector and competitiveness of the private sector. With this approach Government will invest in key strategic infrastructure in order to remove the barriers of entry and increase private sector participation in the key growth areas.

Government will create strategic partnerships with the private sector through Public-Private Partnerships (PPPs) for investment in infrastructure, human capital, minerals, oil and gas, tourism and agriculture.

6. **Harnessing the Demographic Dividend:** Uganda will implement policies aimed at accelerating a rapid decline in fertility and ensure the resulting surplus labour force is well educated, skilled, healthy and economically engaged in order to reap the demographic dividend. In this regard, emphasis will be put on improving access to family planning services, improving nutrition and reforming the education system to increase the years of schooling and quality of education critical for enhancing the level of skill and innovation of the labour force.
7. **Urbanization:** Uganda will implement a tripartite strategic policy aimed at accelerating planned and controlled urbanization; ensuring a critical link between urbanization and modernization of agriculture where the urbanizing community frees land for commercial agriculture as well as create a market for the increased output and quality of agro products; and the reorganization of these communities into cooperatives to utilize their increased incomes to contribute to the creation of vibrant provident funds. These will help to fund housing in the urbanizing conurbations and modernized farmer settlements.
8. **Strengthening Governance:** The key development results cannot be achieved without the necessary enabling environment. Meeting good governance principles will be important for creating the required legal and socio-political environment to accelerate economic and social transformation. These include: constitutional democracy; protection of human rights; rule of law; free and fair political and electoral processes; transparency and accountability; government effectiveness and regulatory quality; effective citizen participation in development processes; and peace, defence and security of the citizens and the country indicators.
9. **Integrating Key Cross-Cutting Issues into Programmes and Projects:** The key cross-cutting issues of; Gender, HIV/AIDS, environment, nutrition, climate change, human rights, social protection, child welfare among others will be mainstreamed in government programmes and projects during the implementation, monitoring and evaluation of the Plan.

4.5 Development Approach

366. To ensure that the country attains the targets set above, government has adopted a five pronged approach in developing this Plan which will continue to be followed during implementation, namely:
 - a) Spatial representation of projects to exploit synergies among the development priority areas and ensure planned urbanization and balanced regional development.

- b) Prioritization among identified Uganda Vision 2040 development opportunities and fundamentals in order to maximize development benefits.
- c) Employment of value chain analysis to identify Interventions and reap the benefits of targeting development resources in the prioritized interventions.
- d) Alignment of sector priorities and budget systems to the NDP priorities to ensure coordinated, effective and efficient service delivery at all levels.
- e) Strengthening of key public sector institutions and involvement of Non-State Actors to effectively manage the implementation, monitoring and evaluation of the planned interventions and assure the achievement of the overall goal and targets.

4.6 Uganda Vision 2040 Spatial Framework

367. The Uganda Vision 2040 Spatial Framework is a layout projecting infrastructural and institutional developments over the long-term. The Framework (Map 4.1) was prepared to ensure the main spatial development elements synergistically, cost effectively and efficiently contribute to the attainment of the Country's long term socio-economic development goals.
368. The NDPII takes the next five year steps towards Vision 2040, and is therefore cognizant of the Spatial Framework which has been prepared for 2040. The rationale for the Spatial Framework is as follows:
- i. The Standard Gauge Railway, which will connect regional capitals, Addis Ababa, Juba, Kigali, Kampala and Nairobi to the sea at Djibouti and Mombasa, is the main determinant of the pattern of regional infrastructure.
 - ii. The infrastructure defines corridors (130m wide) based on, the new electric powered railway, international expressways and 400KV electricity transmission network and fibre network.
 - iii. The location of existing and new power sources which are coming on stream, define "production zones" on the corridors and provide the low cost power and transport which will make Ugandan industry globally competitive.
 - iv. Production zones provide well designed, serviced sites for agro-processing for specific crop clusters, manufacturing based on processing of minerals, oil and gas from the region, and outsourcing of manufacturing from more advanced economies.
 - v. Towns and cities which are already in the corridor, some of which are already becoming conjoined (for example Kampala Jinja) grow by in-migration into well-planned, high density urban corridors related to production zones.

- vi. National parks, forests, agricultural areas and related towns which are off the corridors develop as high quality and high value environments for agriculture, leisure and ICT-based economies.
- vii. Conservation and environmental protection areas are extended within the above ‘off-corridor’ locations; strong measures are taken where corridors pass through environmentally sensitive areas (e.g. in the Albertine Graben).

4.7 Spatial Representation for NDPII

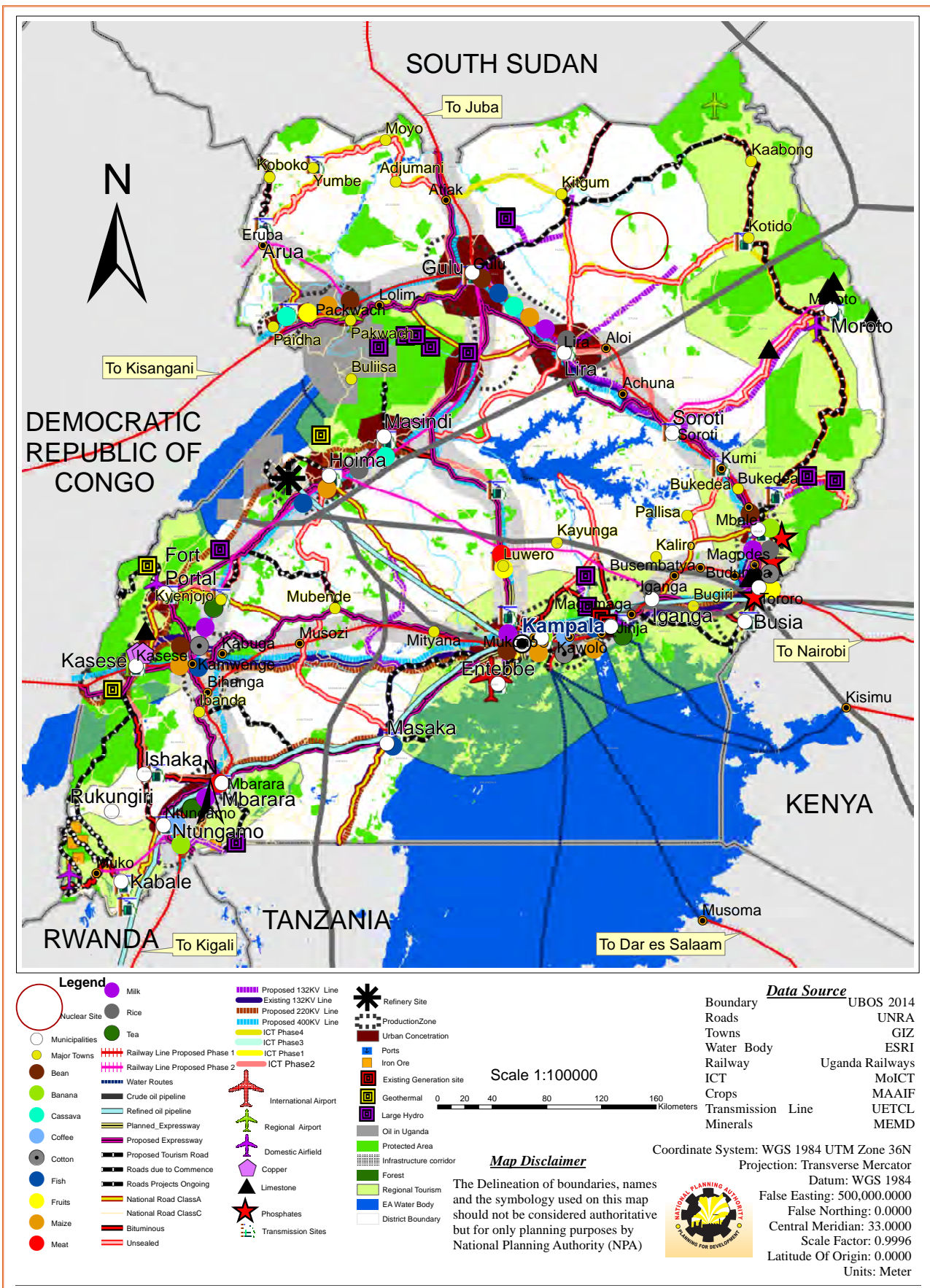
369. The NDPII interventions that will take substantial steps towards implementation of the Uganda Vision 2040 Spatial Framework are shown on Map 4.2. They include construction of the Standard Gauge Railway from Tororo to Namule and Arua northwards, and to Kampala, Kasese and Mirama Hills westwards; construction of the hydro power dam at Karuma will be completed, Ayago will commence; and the 400KV, 220KV and 132 KV transmission lines will be constructed, as shown, to develop the national electricity grid. The infrastructure corridors, production zones and urban corridors at Kampala-Jinja, Mbale-Tororo-Busia, Karuma-Gulu-Lira and Hoima-Kabaale (Refinery) are proposed accordingly. Key tourism roads are proposed for construction in the north east, west and southwest and the National Backbone Infrastructure (NBI) will be extended to the north east and west. Entebbe, Arua and Kasese Airports will be upgraded and Kabaale airport in Hoima District is proposed for construction. Pipelines for crude oil and finished products will be constructed, among others.

4.8 Prioritization Framework

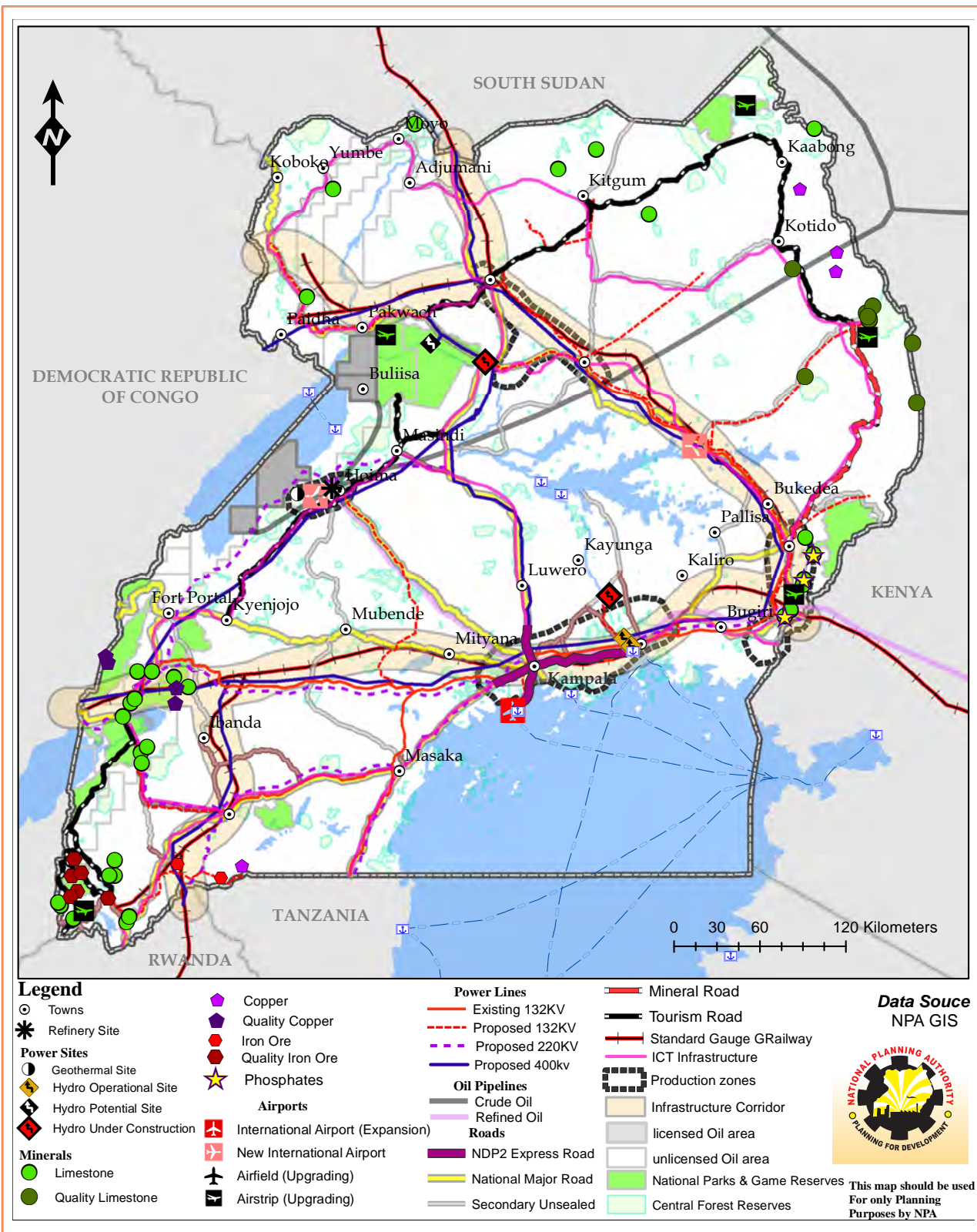
370. The Uganda Vision 2040 requires Development Plans at all levels of government to follow the approach of “harnessing strategic opportunities by strengthening the relevant fundamentals. The opportunities were identified based on their potential to generate wealth, create jobs, and improve social development indicators. Within this context, the Spatial Framework for the Vision 2040, and in line with the recommendations of the NDP I review, three growth opportunities have been prioritized under this National Development Plan, together with two development fundamentals. The opportunities are: Agriculture, Tourism, Minerals, Oil and Gas while the fundamentals are: Infrastructure and Human Capital Development. Given the structure of the economy and level of development, these opportunities present the best potential for launching the country onto a sustained path of growth and development.

371. Agriculture remains central to the country’s economic growth and poverty reduction strategy. It employs 72 percent of the total labour force, accounts for 54 percent of total exports, generates 25.3 percent of GDP (2012/13), and is a source of raw materials for the agro-processing industry. Uniquely endowed with rich fertile soils and two rain seasons, more than 80 percent of the country can be used for agricultural

Map 4.1: Spatial Framework for Uganda Vision 2040



Map 4.2: Spatial Representation for NDPII



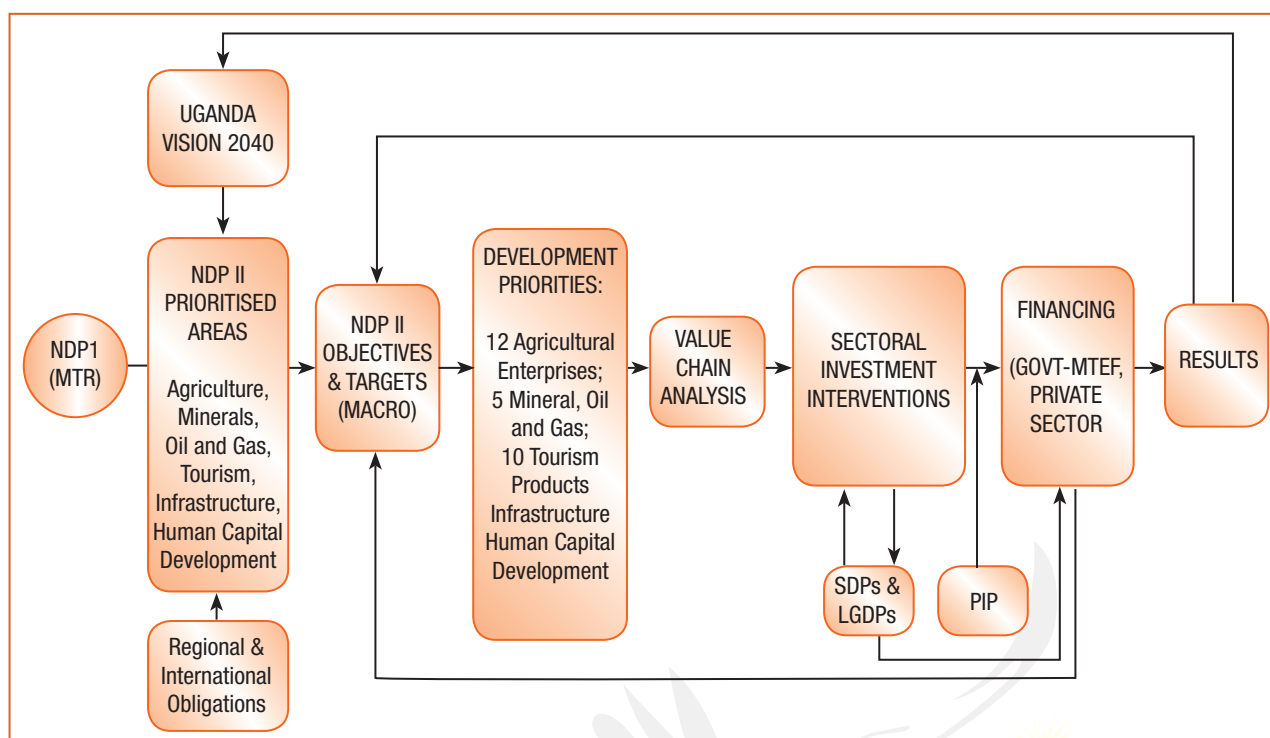
production. Like South Korea (one of the Uganda Vision 2040 comparators), Uganda can use agriculture as a launch pad for growth and industrialization. Tourism is a major foreign exchange earner. It accounts for 19.6 percent of total exports or USD1.7 billion, and directly employs 6.6 percent of total labour force or about 180,900 in travel & Tourism. Even then, the country's tourism potential has barely been tapped. Uganda's total tourist arrivals are only about 10 percent of South Africa's total. With proven commercial quantities of Minerals, Oil and Gas, this sector has great potential for contributing to economic growth and poverty alleviation through mineral exports, use of oil and gas for local consumption/generation of electricity and employment generation. This sector is projected to be a major driver in employment creation and GDP growth over the medium term through value addition. In addition, lifeline industries will spur growth in manufacturing, infrastructure development, agriculture and ICT industries.

372. The prioritization framework (Figure 4.1) presents a logical flow of processes leading to the achievement of the results of the Plan. The value chain analyses guided the identification of key players along the various value chains, prioritization and sequencing of interventions as well as resource allocation to critical interventions across sectors thereby supporting the harnessing of intra and inter-sectoral linkages. While the main emphasis will be placed on financing the implementation of interventions within the critical priority areas, Government will continue funding other sectors of the economy.
373. The prioritization framework requires development of Sector Development Plans (SDPs) and Local Government Development Plans (LGDPs), clearly articulating investment interventions in line with the NDP priority areas. The investment projects highlighted in the sector and local government priorities will inform the development of the Public Investment Plan (PIP) which is an addendum to this Plan.
374. It further indicates the financing mechanisms for the Plan including: Government funding through the MTEF; Public Private Partnerships (PPPs); the Private Sector; Development Partners; and other non-state actors. And finally the framework culminates into the desired results to achieve the Plan's objectives and targets, as well as, the Uganda Vision 2040 aspirations over the next five years.

4.9 Priority Development Areas

4.9.1 Agriculture

375. Agriculture has been and remains central to Uganda's economic growth and poverty reduction. It is a major source of raw materials for the manufacturing sector, a market for non-agricultural output and a source of surplus for investment. Government's strategic investments for modernization of this sector will transform it into a spring-board for socio-economic transformation. Through gender responsive mechanization, commercialization and provision of infrastructure to facilitate marketing, production

Figure 4.1: Prioritization Framework

and productivity will increase leading to increased competitiveness and profitability of the sector. This will lay the foundation for the establishment and expansion of agro-processing and consequently light manufacturing industries. As the commercialization and mechanization of agriculture picks pace, the human resource working in the sector will transfer to the manufacturing and service sectors with better wages, thus accelerating the pace of economic growth and transformation.

376. For this Plan period, focus is placed on investing in the following agricultural enterprises along the value chain: Cotton, Coffee, Tea, Maize, Rice, Cassava, Beans, Fish, Beef, Milk, Citrus and Bananas. These enterprises were selected for a number of reasons including, high potential for food security (maize, beans, Cassava, Bananas); high contribution to export earnings (e.g. Maize - USD 21 million in 2005; coffee -USD 388 million in FY 2007/08; fish - USD 143 million at its peak; tea - USD 56 million in 2007); increased female labour force participation in cash crop production; high multiplier effects in other sectors of the economy; great potential to increase production and productivity through better management; high returns on investment; favourable agro-ecological conditions; high potential for regional and international markets; percentage contribution to GDP and high potential for employment generation while being mindful of the nutritional needs of the country.

377. To increase production, productivity and add value, in the selected enterprises the following stages along the agricultural development value chain have been identified; production, transportation, storage, processing, as well as, marketing and distribution.

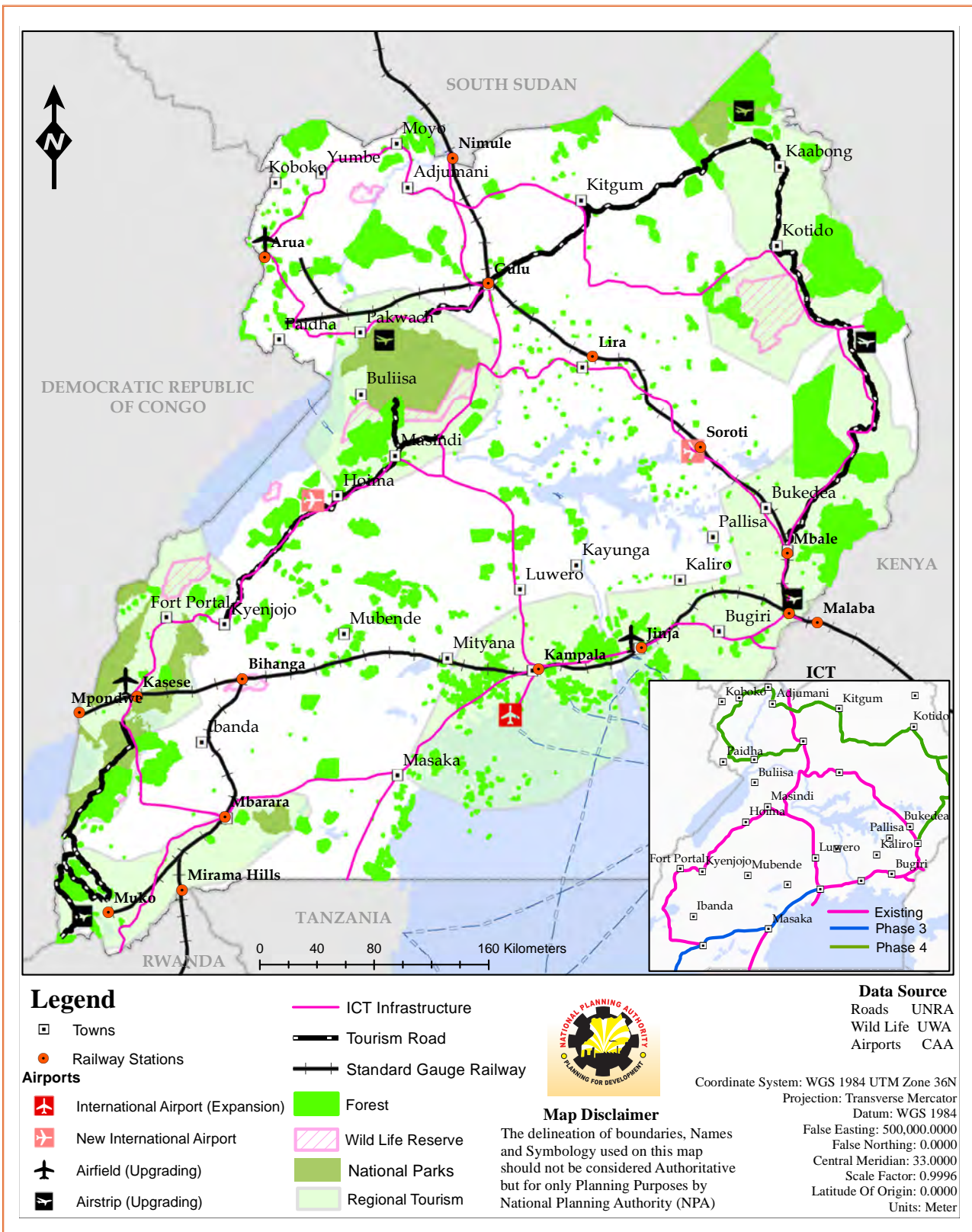
These stages and the resultant interventions show entry points for the various players and key stakeholders to enable the country attain its medium term objectives.

378. In order to increase agricultural production and productivity in the next five years, government will focus on: strengthening research, identifying and building key human resource capacity; technology adaptation at the farm level including modern irrigation technologies; up scaling the transfer and utilization of food-production and labour-saving technologies for women farmers; enhancing extension services; increasing access to and use of critical farm inputs; promoting sustainable land use and soil management; increasing access to agricultural finance with specific attention to women. The current analysis of soils and fertilizer for specific crops should be extended to cover the whole country leading to a spatially differentiated programme for agricultural research, inputs and irrigation for priority crops.
379. To enhance transportation of agricultural products, investment will focus on improvement of the currently degraded stock of rural road network especially feeder, community and trunk roads, as well as, construction and upgrading of strategic roads and the rail system along key routes to ease delivery of agricultural products to domestic and regional markets. During NDPII locations should be identified for storage and processing at or near farm gate.
380. To minimize post-harvest wastage and enhance quality maintenance, the Plan promotes improvement of the stock and quality of storage facilities for crops, livestock and fish products to enable individual farmers and farmers associations to bulk clean, grade, and store their produce more effectively.
381. To increase value-addition to agricultural products, this Plan will focus on: promoting contract farming or out-grower schemes for high-value produce in order to enhance large scale agro-processing and ensure a steady supply of quality produce. In addition, government will promote and support private investment in agro-processing of the prioritized agricultural products; support women and youth associations to engage in agro-processing; facilitate equal access to appropriate agro-processing machinery and equipment through favourable credit facilities, and intensify enforcement of standards to ensure high quality of local agricultural produce and improved market information flow.
382. During NDPII the necessary institutional changes will be made so that a clear strategy for agro-processing can be developed and implemented. This should enable proposals for locating value addition facilities in the proposed zones. It will align current spatial arrangement of crop production with the wider objective of clustering manufacturing activity.
383. In order to enhance marketing and distribution of agricultural products, focus will be on: developing capacities of existing farmers' organizations, co-operatives and

producer associations so as to reap from economies of scale; expanding market access through regional and international protocols and Uganda missions abroad; and deepening ICT access to facilitate market information sharing.

4.9.2 Tourism

384. The tourism sector has demonstrated high potential for generating revenue and employment at a low cost, implying a high return on investment. In 2012, government expenditure on tourism as a percentage of the national budget was only 0.13 percent and yet its total contribution to GDP was 9.0 percent as of 2011/12.
385. Uganda's tourism sector is mainly nature dependent and with the advance of climate change impacts such as high temperatures and prolonged droughts, pose a threat to temperature sensitive vegetation and animal species. Therefore emphasis will be on harnessing and developing tourism products that are climate resilient to ensure the sustainability of the sector and the market segment that thrives on natural products. Special attention will be on promoting and strengthening inter-sectoral linkages and co-ordination that enhances value chain development.
386. The identified tourism regions should continue to be used for planning developments, and the sideways linkages between leisure tourism and agriculture, mining, and industrial development; urban corridors and high quality rural areas that are evident in the Vision 2040 Spatial Framework should be developed during NDPII. During this Plan period, therefore, tourism policies should be extended and adapted towards the business and leisure needs of a modern, industrialised Uganda by 2040, recognizing the key role which the sector plays in marketing Uganda as a whole and providing facilities for visiting foreign, and Ugandan, investors to economic development areas and sites.
387. Investment in tourism will be based on the value chain whose major stages are: Pre-visit Services, Transportation; Information and Reception; Hospitality, as well as, Tourists' Attractions and Amenities.
388. In order to increase the tourism potential at the pre-visit service stage, investment will focus on the following: aggressive marketing of the prioritized tourism products in all source markets; promotion of domestic tourism through cultural, regional cluster initiatives and national events; enhancing women entrepreneurship and employment in cultural and creative industry as well as agro-tourism; diversifying the country's tourism products by developing tourism products that are less vulnerable to climate change.
389. Map 4.3 shows the proposed strategic tourism supporting infrastructure. In the effort to enhance sustainable tourism, the NDPII has prioritized investment in strategic tourism supportive infrastructure (expansion of Entebbe International Airport,

Map 4.3: Proposed Tourism supporting Infrastructure

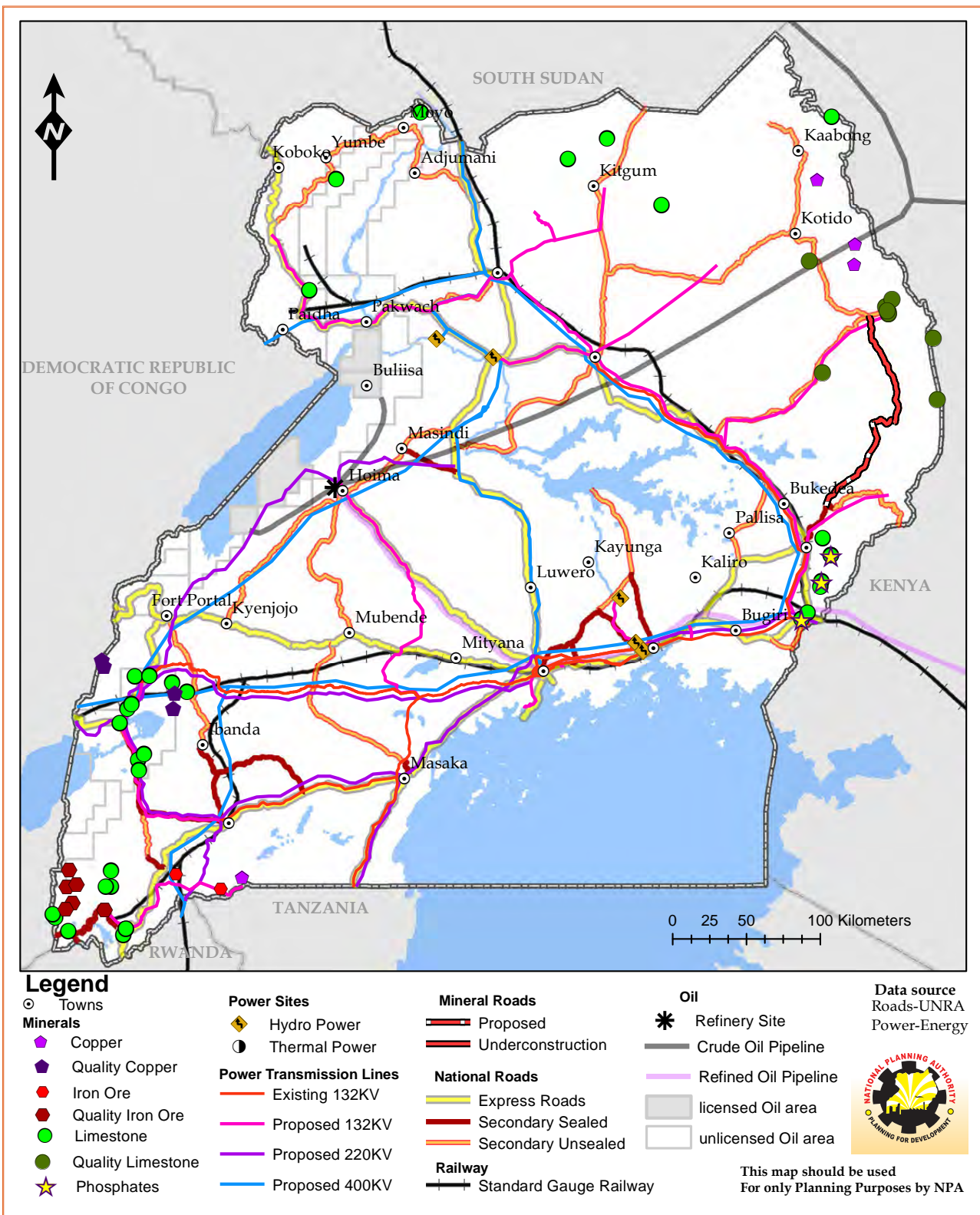
construction of Kabaale Airport in Hoima, upgrading of strategic airfields, construction and maintenance of strategic tourism roads, as well as, investing in water transport to support tourism activities.

390. Improvement of tourism information and reception is also a key area of focus. It will entail standardization and review of tourism curricula across all the training institutions while emphasizing practical training in order to enhance the sector human resource capacity, with emphasis on addressing the gender gaps, and increasing the country's tourism competitiveness. In addition, Government in partnership with the private sector will focus on increasing the quantity and quality of accommodation facilities, improving the quality of related services, such as skilling the staff in the hospitality industry as well as investing in the provision of reliable and affordable sustainable energy, water, and ICT facilities in tourism development areas.
391. To facilitate excursions, Government will intensify the provision of security and protection of tourists and tourist attraction sites; and invest in improving infrastructure in the national parks, combat poaching and eliminate the problem of wildlife dispersal to ensure maximum exploitation of tourist attractions and amenities.

4.9.3 Minerals, Oil and Gas Development

392. The minerals, oil and gas sector has a great potential of contributing to economic growth and poverty alleviation through mineral exports, use of oil and gas for local consumption/generation of electricity and employment generation. Exploitation of minerals and other resources, especially oil, will provide vital resources needed to fund the backlog of infrastructure investments.
393. This sector is projected to be a major driver in employment creation and GDP growth over the medium term through value addition. In addition, lifeline industries will spur growth in manufacturing, infrastructure development, agriculture and ICT industries.
394. The key minerals earmarked for exploitation and value addition include Uranium, Iron ore, Limestone/Marble, Copper/Cobalt, Phosphates and Dimension Stones. In addition, oil and gas exploitation will be prioritized. Iron ore is a key raw material for the steel industry; Phosphates are a key input in manufacturing of fertilizers. Limestone/Marble is a key input in the production of cement and hydrated lime dust both of which are key inputs in the construction industry (highways, bridges, dams and housing). Uranium is a key ingredient for nuclear power generation; Copper/Cobalt is a key ingredient in the production of copper wire a crucial input to the energy and construction sectors. Quality Limestone/Marble will be majorly exploited in Hima in the western part of Uganda and Moroto and Tororo in the East. Copper/Cobalt will be majorly exploited in Kilembe near Kasese, Iron ore in Muko in south-western part of Kabale, Phosphates in Tororo and Oil and Gas in the Albertine region of Hoima (Map 4.4). The decision about the location of the processing of these minerals will

Map 4.4: Proposed Minerals and Requisite Infrastructure



depend on the cost of bringing power to the site relative to the cost of transportation. The bi-products of these industrial processes will be transported along the electrified railway.

395. The pumping of an estimated reserve of 6.5 billion barrels of oil, expected to start by 2018/19, signifies great benefits for transport, energy, road infrastructure and public revenue.
396. The minerals, oil and gas value chain focuses on the following stages: prospecting, exploration, mining and extraction, beneficiation and refining, as well as, Marketing. Harnessing the opportunities in each stage of the value chain will amplify the benefits from the sector to the Ugandan economy.
397. In regard to prospecting, Government has prioritized development of geological surveys through acquisition of critical mass of specialized skills including: geo-scientists, engineers, geo-economists, technicians, as well as, artisans with competitive skills as well as, application of scientific and technological methods for surveying to defray the costs of entry into the sector and attract more and better private sector players.
398. In order to promote exploration of minerals, oil and gas, Government will: invest in more survey and exploration work to defray the costs of entry into the sector and attract more and better private sector players; facilitate faster acquisition of land, infrastructure development such as roads, railways, energy and water especially in major exploration areas.
399. To facilitate entry into mining and extraction activities, government has prioritized application of scientific and technological methods for mining and extraction of minerals, by partnering with the private sector and through the country's diplomatic missions to attract credible large scale mining companies.
400. Regarding beneficiation, investment will be in strengthening the mineral dressing laboratory (value addition laboratory) in the Department of Geological Surveys and Mine (DGSM) to enable it carry out laboratory tests to help in various mineral beneficiation processes. As a strategy to reduce the export of raw minerals, priority for issuance of exploration and mining licenses will go to projects that include the establishment of processing and refining plants in Uganda and use of modern technology, as well as, adherence to environmental standards.
401. In the first year of implementation of the NDPII, a mineral development master plan containing the Country Mining Vision will be developed to implement the African Mining Vision. The Vision will clearly provide the detailed strategic direction and guidance for the mining, oil and gas during the NDP period and beyond. In particular in areas of establishing appropriate institutional and legal framework for harnessing the

natural resources, establishing a transparent fiscal regime and revenue management, building linkages, investments and infrastructure along the entire mining value chain, development of artisanal miners, among others.

402. Government will incentivize the private sector to invest in increased value creation, addition and production volumes in order to break into lucrative niche markets, increase export revenue and create jobs as well as construct and improve strategic roads and rail systems to open up and link mining areas to local and international markets. Efforts will be made to ensure those women and the youth artisans and small scale miners participate in the various economic activities along the value chain.
403. Government and the private sector will contribute to gender mainstreaming in the mineral development sector, not only through gender-sensitive cooperate social responsibility initiatives, but also through the revision of corporate policies, operations and investment strategies particularly for the benefit of women artisans and small scale miners.

4.9.4 Infrastructure Development

404. Infrastructure development is critical for enabling a timely as well as efficient movement of merchandise and labour resources from production zones to the market. For a country's competitiveness to improve, increase in the stock and quality of strategic infrastructure has to result in the reduction of the time required to get merchandise to the market. The key strategic infrastructure that this Plan focuses on include: transport, energy, ICT, oil and gas, as well as, water for production. Well-developed energy, transportation, and communication network infrastructure will accelerate the harnessing of opportunities thereby spurring growth in the country.
405. Alignment of the right transport mode (road, rail, air, water), and the most efficient co-location of energy sources with the right industrial processes is critical for enhancing competitiveness and reducing the cost of doing business. Infrastructure will be designed around production zones and sites which will underpin agricultural and minerals-processing, use of the refinery products, inward investment in manufacturing. Location of ICT parks and the tourism regions will also provide management facilities for industry, and market Uganda to investors. The management facilities (which may be separately located in nearby towns or high quality tourist destinations) also need high speed internet communications, water, power and good transport links.

4.9.4.1 Transport

406. The following transport infrastructure forms the NDPII focus areas:

a. Standard Gauge Railway System

Map 4.5: Standard Gauge Railway Route



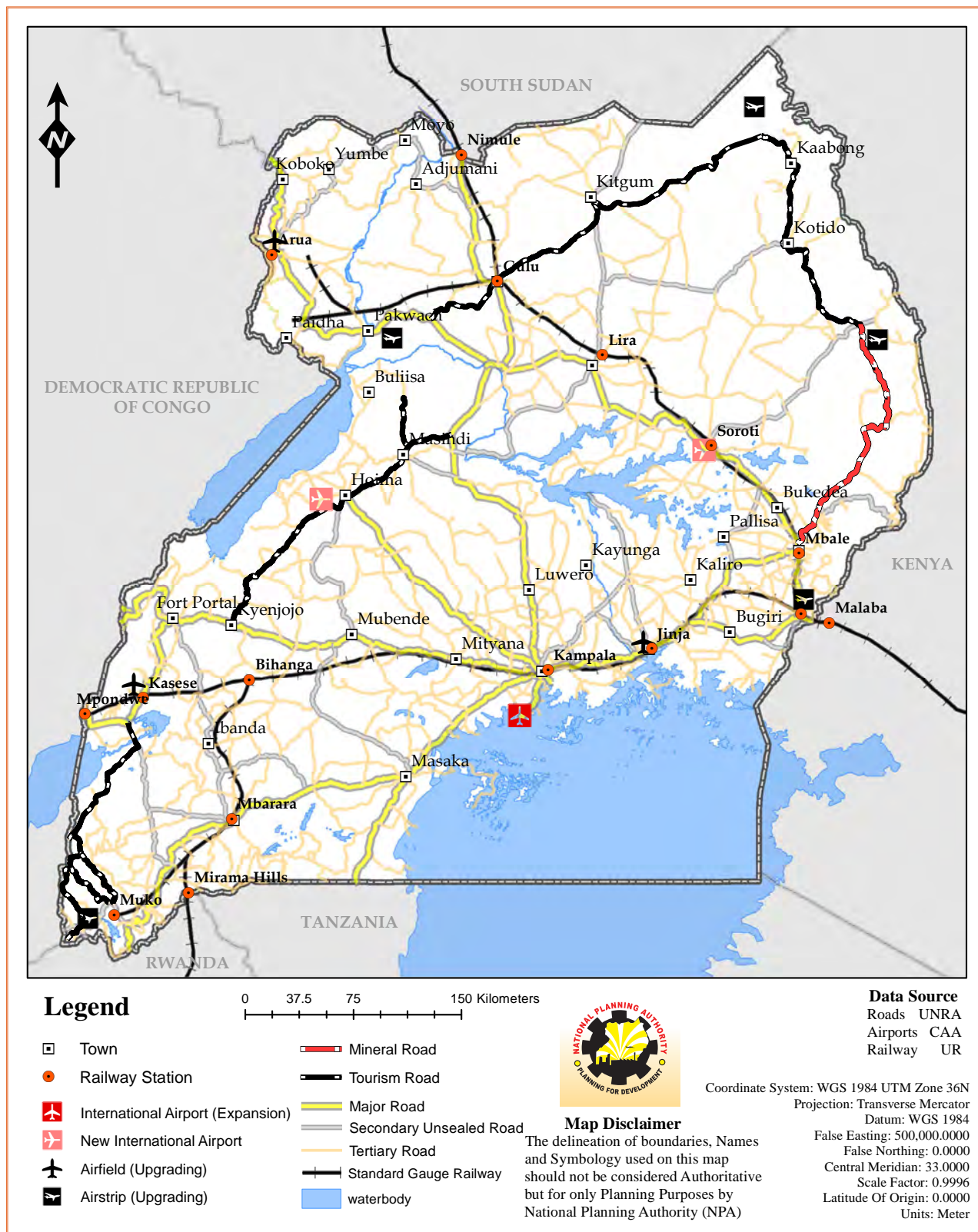
407. A good railway system will effectively link Uganda to other countries within the East African region and overseas which is key to exporting, and importing for manufacturing and services at affordable/competitive rates. The country aspires to have a multi-lane Standard Gauge Railway System with high speed trains using the latest technology for both passenger transport and cargo freights by 2040. The standard gauge railway network will link Mombasa to Kampala, Kasese, Kigali (Rwanda) and Kisangani (DRC). It will also link Tororo to Gulu, Nimule, Juba and Djibouti. There will also be a link from Bukasa port on Lake Victoria to Musoma (Tanzania) and Kisumu (Kenya) linking to Tanzania and Kenya railway networks respectively (see Map 4.5).

408. The process of construction of the Standard Gauge Railway started in NDPI with the completion of preliminary engineering studies and solicitation of funding. The construction will commence during NDPII period. It is envisaged that when completed this railway system will provide the most economical and effective bulk haulage capacity for the country's exports and imports which will reduce the cost of doing business in the region. It will also be useful in human traffic management since it will enable the decongestion of the GKMA and be used in long haul routes. In this regard, development of a Standard Gauge light rail network for GKMA during this Plan will be priority. This will enable fast-tracking of cargo connections between the rail and air transport systems, and provide express passenger transfer services between Entebbe and Kampala.

b. Strategic Roads

409. Uganda depends a lot on road transport which accounts for about 90 percent of the volume of freight and human movement, and is by far the commonest mode of transport. In spite of this, however, the country's road transport network is very small by international standards. There is need to develop the road network infrastructure to improve transport connectivity, effectiveness and efficiency to comparable levels of the developed countries with an average of paved road density of 100 KM per 1000 Sq. KM by the year 2040. The target for this Plan period is to upgrade national roads from 3,795KM to 6,000KM by 2020. The next five years will also witness a reconstruction or rehabilitation of sections of national roads and dualing of specific sections of national roads to improve capacity and upgrade specific district roads to national roads.

410. For this Plan period, 2,205KM of gravel roads will be upgraded to tarmac, 700KM of old paved roads will be rehabilitated and 2,500KM of paved roads and 10,000KMs of unpaved roads will be maintained. In line with this Plan's prioritization framework strategic roads to support exploitation of minerals, oil and gas, as well as, tourism activities will be targeted. Focus will also be on opening community access roads to link farmers to markets and social services.

Map 4.6: Proposed Road and Air Transport Infrastructure Works

411. The key oil and gas roads envisaged in the Plan include: Hoima-Butiaba-Wanseko (111KM); Karugutu-Ntoroko road (55KM); Kabwoya-Buhuka (43KM); and Rwenkunya-Apac-Lira-Acholibur (270KM). The key tourism roads include: Hamurwa-Kerere-Kanungu/Buleme-Buhoma-Butogota-Hamayanja-Ifasha-Ikumba (149 Km); Ishasha-Katunguru (88KM); Kisoro-Rubuguli-Muko (48KM); Kabale-Bunyonyi (22KM); Nakapiripiriti-Muyembe (90Km); Apoka Lodge-Kotido (136KM) among others (see Map 4.6).
412. Expressways will be designed and constructed along the designated development corridors by 2040 in order to facilitate transport costs and the industrialization/urbanization drive along them. The reservations for these will be undertaken during this Plan. In line with the broad strategy on urbanization, expressways within the Greater Kampala Metropolitan Area and other urban areas including; the Kampala Southern by-pass, the Kampala-Entebbe Expressway with spur to Munyonyo (51 KM), Kampala-Jinja Express way (77 KM), Kampala-Bombo Express way (35 KM) among others, will be constructed during NDP II.

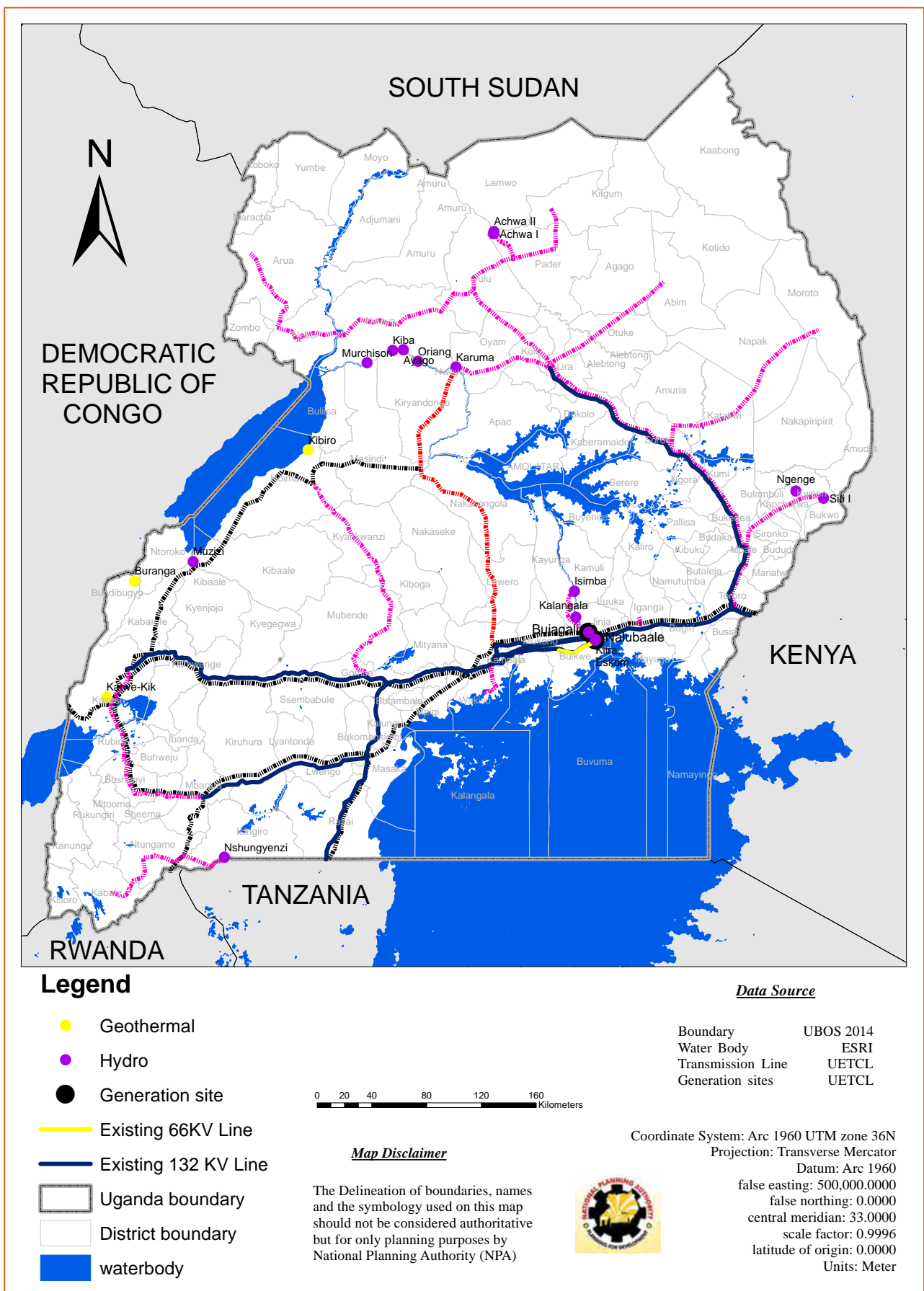
c. Water Transport Infrastructure

413. Inland water transport has great potential for development of an inexpensive, energy-efficient and environmentally friendly transportation system. The country is endowed with numerous rivers and lakes. However, transport services on these water bodies have not been well developed to facilitate trade in goods and services (tourism) and movement of factors of production between the mainland and country's islands and neighbouring countries. The limited functionality of the ferry system on Lake Victoria and other water bodies coupled with Port Bell's inadequate supporting infrastructure makes the use of water transport challenging.
414. Over the next five years Government will focus on improvement of existing marine infrastructure so as to reduce the cost of transportation and increase connectivity. Efforts will be geared towards increasing the volume of passenger and cargo traffic by marine transport. In addition, a number of legislative interventions will be initiated as measures to provide safe, secure and environmentally friendly inland water transport.

d. Air Transport

415. Over the next five year period, Entebbe Airport shall remain Uganda's principal international airport. An additional Airport will be built at the refinery site at Kabale, Hoima to enhance connectivity to the oil sector in Albertine Graben. The strategic Airfield in Kasese shall also be upgraded during this period. Other regional airfields; Kidepo, Moroto, Mbale, Kisoro and Pakwach as shown on Map 4.6 shall be connected to the main Airports by roads and the railway.

Map 4.7: Proposed Energy Infrastructure



4.9.4.2 Energy Infrastructure

416. High energy costs, coupled with unreliable supply, contribute to the high cost of doing business thereby reducing the country's competitiveness. While the demand side for energy is growing faster than the supply side, it is prudent to increase the energy levels in order to lower production costs and ultimately improve on the country's competitiveness. Over this Plan period, Government will invest in the necessary infrastructure to facilitate the exploitation of the abundant renewable energy sources including hydropower, geothermal, and nuclear, so as to increase power generation capacity from 850MW in 2013 to 2,500MW in 2020 and prepare for achievement of the required 41,738 Mega Watts by year 2040. Also, the country targets to increase per capita electricity consumption from 80 Kwh to 588kWh by 2020 and 3,668 kWh by 2040. As significant as power generation is the extension of the transmission networks into a national grid in line with the regional agreements.

417. Some of the major projects in this regard include: the completion of construction of Karuma Hydro Power dam (600MW) and Isimba Hydro Power dam (183MW), commencement of construction Ayago Hydro power dam (600MW), and other small hydro power plants. The government will also generate about 125 MW of electricity from different renewable energy sources. Map 4.7 illustrates the proposed energy projects for NDPII including a new grid network to provide alternative routes to make power supply more reliable.

4.9.4.3 Oil and Gas Infrastructure

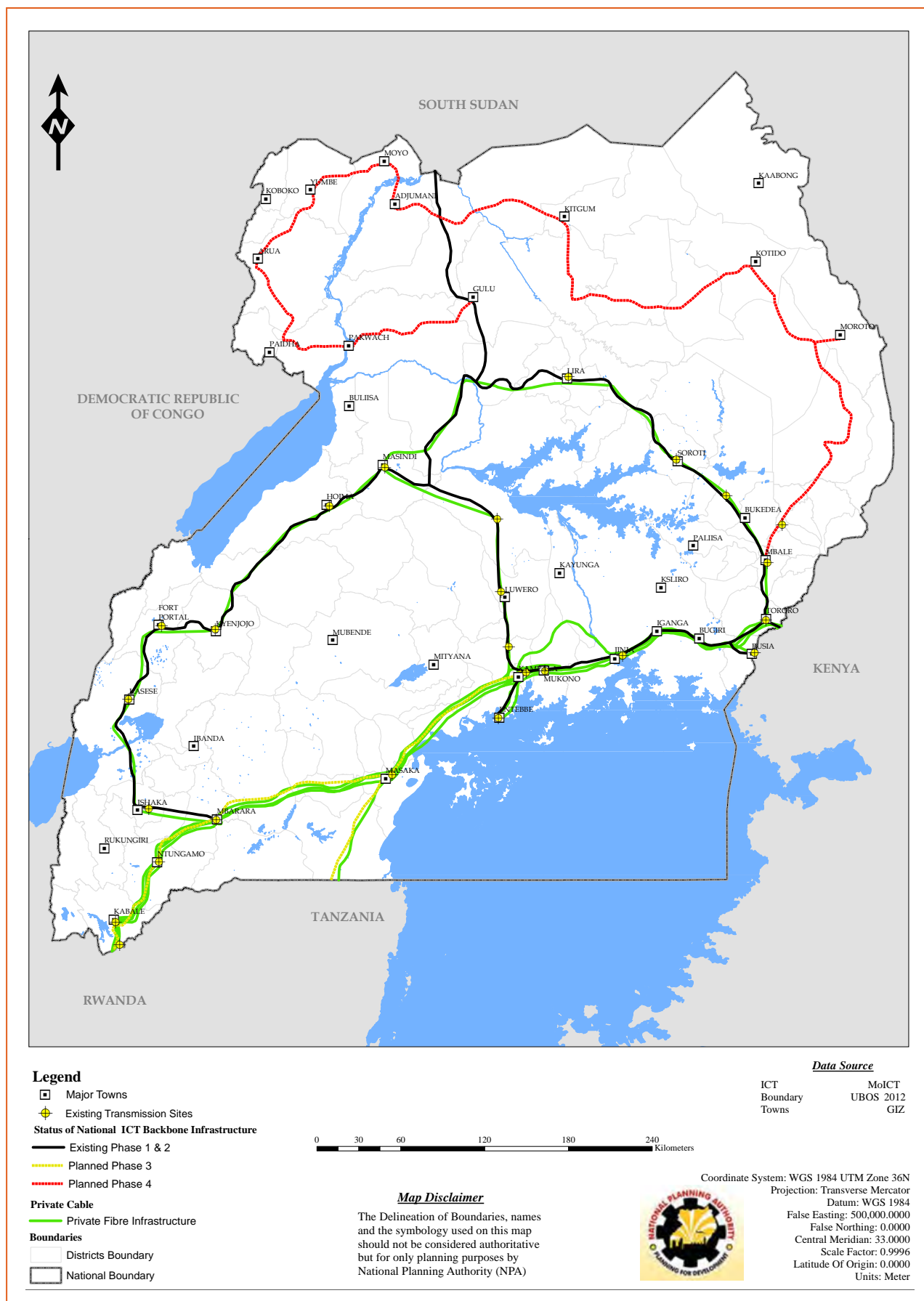
418. Uganda identified commercially viable oil and gas deposits in the Albertine Graben estimated at 6.5 billion barrels of oil equivalent. The pumping of this oil and gas is expected to start by 2018/19. In addition to reviewing the legal and regulatory framework for production of petroleum, over the plan period, Government will also focus on the construction of a refinery for value addition to these resources and a pipeline that will deliver the refined products to the domestic, regional and international markets.

419. The Government will commence construction of a 22-inch diameter, 1,300Km long oil pipeline from Hoima via Lokichar to Lamu in Kenya. This is in addition to the oil refinery that is to be constructed at Kabaale in Hoima to process petroleum and other products for the domestic and international market.

4.9.4.4 Water for Production Infrastructure

420. To promote commercial agriculture, Government will sustainably use water resources for irrigation, livestock and aqua-culture. Bulk water transfer systems will be built to cover long distances and large areas to provide water for multi-purpose use. To mitigate shortages at local level large and medium water reservoirs will be

Map 4.8: Proposed ICT Infrastructure



developed. Government will construct large and small scale irrigation schemes to increase water for production.

421. Government plans to invest in the following projects and programmes in order to achieve the planned targets on water for production: (i) water for livestock in cattle corridor Areas; (ii) Livestock water (non-cattle corridor) Areas; (iii) Irrigation development Area A (Off-farm); Irrigation development Area B (Off-farm); Water for aquaculture; Water for Rural Industries; Human Capacity building and Operations and Maintenance support.
422. To improve water consumption levels, Government will invest in the development of water for industrial purposes, by putting in place the necessary infrastructure to support the re-use of water. The nuclear and oil refining industries require considerable amount of water for cooling, of which in turn requires strict adherence to water cooling standards.

4.9.4.5 ICT Infrastructure

423. ICT as an industry has the potential to produce low volume-high value goods to boost the country's exports and foreign exchange earning in addition to employment and wealth creation. It also provides an opportunity to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. There is potential to improve availability of digital content and e-products, automation of Government processes and inter-agency connectivity, innovation, bridging the gap between industry and the academia, and commercialization of research and development. This industry is expected to greatly contribute to the national GDP and create employment opportunities.
424. Over the Plan period, government will prioritize investment in the following ICT infrastructure: extension of the National Backbone Infrastructure (NBI) to cover most of the country so as to increase penetration of communication services; finalise the migration from analogue to digital terrestrial broadcasting; and construction of ICT incubation hubs/centers and ICT parks so as promote ICT innovations and ICT enabled Services (ICTES) such as Business Process Outsourcing (BPO) services (See map 4.8).

4.9.5 Human Capital Development

425. The Uganda Vision 2040 identifies human capital development as one of the key fundamentals that need to be strengthened to accelerate the country's transformation and harnessing of the demographic dividend. The availability of appropriate and adequate human capital facilitates increase in production, productivity and technological growth thus making it one of the key endogenous drivers of economic growth. In the case of Uganda, human capital development has been conceptualized along the life cycle approach categorized into 6 stages of; Pregnancy to birth, 0

-5years of age, 6 – 12 years of age, 13 – 17 years of age, 18 -24 years of age, and 25 – 64 years of age.

426. During pregnancy to birth stage focus is on improving maternal health in order to increase new born survival. Emphasis will be on: increasing the proportion of deliveries in health facilities and births attended to by skilled health personnel; increasing antenatal care availability and accessibility; safe delivery and postnatal care; reducing adolescent pregnancies; improving the net secondary school completion rate in an effort to keep the teenagers in school; scaling up nutrition especially among women of reproductive age; and continued reduction of mother to child HIV/AIDS transmission; and eliminating gender-based drivers to maternal and neonatal mortality.
427. With regard to the 0 – 5 years of age group, the Plan will focus on providing early childhood survival and full cognitive development. Efforts will be geared at: reducing incidences of morbidity and mortality; scaling up critical nutrition interventions outcomes especially for children below 5-years; and implementation of Early Childhood Development (ECD).
428. Focus at the 6 – 12 years of age will be on increasing enrolment, retention and completion of the primary schooling cycle, with specific interventions for the girl child; provision of good quality education; promotion of health and wellness; talent identification and nurturing; facilitating timely 'self-selection' into different trades that may not necessarily require acquisition of advanced schooling, and enhancing nutrition while at home and at school; and implementation of the National Strategy for Girls Education(2014).
429. The key focus areas at the 13 – 17 years of age are: ensuring that all children of this age group are retained in school with a special focus on the girl child, till completion of secondary school as a strategy to reduce early marriage and teenage pregnancies; re-designing of the curriculum to facilitate proficiency, talent and relevant skills development; designing appropriate vocational training courses; and providing adequate and appropriate sexual and reproductive health information and services; and promoting male involvement in family planning and safe motherhood.
430. To enhance the human capital at the 18 -24 years of age, focus will be on massive gender responsive skills training programmes targeting the rapid build-up of skills within this already available labour that has acquired general education and those that have dropped out of school at primary, secondary and tertiary levels. In addition, the education curricula in the formal education system and the vocational training institutions will be redesigned to suit the current and future skills demands while making it more creative and innovative oriented. The involvement of the private sector in the design of curricula to build convergence between the skills acquired in school and those required in the market will be emphasized.

431. The establishment of a Skills Development Authority/Agency to coordinate the entire skills development agenda will be prioritized. In the short and medium-term, this is expected to fix the divergence between the skills acquired in school and the skills required in the market and ensure that the next generation that enters the workforce has the necessary skills to support the expansion and diversification of the economy. While skills acquisition will enhance employment among this cohort, expansion of employment opportunities will also be an area of great attention.
432. A skills development programme will be designed and tailored to the Industrialisation strategy, production zones and urban corridor locations that will be planned during NDPII. Provisions will be made for skills training at construction and production sites to give unemployed young Ugandans rather than imported labour the maximum chance of personal development. Following from construction of infrastructure, inward investors in the resulting industrial growth programme will be tasked, to guarantee provision for training and local labour.
433. To reduce early marriages and teenage pregnancies, emphasis will be placed on providing adolescent reproductive health services right from schools and training institutions, while providing incentives for delayed conception. Such incentives will include; connecting young skilled people to employers, provision of youth capital funds, externalization programmes for specialized labour and sponsorship for specialized training programmes in and out of the country with specific provisions and affirmative action for girls and female youth, among others.
434. To harness the human capital in the age bracket 25-64 years, which is a critical working age group, this plan focuses on making this labour force productive, skilled, and educated through formal and informal means. This will facilitate the shift of the labour force from subsistence production and elementary occupations to mechanized-commercial production and high skilled occupations along the value chains as well as empowering women with skills and labour saving technologies for transitioning from micro and small enterprises to large scale and commodity-based production.
435. For all the age groups, focus will be placed on mass malaria treatment for prevention to gradually eliminate malaria parasites.

Box 4.1: Core Projects

Agriculture Priority Area

1. Agriculture Cluster Development Project (ACDP)
2. Markets & Agriculture Trade Improvement Project (MATIP II)
3. Farm Income Enhancement and Forest Conservation II
4. Storage Infrastructure
5. Phosphate Industry in Tororo

Tourism Development Priority Area

1. Tourism Marketing and Product Development Project (Namugongo, Kagulu Hills and Source of the Nile)

Minerals, Oil and Gas Priority Area

1. Hoima Oil Refinery
2. Oil-related infrastructure projects
3. Albertine region airport
4. Albertine region roads
5. Other oil-related support infrastructure
6. Mineral Development for strategic minerals
7. Development of Iron Ore and Steel Industry

Infrastructure Development Priority Area

a) Energy

1. Karuma hydro power plant;
2. Isimba hydro power plant;
3. Industrial substations;
4. Ayago hydro power plant;
5. Grid Extension in North-East, Central, Lira and Buvuma Islands;
6. Masaka-Mbarara Transmission Line;
7. Kabale-Mirama Transmission Line;
8. Grid Extensions including those for Region Power Pool

b) Transport

1. Standard Gauge Railway;
2. The Entebbe Airport Rehabilitation;
3. Kampala-Jinja highway;
4. Kibuye-Busega-Nabingo;
5. Kampala Southern by-pass;
6. Kampala-Bombo Express highway;
7. Upgrading of Kapchorwa-Suam Road;
8. Kampala-Mpigi Expressway;
9. Rwekunya-Apac-Lira-Kitgum-Musingo Road;
10. Road Construction Equipment

Human Capital Development Priority Area

a) Health

1. Renovation of 25 Selected General Hospitals
2. Mass Treatment of Malaria for Prevention

b) Education and Sports

1. Comprehensive Skills Development Programme

c) Social Development

1. Uganda Women Entrepreneurship Programme (UWEP)

2. Youth livelihood Programme (YLP)

Economic Management and Accountability

- a) Strengthening Effective Mobilization, Management and Accounting for the Use of Public Resources (SEMMA)
- b) Revitalisation of UDC and Recapitalisation of UDB

ICT

ICT National Backbone Project



CHAPTER 5: MACRO-ECONOMIC STRATEGY AND FINANCING

5.1 Macroeconomic Strategy

436. The macroeconomic strategy of the NDPII is framed in the context of an economy whose potential to grow is yet to be fully exploited. The strategy is underpinned by the desire to maintain macroeconomic stability while at the same time positioning the country to be competitive within the region. While infrastructure development is at the core of the strategy, consolidation of the gains achieved in human capital development is also emphasized. Overall, the strategy envisages growth largely driven by both public and private investment demand and an increase in export growth.

437. The strategy is also characterized by the frontloading of infrastructure spending with appropriate phasing given the resource constraints and absorptive capacity and consolidation of expenditure in the last two financial years of NDPII implementation. Emphasis is also put on domestic resource mobilization and harnessing new sources of financing beyond the traditional sources. Key outcomes of the strategy include sustained growth, keeping inflation below 5 percent, and attaining middle income status. A summary of the key selected economic and financial indicators is provided in Table 5.1.

Table 5.1: Selected Economic and Financial Indicators: NDPII-2015/16-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Output and Prices	(Annual percent change, unless otherwise indicated)					
Real GDP	5.3	5.8	5.9	6.4	6.6	6.8
GDP deflator	5.7	4.9	4.3	4.3	4.3	4.3
Money and Credit						
Broad money (M3)	17.5	15.9	14.2	13.9	14.6	16.0
Credit to non-government sector	16.8	16.3	12.4	17.4	15.4	13.9
M3/GDP (percent)	22.1	22.4	23.1	23.7	24.4	25.5
Central Government Budget	(Percent of GDP, unless otherwise indicated)					
Revenue and grants	14.7	14.5	14.8	15.2	15.5	15.8
o/w grants	1.7	1.0	0.8	0.8	0.6	0.5
o/w oil revenue	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure	21.3	21.90	22.96	22.45	21.77	20.83
Current	9.9	9.9	10.3	10.6	10.8	10.7
Capital	8.1	6.6	6.5	6.6	6.4	6.2
Primary balance	-2.9	-5.0	-5.3	-5.2	-3.8	-1.4
Overall balance	-4.5	-7.0	-7.4	-7.7	-6.5	-4.3

Excluding grants	-5.6	-8.6	-8.5	-8.5	-7.1	-4.8
Net domestic financing	3.6	1.5	2.9	2.2	2.0	1.6
Public Debt						
Public gross nominal debt	30.8	34.6	38.2	42.0	44.1	43.8
o/w external public debt	16.9	20.2	23.3	27.2	29.3	29.2
External Sector						
Current account balance (including grants)	-10.6	-10.1	-10.5	-10.0	-10.3	-8.9
Current account balance (excluding grants)	-10.9	-10.4	-10.7	-10.3	-10.5	-9.1
Gross international reserves						
In billions of USD	3.2	3.5	4.0	4.1	4.2	4.6
In months of next year's total imports	4.4	4.3	4.3	3.9	3.8	4.0
excluding one-off infrastructure-related imports	5.4	5.4	5.3	5.0	4.6	4.6
Memorandum Items:						
GDP at current market prices (UGX bn)	75,158	83,615	92,164	101,888	112,792	125,165
GDP per capita (Nominal USD)	808	835	889	933	986	1,039

5.1.1 Sources of Growth

438. While Uganda has sustained high growth rates over the past twenty years, growth has recently decelerated owing to various factors elaborated in the situation analysis. It's therefore critical to identify the sources of growth for the NDPII. Table 5.2 provides the key interventions identified in the plan that will spur growth.

Table 5.2: Key Interventions to drive growth

Energy and Mineral Development <ul style="list-style-type: none"> • Construction of Karuma, Isimba and Small hydropower dams. • Increasing the transmission voltage from 66kV and 132kV to 220kV and 400kV; • Increasing the transmission network coverage; • Increasing the number of transmission substations equitably to aid in rural electrification. • Turning phosphates into fertilizers to boost agriculture productivity • Crude Oil refining • Crude Oil transportation-pipeline 	Works and Transport <ul style="list-style-type: none"> • Standard gauge rail development • Development of inland water transport • Develop and maintain the roads to tourism, mining and agriculture producing areas • Improve 1525Kms of community access roads per year to foster local economic development • Entebbe airport rehabilitation
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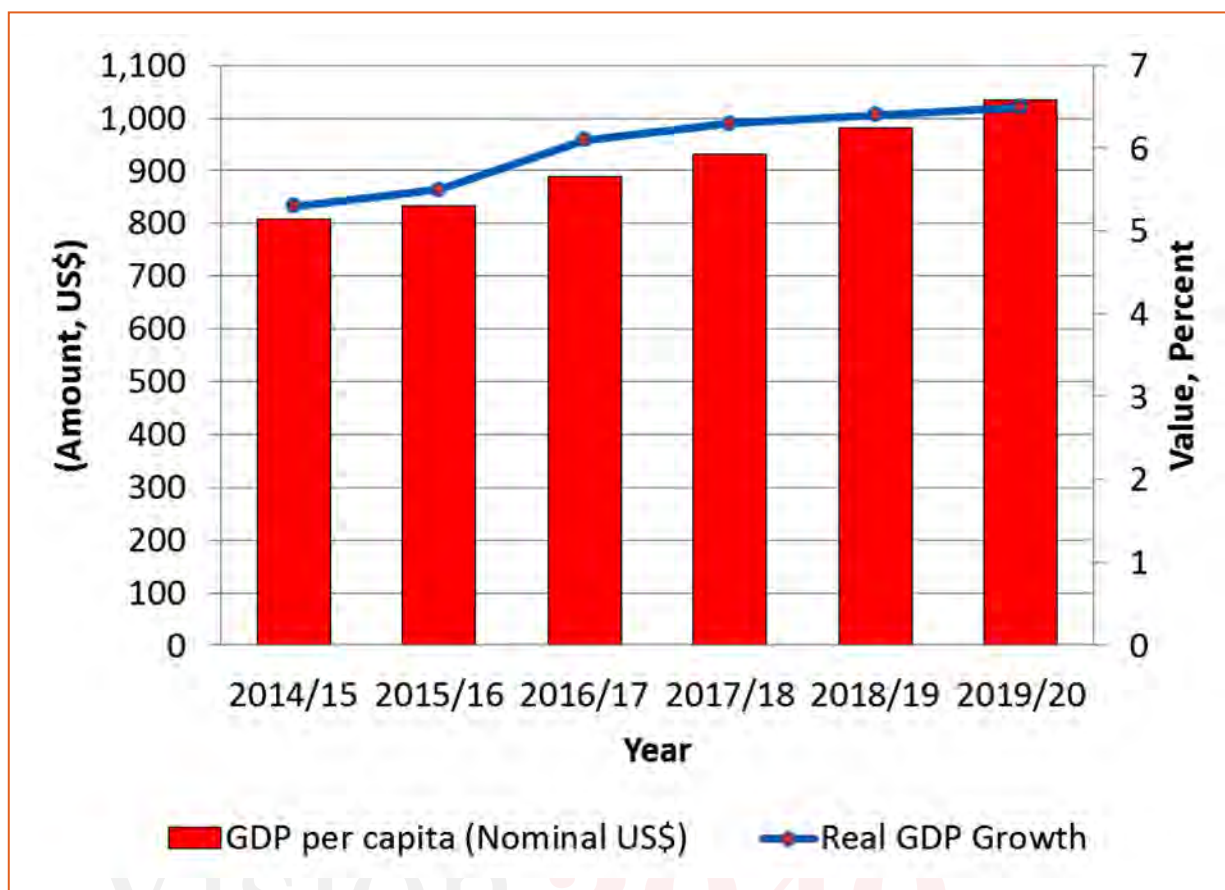
Water and Environmental Resources <ul style="list-style-type: none"> • Construct safe water supply systems in rural areas focusing on un-served areas guided by water point mapping to identify and prioritize pockets of low service. • Construct piped water supply systems in Rural Growth Centres (RGCs) to replace the currently overstretched hand-pumped borehole service technology. • Target investments in water stressed areas abstracting from production wells as well as large GfS where appropriate to serve the rural areas. • Promotion of irrigation systems 	Agriculture <ul style="list-style-type: none"> • Increase production and productivity in the 12 selected agricultural enterprises of Coffee, Tea, Cotton, Rice, Maize, Beans, Cassava, Bananas, Dairy, Beef, Fish, and Citrus. • Enhance value addition and marketing for the 12 selected agricultural enterprises along the agricultural value chain • Establish a Women Enterprise Initiative that enhances women participation along the value chain • Strengthen the institutional framework to support production, value addition and Marketing • Strengthen agricultural products quality assurance systems (invest in laboratories, technologies)
Education <ul style="list-style-type: none"> • Expand equitable access to education and training at all levels • Enhance quality of Pre Primary and Primary Education • Improve effectiveness and efficiency in the delivery of Primary Education • Enhance standardisation for relevant education and training 	Health <ul style="list-style-type: none"> • Health infrastructure development, equipment and maintenance. • Scaling up training of health cadres in short supply but critical cadres • Develop community structures for improved health education, promotion and disease prevention, including the Community Health Extension Workers (CHEWs) strategy. • Support implementation of primary health care. • Improve effectiveness and efficiency in the delivery of health services.

5.1.1.1 Overall Growth

439. The NDPII assumes that all the interventions outlined in the strategic direction will be implemented during the period 2015/16-2019/20. In particular, it is assumed that the following will be realized during the NDPII period: (i) increasing productivity of all sectors, (ii) pursuing value addition especially for agricultural and mineral products, (iii) creating an environment where industrialization can flourish (iv) and improving delivery of social services.

440. Given these objectives, there will be considerable positive effects on the level of growth. The average growth of GDP under this scenario is 6.3 percent as shown in Figure 5.1. Despite the recent depreciation of the shilling which has impacted on the GDP per capita, it is expected that by the end of the NDPII, the country will be able to reach middle income status. In addition to public investments, growth will also be driven by exports which are anticipated to grow from 12.9 to 16.5 percent of GDP.

Figure 5.1: Growth and decomposition chart



5.1.1.2 Decomposition of GDP Growth

441. Agriculture and agro-processing: In envisaging agricultural investment for growth emphasis has been placed on value addition in the 12 prioritized commodities, increasing productivity, addressing challenges in the selected thematic technical areas including critical farm inputs, mechanization and water for agricultural production; and improving agricultural markets, among others. This Plan prioritizes twelve commodities including the traditional export crops (coffee, tea and cotton); cereals (maize); fish; legumes (beans); tubers (cassava); livestock (dairy cattle, and beef cattle); bananas and citrus. Undeniably value addition in these commodities presents a huge opportunity for growth. Value chain analysis of crops reveals that maize processing/milling has enormous potential due to the increased demand for animal feeds, industrial starch in the beer industry, maize flour in schools, hospitals, prisons and industrial zones and processed foods like corn flakes, maize milk and oil. Value addition for crops like cotton can yield yarn, garments and apparel, edible oil processing, soap production and animal feed which stimulate growth of other industries and the cotton sub-sector growth.

Table 5.3: Decomposition of Growth by Sectors

	2015/16	2016/17	2017/18	2018/19	2019/20
Total GDP	5.80	5.90	6.40	6.60	6.80
Agriculture	1.29	1.09	1.26	1.28	1.33
Industry	0.90	1.40	1.55	2.01	1.76
Mineral Development	0.25	0.17	0.09	0.04	0.06
Manufacturing	0.64	1.23	1.46	1.97	1.70
Agro-processing	0.48	0.50	0.49	0.43	0.40
Other-manufacturing	0.16	0.73	0.97	1.54	1.30
Services	3.61	3.41	3.59	3.31	3.71
Of which:					
Electricity, air and gas	0.04	0.04	0.04	0.04	0.04
Water and sanitation-private	0.12	0.14	0.14	0.10	0.10
Construction sector	1.36	0.82	0.48	0.17	0.34
Wholesale and retail trade	0.56	0.56	0.52	0.51	0.51
Transport services	0.16	0.19	0.18	0.17	0.15
Hotel and restaurants	0.16	0.27	0.27	0.23	0.20
Telecommunications-ICT	0.05	0.29	0.39	0.63	0.52
Financial services	0.26	0.36	0.38	0.45	0.40
Public administration	0.35	0.38	0.37	0.22	0.14
Education	0.17	0.17	0.22	0.22	0.18
Health	0.10	0.27	0.32	0.34	0.33

442. The case of livestock is exemplified by dairy processing which yields a range of products including processed milk, pasteurized milk, yoghurt and cheese which have both regional and local markets. The processing of hides and skin has the potential to earn the country enormous foreign exchange. Like in the case of beef, fish processing has been a huge foreign exchange earner until very recently. It is important that the implementation of NDP II keeps track of the performance of the prioritized commodities and ensure maximization of their contributions to growth and their likely multiplier effects on wealth creation. As shown in Table 5.3, while agriculture production will contribute on average 1.3 percent to total GDP, agro-processing could also add an additional 0.5 percent on average to total GDP growth.

443. Mineral Development and value addition: Mineral development and value addition comes with benefits derived from mining, processing and assembling. It also encompasses the multiplier effect of those industries that benefit the service and supply industry, i.e., construction, energy, engineering and environmental services, equipment parts and supplies, financial and legal expertise, among others. Key interventions in the minerals sub-sector that would have significant impact on the economy include: (i) development of the iron smelting plant, which would have positive spill-over effects on steel manufacturing within the region and (ii) processing of phosphates into fertilizers, which would have positive benefits especially for the agriculture sector. Mining and value addition in mineral development would contribute on average 0.5 percent to total GDP.

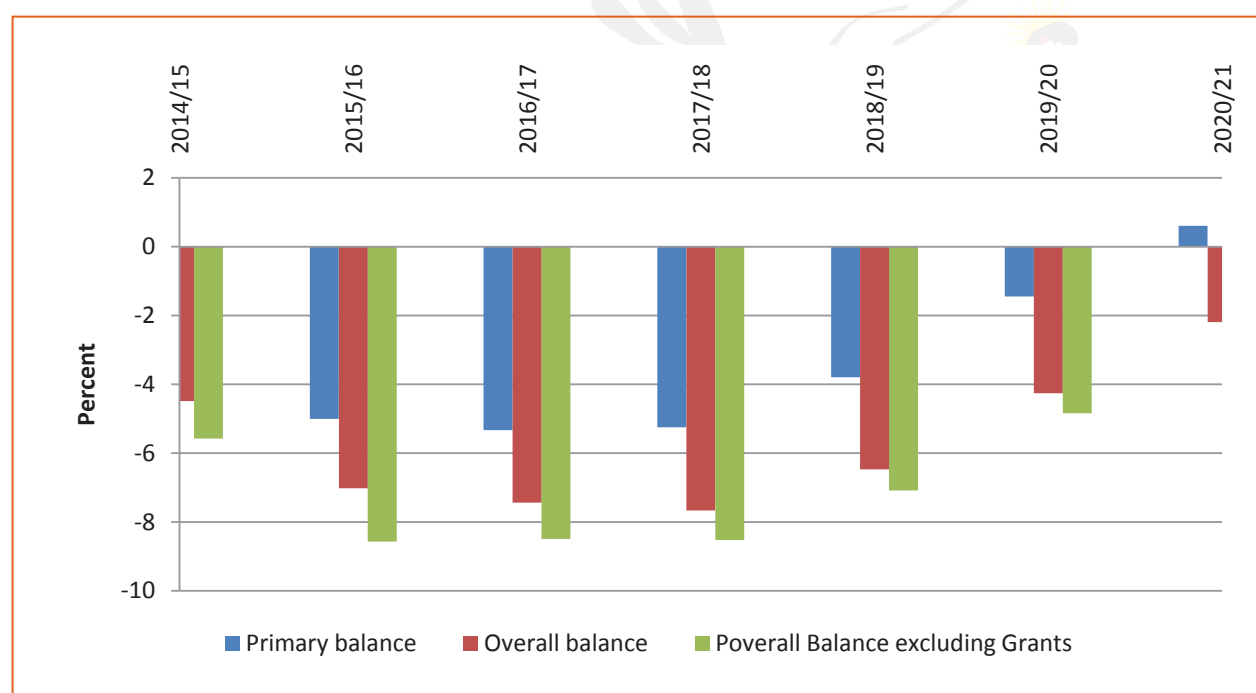
444. **Manufacturing:** The manufacturing sector is characterized by limited value addition which should be exploited during this Plan period. Within its diversity, the manufacturing sector is largely made of processing of raw materials and very few capital goods industries with very low utilization of manufacturing capacity - about 50 percent of installed capacity. This is further manifested in the absence of manufactured products in the export basket. Steps are being taken to diversify the country's manufacturing sector. This process may have been hastened by falling prices for Uganda's main agricultural exports – coffee, cotton and tea. However, the bulk of this diversification has been into other peripheral primary products. Some non-traditional industries, such as cut flowers, plastics and metal products are also increasing their exports, albeit from a low base. Opportunities of Uganda are more ample than those that would emerge if it were to concentrate exclusively on adding value to its existing raw materials. The international evidence shows that countries diversify by moving into products that use similar productive knowledge, not necessarily concentrating on the processing of existing raw materials. In a study by Hausman et.al (2013), some of the commodities identified where Uganda could be able to invest include petrochemical products based on the emerging oil industry, paper and wood industry, aluminium and other related building materials.
445. **Tourism sector:** Tourism is one of the sectors identified with great growth potential yet to be exploited. Under the NDP II, this sector has also been prioritized given the fact that the required investments for the sector are low relative to the potential returns. This sector will be enhanced directly by the government and private sector. The government will provide the necessary inputs like the necessary infrastructure to promote the sector. On the other hand, the private sector should respond by investing in activities for example in hotels, restaurants, and providing transport and tour services for the sector. Based on these interrelated interventions by the private and public sector, potential contributions to GDP from transport services, hotels and restaurants which all serve the tourism industry are estimated at 0.4 percent on average.
446. **Infrastructure developments:** A combination of infrastructure projects highlighted in Table 5.2 will have a large impact on growth during the NDP II period. Key among the projects expected to have an impact include the Karuma and Isimba dams, Oil refinery, Oil pipeline, standard gauge railway and key roads identified under NDPII. The direct contribution to GDP of the infrastructure projects is estimated at 0.3-0.4 percent. Notwithstanding the direct benefits and their positive spillover effects to the rest of the economy, there will be an immediate demand for construction services which is estimated to contribute 0.7 percent to total GDP. The positive effects of these projects on the economy are expected towards the end of the NDP II period after their completion.

5.2 Fiscal Strategy

447. The fiscal strategy of the NDPII is underpinned by the need to maintain macroeconomic stability and a quest to competitively position Uganda to fully benefit from the East African Common Market. For this to be realized, it will require to address the key binding constraints to growth and factors that can reduce the costs of doing business in Uganda. The focus of addressing the infrastructure deficit while consolidating the gains in human capital development remains a key priority for the NDPII. The fiscal deficit will be mainly driven by the additional resources required for infrastructure and human capital development.

448. The overall fiscal deficit (excluding grants) is expected to be at its peak in 2016/17 at 8.6 percent, and thereafter will be consolidated to 4.8 percent in 2019/20. By excluding the one-off expenditures, the overall deficit on average will be between 5.4 and 5.6 percent over the NDPII period. By excluding interest payments which increase owing to the increased debt position, the primary balance will improve over the NDPII period from 5.3 to 1.4 percent of GDP.

Figure 5.2: Overall Fiscal Deficit (Percent of GDP)



5.2.1 Expenditure Strategy

449. The overall average spending is expected to be 22 percent of GDP with the peak of 23 percent of GDP expected in 2016/17, and consolidation of spending by the end of the Plan period. This pattern is largely driven by the required spending levels on both infrastructure and human capital development. This section focuses on the key strategic areas that drive the fiscal path of NDPII.

450. Infrastructure Development: The composition of spending has been evolving over the last ten years; increasingly more emphasis has been put on infrastructure spending especially roads. While expenditure on the health and education sectors used to comprise about 4.4 percent of GDP as the Poverty and Eradication Action Plan was winding up, spending on human capital development has been maintained in the same range at 4.7 percent of GDP. On the other hand, the spending on roads infrastructure has consistently increased from 2.4 to 3.1 percent of GDP during the period 2009 and 2013. The reorientation of spending towards infrastructure development is consistent with the priorities of the Vision 2040. Table 5.4 shows the key infrastructure projects and their phasing over the Plan period.

Table 5.4: Key Infrastructure Projects and their Phasing (US\$)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Average
Karuma and Isimba hydro power plants	773	836	545	217	96			2,467	
Ayago hydro power plant							711	711	
Entebbe airport rehabilitation		81	31	40	40	10		203	
Standard-gauge railway			570	454	452	450		1,926	
Kampala – Jinja highway			90	179	31			300	
Kampala – Mpigi expressway			33	66	99	99	33	330	
Other road projects		130	47	55	113	121	27	494	
Hoima Oil Refinery				202	167	167		535	
Other oil-related infrastructure		100	100	121	230	137		688	
Grid extensions and transmission lines				27	61	95	103	286	
Markets and farm income enhancement			9	26	43	51	34	162	
Total	773	1,147	1,424	1,387	1,332	1,130	908	8,102	1,157
o/w non-concessional borrowing	327	1,141	1,118	1,236	1,205	994	521	6,542	935
o/w domestically financed	446	7	306	151	127	136	386	1,560	223
Total as a % of GDP	2.9%	4.3%	5.0%	4.5%	4.0%	3.1%	2.3%		3.7%
o/w non-concessional borrowing	1.2%	4.2%	3.9%	4.0%	3.6%	2.7%	1.3%		3.0%
o/w domestically financed	1.6%	0.0%	1.1%	0.5%	0.4%	0.4%	1.0%		0.7%

451. The main projects identified include: (i) scaling up the generation of electricity from the current 850MW to 2,500MW by 2020; (ii) increasing the electricity distribution ensuring that Universal access to electricity is achieved by 2040; (iii) construction of standard gauge railway; and (iv) upgrading national roads from 3,759km to 6,000km by 2020 and reconstruct or rehabilitate sections of national roads and dualing of specific sections of national roads to improve their capacity and; upgrade specific district roads to national roads. The build-up in spending for the transport sector is driven by the resources required for the railway particularly in 2016/17. On the other hand, the energy sector expenditures outlays are largely driven by the enhancement of electricity generation, enhancement of the electricity transmission network and the investment for the crude oil refinery.

452. Human Capital Development: Expenditure on human capital development which includes health and education has on average been consuming more than 20 percent of the total budget since 2009/10. As a percentage of GDP, expenditures on health

on average have been maintained at 2 percent and large part of it is spent on public health service programs and hospital services. Over the NDPII period, Government is prioritizing preventive health care which is expected to have an impact on reducing costs for other services like curative health care. Owing to the introduction of universal access to primary education and secondary education, expenditures on these two items are currently at 2.5 and 1.8 percent of GDP for education and health respectively. While these resources are not enough to address the challenges in both the health and education sectors, it can be argued that there are efficiency gains that can be achieved within the sectors using the same amount of resources.

453. In this regard, the fiscal stance during NDPII is to modestly increase spending on human capital development beyond current levels while addressing the inefficiencies in the two sectors. Such inefficiencies include for example absenteeism of education and health workers, poor supply-chain management of drugs and the like. There are also challenges for the quality of services provided in both sectors which will have to be addressed in NDPII. These include overcrowded referral hospitals, overcrowded schools among others. Spending on human capital development will be increased during the period 2015/16-2019/20 from 4.8 percent to 6.4 percent of GDP as infrastructure spending is consolidated and reduced towards the end of the Plan period.

Table 5.5: Expenditure Developments-Percentage of GDP

Sector /Function	2015/16	2016/17	2017/18	2018/19	2019/20
Agriculture	0.57	0.87	0.86	0.91	1.13
Lands, Housing & Urban Development	0.20	0.13	0.12	0.13	0.12
Energy & Mineral Development	3.38	3.19	3.54	3.07	1.82
Works & Transport	3.98	5.47	4.93	4.31	2.39
Information & Communication Technology	0.08	0.04	0.04	0.05	0.08
Tourism, Trade and Industry	0.10	0.12	0.13	0.15	0.18
Education & Sports	2.43	3.03	3.05	3.29	4.11
Health	1.52	2.11	2.18	2.40	3.06
Water & Environment	0.65	0.26	0.28	0.29	0.26
Social Development	0.11	0.07	0.07	0.07	0.09
Defence & Security	1.95	1.57	1.49	1.52	1.80
Justice, Law and Order	1.26	1.08	1.05	1.07	1.05
Public Sector Management	1.13	1.62	1.52	1.53	1.79
Legislature & Accountability	1.65	0.81	0.82	0.76	0.61
Public Administration	0.91	0.70	0.66	0.68	0.80
Other (Interest Payments Due)	1.98	1.89	1.70	1.54	1.52
Grand Total	21.90	22.96	22.45	21.77	20.83

Source: NPA - NDPII costing simulation

454. Other expenditures: Other expenditures excluding works, energy, health and education comprise about 52 percent of the total budget. The key sectors in this category include security (6.7 percent), public sector management (7 percent) and justice, law and order (5 percent). Based on the costing of interventions, spending on other activities will evolve as shown in Table 5.5.

5.2.2 The NDP II Costing

455. The overall cost of the NDPII is estimated at approximately UGX 196.7trillion. As shown in Table 5.6, the Plan will be financed by both public and private resources, with about 61 percent being Government and 42.2 percent being private contributions i.e., Government funding will constitute a total of UGX 113.7 trillion and UGX 83.0 trillion is private sector contribution.

456. Public financing sources will include external financing namely, budget support, concessional loans, semi-concessional borrowing, non-concessional borrowing; domestic financing, namely bank financing, Bank of Uganda, Commercial Banks; and non-banking financing. The non-public sources of financing will include: Public Private Partnerships (PPP), direct private sector investments (domestic and foreign) and CSO contributions. However non-concessional financing will target projects with capacity to pay back.

Table 5.6: NDPII Total Costs 2015/16 – 2019/20 (UGX, Billions)

Final MTEF	Total	Public		Private	
Sector/Function	Amount	Amount	%	Amount	%
Agriculture	6,694.2	4,626.5	69.1	2,067.7	30.9
Lands, Housing & Urban Development	845.3	704.0	83.3	141.3	16.7
Energy & Mineral Development	16,455.3	15,148.4	92.1	1,306.9	7.9
Works & Transport	42,557.6	21,246.5	49.9	21,311.1	50.1
Information & Communication Technology	1,426.0	300.6	21.1	1,125.4	78.9
Tourism, Trade and Industry	3,280.9	1,018.6	31.0	2,262.3	69.0
Education & Sports	23,632.7	16,786.4	71.0	6,846.4	29.0
Health	25,467.9	11,985.9	47.1	13,482.0	52.9
Water & Environment	2,077.3	2,077.3	100.0	-	-
Social Development	16,034.7	418.6	2.6	15,616.2	97.4
Defence & Security	18,372.1	8,529.6	46.4	9,842.5	53.6
Justice, Law and Order	5,784.8	5,684.7	98.3	100.1	1.7
Public Sector Management	12,315.7	7,910.9	64.2	4,404.8	35.8
Legislature & Accountability	4,589.4	4,589.4	100.0	-	-
Public Administration	8,365.0	3,839.7	45.9	4,525.3	54.1
Interest Payments	8,776.8	8,776.8	100.0	-	-
TOTAL BUDGET	196,675.6	113,644.0	57.8	83,031.6	42.2

Source: NPA - NDPII costing simulation

457. Of the UGX 196,7trillion, UGX 22.1 trillion is wage, UGX 32trillion is non-wage and UGX 133.9 trillion is development. Therefore, the Development costs comprise of 68.1percent of the entire NDPII costs as shown in Table 5.7. It's important however to note that while considering key sector allocations, some critical sectors have significantly higher development cost allocations. Agriculture has 72percent, Lands Housing and Urban Development is at 82.1percent, Energy and Mineral development is at 99.2percent, Works and Transport has 84.7percent, ICT 67.4percent, Health 64.3percent, and Water and Environment 86.5percent. Sectors with low development cost allocations include Public administration with 14.2percent, education and sports with 21.5percent, Public Sector management 27.6percent, Justice Law and Order with 28percent, and Legislature and Accountability with 32.2percent. The low development budget allocation for education and sports is majorly driven by the high allocation for wage which comprises of 56.1percent of the entire cost allocations for the sector.

Table 5.7: Public Sector Costing, 2015/16 – 2019/20

Sector	Wage	Non - Wage	Recurrent	Dev't	Total	Dev't (percent of sector Total)
Agriculture	529	844	1,298	3,329	4,626	72.0
Lands, Housing & Urban Development	35	91	126	578	704	82.1
Energy & Mineral Development	27	96	123	15,026	15,148	99.2
Works & Transport	209	3,047	3,256	17,991	21,247	84.7
Information & Communication Technology	46	53	99	203	301	67.4
Tourism, Trade and Industry	238	188	427	592	1,019	58.1
Education & Sports	9,425	3,753	13,178	3,608	16,786	21.5
Health	2,571	1,712	4,284	7,702	11,986	64.3
Water & Environment	111	168	280	1,798	2,077	86.5
Social Development	50	182	232	186	419	44.5
Defence & Security	3,113	2,564	5,677	2,853	8,530	33.4
Justice, Law and Order	2,048	2,046	4,095	1,590	5,685	28.0
Public Sector Management	2,048	3,680	5,729	2,182	7,911	27.6
Legislature & Accountability	1,249	1,864	3,113	1,477	4,589	32.2
Public Administration	366	2,942	3,308	531	3,840	13.8
Interest Payments Due	-	8,777	8,777	-	8,777	-
TOTAL BUDGET	22,067	32,009	45,224	59,644	113,644	52.5
Below the budget Payments	-	-	-	-	-	
Securities	-	25,970	25,970	-		
Contingency Fund	-	3,592	3,592	-		

Source: NPA - NDPII costing simulation

458. Table 5.8 shows the allocations of the budget to the different sectors in the economy throughout the NDPII period, with works and transport being allocated the largest share (18.7percent); this is mainly due to the projects geared towards improving the roads and transport network across the country. Education and Sports gets the second largest proportion mainly due to the emphasis that has been put human capital development and the high allocation to wages in the sector. With Uganda trying to exploit its oil and gas that have been discovered, a big proportion of the budget was also allocated towards the Energy and Mineral Development sector with a percentage of 13.3 of the entire budget in the next five years of the NDPII. The sectors with the lowest allocations are Information, Communication Technology with 0.3percent, Social Development with 0.4% and Lands, Housing & Urban Development as well as Tourism, Trade and Industry with both being allocated 0.9percent of the budget. It should be noted that the budget has been spread out almost evenly throughout the NDPII period to ensure there are adequate funds to implement all the projects in all the years of the plan.

459. In line with the new Public Finance Management Act which stipulates all government expenditures and revenues to be appropriated by parliament, the budget for each financial year starting 2015/16 will reflect domestic debt repayments (securities). In 2015/16 this amounts to Shs. 4.7 trillion and over the NDPII period, the repayments are estimated to be 25,970 trillion. The inclusion of this transaction led to the overall government expenditure to increase to about 24trillion for the financial year 2015/16. The domestic debt payments are however a book entry transaction to reflect government indebtedness to the private sector and that has to be reflected in the government fiscal operations. Prior to the enactment of the PFM act, such maturing domestic debts were simply rolled over without the need be reflected in the budget neither to seek parliamentary approval. The Annex Tables 4A-4C provide details of the breakdown of annual and total costing of the Plan.

460. The contingency fund is a statutory requirement that mandates the budget to include a fund which is 3.5percent of the previous financial year budget. The purpose of the fund is to cater for eventualities like supplementary budgets and disasters.

Table 5.8: NDPII Costs as a percentage to the Budget

Sector/Function	Total	Y1	Y2	Y3	Y4	Y5
Agriculture	4.1	2.6	3.6	3.8	4.4	5.4
Lands, Housing & Urban Development	0.6	0.9	0.5	0.6	0.6	0.6
Energy & Mineral Development	13.3	15.4	13.8	15.7	14.0	8.8
Works & Transport	18.7	18.2	23.4	21.9	19.6	11.5
Information & Communication Technology	0.3	0.4	0.2	0.2	0.2	0.4
Tourism, Trade and Industry	0.9	0.4	1.0	1.0	1.1	0.9
Education & Sports	14.8	11.1	13.0	13.5	15.0	19.8
Health	10.5	6.9	9.0	9.7	10.9	14.7

Water & Environment	1.8	3.0	2.8	1.3	1.3	1.3
Social Development	0.4	0.5	0.3	0.3	0.3	0.4
Defence & Security	7.5	8.9	6.6	6.6	6.9	8.6
Justice, Law and Order	5.0	5.7	4.5	4.6	5.1	5.1
Public Sector Management	7.0	5.2	6.8	6.7	7.0	8.6
Legislature & Accountability	4.0	7.5	3.5	3.7	3.5	2.9
Public Administration	3.4	4.2	2.9	2.9	3.1	3.9
Interest Payments Due	7.7	9.0	8.1	7.6	7.0	7.3
TOTAL BUDGET	100.0	100.0	100.0	100.0	100.0	100.0
Total, including Securities	122.9	125.7	122.9	122.6	122.0	121.9
Total, including Securities and Contingency Fund	126.0	128.5	125.9	125.8	125.2	125.2

Source: NPA - NDPII costing simulation

461. For the NDPII to realize the goals and targets set therein, it will be important that the National Budget, all budget instruments and tools are aligned to the NDP. The PFM Act, 2015 provides a good foundation to this linkage between the plans and the Budgets; Section 9-(3) and Section 13 (6) provides for the Annual Budget to be consistent with the NDP and the Charter of Fiscal Responsibility. In line with Section 13 (7) of the PFM Act, 2015, NPA will issue a certificate of compliance for the annual budget of the previous financial year to accompany the annual budget for next financial year to ensure this alignment. As a result, strict adherence to minimize consumptive expenditure with more focus on the priority development aspects will be prioritized during the plan period.

5.2.3 Revenue Developments

462. On the revenue outlook, the NDPII envisages that there will be some improvement in domestic revenue mobilization (excluding oil revenues). These gains will arise from minimizing the use of non-standard VAT tax exemptions which have compromised the effectiveness of tax collection. These exemptions are estimated to reduce government revenue by 1 percent of GDP. In addition, the exemptions also complicate tax administration and increase the risk of non-compliance thereby costing Government about 6 percent of GDP in foregone VAT revenue annually. Compared to other EAC countries, the efficiency of VAT tax collection is lowest in Uganda (see Table 5.6). Streamlining VAT tax collection will be complemented by the current efforts of broadening the tax base especially targeting the informal sector. There is also scope to increase corporate tax collection whose effective tax rates remains low compared to other East African countries.

Table 5.9: VAT Revenue Performance in EAC Countries

Country	Standard VAT Rate	C-Efficiency ³²
Uganda	18	28.6
Burundi	18	81.7
Kenya	16	44.4
Rwanda	18	41.7
Tanzania	18	45.7
EAC Average		48.4

Source: IMF, 2013

463. Grants under the NDPII period are expected to decline due to a combination of factors including: (i) austerity measures pursued in donor countries (ii) continued positive growth perception of donors about Uganda's recent developments and therefore not being eligible for certain grants. As a result grants are expected to decline further to 0.5 percent by the end of 2020.

464. Overall, these developments will result into total revenues and grants increasing from 14.7 percent to 15.8 percent of GDP. This will be supported by increment in tax revenues over the Plan period.

465. The fiscal strategy fronted in this Plan does not depart substantially from the path adopted by the neighbouring countries (Table 5.7). Most notable is Kenya whose expenditure as a percentage of GDP has averaged 30 percent over the last five years supported by high domestic resource mobilization at 24 percent of GDP. In addition, Kenya has also continued to borrow from traditional concessional sources, semi-concessional sources and private markets to finance its infrastructure needs. Expenditure by Tanzania has on average been 27 percent of GDP for the last five years while collection of revenues has averaged 17.5 percent of GDP. The fiscal deficit excluding grants has also been on average 10 percent. This high deficit has been partly financed by grants and borrowing. Albeit this expansionary fiscal policy stance, macroeconomic stability has been maintained in these countries.

5.2.4 External Sector Developments

466. A positive impact on the external developments will be realized through implementation of the fiscal strategy which emphasizes investments in infrastructure combined with the productivity gains in the various sectors. With an improvement in productivity of the exportable sectors, the overall level of the trade balance (goods and services) deficit as a percentage to GDP is expected to average about 10 percent of GDP during the NDPII period. The modest improvement is on account of the expected increase in imports for infrastructure development. The overall current account deficit will remain at about 10.2 percent of GDP on the backdrop of decline in official remittances from abroad, and factor income outflows as a result of interest payments

³² The C-Efficiency is an indicator of the departure of the VAT from a perfectly enforced tax levied at a uniform rate on all consumption. It is calculated by dividing VAT revenue as a percent of aggregate consumption by the headline rate.

on accrued debt. The current account will partly be financed by increase in foreign direct investments especially during the years 2015-18 and increased government borrowing which will largely be used to finance infrastructure development. As a result of these developments, reserves will remain at about 3.9 months of imports (Table 5.11).

Table 5.10: Comparative Macroeconomic Developments for Selected Countries, 2004 - 2015

Country	2004-08	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real GDP Growth (Percent)												
Ethiopia	11.8	12.6	11.5	11.8	11.2	10.0	10.6	11.4	8.5	9.7	7.5	7.5
Kenya	5.2	5.9	6.3	7.0	1.5	2.7	5.8	4.4	4.6	5.6	6.3	6.3
Rwanda	9.0	9.4	9.2	7.6	11.2	6.2	7.2	8.2	8.0	5.0	7.5	7.5
Tanzania	7.3	7.4	6.7	7.1	7.4	6.0	7.0	6.4	6.9	7.0	7.2	7.0
Uganda	8.3	10.0	7.0	8.1	10.4	4.1	6.2	6.2	2.8	6.0	6.4	6.8
Real Per Capita GDP Growth (Percent)												
Ethiopia	9.2	10.0	9.0	9.3	8.8	7.7	8.2	9.0	6.0	7.2	4.9	5.2
Kenya	2.4	3.1	3.5	4.2	-1.1	0.0	3.0	1.6	1.8	2.8	3.5	3.5
Rwanda	7.0	7.5	7.3	5.4	8.9	4.0	5.0	6.0	5.7	2.8	5.3	5.3
Tanzania	4.7	5.1	3.8	4.3	4.7	3.4	4.4	3.9	4.4	3.8	4.1	3.9
Uganda	4.8	6.5	3.6	4.6	6.9	0.8	2.8	2.8	-0.5	2.6	3.0	3.4
Consumer Prices (Annual average, percent change)												
Ethiopia	18.0	11.7	13.6	17.2	44.4	8.5	8.1	33.2	24.1	8.0	6.2	7.8
Kenya	8.3	7.8	6.0	4.3	15.1	10.6	4.3	14.0	9.4	5.7	6.6	5.5
Rwanda	10.9	9.1	8.8	9.1	15.4	10.3	2.3	5.7	6.3	4.2	4.1	4.8
Tanzania	6.6	4.4	7.3	7.0	10.3	12.1	7.2	12.7	16.0	7.9	5.2	5.0
Uganda	7.5	8.6	7.2	6.1	12.0	13.1	4.0	18.7	14.0	5.4	6.3	6.3
Consumer Prices (End of period, percent change)												
Ethiopia	19.3	12.3	18.5	18.4	39.2	7.1	14.6	35.9	14.9	7.7	7.0	8.0
Kenya	9.0	4.9	7.3	5.6	15.5	8.0	5.8	18.9	3.2	7.1	6.6	5.1
Rwanda	11.4	5.6	12.1	6.6	22.3	5.7	0.2	8.3	3.9	3.6	4.5	5.0
Tanzania	7.1	5.0	6.7	6.4	13.5	12.2	5.6	19.8	12.1	5.6	5.0	5.0
Uganda	8.4	3.7	10.9	5.2	14.3	11.0	3.1	27.0	5.3	5.6	7.0	5.6
Total Investment (Percent of GDP)												
Ethiopia	22.7	22.4	23.9	20.8	21.2	21.5	23.6	27.2	34.6	28.3	30.0	27.0
Kenya	18.0	16.9	17.9	19.0	19.2	19.9	19.8	20.5	20.1	20.5	20.6	20.6
Rwanda	20.6	20.8	19.3	20.2	22.8	22.3	21.7	22.2	22.2	23.0	25.3	25.0
Tanzania	26.9	25.1	27.6	29.6	29.8	29.0	32.0	36.7	34.6	34.2	32.8	31.6
Uganda	21.5	21.6	20.7	23.0	20.4	22.0	23.1	25.0	25.2	26.4	27.5	27.2
Gross National Savings (Percent of GDP)												

Ethiopia	21.2	20.1	18.3	23.7	19.3	19.0	20.7	27.3	28.1	22.2	24.6	20.9
Kenya	15.1	15.5	15.7	15.1	12.7	14.4	12.4	9.4	9.6	12.2	11.0	12.8
Rwanda	18.9	21.9	15.0	18.0	17.9	15.0	16.2	14.9	10.8	15.7	13.7	14.7
Tanzania	17.8	18.3	16.8	15.6	19.2	19.9	24.1	19.5	19.2	19.9	18.8	18.8
Uganda	16.6	19.0	16.5	17.5	11.7	14.7	12.0	12.5	14.7	14.7	15.0	15.0
Government Expenditure (Percent of GDP)												
Rwanda	22.8	23.4	21.7	23.1	24.7	24.1	26.2	26.7	26.3	27.7	29.1	28.8
Ethiopia	21.9	23.3	22.5	20.9	19.1	17.4	18.8	18.5	16.9	17.3	16.1	16.2
Kenya	24.8	24.2	24.6	25.9	26.9	28.0	30.0	28.8	29.9	30.9	30.8	30.3
Tanzania	22.6	22.2	23.2	23.1	24.5	27.0	27.5	26.9	26.3	26.8	27.4	27.3
Uganda	18.0	18.0	17.5	17.1	17.7	17.1	22.2	19.9	19.1	18.3	18.4	18.3
Government Revenue, Excluding Grants (Percent of GDP)												
Ethiopia2	14.2	14.8	15.0	12.8	12.1	12.1	14.2	13.7	14.0	12.1	11.5	11.9
Kenya	21.3	21.0	20.8	21.7	21.7	21.8	23.8	23.2	23.2	24.0	24.6	24.5
Rwanda	12.8	12.5	12.1	12.4	14.8	12.7	13.1	13.9	15.2	16.6	17.5	18.9
Tanzania	13.7	12.2	13.6	15.2	16.0	16.1	16.3	17.3	17.5	18.0	19.0	19.5
Uganda	12.1	11.8	12.2	12.4	12.3	12.1	12.5	14.8	13.4	13.4	13.9	14.5
Overall Fiscal Balance, Excluding Grants (Percent of GDP)												
Ethiopia2	-7.7	-8.5	-7.5	-8.1	-7.0	-5.3	-4.6	-4.9	-2.9	-5.2	-4.5	-4.3
Kenya	-3.6	-3.2	-3.8	-4.2	-5.2	-6.1	-6.2	-5.6	-6.7	-6.9	-6.2	-5.9
Rwanda	-10.0	-10.8	-9.6	-10.7	-9.9	-11.4	-13.1	-12.7	-11.1	-11.1	-11.6	-9.9
Tanzania	-8.9	-10.0	-9.7	-7.9	-8.5	-10.9	-11.2	-9.7	-8.7	-8.7	-8.4	-7.8
Uganda	-5.9	-6.2	-5.3	-4.7	-5.4	-5.0	-9.6	-5.1	-5.7	-4.9	-4.5	-3.8
Overall Fiscal Balance, Including Grants (Percent of GDP)												
Ethiopia	-3.5	-4.2	-3.9	-3.6	-2.9	-0.9	-1.3	-1.6	-1.2	-3.4	-3.0	-2.7
Kenya	-2.4	-1.9	-2.7	-3.1	-4.1	-5.3	-5.4	-5.0	-6.2	-6.2	-5.5	-5.2
Rwanda	0.2	0.9	0.2	-1.8	0.9	0.3	0.4	-1.9	-1.7	-2.5	-3.1	-2.5
Tanzania	-3.3	-4.0	-4.5	-1.9	-2.6	-6.0	-6.5	-5.0	-5.1	-5.6	-5.1	-4.5
Uganda	-0.9	-0.2	-0.8	-1.1	-2.7	-2.3	-6.7	-3.1	-3.5	-3.7	-2.9	-2.6
Government Debt (Percent of GDP)												
Ethiopia	58.1	76.7	39.4	37.2	30.8	25.3	27.9	26.2	21.2	22.2	23.5	24.2
Kenya	51.6	53.6	50.5	45.0	48.9	49.7	55.1	52.6	50.5	50.4	51.1	50.6
Rwanda	47.3	70.7	26.6	27.0	21.3	22.9	23.1	23.9	24.1	29.4	28.8	28.9
Tanzania	42.5	56.0	42.6	28.4	29.2	32.6	37.1	40.2	40.4	41.0	42.0	42.2
Uganda	38.8	52.8	35.5	21.9	21.4	21.4	26.8	29.3	31.1	33.9	36.0	38.1
Broad Money (Percent of GDP)												

Ethiopia	35.2	38.4	36.4	33.4	28.4	25.3	27.5	28.6	25.6	26.3	28.6	29.1
Kenya	41.0	39.4	40.3	42.4	42.8	44.2	49.8	49.7	50.2	52.5	54.2	49.9
Rwanda	16.8	15.2	16.7	18.4	18.1	17.7	18.8	20.5	20.4	20.6	20.8	21.0
Tanzania	26.4	22.2	28.8	29.7	30.1	31.1	34.1	34.7	32.8	31.5	31.8	32.1
Uganda	18.4	17.3	18.0	18.9	20.5	20.1	25.5	23.0	22.8	21.4	21.3	21.6
Broad Money Growth(Percent)												
Ethiopia	18.0	19.6	17.4	19.7	22.9	19.9	24.3	39.2	30.3	24.1	26.6	18.6
Kenya	14.9	9.2	17.0	19.1	15.9	16.0	21.6	19.1	14.1	18.0	18.3	5.4
Rwanda	23.0	16.7	31.3	30.8	24.1	13.0	16.9	26.8	14.0	11.1	15.1	14.1
Tanzania	24.8	19.6	45.4	20.5	19.8	17.7	25.4	18.2	12.5	11.6	15.1	15.1
Uganda	19.1	17.2	16.9	22.0	30.8	16.6	41.5	10.5	14.9	5.1	13.8	14.8

Note: 2014 and 2015 are projections. Source: IMF (2014) Regional Economic Outlook for Sub-Saharan Africa. April 2014

467. Table 5.12 provides the key drivers of exports growth. Among the exportable cash crops, coffee, tea and flowers would be expected to grow at an average of 4.2, 8.7 and 6.2 percent respectively. On the other hand, there is also great potential in export growth especially for the processed foods, particularly grains. Other exports with significant potential will include oil, chemicals and plastics.

Table 5.11: Current Account, Exports, Imports and Financing

External Sector	2014/14	2015/16	2016/17	2017/18	2018/19	2019/20
Current account balance (including grants)	-10.6	-10.1	-10.5	-10.0	-10.3	-8.9
Current account balance (excluding grants)	-10.9	-10.4	-10.7	-10.3	-10.5	-9.1
Gross international reserves						
In billions of USD	3.2	3.5	4.0	4.1	4.2	4.6
In months of next year's total imports	4.4	4.3	4.3	3.9	3.8	4.0
excluding one-off infrastructure-related imports	5.4	5.4	5.3	5.0	4.6	4.6

Source: NPA - NDPII costing simulation

5.2.5 Price and Monetary Developments

468. Monetary policy will be underpinned by the desire to maintain macroeconomic stability. The target of core inflation for the Plan is within single digits and maintained at 5 percent or below. Inflation targeting through the use of interest rates will remain the operational tool used to control inflation. It is important to underscore the fact that there is a trade-off between the desire to control inflation and attaining growth as earlier discussed. Therefore, the central bank will have to strike a balance between controlling inflation without compromising growth especially through high interest rates to curb the growth of private sector credit. While inflation targeting has proved to be successful in maintaining macroeconomic stability, there is also a challenge of market interest rates adjusting in tandem with the CBR owing to the high banking

Table 5.12: Export Growth-Key Commodities

	2015/16	2016/17	2017/18	2018/19	2019/20
Cash Crops					
Coffee	5.77	6.84	6.75	7.20	7.29
Cotton	2.88	2.20	1.43	1.10	0.99
Tea	7.38	5.14	4.65	2.49	2.20
Flowers	2.76	3.20	3.07	2.55	2.55
Food Crops					
Maize	4.81	3.67	2.38	1.83	1.64
Rice	4.59	3.23	1.82	1.42	1.20
Cassava	4.49	3.29	1.96	1.41	1.20
Bananas	0.68	0.66	0.55	0.85	0.77
Beans	0.84	0.69	0.47	0.73	0.64
Processed Food					
Meat	6.12	6.23	4.88	3.86	3.77
Fish	1.39	0.69	0.68	1.91	1.88
Dairy	5.47	6.08	5.74	5.11	5.18
Grain	29.82	37.56	28.43	17.00	17.44
Tea	8.48	7.96	5.00	3.81	3.59
Animal Feeds	15.36	15.33	11.34	8.81	8.57
Edible Oil	7.36	6.64	4.45	4.00	3.75
Bakery	6.21	6.52	5.84	5.24	5.25
Sugar	22.44	23.48	15.54	9.66	9.25
Other Exports					
Textile	1.73	1.89	1.89	1.89	1.93
Metalic Products	24.11	24.69	16.80	11.20	10.70
Non-metalic Products	18.84	18.38	12.80	9.29	8.90
Chemicals and Plastics	25.54	21.07	18.31	11.54	11.23
Electricity	9.27	9.45	8.52	7.59	7.53

Source: NPA - NDPII macro simulation

overhead costs and shallow financial markets which limit the banks to achieve the economies of scale. In addition to overhead costs, bank activities are impeded by poor institutional environment characterized by a slow and inefficient legal system, problems of land titling and unreliable valuation of properties. The inflation targeting framework will therefore have to be supported by measures that can address the challenges in the banking system so that market interest rates fully adjust to the CBR.

5.2.6 Monetary Policy Stance and Inflation

469. The Bank of Uganda (BOU) has been implementing monetary policy under an Inflation Targeting Lite (ITL) monetary policy framework since July 2011. In this framework, the BOU uses the policy rate (the CBR) to influence the interbank money market rates so that they move in tandem with the movement in the central bank rate which in turn should influence other retail interest rates (both short-term and long-term) in the economy. BOU will continue to implement a monetary policy framework that will ensure price stability and at the same time conducive in attaining economic growth over the NDPII period. The inflation outlook will be largely dependent on changes in domestic food prices, exchange rate and international commodity prices. Over the NDPII period, the objective is to keep annual inflation low and stable assuming no major shocks to the economy.

470. There will inevitably be some macroeconomic costs associated with this strategy.

- (i) **The foreign exchange market:** The import content of infrastructure investment in Uganda is estimated to be between 67 percent and 80 percent, but over 80 percent of the key infrastructure projects will be financed from external sources. Even if some of the external loans are provided as imports rather than disbursed as cash, a proportion of this foreign financing will be spent in the domestic economy. This means there will be a net inflow on the balance of payments, putting some upward pressure on the Shilling, while the larger current account deficit could increase exchange rate volatility. To sterilize the net inflow and ensure adequate reserve cover, BOU will need to increase its foreign exchange purchases to an average of around USD5 million a day over the medium term. If BOU's purchases fall below this amount, exchange rate volatility and/or real appreciation could harm Uganda's export sector.
- (ii) **Domestic liquidity and private sector credit:** The impact of public investment on domestic liquidity will be limited due to the high import content of the infrastructure projects. Nonetheless, a higher fiscal deficit and foreign exchange purchases by BOU will create a liquidity injection that must be managed appropriately to maintain low and stable inflation and healthy levels of private sector credit. Given this excess liquidity, Bank of Uganda's inflation-targeting regime should be strengthened through further recapitalization or by issuing treasury bills for monetary policy purposes. This may place some upward pressure on interest rates. Further financial regulatory reforms are required to exert downward pressure on interest rates and maximise the contribution of the banking system to economic growth. To minimise crowding out, it is important to maintain domestic borrowing to finance the budget at or below the current level (1.7 percent of GDP).
- (iii) **Credit rating:** There is a risk that higher fiscal deficits over the medium term will reduce confidence in Uganda's public finances. This could lead to a downgrading of the country's credit rating and raise interest costs. This risk can be managed given that higher fiscal deficits will enable investment to increase the economy's long-term productive capacity, but it is critical that Government maintains fiscal discipline and gradually closes the non-infrastructure deficit.

5.2.7 Employment Creation and Unemployment

471. As a result of this growth rate, the level of employment created would partly address the surging unemployment problem. The estimated number of jobs created annually under the NDPII is about 640,000 on average (Table 5.10). While this seems considerable, the bulk of the jobs created are in the agriculture sector which on average would add 156,000 jobs annually. For improved productivity of the agriculture sector, indeed the sector would need to shed off some labour which should be absorbed in industries and services; however, this will only be achieved during the subsequent

NDPs. On average, Industry would be able to create about 112,000 number of jobs annually, while for services, 302,000 jobs will be created. Unemployment would mainly be driven by growth of unskilled/semiskilled workers. This implies that for government to address this problem, in the short run, it would require promoting activities that are labour intensive to absorb unskilled workers especially in the industrial and services sectors, as well as, investment in massive skills development programmes for rapid build-up of a skilled labour force that can perform high productive jobs.

Table 5.13: Jobs created over NDPII Period

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Stock of Jobs								
Agriculture, Forestry and Fishing	4,696,848	4,867,834	4,953,509	5,057,613	5,201,801	5,382,686	5,563,446	5,737,580
Manufacturing	2,292,840	2,575,716	2,691,656	2,868,627	2,966,648	3,059,399	3,155,049	3,253,690
Construction	639,216	691,197	738,310	784,307	833,374	872,319	907,857	1,067,613
Trade	3,154,392	3,317,688	3,446,438	3,597,070	3,707,159	3,813,701	4,014,130	4,200,206
Transportation	583,632	607,288	639,606	662,583	684,639	710,815	745,914	780,546
Other services	2,529,072	2,654,325	2,819,448	2,904,400	3,013,245	3,200,045	3,355,356	3,456,789
Jobs Created								
Agriculture, Forestry and Fishing		170,986	85,676	104,103	144,188	180,886	180,759	174,134
Manufacturing		282,876	115,941	176,970	98,021	92,751	95,650	98,641
Construction		51,981	47,113	45,997	49,067	38,945	35,538	159,756
Trade		163,296	128,750	150,633	110,088	106,543	200,428	186,076
Transportation		23,656	32,318	22,977	22,056	26,175	35,099	34,632
Other services		125,253	165,123	84,952	108,845	186,800	155,311	101,433
Total jobs created		818,047	574,920	585,633	532,266	632,099	702,786	754,673

5.3 Financing Strategy and Debt Sustainability

472. There have been numerous challenges with raising the necessary financing under the NDPI. This is partly due to the fact that financing has been restricted to the traditional sources in particular external concessional financing and domestic debt issuance. NDPII will employ more innovative ways to ensure that resources are mobilized to finance the frontloaded spending on infrastructure. With a deficit which on average will be about 6.0 percent, and the anticipated reduction in development assistance, this will require tapping into new sources of financing without compromising macroeconomic stability.
473. The various sources of financing enumerated below come with some costs and therefore this would call for caution while contracting new debts. In recognition of this challenge, the government is in the process of drafting a new Public Debt Policy Framework (PDPF). This framework will lay out GoU's overall policy, legal and institutional framework within which debt will be incurred, used and managed. As a requirement, a Medium Term Debt Management Strategy (MTDS) showing a broad financing plan will be published annually. In addition to raising financing, the objective of the strategy will be to ensure that Government's financing needs are met without compromising macroeconomic stability. Table 5.11 shows the various sources of financing that will be used under the NDPII.

Table 5.14: Sources of financing – Percent of GDP

	2015/16	2016/17	2017/18	2018/19	2019/20
Overall balance	-7.0	-7.4	-7.7	-6.5	-4.3
Overall balance, excluding one-off expenditure	-2.3%	-2.5%	-2.4%	-2.1%	-1.5%
Primary balance	-5.0	-5.3	-5.2	-3.8	-1.4
Primary balance excluding one-off expenditure	-0.3%	0.0%	0.4%	1.0%	1.6%
Financing	7.0	7.4	7.7	6.5	4.3
External financing (net)	5.50%	4.50%	5.50%	4.50%	2.70%
Disbursement	5.2%	4.7%	4.6%	4.0%	3.2%
Concessional project loans	1.5%	1.3%	1.1%	0.9%	0.8%
Non-concessional borrowing	3.7%	3.4%	3.4%	3.1%	2.4%
Amortisation (-)	-0.4%	-0.4%	-0.4%	-0.4%	-0.5%
Domestic financing (net)	1.5%	2.9%	2.2%	2.0%	1.6%
Bank financing	0.70%	1.90%	1.20%	1.10%	0.70%
Bank of Uganda	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial banks	0.80%	0.60%	0.70%	0.60%	0.60%
Non-Bank financing	0.00%	0.40%	0.30%	0.30%	0.30%

Source: NPA - NDPII Estimates

474. Table 5.14 shows that external financing will continue to have a significant role. This is particularly critical given the need to limit domestic borrowing to sustainable levels to avoid crowding out resources for the private sector. External financing will average 3.9 percent of GDP over the NDPII period and this will be driven by increased borrowing at concessional and non-concessional terms. Domestic financing on the other hand will peak at 2.9 percent in 2016/17 and decline over the years.

5.3.1 Concessional External Borrowing

475. Concessional loans are defined as external loans contracted with a grant element of more than 35 percent mainly sourced from the bilateral and multilateral donors. Over the years these loans have cushioned Uganda to finance a moderate deficit. In 2014/15, concessional loans were projected to contribute up to 2.3 percent of GDP. Given the low interest rates and long maturity periods of these loans, Government will attempt to maximize the use of such loans to finance the long-term investments especially for both infrastructure and human capital development.

476. Estimates by the IMF show that concessional loans will decline over time as Uganda continues to sustain high growth and its spending requirements continue also to evolve. Less than 50 percent of the financing needs will be met through concessional borrowing in 2013/14. Given this background, the NDPII relies on conservative estimates for concessional borrowing. It is expected that over the NDPII period concessional loans will remain a key source of financing in 2015/16 and 2016/17 and decline to 1 percent of GDP in fiscal year 2019/20 as the financing needs also decline.

5.3.2 Semi-Concessional External Borrowing

477. Given the limited scope for concessional borrowing, this would therefore require Government to explore other avenues of financing its expenditure needs. Semi-concessional loans are similar to concessional loans only that their grant element is less than 30 percent. These loans are contracted from countries like China which are considered to be non-traditional donors and organizations including the African Development Bank, International Bank of Reconstruction and Development and European Investment Bank. Financing from semi-concessional loans especially for large infrastructure projects including Karuma and Isimba dams and the SGR are expected to total USD 5.3 billion during the period 2015-20. Other projects expected to be financed through these loans may include roads construction, rehabilitation of the airport and other projects.
478. Under the NDPII Government will continue to source these types of loans given their favourable terms compared to commercial loans. Government will also put in place mitigation measures to ensure that loans are not tied to preconditions in procurement processes and thereby undermining their concessionality.

5.3.3 Non-Concessional External Borrowing

479. Given the large financing requirements it is not likely that Uganda will be able to raise these resources only from concessional borrowing and tax revenue efforts. It is imperative that Government also starts exploring other options especially to finance large infrastructure projects whose economic returns may not be viable in the short run but with enormous social benefits. Uganda is currently rated at B by Fitch and Standard and Poors rating agencies. The key driver for these ratings includes prudent macroeconomic policies combined with a renewed focus on infrastructure investment. At the backdrop of this development, Government may also consider to issue a Euro bond in international markets. The size of this bond will depend on the financing needs that are not fully covered by concessional or semi-concessional borrowing. Also considerations of the costs and risks associated with such financing instruments will be taken into account. This will also require careful planning and preparations on the part of Government to ensure that proceeds are used immediately after issuance of the bond.

5.3.4 Domestic Borrowing

480. Government started issuing securities for fiscal purposes in the year 2012/13 raising about UGX650bn (1.2 percent of GDP). While this is a positive development, there are costs associated with domestic financing which include (i) crowding out of financing for the private sector; (ii) high interest costs which would therefore lead to increasing costs in interest payments by government. Given these challenges, the NDPII would attempt to limit domestic borrowing to current levels especially as the infrastructure

projects get completed. The level of domestic debt would be limited to the range of 1.5-3.6 percent if domestic debt is to be contained within sustainable levels.

5.3.5 Public Private Partnership

481. Given the scale of investments required under NDPII, there is need to have close cooperation between the public and private sectors in form of public-private sector partnerships (PPP). This form of partnership has already been demonstrated to work even for very large projects most recently applied to the Bujagali dam. Financing under the PPP framework would also relieve the pressure exerted on the meagre public resources. Government has already embarked on promoting and encouraging PPP in various forms for the smooth implementation of NDPII. Legislation towards formulating laws for PPPs is also in advanced stages.
482. The forms that PPPs usually take include joint ventures between the Government and private sector entity/ies where both may contribute financial resources, Build, Operate and Transfer (BOT), Build, Own, Operate and Transfer (BOOT), Build, Own and Operate (BOO) and Concessions. Each of these forms of PPPs has advantages and disadvantages that are unique. Careful analysis will be made in deciding the form of PPP that has the highest economic benefit to the country and most suitable for both the public and private sector before any form of PPP is recommended for implementation. In general, however, PPPs will be encouraged and promoted in the provision of infrastructure and energy, as well as huge undertakings which require substantial financial resource outlay.
483. Fund of Funds for Private Sector Financing: Private sector financing remains a key challenge especially for start-up companies that are shunned by traditional commercial banks. It is proposed that Uganda considers establishing a fund of funds but adapt it to the local context with improved governance and management principles and practices. The Fund of Funds enables the government to have a stable and unified source of venture investment which can be targeted to priority sectors expected to grow at a high rate, generate employment and ensure inclusive growth. Over time the fund of funds can be gradually opened to the private sector, allowing for its efficiency and additional funding to be exploited. The proposal to establish a Uganda Fund of Funds borrows heavily from the Korea experience of establishing fund of funds. The Korea Fund of Funds was fully government funded and allowed the fund manager to evaluate, select, and distribute capital to a number of funds based on high standards and with a significant level of independence.
484. To improve governance and management of the fund of funds, it is proposed that, although the Fund of Funds would be financed partly by government, management of this fund would require being autonomous in its decision making and not influenced by government. This would enable the managers to make decisions based on the viability of the projects in question. Notwithstanding the above proposal, the Fund

would also have to be regulated by the Capital Markets Authority to ensure that it meets the generally acceptable standards and practices of capital markets and does not out-compete private venture capital initiatives. The venture capital invested in the individual enterprises would also follow the management practices that are used in the private venture capital market as in the case of Venture Capital Trust Fund of Ghana. In particular, the venture capital companies would take positions in individual enterprises and this would only be for a given period of time

485. The source of financing should not only be restricted to government, especially overtime. Once the Uganda government initiates the fund through providing the necessary initial resources, including financial and human resources, it should market it to other potential investors including pension funds and other institutions including international organizations. The government in collaboration with the Capital Markets Authority would make a decision on the initial amount of financing required based on a well-structured study. Once this is determined, the government in collaboration with its co-investors would have to decide on how much to allocate to the various sub-funds. The overall manager of the fund of funds would be given performance targets on the performance of the managed portfolio. This is critical so that the fund is not viewed as another form of subsidy passed on to enterprises. These performance targets in form of dividends earned from the various enterprises would be passed on to the various sub-managers.
486. Once this is set up, it would become a revolving and self-financing fund in the same way the Government of Ghana envisioned the establishment and operations of the Venture Capital Trust Fund in Ghana. The dividends earned from the various enterprises would be ploughed back into the fund for investment in other SME companies.
487. Sustainability of the Financing Strategy: The debt sustainability analysis is based on the forecasts elaborated in Section 5.1. The analysis is based on the following key assumptions (Box 5.1):
488. Based on these assumptions, it is shown that Uganda's Public and Publicly Guaranteed (PPG) debt, which includes external and domestic debt, is sustainable as projected in both the medium term and long-term. This is all based on the assumption that macroeconomic stability will be maintained and the scaling up of borrowings for infrastructure development will impact the economy positively. The required financing will mainly be sourced from the traditional concessional borrowing combined on account of the demonstrated good performance at the policy and institutional levels which is a pre-requisite for accessing of funds under the World Bank IDA and ADF concessional windows. This will be complemented by semi-concessional loans from sources including for example the EXIM Bank of China and borrowing from the financial markets.

489. Under this financing strategy, all the solvency and liquidity external debt-burden indicators remained well below their policy-dependent thresholds throughout the projection period. The public gross national debt would peak at 44.1 percent of GDP in 2018/19 while the NPV is expected to peak at about 40 percent of GDP. This is still way below the sustainability threshold of 50 percent. Both the liquidity thresholds of debt service to exports and debt service to revenues ratios remain far below their respective threshold levels. Albeit meeting all the threshold levels, there are risks associated with increasing borrowing especially at non-concessional terms that would require to be mitigated against.

Box 5. 1: Key Assumptions for Debt Sustainability Analysis

Growth: Growth is expected to average about 6 percent over the period 2015/16-2019/20 largely on the backdrop of the recently discovered oil, emphasis on infrastructure development, further development of the value chains especially in the agriculture sector and diversification into mineral and manufacturing activities.

Inflation: Headline inflation is expected to remain in single digits between the range of 5-10 percent.

Exchange Rate: The exchange rate is expected to depreciate over the NDPII period.

Revenues and grants: Revenues are expected to increase as a result of the efforts to boost domestic non-oil revenue mobilization. Revenues and grants are expected to increase from 14.7 percent to 15.9 percent of GDP.

Expenditures and net lending: It is expected that under NDPII expenditures will increase and peak to about 23 percent during 2016/17. This spending will mainly be driven by the required spending on infrastructure.

Fiscal Deficit: The fiscal deficit as a percentage of GDP (including grants) is expected to increase to 8 percent of GDP in 2016/17 and later decline to 4.7 percent of GDP in 2019/20. The increase in the revenues over the same period will largely be used to finance infrastructure development and consolidating the gains in human capital development.

External sector developments: Over the NDPII period, exports of goods are expected to average 14 percent of GDP. However, imports are also expected to continue growing owing to infrastructure related investments. Official transfers are also expected to decline. The overall current account is expected to be on average 11 percent of GDP. This will be financed by increased FDI and borrowing to finance the infrastructure needs.

PART III: SECTORAL KEY RESULTS, OBJECTIVES AND INTERVENTIONS

Introduction

490. This part of the Plan presents the sectoral key results, objectives and interventions which, together, are critical for achievement of the aggregated national results that are articulated in Chapter 4. All the sectors have been grouped into three sections to address the main areas of focus that capture the thrust of the theme as stated, namely: Wealth Creation and Employment, Competitiveness, and Inclusive Growth. The interventions are in line with the Plan's macroeconomic framework assumptions and projections, the post-2015 SDGs, build on the accomplishments registered by the sector and directly address the outstanding challenges as identified in the situation analysis.
491. In order to prevent unnecessary repetitions between the National Development Plan and the Sector/Local Government Development Plans, and hence render the latter irrelevant, the interventions have been maintained at high level. The sector objectives and interventions stated in this plan will be adopted as the broad overarching results of the Sector/Local Government Development Plans and Annual Workplans (BFPs), and then disaggregated further into sub-interventions, outputs and activities for purposes of budgeting and implementation. Since this Plan is focused on clearly identifying and communicating the results that each sector is expected to achieve over the five year period, the sector strategies have not been included here but will instead be included in the Sector/Local Government Development Plans.

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WEALTH CREATION AND EMPLOYMENT

492. Wealth Creation and Employment have been and remain key objectives of efforts to transform Uganda. Significantly gifted by nature, the country's potential for growth, jobs and wealth creation is immense. In order to create jobs and wealth, the approach taken in this National Development Plan is to invest in key strategic opportunities to stimulate production, facilitate manufacturing/processing to increase value addition and increase participation of the citizens in the economy to enable greater retention of the economic benefits within the economy.
493. The NDPII strategies to increase employment and employability will include among others; Supporting private sector investment along the value chains in the development priority areas to boost the small and medium scale industry; promoting value addition with consideration to banning the export of raw industry inputs and impose export taxes on semi-processed inputs; Develop a comprehensive Human Capital Development Plan to promote the long term quality of the population; Develop and operationalize the Labour Market Information System; Develop a National Local Content Policy to build the capacity of local labour, businesses, and producers for national development; Instituting a mechanism for international standardization and certification for skills to make Uganda's labour force internationally competitive; strengthen and enforce the legal and the regulatory framework for management of immigrant labour; develop programs targeting youth involvement in public works; Develop centres of excellence in skills identified along the value chains; and develop skills development programs that are tailored to the industrial development strategy of the country.
494. From the opportunities identified in the Uganda Vision 2040 as well as in Chapter 3, three growth opportunities have been prioritized namely: Agriculture; Tourism; and Minerals, Oil and Gas. Industry, Science, Technology and Innovation have also been prioritized to facilitate processing and increased value addition. To increase citizen participation in the economy and ensure sustainable development, the Plan also prioritizes Trade and Cooperatives as well as Environment & Natural Resources. This section therefore presents the proposed sectoral key results, objectives and interventions for the five sectors identified above.

CHAPTER 6: AGRICULTURE

6.1 Overview

495. The Agriculture sector aims to ensure sustainable and market-oriented production, food security and household incomes in the country. It is comprised of three sub-sectors, namely Crop, Animal and Fisheries Resources.
496. There are different actors in the sector who play complementary roles along the agricultural value chain: Government under the leadership of Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is responsible for policy formulation, regulation and quality control; private sector and farmers engage in farm production, agro-processing and marketing of agricultural output; the civil society organisations (CSOs) complement Government in delivering of agricultural services to farmers; the academia and research institutions undertake research and disseminate information that may guide policy formulation, promotion of innovation, product development and technology advancement for commercialization of agriculture; financial institutions provide finance and credit to the farmers, cooperatives and agro-processors; while the Development Partners provide financial and technical assistance.
497. Local Governments and semi-autonomous agencies are the other state players delivering agricultural services to the population. The semi-autonomous agencies include: Control of Trypanosomiasis in Uganda (COCTU), Cotton Development Organisation (CDO), Dairy Development Authority (DDA), National Agricultural Advisory Services (NAADS), National Agricultural Research Organisation (NARO), National Genetic Resource Centre and Databank (NAGRC&DB), and Uganda Coffee Development Authority (UCDA).
498. Overall, implementation of the agricultural sector development strategy is through a sector wide approach that involves both state and non-state actors at the centre and in local governments. The sector coordination mechanisms involve: intra-sectoral coordination to deal with internal issues within the agricultural sector (MAAIF) and inter-sectoral coordination to focus on creating functional linkages between MAAIF, other MDAs and the local governments.
499. During the NDPII period, the sector has a target of increasing agricultural exports to USD 4 billion by 2020 from the current USD 1.3 billion and reducing the number of the labour force in subsistence production from 6 million in 2012/13, majority of who are women to 3 million in 2019/20.

500. As highlighted in Chapter 4, the sector is expected to contribute to wealth creation and employment along the agricultural development value chain. This calls for more effort to address issues of: ineffective extension services; low absorption of modern technology; high cost, increased adulteration and limited availability of key agricultural inputs; pre- and post-harvest crop losses; heavy livestock losses to diseases and pests; low and declining soil fertility; inadequate physical and marketing infrastructure; land tenure and access to farmland; insufficient water storage infrastructure; standards, food safety and quality assurance; as well as inadequate meteorological services among others as highlighted in section 2.3.1.

501. Over this Plan period therefore, will focus on four's key areas: i) increasing production and productivity; ii) addressing challenges in the selected thematic technical areas including critical farm inputs mechanization and Water for Agricultural Production; iii) improving agricultural markets and value addition in the 12 prioritized commodities highlighted in section 4.9.1, and iv) institutional strengthening for agricultural development.

502. It is important to note though, that some aspects of the agricultural development value chain such as agro-processing, infrastructure, storage and marketing are beyond the mandate of the sector and are therefore addressed by the responsible sectors.

6.2 Objectives and Interventions

Objective	Interventions
1. Increase agricultural production and productivity.	<ul style="list-style-type: none"> i. Strengthen ecologically sound agricultural research and climate change resilient technologies and practices. ii. Implement the Single Spine Agricultural Extension system while promoting gendered innovation in agricultural research centres and extension services. iii. Strengthen quality assurance, regulation and safety standards for agricultural products. iv. Increase access to agricultural finance services. v. Accelerate the development and commercialisation of the prioritised agricultural commodities. vi. Increase market access and improve physical agricultural infrastructure. vii. Control pests, diseases and vectors. viii. Enhance consumption of diverse diets at household level. ix. Develop early warning systems to prevent and mitigate shocks affecting nutrition and food security. x. Promote commercialisation of agriculture particularly amongst small holder farmers. xi. Strengthen Farmer Group formation and cohesion including commodity associations, platforms, federations and co-operatives. xii. Enhance Sustainable Land Management Practices (SLM). xiii. Promote time and labour saving technologies targeting women farmers.

Objective	Interventions
2. Increase access to critical farm inputs	<ul style="list-style-type: none"> i. Improve access to high quality animal breeds, seeds and planting materials. ii. Enhance access to and use of fertilisers by both women and men. iii. Increase access to water for agricultural production (Irrigation, water for livestock, aquaculture-fish ponds/caging). iv. Increase agricultural mechanisation (Farm Power).
3. Improve agricultural markets and value addition for the 12 prioritised commodities	<ul style="list-style-type: none"> i. Promote private sector investment in value addition. ii. Build capacities of farmers, traders and processors in quality standards and market requirements. iii. Operationalize the commercialisation fund. iv. Promote investment in storage infrastructures to reduce post-harvest losses.
4. Strengthen institutional capacity of MAAIF and public agricultural agencies	<ul style="list-style-type: none"> i. Operationalize the new MAAIF structure ii. Strengthen capacity of MAAIF and its associated agencies as well as the Production Departments in the LGs for effective coordination, regulation, planning, reporting and implementation iii. Revitalise and strengthen Agricultural Training Institutes (ATIs) (Bukalasa College and Fisheries Training Institute), to effectively respond to knowledge and skills requirements in the extension service. iv. Mainstream crosscutting issues (HIV/AIDS, climate change, gender, environment, etc) in planning and budgeting. v. Strengthen LGs production departments' capacity to deliver extension and other farm support services.

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CHAPTER 7: TOURISM

7.1 Overview

503. The tourism sector is responsible for identifying, developing, promoting and providing sustainable tourism services and products. The sub sectors include: Tourism Development, Wildlife Conservation and Museums and Monuments. The sector has both state and non-state actors that play different roles, with the private sector taking lead. The tourism sector working group (SWG) plays a coordination and advisory role in planning and implementation of sector policies and priorities.
504. The Government through the leadership of the Ministry of Tourism Wildlife and Antiquities (MTWA) formulates policies and regulations, undertakes supervision and skills development to promote the tourism industry as an economic force in the nation. The other state actors include: Uganda Tourism Board (UTB); Uganda Wildlife Authority (UWA); Uganda Wildlife Education Centre (UWEC); the Hotel and Tourism Training Institute (HTTI) and the Uganda Wildlife Training Institute (UWTI).
505. The non-state players include: the private sector that drives investment and sales of services such as tours and hospitality. Among these are the Chimpanzee Sanctuary Wildlife Conservation Trust (CSWCT), Bwindi-Mgahinga Conservation Trust (BMCT), Rhino Fund Uganda (RFU), tour and travel agents, hotels, transporters, training institutions and the media; CSOs that provide advocacy services, lobbying and support communities in conservation; and Development Partners that provide technical and financial support.
506. Tourism continues to be a major foreign exchange earner for the country. However, more effort is required to fully exploit its potential to maximize the benefits. The sector is still characterized by low product range; over reliance on traditional tourism source markets; inadequate skills and competencies especially in marketing and the hospitality industry; inadequate supportive infrastructure; and weak management and regulation of the sector. In addition, Uganda's tourism sector is nature based and is vulnerable to the impacts of climate change. Changes in climate lead to wildlife habitat change and/or destruction, which may be too rapid for some species to easily adapt. Wild animal distribution is dependent on temperature and moisture patterns; changes in these patterns lead to variations in wildlife distribution, species composition, and/or extinction. Therefore, achieving sustainable tourism development in Uganda requires building climate change resilient tourism by, among others, strengthening ecotourism, conservation of wildlife resources and diversifying tourism products.

507. The sector target over the Plan period is to increase the contribution of tourism to GDP from 9 percent in 2012/13 to 15 percent in 2019/20. The sector's contribution to wealth creation and employment will be achieved through supporting and developing synergies along the tourism development value chain.

508. Over the Plan period, the sector will focus on five areas : i) aggressive marketing for tourism; ii) product development and diversification; iii) human skills development; iv) increasing the stock of human capital along the tourism value chains; and v) improving coordination, regulation and management of the tourism sector.

7.2 Objectives and Interventions

Objective	Interventions
1. Increase Market share for tourism	<ul style="list-style-type: none"> i. Aggressive marketing in source markets. ii. Promote domestic tourism through cultural and regional cluster initiatives, and national events. iii. Develop and upgrade tourism support infrastructure. iv. Promote the utility of e-commerce tools such as credit cards, web based bookings and tracking facilities.
2. Increase and diversify the stock of tourism products	<ul style="list-style-type: none"> i. Develop the tourism product range including marine, faith and cultural based tourism and ensure the developments are less sensitive to the impacts of climate change. ii. Protect tourism resources and promote safety and security of tourists. iii. Set up a specific fund to support women in tourism sector to grow out of the informal to the formal status with clear e-market linkages.
3. Increase the stock of human capital along the tourism value chains and create new jobs.	<ul style="list-style-type: none"> i. Develop tourism training institutions as Regional Centres of Excellence. ii. Promote private sector investment in tourism skills development with focus on hospitality and wildlife management. iii. Provide support to communities around/along tourist sites to engage in income generation activities.
4. Improve coordination, regulation and management of the tourism sector.	<ul style="list-style-type: none"> i. Develop and review the relevant policy and regulatory standards, in a manner that encourages meaningful participation of women, youth and other players in the sector. ii. Establish mechanisms for enhancing inter and intra sectoral linkages iii. Establish a gender responsive information management system for the sector.
5. Increase conservation of natural and cultural heritage.	<ul style="list-style-type: none"> i. Promote the protection of wildlife species. ii. Control the spread of invasive species. iii. Promote country wide protection of natural and cultural heritage taking into account resilience to climate change. iv. Develop and promote conservation curricula in schools. v. Develop capacity of LGs to protect, conserve and restore critical tourist products.

CHAPTER 8: MINERALS, OIL AND GAS

8.1 Minerals

8.1.1 Overview

509. The Minerals sub-sector is responsible for promoting and ensuring rational development and utilisation of mineral resources in a safe and sustainable environment for socioeconomic development. The sub-sector is guided by a number of policy and legal frameworks including: the Mineral Policy 2001, Mining Act 2003, Mining Regulations 2004 and other relevant legislations. A number of actors including government, private sector and CSOs play complementary roles towards realisation of sub-sector goals.
510. Government under the leadership of the Ministry of Energy and Minerals Development is responsible for provision of policy guidance in the development and exploitation of the mineral resources and creation of an enabling environment in order to attract investment in the development, provision and utilisation of mineral resources. Other state players include; the National Environment Management Authority (NEMA), which is responsible for environmental quality and management; the Ministry of Water and Environment (MWE), which is responsible for water use, water quality, discharge of effluents and waste disposal.; the Ministry of Gender, Labour and Social Development (MoGLSD), which is responsible for Labour, Occupational Health and Safety; and the District Authorities that are responsible for receiving and forwarding applications for various mineral rights, arbitrating in compensation, resolution of disputes and granting of licenses, for those minerals not administered under the Mining Act and goldsmith licenses.
511. The private sector dominated by medium, small scale and artisanal miners is responsible for exploration, mine development, mineral beneficiation and marketing. The CSOs represent the interests of the miners and communities as well as promote the responsible exploration and services to benefit all the stakeholders while the Development Partners provide technical and financial support.
512. The sub-sector is part of the energy, minerals, oil and gas sector working group which plays a coordination and advisory role in planning and implementation of sector policies and priorities. The sub-sector contributes to the sector goals through promoting and ensuring sustainable mineral Exploration, development and value addition.

513. Given the emphasis that has been placed on attracting private investment in mineral exploration and development, and the discovery of the various minerals country wide, more effort is needed to address issues of Inadequate infrastructure to support exploration and mining activities, difficulties in accessing land for Mining Projects; Lack of a geothermal development Policy and Legal Framework coupled with inadequacies in the mining policy, among others as identified in Section 2.3.3.
514. The sub-sector targets to increase the average share of mining in total GDP from 0.4 percent in 2012/13 to 0.5 by 2019/20 through increased exploration and value addition.
515. Over the next five years, the Government will continue to put in place measures aimed at stimulating further private sector investments to harness the mineral potentials. Focus will be on five prioritized minerals which include iron ore, limestone, phosphates, copper/cobalt and dimension stones. The key priority areas of the sector during this Plan are: i) establishment of the geological and mineral potential of the country; ii) increasing monitoring and regulation in the mining sector; iii) increasing private sector investment in the Mineral Sector; and iv) increasing the stock of skilled human capital along the mineral development value chain.

8.1.2 Objectives, Strategies and Interventions

Objective	Interventions
1. Establish the geological and mineral potential of the country.	<ul style="list-style-type: none"> i. Conduct detailed geological appraisal and quantification of the 16 identified mineral potential targets. ii. Map, evaluate and build institutional capacity to develop Uranium resources into nuclear energy. iii. Promote the development of Rare Earth Elements (REE). iv. Map and Gazette geosite for geo-tourism and mining industrial parks. v. Establish the mineral potential of Karamoja region.
2. Increase monitoring and regulation in the mining sector.	<ul style="list-style-type: none"> i. Develop a mineral development master plan. ii. Complete the review of mining policy and legislation. iii. Inspect and monitor exploration and mining activities and ensure existence of health and safety standards including eliminating child involvement. iv. Conduct due diligence on potential investors in the sector. v. Implement the strategy for restoration of derelict and abandoned mines. vi. Mainstream and monitor operations of Artisanal and Small-Scale Miners (ASM). vii. Update and maintain the Mining Cadastre and Registry System. viii. Develop LG capacity to monitor and regulate mining activities.
3. Increase regulations for trade in mineral commodities.	<ul style="list-style-type: none"> i. Implement a regional certification mechanism as a tool for rational management of natural resources to avoid illegal exploitation. ii. Establish a public institution to handle certification process. iii. Establish a traceability system to ensure availability of the operators iv. Establish an inspection system.

Objective	Interventions
4. Increase private sector investment in the Mineral sector	<ul style="list-style-type: none"> i. Promote and encourage beneficiation and value addition in the priority minerals. ii. Provide an up to date, accurate and reliable geo-information/data for promotion of the mineral sector. iii. Establish a strategy for promotion of the sector locally and internationally. iv. Build institutional capacity in geo-information management and analysis. v. Strengthen the capacity of the mineral testing laboratory.
5. Increase geothermal energy in the country.	<ul style="list-style-type: none"> i. Promote and attract investment in geothermal energy. ii. Conduct additional geological, geochemical and geophysical studies at Katwe, Buranga, Kibiro and Panyimur. iii. Update the current surface models based on geology, geochemical and geophysical surveys. iv. Conduct infrastructure assessment and increase equipment for development of geothermal in the four priority areas. v. Develop capacity of geothermal exploration, Reservoir engineering, project design, operation and financing.
6. Increase response to mitigate seismic risk.	<ul style="list-style-type: none"> i. Map all areas prone to seismic risk and monitor all seismic events. ii. Establish earthquake administration policy, disaster management plan and legal framework to enforce seismic safety standards, iii. Extend and strengthen seismological network coverage to areas prone to seismic and volcanic risk. iv. Strengthen institutional research capacity and develop skills of Ugandans in seismology, earthquake engineering, seismic instrumentation, and computing.
7. Increase the stock of skilled human capital along the mineral development value chain.	<ul style="list-style-type: none"> i. Develop and maintain national skills and expertise in the minerals sector. ii. Implement the oil and gas workforce development strategy and plan. iii. Develop appropriate training programs for ASM. iv. Develop the capacity of institutions under the Directorate of Geological Surveys and Mines. v. Develop and maintain linkages with other geo-scientific institutions and bodies globally such as SEAMIC & CTBTO, vi. Promote research and development in the mineral sector.

8.2 Petroleum (Oil and Gas)

8.2.1 Overview

516. The Oil and Gas sub-sector is responsible for rational and sustainable exploration, development and utilisation of oil and gas resources for socioeconomic development. The sub-sector is subdivided into upstream, midstream and downstream. Upstream activities include; promotion, licensing, exploration, development and production of

petroleum. Midstream activities include; transportation, refining of oil and conversion of gas. Downstream activities include; distribution, marketing and sale of petroleum products. Within the energy and mineral development sector working group, this sub-sector has a number of actors including Government, Private sector, CSOs and Development partners.

517. The Government, through the Ministry of Energy and Minerals Development (MEMD) and Local Governments, is responsible for promoting and regulating activities in the sub-sector towards establishing the petroleum potential and promoting its sustainable development. In addition, the Petroleum Authority of Uganda (PAU) handles the regulatory function and the Uganda National Oil Company (NATOIL) handles the business/commercial aspects. The private sector is responsible for the investment in the production of oil and gas. The CSOs and Cultural Institutions undertake advocacy, sensitization, mobilization and dialogue with communities. Development Partners complement government efforts through providing financial and technical support.
518. Government's investment in the human resource capacity has led to significant progress in the petroleum sector, more importantly the attraction of investment for exploration and discovery of commercial oil and gas reserves. The policy, legal and institutional framework governing the sector has been strengthened, national participation has increased and infrastructure has been developed. Exploitation of oil and gas resources will contribute to the take-off and social economic transformation of the country; however, a lot more needs to be done to overcome the challenges identified in Section 2.3.3.
519. Over the Plan period the sub-sector has targeted to increase oil and petroleum related wealth by establishing refining and distribution infrastructure. Developments in the oil and gas sub-sector have great potential of creating employment and generating wealth to Ugandans. Therefore, in order fully exploit the country's oil and gas potential, the sub-sector's focus areas for the next five years will include: i) strengthening the policy, legal, regulatory and institutional framework; ii) national content development and capacity building; increasing exploitation of oil and gas; iii) increasing efficiency and effectiveness in the management and extraction of oil and gas resources; iv) production of refined oil and oil by-products for the local and export markets; and v) increasing efficiency in transportation, storage, handling and security of stock of petroleum products.

8.2.2 Objectives and Interventions

Objective	Interventions
1. Increase the exploitation of oil and gas production.	<ul style="list-style-type: none"> i. Complete the required regulation and revision of the Production Sharing Agreement (PSA) model. ii. Acquire data (G&G) and seismic in unlicensed areas and new basins for licensing. iii. Assess and rank the petroleum prospects identified in both licensed and unlicensed areas. iv. Establish mechanisms to regulate licensed areas. v. Promote the country's oil and gas potential in the unlicensed areas to attract investment.
2. Increase efficiency and effectiveness in the management of Uganda's oil and gas resource potential.	<ul style="list-style-type: none"> i. Set up exploration parameters and targets for oil companies to accomplish. ii. Develop and strengthen the capacity of the petroleum directorate, the Petroleum Authority, the National Oil Company and related institutions to effectively monitor operations. iii. Finalize the regulations on field development and production. iv. Develop policies, standards and codes for oil and gas as well as accreditation and certification of local workers and companies in the sector. v. Develop and implement local/national content policy in oil and gas. vi. Develop and maintain an integrated National Oil and Gas Resource Data Bank. vii. Commence the implementation of Monitoring and Evaluation (M & E) strategy for the (NOGP). viii. Develop and strengthen the capacity of the old and new institutions in the sector.
3. Increase efficiency in extraction of oil and gas resources.	<ul style="list-style-type: none"> i. Engage the oil companies during the preparation of development plans to ensure that the assumptions and/or approaches made by the companies promote efficiency. ii. Undertake independent evaluations where necessary with a view of identifying any points of divergence from the plans presented by oil companies. iii. Closely monitor and regulate activities of the licensed oil companies – including costs and environmental issues.

Objective	Interventions
4. Produce refined oil and oil by-products for the local and export markets	<ul style="list-style-type: none"> i. Complete the acquisition of land for development of the refinery. ii. Construct the refinery and attendant infrastructure. iii. Develop and implement the National Strategy and Plan for Transportation and Storage facilities. iv. Conduct a detailed routing survey and Baseline Environmental Survey for Multi-products pipeline from the refinery in Hoima to Kampala (Buloba) Terminal. v. Conduct a Resettlement Action Plan study and its implementation for the Multi-products' pipeline from the refinery to Kampala Terminal in preparation for acquiring the right of way. vi. Support the development of the export pipeline i.e. land acquisition, Inter-governmental Agreements among others.
5. Increase efficiency in transportation, storage, handling and security of stock of petroleum products.	<ul style="list-style-type: none"> i. Develop and restock national strategic reserves. ii. Develop petroleum products pipelines transport infrastructure. iii. Establish a regulations and institutional framework for safe handling and utilization of petroleum products and promote the use of Liquefied Petroleum Gas (LPG). iv. Develop a National Petroleum Information System.
6. Improve protection of the environment against oil and gas activities and mitigate the likely effects of Green House Gases (GHG) emissions	<ul style="list-style-type: none"> i. Strengthen institutional capacity to manage the impact of oil and gas activities on the environment and biodiversity. ii. Review and update the relevant environmental regulations and laws in collaboration with other key stakeholders. iii. Strengthen the implementation of the Albertine Graben Environmental Monitoring Plan.
7. Improve stakeholder relationships in the development of a desirable oil and gas sector.	<ul style="list-style-type: none"> i. Establish and implement a communication strategy for the sector. ii. Collaborate with Democratic Republic of Congo regarding petroleum exploration activities in the Albertine Graben and geo-science data acquired there-from. iii. Harmonize policies, legal and fiscal framework for the oil sector in the EAC. iv. Participate in Regional Initiatives. v. Develop regional infrastructures.

CHAPTER 9: ENVIRONMENT AND NATURAL RESOURCES

9.1 Overview

520. The Environment and Natural Resources (ENR) sub-sector is responsible for ensuring rational and sustainable utilization, development and effective management of environment and natural resources for socio-economic development of the country. The sub-sector is composed of; Forestry, Wetland Resources Management, Meteorology, Environmental management, and Climate Change. The ENR Sector Working Group (SWG) which includes a cross section of stakeholders with diverse skills and knowledge provide technical policy and advisory oversight to the sub-sector.
521. The players in the sub-sector comprise: Government, Private sector, CSOs, academia and Development Partners. The Government, through the Ministry of Water and Environment; National Environment Management Authority (NEMA); National Forestry Authority (NFA); Uganda National Meteorological Authority (UNMA) and Local Governments (LGs), is responsible for policy, regulation, supervision and development of ENR. The private sector complements Government in the development and utilisation of resources for investment; CSOs support government actions for service delivery especially through lobby and advocacy for conservation and protection of ENR; academia undertakes research and knowledge transfer; whereas the Development Partners provide financial and technical assistance.
522. The sub-sector targets over the next five years are: increase wetland ecosystem coverage from 10.9 percent in FY2013/14 to 12 percent in FY2019/20; increase the percentage of forest cover from 14 percent in FY2012/13 to 18 percent in FY2019/2020; increase automation of climate monitoring network from 10 percent FY2014/15 to 40 percent in FY2019/2020; ensure 20 percent increment in national coordination and monitoring of the implementation of international standards and commitments, as well as of the National Climate Change Policy (NCCP) and its implementation strategy in FY2019/2020; enhance environmental compliance from 70 percent in FY2013/14 to 90 percent in FY2019/2020.
523. The sub-sector has registered achievements in the areas of solid waste management, commitments to Multilateral Environment Agreements (MEAs), climate change response, wetland restoration as well as introducing approaches that have reversed the trend of loss of forest cover. However, there still exist challenges that continue to threaten the country's environment and natural resource base as highlighted in Section 2.3.4.

524. Over this Plan period, the focus of the sub-sector will be geared towards the following: i) protecting, restoring, and maintaining the integrity of degraded fragile ecosystems; ii) increasing sustainable use of environment and natural resources; iii) increasing national forest cover and economic productivity of forests; iv) increasing the national wetland coverage; v) increasing the functionality and usage of meteorological information systems; and vi) increasing the country's resilience to the impacts of climate change.

9.2 Objectives and Interventions

Objective	Interventions
1. Restore and maintain the integrity and functionality of degraded fragile ecosystems.	<ul style="list-style-type: none"> i. Enforce compliance with environmental and natural resources legislation and standards at all levels. ii. Develop and implement a program on integrated ecosystems assessments. iii. Develop and implement ecosystem management and restoration plans. iv. Restore the degraded fragile ecosystems (river banks, bare hills, range lands and lake shores). v. Promote ecosystem based adaptation to climate change in order to increase the resilience of ecosystems and communities to the impacts of climate change. vi. Promote Payment for Ecosystem Services (PES) and other benefit sharing schemes.
2. Increase the sustainable use of Environment and Natural Resources.	<ul style="list-style-type: none"> i. Promote value addition to ENR goods and services. ii. Develop a database system for ENR for integration in the national accounting system. iii. Implement the green economy initiatives including integration of environmental sustainability into planning and implementation of development processes. iv. Expand research on economic, ecological and socio-cultural values of ecosystems and biodiversity. v. Promote sound management of hazardous chemicals and e-wastes including the establishment of modern waste management infrastructure. vii. Develop and strengthen national, regional and international partnerships and networks in environmental and natural resources management. viii. Strengthen management of environmental aspects of oil and gas and other finite resources such as water and land. ix. Implement national biodiversity and bio-safety targets. x. Increase public awareness on ENR opportunities, green economy and sustainable consumption and production practices. xi. Support the decentralized environment management function at the Local Government level including enforcement of the bye-laws on wild fires.

Objective	Interventions
3. Increase wetland coverage and reduce wetland degradation.	<ul style="list-style-type: none"> i. Demarcate, restore and gazette wetland eco-systems country wide ii. Develop wetland management plans for equitable utilisation of wetland resources country wide. iii. Expand knowledge base of ecological and socioeconomic value of wetlands among stakeholders. iv. Develop markets for wetland products and services. v. Build the institutional and technical capacity at the centre and Local Governments in wetland management. vi. Develop and operationlise legal and governance mechanisms for sustainable wetlands management.
4. Increase the functionality and usage of meteorological information systems	<ul style="list-style-type: none"> i. Refurbish, modernize and develop meteorological stations. ii. Develop guidelines and regulations for operationalising the meteorological Act. iii. Develop policy, and strengthen the legal and institutional framework for meteorological services. iv. Develop and implement awareness programs on the importance and use of meteorological services. v. Design, develop and implement early warning systems (sector specific early warning products in support of climate change adaptation.). vi. Strengthen research on future climate trends and its impacts
5. Increase the country's resilience to the impacts of climate change.	<ul style="list-style-type: none"> i. Integrate and implement the National Climate Change Policy (NCCP) including awareness creation in all MDAs, LGs as well as CSOs and the private sector. ii. Strengthen national coordination, monitoring and reporting on the implementation of regional, international standards and commitments.
6. Increase afforestation, reforestation, adaptation and mitigatedeforestation for sustainable forestry	<ul style="list-style-type: none"> i. Develop countrywide community based and institutional tree planting initiatives. ii. Promote sustainable development of commercial forest plantations and industry including value addition. iii. Promote implementation of sustainable management of forests through restoration of natural forests on protected and private land iv. Promote forestry research and development. v. Develop markets for forest products and services. vi. Develop a National REDD+ Strategy and costed action plan. vii. Develop a Forest Emissions Reference Level and a Forest Reference Level (FERL/FRL). viii. Develop a robust and functional National Forest Monitoring System (NFMS) for the monitoring and reporting of the REDD+ activities included in the REDD+ Strategy. ix. Promote forestry in urban development planning. x. Scale up agroforestry-based alternative livelihood systems.

Objective	Interventions
7. Improve climate change legal and institutional framework.	<ul style="list-style-type: none"> i. Establish an appropriate institution for Coordinating National Climate Change response. ii. Establish an appropriate Legal framework for Climate Change Policy implementation and compliance.



CHAPTER 10: TRADE, INDUSTRY AND COOPERATIVES

10.1 Trade and Cooperatives

10.1.1 Overview

525. Trade is a major driver of growth associated with increased employment opportunities and higher incomes. The trade and cooperatives sub-sector aims to ensure availability of goods and services by expanding and diversifying domestic and export markets.
526. The sub-sector is comprised of; Government, Private Sector, CSOs, Academia and Development Partners. The Government's major role through the leadership of the Ministry of Trade, Industry and Cooperatives is to provide an enabling environment through policy formulation, provision of infrastructure and negotiation of market access. Other state players include; Uganda National Bureau of Standards (UNBS), Uganda Export Promotion Board (UEPB), Management Training and Advisory Centre (MTAC), Uganda Warehouse Receipt System Authority (UWRSA), Uganda National Commodity Exchange (UNCE), the Uganda Cleaner Production Centre (UCPC), Uganda Cooperatives Alliance (UCA), Uganda National Chamber of Commerce and Industry (UNCCI) and Uganda Free Zones Authority (UFZA).
527. The private sector provides goods and services and facilitates trade through the provision of storage, transportation, insurance and financial services. The actors in the private sector include; private sector associations, manufacturers and manufacturers' associations, traders and traders' associations, financial institutions and cooperatives. Cooperatives play a major role in empowering members through access to economic and social services, namely financial services through SACCOs, delivery of inputs to farmers, access to markets, enhancing the bargaining power of small scale producers, imparting skills for better production and marketing services.
528. The CSOs perform a trade advocacy role that embraces the different aspects concerning consumer protection, quality of goods, and enforcement of standards. The Development Partners on the hand provide financial and technical assistance such as capacity building.
529. The Trade and Industry Sector Working Group (SWG) coordinates the various stakeholders, facilitates harmonised development and implementation of plans, assessment of performance and mobilization of resources.
530. The Trade Sub-Sector target is to contribute to the increase of exports as a percentage of GDP from 12.9 percent in 2012 to 16.5 percent in 2019/20.

531. Significant efforts have been invested in securing markets and improving market access through trade negotiations. Improved access to the European Union (EU) markets was secured when Uganda initialled a framework Economic Partnership Agreement (EPA) in 2007. Negotiations for an EAC common market and an EPA under EAC configuration are in progress. However, the country still faces problems of inadequate physical infrastructure particularly transport, energy, ICT and strategic storage facilities and limited access to long term financing which increase the cost of doing business as highlighted in section 2.3.3. A weak policy and institutional framework governing the co-operative societies, and Micro, Small and Medium Enterprises is another challenge facing the sector.

532. Over the NDP II period, the sub-sector's key focus areas include: increase market access for Uganda's products and services in regional and international markets; improve the stock and quality of trade infrastructure; promote the formation and growth of cooperatives; enhance the capacity of cooperatives to compete in domestic, regional and international markets; increase the share of manufactured goods and services in total exports; increase the diversity in type and range of enterprises undertaken by cooperatives; and improve the Private Sector competitiveness.

10.1.2 Objectives and Interventions

Objective	Interventions
1. Increase the share of manufactured goods and services in total exports.	<ul style="list-style-type: none"> i. Incentivize export of processed products. ii. Review and refocus the National Export Development Strategy and development initiatives. iii. Develop and implement a national trade in services policy in line with EAC agreements. iv. Establish the Export Development Centre. v. Develop, regulate and ensure sustainability of economic free zones.
2. Improve Private Sector competitiveness.	<ul style="list-style-type: none"> i. Develop and implement a national trade information system. ii. Establish and implement a National regulatory mechanism consistent with the World Trade Organisation (WTO), Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Agreements. iii. Broaden regulatory regimes to include emerging approaches such as self-regulation, co-regulation and Self Declaration of Conformity (SDoC) to encourage voluntary compliance to standards and regulations by business. iv. Support the private sector in technical and entrepreneurial skills development. v. Develop and implement policy, legal and institutional frameworks to support private sector competitiveness.

Objective	Interventions
3. Increase market access for Uganda's goods and services in regional and international markets.	<ul style="list-style-type: none"> i. Negotiate better market access for Ugandan goods and services. ii. Enhance branding of quality and standardized products and services. iii. Effectively position Uganda's goods and services in international markets. iv. Negotiate access to high value markets in high income countries through diplomatic missions. v. Eliminate Non-Tariff Barriers.
4. Improve the stock and quality of trade infrastructure	<ul style="list-style-type: none"> i. Establish satellite border markets in the districts of Amuru, Kabale, Ntoroko, Tororo, Busia, Kitgum, and Manafwa. ii. Establish ten 20,000 MT capacity silos and sixty 5000MT warehouses in strategic boarder points and locations across the country. iii. Establish and operationalize trade information centres across the country. iv. Incentivise the private sector to invest in trade infrastructure development such as cold storage facilities, laboratories and community silos.
Cooperatives Development	
5. Promote the formation and growth of cooperatives.	<ul style="list-style-type: none"> i. Popularize, disseminate and implement the National Cooperative Development Policy implementation strategy. ii. Strengthen governance of the cooperative movement. iii. Strengthen the cooperative commodity marketing infrastructure. iv. Revitalize the Uganda Commodity Exchange. v. Improve access to financial services for the co-operative institutions. vi. Supervise and audit cooperative societies regularly. vii. Reviewing and implementing an appropriate cooperative curriculum to strengthen cooperatives education and training. viii. Review and upgrade Kigumba Cooperatives College as a center of academic excellence in cooperatives skills development. ix. Establish an Agricultural Commodity Marketing Fund to promote collective marketing. x. Establish and strengthen the cooperatives information systems.
6. Enhance the capacity of cooperatives to compete in domestic, regional and international markets.	<ul style="list-style-type: none"> i. Support farmers in enterprise selection through provision of advisory services to the different categories of farmer cooperatives. ii. Support the re-establishment of the co-operative based inputs delivery system to avail quality inputs to the members. iii. Support and facilitate cooperative society members to acquire mechanization, irrigation equipment, farm level post-harvest handling technologies and other appropriate technologies. iv. Support research and development in cooperatives as well as providing extension services to members.

Objective	Interventions
7. Increase the diversity in type and range of enterprises undertaken by cooperatives.	<ul style="list-style-type: none"> i. Support and strengthen other forms of co-operatives including insurance, housing, health, tourism, energy, consumer, shared services and enterprise based cooperatives. ii. Revitalize and strengthen dormant co-operatives by focusing on research, networking, study tours, mobilization and sensitization of the communities.

10.2 Industrial Development

10.2.1 Overview

533. The Industrial Development sub-sector aims to promote sustainable industrialization and appropriate technology transfer and development. It is composed of state and non-state actors playing complimentary roles including: The Ministry of Trade, Industry and Cooperatives; Uganda Development Corporation (UDC); Uganda Industrial Research Institute (UIRI); Uganda Manufacturers' Association (UMA); and other formal and informal private sector players.
534. The Ministry, Agencies and Local Governments are responsible for formulation and implementation of policy and regulatory frameworks to facilitate a conducive working environment for investment and doing business within the country.
535. The private sector players provide the investment that creates jobs in the course of producing/manufacturing goods. Industrialists/Manufacturers add value to the country's predominantly agricultural and non-agricultural products and advocate for a favourable investment and business environment.
536. The Development partners provide financial and technical support including training to the sub-sector players thereby building their capacities. The sub-sector target is to increase the contribution of industry in GDP from 20.6 per cent in 2012/13 to 24.5 per cent by 2019/20.
537. In order for the county to attain the set target, promotion of investment through a quasi-market approach in the following forms of industries will be critical: Agro-processing (beef and dairy products, leather products, textile and apparel, wood products, food processing); mineral beneficiation (iron and steel, metal fabrication, fertilizers and pesticides, and ceramics); and light manufacturing (pharmaceutical, electrical and electronic products, petro-chemicals, packaging, paper and paper products).
538. Given the trend in the sub-sector performance as highlighted in section 2.3.6, there is a huge potential for Uganda to harness development through industrialization.

However, there is need to address the challenges in the sector, such as: inadequate infrastructure for undertaking standardization, testing and quality management including certification and accreditation of the locally produced industrial goods; high start-up cost for Micro, Small and Medium Size Industries (MSMIs); and inadequate technical, production and managerial skills.

539. Over the NDPII period, the sub-sector's key focus areas will include: the development of value added industries in agriculture and minerals; increasing the stock of new manufacturing jobs; enhancing the use of Standards and quality infrastructure in industry; promoting and accelerating the use of research, innovation and applied technology; and promoting green industry and climate-smart industrial initiatives.

10.2.2 Objectives and Interventions

Objective	Interventions
1. Promote the development of value added industries in agriculture and minerals.	<ul style="list-style-type: none"> i. Revitalize Uganda Development Corporation (UDC) to establish model agro-processing and manufacturing industries. ii. Develop an agro-processing industrial park. iii. Develop locally manufactured goods through supporting MSMIs. iv. Build capacity of key stakeholders in specific targeted skills needed for value addition. v. Strengthen the existing network of vocational and technical training institutions to cater for the required skills. vi. Support commercial exploitation of key minerals especially iron ore, phosphates, and dimension stones.
2. Increase the stock of new manufacturing jobs.	<ul style="list-style-type: none"> i. Develop and implement local content policy to increase local participation in the economy. ii. Attract labour intensive light manufacturing industries. iii. Strengthen technology adaptation and acquisition including availability of advisory services to support local manufacturers. iv. Fast track the development of industrial parks.
3. Enhance the use of Standards and quality infrastructure in industry.	<ul style="list-style-type: none"> i. Strengthen the legal and policy environment to support industrialization ii. Strengthen Standards development, quality infrastructure and processes in SME production. iii. Review, update and harmonise the laws on health, safety and environment protection to ensure effective use of standardisation and regulation in industrial development. iv. Develop and implement a national conformity assessment regime that is in line with market requirements.

Objective	Interventions
4. Promote and accelerate the use of research, innovation and applied technology.	<ul style="list-style-type: none"> i. Establish national and regional technology incubation centres for nurturing SMEs and start-up enterprises. ii. Establish and foster a national Innovation System for proper and adequate exploration of Research and Development (R&D) outputs and promote emerging technological needs. iii. Promote and support technology development, acquisition and transfer. iv. Support and incentivise the private sector to contribute to innovations, research and development. v. Strengthen the legal framework associated with intellectual property rights.
Objective	Interventions
5. Promote green industry and climate smart industrial initiatives.	<ul style="list-style-type: none"> i. Popularize and encourage efficient and zero waste technologies and practices. ii. Establish and support climate innovation centres to support investment in industries producing and adopting green technologies. iii. Develop decentralized village-based agricultural processing centres that incorporate low-carbon sources of energy, such as biogas-digesters and solar driers; and iv. Build carbon trading capacity within the private sector to harness innovative funding opportunities provided by Clean Development Mechanisms (CDM) and voluntary carbon markets.

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COMPETITIVENESS

540. The pursuit of private sector-led, export oriented and quasi market development strategies entails the formation of synergies between the private and public sectors. The biggest challenge that the private sector faces is the high cost of doing business which slows down the process of sustainable wealth creation and employment generation. Building a strong, vibrant and viable private sector that will spur growth both in the short and long run will require addressing factors that increase the country's cost of doing business. In doing so, a highly competitive environment that is favourable for increasing sustainable production will result.
541. This section highlights key interventions that will be undertaken over the next five years to transform Uganda into a competitive economy with high productivity. Closing the infrastructure gap will require the provision of reliable and cheaper transport, electricity, water for production and ICT facilities. Interventions to create a skilled and healthy population will be crucial for formation of a strong human capital base that is a requisite for a competitive economy. Sound economic management and good governance interventions are expected to foster a conducive environment that supports private sector enterprises.



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CHAPTER 11: INFRASTRUCTURE DEVELOPMENT

11.1 Works and Transport

11.1.1 Overview

542. The Works and Transport sector is responsible for delivery of reliable and safe engineering works and transport infrastructure and services. The sector is divided into two sub-sectors; transport and engineering and works. The works and transport sector working group which includes; Government, private sector, CSOs and Development Partners provides a forum for dialoguing on planning and implementation of sector programmes and projects.
543. The Government, through the Ministry of Works and Transport, Local Governments and affiliated agencies including; the Uganda National Roads Authority (UNRA), Uganda Road Fund (URF), Civil Aviation Authority (CAA), Uganda Railways Corporation (URC), Engineers Registration Board, National Road Safety Council and Transport Licensing Board, develop policies, set standards, plan, regulate, and supervise sector activities.
544. The private sector includes; construction companies, transport operators and associations, construction and building engineers, among others, that are responsible for investment and delivery of transport and works services. The CSOs undertake advocacy, sensitization, mobilization and dialogue with communities and other stakeholders for safety and human rights adherence. Development Partners like the World Bank, European Union, African Development Bank, Japan International Cooperation Agency and Trade Mark East Africa are instrumental in financing infrastructure development and technical assistance.
545. As presented in section 2.2.2.2, the sector has registered significant progress in the roads, air, water transport subsectors. The sector now targets to complete the Standard Gauge Railway (SGR) and pave 2,205Kilometres of roads to facilitate the exploitation of the development priorities.
546. To address the outstanding issues highlighted in section 2.2.2.2, and meet the required targets, the sector focus areas over the NDPII period are: increasing connectivity to major Tourism, Mineral, Oil and Gas facilities/sites; increasing the physical integration of the Country; increasing efficiency in the transportation of goods/services and enhance regional Integration; promote climate change resilient infrastructure; and improving the policy, legal, regulatory and institutional framework for the construction industry.

11.1.2 Objectives and Interventions

Objective	Interventions
1. Develop adequate, reliable and efficient multi modal transport network in the country.	<ul style="list-style-type: none"> i. Conduct a national study on multi-modal transport system. ii. Establish a Maritime Regulatory Authority iii. Rehabilitate and maintain the District, Urban, and Community Access (DUCA) road network. iv. Construct new and rehabilitate old bridges. v. Undertake periodic inspection of the pavement condition for national roads. vi. Standard gauge rail development (Uganda Section). vii. Develop inland water transport with special emphasis on hard-to-reach island areas. viii. Upgrade and expand Entebbe International Airport. ix. Upgrade Air Navigation Services Infrastructure to achieve a globally interoperable air navigation system to provide a seamless service. x. Develop a Master Plan and Engineering Designs for Arua Airport. xi. Explore development and management concessions (PPP arrangements) for Arua, Kasese and Gulu airports. xii. Revive the National Airline to facilitate the development of Entebbe International Airport into a hub. xiii. Establish Second Generation Road Fund to effectively control the revenue from Road User Charges for road maintenance. xiv. Develop and maintain the roads to tourism, mining and agriculture producing areas. xv. Develop and implement mechanisms to ensure that the existing and future transport infrastructure is climate change resilient. xvi. Promote vehicle efficiency and technologies to reduce transport emissions. xvii. Construct and rehabilitate national roads xviii. Review the Roads Construction Designs and Standards to provide for public places of convenience and utilities
2. Improve the human resource and institutional capacity of the Sector to efficiently execute the planned interventions.	<ul style="list-style-type: none"> i. Review UNRA staff structure to increase staffing levels to match the financial resources. ii. Improve institutional planning, monitoring and performance evaluation including developing an MIS for the sector iii. Strengthen the transport planning function in the Ministry of Works and Transport. iv. Train staff in professional courses.

Objective	Interventions
3. Improve the National Construction Industry.	<ul style="list-style-type: none"> i. Operationalize the National Construction Industry Policy. ii. Review the National Construction Standards and disseminate them effectively. iii. Expedite the commencement and operationalisation of the Building Control Act. iv. Formulate and disseminate the Building Control Code. v. Strengthen the enforcement mechanism of approval of Plans and Quality Assurance and inspection of Buildings. vi. Promote Certification and Adherence to building regulations.
4. Increase safety of transport services.	<ul style="list-style-type: none"> i. Establish a National Road Safety Authority and a Multi-sectoral Transport Regulatory Authority. ii. Implement the Private Motor Vehicle Inspection scheme. iii. Review the Road Safety Act 1998 and Road Transport Services Act and formulate relevant regulations. iv. Formulate and implement the Inland Water Transport Policy and regulation for inland ports. v. Review and update inland water transport legislation and railway safety standards. vi. Survey, Map and Install Navigation Aids on Inland Waterways. vii. Increase awareness and advocacy in Safety of Inland Water and Rail Transport.

11.2 Energy

11.2.1 Overview

547. The Energy sub-sector is responsible for increasing electricity generation and transmission, development and access to sustainable energy services and promotion of efficient utilization of energy. This sub-sector is part of the energy and mineral development sector working group which has a number of actors including Government, Private sector, CSOs and Development partners. The sector working group provides a forum for planning and implementation of sector programmes and projects.

548. The Government, through the Ministry of Energy and Minerals Development, is responsible for provision of policy guidance in the development and exploitation of the energy resources, creation of an enabling environment to attract investment, and provision and utilisation of energy resources. The other Government agencies include the: Electricity Regulatory Authority (ERA); Uganda Electricity Generation Company Ltd (UEGCL); Uganda Electricity Transmission Company Ltd (UETCL); Uganda Electricity Distribution Company Ltd (UEDCL); Rural Electrification Agency (REA); Electricity Dispute Tribunal (EDT), and Atomic Energy Council (AEC).

549. The private sector players, who generate electricity, operate generation plants and distribution networks include: Eskom Uganda Limited, Bujagali Energy Limited (BEL), Electromaxx, Jacobsen, Tronder Energy Ltd, UMEMELtd, Ferdsult Engineering Services Ltd, West Nile Rural Electrification Company Ltd (WENRECo), Bundibugyo Energy Cooperatives Society (BECS), Pader, Abim Community Multi-purpose Electric Cooperative Society (PACMECS) and Uganda Rural Electricity Company Ltd (URECL). As highlighted in Chapter Two, the sector has observed progress in the area of rural electrification, electricity generation, transmission and distribution. In the NDPII period, the sector targets to increase the percentage of the population with access to electricity to 30 percent and increase electricity consumption per Capita to 578kWh.

550. To meet the new sector targets and respond to issues highlighted in section 2.2.2.1, the key focus areas of the sector include: increasing power generation capacity to drive economic development; expanding the electricity transmission grid network; increasing Energy Efficiency; promoting the use of alternative sources of energy; and strengthening the policy, legal and institutional framework.

11.2.2 Objectives and Interventions

Objective	Interventions
1. Increase power generation capacity to drive economic development.	<ul style="list-style-type: none"> i. Develop Hydropower energy <ul style="list-style-type: none"> a. Large Hydropower plants. b. Small Hydropower plants. ii. Develop geothermal power sources. iii. Build thermal power plants.
2. Expand the electricity transmission grid network.	<ul style="list-style-type: none"> i. Complete the on-going power line upgrade and associated substations. ii. Build new transmission lines to evacuate power from generation plants. iii. Extend the transmission grid to service previously unreached peri-urban and rural areas.
3. Improve Energy Efficiency.	<ul style="list-style-type: none"> i. Revamp the transmission networks to reduce technical power losses ii. Install reactive power compensation devices. iii. Introduce prepaid meters and increase monitoring to reduce Commercial power losses. iv. Develop and enforce standards for promoting energy efficiency.
4. Promote use of alternative sources of energy.	<ul style="list-style-type: none"> i. Develop nuclear energy for power generation and other peaceful purposes. ii. Promote and facilitate the use of renewable energy technologies like bio-fuels, wind, solar, improved cook stoves and LPG at household and institutional levels.

Objective	Interventions
5. Improve the policy, legal and institutional framework.	<ul style="list-style-type: none"> i. Develop policies to address gaps (atomic energy, thermal power from locally produced petroleum products, biomass, and energy efficiency). ii. Review the existing policies and Acts (Energy Policy, Renewable Energy Policy, and Electricity Act). iii. Formulate a PPP framework to allow more private investment in the energy sector.
6. Build capacity in the energy sector.	<ul style="list-style-type: none"> i. Strengthen the institutional and human capacity. ii. Train staff in specialized fields like nuclear science, geophysics, geology, hydropower and geothermal technology.

11.3 Water for Production

11.3.1 Overview

551. The Water for Production (WfP) sub-sector is responsible for the development and utilisation of water resources for productive use in crop irrigation, livestock, aquaculture, industries and other commercial uses as well as maintenance of the environment and ecosystem. The sub-sector is part of the Water and Environment Sector working group which includes Government, Private sector, CSOs and Development partners. The sector working group provides a forum for planning and implementation of sector programmes and projects.
552. The Government, through the Ministry of Water and Environment (MWE) and Local Governments is responsible for development of infrastructure and transmission of bulk water while the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is responsible for distribution and tertiary network systems.
553. The private sector complements Government efforts through development, distribution and maintenance of bulk water infrastructure. The CSOs on the other hand, mobilize and sensitize local communities to achieve self-driven approaches for community ownership and sustainability of water for production infrastructure.
554. As highlighted in section 2.2.2.4, progress has been realized in the provision of water for production and storage for multi-purpose use and security. In the NDPII period, the sector targets to increase cumulative storage of water for production from 27.8 Million Cubic Meters (MCM) in 2012/13 to 55 MCM in 2019/20.
555. The re-construction of three irrigation schemes (Mobuku, Doho and Agoro) during the previous development plan increased the total acreage covered to 2,150ha. This resulted in more than double of the farm output increasing food security and farm household incomes. The abundant fresh water sources in Uganda provide numerous

opportunities to increase water for production and boost agricultural and industrial activities. Increased investment in this area will require enhancing the capacity of the local private sector players (contractors, consultants and private operators), while reducing the energy costs and expanding the grid power network to lower the associated tariffs.

556. The sub-sector is constrained by: Weak local private sector players (contractors, consultants and private operators), high energy costs and limited grid power network leading to high tariffs. In addition, the water sector is highly vulnerable to the impacts of climate change, with persistent droughts causing water stress. Therefore efforts towards development and utilization of water resources for productive use in crop irrigation, livestock, aquaculture, rural industries and other commercial uses could be hampered by future impacts of climate change. It therefore important to take into account climate change resilience in developing and utilising water resources for productive purposes.

557. Over the NDP II period, focus will be put on: increasing the provision of water for production facilities; and increasing the functionality and utilization of water for production facilities.

11.3.2 Objectives and Interventions

Objective	Interventions
1. Increase the provision of water for production facilities.	<ul style="list-style-type: none"> i. Establish new bulk water systems for multipurpose use (dams, water abstraction, transmission and Distribution to industrial zones and other points of use) while factoring in the impacts of climate change. ii. Protect and manage water catchment areas. iii. Increase private sector involvement in the implementation of water for production facilities, including use of the Public-Private Partnership (PPP) arrangement. iv. Prepare and implement the National Irrigation Master Plan that takes into account future impacts of climate change. v. Gazette water reserve areas for large dams and involve private operators to strengthen management.
2. Increase the functionality and utilization of existing water for production facilities.	<ul style="list-style-type: none"> i. Establish functional management structures for Water for Production facilities, such as Water User Committees/water boards. ii. Rehabilitate and maintain existing Water for Production facilities. iii. Strengthen Community Based Management System (CBMS). iv. Promote measures undertaken to increase recovery of maintenance costs. v. Increase the proportion of water for production facilities that are managed by the private sector

11.4 Information and Communications Technology (ICT)

11.4.1 Overview

558. The ICT sector is envisaged to facilitate sustainable, effective and efficient development through harnessing and utilizing ICT in all spheres of life. It is composed of telecommunications, postal, information technology (IT), and broadcasting sub-sectors.
559. The sector is organized along three functional levels namely; Policy, Regulatory, and Service Provision level. The Ministry of Information and Communications Technology (MoICT) leads and provides the required policy framework in collaboration with the regulatory bodies namely; the Uganda Communications Commission (UCC) and the National Information Technology Authority Uganda (NITA-U). At the service provision level, are the MDAs; Local Governments (LGs); Academia; and the Private Sector.
560. The ICT sector working group (SWG) plays a coordination and advisory role in planning and implementation of sector policies and priorities.
561. As highlighted in Section 2.2.2.3, the sector has registered significant progress in the area of access to ICT infrastructure and its usage. The sector targets to increase its contribution to Government revenue from 8.1 percent in 2012/13 to 10 percent in 2020 and increase employment in the ICT sector from 1 million to 3 million people in 2020. Specifically, the sector will improve Uganda's ICT development index by increasing access to ICT infrastructure from 1.96 (2012 Index) to 3.5 (2020 Index); Improving usage of ICT from 0.75 (2012 Index) to 2.5 (2020 Index); and enhance ICT skills development from 3.69 (2012 Index) to 5.5 (2020 Index).
562. To meet the sector targets and respond to issues highlighted in chapter 2, the key focus areas of the sector include: collaborative development of an interoperable and secure ubiquitous ICT infrastructure; creation of an enabling environment that is aligned to emerging changes; enhancing integration and automation of e-Government services and position Uganda competitively in the Global ICT market; enhancing capacity for local content development and usage in the various ICT Sector services; Development of quality ICT human capital stock to meet the industry demands for ICT skills and support R&D.

11.4.2 Objectives and Interventions

Objective	Interventions
1. Increase access to ICT infrastructure to facilitate exploitation of the development priorities.	<ul style="list-style-type: none"> i. Extend National Backbone Infrastructure (NBI) with focus on identified development priorities and implement last mile connectivity countrywide in collaboration with the private sector. ii. Connect the NBI to the regional backbone infrastructure and develop a mechanism for connectivity to the international submarine cables. iii. Complete deployment of Digital Terrestrial Television Broadcasting infrastructure and implement innovative spectrum management practices to ensure optimal utilization of the national resource. iv. Undertake common ICT infrastructure deployment and sharing to ensure optimal utilization. v. Promote production and use of low-cost locally assembled devices in collaboration with the private sector.
2. Enhance the usage and application of ICT services in business and service delivery.	<ul style="list-style-type: none"> i. Operationalize the e-government master plan. ii. Establish regional information access centres. iii. Promote the use of ICT tools for trade, service delivery and exchange of information. iv. Develop and implement a National Postal and Courier Services Master Plan to exploit opportunities in e-Government and e-Commerce. v. Develop a coherent strategy for mass sensitization and awareness about ICTs.
3. Increase job creation through ICT Research and development.	<ul style="list-style-type: none"> i. Establish an ICT Research and Innovation fund to support ICT innovation. ii. Establish ICT parks and model regional incubation centres/hubs to encourage innovation and creation of local content. iii. Develop a framework for collaboration between research institutions, academia and industry including ICT internship programme to generate the market appropriate ICT solutions and skilled manpower as well as bilateral technology transfer. iv. Develop and implement a policy framework and strategy for promoting local content development and use of locally developed solutions in government and private sector. v. Implement the master plan for transforming Uganda Institute for Information and Communications Technology (UICT) into an ICT centre of Excellence. vi. Develop and implement BPO strategy.
4. Increase the stock of ICT skilled and industry ready workforce.	<ul style="list-style-type: none"> vii. Review, develop and implement ICT training curriculum at all levels of the education system. viii. Implement the certification and accreditation for ICT professionals. ix. Develop and implement targeted capacity building for teachers in incorporating ICT in pedagogy.

Objective	Interventions
5. Improve the information security system to be secure, reliable, resilient and capable of responding to cyber security threats.	<ul style="list-style-type: none"> i. Implement the National Information Security Strategy. ii. Develop and implement strategies to protect consumers of ICT services.
6. Improve the legal and regulatory frameworks to respond to the industry needs.	<ul style="list-style-type: none"> i. Harmonize Uganda's policy, legal and regulatory framework within the regional and global context. ii. Review and develop appropriate policies, strategies and regulations to keep the sector abreast with technology developments and market forces/industry demands



CHAPTER 12: HUMAN CAPITAL DEVELOPMENT

563. In order to accelerate wealth creation and employment while enhancing competitiveness, the country will prioritize investment in developing a strong human capital, the components of which are health, nutrition education and skills developments elaborated in chapter four. To realize these investments the key development strategies include; introducing universal Early Childhood Development (ECD) and harnessing of the demographic dividend. The ECD strategy will focus on cognitive development of a child, and provide a firm foundation for good health and education. The Demographic Dividend (DD) strategy will build on achievements realised in the ECD through increased school enrolment especially for girls followed by substantial fertility decline leading to a transformed age structure characterized by a majority youthful and skilled work force.

12.1 Health

12.1.1 Overview

564. In pursuit of Uganda Vision 2040, the health sector aims at producing a healthy and productive population that effectively contributes to socio-economic growth. This will be achieved by provision of accessible and quality health care to all people in Uganda through delivery of promotive, preventive, curative, palliative and rehabilitative health care. Therefore, the roles and contributions of all health care players; the government, non-governmental and private players including indigenous traditional and complimentary health practitioners remain pertinent in the implementation of this Plan.

565. The Ministry of Health and its affiliated semi-autonomous Agencies such as National Drug Authority (NDA), National Medical Stores (NMS), and National and Regional Referral hospitals provide policy setting, regulation, stewardship and governance oversight, strategic planning, monitoring, supervision, resource mobilization and direct provision of health services. The local governments are charged with operational planning, management and delivery of health services.

566. The private sector and CSOs complement Government in the production and delivery of health services as well as training and research. The growing focus on communities and households to take charge of their health makes them important health system players. The bilateral and multilateral Development Partners remain key players in supplementing government efforts in financing and provision of health care. Aware that the major determinants of health including income, education, housing conditions, sanitation, safe water access and hygiene, gender, cultural beliefs, social

behaviours, nutrition and management of natural disasters are outside the mandate of the health sector, strong inter-sectoral collaboration to enhance disease prevention and health promotion will need to be enhanced.

567. The Sector targets to: increase deliveries in health facilities (Health Centres and Hospitals, Public and Private Not For Profit) from 41 percent (2012/13) to 64 per cent (2019/20); reduce maternal deaths in health facilities from 148/100,000 (2012/13) to 119/100,000 by 2020; reduce under five deaths in health facilities from 18/1000 (2012/13) to 16/1000 by 2020; reduce annual Out Patient Department attendance due to malaria cases from 12,224,100 to 2,600,000; reduce new HIV infections among adults from 140,908 (2012/13) to 42,272 (by 70 percent) in 2020; reduce HIV related deaths from 52,777 (2013) to 21,497 by 2020; increase TB treatment success rate from 80 per cent (2013) to 90 per cent (2020); and increase proportion of population accessing health insurance from 1 percent (2013) to 6 percent by 2020.
568. Human Resources for health remain low particularly midwives and doctors as well as medical specialists. While physical access to health facilities increased to about 72 percent (2013) with 5kilometres, health infrastructure remains out-dated in many general hospitals and some lower level health facilities. Functionality of some health facilities particularly Health Centre IVs remains inadequate.
569. The country's high population growth rate, driven by the high fertility rate of 6.2 children per women (UDHS, 2011) poses challenges for health care delivery in terms of demand and supply. The women and children being the most vulnerable groups to diseases and yet the highest percentage of the population presents both challenges and opportunities that require repositioning of the health sector. Inadequate behavioural change for disease prevention, emerging diseases and epidemics and porous borders are some of the challenges that the sector will need to tackle; while tapping opportunities such as the growing economy and technological advancements in health care and exploiting the large pool of private providers and good will of health development partners.
570. In order to address challenges and the outstanding issues highlighted in section 2.2.3.5 the sector shall implement the post-2015 development agenda which prioritizes universal health coverage (including mass treatment of malaria); sexual and reproductive health; ending malnutrition in all its forms; reducing maternal mortality, ending preventable new born, infant and under-five deaths, ending HIV/AIDS, TB, malaria and neglected tropical diseases, and reducing premature deaths due to non-communicable diseases. The sector will also work towards achieving Universal Health Coverage (UHC) through establishing a national health insurance scheme while harnessing synergies from public private partnerships and strengthening the referral system.

571. Overall, sector efforts will be geared towards: strengthening of the national health system including governance; disease prevention, mitigation and control; health education, promotion and control; contributing to early childhood development; curative services; rehabilitation services; palliative services; and health infrastructure development.

12.1.2 Objectives and Interventions

Objective	Interventions
1. To contribute to the production of a healthy human capital through provision of equitable, safe and sustainable health services.	<p>Primary Health Care</p> <ul style="list-style-type: none"> i. Strengthen leadership, governance, management and accountability at all levels of the health sector. ii. Enhance health information, research and evidence generation and strengthen the HMIS to inform policy development and implementation of health interventions and improve decision making. iii. Strengthen the referral system to ensure continuity of care including the Uganda National Ambulance Services, taking care of hard to reach areas such as islands and mountainous areas. iv. Improve the regulatory function: strengthen regulatory bodies, legal frameworks, etc. v. Review and re-align the essential health package including essential clinical care to the evolving health care needs of the population. vi. Develop Health infrastructure, equipment and maintenance. <p>Human Resources for Health</p> <ul style="list-style-type: none"> i. Scale up pre-service education and in-service training. ii. Attract and retain health workers. iii. Improve HRH productivity and accountability. iv. Strengthen PPP in the development, use and management of the Health Work Force. <p>Community Empowerment</p> <ul style="list-style-type: none"> i. Develop community structures for improved health education, promotion and disease prevention. ii. Support implementation of primary health care at community level. iii. Engage communities to actively participate in maintaining good health and adopt positive health practices. iv. Promote male involvement in family health. <p>Maternal, Neonatal and Child Health</p> <ul style="list-style-type: none"> i. Scale up and sustain effective coverage of a priority package of cost-effective child survival interventions. ii. Provide universal access to family planning services. iii. Increase access to Skilled Birth Attendants (SBA), Emergency Obstetric Care (EmOC). iv. Strengthen public awareness and empowerment to enhance consumption and utilization of Sexual and Reproductive Health (SRH) and HIV prevention services. v. Improve access to Antenatal Care (ANC), PNC and PMTCT. vi. Ensure availability and accessibility to Adolescent Sexual and

Objective	Interventions
	<p>Reproductive Health.</p> <ul style="list-style-type: none"> vii. Strengthen School health services and standards to address the specific needs of girls and boys. viii. Develop and sustain collective action and mutual accountability for ending preventable maternal, new born and child deaths; Maternal and Perinatal Deaths, Surveillance and Response. ix. Harness non health sector interventions that impact on maternal, new born and child health. x. Develop capacity to analyse and repackage generated data on maternal and child health for decision making. <p>Integrated Disease Surveillance and Response</p> <ul style="list-style-type: none"> i. Develop a strategy to enhance the capacity for integrated disease surveillance, detection and control; and emergencies management. ii. Build capacity of the HRH in field of epidemiology. iii. Establish and operationalize of an emergency operating centre. iv. Strengthen diagnostic capacity for surveillance, detection and control. v. Establish a National Institute of Public Health. vi. Establish National Health Laboratory services vii. Build community resilience to health disasters through promotion of disaster risk reduction and management strategies. <p>Burden of Disease:</p> <p>Malaria Prevention</p> <ul style="list-style-type: none"> i. Coordinated and targeted behavior change communication ii. Mass treatment of malaria for prevention iii. Mass distribution of long lasting insecticide-treated nets (LLINs). iv. Insecticide residual spraying to high transmission districts. v. Larviciding (killing mosquito larvae). vi. Scale up the prevention of malaria in pregnant women as one of the vulnerable groups. vii. Scale-up the integrated community case management of malaria and other childhood illnesses. viii. Improve facility based malaria case management. <p>HIV/AIDS</p> <ul style="list-style-type: none"> i. Scale-up access to antiretroviral therapy. ii. Test and treat children (<15 yrs) and pregnant women, sero-discordant couples, and people with TB/HIV co-infection. iii. Routine screening and treating of TB in all HIV positive clients. iv. Scale-up HIV prevention interventions. v. Develop strategies to address gender related barriers that limit access and use of available HIV prevention and AIDS treatment services for all. vi. Establish and ensure access to HIV prevention and management programs for adolescent boys and girls. <p>Tuberculosis</p> <ul style="list-style-type: none"> i. Improve detection, management of drug-susceptible TB cases to ensure 90percent treatment success.

Objective	Interventions
	<ul style="list-style-type: none"> ii. Improve capacity to diagnose and manage childhood tuberculosis. iii. Increase detection and management of multi-drug-resistant Tuberculosis. iv. Strengthen contact investigation and infection control including congregate settings. v. Increase management of TB/HIV co-infection including enrolment on Antiretroviral therapy. vi. Intensify advocacy, communication and social mobilization for increased funding and responsive awareness for Tuberculosis. <p>Neglected Tropical Diseases (NTDs)</p> <ul style="list-style-type: none"> i. Promote institutionalisation of the One Health Approach to prevent and control of emerging and endemic Zoonotic diseases. ii. Strengthen surveillance and diagnostic capacity for Zoonotic diseases for early detection and management. iii. Strengthen national and district capacity for vector control including Neglected Tropical Diseases (NTD). <p>Immunisation Services</p> <ul style="list-style-type: none"> i. Develop the Immunisation policy and enact the Immunisation Act ii. Improve immunization coverage. iii. Introduce new vaccines into the routine immunisation services (Rotavirus, Human Papilloma Virus, Inactivated Polio vaccine and Meningitis A vaccines). iv. Strengthen community participation in immunisation services v. Implement the national immunization communication strategy in all districts. <p>Non-communicable Diseases</p> <ul style="list-style-type: none"> i. Promote healthy lifestyles that contribute to prevention or delay of occurrence of NCDs. ii. Improve management of NCDs at all levels of care. iii. Establish a functional surveillance, monitoring and research system to support the prevention and control of NCDs. iv. Strengthen human resource capacity to manage NCDs. <p>Oral Health</p> <ul style="list-style-type: none"> i. Increase screening for and treatment of oral diseases particularly among primary school children. ii. Strengthen dental services. iii. Intensify research in oral health. <p>Quality of care and patient safety</p> <ul style="list-style-type: none"> i. Operationalize the Supervision, Monitoring and Inspection strategy ii. Scale up the Health Facility Assessment Program. iii. Establish dynamic interactions and feedback mechanism between health care providers and consumers. iv. Strengthen National and Sub-national capacity to implement quality improvement interventions.

Objective	Interventions
	<p>Mental Health</p> <ul style="list-style-type: none"> i. Promote availability to services for mental, neurological and substance use. ii. Scale up demand reduction measures for tobacco, alcohol and drug use. <p>Nutrition</p> <ul style="list-style-type: none"> i. Design and implement essential nutrition actions using life cycle approach. ii. Strengthen the policy, legal and institutional framework and capacity to effectively plan, implement, monitor and evaluate nutrition programs. iii. Strengthen advocacy, social mobilization, and communication for good nutrition for all age groups. iv. Support and scale up cost-effective micronutrient and community based initiatives. v. Enhance operational research for nutrition. <p>Health Infrastructure</p> <ul style="list-style-type: none"> i. Renovate and consolidate the existing health infrastructure for effective service delivery. ii. Develop and upgrade health infrastructure. iii. Procure, distribute and maintain appropriate medical equipment at all levels of health service delivery. iv. Build capacity for operation and maintenance of medical equipment. <p>Clinical Services</p> <ul style="list-style-type: none"> i. Provide quality and affordable services that are consistent with the Uganda National Minimum Health Care Package (UNMHCP). ii. Establish a functional National Referral System from community, national and abroad. iii. Set and maintain standards for safe health service delivery in both public and private sector. iv. Strengthen the Capacity to manage Emerging Diseases, conditions and NCDs at all levels.
2. To increase financial risk protection of households against impoverishment due to health expenditures.	<ul style="list-style-type: none"> i. Diversify funding sources and explore innovative mechanisms to increase domestic resource mobilization and allocation for the sector. ii. Develop a system to collect pre-payments and voluntary contributions. iii. Design and implement a National Health Insurance scheme (Social Health Insurance, private health insurance and community based health insurance schemes). iv. Design and implement a Co-payment system for health care. v. Develop innovative purchasing and payment mechanisms for efficient use of health resources.
3. To address the key determinants of health through strengthening	<ul style="list-style-type: none"> i. Design and implement a Gender in health strategy and innovative programs to address specific women's and men's, boys and girls health needs. ii. Design and implement strategies and programs addressing the social

Objective	Interventions
inter-sectoral collaboration and partnerships.	<p>and economic conditions that make people ill (Sexual and Gender Based Violence (SGBV), Nutrition, Water, Sanitation and Hygiene, attitudes, practices, behaviour and mind-sets, and appropriate shelter/housing).</p> <ul style="list-style-type: none"> iii. Design implement and follow up the integration of human rights and disability responsive policies. iv. Adopt an 'Health in all Policies' approach, which ensures the Health Sector, interacts with, and influences design implementation and monitoring processes of programs in all health-related sectors. This will include reactivating and institutionalizing inter-sectoral collaboration fora to address the key determinants of health (Education, Agriculture, Gender, Water, Housing, Trade, Tourism etc.). v. Incorporate health concerns to facilitate safe food production systems, manufacturing, marketing and distribution. vi. Develop and disseminate a communication and advocacy strategy to address key determinants of health. vii. Strengthen community structures for identification and participation in addressing social determinants of health.
4. To enhance health sector competitiveness in the region, including establishing Centres of excellence in heart, cancer, renal care domains; and diagnostic services	<ul style="list-style-type: none"> i. Train specialists and super specialists in Cardiology, Oncology, Nephrology, Diagnostics and Management. ii. Accredite the Uganda Heart Institute, Uganda Cancer Institute, the Supra National Reference Laboratory and Schools of Public Health to be regional training centres. iii. Design and implement an attractive compensation and motivation plan for specialists. iv. Attraction or importation of specialized skills not available in the country. v. Expand research and adoption of modern medical technology. vi. Develop and continuously update a research agenda for the health sector. vii. Strengthen research organizations and institutes for enhanced innovations, inventions and applications (UHNRO, UVRI, Chemotherapy and JCRC). viii. Establish sustainable centres and institutions for super specialized health care. ix. Establish a center of excellence in oncology (cancer) services. x. Strengthen the legal and regulatory framework that facilitates investment in health care services. xi. Promote export of locally produced medical products and services.

12.2 Education and Sports

12.2.1 Overview

572. The Education and Sports sector is responsible for the delivery of equitable, relevant and quality education, training and sports services for all. The sector comprises of seven sub-sectors namely: (i) Pre-Primary and Primary Education (ii) Secondary Education (iii) Business, Technical, Vocational Education and Training (BTJET) (iv) Teacher Instructor Education and Training (v) Higher Education (vi) Science, Technology and Innovation and (vii) Physical Education and Sports. The key stakeholders include Government, Private Sector, CSOs and Development Partners.
573. The Government, through the Ministry of Education, Science, Technology and Sports, relevant Line Ministries and Local Governments, sets the standards, provides technical guidance, supports, coordinates, monitors and evaluates policies and regulates the sector players. Other public institution sin regulation, standard setting and delivery of education services include; the National Council for Higher Education, National Council of Sports, National Council for Science and Technology, National Curriculum Development Centre, Education Service Commission, National Examination Bodies, Directorate of Education Standards, Professional Institutions and public education, training and research institutions.
574. Private sector and CSOs play an active role in delivery of education and training. Development Partners are key stakeholders in providing financial and technical support. The Education and Sports Sector is coordinated through a SWG approach where all stakeholders are involved in the planning and implementation of Sector plans.
575. The sector target over the Plan period are to: increase the completion rate of primary 7 from 70.3 percent in 2013/14 to 85 percent in 2019/20; increase the transition rate to secondary from 73 percent in 2013/14 to 83 percent in 2019/20; and increase net secondary completion rate from about 36 percent in 2012/13 to 50 percent in 2019/20.
576. While the sector has made considerable progress especially in increasing access to education at all levels, a number of outstanding issues still need to be addressed in the next five years, key of which are; lack of Early Childhood Development (ECD) programme and policy direction, low quality of education at all levels, low completion rate at primary and high dropout rate especially among girls. In addition, the education system does not facilitate adequate skills acquisition especially at post primary levels.
577. The Government in the next five years will focus on introduction of ECD programmes and improvement of quality, equity, retention, relevance and efficiency in basic education while consolidating the gains made in access to education at all levels.

Access to skills in the education system will be expanded particularly beyond the primary level. The sector will also prioritize the enhancement of the inspection function. The sector will pursue three main objectives and several strategic interventions during the five year period of this plan as indicated below.

12.2.2 Objectives and Interventions

Objective	Interventions
1. Achieve equitable access to relevant and quality education and training;	<ul style="list-style-type: none"> i. Improve the implementation of UPE, USE and student loan scheme to lower costs to families. ii. Formulate and implement a policy to rationalise fees for private primary schools. iii. Support and strengthen partnerships between the public and private sector to provide education at all levels. iv. Implement the policy of a government primary school per parish. v. Develop and implement a comprehensive policy framework for ECD vi. Expand community based ECD centres and attach ECD centres to primary schools for the provision of pre-primary education. vii. Develop and implement a strategy to address school feeding and nutrition. viii. Develop and implement programs targeted to disadvantaged communities, marginalized groups and students with special learning needs. ix. Develop and implement programmes that ensure a safe, non-violent and inclusive learning environment in schools. x. Design and implement a partnership framework to address Social-cultural and other barriers to girls' and boys' attendance and retention in school. xi. Expand and improve school infrastructure for all levels, including water supply infrastructure, sanitation and hand-washing facilities, school physical education and community facilities. xii. Provide appropriate equipment for training institutions. xiii. Establish a career advisory and job placement system for post-primary levels. xiv. Introduce distance, mobile and e-learning education systems for post-secondary at Local Governments. xv. Establish additional sports facilities and basic Stadia at least one per region as well as establishing sports councils. xvi. Improve the rewarding and recognition scheme for excelling sportsmen and women. xvii. Enforce laws against defilement at school level. This will require formulating by-laws and ordinances at district level. xviii. Provide gender sensitive sanitation facilities that would address special needs of girls and boys. xix. Increase the number of scholarships for disadvantaged areas to enroll in higher education. xx. Adopt a differentiated allocation formula for capitation grants xxi. Revise the capitation grants pegging them to inflation trends

Objective	Interventions
2. Ensure delivery of relevant and quality education and training.	<ul style="list-style-type: none"> i. Improve the instructional processes that lead to students' achievement of literacy, numeracy and basic life skills. ii. Develop and implement appropriate ECD operational standards. iii. Institutionalize training of ECD Caregivers/teachers. iv. Institutionalize the international assessment in the national examinations at the technical and vocational levels. v. Establish Centres of Excellence by region at post-secondary levels. vi. Enhance inspection, support supervision and enforcement of standards at all levels. vii. Enhance teacher, tutor and instructor development and management system. viii. Rehabilitate, expand and equip existing facilities at primary, secondary and post-secondary levels. ix. Professionalize and motivate the teaching force. x. Support and strengthen partnerships with the private sector to ensure quality education at pre-primary, primary, secondary and post-secondary. xi. Implement community coach qualification initiatives to ensure talent initiation, identification and development by the qualified competent coaches at all levels.
3. Enhance efficiency and effectiveness of education and sports service delivery at all levels.	<ul style="list-style-type: none"> i. Empower schools to manage instructional programs, staff and other resources. ii. Reinforce school inspection by re-centralizing the inspection function; iii. Re-orient School Management Committees to be more active in Schools. iv. Ensure schools' compliance to standards and regulations. v. Develop and implement a Teacher Development and Management System (STDMS) to provide in-service teacher training and support. vi. Re-define and provide full sponsorships in NTCs and Public Universities to increase the number of mathematics and science teachers.

12.3 Science, Technology, Engineering and Innovation (STEI)

12.3.1 Overview

578. The STEI sub sector ensures development, promotion, application and integration of Science and Technology into the national development process. The sub-sector involves a number of players including Government, Private sector and CSOs and Development partners.

579. The Government through the Uganda National Council of Science and Technology (UNCST) provides the required policy and regulatory framework for the sector and

ensures enforcement. The council is interlinked to other sectors through its specialized technical committees that include; agricultural sciences, industrial sciences, engineering and technology, natural sciences, physical sciences, health sciences, information sciences, and social sciences and humanities.

580. The private sector applies science, technology, engineering and innovation into their business processes and provides necessary feedback to guide research and innovations. The academia provides the necessary training for practitioners and carries out research alongside other research institutions. The CSOs undertake advocacy for development and application of safe and environmentally friendly technologies whereas the Development partners support technology transfer and sharing, as well as provide financial and technical support.
581. There has been impressive overall progress in the country's science and technology status in terms of diffusion of old innovation and human skills development among other achievement as highlighted in section 2.2.3.5. Creation of new technologies and diffusion of recent innovation is however, still very low owing to the low levels of research and development.
582. Uganda's STI sub-sector is also constrained by: out-dated laws that make it difficult to address contemporary issues and do not adequately empower UNCST to effectively oversee the development of STI; poor policy coherence; existence of a plethora of SETIs often with somewhat parallel mandates which complicates the national STI coordination function of government; unsustainable financing of STI, especially for R&D; difficulty for SETIs to find, acquire and maintain infrastructure for R&D and administration; low technology adoption; and inadequate Intellectual property rights protection.
583. The target over the Plan period is to increase the technology achievement index from 0.15 in the marginalized group to 0.21 placing Uganda in the dynamic adopters group and increase the Gross Domestic Expenditure on Research and Development (GERD) as a percentage of Gross Domestic Product from 0.5 to 1 percent by 2020.
584. The focus areas include: enhancing the integration of science and technology into the national development process; increasing transfer and adoption of technologies through strategic international STI cooperation and technical assistance; improving coordination and guidance of research and development in Uganda; and improving the legal and regulatory framework to respond to STI.

12.3.2 Objectives and Interventions

Objective	Interventions
1. Enhance the integration of science and technology into the national development process.	<ul style="list-style-type: none"> i. Develop the STI information management system. ii. Provide adequate state-of-the art STI infrastructure. iii. Build an education and training system that produces human resources with capacity to generate and effectively apply STI based on contemporary needs of society. iv. Support industrial development in Uganda. v. Facilitate and encourage innovation through the protection and use of Intellectual Property Rights. vi. Facilitate access to new knowledge, technologies and services to support the development of SMEs. vii. Streamline the institutional framework for STI to enhance coordination and synergies in implementing STI activities and programs. viii. Establish and support linkages with local, regional and international development partners. ix. Mainstream and actively involve the special needs groups in all STI activities. x. Apply appropriate safety and health measures in the generation, development and application of STI. xi. Facilitate LGs to popularise and promote Science, Technology, Engineering and Mathematics (STEM) in schools.
2. Increase transfer and adoption of technologies	<ul style="list-style-type: none"> i. Develop strategic bilateral and multilateral STI cooperation ii. Undertake training in and create awareness on IPR. iii. Develop partnerships for exchange of people, ideas and support facilities. iv. Enhance international partnerships and cooperation in STI. v. Collaborate with Ugandan embassies to support importation of technologies vi. Support the development
3. Enhance R&D in Uganda	<ul style="list-style-type: none"> i. Support basic and applied research for enriching the STI information and enhancing both indigenous and imported technology. ii. Promote the design, development, standardization and commercialization of Ugandan products and services. iii. Establish and operationalize a research fund
4. Improve the STI legal and regulatory framework	<ul style="list-style-type: none"> i. Assess, forecast and advise on issues regarding STI, taking into account current and future trends in development, transfer and diffusion of both local and foreign STI outputs. ii. Guide the judicious use and application of traditional, conventional and emerging technologies for sustainable development. iii. Ensure that mechanisms are in place to develop and apply STI in accordance with acceptable morals and national societal norms. iv. Promote STI awareness and ensure public commitment and support for STI activities in Uganda. v. Strengthen the central co-coordinating institution (UNCST) to effectively provide a sector-wide framework for planning and coordination. vi. Develop policies in the sectors where STI application is relevant

12.4 Skills Development

12.4.1 Overview

585. The skills development sub-sector is responsible for provision of employable skills that are critical for socioeconomic transformation of the country. The sub-sector comprises public and private training institutions as well as firm-based training programmes.
586. The Ministry of Education, Sports, Science and Technology through its BTVET function and the Directorate of Industrial Training (DIT) provides policy direction, sets skills development standards, coordinates, monitors and regulates curriculum development, licences training institutions, and provides certification and accreditation.
587. The private sector, Faith Based Organisations and CSOs are closely involved in the delivery of skills. Development Partners are key stakeholders in providing financial and technical support.
588. Progress in skills development has been registered in Business, Technical, Vocational Education and Training (BTVET) in line with the BTVET Act 2008; higher education and training and non-formal training in terms of in-service and new entrants to labour market. The demand for skills development in the country is rapidly growing as seen from the increasing and expanding of education and training institutions; the increasing courses and the yearly expansion of graduates in almost all fields.
589. The pressing challenges faced in this area include: inadequate skills mix to support increased production and expansion; poor work readiness of many young people leaving formal secondary and tertiary education and entering the labour market for the first time; inadequate linkages between institutional (employers) and workplace learning; lack of basic numeracy, literacy, and entry-level skills and work-based training; continuing skills shortages in the artisanal, technical and professional fields that are fundamental to the development and growth of our economy; lack of synergy between the various post-school sub-systems; lack of clarity in relation to the role expected of the various parts of the skills development system; inefficiency and waste; the silo mentality which prevents the partnerships and alignments needed to improve effectiveness; and the absence of coherent strategies within economic and industrial sectors, compounded by the lack of systematic skills development to support and sustain growth and development.
590. Over the Plan period, the sub-sector will focus on: massive skills training programmes; review, redesign and align the education curricula in the formal education system and the vocational training institutions; match the demand and supply to build convergence between the skills acquired in school and those required in the market; strengthen science and technology education; and increase participation in tertiary and higher education.

12.4.2 Objectives and Interventions

Objective	Interventions
1. To increase equitable access to appropriate skills training at all levels.	<ul style="list-style-type: none"> i. Promote establishment of skills development institutions through PPPs, ii. Support non-formal skills providers. iii. Strengthen participation and coordination among training institutions and employers to support skills development in the country. iv. Develop innovative financing mechanisms for skills development. v. Develop positive perceptions; mindset change and attitude; work ethics; and cultural values and norms towards hands-on training. vi. Enhance participation of disadvantaged and marginalized groups in skills development. vii. Increase entrepreneurship skills development for women and mentoring of girls.
2. Improve quality and relevance of skills development.	<ul style="list-style-type: none"> i. Strengthen institutional and human capacities for improved delivery of skills development. ii. Review and strengthen standard setting and quality assurance systems at all levels. iii. Revitalize and regularize the human resource survey framework to support the collection of employment and labour market data. iv. Develop a national human capital development plan to promote long term quality of the population. v. Establish and implement a mechanism for integrating international standardization and certification in the qualification framework to strengthen skills development. vi. Establish 5 regional skills development centres of excellence in the key priority areas. vii. Strengthen delivery of competencies for the workplace, higher education and lifelong skills. viii. Strengthen capacity of Examination Boards to assess and deliver relevant and quality skills. ix. Establish a National labour market observatory. x. Develop a framework to enhance standardization and flexibility among Universities and other institutions of higher learning for improved knowledge transfer and skills development.
3. To enhance efficiency and effectiveness in skills delivery	<ul style="list-style-type: none"> i. Institutionalize internship and apprenticeship for hands-on training in both private and public organizations. ii. Establish functional linkages between training institutions' curricula, potential employers and job opportunities. iii. Develop a strategy to identify and nurture talent development for in and out of school youth. iv. Promote establishment of research, innovation and technology incubation centres. v. Establish a Skills Development Agency to coordinate all skills development initiatives.

12.5 Water and Sanitation

12.5.1 Overview

591. The Water and Sanitation sub-sector is responsible for ensuring availability and access to safe and clean water and hygienic sanitation facilities in rural and urban areas, as well as delivering viable Sewerage/Sanitation systems for domestic, industrial and commercial use. The sector is composed of various state and non-state actors. The sector working group fosters joint resource mobilization, planning and budgeting, harmonization coupled with playing an advisory role.
592. The Ministry of Water and Environment is responsible for overall coordination, policy formulation, setting standards, inspection, monitoring, technical back-up and initiating legislation. Other state institutions include; the National Water and Sewerage Corporation, and Local Governments. Non-state actors include: private sector firms that participate in consultancies, construction and development as well as operation and maintenance of facilities; Civil Society Organisations that provide services in emergency and disaster situations as well as complimenting government efforts in community mobilization, water supply, sanitation and hygiene; and Development partners that provide financial and technical support.
593. The challenges in rural water supply and sanitation include: poverty, rapid population growth resulting in congested and informal settlements and a continuously increasing need for new safe water sources; lack of funding to keep up with this increasing need; un-reliable Operation and Maintenance (O&M) of water facilities; poor protection of water sources resulting in low and decreasing water quality; poor sanitation practices due to negative customary beliefs and lack of sensitisation; unavailability of appropriate technologies at reasonable cost; Weak enforcement of existing laws and regulations; poor operation and maintenance of sanitation facilities, more especially in public places and schools; climate change causing frequent floods and drought; political instability in neighbouring countries creating settlement camps which characteristically remain unplanned settlements.
594. Constraints to Urban Water Supply and Sanitation include: pollution and depletion of water resources; unplanned settlement patterns which lead to difficulties in supply of water and sewerage services; inadequate institutional capacity; weak local private sector players; temporal and spatial variability of water resources leading to high investment costs; high energy costs and limited grid power network leading to use of high cost alternatives; and low prioritization of sanitation and hygiene at all levels.
595. Challenges in Water Resources Management include; pollution and overexploitation of water resources, low compliance to water laws and regulations, underdeveloped sectoral approaches to planning and implementation, lack of appreciation of the importance of water resources to socio-economic development and poverty

alleviation, low prioritization of water resources issues at all levels and trans-boundary water resources issues.

596. The predicted impacts of climate change; rising temperatures, evaporation and persistent drought are likely to increase water stress, competition for water uses which could result in conflicts over water resources. Climate change is also one of the causes of reduced water tables, drying up of streams and wetlands all which affect agriculture and water access. Changes in onsets of rainy seasons will likely change surface flow regimes. To that end integrating climate change into water resource planning could increase resilience in the water sectors and reduce emerging conflicts and water scarcities, and accelerate development of water infrastructure in a more sustainable and productive manner.
597. The sub-sector target over the Plan period is to: increase water supply coverage in rural areas from 65 percent (2012/13) to 79 percent (2019/20) while ensuring that at least each village has a clean and safe water source; Increase urban water supply from 77 percent (2012/13) to 95 percent (100 percent NWSC towns) (2019/20), increase sewerage coverage to 30 percent (2012/13) in towns with population greater than 15,000.
598. Over the Plan period, the sub-sector will focus on: increasing access to safe water in rural and urban areas; increasing sanitation and hygiene levels in rural and urban areas; increasing functionality of water supply systems; incorporating gender concerns, implementing water resources management reforms and promoting catchment based integrated water resources management.

12.5.2 Objectives and Strategic Interventions

Objective	Interventions
Rural Water Supply and Sanitation	
1. Increase access to safe water supply in rural areas.	<ul style="list-style-type: none"> i. Construct, operate and maintain appropriate community safe water supply systems in rural areas focusing on unserved areas. ii. Target investments in water stressed areas abstracting from production wells as well as large Gravity Flow Scheme (GfS) where appropriate to serve the rural areas. iii. Promote and scale up rainwater harvesting at household, public institutions and community level taking into account the impact of climate change. iv. Promote Water, Sanitation and Hygiene (WASH) humanitarian preparedness and response especially in settlements for poor communities, refugees and displaced persons. v. Improve functionality, sustainability, resilience and source protection of water supply systems in rural areas. vi. Promote Public Private Partnership arrangements to increase accessibility of water sources.

2. Increase access to improved sanitation rural areas.	<ul style="list-style-type: none"> i. Strengthen collaboration amongst the institutions responsible for sanitation activities (MoH, MoES, MWE, LGs) ii. Implement demand led sanitation and hygiene (Community Led Total Sanitation and sanitation/social marketing), including the promotion of hand-washing. iii. Modernize solid waste management and treatment in the rural growth centres and fish landing sites. iv. Promote appropriate sanitation technologies. v. Strengthen law enforcement bodies with regards to Sanitation and Hygiene.
Urban Water Supply and Sanitation	
3. Increase access to safe water supply in urban areas.	<ul style="list-style-type: none"> i. Construct, operate and maintain piped water supply systems in small towns and urban areas country wide. ii. Strengthen Operation and Maintenance, asset management and regulation for the urban water systems. iii. Improve the enabling environment for private water operators and reform the public utility model. iv. Increase water service coverage with emphasis on the Greater Kampala Metropolitan Area (GKMA) taking into consideration environment and climate change among others.
Objective	Interventions
4. Improve urban sanitation and hygiene services.	<ul style="list-style-type: none"> i. Intensify collaboration among Ministry of Water and Environment, Ministry of Health and Local Governments. ii. Increase sewerage connections in towns with sewerage systems and develop new infrastructure, including satellite sewerage systems in the Greater Kampala Metropolitan Area. iii. Develop Smart Incentive Schemes and intensify Sanitation Marketing for increased household investments in sanitation. iv. Construct, operate and maintain a cluster of Faecal Sludge Management Treatment Systems while promoting private sector services for sludge collection and disposal. v. Strengthen law enforcement bodies with regards to Sanitation and Hygiene
Water Resources Management	
5. Improve national capacity for water resources management (WRM).	<ul style="list-style-type: none"> i. Increase use of Integrated Water Resource management approaches in the planning, management and development of water resources. ii. Integrate catchment management plans and implement identified climate change (CC) adaptation measures. iii. Establish a Water Resource Institute for in-country human resource capacity development for water resources management. iv. Develop and review legal and institutional framework for WRM.

6. Improve water resources planning, and regulation.	<ul style="list-style-type: none"> i. Improve the assessment and evaluation of permits for various water uses and use of other tools for water resources regulation. ii. Increase compliance monitoring and enforcement based on the compliance and enforcement strategy (2010). iii. Increase the proportion of major polluters, abstractors regulated according to the water laws and regulations from 55percent to 70percent. iv. Promote dam safety and reservoir regulation for large water reservoirs and water bodies.
7. Improve water resources monitoring, assessment and information services.	<ul style="list-style-type: none"> i. Increase the analytical capability of national and regional water laboratories and establish systems for regulation of water services laboratories. ii. Establish a national water resources information system and increase use of water resources information for integrated water resources management, early warning and decision making. iii. Establish risk-based systems for regulation of drinking water and wastewater including oil and gas waste. iv. Upgrade water resources management tools to include real-time data capture using remote sensing and telemetry. v. Provide appropriate water resources monitoring, assessment and information services. vi. Provide in-country water security safeguards.
8. Improve protection of Uganda's interests in international waters.	<ul style="list-style-type: none"> i. Develop and operationalize a national policy and strategy for management of International Waters. ii. Promote regional cooperation for equitable and reasonable utilisation of the shared water resources. iii. Participate and fast-track benefits from the NileBasin Initiative multilateral agreements

12.6 Lands and Housing

12.6.1 Overview

599. The Lands and Housing sub-sector is responsible for ensuring rational, sustainable use and effective management of land as well as provision of safe, planned and adequate housing. The sub-sector has both Government and non-state actors that play complementary roles. The sector working group draws membership from a number of institutions including semi-autonomous bodies, development partners, private sector and civil society organisations that deal in Lands and Housing.

600. The Government through the Ministry of Lands, Housing and Urban Development (MLHUD) and Local Governments, provides policy direction, sets standards and coordinates all matters concerning lands and housing while Uganda Land Commission ensures effective holding and management of all Government land and property. Other state actors include; National

Housing and Construction Company (NHCC) Ltd, Housing Finance Bank (HFB) (U) LTD, Buganda Land Board and Provident Funds.

601. The non-state players include: Real Estate Companies, private land surveyors, individual land lords, and financial institutions that facilitate effective and efficient functioning of land and housing markets; CSOs and Development Partners complement Government efforts through undertaking advocacy for land rights, sustainable land use and management as well as provision of financial support.

602. Currently, about 60 percent of the population live in relatively decent shelters with iron sheets roofing and brick walls. A total shortage of 1.6 million housing units still exists due to overcrowding, sub-standard structures; rapid population growth; high cost of building materials; high interest rates and stringent terms that do not support long term mortgage financing. During the Plan, Government in partnership with local saving societies/ clubs, development partners and financial institutions will improve availability and accessible to affordable housing finance.

603. During NDPII the sector priority is to ensure access to decent, adequate, safe and affordable housing and basic facilities for all. This will contribute to the sub-sector target of increasing housing units to 7.8 million 2019/20 from 6.2 million units in 2012/13. Together with the computerization of the land registration system to ensure efficient and effective land management and addition of land use planning and land valuation, MLHUD will radically improve the process of land transactions for development. The Ministry will facilitate faster acquisition of land for planned urbanization, infrastructure development, and agricultural commercialization. Comprehensive land valuation is a key part of the MLHUD's plans for NDPII period. It will also set up the National Spatial Data Infrastructure which will combine spatial information from all MDAs.

12.6.2 Objectives and Interventions

Objective	Interventions
Housing	
1. Increase access to housing for all income groups, for rental and owner occupation.	<ul style="list-style-type: none"> i. Develop and implement a comprehensive National Housing Policy, law and investment plan for the housing sub sector. ii. Provide for housing needs for government institutions according to priority development areas for mining, oil and gas and infrastructure corridors. iii. Provide technical support to earthquake and other disaster prone areas. iv. Develop real estate regulations and guidelines to guide real estate development in Uganda. v. Promote PPPs for investment in constructing appropriate housing estates in planned urban and rural areas to provide decent urban settlements according to priority for development of areas for mining, oil and gas and infrastructure corridors. vi. Provide basic infrastructure in pre-planned and developed areas. vii. Strengthen regulations and enforcement of standards in the housing and construction sub-sector. viii. Development of capacities to plan, design and Implement affordable construction programs and sustainable use of building materials.

2. Reduce slums and informal settlements.	<ul style="list-style-type: none"> i. Implement the National slum upgrading Strategy action plan. ii. Establish livelihood support initiatives to support the plight of women, children and other vulnerable groups.
3. Increase access to affordable housing finance.	<ul style="list-style-type: none"> i. Promote and ensure availability and affordability of housing finance. ii. Increase accessibility to housing related inputs through land banking, housing revolving fund, etc. iii. Promote rural housing development schemes.
Land Administration and Land Management Services	
4. Improve utilization, protection and management of land and land based resource for transforming Uganda's economy.	<ul style="list-style-type: none"> iv. Implement and disseminate the National Land Policy and Land Use Policy. v. Develop, implement and disseminate sub-national Land Policies and Land Use Policies. vi. Formulate, review and revise land related laws, regulations and guidelines (provision for regularization of land tenure in informal settlements). vii. Identify, assess, inventory and register Government land. viii. Facilitate better management and use of land owned by cultural and religious institutions.
Objective	Interventions
5. Improve availability of land for development.	<ul style="list-style-type: none"> i. Strengthen land services to provide land for priority economic development areas and infrastructure corridors. ii. Facilitate equitable access to land for orderly development of urban and rural settlements. iii. Re-design/Operationalize the Land Fund to provide improved land access. iv. Review, update and clarify procedures for land acquisition by government. v. Improve accessibility to and functioning of land sales and rental market.
6. Improve and modernize land administration services/system.	<ul style="list-style-type: none"> i. Strengthen land dispute mechanisms, institutions and structures. ii. Rehabilitate, densify and modernize the National Geodetic Network. iii. Develop and initiate national mapping program. iv. Review, roll out, implement and sustain the Land Information System (LIS). v. Establish National Spatial Data Infrastructure that integrates data for planning and development. vi. Review and roll out a national program of Systematic Adjudication, Demarcation, Survey and Certification and titling or Registration of land. vii. Streamline and integrate Traditional Land Administration with formal systems.

<p>7. Increase capacity and support proper institution of Land. Valuation Services</p>	<ul style="list-style-type: none"> i. Review the Structure of the Valuation Division to elevate it into a fully-fledged department. Establish the Division as a Rating Authority for Local Governments. ii. Recruit and train valuers' and technical personnel at all levels iii. Develop and disseminate comprehensive valuation regulations, guidelines and standards. iv. Compile, establish and maintain a National Land Value Database linked to the LIS and NSDI. Digitize valuation records, and develop, establish and maintain CAMA and CAPA systems to facilitate property appraisals. v. Build capacity to resolve valuation related disputes.
<p>8. Improve equity in access to land, livelihood opportunities and tenure security of vulnerable groups.</p>	<ul style="list-style-type: none"> i. Strengthen the land rights for the poor and vulnerable groups. ii. Increase provision of public information on land rights. iii. Strengthen access to land for women and youth.



Uganda
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CHAPTER 13: PHYSICAL PLANNING AND URBAN DEVELOPMENT

13.1 Physical Planning and Urban Development

13.1.1 Over View

604. The Physical Planning and Urban Development sub-sector is responsible for the orderly development of urban and rural areas for socio-economic development of the country. The Physical Planning function entails provision of spatial frameworks for arrangement and organization of socio-economic activities on land at the National, Regional, district and Local levels to achieve optimal use and sustainable development. Urbanization development entails establishment of better urban systems that enhance productivity, liveability and sustainability.
605. The sub-sector players comprise of Government, private sector, CSOs and Development Partners. The Government through Ministry of Lands, Housing and Urban Development and Local Government sets standards, coordinates, inspects and provides guidance to the Private Sector and CSOs for implementation of orderly development. The private sector provides professional services in physical planning while CSOs and development partners provide advocacy and technical as well as financial support.
606. The Vision 2040 guides on the establishment of four regional cities namely; Gulu, Mbale, Mbarara and Arua and five strategic cities: Hoima (oil), Nakasongola (industrial), Fort Portal (tourism), Moroto (mining) and Jinja (industrial), which have been identified as part of the urban corridor development. Government is in the final stages of formulating a National Urban Policy which will provide a framework for the management of urban areas.
607. During the plan period, government will pursue urbanization as a broad strategy to provide among others: a platform for social transformation, mutual people-to-people interactions; employment opportunities for rural immigrants; markets for goods and services; reduced transaction cost, cost efficient and effective service delivery, modernization of agriculture through emphasis on intensive urban agriculture, and effective use of environmental and natural resources. The Real Estate sector will continue to grow due to rapid population growth and increase in disposable income, foreign direct investment, and immigrant remittances.
608. The sector will also promote comprehensive physical planning for urban development; improve urban infrastructure services and utilities; create an inclusive policy and regulatory framework for urban development; develop of environmentally

resilient cities in Uganda; and increase availability of and access to land for urban expansion and investment.

609. Government will control urban sprawling through preparation and approval of Integrated Development Plans which encourage increasing density of settlement by construction of high rise buildings, and by strict development control. Government will also develop and ensure implementation of Regional Physical Development Plans, District Physical Development Plans, and Sub-Urban and local Physical Development Plans to guide the establishment and development of Urban Corridors, regional and strategic cities, and other urban centres.

13.1.2 Objectives and Interventions

Objective	Interventions
1. Operationalize the Physical Planning Act, 2010 to support orderly and sustainable development.	<ul style="list-style-type: none"> i. Develop and implement a National Physical Development Plan (NPDP), including the approval mechanism for public infrastructure projects. ii. Develop and implement the Regional Physical Development Plans (RPDP). iii. Develop Sub Regional Physical Development Plans for the Kampala-Jinja corridor and the Karuma-Lira-Gulu corridor, and others identified as priority in NPDP. iv. Develop and implement District Physical Development Plans and Plans for priority urban areas, for the oil and gas areas, highly mineralized areas and infrastructure corridors. v. Set up Geographical Information System (GIS) unit for Physical Planning at MoLHUD and undertake GIS training to priority districts and urban Local Government. vi. Ensure land use practices comply with sound environmental and natural resources management.
2. Improve urban and rural development through comprehensive physical planning.	<ul style="list-style-type: none"> i. Strengthen the technical capacity of MLHUD and LGs to prepare and implement Physical Development Plans and undertake development control of physical plans. ii. Strengthen the capacity of LGs to deliver planned development, improve Own Source Revenue and be self-sustaining through cost recovery systems. iii. Recruit, train and equip physical planning and urban development technical personnel at LG levels with GIS to carry out Integrated Development Plans for priority areas with full stakeholder involvement. iv. Continue development of Urban Forums for inclusive management of urban areas.

3. Improve the policy framework for the establishment and management of cities and other urban areas.	<ul style="list-style-type: none"> i. Review the policy and procedures for the establishment and management of cities and other urban centres. ii. Finalise and implement the National Urban Policy and a Strategic Urban Development Plan aligned with objectives of NDPII and the Spatial Framework 2040, to guide urban planning, development and management. iii. Develop appropriate planning standards and guidelines for Integrated District Development Plans, Structure Plans and Detailed plans including methods of public participation.
4. Improve and strengthen a competitive urban economy	<ul style="list-style-type: none"> i. Develop and implement strategic urban infrastructure and investment projects through PPPs to ensure cost recovery and sustainability. ii. Develop a framework for planning and management of trans boundary infrastructure. iii. Map utilities and infrastructure development corridors and acquire adequate land for them. iv. Improve urban safety, security, sanitation and waste management.
Objective	Interventions
6. Increase availability of and access to serviced land for urban expansion and investment.	<ul style="list-style-type: none"> i. Establish land banks in urban areas. ii. Establish land consolidation schemes.

13.2 The Greater Kampala Metropolitan Area (GKMA)

13.2.1 Overview

610. Greater Kampala Metropolitan Area (GKMA) is defined under the Kampala Capital City Authority (KCCA) Act, 2010 to include Kampala city and the neighbouring districts of Mpigi, Wakiso, and Mukono. It is a framework aimed at ensuring coordinated planning and implementation of programmes across the metropolitan area to maximise benefits of planned urbanisation.

611. The state actors in implementation of the GKMA framework include: the MoLHUD, Office of the President, KCCA, and the respective Local Governments. These are responsible for spearheading the development of a legislative framework, policies and supporting physical infrastructure for integrated and harmonised development. Private sector and Development Partners bring in the much needed expertise and funding, CSOs participate in programme implementation and providing oversight.

612. A GKMA-Working Group with representation from; MoLHUD, Office of the President (KCCA), Mukono Municipality; Wakiso LG, Entebbe Municipality, Mpigi LG, private sector, civil society, parliament, Development Partners and Buganda Kingdom will be set up to steer the implementation of proposed programs and projects and play an oversight role over the process.

613. To respond to the challenges identified in Section 2.2.4.1, and operationalization of the GKMA Development Framework 2040, focus over the Plan period will be on: harmonisation of the institutional and legislative framework to facilitate the development of the GKMA; physical infrastructure development to reduce the cost and time of doing business; improvement of access to and exploitation of socio-economic opportunities through innovation, progressive production and entrepreneurship; protection of natural environment to support sustainable growth and development; and tourism development.

13.2.2 Objectives and Strategic Intervention

Objective	Interventions
Greater Kampala Metropolitan Area	
1. To improve the institutional and legal framework governing the GKMA	<ul style="list-style-type: none"> i. Establish the Metropolitan Physical Planning Authority as provided for in the KCCA Act ii. Review existing legislation (KCCA Act and LG Act) to conform to the aspirations of the GKMA planning framework iii. Review the urban aspects of the current land management and use to make it conform to unique urban issues and aspirations of the GKMA planning framework iv. Build technical capacity of GKMA urban authorities to foster integrated development
2. Improve GKMA Physical Infrastructure	<ul style="list-style-type: none"> i. Implement the Integrated Urban Transport Master Plan for the Greater Kampala Metropolitan Area ii. Create a Metropolitan Area Transport Authority iii. Develop a framework for integrated planning and provision of infrastructure for orderly development in the GKMA iv. Increase the stock and quality of trade infrastructure to attract more investors in the industry and the services sectors v. Establish artesian parks and business incubation facilities
3. Improve the livelihoods of urban dwellers in GKMA	<ul style="list-style-type: none"> i. Promote urban tourism in the GKMA ii. Maintain law and order within GKMA iii. Transform the city education and health system iv. Promote regulated urban agriculture
4. Improve on environmental and ecological planning of the GKMA	<ul style="list-style-type: none"> i. Finalize and implement the GKMA environmental management project ii. Revitalize the LVEMP iii. Promote public safety and hygiene through mindset change iv. Implement the GKMA Waste Management Policy v. Implement phase 1 GKMA drainage master plan vi. Develop and implement a GKMA climate change resilient strategy
Kampala Capital City Authority	

5. Improve service delivery in Kampala City	<ul style="list-style-type: none"> i. Introduce an e-system to public service delivery ii. Transform the city education and public health system iii. Maintain law and order in the City iv. Enhance urban governance, Citizen Accountability and Integrity v. Enhance the KCCA Human resource capacities and productivity
6. Improve Kampala Capital City physical infrastructure	<ul style="list-style-type: none"> i. Expand and upgrade Kampala transport network ii. Integrate the different transportation modes in the city
Objective	Interventions
7. Improve the institutional and legal framework	<ul style="list-style-type: none"> i. Review current legislation (KCCA Act)
8. Improve people's Livelihoods and incomes	<ul style="list-style-type: none"> i. Strengthen the Revenue Mobilisation ii. Promote urban agriculture iii. Establish employment information bureaus to facilitate access to jobs iv. Embracing Youth Agenda in the City and the vulnerable groups Agenda v. Develop and implement the Kampala Tourism Development Plan
9. Improve Kampala physical planning and development control	<ul style="list-style-type: none"> i. Upgrade and revitalize declining areas within Kampala City ii. Develop detailed city neighbourhood physical plans iii. Upgrade Kampala slums iv. Streamline parking and management of public transport system
10. Improve on environmental and ecological planning of the city	<ul style="list-style-type: none"> i. Review and implement Kampala Drainage Master Plan ii. Strengthen wetlands conservation and management iii. Develop and implement a KCCA low carbon development and climate change resilient strategy

CHAPTER 14: GOVERNANCE

614. Governance under this Plan goes beyond the public sector and focuses on articulating how government and other stakeholders will participate in the promotion of good governance in the operationalisation of the Plan. Government is considered as one of the actors in governance, with the others being the: civil society; media, faith-based organizations; private sector; academia; cultural institutions; and development partners, among others. The ultimate goal is to rally all the stakeholders to work towards good governance that is characterized by: accountability, transparency, responsiveness, participation by all, efficiency and effectiveness, equity, inclusiveness and observance of the rule of law. This will ensure that corruption is minimized and service delivery is improved.
615. In order to ensure inclusive development, all sectors, MDAs and LGs are expected to adopt a Human Rights Based Approach (HRBA) in their respective policies, legislations, programmes and plans. This will require that during the implementation of their plans and mandates, sectors, MDAs and LGs will be guided by the following principles: express linkage to human rights instruments; equality and equity; accountability; empowerment; participation; non-discrimination and attention to vulnerable groups.
616. Good governance is key to supporting the Plan's agenda on building a competitive economy through creation of the required legal and socio-political environment to accelerate economic and social transformation. The priority interventions have been captured broadly as: Accountability, Legislature, Public Sector Management, Public Administration, Justice Law and Order, as well as Defence and Security.

14.1 ACCOUNTABILITY

14.1.1 Overview

617. The Accountability Sector is concerned with the mobilization, management and accounting for the use of public resources to facilitate the delivery of quality services. The sector is composed of two sub-sectors of Audit and Economic and Financial Management Services. The accountability sector working group brings together state and non-state actors for the purpose of coordinated planning and implementation of sector projects and programmes.
618. The state actors under the leadership of the Ministry of Finance Planning and Economic Development develop and implement policies and regulations for stable macroeconomic environment, transparent and accountable systems to facilitate

economic growth. The other state actors are: Bank of Uganda (BoU); Inspectorate of Government; Office of the Auditor General (OAG); Directorate of Ethics and Integrity (DEI); Uganda Bureau of Statistics (UBOS); Uganda Revenue Authority (URA); Public Procurement and Public Disposal of Assets Authority (PPDA); Ministry of Local Government Inspectorate Department; Ministry of Public Service Inspectorate Department; Kampala Capital City Authority Revenue Mobilization Department; Capital Market Authority (CMA); Uganda Retirements Benefits Regulatory Authority (URBRA); National Social Security Fund (NSSF); Uganda Development Bank Limited (UDBL); Uganda Investment Authority (UIA); Private Sector Foundation Uganda (PSFU); Economic Policy Research Centre (EPRC); Insurance Regulatory Authority (IRA); and Uganda Financial Intelligence Authority (UFIA).

619. The non-state actors include: the private sector players such as, capital markets, financial institutions, insurance companies, professional bodies, businesses associations, who through their investments create jobs and provide avenues for the tax base; the Development Partners provide technical and financial support for sector priorities; and the CSOs provide advocacy, promote accountability, lobby for policy reforms and support the communities in income generating activities.
620. The Economic management and Financial Services sub-sector will work towards achieving the following targets: increase the rate of economic growth from 5.2 percent in 2012/13 to an average rate 6.2 percent and increase tax to GDP ratio from 12.7 percent in 2014/15 to 16 per cent. The Audit sub-sector on the other hand will focus on realising the following targets: (i) increase the percentage of contracts audited (by value) that is rated satisfactory from 28.5 percent in 2013/14 to 60 percent in 2019/20; (ii) increase the number of clean audit reports from 34.3 percent in 2014/15 to 70 percent in 2019/20; and (iii) reduce corruption as measured by the Bribe Payer Index from 34.9 percent (2011) to 60 per cent.
621. Despite the reforms and significant progress recorded in the sector, there are still outstanding issues as highlighted in sections 2.2.1 and 2.2.5.3. Over the Plan period therefore, the sector efforts will be geared towards: raising the tax to GDP ratio; enhancing integration between FDIs and Local Business Firms; Improving public financial management and consistency in the economic development frameworks; reducing interest rates; raising insurance penetration and national savings to GDP ratio; increasing the level of capitalization and widening investment opportunities in the capital markets; improving statistical data production and policy research; and implementation and roll-out of e-Government Procurement (e-GP).
622. In addition the sector will also improve compliance to accountability policies, service delivery standards and regulations, enforcement of the regulatory frame work and streamlining the inspection function, strengthen the oversight function to effectively detect, investigate, report and prosecute corruption cases; and follow up the implementation of recommendations made by oversight institutions as well as strengthen public contract management and performance.

14.1.2 Objectives and Interventions

Objective	Interventions
Economic and Financial Management Services	
1. Increase the Tax to GDP ratio	<ul style="list-style-type: none"> i. Develop and implement a policy on mandatory association membership for informal sector players ii. Rationalize the rental tax regime and integrate e-tax with utilities and other agencies iii. Streamline the non-standard VAT tax exemptions iv. Develop mechanisms for exploiting capital gains tax v. Strengthen Inter-Agency collaboration among agencies concerned with investment promotion i.e. UIA, KCCA, LGs, URA & URBS to design and implement a mutually beneficial comprehensive investment regime vi. Combat international tax evasion schemes in complex sectors to raise more tax e.g. corporate tax vii. Strengthen capacity of relevant staff in critical functions of revenue management, audit, forensics investigations and Legal Affairs.
2. Increase access to finance	<ul style="list-style-type: none"> i. Support the development MFIs ii. Diversify and promote financial products and services that are tailored to the needs of population iii. Establish commonly accepted, industry-wide curricula and mandatory certification for professional banking staff iv. Strengthen the regulatory framework to provide for Agent Banking v. Strengthen financial literacy programmes and financial consumer protection
3. Increase private investments	<ul style="list-style-type: none"> i. Fast track the one stop centre which is linked with other business related institutions ii. Fast track the establishment of online registration (e-registry) of business licenses iii. Develop a local business firms data base with their respective profiles (investment interests, legal status & contacts) iv. Avail medium to long-term development finance v. Facilitate the linkage of FDIs that require local partnerships with the local business firms e.g. through web portals vi. Strengthen the implementation of strategies to increase investor confidence
4. Reduce interest rates	<ul style="list-style-type: none"> i. Recapitalize Uganda Development Bank Limited (UDBL) ii. Introduce Islamic banking iii. Liberalize the pension sector to facilitate access to development finance iv. Maintain Macro Economic stability v. Strengthen the Credit Reference Bureau (CRB) system and develop a collateral registry to reduce default rates and increase the pool of new borrowers.

	<ul style="list-style-type: none"> vi. Fast track the national ID project to make it easier for banks to track their clients vii. Limit Government domestic borrowing viii. Implement the bankruptcy reform legislation to boost commercial banks' willingness to lower their lending rates and improve loan recovery. ix. Create specialized funds at low interest rates targeting NDPII prioritized areas and channelled through Uganda Development Bank Limited (UDBL) and Uganda Development Corporation (UDC).
5. Improve Public Financial Management and consistency in the economic development framework	<ul style="list-style-type: none"> i. Develop an Integrated Planning and Resource Allocation Framework to ensure alignment of the planning and budgeting instruments. ii. Establish a national Project Appraisal Unit to spear head the preparation of investment-ready projects iii. Introduce measures to strengthen the capacity of sectors to prepare Bankable projects iv. Implement the programme based budgeting to effectively focus on national and sectoral budgets on achieving results v. Establish mechanisms to enhance capacity for development of consistent sectoral and national development plans vi. Support continuous professionalization of economic management cadre across government and partner institutions vii. Introduction and roll-out of e-Government Procurement (e-GP) viii. Develop a National Local Content Policy
6. Increase insurance penetration	<ul style="list-style-type: none"> i. Develop and implement a National policy on insurance to provide appropriate guidance on insurance of Government assets and insurance in key sectors of the economy such as agriculture. ii. Fast-track the implementation of the National Health Insurance Scheme and develop systems to ensure operational efficiency. iii. Develop and implement a sector-sensitive financial literacy program.
7. Increase national savings to GDP ratio	<ul style="list-style-type: none"> i. Introduce viable investment products to increase domestic savings ii. Transform the public service pension into a savings contributory scheme iii. Develop a framework for informal sector to come together and save iv. Fast track the implementation of the pension sector reforms to attract more institutional investors
8. Increase the level of capitalization and widen investment opportunities in the capital markets	<ul style="list-style-type: none"> i. Modernize the stock market listing system ii. Develop a mechanism for local credit rating iii. Introduce long term infrastructure bonds iv. Introduce the growth Enterprise Market segment on the Uganda security exchange

9. Improve statistical data production and policy research	<ul style="list-style-type: none"> i. Introduce measures to support institutional capabilities to carryout policy research ii. Establish measures to stimulate the demand and usability of statistics iii. Develop and enhance data quality assurance systems iv. Introduce measures to strengthen the capacity for coordination and management of quality statistical data production
Audit	
1. Enhance the prevention, detection and elimination of corruption	<ul style="list-style-type: none"> i. Strengthen the Anti-Corruption institutional and legal framework ii. Strengthen the enforcement of the existing legal framework iii. Strengthen the capacity of investigation and prosecution function iv. Design programmes to strengthen the ombudsman function to safeguard the rights of individuals against maladministration, abuse of power or office by the public authorities. v. Create Public awareness on corruption vi. Strengthen policies and systems for detecting corruption across MDALGs vii. Carryout period reviews of the existing relevant anti-corruption policies and laws viii. Develop, adopt and main stream national value systems ix. Develop capacity for intra and inter sectoral collabourations, partnerships and networks in the fight against corruption.
2. Increase public demand for accountability	<ul style="list-style-type: none"> i. Promote active communication between implementers of programmes and the public ii. Develop, adopt and mainstream national value systems in the Government development agenda. iii. Establish national service delivery standards iv. Improve communication and impact of audit findings to stakeholders v. Design and implement capacity building programmes for DEI to engage and fully coordinate ethics and integrity issues in Uganda
3. Improve compliance with accountability rules and regulations	<ul style="list-style-type: none"> i. Review and harmonize the policy, legal and organizational framework in order to improve the operations of the IG in the fight against corruption. ii. Ensure follow up and implementation of recommendations made by oversight institutions iii. Strengthen the capacity of oversight function to effectively detect, investigate, report and prosecute corruption cases iv. Strengthen the enforcement of the regulatory frame work and service delivery standards v. Streamline and Strengthen inspection function in the sector vi. Introduce measures to improve timeliness, audit coverage and quality reporting vii. Enforce follow up mechanism on the implementation of the Audit recommendations viii. Strengthen existing mechanisms for providing technical support to districts and PAC on Audit reports

Objective	Interventions
4. Improve collaboration and networking amongst development institutions.	<ul style="list-style-type: none"> i. Develop capacity for intra and inter-sectoral collaborations, partnerships and networks in the fight against corruption. ii. Identify and pursue appropriate collaboration and networking with Audit, Ethics and Anti-Corruption Institutions at Regional and International levels.
5. Enhance public contract management and performance	<ul style="list-style-type: none"> i. Implement e-procurement and establish a monitoring system for high value contracts in the NDPII ii. Strengthen the capacity of MDAs in contracts management iii. Strengthen contract monitoring, reporting mechanisms and follow-up audits and recommendations

14.2 Legislature

14.2.1 Overview

623. The Legislature (The Parliament of Uganda) is responsible for enacting laws for peace, order, development and good governance of Uganda, providing oversight and ensuring transparency, integrity and accountability in delivery of services to the citizenry, as well as representing the interests of the constituents in the conduct of public affairs. The Legislature is facilitated by the Parliamentary Service Commission.

624. In executing its mandate, the legislature is faced with a number of constraints including: a huge backlog of unconsidered Audit and constitutionally mandated reports pointing to the issue of its capacity to handle these reports expeditiously; inadequate technical capacity to scrutinise the national budgetary allocations; low citizen participation in oversight; and inadequate infrastructure such as office space.

625. Over the Plan period, the sector will focus on the following areas in fulfilling its roles with the overall aim of promoting good governance to enhance sustainable growth and development: fighting corruption and improving compliance with accountability rules and regulations; providing effective parliamentary oversight, legislation, and national budget scrutiny.

14.2.2 Objectives and Interventions

Objective	Interventions
1. Increase efficiency and effectiveness in the enactment of legislation on any matter for peace, order, development and good governance of Uganda	<ul style="list-style-type: none"> i. Review and strengthen mechanisms for clearing backlog of constitutional reports and legislation considered by Parliament. ii. Fast track legislation that facilitate implementation of NDPII priorities. iii. Promote application of human rights based operations in government operations. iv. Promote peace and security in the country through enacting laws and investigating cases of abuse of civil liberties. v. Enact laws to strengthen credibility of electoral processes in Uganda. vi. Review appropriate legislation to facilitate elimination of corruption.
Objective	Interventions
2. Strengthen the institutional capacity of Parliament to independently undertake their constitutional mandates effectively and efficiently	<ul style="list-style-type: none"> i. Build strong institutional mechanisms for effective parliamentary oversight, legislation and national budget scrutiny. ii. Introduce measures to strengthen availability and visibility of evidence based support to legislative processes. iii. Improve the working environment for MPs and Staff of Parliament iv. Develop capacity for internal monitoring, evaluation and reporting in Parliament. v. Empower political offices
3. Improve citizen participation and contribution in promoting rule of law, transparency and accountability in the provision of services to achieve equitable and sustainable development	<ul style="list-style-type: none"> i. Introduce measures to strengthen citizens and the public participation in parliamentary business. ii. Institute a system of linkages between local government, constituencies and the national Parliament. iii. Empower Parliament to effectively play its role in the national budget processes and oversee equitable and sustainable national development.
4. Improve collaboration and networking amongst development institutions.	<ul style="list-style-type: none"> i. Enhance Parliament engagement and participation in international affairs.

14.3 Public Administration

14.3.1 Overview

626. The Public Administration Sector (PAS) provides leadership in the initiation, formulation, coordination and monitoring of public policies and programs, as well as mobilization of the population for development.

627. The sector consists of both state and non-state actors that play different roles. The state institutions include: Office of the President (OP) which provides overall leadership in public policy management and promotion of good governance; Ministry of Foreign Affairs (MoFA) promotes and protects Uganda's interests abroad; Electoral Commission (EC) organizes and conducts regular free and fair elections and referenda; and State House (SH) facilitates and supports the Presidency for effective and efficient performance of its Constitutional and administrative responsibilities.
628. The non-state actors include the Private and civil society, who provide civic education and advocate for good governance, human rights and equity. Regional and international groupings and various development partners support the sector in implementation, monitoring and evaluation of policies, programmes and projects.
629. The intra sector linkages are facilitated by the PAS working group which brings together the political and senior management for purposes of planning, budgeting and setting priorities for the sector and ensure that actions of the various units within each sub sector align their work plans to achieve sector objectives.
630. Although the sector made great strides as highlighted in section 2.2.5.2, it still faces limitations. Over the next five year, the sector will focus on: strengthening policy development; and M&E systems; attracting investment and identifying, market; attracting cooperation assistance and contributions from the Diaspora; strengthening citizen participation in development and electoral processes.

14.3.2 Objectives and Interventions

Objective	Interventions
1. Improve policy development and implementation effectiveness across all priority sectors	<ul style="list-style-type: none"> i. Review and align priority sector policies to the NDPII objectives and goals. ii. Develop and implement programmes to strengthen national capacity for policy development, implementation and monitoring across government and non-state actors.
2. Improve the national M&E systems for increased service delivery, efficiency, and effectiveness.	<ul style="list-style-type: none"> i. Establish a monitoring and evaluation system to track the implementation of key government policies, programs and projects in NDP II priority areas. ii. Strengthen the capacity of resident district commissioners and local governments to effectively monitor and report on the implementation of the NDP II priority areas.

3. Attract new investment opportunities in infrastructure and mineral development and secure markets for the Agriculture and Tourism sectors	<ul style="list-style-type: none"> i. Negotiate, sign and ratify trade and investment agreements. ii. Establish and strengthen missions in strategic locations. iii. Increase the number of commercial attaches to missions abroad. iv. Establish and strengthen collaborations between key players in trade investment. v. Mobilize the population for local investment and consumption of local products. vi. Promoting a positive image of the country at national and international levels
4. Increase the human capital stock in the NDP II priority areas	<ul style="list-style-type: none"> i. Initiate and develop a national strategy for attracting cooperation assistance for human capital ii. Build capacity of the Heads of Missions in the NDP II priority areas and how to attract and negotiate for assistance. iii. Build and strengthen strategic partnerships to attract cooperation assistance (exchange programs). iv. Develop strategies to attract skilled Ugandans in the Diaspora, to support the NDP II priority sectors.
Objective	Interventions
5. Improve democracy and governance for increased stability and development	<ul style="list-style-type: none"> i. Implement programmes to strengthen civic participation and engagement in national democratic processes. ii. Strengthen institutional structures and instruments for transparent and credible democratic processes. iii. Establish the National Service Program to strengthen patriotism. iv. Strengthen regional and international relations between Uganda and other countries to strengthen and sustain national peace and security.
6. Improve systems, infrastructure and capacity of the sector secretariat	<ul style="list-style-type: none"> i. Strengthen sector institutional infrastructure ii. Strengthen sector linkages in planning systems, communication, coordination and collaboration iii. Develop the sectors service delivery standards

14.4 Public Sector Management

14.4.1 Overview

631. The Public Sector Management (PSM) Sector is responsible for the development and control of public service delivery systems through the promotion of sound principles, structures and procedures. It has a Sector Working Group that consists of both state and non-state actors whose role is to plan, budget and set priorities for the sector and ensure coordinated implementation of programmes and projects.

632. The state actors including; the Office of the Prime Minister, Ministry of Public Service, Ministry of Local Government, Ministry of East African Community Affairs, Cabinet Secretariat- Office of the President, Public Service Commission, Local Government Finance Commission, National Planning Authority, Kampala Capital City Authority, Urban Authorities Association of Uganda and Uganda Local Governments Association, are responsible for spearheading and managing reforms in Government, managing talent as well as coordinating resources and information flow in the public sector.
633. The non-state actors including; Development Partners, CSOs, and Private Sector support the sector in implementation, monitoring and evaluation of government policy, programmes and projects.
634. The sector target is to spearhead management of reforms and talent in government so as to improve the Government Effectiveness Index from -0.57 in 2012/13 to 0.01 in 2019/20.
635. The sector successfully implemented a number of reform programmes and strategies for improving service delivery. However, as analysed in section 2.2.5.1, it is still constrained by strategic coordination issues, decentralization challenges and a perceived slow and non-responsive public service among other challenges.
636. Over the next five years, the Sector will focus on: reviewing systems, structures, processes and procedures for effective coordination of service delivery; harmonizing and reforming policies, laws and regulations at the national and local government level to bring them in line with regional and international obligations; spearheading reforms and managing talent to create a well-motivated and competitive public service; coordinating information flow and resource allocation towards Government priorities; reducing the impact of natural disasters and emergencies; spear heading comprehensive and integrated development planning at local and National Level; and developing mechanisms for Local Government Financing.

14.4.2 Objectives and Interventions

Objective	Interventions
1. Improve coordination, and harmonization of policy, planning, budgeting, and M&E at National and Local Government levels.	<ul style="list-style-type: none"> i. Coordinate and harmonize M&E at the national and local Government level. ii. Establish and operationalize a multi-sectoral (inter and intra) mechanism to coordinate and harmonize implementation of Government policies and programmes. iii. Develop and institutionalize a National value system iv. Coordinate the planning process at the national and local Government level. v. Implement the national communication strategy to disseminate Government programmes and rally the citizenry to effectively participate in national development agenda.

2. Improve recruitment, development and retention of a highly-skilled and professional workforce.	i. Establish mechanisms for strengthening human capital planning, development and management.
3. Improve public service management, operational structures and systems for effective and efficient service delivery.	<ul style="list-style-type: none"> i. Review and develop management and operational structures and systems for effective and efficient service delivery in the public service. ii. Rationalize and harmonize policies and planning to support public service delivery. iii. Strengthening performance management and accountability in public service delivery. iv. Develop and implement coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system. v. Develop and implement a National Media Development Strategy that addresses the existing gaps in standards, quality and responsible media.
4. Steer Uganda's regional integration agenda in accordance with the objectives of the treaty for establishment of EAC	<ul style="list-style-type: none"> i. Coordinate implementation of the National Policy on EAC integration. ii. Develop and implement a National Communication Strategy on EAC integration. iii. Coordinate EAC integration through policy oriented research. iv. Spearhead negotiations on the roadmap towards political federation.
Objective	Interventions
5. Coordinate the development of capacities for mitigation, preparedness and response to natural and human induced Disasters	<ul style="list-style-type: none"> i. Develop disaster risk profile and vulnerability map of the Country. ii. Coordinate the development and implementation of disaster mitigation and preparedness plans in all local governments iii. Coordinate regular disaster vulnerability assessment at community level, hazard forecasting and dissemination of early warning messages. iv. Resettle landless communities and victims of disasters v. Coordinate timely responses to disasters and emergencies vi. Provide food and non-food relief to disaster victims vii. Coordinate other state and non-state actors in fulfilling their mandates towards disaster issues viii. Develop and implement humanitarian interventions and Support livelihoods of disaster
6. Enhance national response capacity to refugee emergency management	<ul style="list-style-type: none"> i. Formulate and implement a national refugee policy ii. Develop and implement a Refugee Settlement Transformative Agenda iii. Develop and implement contingency plan for refugee emergencies iv. Review domestic laws governing refugees v. Develop and implement projects and programs for refugees and refugee hosting areas. vi. Receive and grant asylum to refugees in accordance with national, regional and international covenants

14.5 Justice, Law and Order

14.5.1 Overview

637. The Justice, Law and Order Sector (JLOS) is responsible for administering justice, maintaining law and order as well as promoting and protecting human rights. Through a sector wide approach, the sector brings together state and non-state actors who play complementary roles in planning, budgeting, programme implementation, monitoring and evaluation.
638. The state institutions responsible for administering justice, maintaining law and order and promoting the observance of human rights include: Ministry of Justice and Constitutional Affairs (MoJCA); Judiciary; Centre for Arbitration and Dispute Resolution (CADER); Directorate of Citizenship and Immigration Control(DCIC); Directorate of Public Prosecutions (DPP); Judicial Service Commission (JSC); Law Development Centre (LDC); Ministry of Gender, Labour and Social Development (MoGLSD)-Gender, Justice for Children, Labour and Probation Functions; Ministry of Internal Affairs(MIA); Ministry of Local Government (MoLG)-Local Council Courts; Tax Appeals Tribunal (TAT); Uganda Human Rights Commission (UHRC); Uganda Law Reform Commission (ULRC); Uganda Law Society (ULS); Uganda Police Force (UPF); Uganda Prison Service (UPS); and Uganda Registration Services Bureau (URSB).
639. The non-state actors including; Development Partners, academia, CSOs, media and private sector groups complement Government in the delivery of justice, law and order and advocacy for adherence to human rights.
640. The Justice, Law and Order Sector registered successes in areas of: law reform; increased disposal of cases; expansion and de-concentration of JLOS service points; and reduced incidence of crime. However, despite these achievements, the sector still has outstanding issues that need to be addressed as highlighted in section 2.2.5.4.
641. The sector targets over the Plan period are to increase: public confidence in JLOS Services from 35 percent in 2014 to 50 percent in 2020; public satisfaction in JLOS Service delivery from 60 percent in 2012/13 to 75 percent in 2020; and case disposal rate from 42.7 percent in 2013/14 to 60 percent in 2020.
642. The focus areas include: improving the legal, policy and regulatory environment that is conducive for doing business to create wealth and employment; enhancing access to JLOS services particularly for vulnerable persons; rights promotion in order to ensure accountability, inclusive growth and competitiveness in Uganda; and fighting corruption in order to strengthen Uganda's competitiveness for wealth creation and inclusive growth.

³³ Vulnerable persons under JLOS SIP III include persons whose access to JLOS services is limited by age; material and knowledge poverty; physical impairment; powerlessness; gender based barriers and may extend to minority groups; 25 Internally displaced persons; migrants; children; suspects and prisoners; refugees; persons living with HIV/AIDS; persons with disability among others.

14.5.2 Objectives and Interventions

Objective	Interventions
1. Improve policy, legislative and regulatory framework	<ul style="list-style-type: none"> i. Review and harmonize the legal and policy environment underpinning JLOS Service delivery for the realization of national development objectives ii. Introduce measures to strengthen the independence of JLOS Institutions iii. Harmonize and enforce performance and administrative service delivery standards iv. Introduce measures to ensure effective enforcement of laws v. Initiate the enactment of transitional justice policy and legislation vi. Develop the informal justice framework and link it to the formal justice system vii. Introduce measures to improve JLOS compliance with and participation in East African Regional Integration processes
2. Enhance access to JLOS services particularly for vulnerable persons ³³	<ul style="list-style-type: none"> i. Rationalize physical de-concentration of JLOS services ii. Develop JLOS infrastructure to facilitate service delivery iii. Institute measures to improve the adjudication of labour justice iv. Review and enforce compliance with service delivery standards v. Empower the citizenry to demand and access JLOS services vi. Profile vulnerability and eliminate discrimination and bias in access to JLOS Services vii. Introduce measures to enhance JLOS capacity to prevent and respond to crime in accordance with constitutional and human rights standards viii. Develop and implement a legal aid policy and law ix. Inculcate JLOS User- oriented Service Attitude
Objective	Interventions
3. Promote Accountability and the Observance of Human Rights	<ul style="list-style-type: none"> i. Develop and implement measures to promote human rights observance in JLOS institutions ii. Introduce and enforce measures to ensure external and internal JLOS accountability iii. Adopt and implement anti-corruption measures iv. Introduce and enforce measures to ensure accountability in transitional justice

14.6 Defence and Security

14.6.1 Over View

643. The Defence and Security sector is responsible for defending and protecting; people and their properties, the sovereignty and territorial integrity of Uganda, as well as ensuring peace and security for socio-economic development. It ensures that Ugandans enjoy freedom from threats, intimidation and other pressures from within or

outside the country that would undermine the basic rights and welfare, the territorial integrity of the state, and the functioning of the systems of governance. The Sector is composed of the Ministry of Defence (MoD), the Uganda Peoples Defence Forces (UPDF), the Internal Security Organization (ISO), and External Security Organization (ESO).

644. Through the National Security Council (NSC), the sector informs and advises the President on matters relating to national security, reviews national security threats, needs and goals as well as applying and coordinating all instruments of national power (Diplomatic, Economic, Military and Information) in order to achieve national, regional and international security.
645. The non-state players of the sector include the Civil Society Organisations, the Media, and Academia. These augment the sector during peace and war times and assist in service delivery especially in emergency situations and disaster management. They also act as trustees or watchdogs to the Sector in ensuring that Human Rights and rule of law are adhered to. In addition, the sector recognizes its strategic relationship with the people as its first line of defence. In all strategies for countering threats, the sector ensures that the people of Uganda are mobilized to understand the threat and support the cause.
646. While the sector's capabilities were improved, there remains significant issues that need to be addressed as discussed in section 2.2.5.5. Therefore, over this Plan period, the sector will focus on: continued professionalization and modernization of the sector; institutionalization of the reserve forces; clearance of backlog of retirement arrears and regularisation of retirement; enhancing sector welfare, including accommodation and medicare; and strengthening and institutionalization of sector R&D in collaboration with national and regional EAC frameworks.

14.6.2 Objectives and Interventions

Objective	Interventions
1. Improve capability of defense and security forces.	<ul style="list-style-type: none"> i. Acquire, refurbish and maintain defense and security equipment. ii. Institute measures to strengthen combat service support iii. Develop and implement human capital development programmes for defence and security iv. Establish a National Defence College (NDC) and Institute for Security Studies (ISS)
2. Strengthen internal and external security	<ul style="list-style-type: none"> i. Institute measures to enhance information collection and analysis capability to deter and curtail hostile activities against the country internally and externally ii. Harmonize the intra-sectoral and multi-agency coordination and operations

3. Enhance defense and security infrastructure	<ul style="list-style-type: none"> i. Develop and maintain Air Force physical infrastructure ii. Construct and renovate administrative and operational Infrastructure iii. Develop and maintain defence and security welfare infrastructure
4. Enhance Research and Development (R&D)	<ul style="list-style-type: none"> i. Review and harmonize the R&D policy ii. Introduce an incentive and reward mechanism for innovation and prototype development iii. Equip and facilitate the Defence Research, Science and Technology Centre (DRSTC-Lugazi) and the Nakasongola Avionics Research Centre
5. Enhance production for wealth creation and self-sustainability	<ul style="list-style-type: none"> i. Establish commercial agriculture and value addition facilities ii. Establish mechanisms for defense to participate in primary, secondary and industrial production. iii. Revitalize and facilitate defence production enterprises iv. Fast track the development of regulatory frameworks to guide and support involvement in national infrastructure development
6. Establishment of National Service	<ul style="list-style-type: none"> i. Develop and implement a National Service System. ii. Review policies and legislation for the reserve force.
7. Improve Administration, Policy and Planning	<ul style="list-style-type: none"> iii. Implement measure to strengthen the policy and planning function of the sector iv. Review and implement reforms to improve welfare of staff (including defense and security forces) and their families v. Develop and implement human resources master plans. vi. Streamline the management of gratuity, pension and survivors benefits. vii. Revitalize mechanisms for HIV prevention and treatment. viii. Integrate human rights, gender, environment and governance issues in the training and operational guidelines.

INCLUSIVE GROWTH

647. Given that the disadvantaged individuals and communities face challenges that impair their conditions and limit their opportunities, to be inclusive, growth should benefit everyone while reducing the challenges faced by the disadvantaged, both in terms of benefits enjoyed and, especially, in terms of access to opportunities for participation. To ensure that the disadvantaged individuals engage in productive employment as a means of increasing their incomes and to raise their standards of living this Plan sets interventions that serve as safety nets for to cater for this population.
648. In addressing regional inequities especially among local governments and regions that are economically lagging behind, this section presents interventions focusing on boosting the functionality of local governments and rationalising special programmes.



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CHAPTER 15: SOCIAL DEVELOPMENT

15.1 Overview

649. The Social Development Sector is responsible for mobilizing and empowering communities to harness their potential, while protecting the rights of vulnerable population groups. It promotes cultural growth, non-formal skills development, labour productivity and gender responsive development, while focusing on reducing vulnerability associated to being or becoming poor. In addition, the Sector redresses imbalances to eliminate discrimination and inequalities against any individual or group of persons and also takes affirmative action in favour of the marginalised.
650. The sector is comprised of state and non-state actors which include; the Ministry of Gender, Labour and Social Development, National Women's Council, National Youth Council, National Council for Children, National Council for Disability, Uganda Culture Centre, National Library of Uganda, Industrial Court and the Equal Opportunities Commission, Civil Society Organizations (NGOs and Faith Based Organisations), Cultural institutions and Development Partners.
651. The cross-cutting nature of the issues handled, justifies the need for strong intra and inter-sectoral collaboration. While providing direct services to specific vulnerable and marginalized population groups, the sector guides and facilitates the mainstreaming of issues such as rights, employment and gender through influencing and supporting policy and programme development in other sectors. Apart from collaborating with Government agencies in implementation, the sector heavily relies on non-state actors both for implementation and financing of programmes. Overall, the sector aims to achieve a better standard of living, equity and social cohesion.
652. The sector targets to: increase the number of vulnerable people accessing social protection interventions from about 1,000,000 in 2013 to about 3 million by 2020; increase the percentage of women accessing economic empowerment initiatives from 12 percent in 2009/10 to 30 percent by 2019/20; increase decent work coverage from 40 percent to 70 percent by 2020; increase adult literacy rates to from the current 73 percent to 80 percent by 2020; reduce the rate of discrimination and marginalization by 4 percent by 2020; and increase community participation from 50 percent to 70 percent in the development process.
653. The Sector is constrained by: weak coordination due to a broad mandate with multiple actors; inadequate data for planning and policy formulation; continued exclusion of vulnerable and marginalized groups in the development process, increasing poverty and vulnerability; un-coordinated mobilization of communities; negative mind-sets

and declining cultural and moral values coupled with limited skills and failure to access information; and under resourcing.

654. To address the above challenges, over the NDPII period, the Sector has prioritized to: promote decent employment and Labour productivity; enhance Community Mobilization and Empowerment; provide Social Protection services; promote of youth employment and participation; promote Gender equality and women's empowerment; strengthening Institutional Capacity and redressing the imbalances and promoting equal opportunities for all.

15.2 Objectives and Interventions

Objective	Interventions
1. Promote decent employment opportunities and labour productivity	<ul style="list-style-type: none"> i. Promote and regulate externalization of Labour ii. Develop and operationalize work ethic skills in the formal and informal sectors iii. Promote compliance with Occupational Safety and Health standards at Public and private workplaces and working environment iv. Establish and operationalize productivity centres at national and regional levels for improving the productivity of the Ugandan workers v. Promote culture and creative industries vi. Strengthen functionality of the Minimum Wages Advisory Board vii. Strengthening the Industrial Court viii. Support research, innovation and creativity in both formal and informal sectors ix. Domesticate chemical weapons convention x. Strengthen Labour Administration (Inspections, Labour Analysis and Research, Mediation and Arbitration) at the Centre and in Local Governments xi. Develop and operationalize a Labour Market Information System (LMIS) xii. Strengthen and enforce the legal and the regulatory framework for management of immigrant labour
2. Enhance effective participation of communities in the development process	<ul style="list-style-type: none"> i. Strengthen the functionality of and accessibility to quality non-formal literacy services ii. Expansion of Library and Information services iii. Strengthen mechanisms for planning, implementation and monitoring of services and community level initiatives iv. Promote culture for economic development and social transformation v. Strengthen the legal and policy framework for culture and creative industries vi. Promote the development of languages in Uganda vii. Strengthen the family as social unit to serve as a springboard for, wealth creation, social transformation and nation building viii. Mobilize and facilitate communities to appreciate, demand, own and sustain personal and national development programmes ix. Strengthen structures and systems for coordination of all stakeholders including the civil society

Objective	Interventions
3. Improve the resilience and productive capacity of the vulnerable persons for inclusive growth.	<ul style="list-style-type: none"> i. Expand the scope and coverage of the social security services to include the informal sector ii. Expand labour intensive public works to poor and vulnerable households. iii. Promote access to social care and support services including OVC, PWDs and older persons iv. Promote and protect the rights of vulnerable groups-children, PWDs, older persons against abuse, exploitation, violence and neglect v. Strengthen the scope of social Assistance Grant to vulnerable groups vi. Promote the formulation of legal frameworks for vulnerable persons at all levels. vii. Enhance Social Rehabilitation viii. Establish the National Council for Older Persons.
4. Improve the capacity of youth to harness their potential and increase self-employment, productivity and competitiveness	<ul style="list-style-type: none"> i. Provide life skills and livelihood support to the youth ii. Develop and adopt regulatory frameworks policy that give youth affirmative quota in all public institutions and business establishments iii. Establish a national and regional framework for youth participation in economic and social activities within the EAC region. iv. Support entrepreneurship through tax rebates to create employment opportunities v. Establish centres of technical advisory services vi. Enhance mind-set change campaigns
5. Promote rights, gender equality and women's empowerment in the development process.	<ul style="list-style-type: none"> i. Mainstream gender and rights in policies, plans and programmes in sectors and local governments ii. Strengthen capacity of stakeholders in social equity and human rights promotion, protection and reporting iii. Promote formulation of gender sensitive regulatory frameworks in all sectors and local governments with a focus on emerging areas of climate change and oil and gas iv. Prevent and respond to Gender Based Violence v. Promote women economic empowerment through entrepreneurship skills, provision of incentives, and enhancing their participation in decision making at all levels vi. Formulate a National Sexual Harassment Policy
6. Improve the performance of the SDS institutions	<ul style="list-style-type: none"> i. Strengthen the capacity of stakeholders for implementation of Sector programmes ii. Strengthen systems to implement the SDS iii. Mobilise resources for implementation of Sector programmes iv. Implementation of gender and equity certificate.

Objective	Interventions
7. Reduce imbalances and improve access to opportunities for all	<ul style="list-style-type: none"> i. Eliminate discrimination, marginalisation and ensure that all persons have equal opportunities in accessing goods and services. ii. Enhance effective participation of the marginalised in social, economic and political activities for sustainable and equitable development. iii. Strengthening the capacity of state and non-state actors to mainstream equal opportunities and affirmative action in all policies, laws, plans, programmes, activities, practices, traditions cultures, usages and customs



CHAPTER 16: SUB-NATIONAL DEVELOPMENT

16.1 Over View

655. Sub-national development is the transformation of local governments into vibrant economies capable of delivering quality services to their communities and generating local revenue sustainably. This is achieved through concerted efforts by Government, Development Partners, CSOs and Communities.
656. Sub-national governments are at the frontline of delivering services to their communities as well as creating vibrant local economies that provide economic opportunities and jobs for their people. Central Government through the Ministry of Local Government, the Local Government Finance Commission, and other line MDAs provide policy direction, standards, financing, capacity building and supervision for sub-national development.
657. Private sector undertakes investments in local economic activities thereby boosting local economic development; Development Partners and CSOs support implementation of Local Government plans and mobilization of communities to participate in development programmes.
658. Whereas there has been an improvement in service delivery in areas of education, primary health care, water and sanitation and roads as well as increased participation of communities in planning and political governance, subnational governments have not performed as well in creating vibrant local economies and providing economic opportunities and jobs for the people. The push for bringing services closer to the people has resulted in the creation of more but at the same time smaller districts that are not economically viable hence significantly increasing the administrative cost overheads at the expense service delivery.
659. There are a number of development opportunities that can be harnessed by LGs during the plan period. Promoting agriculture is a viable strategy given the opportunities arising from natural endowments in terms of fertile soils, vast water bodies across the country, abundant labour and a wide internal and external market for agro-produce. Also the exploitation of the tourism potential across regions for employment and wealth creation as well as improving the physical infrastructure and social services provision in LGs are all critical to the transformation of LGs. Another development opportunity at both at national and LG levels is harnessing the population dividend for development.

660. Given the current situation in LGs as highlighted in chapter two and the available opportunities in LGs, the plan will focus on; improving functionality of LGs for effective service delivery; promoting Local Economic Development; improving governance at LG level; promoting comprehensive physical planning and urban development; improving community mobilization for development; and promoting provision of some key infrastructure services at regional level.

16.2 Objectives and Interventions

Objective	Interventions
1. Improve the decentralization system	<ul style="list-style-type: none"> i. Establish mechanisms to strengthen LG institutions and systems on a sustainable basis ii. Harmonize LG policies, laws and regulations with those at the national level iii. Promote Transparency and accountability under decentralized governance iv. Build Partnerships with other stakeholders to promote and advocate for equity, transparency and fairness in the resource allocations for local governments v. Establish mechanisms to strengthen the policy, planning, coordination, monitoring and evaluation framework for Local Government Financing vi. Establish mechanisms to strengthen the internal systems to ensure economy, efficiency, and effectiveness of Local Government Finance Commission
2. Improve the functionality of the LGs for effective service delivery	<ul style="list-style-type: none"> i. Build technical capacity and increase staffing levels of LGs ii. Strengthen the planning, supervision, monitoring and evaluation functions in LGs iii. Promote good governance at LGs for improved service delivery iv. Review the decentralization policy with the view of rationalizing the structures and institutions in LGs v. Increase financing and revenue mobilization of LGs to match the functions of LGs vi. Revive community mobilization systems in LGs
3. Increase local investments and expand local revenue base	<ul style="list-style-type: none"> i. Promoting the Local Economic Development (LED) program ii. Develop enabling laws and regulations to facilitate implementation of LED in LGs iii. Exploit investment opportunities in LGs iv. Increase the stock of physical and social infrastructure at LGs v. Provide extension services for increased agricultural production and productivity

Objective	Interventions
4. Improve environmental and ecological management in LGs	<ul style="list-style-type: none"> i. Promote climate change resilience at LG ii. Promote wetlands conservation and management iii. Establish and maintain waste management systems for LGs iv. Mainstream climate change adaptation and mitigation in DDP, work plans and budgets
5. Improve planned urban development	<ul style="list-style-type: none"> i. Develop and align LG physical plans to the national physical plans and integrate them with social and economic development plans ii. Establish regulations and standards to guide urban development
6. Increase financing and revenue mobilization of LGs to match the functions of LGs	<ul style="list-style-type: none"> i. Redesign the fiscal decentralisation architecture to provide for promotion of adequate and sustainable local government financing; ii. Review grants allocation formulae to promote adequacy in financing of decentralized service iii. Strengthen local tax administration iv. Explore new sources to widen and deepen local revenue bases.



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CHAPTER 17: REGIONAL BALANCED DEVELOPMENT

17.1 Over View

661. The attainment of balanced and equitable development is a constitutional obligation. The Government is obliged to take necessary measures to bring about balanced development of the different areas of the country, and between the rural and urban areas, as well as putting in place special measures in favour of the least developed regions.
662. While Uganda has made significant gains in poverty reduction, regional imbalances still persist. Between 2005/06 and 2012/13, there was a significant decline in poverty levels in the central and western regions; however, the levels remain high and relatively stagnant for the Eastern and Northern regions. In particular, the East Central (Busoga), Mid North (Acholi), North East (Karamoja), and West Nile are the worst performers with significantly above average poverty rates.
663. As of 2012/13, the Northern and Eastern Regions accounted for about 50 percent of the total population. Therefore if poverty was to fall as fast in the North and East as in the rest of the country, national poverty reduction would have even been steeper. The high rates of poverty in Northern and North Eastern Uganda is partly explained by the conflicts that engulfed those regions for much of the 1980s and 1990s. But poverty in East Central (Busoga) and the rest of the Eastern region remains entrenched even though these areas have remained largely peaceful over the last 30 years.
664. In addition, while their share of the total population is increasing, Eastern and Northern Uganda have significantly higher levels of age dependency than other parts of the country. Eastern and Northern Uganda's share of the population has been increasing over the years and currently contributes about 50 percent of the total population.
665. For there to be inclusive, broad-based, shared, or pro-poor growth, the country has to undertake deliberate focused efforts aimed at achieving sustainable improvements to employment and living standards in those regions. Vision 2040, which rightly puts emphasis on transformation of the economy through exploiting development opportunities and strengthening fundamentals, inherently comes with more geographic concentration of economic activity around the areas gifted with tourism hotspots, commercially viable concentration of minerals, oil and gas and possibly energy generation sites, with a likely widening of the inequality between regions and sub-regions. The spatial maps in Chapter 4 clearly illustrate that over the next five years,

economic activity will be concentrated in the western, central and north eastern regions. International experience shows that trickle-down effects cannot address regional imbalances, especially when the pace of transformation is rapid and sustained. In fact it tends to exacerbate them. The poverty reduction challenge is likely to become larger as the population grows and as the initial gains to poverty reduction and economic recovery occasioned by the end of the war peter out. The lack of spatial focus in national planning also compounds the problem.

17.2 Regional Equalization Programmes

666. The major objective for the introduction of special programmes and other targeted interventions as highlighted in section 2.4.3 is to reduce income poverty and improve the socio-economic indicators of those regions. However, these special programmes have had a highly disproportionate investment in social service delivery to the disadvantage of investments aimed at revitalizing the local economies and increasing the incomes of the local people. Although investments channelled through special programmes are top up to the normal conditional grants, often these have been viewed as separate from sectoral investments. Even with significant investments in social service delivery, the regions benefitting from special programmes continue to post poor socio-economic indicators, similar to regions like East Central which also have low household incomes. Income poverty limits people from seeking health and education services and is synonymous with high rates of child labour and high school drop-outs. In that regard, government will maintain but reform special programmes to address the needs of lagging areas as follows:

- a) All the social service delivery and social protection components of the special programmes will be mainstreamed into the relevant MDAs and Local Governments, to ensure greater involvement of all key stakeholders in determining the quantity, quality and location of the social service investments in the disadvantaged regions as part of the equalization programme.
- b) Special programmes targeting areas with significantly higher poverty rates and poor socio-economic indicators will exclusively be focused on re-building and revitalizing local economies as well as increasing the incomes of the local people. This will be done using the approach already described in chapter four, that is, identifying which combination of growth opportunities and development fundamentals provides the biggest potential for rebuilding the local economy and increase people's incomes. Using analysis done prior to the start of a "Special/Regional Programme", a critical path for the transformation of the local economy consisting of synchronized and prioritized interventions will be developed, agreed, and will form part of the project proposal.
- c) Since in special programmes targeting geographical areas, the revitalization of the local economies was not adequately addressed, much more support is needed to

enhance production and productivity, marketing and agro-processing particularly in districts with high numbers of returnees in order to reduce income poverty. In addition, there is concern that high levels of unemployment amongst the youth can act a form of conflict driver and so it is important to emphasize enterprise development, skills training and access to finance to provide economic opportunities for the youth.

- d) As is already evident in Busoga and the Eastern region, environmental degradation is a reality for local economies dependent on production of primary commodities particularly agriculture, forestry, fishing, and tourism. This can take many forms including declining soil fertility, deforestation and over-fishing. The rapid population growth in these regions together with rapid urbanization greatly increases the risk if appropriate measures are not taken.
- e) Since agriculture forms the mainstay for the income poor sub-regions, effort will be made to significantly address the infrastructure deficits of those regions to facilitate the transportation of inputs to production zones and connect production to the markets as well as provide reliable and affordable commercial (as opposed to residential) power supply. In particular, consideration will be given to balancing future residential versus commercial demand for power when determining transmission and distribution.
- f) Since agriculture has a limit to how much new labour can be absorbed, especially if it has been modernized and commercialized, impartation of technical and engineering skills which are relevant for transformative growth sectors such as mining, electricity and agro-processing as well as apprenticeship schemes is essential. Government will implement programmes aimed at developing the skills of youth in these regions to increase youth employment. Government will ensure that skill development policies are fully integrated into the economic development strategy as well as the education policy. The appropriate government MDAs will provide regular feedback to the OPM and NPA on timeframes within which skill targets can be met and the specific volume of skills to be produced by universities and other institutions of learning. Employers will also use this information to find and attract the right talent for their needs.

667. Using this six step approach, the following interventions will be prioritized for the six sub-regions identified above as having significantly higher poverty rates and poorer socio-economic indicators. Lessons from international best practice highlight the need to focus initially on areas critical for the current stage of growth, while creating the pre-conditions for the next stage of growth.

17.3 Objectives and Interventions

Objective	Interventions
1. Pacify and develop formerly war ravaged areas	<ul style="list-style-type: none"> i. Promote peace dialogue aimed at resolving armed conflict in Northern Uganda ii. Coordinate implementation of Government funded programs/projects in the Luwero-Rwenzori, Karamoja, Teso, Bunyoro and Northern Uganda iii. Rehabilitate formerly war affected areas iv. Coordinate, jointly with other key actors, all the special development recovery programs v. Monitor and supervise Government programs and activities of special development recovery programs
Objective	Interventions
2. Reduce income poverty and improve the socio-economic indicators of targeted areas/regions	<p>Karamoja, Northern Uganda, Teso, Bunyoro, Luwero-Rwenzori, Eastern, Busoga, West Nile Sub-Regions and Island communities</p> <ul style="list-style-type: none"> i. Improve the regions road, electricity and water infrastructure, as well as production skills to promote agriculture, fishing, agro-processing, light manufacturing, tourism and mining. ii. Improve education quality and standards in the formerly war ravaged areas through provision of teaching facilities and materials for science subjects, incentives for instructors and counselling services. iii. Enterprise development and production, value addition and marketing to increase productivity and provide economic opportunities for the communities iv. Construction and rehabilitation of valley tanks, valley dams, canals, drainage, ponds to provide water for production

PART IV: MONITORING, EVALUATION AND IMPLEMENTATION STRATEGIES

CHAPTER 18: MONITORING AND EVALUATION STRATEGY

18.1 Introduction

668. This chapter articulates the lessons learnt under NDPI and the proposed reforms for NDP II, the roles and responsibilities, reporting and dissemination mechanisms, processes and events. The chapter also identifies the monitoring and evaluation capacities that need to be in place in the sectors, MDAs and local governments to support achievement and measurement of the results under this Plan. It also includes the results framework that will guide the collection, analysis and reporting of data and information needed to assess progress towards the realization of the NDPII development goals and objectives.
669. The overall objective of the Monitoring and Evaluation (M&E) Strategy is to support coordination of sectors, MDAs, LGs and other stakeholders in undertaking monitoring and evaluation of the NDPII. The M&E strategy will guide generation of data for: (i) evidence-based planning; (ii) accountability; (iii) monitoring policies and programmes; (iv) institutional learning through data utilization and sharing; and (v) decision making through measuring the performance, outcome and impact of development interventions.
670. The need to design and regularly review mechanisms and strategies to facilitate implementation of the NDPII is outlined in the CNDPF (The National Vision Cabinet Extract, 316 CT 2007). In particular, the legal provision directs the Minister responsible for planning to develop effective monitoring mechanisms across political, economic, social and cultural targets of the Vision.

18.1.1 Key M&E achievements and challenges under NDP I

671. The outputs of the M&E process, such as the NDPI Mid-Term Review, have been used to inform the preparation of the second National Development Plan (NDPII) and national policy debates within Government, civil society and development partners, among others. The M&E initiatives such as; development of the National Public Sector M&E policy, the operationalisation of the Evaluation function in Government, evaluation capacity building for state and non-state actors, improvements in M&E sector performance indicators, GAPR, reporting on service delivery progress, making OBT more performance/results based. These have also contributed to promotion of accountability and transparency, largely driven by increased demand for performance and results within Government and by the civil society, development partners and general public. The production of a number of mandatory/periodic reports was

mainstreamed within Government. These include: the NDP Annual and Quarterly Progress Reports which are used to prepare the annual National Development Report (NDR); the Governments' Annual and Half-Annual Performance Reports (GAPR/GHAPR); the financial quarterly and annual reports used to prepare the Annual and Semi-Annual Budget Performance reports; and the Annual Sector and Local Government Performance reports used to inform the respective annual reviews. These reports have been supplemented by periodic survey reports on social, economic and demographic outcomes by the Uganda Bureau of Statistics (UBOS). The integration of the African Peer Review Mechanism Plan of Action (APRM-POA) into the NDPI Results Framework and overall NDPI M&E Strategy enhanced measurement of good governance and accountability, including comparability with other African countries. The Public Sector Monitoring and Evaluation policy that provides a framework for strengthening the coverage, quality and utility of the assessment of public policies and investments was also launched.

672. Despite the above achievements, the country's M&E systems still face a number of challenges. The culture of evaluation, accountability and of evidence-based management is still relatively weak and not yet well-established and widespread in the public sector except in a few centers of excellence. In addition, there is lack of baseline information for most indicators; mismatch between the time of release of Survey data by UBOS and NDP reporting requirements; lack of Management Information Systems for collection, storage and retrieval of data in most MDAs and LGs; and poor design of results indicators and targets by sectors. Other challenges include: lack of focus of oversight monitoring on NDP implementation; insufficient M&E capacities in MDAs and LGs; and weak use of M&E findings in decision making at various levels of Government. These challenges have resulted in duplication of efforts, waste of resources, poor data quality and data gaps.

18.2 Lessons learnt

673. **Contribution to accountability and evidence-based management.** M&E needs to be perceived as a value-addition tool to guide public investment management, policy and budget formulation, and evaluation, for better accountability and results. In addition, there is need to strengthen oversight monitoring during NDPII implementation by establishing systems to facilitate regular follow-up on implementation issues and effective and timely reporting.

674. **The need for comprehensive data availability.** Adequate baseline, performance monitoring and survey data are crucial components for effective assessment of policy and program results. It will therefore be necessary to enhance investment in timely data collection, management and dissemination at all levels.

675. **Designing a harmonized results framework for the NDP.** A comprehensive and integrated results framework is required outlining the appropriate and specific

indicators and targets at all levels of results reporting (National, MDA and LG). The integrated results framework ought to be the basis for formulation of budgets, as well as development of MDA and LG Management Information Systems.

676. **Strengthening M&E capacities.** An M&E capacity development plan, based on a comprehensive M&E capacity needs assessment should be designed and implemented. This plan will aim at building a critical mass of public servants to undertake M&E for effective public investment management.
677. **Streamlining M&E roles and responsibilities.** The lead agencies for M&E are: NPA, OPM, MFPED and the civil society. Their roles and responsibilities ought to be streamlined to enhance efficiency and effectiveness in M&E actions, which will in turn reduce duplication of efforts and wastage of resources.

18.3 The NDPII M&E Reforms

678. The lessons learnt from NDPI M&E Strategy indicate the need to strengthen monitoring and evaluation through systemic and institutional reforms for improved effectiveness during NDPII. Both the systemic and institutional reforms are outlined in sections 20.4.1 and 20.4.2.

18.3.1 Systemic Reforms

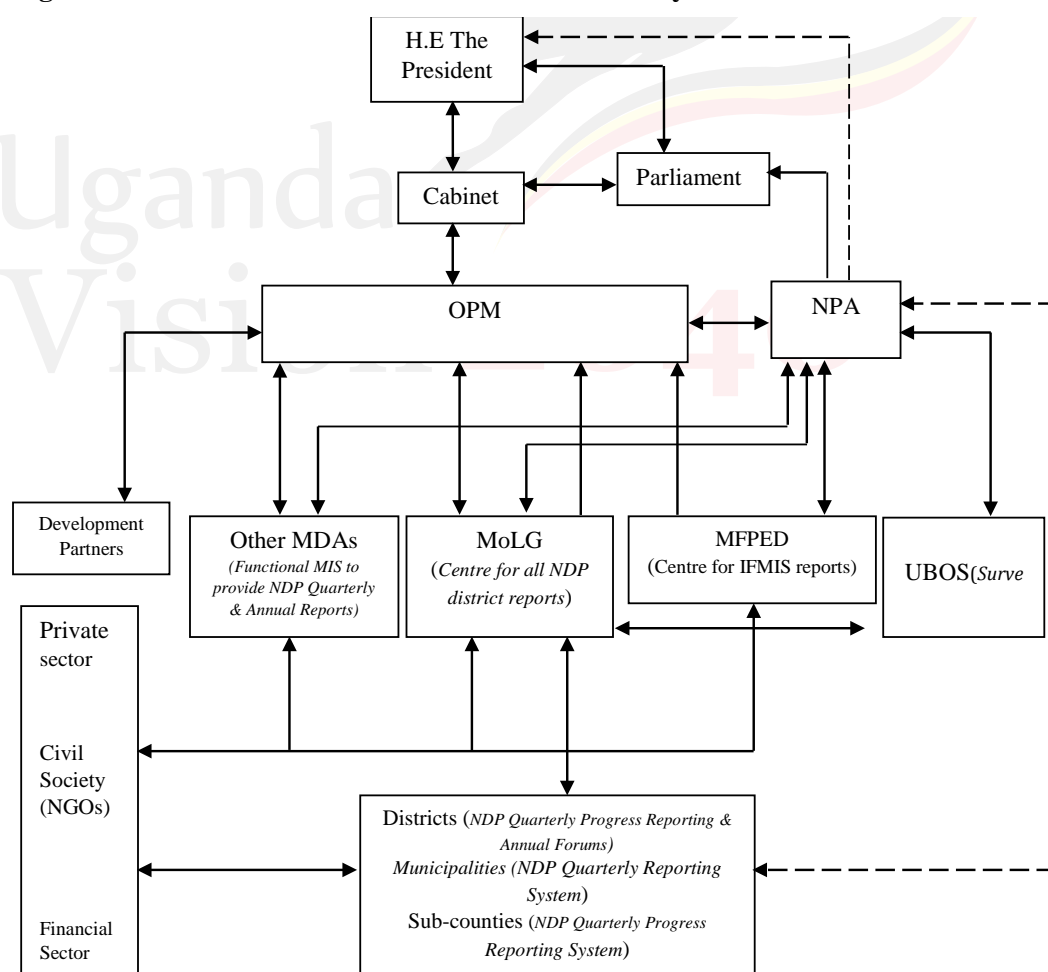
679. The systemic reforms will involve designing and operationalising a computerized comprehensive and integrated NDPII performance monitoring system. This will entail strengthening MDA and LG MIS' to include generation of an NDPII periodic progress reports. The NDPII M&E reporting system will interface at various hierarchical levels, namely; local governments (districts), MoLG, MDAs, OPM and NPA. The system will also be designed to interface with the OBT to enhance implementation of NDPII. The information flow for the NDPII M&E system is illustrated in Figure 18.1.

18.3.2 Institutional Reforms

680. Strengthening the M&E institutional framework during NDPII will involve reviewing the coordination arrangements with the view to provide timely reporting and corrective action at all levels. In particular, the institutional reforms will include establishing and operationalising the following:
- a. **NDP Annual Review Forum:** This forum will assess the NDPII performance on an annual basis. The forum will also receive reports on the projects and programmes at various stages of the public investment management cycle i.e. pre-implementation phase, implementation phase and post implementation phase. Chaired by H.E the President, the Forum will comprise Ministers, PSs, , Local Governments, , Cultural Institutions, Development Partners, Faith Based Organizations (FBOs), CSO and Private Sector Representatives. NPA will be the Secretariat for the Forum.

- b. **Sector Review Forum (SRF):** The Sector Annual Reviews will be strengthened by enhancing the independence of the assessment and the focus on the NDP. The independency will be enhanced through the use of independent assessors and increased civil society participation. The NPA will play a significant role in the Annual Sector Review assessments. Participants at the reviews will include all MDAs, Development Partners, Private Sector, Faith-Based Organisations, Cultural Institutions, and civil society organizations operating in the sector.
- c. **The Private Sector and Civil Society Review Forum:** This Forum will be strengthened by focusing on NDPII execution. Its Terms of Reference will be enhanced to include reviewing the status of the projects across the project management cycle, with particular emphasis on PPPs and lessons learnt from project evaluations. The NPA will provide technical support and work with the Forum in assessing performance of Government policies and programmes.
- d. **Local Government Review Forum:** This Forum will review LG (district-level) performance on an annual basis. It will also review the status regarding LG projects and programmes at the various stages of the public investment management. It will include urban authorities, the private sector, FBOs, Cultural Institutions and CSOs.

Figure 18.1: Information Flow for the NDPII M&E system



18.3.3 Roles and Responsibilities of Key Actors

681. In order to avoid over-laps, role conflicts, and uncertainty in the M&E function during the implementation of the NDPII, roles and responsibilities of key actors are specified as shown in Table 18.1.

Table 18.1:M&E Institutional Roles and Responsibilities

Institutions	Roles
Presidency	<ul style="list-style-type: none"> • Take overall leadership and oversight of the Plan to ensure attainment of national goals. • Convene the NDP Annual Review Forum • Conduct policy dialogues for effective service delivery. • Facilitating community participation in accountability efforts through LG forums • Conducting independent reviews on the performance of key Government policies, programs and projects • Mobilizing and sensitizing the population through electronic and print media to own national development goals and empower them to give feedback on performance. • Monitor the performance of the manifesto commitments for the ruling Party. • Undertake oversight monitoring on performance of Government projects, programs, policies and the entire economy
Cabinet	<ul style="list-style-type: none"> • Review and assess efficiency and effectiveness of policies, programmes and interventions • Review the performance of implementation of plans (and other emergency interventions) • Review and monitor the performance of the entire economy of Uganda • Monitor governance issues of the country
Parliament	<ul style="list-style-type: none"> • Conduct oversight over implementation of Government policies, programmes and the performance of MDAs and the economy as a whole • Undertake field oversight monitoring and present reports for corrective action • Assess alignment of budgets, policies and programmes to the country's strategic direction/goals, in line with the planning framework (Uganda Vision 2040 and the NDP). • Review accountabilities with the view to assess effectiveness and impact of policies and programmes

National Planning Authority	<ul style="list-style-type: none"> • Take leadership in monitoring and evaluation of implementation of medium term and long term National Development goals and Plans. • Report on the outcome and impact results of the Plan. • Coordinate NDPII M&E forums at all levels. • Establish and maintain an integrated M&E system based on the NDPII results framework • Ensure that the budget outcomes and outputs are aligned to the NDPII • Undertake pre-investment evaluation of projects and programmes • Undertake reviews, ex-post evaluation and impact assessment of Government Plans, projects, programmes and policies • Undertake assessment of the performance of sectors, ministries and local governments in relation to the implementation of the national development plan • Assess performance of the entire economy of Uganda
Office of the Prime Minister	<ul style="list-style-type: none"> • Undertake performance monitoring and produce annual and semi-annual reports to Cabinet on Government performance. • Receive and analyze quarterly performance reports from MDAs and LGs and provide feedback. • Timely assessment, feedback and follow up of GAPR recommendations with implementing agencies. • Monitor adherence to standards during implementation across sectors • Monitor M&E capacity building programmes among MDAs
Ministry of Finance, Planning and Economic Development	<ul style="list-style-type: none"> • Resource mobilization and timely release of funds for M&E across Government • Ensure timely accountability for resources disbursed. • Monitor the performance of the budget in line with the national development goals and provide feedback • Producing quarterly, semi-annual and annual budget performance reports • Monitor public debt • Assess sustainability and impact of the public debt in relation to medium term and long term planning • Monitor foreign assistance (Aid), including off-budget support
Bank of Uganda	<ul style="list-style-type: none"> • Monitor performance of the financial services sector • Monitor the performance of the monetary policy • Monitor the performance of the external sector, including the Capital Account
Ministry of Public Service	<ul style="list-style-type: none"> • Monitor and evaluate performance of the Public Service • Monitor the remuneration, rewards and sanctions framework • Monitor the implementation of capacity building initiatives across Government • Monitor the implementation of approved structures and systems for service delivery • Monitor compliance to established service standards in managing and administering the Public Services

Ministry of Local Government	<ul style="list-style-type: none"> • Monitor the performance of the LG level results framework • Monitor and evaluate capacity building interventions at Local Government level • Receive and analyze quarterly performance reports from LGs and provide feedback to LGs and key stakeholders • Convene NDP forums at LG level in collaboration with NPA and follow-up recommendations. • Monitor and evaluate the on-budget and off-budget financing arrangements at LG level
Sectors/ Other Ministries, Departments and Agencies	<ul style="list-style-type: none"> • Monitor the implementation of sector development plans (SDPs) and strategic plans • Monitor and submit to OPM and NPA reports on performance against set targets/ indicators • Monitor and submit reports to OPM and NPA on implementation of sector projects and programmes
Local Governments	<ul style="list-style-type: none"> • Monitor implementation of District Development Plans • Monitor and submit reports on implementation of projects and programs in Districts. • Monitor and submit reports to MoLG on local revenue mobilization within the districts.
Non-State Actors (Development Partners, CSOs, Media, Academia, and private sector)	<ul style="list-style-type: none"> • Monitor and submit reports on implementation of their projects and programmes to respective LGs and Sectors • Assess and provide oversight reports on service delivery and implementation of planning in country • Participate in Sector and LG reviews • Participate in public sector planning processes at LG and sector level; • Provide timely and quality data on the financial and physical implementation of projects for which they are the executing agency to the relevant MDA or LG; • Participate in discussion and decision-making committees at programme, sector and national levels that review and comment on public sector performance; • Assist Government through financial, technical and other forms of assistance to strengthen its performance.

18.4 Performance Reporting and Dissemination of Results

682. The performance monitoring reports that will be produced and disseminated at various levels are outlined in the sections below.

18.4.1 Economy-Wide Reports

(a) Reporting and Dissemination on Alignment of Plans

683. Alignment of Plans (5-year SDPs and DDPs and annual BFPs) and the budgets to the NDPII will be confirmed through issuance of Certificates of Compliance by NPA to local governments, MDAs and MFPED. The certified Plans (SDPs and DDPs) will, in particular, be shared, by NPA, with key stakeholders (Parliament, MFPED, OPM, and Office of the President). The certification report for plans and budgets will be based on criteria, developed by NPA and agreed with Parliament.

(b) Baseline reporting and dissemination

684. An NDPII baseline survey will be conducted and a report produced by NPA in the first year of implementation of the NDPII and disseminated to key stakeholders (Cabinet, MDAs, Parliament, Development Partners, LGs, CSOs and other stakeholders). The baseline report will be used to facilitate tracking of progress on filling the NDP service delivery gaps. The baseline reports on projects and programmes will also be produced by MDAs before their commencement to enable measurement of change during and after implementation.

685. A national consolidated report with profiles of proposed projects and programmes will be produced by NPA annually. The report will be disseminated to Cabinet, MDAs, Parliament, private sector, Development Partners and LGs to facilitate consensus on prioritization and sequencing of projects during budgeting.

686. The five year PIP containing approved projects and programmes will be produced as an annex to the NDPII and disseminated jointly with the Plan. The PIP will be produced by NPA, in collaboration with MFPED. A data bank containing post feasibility and approved projects will be maintained and the data disseminated to stakeholders regularly.

(c) National Development Report (NDR):

687. This report will be produced annually by NPA and submitted to Parliament, as required by the NPA Act (2002). It will provide a review of the progress made towards achievement of NDPII goals, objectives, priorities and corresponding targets. The report will contain an assessment of the development performance of the economy, including the contribution of the public and private sectors, as well as other non-state

actors. It will be disseminated to all MDAs and other key stakeholders (private sector, civil society, development partners, researchers, etc.), through the NDPII Annual Review Forum. The report will serve as the main monitoring and evaluation annual feedback from the Authority to stakeholders.

(d) Government Annual and Half Annual Performance Reports (GAPR & GHAPR):

688. These reports will continue to be produced annually and semi-annually by OPM to facilitate internal review of Government performance by Cabinet. The reports provide analysis of the performance of sectors, and MDAs against the national budgetary resource allocations. They are largely focused on assessing progress on interventions that are aimed at achieving planned outputs. As before, the GAPR and GHAPR will continue to be disseminated through the Cabinet retreat.

(e) Annual Budget Performance Report (ABPR):

689. The MFPED will continue to produce the Annual Budget Performance Report which provides information on the performance of the National Budget against the annual plans. In particular, the report provides analyses of the revenue and expenditure, including sectoral and local government financial and physical performance. The report is disseminated to MDAs and local governments during the national and regional budget conferences, as a key feedback to inform the next budgeting process.

(f) Annual State of the Economy Report:

690. A state of the economy report will continue to be produced by BOU to provide information on the performance of the monetary policy, financial services sector and the external sector. The report also provides an assessment of the performance of the economy in relation to global perspectives and trends, including the economy's prospects. The annual performance of the Bank is also included in the report. The report is largely based on the Bank's transactional records and is the main source of information for Uganda's economic performance review and trend analysis.

18.4.2 Sector level reports

a. Annual Sector Performance Reports

691. The Sector Annual Performance Reports will be required as a key performance review reference during finalization of the subsequent financial year's BFPs and budget appropriation by Parliament. The reports will also be used as the main reference material during the NDPII annual review forum to be conducted every January. Data for production of the reports will be based on management information system reports. All sectors will be required to produce and disseminate the report by April and will comprise data on the three quarters of the financial year and will include

performance of the last quarter of the previous year to make it a full year's report.

b. Quarterly Sector Performance Reports

692. Quarterly sector performance reports are currently produced by MDAs and LGs to provide information on the utilization of funds for the preceding quarter. The reports are mainly used by MFPED and OPM to support the work-plans and justification for release of funds. The reports are currently based on the output based budget tool (OBT) and will be strengthened during NDPII to relate to the sector MIS' and the NDPII output and outcome indicators.

18.4.3 Local Government level reports

693. Currently, local governments produce annual performance reports which are submitted by districts to the ministry of local government for dissemination at the Joint Annual Review of Decentralization (JARD). The report will be restructured to focus on progress of NDPII implementation by local governments. District MIS' will be strengthened to provide data for preparation of the reports, including generating quarterly and annual NDPII progress reports.

18.5 M&E Processes

694. The processes for NDPII M&E will comprise the key tasks outlined in the sections below.

(a) Operationalising the NDPII M&E Systems

695. The NDPII M&E Strategy has, in the previous sections, highlighted the systems to be strengthened/ developed. Operationalising these systems will involve putting in place and strengthening the necessary institutional frameworks and human resource capacities to undertake the identified M&E processes. In particular, the NPA Project Development and Appraisal unit to be established at NPA will support sectors in fast-tracking project development and feasibility evaluation for eventual inclusion in the PIP. The Project Analysis and PPP unit at MFPED will support sectors in preparing projects to bankability status and spearheading the design of PPPs. Sectors and LGs will identify project ideas in collaboration with academia and research institutions in execution of feasibility studies.

696. Ex-post evaluation and impact assessment will be institutionalized in the country's public investment management systems. This will require integrating them into the policy, planning and budgetary reforms. In addition, extensive capacity building across Government will be undertaken in order to sustainably operationalize the evaluation and impact assessment systems. The NPA, will put in place a core inter-agency M&E team to take lead on ex-post and impact assessment of plans, projects

and programmes during the NDPII period. The activities of the donor supported Evaluation Facility will be streamlined with the view to empowering NPA to take lead on ex-post and impact evaluation, in line with its institutional mandate. NPA will take lead in conducting a mid-term and final evaluation of the NDP and present the results to the bodies described above for consideration as well as to guide preparation of the next Development Plan.

(b) NDPII M&E Stakeholders Participation

697. Stakeholder participation will be based on the NDPII M&E institutional framework and arrangements. This will, therefore, be strengthened in line with the M&E reforms outlined in section 18.3.

698. In line with the NDPII Implementation Strategy, the M&E function at all levels will be strengthened including at Cabinet, Sector and local government levels to facilitate effective participation of stakeholders. The M&E function across Government will also be strengthened to service the Delivery Units to be established at OPM and at sector and LG levels. Emphasis will be put on creating incentives and mechanisms for private sector and civil society participation in the NDPII M&E processes with a view to enhance comprehensiveness and independence during assessments.

18.5.1 M&E Events and Key Actors

699. The M&E events and processes are summarized in the Table 18.2.

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Table 18.2: Main M&E Events

Main M&E Events	Purpose and Description	Lead Agency	Other Key Actors	Time frame
Baseline Surveys (NDPII, Projects/programmes)	Establish basis for NDP and projects/programmes progress assessment	NPA	Districts, Sub-counties, UBOS, MDAs	By Jan 2016 for NDPII Baseline; before implementation of each project/ programme
Alignment of Plans, BFPs and budgets to the NDPII	Issue Planning Call Circulars to support alignment of Plans, BFPs and budgets to the NDPII: build a core technical team of district planners to supervise and guide the alignment across local governments; Issue guidelines to support alignment of SDPs and BFPs to the Plan at sector and MDA levels; and organize quarterly and annual meetings for planners and budget officers to quality assure BFPs and budgets.	NPA	MFPEd, OPM, Districts, Sub-counties, MDAs,	Call Circular: July every year; Meetings for planners: quarterly and annually
Project idea identification	Facilitate identification of problems for further development into projects	MDAs and LGs	NPA, PSFU, Academia, Researchers, CSOs, and Politicians	Annually
Pre-feasibility studies	Preliminary assessment of technical and funding options	MDAs	NPA and MFPEd	Continuous
Feasibility studies	Assessment of technical designs and financial viability, including social and environmental impacts	MDAs	NPA and MFPEd	Continuous
Project reviews	Validate findings of feasibility studies, focus and conceptual approach	NPA	MFPEd, MDAs,	Continuous
Project approvals	<ul style="list-style-type: none"> - Check identification, pre-feasibility, feasibility and review processes - Reassess project/programme direction, planning/ programming 	Development Committee	NPA, MFPEd, MDAs	Annually

National Surveys	Basis for a 'before and after' assessment of the NDP progress	UBOS	NPA, EPRC, MFPED, other MDAs	Annually, biennially and after every 5 years
Evaluative studies	Assess the effectiveness, relevance and intermediate and final outcomes	NPA	EPRC, MDAs, Civil Society & LGs	Continuous
Sector Annual Reviews	Assess sector performance, identify challenges and solutions	SWG, MDAs/ Independent Consultants	NPA, private sector players, Researchers, CSOs, and members of Parliament	Annually
Government Annual Performance Review	Internal review of implementation of Government policies, projects and programmes	OPM	Cabinet and MDAs	Semi-Annual and Annual
Annual NDP Review Forum	Assess NDPII progress, including performance of the economy	NPA	Cabinet, Members of Parliament, MDAs, development partners, CSOs, private sector Researchers, Representatives of LG, ULGA and UAAU	Annually (January)
Private Sector and CSO NDP Review Forums	Assess contribution of the Private Sector towards the NDPII execution, including challenges and division of labour on on-going and pipeline projects	NPA	PSFU, UMA, development partners, private sector, MDAs, CSOs and Researchers	Annually
LG NDPII Review Forums	Review progress of implementation of Local Government Development Plans (LGDPs) and NDPII, including projects and programmes	District Local Governments	District Councilors, LCIII Chairpersons, Area Members of Parliament, Sub-county Chiefs, District Technical Teams, Private Sector, CSOs, Faith Based Organizations and development partners	Annually
NDPII/Project Mid-Term Review	Assess mid-term progress of NDPII and projects and programmes to ensure consistency of implementation with overall focus and objectives	NPA	MDAs, MFPED, OPM, local governments, private sector, CSOs, academia, development partners, researchers, Parliament	January-June 2018

NDPI and Projects ex-post evaluations	To determine effectiveness, relevance, sustainability and intermediate and final outcomes of the NDPI projects and programmes	NPA	MDAs, development partners, Private Sector, CSOs, Researchers, general public	July-December 2015 for NDPI
NDPII and Projects ex-post evaluations	To determine effectiveness, relevance, sustainability and intermediate and final outcomes of the NDPII projects and programmes	NPA	MDAs, development partners, Private Sector, CSOs, Researchers, general public	July-December 2020 for NDPII
Impact Evaluations	Assess intended and unintended negative and positive consequences of the NDP including its projects and programmes	NPA	MDAs, development partners, Private Sector, CSOs, Researchers, general public	Every Two years after the end of Plan

18.6 Capacity Building

700. During the NDPII, M&E capacity will be strengthened for both public and private actors at all levels. As part of this strategy, OPM working together with NPA will prepare a detailed training plan for all key stakeholders. The training plan will be aimed at building a critical mass of civil servants to undertake M&E along the Public Investment Management (PIM) cycle. In addition, MDAs and local governments will be required to allocate more funds to M&E departments to enable them deploy adequate human, material and financial resources for quality and useful M&E. The gaps and capacity building actions required for each of the key institutions at each level are given below.

i) The Parliament of Uganda

701. The M&E capacity gaps at Parliament relate to the need to strengthen oversight monitoring, accountability and reporting. In particular, there is need to enhance capacity for coordinated reporting on oversight field monitoring and reporting on oversight committee recommendations and follow-up actions. Capacity strengthening is also required for the Parliament's M&E department to synthesize and provide sufficient briefs for timely parliamentary follow-up of recommendations contained in statutory reports.

ii) National Planning Authority

702. It will be necessary to address NPA M&E capacity needs in order to facilitate operationalisation of the M&E systems proposed in the NDPII, as the Authority is a central player in designing and making operational these systems. The areas where capacity is required at NPA include: (i) increase M&E staffing levels; (ii) equipment; (iii) system development and maintenance; and (iv) resources for coordination of the results systems and operations.

iii) Office of the Prime Minister

703. The capacity building needs of OPM include: (i) training of existing staff, (ii) equipment, (iii) resources for coordination of Joint Assistance Framework (JAF) results; (iii) MDA capacity building resources; (iv) capacity for facilitating alignment of sector and LG BFPs and work-plans to the NDPII; (v) capacity for strengthening production of the GAPR; and (vi) capacity for strengthening the OPM MIS.

iv) Ministry of Finance, Planning and Economic Development

704. The M&E capacity needs at MFPED have been identified to include: (i) Capacity strengthening for production of the annual budget performance report; (ii) capacity for continued alignment of the NBFPs and the sector BFPs to the NDP; and (iii) capacity for timely production of the expenditure outlays reports.

v) NGO Forum and Other Umbrella Civil Society Organizations

705. Strengthening capacity is required at the NGO Forum and other umbrella organizations to particularly support participation of the civil society and the private sector in providing independent assessment of NDP implementation and overall service delivery. Capacity strengthening for the non-state actors has been identified to include: (i) training of trainers for fieldwork data collection and analysis; (ii) building capacity for designing of surveys and evaluative studies; and (iii) capacity for reporting and communication of findings.

vi) Ministry of Local Government (MoLG)

706. The Ministry of Local Government will play a coordination and central reporting and feedback role between LGs and MDAs. This will require capacity in the areas of; (i) Institutional elevation of the Planning Unit to a Departmental status to accommodate a senior officer to be in charge of LGs development performance and M&E database administrators; (ii) equipment; (iii) LGs capacity building resources; and (iv) resources for coordination of the LG results System.

vii) Other Ministries, Departments and Agencies

707. The MDAs' existing capacities were assessed and the following needs identified: (i) designing, establishing and maintaining MIS for the NDP reporting system; (ii) training of personnel to be identified and gazetted for NDP progress reporting and M&E in general; (ii) NDPII M&E data collection and reporting; and (iii) equipment.

viii) Local Governments

708. The capacity gaps identified at LGs include: (i) staff recruitment and training; (ii) equipment (solar, computers); (iii) resources for 17 regional centres' data collection, data entry, coordination and reporting; (iv) resources for data collection, coordination and production of the District NDP progress reports; and (v) provision of office space for district planning units.

18.7 NDPII Results Framework

709. The results framework presented in Annex 5 focuses on measurement of results at the national aggregate (Macro) and sectoral level. It therefore includes indicators for the NDPII Goal, objectives, Key Performance Areas (KRAs), sector level outcomes and outputs. The results framework is, divided into indicators for: (i) Higher/Executive level; (ii) Sector level; and (iii) LG level. The sector/MDA and LG outcomes and output indicators derived from the NDP culminate into the outcome and impact indicators articulated in the higher level results framework. The Result Framework will be used

to measure and assess progress during implementation of this Plan. NPA will conduct a baseline survey within the first six months of the passage of this Plan to determine baselines and establish targets for all the indicators in the Results Framework.



CHAPTER 19: IMPLEMENTATION STRATEGY

19.1 Introduction

710. This implementation strategy takes cognizance of the existing institutional arrangements and implementation instruments such as the national budgets, SDPs, LGDPs, PIP, and BFPs. In addition, the strategy aims to enhance the implementation of the Plan through strengthening and maximizing institutional synergies amongst the stakeholders to achieve efficiency in resource use. It therefore emphasizes the need to have a well-coordinated and strategic partnership within Government and the private sector, development partners, the civil society and other non-state actors as implementation of this Plan is a shared responsibility of all stakeholders
711. The implementation mechanisms and strategies for NDPII will be in line with the overall CNDPF that is aimed at achieving Uganda Vision 2040 aspirations. These mechanisms and strategies should therefore address the overarching implementation challenges and emerging issues, particularly relating to: prioritization of interventions; project preparation and appraisal; institutional implementation frameworks; alignment of planning, budgeting, financing and implementation; participation and ownership of Plans; and implementation leadership at various levels.

19.2 Objectives of NDPII Implementation Strategy

712. The main objective of the strategy is to provide strategic guidance on the required institutional and policy reforms necessary to deliver the Plan goal of propelling the country towards middle income status by 2020. The strategy therefore seeks to guide the execution of the NDPII and its attendant projects and programmes by indicating what will be done, by whom, when and how. The specific objectives of the strategy are to:
- Provide a framework for implementation of the Plan, based on lessons learnt during NDPI implementation and emerging issues; and
 - Enhance efficiency and effectiveness in implementation of the Plan for sustainable achievement of national goals and objectives.

19.3 Pre-requisites for NDPII Implementation

713. A number of pre-conditions will be required to be in place for successful implementation of the NDPII. These include:
- Political will and commitment at all levels;
 - Ownership of the Plan by all;

- (iii) Effective use and management of information for decision making;
- (iv) Increased private sector capacity;
- (v) Behavioural change, patriotism and elimination of corruption;
- (vi) Preparedness for implementation and effective Monitoring and Evaluation to support implementation
- (vii) Clarity of roles and responsibilities of actors;
- (viii) Effective partnerships with non-state actors;
- (ix) Human resource capacity and conducive working environment;
- (x) A fair and transparent pay system; and
- (xi) Effective and efficient resource mobilization and utilization.

19.4 Implementation Frameworks and Required Reforms

714. The weak implementation of Government policies, programmes and projects is mainly attributed to institutional and systemic weaknesses among state and non-state actors. A number of reforms will be executed to accelerate implementation and achievement of NDPII goals and objectives. In addition, the country's implementation frameworks will be strengthened with particular focus on building capacity of MDAs, LGs and the private sector. The required implementation frameworks and reforms to be put in place during NDPII are outlined in the sections below.

19.4.1 Institutional Frameworks

(i) Strengthening Political Leadership and Ownership

715. NDP implementation and management will be under the overall leadership of H.E the President. Through the appropriate structures and levels of leadership, the principle of collective responsibility for implementation results will be re-enforced. Relatedly, an annual Oversight Report comprising recommendations arising from Parliamentary committee deliberations, parliamentary monitoring reports, and recommendations from Annual Reports of Constitutional bodies will be produced and laid before Parliament to facilitate follow-up and continuity.

(ii) Strengthening Technical Leadership of NDPII Implementation

716. A Delivery Unit will be established at the Office of the Prime Minister to catalyze and track execution of projects and programmes, with an initial focus on key priority areas of Government, namely: (i) Infrastructure, Energy, Minerals, Oil and Gas, Works and Transport; (ii) Education and Health (for outcomes in learning and health); (iii) Agriculture, Industry, Trade and Tourism (for incomes and employment), (iv) Accountability and Governance (for Public Sector Management). It is recommended that linkages to the Prime Minister's Delivery Unit be established in the planning units at sector and local government levels progressively.

(iii) Other Implementation Support Reforms

717. Implementation Planning: NPA will focus on enforcing implementation planning of key NDPII projects and programmes, which will include supporting sectors, MDAs and LGs in project preparation. This will involve enhancing harnessing of synergies and ensuring holistic and sequenced approach to implementation of interventions as well as improved coordination of cross cutting issues. To support implementation planning, a list of NDPII Public Investment Plan Projects has been produced (see Annex 6) and profiles will be generated to inform the detailed 5-year PIP. In order to streamline Public Investment Management (PIM), feasibility studies will be undertaken by sectors, MDAs and LGs before any investment decision is taken. By the end of NDPII, Projects in the PIP will be those that have passed the investment decision within the PIM framework. A framework will also be put in place by NPA for integration of the students' postgraduate research into the PIM ideas identification process.
718. Establish and operationalize a Project Preparation and Appraisal Unit at NPA and a Project Analysis and PPP unit at MFPED: These two establishments will work in partnership to ensure that the NDP ideas are developed into projects, studied, appraised and made ready for financing and subsequent implementation. The Development Committee will be strengthened to effectively implement the PIP. In this regard, project appraisal at NPA will be independent of project development and financial appraisal by MFPED to avoid fusion of roles and enhance accountability.
719. The Planning Units of MDAs and LGs will also be strengthened for purposes of operationalising the PPP implementation modality.
720. Land Acquisition Legal Frameworks: there is need to implement land legal framework reforms to facilitate acquisition of land required for public projects. This will help avoid the long delays experienced in implementation of projects due to the current requirement for compensation of land before starting any project. A cap will be put on the period of waiting for the compensation.
721. Land Reforms and Physical Planning: To increase land utilization for agricultural production and infrastructure development, land reforms will be carried out. These will include: partnerships between land lords and commercial farmers for effective utilization of land; gazetting and de-gazetting land to provide for infrastructure development; and resettlement of the displaced. To allow for planned rural settlements and urbanization, physical planning will be improved at district, municipality, town councils and growth-centres through strengthening enforcement and capacity of the physical planning units.
722. Public Service Contractual Reforms: In an effort to increase public service efficiency and effectiveness, Government will implement public service delivery reforms in areas of pay reform (competitive pay) and establishing an incentive and punishment system

for best performing institutions and individuals and non-performers respectively. These reforms will be complemented by Judicial Service reforms which impact on Government effectiveness through successful prosecution for abuse of public office and also act as a deterrent to malpractices.

723. In addition, performance contracts for Accounting Officers will be strengthened by aligning them to the NDPII sector-level priorities targets. Relatedly, the Prime Minister will be required to assess the performance of Ministers and annually report to the appointing authority. The Head of Public Service will assess the performance of MDA Accounting Officers annually and report to the Prime Minister. The Permanent Secretary MoLG will assess the performance of the Chief Administrative Officers annually and report to the Prime Minister through the Head of Public Service.
724. Strengthen the Uganda Development Corporation (UDC): To scale up the pace of industrialization given the weak and poorly capitalized private sector, UDC will be strengthened with the view to empower it to take responsibility for fast-tracking the country's industrialization. To this end, the Uganda Development Bank (UDB) will be further capitalized to support the UDC-led industrialization process. The initial focus of UDC and UDB will be on establishing small and medium size industries, particularly agro-based and other manufacturing industries.
725. Public Procurement Reforms: In order to address the cumbersome procurement processes and related delays, Government will finalise the Procurement Policy and further review the procurement law to mitigate delays caused by rigid requirements under cash budgeting and other financial regulations. Efficiency and transparency in public procurements will be enhanced through e-procurement. Capacity of Procuring and Disposal Entities will be strengthened in the use of framework contracts and standardized guidance on common user items.
726. National Service: A framework for National Service training for the youth will be developed and operationalised. This will involve partial restructuring of the Defense and Security sector to accommodate the role of training the youth in patriotism and nationalism. The training will include basic military training and vocational skilling at regional centres of excellence. The framework for national guidance will be developed in liaison with the Ministries of Information and National Guidance, Education and Sports and Gender, Labour and Social Development.
727. Rationalize the special regional programmes: to ensure equitable development across regions with household income as the main criteria, and fast track socio-economic transformation, a policy to equalize and re-distribute wealth will be formulated and implemented in regions lagging behind development.
728. Bridging the skills gap: In order to facilitate the rapid accumulation of skills required in the priority areas, Government will establish an incentive policy framework to attract

private sector investment and PPPs in skills training centres across all regions. In the long run, Government will undertake a comprehensive review of the curricula at all levels of education to facilitate relevant skills acquisition.

19.4.2 Systemic Reforms

(i) Alignment of Budgeting and Implementation to Plans

729. The alignment of budgeting and implementation to Plans will be realized through ensuring harmonization of the budgeting tool (OBT) domains with the NDPII, SDPs and LGDPs. This linkage will involve matching the NDPII results framework attributes with the domains of the budgeting tool. In particular, the key result areas, outcome areas and outputs will be uniform for both the NDPII and the OBT.

730. Additionally, the resource allocations under the MTEF and the BFPs will be consistent with the NDPII interventions. An automated interface between the Integrated Financial Management Information System (IFMIS) and OBT and the NDPII will be established by MFPED to enhance alignment, quality reporting and accountability. To this end, the roll-out of IFMIS to all districts and the yet to be covered agencies will be fast-tracked to support implementation of NDPII.

(ii) Reforms specific to Budget Framework Papers, Ministerial Policy Statements and Annual Performance Reports

731. There is need to address the limitations in the BFPs, MPS' and Annual Performance Reports to enhance implementation of NDPII. Improving the BFPs will involve a review of the OBT with a view to create a results-based linkage (chain) between activities, outputs and outcomes. The Chart of Accounts will accordingly be updated to cater for emerging budget items of the NDPII such as oil and gas, standard gauge rail, ICT domains among others. Further, the PPDA and the OBT procurement planning templates will be harmonized by MFPED.

732. The MPS' provisions are biased towards providing financial data for parliamentary appropriations without appropriately facilitating the required in-depth performance of the MDAs. Therefore, the preparation and production of sector and MDA Annual Reports will be reinvigorated. The Annual Reports to be produced will comprise performance of the first three quarters of the financial year and the last quarter of the previous year. The provision of comprehensive and synthesized information through the Annual Reports will enhance implementation by facilitating Parliament to make more informed decisions regarding budget appropriations.

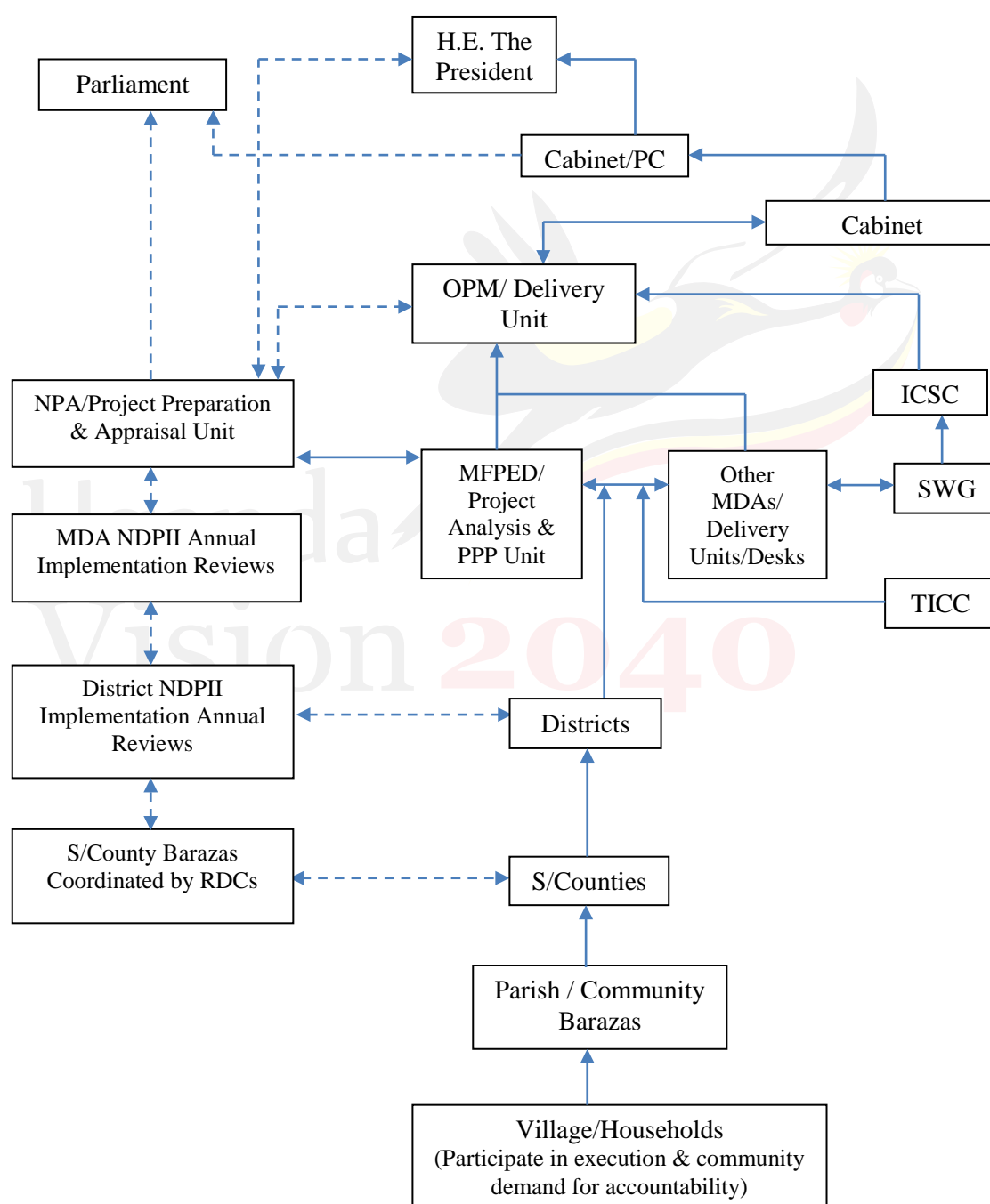
(iii) NDPII Implementation Management Systems

733. Implementation of the NDPII will be based on the Results Oriented Management (ROM) and Outcome/Program Based Budgeting (PBB) systems. Using the national results framework defined in the NDPII, MDAs and LGs shall prepare strategic plans that clearly identify their expected outcomes and outputs and how these contribute to the NDP. On that basis, resources shall be allocated and voted to planned outcomes and outputs. This will create a direct link between the Plan and the sector long term, medium term and annual plans and budgets. This approach will increase focus on national priorities and promote value for money, transparency and accountability in public service delivery. The commitments under the planning process shall further inform the development and implementation of client charters to ensure that MDAs and LGs deliver tangible commitments to the citizens. These commitments will be cascaded to Departmental and subsequently to individual staff level performance commitments. This process will fully embed a result oriented performance management culture, outcome based budgeting and link resources to results.
734. Management Information Systems (MIS') and databases are required at all levels across Government to facilitate tracking and assessment of progress of implementation of programmes and projects, including non-state actors'.
735. The Office of the Prime Minister (OPM) will be responsible for coordinating implementation of NDPII across all MDAs. OPM will carry out this function under the relevant legal and policy frameworks, (e.g. the National Constitution (1995), the PFMA (2015), PPDA (2003), the Partnership Policy (2010), the NGO Policy (2013) and the revised National M&E Policy (2013)). Coordinating the implementation of the Plan will be carried out in close collaboration/partnership with NPA, MFPED and MoLG. Overall, the OPM will be the main channel for the flow of public sector information and reports on NDPII implementation by MDAs.
736. OPM will put in place frameworks and platforms to ensure that coordination of this plan covers its implementation by the public, private actors and Development Partners. In particular, OPM will ensure that coordination of the Plan covers the following:
- Public financing and the resulting programming/MTEF;
 - Private financing frameworks, including PPPs;
 - Core projects in the national development frontier;
 - Use of M&E findings to strengthen and inform implementation and coordination; and
 - Real time tracking and inspection of works and services across government, including analysis and quality assurance of quarterly and annual work-plans.
737. In this regard, Government will support OPM to strengthen its capacity for coordination of implementation of the Plan through recruitment, training and re- tooling. In particular, the 2003 policy coordination framework will be strengthened to support activities of the Prime Minister's Delivery Unit. In this regard, the Policy Coordination Committee (PCC) chaired by the Prime Minister, the Implementation Coordination

Steering Committee (ICSC) chaired by the Head of Public Service and Secretary to Cabinet, the Technical Implementation Coordination Committee (TICC) chaired by the Permanent Secretary Office of the Prime Minister and the Sector Working Groups (SWGs) chaired by Permanent Secretaries of lead Ministries, will be refocused on NDPII and reinvigorated to ensure speedy policy review and implementation.

738. The reformed annual sector reviews and the district and private/civil society annual reviews together with the national NDPII annual review forums will form a key component of the Plan's implementation framework. The NDPII implementation coordination framework is given in Figure 19.1.

Figure 19.1: NDPII implementation coordination framework



Roles and Responsibilities

739. The implementation of NDPII will be undertaken within the existing institutional framework of Government. Effort will be made to strengthen all institutions and to build the required capability for the implementation of the NDPII. It has to be recognized that there are institutions of Government that play a leading role in coordination of implementation, as outlined in Table 19.1.

Table 19.1: NDPII Implementation Institutional Roles

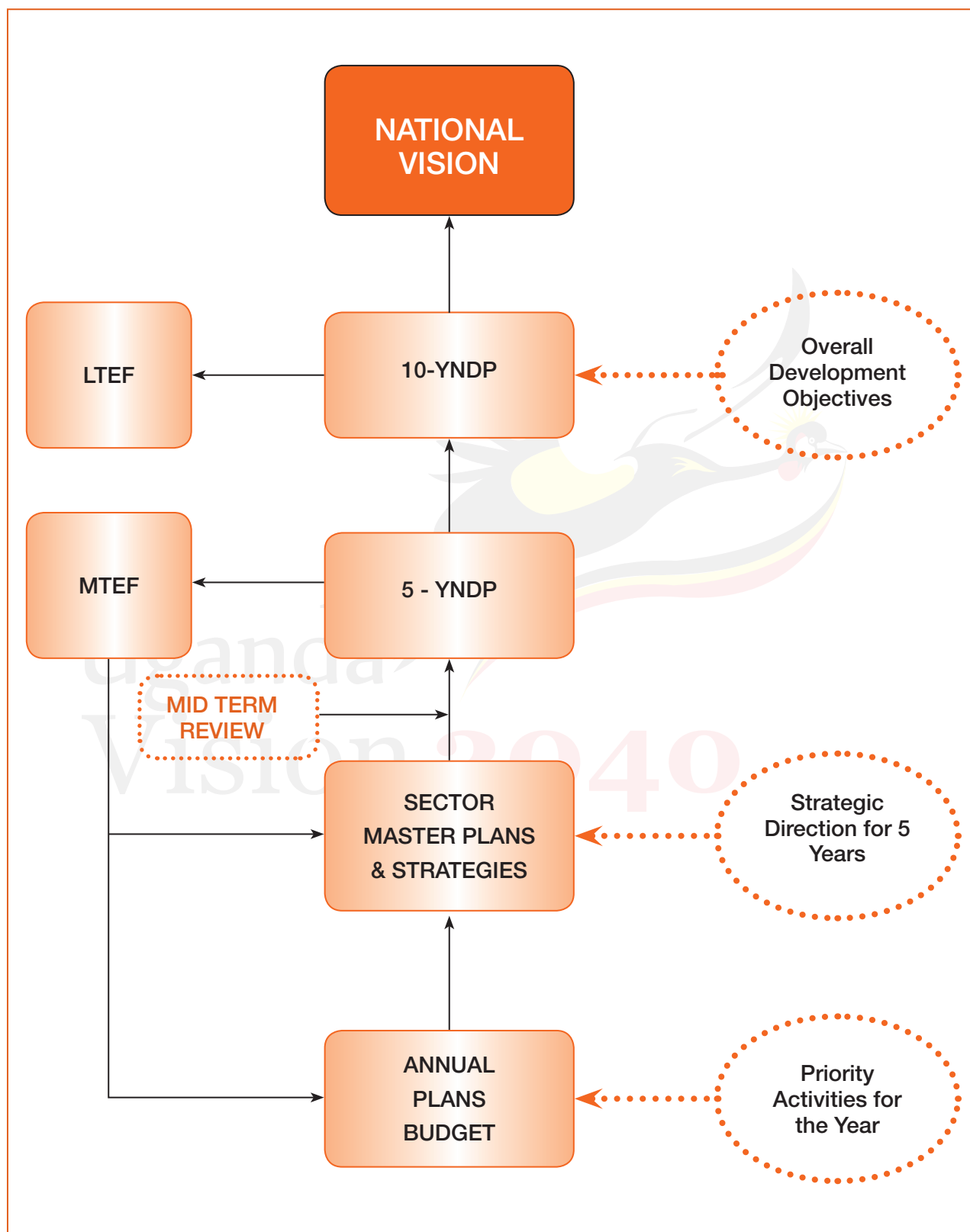
INSTITUTIONS	ROLES
Office of the President	<ul style="list-style-type: none"> • Take overall leadership and oversight of implementation of the plan to ensure its attainment. • Pursue zero tolerance to corruption • Timely communication of cabinet decisions • Fast-track implementation of directives from H.E THE President, • Mobilizing the population towards achievement of the plan
Cabinet	<ul style="list-style-type: none"> • Provide policy direction for NDP II. • Approve the budget allocations. • Champion the implementation.
Parliament	<ul style="list-style-type: none"> • Ensure that the National budget is aligned to the NDP priorities. • Oversee the implementation of NDPII. • Enact enabling legislation. • Actively represent views of the public in implementation of NDP II. • Appropriate resources for NDPII implementation. • Approve Government loans and grants. • Hold the Executive accountable on implementation.
Office of the Prime Minister	<ul style="list-style-type: none"> • Coordinate implementation of the Plan • Channel for the flow of public sector performance information and reports • Submit periodic reports on coordination of implementation of the NDP to Cabinet • Ensure effective and timely implementation of decisions from Cabinet and hold MDAs accountable • Strengthen functioning of the Sector-Wide Approach • Operationalise the Delivery Unit framework • Fast track implementation decisions from cabinet and resolutions passed by Parliament relating to NDP implementation

National Planning Authority	<ul style="list-style-type: none"> • Develop the National Development Plans • Align long term, medium term and annual budget allocations to the NDP priorities • Report to Cabinet and Parliament on the progress of implementation of the Plan • Issue Certificate of Compliance of the national budget for the previous year, Sector, MDA and LG Plans and Budgets • Coordinate implementation planning of the PIP (Project Preparation and Appraisal). • Issue Planning Call Circulars to Sectors, MDAs and LGs • Assist sectors to develop Service and Service Delivery Standards • Develop NDP II performance indicators and targets in liaison with sectors • Overall responsibility for the NDPII Results Framework (impact, outcome and output indicators)
Sectors	<ul style="list-style-type: none"> • Coordinate the implementation of sector development plans. • Ensure attainment of set targets and indicators. • Coordinate and implement cross-cutting issues. • Promote ownership of the Sector Plan by member MDAs and other stakeholders.
Ministry of Finance, Planning and Economic Development	<ul style="list-style-type: none"> • Resource mobilization and allocation • Timely release of funds for implementation of the NDP • Ensure accountability for resources disbursed • Ensure efficient and effective procurement systems • Ensure direct linkage between planning, budgeting and resource allocation during budgeting and implementation • Facilitate effective PPP arrangements.
Ministry of Public Service	<ul style="list-style-type: none"> • Clearly define the roles and responsibilities of MDAs/LGs to eliminate duplication of roles/efforts. • Enforce and implement performance assessment instruments for Public Servants. • Provide and implement the pay policy. • Provide and implement policy framework for HR Capacity building for the Public service. • Provide a policy framework and ensure proper implementation of HR procedures, policies, practices and systems. • Provide standards and systems for managing and administering the Public Service • Coordinate joint inspection programs on Public service delivery. • Provide and monitor the reward and sanctions framework.

Ministry of Local Government	<ul style="list-style-type: none"> • Coordinate implementation of the NDPII at LG level. • Support LGs to mainstream NDPII priorities into LG Development Plans. • Support capacity building for NDPII implementation in Local Governments in collaboration with MOPS. • Advise on funding modalities for the LGs.
Other Ministries, Departments and Agencies	<ul style="list-style-type: none"> • Effectively implement plans in line with the sector set targets and performance indicators. • Provide timely accountability for allocated resources and results. • Provide planning and implementation guidelines to LGs. • Provide technical support supervision to LGs.
Local Governments	<ul style="list-style-type: none"> • Implement the District Development Plans • Support the implementation of national projects and programs. • Mobilize local revenue to finance LG priorities.
Private Sector & Non-State Actors	<ul style="list-style-type: none"> • Partner with government through PPPs, and through other development interventions for effective implementation of NDP in line with set priorities. • Partner with Government through bi- and multilateral partnerships, PPPs and other development interventions for effective implementation of NDPII in line with set priorities • Align partnership strategies to the NDPII and sector strategies and promote the use of government systems and procedures; • Improve policies and procedures in order to increase the impact of development partnerships on the intended results of the NDPII, including promotion of human rights and rule of law; • Promote accountability to Government and the citizens of Uganda in the use of development resources; • Reduce transaction costs and promote value for money; • Assist Government through financial, technical and other forms of assistance to ensure effective implementation of the NDPII.

ANNEXES

Annex 1: Comprehensive National Development Planning Framework (CNDPF)



Annex 2: Progress on implementation of core projects

Core Project	State Of Progress
1. Water for Production	
<ul style="list-style-type: none"> Construction of five irrigation systems 	Rehabilitation of Doho, Agoro, Mubuku rice irrigation schemes was completed. Olweny rice irrigation scheme and Kiige, are on track.
2. Oil and Gas	
<ul style="list-style-type: none"> Refinery development 	Procurement of lead investor was completed. Project is expected to be finalised by the end of NDPII period.
<ul style="list-style-type: none"> Construction of inter-state distribution pipeline 	For the pipeline for refined products discussion are on-going under the Northern Corridor Development Agenda. For crude oil pipeline development, the commercialization plan (Memorandum of Understanding, MOU) between GOU and upstream companies.
3. Energy Infrastructure	
<ul style="list-style-type: none"> Construction of Karuma HEP project (600MW) 	Work has commenced and is on track to be completed during the NDPII period.
<ul style="list-style-type: none"> Construction of Ayago HEP project 	Memorandum with construction company has been signed; feasibility study underway.
<ul style="list-style-type: none"> Construction of Isimba HEP Project (140MW) 	Work has commenced and is on track to be completed during the NDPII period.
4. Transport Infrastructure	
<ul style="list-style-type: none"> Rehabilitate the existing railway lines 	Rehabilitation of Malaba - Kampala and Tororo-Gulu have been rehabilitated, but Kasese-Kampala remains undone
<ul style="list-style-type: none"> Construct the standard gauge rail from Malaba to Kampala, Malaba- Nimule, Kampala-Kasese-Mirama Hills 	Preliminary engineering studies underway, cooperation agreements with Heads of state have been signed; some routes of the project are expected to be completed within NDPII period. Solicitation of funding is also underway.
<ul style="list-style-type: none"> Improve water transport on lake Victoria 	Slow progress
5. Improve transport infrastructure and safety for Greater Metropolitan Kampala	Feasibility study for flyover from Queensway to Jinja Road roundabout finalised. Rapid Bus Transport System not yet implemented.
Mining	
6. Construction and development of phosphate industry in Tororo	Memorandum of Understanding has been signed, mining lease issued and preliminary works have begun.
7. Development and production of iron ore ingots	No tangible progress. Fragmentation of surface rights has hampered implementation of the project.
8. National non-formal skills development programme	Strategic plan for the BTVET program has been developed and proposal for skilling Uganda has also been developed. Institutional implementation constraints have hampered the progress.

9. Construction and development of 4 regional science parks and technology incubation centres (SPTIC)	No tangible progress.
10. Information Technology (IT) business parks construction project	No tangible progress

Source: Mid-Term Review of the NDP 2013 and sector consultations



Annex 3: List of recommended post 2015 goals and targets

1. End poverty in all its forms everywhere	<p>1.1 by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than USD1.25 a day</p> <p>1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.3 implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</p> <p>1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance</p> <p>1.5 by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p> <p>1.a ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programmes and policies to end poverty in all its dimensions</p> <p>1.b create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions</p>
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	<p>2.1 by 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round</p> <p>2.2 by 2030 end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons</p> <p>2.3 by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment</p> <p>2.4 by 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality</p> <p>2.5 by 2020 maintain genetic diversity of seeds, cultivated plants, farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at national, regional and international levels, and ensure access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge as internationally agreed</p> <p>2.a increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development, and plant and livestock gene banks to enhance agricultural productive capacity in developing countries, in particular in least developed countries</p> <p>2.b. correct and prevent trade restrictions and distortions in world agricultural markets, including the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect in accordance with the mandate of the Doha Development Round</p> <p>2.c. adopt measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility</p>

3. Ensure healthy lives and promote well-being for all at all ages	<p>3a. by 2030 reduce the global maternal mortality ratio to less than 70 per 100,000 live births</p> <p>3.2 by 2030 end preventable deaths of newborns and under-five children</p> <p>3.3 by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases</p> <p>3.4 by 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment, and promote mental health and wellbeing</p> <p>3.5 strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol</p> <p>3.6 by 2020 halve global deaths and injuries from road traffic accidents</p> <p>3.7 by 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes</p> <p>3.8 achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all</p> <p>3.9 by 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination</p> <p>3.a strengthen implementation of the Framework Convention on Tobacco Control in all countries as appropriate</p> <p>3.b support research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration which affirms the right of developing countries to use to the full the provisions in the TRIPS agreement regarding flexibilities to protect public health and, in particular, provide access to medicines for all</p> <p>3.c increase substantially health financing and the recruitment, development and training and retention of the health workforce in developing countries, especially in LDCs and SIDS</p> <p>3.d strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks</p>
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>4.1 by 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p> <p>4.2 by 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education</p> <p>4.3 by 2030 ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university</p> <p>4.4 by 2030, increase by xpercent the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>4.5 by 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations</p> <p>4.6 by 2030 ensure that all youth and at least xpercent of adults, both men and women, achieve literacy and numeracy</p> <p>4.7 by 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development</p> <p>4.a build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all</p>

	<p>4.b by 2020 expand by xpercent globally the number of scholarships for developing countries in particular LDCs, SIDS and African countries to enrol in higher education, including vocational training, ICT, technical, engineering and scientific programmes in developed countries and other developing countries</p> <p>4.c by 2030 increase by xpercent the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially LDCs and SIDS</p>
5. Achieve gender equality and empower all women and girls	<p>5.1 end all forms of discrimination against all women and girls everywhere</p> <p>5.2 eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation</p> <p>5.3 eliminate all harmful practices, such as child, early and forced marriage and female genital mutilations</p> <p>5.4 recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate</p> <p>5.5 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <p>5.6 ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the ICPD and the Beijing Platform for Action and the outcome documents of their review conferences</p> <p>5.a undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws</p> <p>5.b enhance the use of enabling technologies, in particular ICT, to promote women's empowerment</p> <p>5.c adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>
6. Ensure availability and sustainable management of water and sanitation for all	<p>6.1 by 2030, achieve universal and equitable access to safe and affordable drinking water for all</p> <p>6.2 by 2030, achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations</p> <p>6.3 by 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and increasing recycling and safe reuse by xpercent globally</p> <p>6.4 by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity</p> <p>6.5 by 2030 implement integrated water resources management at all levels, including through transboundary cooperation as appropriate</p> <p>6.6 by 2020 protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes</p> <p>6.a by 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies</p> <p>6.b support and strengthen the participation of local communities for improving water and sanitation management</p>

7. Ensure access to affordable, reliable, sustainable, and modern energy for all	<p>7.1 by 2030 ensure universal access to affordable, reliable, and modern energy services</p> <p>7.2 increase substantially the share of renewable energy in the global energy mix by 2030</p> <p>7.3 double the global rate of improvement in energy efficiency by 2030</p> <p>7.a by 2030 enhance international cooperation to facilitate access to clean energy research and technologies, including renewable energy, energy efficiency, and advanced and cleaner fossil fuel technologies, and promote investment in energy infrastructure and clean energy technologies</p> <p>7.b by 2030 expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, particularly LDCs and SIDS</p>
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>8.1 sustain per capita economic growth in accordance with national circumstances, and in particular at least 7 percent per annum GDP growth in the least-developed countries</p> <p>8.2 achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors</p> <p>8.3 promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services</p> <p>8.4 improve progressively through 2030 global resource efficiency in consumption and production, and endeavour to decouple economic growth from environmental degradation in accordance with the 10-year framework of programmes on sustainable consumption and production with developed countries taking the lead</p> <p>8.5 by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training</p> <p>8.7 take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers</p> <p>8.8 protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment</p> <p>8.9 by 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products</p> <p>8.10 strengthen the capacity of domestic financial institutions to encourage to expand access to banking, insurance and financial services for all</p> <p>8.a increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs</p> <p>8.b by 2020 develop and operationalize a global strategy for youth employment and implement the ILO Global Jobs Pact</p>
9. Build resilient infrastructure, promote inclusive and sustainable	<p>9.1 develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p>9.2 promote inclusive and sustainable industrialization, and by 2030 raise significantly industry's share of employment and GDP in line with national circumstances, and double its share in LDCs</p> <p>9.3 increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services including affordable credit and their integration into value chains and markets</p>

industrialization and foster innovation	<p>9.4 by 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities</p> <p>9.5 enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, particularly developing countries, including by 2030 encouraging innovation and increasing the number of R&D workers per one million people by xpercent and public and private R&D spending</p> <p>9.a facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, LDCs, LLDCs and SIDS</p> <p>9.b support domestic technology development, research and innovation in developing countries including by ensuring a conducive policy environment for inter alia industrial diversification and value addition to commodities</p> <p>9.c significantly increase access to ICT and strive to provide universal and affordable access to internet in LDCs by 2020</p>
10. Reduce inequality within and among countries	<p>10.1 by 2030 progressively achieve and sustain income growth of the bottom 40percent of the population at a rate higher than the national average</p> <p>10.2 by 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.3 ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard</p> <p>10.4 adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality</p> <p>10.5 improve regulation and monitoring of global financial markets and institutions and strengthen implementation of such regulations</p> <p>10.6 ensure enhanced representation and voice of developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions</p> <p>10.7 facilitate orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies</p> <p>10.a implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with WTO agreements</p> <p>10.b encourage ODA and financial flows, including foreign direct investment, to states where the need is greatest, in particular LDCs, African countries, SIDS, and LLDCs, in accordance with their national plans and programmes</p> <p>10.cby 2030, reduce to less than 3percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5percent</p>
11. Make cities and human settlements inclusive, safe, resilient and sustainable	<p>11.1 by 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums</p> <p>11.2 by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p> <p>11.3 by 2030 enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries</p> <p>11.4 strengthen efforts to protect and safeguard the world's cultural and natural heritage</p>

	<p>11.5 by 2030 significantly reduce the number of deaths and the number of affected people and decrease by ypercent the economic losses relative to GDP caused by disasters, including water-related disasters, with the focus on protecting the poor and people in vulnerable situations</p> <p>11.6 by 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management</p> <p>11.7 by 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities</p> <p>11.a support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning</p> <p>11.b by 2020, increase by xpercent the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, develop and implement in line with the forthcoming Hyogo Framework holistic disaster risk management at all levels</p> <p>11.c support least developed countries, including through financial and technical assistance, for sustainable and resilient buildings utilizing local materials</p>
12. Ensure sustainable consumption and production patterns	<p>12.1 implement the 10-Year Framework of Programmes on sustainable consumption and production (10YFP), all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</p> <p>12.2 by 2030 achieve sustainable management and efficient use of natural resources</p> <p>12.3 by 2030 halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses</p> <p>12.4 by 2020 achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment</p> <p>12.5 by 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p> <p>12.6 encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>12.7 promote public procurement practices that are sustainable in accordance with national policies and priorities</p> <p>12.8 by 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p> <p>12.a support developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production</p> <p>12.b develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products</p> <p>12.c rationalize inefficient fossil fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities</p>

13. Take urgent action to combat climate change and its impacts	<p>13.1 strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries</p> <p>13.2 integrate climate change measures into national policies, strategies, and planning</p> <p>13.3 improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning</p> <p>13.a implement the commitment undertaken by developed country Parties to the UNFCCC to a goal of mobilizing jointly USD100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible</p> <p>13.b Promote mechanisms for raising capacities for effective climate change related planning and management, in LDCs, including focusing on women, youth, local and marginalized communities</p>
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<p>by 2025, prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution</p> <p>14.2 by 2020, sustainably manage, and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience and take action for their restoration, to achieve healthy and productive oceans</p> <p>14.3 minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels</p> <p>14.4 by 2020, effectively regulate harvesting, and end overfishing, illegal, unreported and unregulated (IUU) fishing and destructive fishing practices and implement science-based management plans, to restore fish stocks in the shortest time feasible at least to levels that can produce maximum sustainable yield as determined by their biological characteristics</p> <p>14.5 by 2020, conserve at least 10 percent of coastal and marine areas, consistent with national and international law and based on best available scientific information</p> <p>14.6 by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation</p> <p>14.7 by 2030 increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism</p> <p>14.a increase scientific knowledge, develop research capacities and transfer marine technology taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular SIDS and LDCs</p> <p>14.b provide access of small-scale artisanal fishers to marine resources and markets</p> <p>14.c ensure the full implementation of international law, as reflected in UNCLOS for states parties to it, including, where applicable, existing regional and international regimes for the conservation and sustainable use of oceans and their resources by their parties</p>

<p>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>15.1 by 2020 ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p> <p>15.2 by 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and increase afforestation and reforestation by xpercent globally</p> <p>15.3 by 2020, combat desertification, and restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land-degradation neutral world taking into account ongoing WTO negotiations and WTO Doha Development Agenda and Hong Kong Ministerial Mandate</p> <p>15.4 by 2030 ensure the conservation of mountain ecosystems, including their biodiversity, to enhance their capacity to provide benefits which are essential for sustainable development</p> <p>15.5 take urgent and significant action to reduce degradation of natural habitat, halt the loss of biodiversity, and by 2020 protect and prevent the extinction of threatened species</p> <p>15.6 ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources, and promote appropriate access to genetic resources</p> <p>15.7 take urgent action to end poaching and trafficking of protected species of flora and fauna, and address both demand and supply of illegal wildlife products</p> <p>15.8 by 2020 introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems, and control or eradicate the priority species</p> <p>15.9 by 2020, integrate ecosystems and biodiversity values into national and local planning, development processes and poverty reduction strategies, and accounts</p> <p>15.a mobilize and significantly increase from all sources financial resources to conserve and sustainably use biodiversity and ecosystems</p> <p>15.b mobilize significantly resources from all sources and at all levels to finance sustainable forest management, and provide adequate incentives to developing countries to advance sustainable forest management, including for conservation and reforestation</p> <p>15.c enhance global support to efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities</p>
<p>16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>16.1 significantly reduce all forms of violence and related death rates everywhere</p> <p>16.2 end abuse, exploitation, trafficking and all forms of violence and torture against children</p> <p>16.3 promote the rule of law at the national and international levels, and ensure equal access to justice for all</p> <p>16.4 by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime</p> <p>16.5 substantially reduce corruption and bribery in all its forms</p> <p>16.6 develop effective, accountable and transparent institutions at all levels</p> <p>16.7 ensure responsive, inclusive, participatory and representative decision-making at all levels</p> <p>16.8 broaden and strengthen the participation of developing countries in the institutions of global governance</p> <p>16.9 by 2030 provide legal identity for all including birth registration</p> <p>16.10 ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</p> <p>16.a strengthen relevant national institutions, including through international cooperation, for building capacities at all levels, in particular in developing countries, for preventing violence and combating terrorism and crime</p> <p>16.b promote and enforce non-discriminatory laws and policies for sustainable development</p>

Annex 4: Detailed NDPII Costing

TableA1: NDPII Total Costs (Uganda Shillings, Billions)

Sector/Function		Total NDPII Costing 2015/16 - 2019/20					Public Costing 2015/16 - 2019/20					Private Sector Estimates 2015/16 - 2019/20							
		Total	Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4	Y5
Agriculture		6,694.2	1,199.1	1,309.4	1,346.9	1,417.0	1,421.9	4,626.5	480.0	782.5	875.7	1,080.0	1,408.3	2,067.7	719.1	526.9	471.1	337.0	13.5
Lands, Housing & Urban Development		845.3	166.3	186.5	197.5	144.2	150.8	704.0	164.8	117.8	126.4	144.2	150.8	141.3	1.5	68.7	71.1	-	-
Energy & Mineral Development		16,455.3	2,843.3	3,124.8	4,171.4	4,026.3	2,289.5	15,148.4	2,826.4	2,969.1	3,602.3	3,467.1	2,283.6	1,306.9	16.9	155.8	569.1	559.2	5.9
Works & Transport		42,557.6	10,646.3	11,628.9	12,429.1	4,856.3	2,996.9	21,246.5	3,328.8	5,044.8	5,019.7	4,856.3	2,996.9	21,311.1	7,317.5	6,584.1	7,409.4	-	-
Information & Communication Technology		1,426.0	302.9	286.5	266.6	279.7	290.3	300.6	66.7	33.7	45.1	61.2	93.9	1,125.4	236.2	252.9	221.5	218.5	196.4
Tourism, Trade and Industry		3,280.9	731.5	561.0	693.7	687.1	607.6	1,018.6	81.2	210.6	235.3	269.2	222.3	2,262.3	650.3	350.3	458.4	418.0	385.2
Education & Sports		23,632.7	3,537.5	3,919.4	4,514.0	5,653.2	6,008.6	16,786.4	2,029.1	2,789.3	3,105.7	3,711.8	5,150.5	6,846.4	1,508.5	1,130.2	1,408.3	1,941.4	858.1
Health		25,467.9	3,907.4	4,582.0	4,919.5	5,461.5	6,597.5	11,985.9	1,270.8	1,945.6	2,221.0	2,712.5	3,836.0	13,482.0	2,636.6	2,636.4	2,698.6	2,749.0	2,761.5
Water & Environment		2,077.3	547.4	592.7	287.8	321.7	327.8	2,077.3	547.3	592.7	287.8	321.7	327.8	0.0	0.0	-	-	-	-
Social Development		16,034.7	3,627.8	3,085.8	3,112.2	3,096.6	3,112.3	418.6	90.2	67.3	72.2	81.6	107.3	15,616.2	3,537.6	3,018.5	3,040.0	3,015.0	3,005.0
Defence & Security		18,372.1	3,272.2	3,306.7	3,736.1	3,933.4	4,123.7	8,529.6	1,632.9	1,413.5	1,516.7	1,713.1	2,253.3	9,842.5	1,639.3	1,893.2	2,219.4	2,220.2	1,870.3
Justice, Law and Order		5,784.8	1,054.4	1,014.1	1,125.2	1,272.4	1,318.8	5,684.7	1,051.4	976.8	1,065.3	1,272.4	1,318.8	100.1	3.0	37.3	59.8	-	-
Public Sector Management		12,315.7	1,990.7	2,196.8	2,763.2	2,770.5	2,594.5	7,910.9	948.3	1,455.6	1,543.8	1,723.3	2,239.9	4,404.8	1,042.4	741.2	1,219.4	1,047.2	354.6
Legislature & Accountability		4,589.4	1,377.0	742.6	840.3	862.0	767.6	4,589.4	1,377.0	742.6	840.3	862.0	767.6	0.0	0.0	-	-	-	-
Public Administration		8,365.0	913.2	685.5	818.0	2,911.6	3,036.7	3,839.7	760.8	631.0	677.1	764.8	1,006.0	4,525.3	152.4	54.4	140.8	2,146.8	2,030.8
Interest Payments Due		8,776.8	1,656.2	1,743.6	1,734.5	1,734.5	1,908.0	8,776.8	1,656.2	1,743.6	1,734.5	1,734.5	1,908.0	-	-	-	-	-	-
TOTAL BUDGET		196,676	37,773	38,966	42,956	39,428	37,552	113,644.0	18,311.7	21,516.3	22,969.1	24,775.8	26,071.1	83,031.7	19,461.4	17,449.9	19,986.8	14,652.3	11,481.3

Public Administration	1.09	0.74	0.80	2.58	2.43
Interest Payments Due	1.98	1.89	1.70	1.54	1.52
TOTAL BUDGET	45.18	42.28	42.16	34.96	30.00
Below the budget Payments					
Securities	-	-	-	-	-
Contingency Fund	-	-	-	-	-
	-	-	-	-	-

Table 4B: Public Sector Costing, 2015/16 – 2019/20

Sector/Function	2015/16 - 2019/20					2015/16					2016/17				
	Wage	Non-Wage	Recurrent	Dev't	Total	Wage	Non-Wage	Recurrent	Dev't	Total	Wage	Non-Wage	Recurrent	Dev't	Total
Agriculture	529	844	1,298	3,329	4,626	47	103	150	330	480	172	186	333	449	782
Lands, Housing & Urban Development	35	91	126	578	704	4	14	18	147	165	5	26	31	87	118
Energy & Mineral Development	27	96	123	15,026	15,148	4	5	9	2,817	2,826	4	72	76	2,893	2,969
Works & Transport	209	3,047	3,256	17,991	21,247	29	466	496	2,833	3,329	35	501	536	4,509	5,045
Information & Communication Technology	46	53	99	203	301	7	10	17	50	67	8	8	16	19	34
Tourism, Trade and Industry	238	188	427	592	1,019	15	33	48	34	81	43	50	94	117	211
Education & Sports	9,425	3,753	13,178	3,608	16,786	1,192	452	1,644	385	2,029	1,568	394	1,962	827	2,789
Health	2,571	1,712	4,284	7,702	11,986	331	397	728	543	1,271	520	357	877	1,069	1,946
Water & Environment	111	168	280	1,798	2,077	15	35	49	498	547	18	21	39	554	593
Social Development	50	182	232	186	419	5	36	41	50	90	5	28	32	35	67

Defence & Security	3,113	2,564	5,677	2,853	8,530	424	506	931	702	1,633	523	398	921	493	1,413
Justice, Law and Order	2,048	2,046	4,095	1,590	5,685	305	441	746	305	1,051	366	302	669	308	977
Public Sector Management	2,048	3,680	5,729	2,182	7,911	228	413	640	308	948	317	585	902	553	1,456
Legislature & Accountability	1,249	1,864	3,113	1,477	4,589	236	573	808	569	1,377	197	251	449	294	743
Public Administration	366	2,942	3,308	531	3,840	54	622	676	85	761	61	529	590	42	631
Interest Payments Due		8,777	8,777	-	8,777	-	1,656	1,656	-	1,656	-	1,744	1,744	-	1,744
TOTAL BUDGET	22,067	32,009	45,224	59,644	113,644	2,894	5,763	8,657	9,655	18,312	3,842	5,452	9,269	12,248	21,516
Below the budget Payments															
Securities	-	25,970	25,970	-	-	-	-	4,700	-	-	-	-	4,935	-	-
Contingency Fund	-	3,592	3,592	-	-	-	-	526	-	-	-	-	641	-	-
		-	-	-	-	-	28.15	29.01	28.26	27.30					

Table 4C: Public Sector Costing, 2015/16 – 2019/20 Continued.

Sector/Function	2017/18					2018/19					2019/20				
	Wage	Non-Wage	Recurrent	Dev't	Total	Wage	Non-Wage	Recurrent	Dev't	Total	Wage	Non-Wage	Recurrent	Dev't	Total
Agriculture	90	177	242	634	876	107	196	278	802	1,080	114	181	295	1,114	1,408
Lands, Housing & Urban Development	6	10	16	110	126	10	20	30	114	144	10	21	31	120	151
Energy & Mineral Development	5	5	11	3,591	3,602	6	6	13	3,454	3,467	7	7	13	2,270	2,284
Works & Transport	43	606	649	4,371	5,020	50	719	769	4,088	4,856	52	755	807	2,190	2,997

	9	10	19	26	45	11	12	23	39	61	11	13	24	70	94
Information & Communication Technology															
Tourism, Trade and Industry	53	3	57	178	235	62	26	88	182	269	65	76	141	81	222
Education & Sports	1,958	482	2,440	666	3,106	2,271	1,183	3,454	257	3,712	2,436	1,242	3,678	1,473	5,150
Health	546	262	808	1,413	2,221	573	340	913	1,799	2,712	602	357	959	2,877	3,836
Water & Environment	22	33	55	233	288	28	39	66	255	322	29	41	70	258	328
Social Development	6	34	40	33	72	17	41	59	23	82	18	43	61	46	107
Defence & Security	643	485	1,128	388	1,517	743	573	1,316	397	1,713	780	601	1,381	872	2,253
Justice, Law and Order	412	368	780	286	1,065	471	456	927	345	1,272	494	479	973	345	1,319
Public Sector Management	451	754	1,206	338	1,544	513	941	1,454	269	1,723	539	988	1,527	713	2,240
Legislature & Accountability	242	317	559	281	840	280	353	633	230	862	294	370	664	103	768
Public Administration	75	308	383	294	677	86	614	701	64	765	91	868	959	47	1,006
Interest Payments Due	-	1,735	1,735	-	1,735	-	1,735	1,735	-	1,735	-	1,908	1,908	-	1,908
TOTAL BUDGET	4,562	5,590	10,127	12,842	22,969	5,228	7,253	12,456	12,320	24,776	5,541	7,950	13,491	12,580	26,071
Below the budget Payments															
Securities	-	-	5,182	-		-	-	5,441	-		-	-	5,713	-	
Contingency Fund	-	-	753	-		-	-	804	-		-	-	867	-	

Annex 5: NDP Results Framework

Table 5A: Goal/Theme Level Indicators

GOAL	KEY RESULT AREA	CATEGORY	INDICATOR	Baseline 2012/13	TARGETS					
					2015/16	2016/17	2017/18	2018/19	2019/20	
To achieve middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth	A. Growth	A.1. GDP	A.1.1. Increase in GDP growth rate	5.2	5.5	5.7	6.0	6.1	6.3	
			A1.2. Per Capita GDP	743	833	888	931	982	1,033	
		A.2. Exports	A.2.1. Increase in Export proportion of GDP	16.1	9.49	9.91	9.88	9.82	9.95	
			A.2.2. Increase in ratio of manufactured exports to total exports	6.0	8.5	11.1	13.8	16.4	19.0	
	B. Competitiveness	B.1. Doing Business Competitiveness	B.1.1. Ease of doing business ranking	150/189	140/189	130/189	120/189	115/189	111/189	
		B.2. Global Competitiveness	B.2.1. Global Competitive ranking	123/148	129/148	115/148	110/148	100/148	90/148	
C. Sustainable Wealth Creation	C.1. Manufacturing	C.1.2. Share of manufacturing jobs to total formal jobs	C1.1. Share of manufacturing to GDP	8.0	9.0	9.5	11.0	12.5	14.0	
			C.1.2. Share of manufacturing jobs to total formal jobs	16.4	18.07	18.5	19.0	19.5	20.0	
	C.2. Sustainable use of natural resources and the environment	C.2.1. Forest Cover (% of Land Area)	C.2.1. Forest Cover (% of Land Area)	14	14.8	15.6	16.4	17.2	18	
			C.2.2. Pollution Index	61.78	62.5	63.5	64.0	64.5	65.0	
		C.2.2. Wetland cover (% of total area)	C.2.2. Wetland cover (% of total area)	11	10.9	11.3	11.65	11.8	12	
			Increase in the automation of climate monitoring network	20	22	25	30	35	40	

D. Employment	D.1. Total and sectoral labor force	C.3.1.Reduction in population growth rate	3.32	3.03	3.0	2.9	2.8	2.5
		D.1.1. Increase in total employment	9.4	20.8	18.3	21.0	22.0	22.5
		D.1.2. Change in labour force in agriculture sector	33.8	2.1	2.9	3.5	3.4	3.1
		D.1.3.Increase in Labour force in industrial sector	21.1	6.5	4.0	3.5	3.3	6.4
		D.1.4 Increase in Labor force in service sector	45.1	3.7	3.4	4.3	5.1	4.0
E. Inclusive Growth	E.1.Reducing poverty	E.1.1. Reduction in proportion of persons living on less than a dollar per day	19.7	19.50	17.59	16.20	15.14	14.18
		D.1.2.Improve in income distribution (GINI Coefficient)	44.3	44.6	44.8	44.9	45.0	45.2
		D.1.3. Reduction in child poverty	55	51.4	47.8	44.2	40.6	37
		D.1.4 Improved Global Gender Gap Index	0.7086 (46/136)	0.7130 (40/136)	0.7200 (35/136)	0.7300 (30/136)	0.7400 (22/136)	0.7500 (20/136)

Table 5B: Objectives Level Indicators

OBJECTIVE	KEY RESULT AREA	CATEGORY	INDICATOR	BASELINE 2012/13	TARGETS				
					2015/16	2016/17	2017/18	2018/19	2019/20
Objective 1: To sustainably increase production, productivity and value addition in key growth opportunities	A.1. Constant and stable GDP growth	Total GDP	A.1.1. GDP growth rate	5.2	5.5	5.7	6.0	6.1	6.3
			A.1.2. GDP at Market prices (UGX bns)	54,688	83,378	92,068	101,689	112,392	124,381
		Major contributors towards GDP growth	A.1.3 Sectoral composition of GDP (%)	23.6	21.7	21.3	20.8	20.4	19.9
			Industry	20.72	27.3	27.4	27.6	27.7	27.9
			Services	55.65	50.8	51.1	51.4	51.7	52.0
	A.2. Development of conducive investment environment	Subsidies	A.1.4 Labour Productivity (GDP per Worker – USD)	581	598.9	621	732	897.6	977.77
			Industry	5106	6327	6835.1	7201	7626	7871.35
			services	2441	2839	3528	4592	4810	5217.65
			A.1.5. Ratio of manufactured exports to total exports	6.0	8.5	11.1	13.8	16.4	19.0
			A.2.1. x % tax reduction for 3 years to new investments	N/A					
Objective 2: Increase the stock and quality of strategic infrastructure to accelerate the country's competitive-ness	A.3. Promoting sustainable use of the environment and natural resources	Management of environmental resources	A.2.2. Import duty and other taxes reduced by x % for 3 years for new investments	N/A					
			A.3.1. Forest cover (% land area)	14	14.8	15.6	16.4	17.2	18
			A.3.2. Wetland cover (% of total area)	11	10.9	11.3	11.65	11.8	12
			A.3.3 Recovery of surface coverage for large water bodies in the country						
			A.3.4. Decrease in level of pollution of large water bodies	N/A					
	B.1: Infrastructure	Transport	B.1.1 Total paved national road network (km)	3,795	4,095	4,536	4,977	5,559	6,000
			B.1.2 Proportion of paved to the national road network (%)	16.6	19.5	20.93	22.36	23.79	25
			B.1.3. Freight cargo by rail	12	17.8	20.2	22.1	24.7	25.5
		Energy	B.2.1. % population with access to electricity	14	16	17	18	25	30
			B.2.2. Power Consumption Per Capita (KWh per capita)	80	90	212	341	463	578
Water			B.2.3. Unit cost of power(USD Cents)	16	15	13	10	7	5
			B.3.1. Rural safe water coverage (%)	65	72	74	76	77	79

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Science and technology graduates.	Ratio of graduates in science and technology to Arts	1:5					2:5					3:5				
		1:5	1:5	1:5	1:5	1:5	2:5	2:5	2:5	2:5	2:5	3:5	3:5	3:5	3:5	3:5
Literacy rate at P3 (%)	Total	56.21		58.26			61.45		64.92			68.07		70		
	Boys	53.87		55.71			60.81		64.37			69.20		70		
	Girls	56.42		58.34			60.21		65.73			67.98		70		
Literacy rate at P6 (%)	Total	40.15		43.51			47.39		46.47			49.20		50		
	Boys	38.72		39.82			42.70		46.92			48.19		50		
	Girls	40.10		41.95			47.86		46.74			48.02		50		
Numeracy rate at P3 (%)	Total	69.8		72.6			75.9		77.2			79.6		80		
	Boys	70.6		73.3			72.8		75.4			77.7		80		
	Girls	68.8		71.83			73.55		76.38			79.21		80		
Numeracy rate at P6 (%)	Total	41.4		43.4			47.0		45.2			48.9		50		
	Boys	45.8		46.3			47.4		484			49.1		50		
	Girls	37.4		39.4			42.5		47.2			48.3		50		
	Average years of schooling.	4.7		5.96			7.22		8.48			9.74		11		
Increased skills development	Ratio of doctors to population	1:24,725		1:23,825			1:23,525		1:23,225			1:22,925		1:22,625		
	Ratio of technicians to Engineers	5:3		5:3			5:3		7:3			7:3		8:3		
	Ratio of nurses to population	1:11,000		1:10,000			1:9,500		1:9,000			1:8,500		1:8,000		
Increase access to quality health services	Infant Mortality	54		50			48		45			42		44		
	Under Five Mortality Rate (per 1,000 live births)	90		64			58		53			52		51		
	Maternal Mortality Rate	438		393			378		363			348		320		
Fertility	Total fertility rate	6.2		5.8			5.6		5.2			4.8		4.5		
	Contraceptive prevalence rate (%)	30		39			41		43			45		50		
Public Health	Life expectancy (Years)	54.5		56			57		58			59		60		
Clinical services	Proportion of the population living within radius of 5 km of a health facility	75		77			80		82			84		85		
	Per capita OPD utilization ratio	1.1		1.5			1.8		2.0			2.1		2.3		
	DPT3/Pentavalent Vaccine (%)	87		95			95		95			97		97		
	Births attended by skilled health personnel (%) - UDHS	57		61			65		69			73		78		
	Deliveries in health facilities (%)	41		48			52		56			60		64		

Objective4: To strengthen mechanisms for quality, effective and efficient service delivery	Increase access to quality public services	Water and sanitation	Proportion of qualified health workers in public health facilities (%)	63	72	75	78	81	83
			HIV - Prevalence (%)	7.2	7.7	7.8	7.8	7.9	7.8
			HCs without medicine stock out	53	85	87	89	91	93
			Household latrine coverage (%)	68	72	75	77	78	80
			Households hand washing with soap (%)	24	30	32	34	36	38
		Social Services Public Administration	Government effectiveness index.	-0.57	-0.36	-0.29	-0.22	-0.15	0.01
			Index of Judicial independence						
			Public trust in the Justice system						
			Corruption index.	2.9	3.3	3.4	3.5	3.6	3.7



Table 5C: Key Result Areas (KRAs) Level Indicators

Key Result Areas	Category (Thematic Area/Sector)	Medium Term Expected Results	Baseline Value	TARGETS						
				2012/13	2015/16	2016/17	2017/18	2018/19	2019/20	
KRA1: Agricultural production, productivity and value addition	Crop Husbandry	Outcome Indicator								
		% -age Increase in value added exports of:								
		Coffee (%)	US\$ 425,407,000	5.77	6.84	6.75	7.20	7.29		
		Cotton (%)	US\$ 31,686,000	1.73	1.89	1.89	1.89	1.93		
		Tea (%)	US\$ 85,589,000	8.48	7.96	5.00	3.81	3.59		
		Maize (%)	US\$ 42,254,000	4.81	3.67	2.38	1.83	1.64		
		Rice (%)	US\$ 36,966,000	4.59	3.23	1.82	1.42	1.20		
		Cassava (%)	N/A	4.49	3.29	1.96	1.41	1.20		
		Meat (%)	N/A	6.12	6.23	4.88	3.86	3.77		
		Fish (%)	US\$ 126,727,000	1.39	0.69	0.68	1.91	1.88		
		Beans (%)	US\$ 20,577,000	0.84	0.69	0.47	0.73	0.64		
	Animal Husbandry	Increase in export of Primary Products of coffee (%)	220,546 tons	5.77	6.84	6.75	7.20	7.29		
		Increase in export of Primary Products of Tea (%)	61,971 tons	7.38	5.14	4.65	2.49	2.20		
		Increase in export of Primary Products of Cotton (%)	18,671 tons	2.88	2.20	1.43	1.10	0.99		
		Increase in export of Dairy products	N/A	5.47	6.08	5.74	5.11	5.18		
Fisheries	Animal Husbandry	Increase in Local beef consumption per capita (in Kgs p.a)	8.8	9.0	9.3	9.8	10.4	11		
		Increase in local milk consumption per capita(litres)	12	12.5	12.8	13.3	13.7	14		
		Increase fish consumption per capita(kg)	5.7	5.9	6.0	6.4	6.6	7.0		
		Increase in Fish Exports (Tonnes/%)	20,087	1.39	0.69	0.68	1.91	1.88		

		126,727	115,964	116765	117559	119804	122056
KRA2: Tourism Development	Increase in fish and fish products exports earnings by value ('000 US\$)	971	1,117	1,284	1,477	1,698	1,953
	Tourism Sector						
	Increase in tourism receipts(million USD)	1,196,765	1,316,442	1,448,086	1,592,894	1,752,184	1,927,402
	Increase in tourism sector contribution to GDP	8.8	8.85	9.14	9.53	10.16	10.68
KRA3: Minerals, Oil and Gas	Increase in number of persons employed by the tourism sector	182,500	193,450	205,057	217,360	230,402	244,226
	Minerals exploration						
	Increase in export earnings from mineral products(bn)	83.614	92.049	101.254	111.379	122.517	134.769
	Increase in numbers of people employed in mining sector	200,000	211,000	223,027	236,409	250,830	266,632
KRA4: Human Capital Development	Increase in contribution of the mining sector to GDP	0.3	0.55	0.72	0.81	0.85	0.91
	Increase in Net Primary school enrolment rate (%)	95.3	96.4	96.95	98.15	99.05	100
	Total	96	97.0	97.7	98.7	99.4	100
	Girls	94.57	95.8	96.2	97.6	98.7	100
	Boys						
	Increase in P7 completion rate (%)	71	73	75	80	82	85
	Total	71	73	75	80	82	85
	Girl						
	Boys						
	Increase in Transition rate to S1 (%)	73	75	75	76	78	83
	Total	72	74	75	75.5	78	83
	Girls	72	74	75	76	78	83
	Boys						
	Increase in Net Secondary enrolment rate (%)	24.7	28.9	32.9	35.6	38.2	40
	Total	23.6	25.7	28.1	30.0	33.4	35
	Girls	25.9	26.6	27.0	27.6	29.0	30
	Boys						
	Increase in Net Secondary school completion rate (%)	35.3	38.1	43	45	48	50
	Total	33.8	35	38	42	45	48
	Girls	36.7	40	47	48	49	52
	Boys						

Skills development	Transition rate from S4 to S5 (%)	Total	32	36	39	42	48	50
		Girls	27	28	30	32	31	35
		Boys	37	39	42	43	44	45
	Increase in total BTVET enrolment	Total	42,674	46,941	51,209	55,476	59,744	64,011
		Female	14,650	16,115	17,580	19,045	20,510	21,975
		Male	28,024	30,826	33,629	36,431	39,233	42,036
	Increase in total University students	Total	140,403	149,763	159,123	168,483	177,843	187,204
		Female	60,398	64,425	68,451	72,477	76,504	80,530
		Male	79,709	85,023	90,336	95,650	100,964	106,279
	Increase in total Tertiary Institution students	Total	208,376	222,962	238,569	255,269	273,138	292,258
		Female	90,910	97,283	104,093	111,379	119,178	127,518
		Male	117,740	125,981	134,800	144,236	154,333	165,136
	Ratio of graduates in science and technology to Arts		1:5	1:5	2:5	2:5	3:5	3:5
	Increase in Ratio of doctors to population		1:24,725	1:23,825	1:23,525	1:23,225	1:22,925	1:22,625
Health	Increase in Ratio of technicians to engineers.		5:3	5:3	5:3	7:3	7:3	8:3
	Increase in Ratio of nurses to population		1:11,000	1:10,000	1:9,500	1:9,000	1:8,500	1:8,000
	Decrease in under five deaths among under 5 admissions in health facilities (per 1,000)		18	17.6	17.3	16.9	16.5	16.1
	Decrease in Maternal deaths among deliveries in health facilities (Institutional maternal deaths) (per 100,000)		148	135	131	127	123	119
	Increase in Couple Years of Protection		3,275,403	9,000,000	9,500,000	10,000,000	10,500,000	11,000,000
	Decrease in Maternal Mortality Ratio (per 100,000 live births)		6.2	5.8	5.6	5.2	4.8	4.5
	Increase in Ratio HC IV to the population		1:191,758	1:191,758	1:188,649	1:185,638	1:179,897	1:177,157
	Increase in Ratio of HC III to the population		1:35,721	1:35,576	1:35,431	1:35,288	1:35,146	1:35,005

KRA 5: The quality of public physical infrastructure improved	Water and sanitation	Decrease in number of confirmed OPD Malaria cases	15,997,210	9,959,074	7,303,964	6,451,978	6,040,060	5,593,928
		Increase in per capita OPD utilization ratio	1.1	1.5	1.8	2.0	2.1	2.3
		Increase in DPT 3/ Pentavalent Vaccine (%)	87	95	95	95	97	97
		Increase in Deliveries in health facilities (%)	41	48	52	56	60	64
		Increase in Proportion of qualified workers	63	85	88	91	93	95
		Increase in eligible persons receiving ARVs (%)	42	57	65	72	80	80
		Increase in TB Treatment Success Rate (%)		82	84	86	88	90
		Increase in HCs without medicine stock out (%)	80	85	87	89	91	93
		Increase in proportion of the population satisfied with health care services	53	71	73	75	77	79
		Increase in Household latrine coverage (%)	69	72	75	77	78	80
		Increase in Rural Access to safe water supply	65	72	74	76	77	79
		Increase in Urban Access to safe water in Urban areas	77	86	90	94	97	100
		Increase in Rural Access to sanitation facilities	34.1	43	47	52	55	60
		Increase in Urban Access to sanitation facilities	32.8	41	45	50	53	57
		Increase in the total paved national road network (km)	3,795	4,095	4,536	4,977	5,559	6,000
		Increase in Proportion of paved national to total national roads (%)	16.6	19.5	20.93	22.36	23.79	25
Road Transport	Road Transport	Increase in Proportion of paved urban roads to national roads	3.57	3.71	3.86	4.00	4.14	4.29
		Increased in paved KCCA roads to total KCCA roads.	38.36	40.02	41.67	43.33	44.99	46.64

Railway Transport	Increase in Proportion of freight cargo by rail		12	17.7	20.2	22.1	24.7	25.5
	Increase in Proportion of passenger traffic by rail		0	0.029	0.043	0.059	0.072	0.8
	Increased Proportion of functional railway network		51	51	55.2	59.2	67.2	79
	Increase in volume of cargo transported by railway (million tonnes)		124.40	128.13	131.98	135.94	140.01	144.21
Air Transport	Increase in Volume of international air passenger traffic		1,342,112	1,476,323	1,623,956	1,786,351	1,964,986	2,161,485
	Increase in Volume of domestic air passenger traffic		13,780	15,158	16,674	18,341	20,175	22,193
	Volume of international air cargo traffic	Unloaded	22,123	23,229	24,391	25,610	26,891	28,235
		Loaded	33,784	36,487	39,406	42,558	45,963	49,640
Energy	Increase in Power generation capacity/(MW)		825	1,000	1,200	2025	2325	2,500
	Increase in Proportion of households accessing power from national grid		14	16	17	18	25	30
	Increase in Proportion of electricity consumed by industrial and commercial sector	Industrial	64.6	65	65	60	55	50
		residential	24	25	26	28.5	29.5	30
ICT	Commercial and others		11.16	10	9.0	11.5	15.5	20
	Increased Power consumption per capita		80	90	212	341	463	578
	Increased Ratio of national budget allocated STI (R&D) and ICT		0.15	0.18	0.22	0.27	0.33	0.4
	Internet penetration		20.7	21.8	33.7	39	44	50
	Proportion of businesses using the internet(%)		4	5	6	7	9	10

	Proportion of households with a TV (%)	11.6	11.9	13	15.4	16.6	18
	Increase in % of mobile line subscriptions	6.6	10.1	11.85	13.6	15.35	17.1
	Proportion of districts with backbone (%)	45	62	72	77	86	80
	Teledensity (lines per 100 population)	51.9	60	70	80	83	85



Annex 6: List of NDP II Public Investment Plan Projects

S/N	CODE	PROJECT NAME	STATUS
WORKS AND TRANSPORT SECTOR			
1	0293	Construction of RD Agency HQ's	NDP1 Retained Project
2		Nakasero-Northern Bypass Express Route 5km (WVIP)	NDP1 Retained Project
3	0951	Construction of Katuna and Elegu OSBPs	NDP1 Retained Project
4	1171	U-growth Support to MELTC	NDP1 Retained Project
5	1172	U-growth support to DUCAR	NDP1 Retained Project
6	1105	Strengthening Sector Coordination, Planning and ICT	NDP1 Retained Project
7	0955	Upgrade Nyakahita-Ibanda-Fort Portal (208km)	NDP1 Retained Project
8	0271	Development of Inland water transport	NDP1 Retained Project
9	1049	Kampala-Kasese railway line project	NDP1 Retained Project
10	1051	New ferry to replace Kabalega-Opening Southern corridor	NDP1 Retained Project
11	1096	Support to Computerized Driving Permits	NDP1 Retained Project
12	1097	New Standard Gauge Railway	NDP1 Retained Project
13	1284	Development of new Kampala port in Bukasa	NDP1 Retained Project
14	0936	Redevelopment of State House at Entebbe	NDP1 Retained Project
15	0967	General construction and rehabilitation works	NDP1 On-going Project
16	1045	Interconnectivity project	NDP1 On-going Project
17	0269	Construct selected bridges	NDP1 On-going Project
18	0306	Urban Roads resealing	NDP1 On-going Project
19	0307	Rehabilitation of district roads	NDP1 On-going Project
20	1062	Special Karamoja Security and Disarmament	NDP1 On-going Project
21	0515	Support to Regional Mechanical Workshops	NDP1 On-going Project
22	1160	Transport Sector Development Project (TSDP)	NDP1 On-going Project
23	0267	Improvement of Ferry Services	NDP1 On-going Project
24	952	Construction of Masaka-Bukakata road	NDP1 On-going Project
25	1031	Upgrade Gulu-Atiak-Nimule (104 km)	NDP1 On-going Project
26	1034	Construction of Mukono- Kyetume - Katosi-Nyenga (74km)	NDP1 On-going Project
27	1035	Upgrade Mpigi-Kabulasoke-Maddu (135km)	NDP1 On-going Project
28	1038	Construction Ntungamo-Mirama hills (37km)	NDP1 On-going Project
29	1040	Construction Kapchorwa-Suam road (77km)	NDP1 On-going Project
30	1041	Upgrade Kyenjojo-Hoima-Masindi-Kigumba (238km)	NDP1 On-going Project
31	1042	Upgrade Nyendo-Sembabule (38km)	NDP1 On-going Project
32	1100	Rehabilitation of Lira-Kamdin-Gulu road	NDP1 On-going Project
33	1104	Construct selected bridges	NDP1 On-going Project
34	1176	Hoima-Butiaba-Wanseko road (111 Km)	NDP1 On-going Project
35	1180	Kampala – Entebbe Express way with spur to Munyonyo (51km)	NDP1 On-going Project
36	1274	Musita-Lumino-Busia/Majanji road	NDP1 On-going Project
37	1276	Mubende-Kakumiro- Kibale-Kagadi road (104 Km)	NDP1 On-going Project
38	1277	Kampala Northern Bypass Phase2	NDP1 On-going Project
39	1278	Kampala-Jinja Expressway(80 Km)	NDP1 On-going Project
40	1279	Seeta-Kyaliwajjala-Matugga-Wakiso-Buloba-Nsangi	NDP1 On-going Project

41	1280	Najjanankumbi-Busabala Road and Nambole-Namilyango-Seeta	NDP1 On-going Project
42	1281	Tirinyi-Pallisa-Kumi/Kamonkoli Road (111 km)	NDP1 On-going Project
43	1372	Capacity Enhancement of KCCA in the management of Traffic flow in the city	NDP1 On-going Project
44	1374	Formulation of a Master Northern Economic Corridor	NDP1 On-going Project
45	1375	Preparatory survey for improvement of Gulu MC Roads	NDP1 On-going Project
46	1211	Upgrading Rukungiri-Kihihi-Ishasha/Kanungu road (74km)	NDP1 On-going Project
47	0265	Upgrade Atiak- Adjumani -Moyo-Afoji (104km)	NDP1 On-going Project
48	1044	Upgrade Ishaka-Kagamba (35km)	NDP1 On-going Project
49		Moroto-Nakapiripirit (93 Km)	NDP1 On-going Project
50		Mpigi-Kanoni (65 Km)	NDP1 On-going Project
51		Kanoni – Sembabule-Villa Maria(114 km)	NDP1 On-going Project
52	1275	Olwiyo-Gulu-Acholibur-Kitgum-Musingo (223 Km)	NDP1 On-going Project
53		Mbarara By Pass (40 Km)	NDP1 On-going Project
54		Rehabilitation of Pakwach-Nebbi (54 Km)	NDP1 Retained Projects
55		Forportal-Kamwenge Road	NDP1 Retained Projects
56		Luuku – Kalangala (66Km)	NDP1 Retained Projects
57		Kashwa-Kashongi-Ruhumba (33Km)	NDP1 Retained Projects
58		Nakawuka-Mawungulu-Nazinga-Maya (15Km)	NDP1 Retained Projects
59		Bubulo-Bududa Circular road (28km)	NDP1 Retained Projects
60		Magale – Bumbo-Lwakhakha Road (14Km)	NDP1 Retained Projects
61		Kitala-Gerenge (10Km)	NDP1 Retained Projects
62		Kanoni-Misingi-Mityana (61km)	NDP1 Retained Projects
63		Bombo-Ndejje-Kalasa (19km)	NDP1 Retained Projects
New Projects			
64		Kampala Southern Bypass (18Km)	NDP2 Pipeline Projects
65		Bridges,Piers and Swamp Crossings project	NDP2 Pipeline Projects
66		New Nile Bridge Construction at Jinja	NDP2 Pipeline Projects
67		Birara Bridge (Kanungu)	NDP2 Pipeline Projects
68		Mitano bridgeRukunguri - Kanungu road	NDP2 Pipeline Projects
69		Apak bridge on Lira - Moroto road	NDP2 Pipeline Projects
70		Enyau-3 and Alla (Arua) Bridges	NDP2 Pipeline Projects
71		Kyazuki-Kasese-Kilembe road	NDP2 Pipeline Projects
72		Cido-Nebbi-Goli,	NDP2 Pipeline Projects
73		Kabaale-Kyankwanzi-Ngoma	NDP2 Pipeline Projects
74		Leresi (Butaleja)-Butaleja-Leresi-Budaka	NDP2 Pipeline Projects
75		Nyaliti -Kapchorwa-Suam	NDP2 Pipeline Projects
76		Kasozi (Lugogo) Bridge (linking Ngoma-Buruli)	NDP2 Pipeline Projects
77		Seretiyo on Kapchorwa – Suam road	NDP2 Pipeline Projects
78		Nalakasi-Ariamoi-Kotido-Kabong-Kapedo road	NDP2 Pipeline Projects
79		Nyamugasani (Kasese)-Kinyamaseke-Kisinga-Kibirizi road	NDP2 Pipeline Projects
80		Kaboong (Kaboong)-Ariamoi-Kotido-Kabong-Kapedo road	NDP2 Pipeline Projects
81		Lopei-Ariamoi-Kotido-Kabong-Kapedo road	NDP2 Pipeline Projects
82		Maliba-Nkenda – Bugoye – Nyakalingijo road, Kasese	NDP2 Pipeline Projects
83		Ruboni-Only access to Mt Mageritta tourist site, Kasese	NDP2 Pipeline Projects
84		Ora Bridge on Okokko-Anyiribu road	NDP2 Pipeline Projects

85		Aji Bridge on UllepiOffaka – Nyiribu road in Arua	NDP2 Pipeline Projects
86		Kangole Bridge on Katakwi – Moroto road	NDP2 Pipeline Projects
87		Kayunga-Busana-Lugobero	NDP2 Pipeline Projects
88		Namalu-Nailatuk-Lokapel	NDP2 Pipeline Projects
89		Ocok-Inde	NDP2 Pipeline Projects
90		Corner Ayer – Corner Aboke Bobi (55 Km)	NDP2 Pipeline Projects
91		Luwero – Ziobwe-Wobulenzi	NDP2 Pipeline Projects
92	0953	Rehabilitate Kafu-Kiryandongo-Kamdini	NDP2 Pipeline Projects
93	1175	Kayunga- Bbaale - Galiraya (88.5km)	NDP2 Pipeline Projects
94		Economic zones road infrastructure development project	NDP2 Pipeline Projects
95	1319	Kampala Flyoverproject	NDP2 Pipeline Projects
96	1320	Construct selected bridges	NDP2 Pipeline Projects
97		Upgrading of Soroti-Katakwi-Moroto-Lokitanyala road to paved standard (208 km)	NDP2 Pipeline Projects
98		Design and Construction of Kabwoya-Buhuka road (43km)	NDP2 Pipeline Projects
99	1322	Upgrading of Muyembe-Nakapiripirit (92Km)	NDP2 Pipeline Projects
100		Establishment of ferry services on Lake Kyoga Bukungu,Kagwala and Okile	NDP2 Pipeline Projects
101		Support to Development of Construction Industry	NDP2 Pipeline Projects
102	1312	Mbale – Bubulo – Lwakhakha (41km)	NDP2 Pipeline Projects
103		Katine- Kalaki-Lwala- Kaberamaido- Ocwero	NDP2 Pipeline Projects
104	1295	2nd Kampala Institutional and Infrastructure Development Project (KIIDP2)	NDP2 Pipeline Projects
105		Kibuye – Busega – Mpigi Express way (35km)	NDP2 Pipeline Projects
106		Kampala – Bombo Express way (40km)	NDP2 Pipeline Projects
107		Muhoro - Ndaiga road (31km)	NDP2 Pipeline Projects
108		Busia - Tororo (24km)	NDP2 Pipeline Projects
109		Luwero - Butalangu -Ngoma (83km)	NDP2 Pipeline Projects
110		Rehabilitation of Tororo – Mbale – Soroti – Lira – Kamdini (345km)	NDP2 Pipeline Projects
111		Ishaka - Rugazi - Katunguru rehabilitation (55km)	NDP2 Pipeline Projects
112		Kyenjojo - Fort Portal Rehabilitation (50km)	NDP2 Pipeline Projects
113		Mbale - Nkokonjeru Rehabilitation (20km)	NDP2 Pipeline Projects
114		Nansana - Busunju Rehabilitation (47km)	NDP2 Pipeline Projects
115		Namunsi - Sironko - Muyembe Rehabilitation (32km)	NDP2 Pipeline Projects
116		Mukono – Kayunga – Njeru Rehabilitation (94km)	NDP2 Pipeline Projects
117		Construction of ESO International Centre (Katonga Project)	NDP2 Pipeline Project
118		Lira - Akia & Lira Railway & Army Barracks Accesses (12 km)	
119		Rehabilitation of Mityana - Mubende (89 km)	NDP2 Pipeline Project
120		Soroti - Arapai (10 km), Soroti State Lodge (2km) & Ngora Township (2 km) and Masaka - Nyendo (Town through road) 5km	NDP2 Pipeline Project
121		Kibuye - Entebbe Airport (37 km)	NDP2 Pipeline Project
122		Iganga - Kaliro (32 km)-	NDP2 Pipeline Project
123		Fort Portal - Hima (55km)	NDP2 Pipeline Project
124		Hima - Katunguru (58 km)	NDP2 Pipeline Project

Tourism Roads

125	Hamurwa - Kerere - Kanungu/ Buleme - Buhoma - Butogota - Hamayanja - Ifasha - Ikumba (149km)	NDP2 Pipeline Projects
126	Ishasha - Katunguru (88km)	NDP2 Pipeline Projects
127	Kabale - Bunyonyi (8km)	NDP2 Pipeline Projects
128	Kisoro -Nkuringo/Bwindi (40 Km)	NDP2 Pipeline Projects
129	Kisoro - Mgahinga Gate (14km)	NDP2 Pipeline Projects
130	Kisoro - Rubuguli - Muko (48km)	NDP2 Pipeline Projects
131	Karugutu - Ntoroko road (55km)	NDP2 Pipeline Projects
132	Pajule – Pader (18Km)	NDP2 Pipeline Projects
133	Kalilo-Nawaikoke road	NDP2 Pipeline Projects
134	Irundu-Kagulu road	NDP2 Pipeline Projects
Other Roads		
135	Rwenkuny - Apac - Lira – Acholibur (263km)	NDP2 Pipeline Projects
136	Nabumali - Butaleja – Namutumba (95km)	NDP2 Pipeline Projects
137	Kamuli – Bukungu (64km)	NDP2 Pipeline Projects
138	Kamuli-Namwendwa-Kaliro	NDP2 Pipeline Projects
139	Moroto – Kotido (102km)	NDP2 Pipeline Projects
140	Namagumba- Budadiri- Nalugugu (30km)	NDP2 Pipeline Projects
141	Nebbi - Goli - Paidha - Zombo – Vurra (59km)	NDP2 Pipeline Projects
142	Atiaka-Kitgum (108Km)	
143	Jinja - Buwenda –Mbulamuti – Kamuli (80km) with spurs to Izaanhiro landing site and Isimba Bridge	NDP2 Pipeline Projects
144	Buwaya - Kasanje – Mpigi- Kibibi – Mityana (90km)	NDP2 Pipeline Projects
145	Kyegwegwa-Kazo	NDP2 Pipeline Projects
146	Rehabilitation of paved Urban Roads and Upgrading selected gravel urban roads in the Urban centers / towns of Uganda	NDP2 Pipeline Projects
147	Angatun-Lokapel (45 Km)	NDP2 Pipeline Projects
148	Dokolo-Namasale- Zengebe - Nakasongala – Road Upgrade to paved road status	NDP2 Pipeline Projects
149	Nalugugu-Mututu-Budadiri-Buwalasi – Road Upgrade to paved road status	NDP2 Pipeline Projects
150	Kabwohe - Bwizibwera/ Nsika - Ibanda-Kabujogera-Masyoro-Rwenjaza/Kyambura (85km)	NDP2 Pipeline Projects
151	Kashozi-Buremba-Kariro (53km)	NDP2 Pipeline Projects
152	Kisubi-Nakawuka-Natete(27km)	NDP2 Pipeline Projects
153	Nakawuka-Kasanje-Mpigi (20km)	NDP2 Pipeline Projects
154	Muhanga - Kisiizi -Rwashamaire (50km)	NDP2 Pipeline Projects
155	Lusalira - Kasambya - Nkonge - Sembabule (97km)	NDP2 Pipeline Projects
156	Kumi - Ngora - Serere - Kagwara/ Soroti (75km)	NDP2 Pipeline Projects
157	Mayuge-Mbaale- Nakivumbi-Bugiri-Namayingo-Lugala (90km)	NDP2 Pipeline Projects
158	Kyenjojo (Kahunge) - Nyarukoma- Kigarale - Rwamwanja (34km)	NDP2 Pipeline Projects
159	Rwamwanja - Kiruhura (34km)	NDP2 Pipeline Projects
160	Kitgum – Kapedo road	NDP2 Pipeline Projects
Other Projects		
161	General Construction and Rehabilitation Works	NDP2 Pipeline Projects
162	Construction of Palace for Obusinga Bwa Rwenzururu	NDP2 Pipeline Projects
163	Construction of State House Phase II and III	NDP2 Pipeline Projects

164		Construction of MOWT HQs	NDP2 Pipeline Projects
165		Support to Road and water transport Safety, and licencing	NDP2 Pipeline Projects
Railway Transport			
166		Construction of Standard Gauge Railway	NDP2 Pipeline Project
167		Railway Reserve surveys and Demarcations	NDP2 Pipeline Project
168		Rehabilitation of Tororo-Pakwach railway Line	NDP2 Pipeline Project
169		Kampala-Malaba & Tororo-Pakwach standard Gauge railway resettlement project	NDP2 Pipeline Project
170		Construction of Mukono railway ICD (Phase II)	NDP2 Pipeline Project
171		Rail-based urban mass transit system for GKMPA phase1	NDP2 Pipeline Project
172		Gulu railway inland container depot (ICD)	NDP2 Pipeline Project
Water Transport			
173		Bukasa port Development	NDP2 Pipeline Project
174		Portbell and Jinja Piers re-development project	NDP2 Pipeline Project
175		Construction of MV-Kabalega II	NDP2 Pipeline Project
176		Rehabilitation of MV Pamba	NDP2 Pipeline Project
177		Design and construction of landing sites at Ggaba, Lutembe and Butebo	NDP2 Pipeline Project
178		Establishment of Maritime Administration Agency	NDP2 Pipeline Project
179		Construction of MV for Kamuli - Muntu-Serere	NDP2 Pipeline Project
180		Bukungu -Kagwara-Kasilo Ferry	NDP2 Pipeline Project
181		Kikongo-Namoni Ferry	NDP2 Pipeline Project
182		Construction of Portbell and Jinja Piers	NDP2 Pipeline Project
183		Namasale- Zengebe Ferry II	NDP2 Pipeline Project
184		Wanseko –Panyimur Ferry	NDP2 Pipeline Project
185		Sigulu Islands Ferry	NDP2 Pipeline Project
186		Kumi-Katakwi Ferry	NDP2 Pipeline Project
187		MV for L.Victoria Islands	NDP2 Pipeline Project
Air Transport			
188		Upgrade and Expansion of Entebbe International Airport	NDP2 Pipeline Project
189		Upgrade of Kasese, Arua and Soroti, to international Airports	NDP2 Pipeline Project
190		Entebbe Airport Air Navigation Systems Upgrade	NDP2 Pipeline Project
191		Revival of the National Airline project	NDP2 Pipeline Project
192		Hoima International Airport phase I	NDP2 Pipeline Project
193		Upgrade of Jinja Airstrip to Airfield	NDP2 Pipeline Project
GKMA Transport			
194		Greater Kampala Metropolitan Area Rapid Mass Transport System	NDP2 Pipeline Project
195		GKMA Ring Roads Project	NDP2 Pipeline Project
INFORMATION AND COMMUNICATIONS TECHNOLOGY SECTOR			
196	0990	Strengthening Ministry of ICT	NDP1 Retained Project
197	1014	National Transmission Backbone	NDP1 Retained Project
New projects			
198		ICT business parks	NDP2 Pipeline Project
199		e-Government project	NDP2 Pipeline Project
200		National data centre and disaster recovery centre	NDP2 Pipeline Project

201		One Stop Shop Centres for e-Government service delivery	NDP2 Pipeline Project
202		Rural Communications Infrastructure Project (RCIP)	NDP2 Pipeline Project
203		Strengthening ICT in Local Governments for effective service delivery	NDP2 Pipeline Project
204		Implementation of the NBI Phase IV	NDP2 Pipeline Project
SCIENCE, TECHNOLOGY, ENGINEERING AND INNOVATION			
205		National Science Technology and Innovation Fund	NDP2 Pipeline Project
206		Establish five (5) Regional Science Parks and Centers	NDP2 Pipeline Project
207		Renewable energy projects	NDP2 Pipeline Project
208		ICT application in environmental management and monitoring	NDP2 Pipeline Project
209		Material science project (Mineral beneficiation (gold, glass), Petrol chemicals (polymers), Ceramics (Tiles, cups), Textiles e.g. cloth, Paper, Wood based materials and Material recycling)	NDP2 Pipeline Project
HEALTH SECTOR			
210	0216a	District Infrastructure Support Programme (Retooling)	NDP1 Retained Project
211	0216b	District Infrastructure Support Programme (Facilities)	NDP1 Retained Project
212	1345	ADB Support to Uganda Cancer Institute	NDP2 Pipeline Projects
213		Renovation and equipping of Kayunga and Yumbe General hospitals	NDP2 approved Project by DC
214	0232	Rehabilitation of health Facilities	NDP1 Retained Project
215	1027	Institutional Support to MoH	NDP1 Retained Project
216	1123	Health Systems Strengthening	NDP1 Retained Project
217	1187	Support to Mulago Hospital Rehabilitation	NDP1 Retained Project
218	1243	Rehabilitation and construction of General Hospitals	NDP1 Retained Project
219	1314	Rehabilitation and equipping of Health facilities	NDP1 Retained Project
220	1315	Construction of specialised Neonatal and Maternal	NDP1 Retained Project
221	1148	Public health Laboratory strengthening project	NDP1 Retained Project
222	1218	Uganda Sanitation Fund project	NDP1 Retained Project
223	0220	Global Fund for AIDS,TB and Malaria	NDP1 Retained Project
224	1141	Gavi Vaccines and HSSP	NDP1 Retained Project
225	1145	Institutional Capacity Building	NDP1 Retained Project
226	1120	Uganda Cancer Institute Project	NDP1 Retained Project
227	1121	Uganda Heart Institute Project	NDP1 Retained Project
228	0422	PHC Development	NDP1 Retained Project
229	0365	Health Service Commission	NDP1 Retained Project
230	0242	Uganda Blood Transmission	NDP1 Retained Project
231	0392	Mulago Hospital Complex	NDP1 Retained Project
232	0911	Butabika and health centre remodelling/construction	NDP1 Retained Project
233	1004	Rehabilitation and upgrading of existing infrastructure (32 General hospitals)	NDP1 Retained Project
New Projects			
234		Rehabilitation, construction and upgrading of RRHs	NDP2 Pipeline Projects
235		Health sector quality improvement project	NDP2 Pipeline Projects
236		Skills development for human resource of health (RHR)	NDP2 Pipeline Projects
237		Support to private not for profit health facilities	NDP2 Pipeline Projects
238		Italian support to health systems strengthening for Karamoja	NDP2 Pipeline Projects

239		Procurement of medical equipment and medical furniture for health facilities	NDP2 Pipeline Projects
240		Construction of blood banks in RRHs	NDP2 Pipeline Projects
241		Scale up of medical oxygen supply to higher level facilities	NDP2 Pipeline Projects
242		Malaria Control Project	NDP2 Pipeline Projects
243		National Ambulance System	NDP2 Pipeline Projects
244		National health insurance scheme	NDP2 Pipeline Projects
245		Reproductive Health project	NDP2 Pipeline Projects
246		Community Health Extension Workers (CHEWs) project	NDP2 Pipeline Projects
247	0359	Uganda Aids Commission Secretariat	NDP1 Retained Projects
248		High Cost Medical Equipment Project	NDP2 Pipeline Projects
LANDS AND HOUSING SECTOR			
249	1255	Uganda Support to Municipal Development Project (USMID)	NDP1 On-going Project
250	1309	Municipal Development Strategy	NDP1 On-going Project
251	1244	Support to National Physical Development Planning	NDP1 On-going Project
252	1310	Albertine Region Sustainable Development Project	NDP1 On-going Project
253	1289	Competitiveness and Enterprise Development Project [CEDP]	NDP1 Retained Project
254	0989	Support to Uganda Land Commission	NDP1 On-going Project
New Projects			
255		Re-Develop Land for Housing Development	NDP2 Pipeline Project
256		Development of Both Social and Commercial Housing Targeting Low Income and Middle Income Earners	NDP2 Pipeline Project
257		Housing Project in partnership with National Housing and Shelter Afrique- Wakiso, Jinja, Arua, Kabale, Ntungamo, Entebbe and Lira	NDP2 Pipeline Project
258		Capacity building Project on Geospatial Information Construction to support Urban Development of Greater Kampala Metropolitan Area	NDP2 Pipeline Project
259		Modernization of Surveying and Mapping services	NDP2 Pipeline Project
260		Support to MLHUD	NDP2 Pipeline Project
261		Zonal land offices construction project (Kabale, Mpigi, Mtyana, Luwero, Rukungiri, Tororo, Mukono, Soroti and Moroto)	NDP2 Pipeline Project
262		National horizontal geodetic reference Project	NDP2 Pipeline Project
263		Support to land Survey and Mapping Project	NDP2 Pipeline Project
264		National Slum upgrading	NDP2 Pipeline Project
265		Urban Local Economic Development Program	NDP2 Pipeline Project
SOCIAL DEVELOPMENT SECTOR			
266		Promotion of "Green" Jobs and Fair Labour market in Uganda (PROGREL)	NDP2 Pipeline Project
267	1367	Uganda Women Entrepreneurship Programme (UWEP)	NDP2 Pipeline Project
268	1282	Strengthening Safeguards, Safety and Health at Workplaces (SSASHEW)	NDP1 Retained Project
269	1269	Strengthening the Capacity of Equal Opportunities Commission	NDP1 Retained Project
270	0345	Support to Ministry of Gender, Labour and Social Development	NDP1 Retained Project
New Projects			
271	1157	SAGE (Social Assistance Grants for Empowerment) II	NDP2 Pipeline Project
272		SUNRISE OVC (Strengthening the Uganda National Response for Implementation of Services for OVCs)	NDP2 Pipeline Project

273		SCORE (Strengthening Community OVC Response)	NDP2 Pipeline Project
274		HIV/AIDS programmes	NDP2 Pipeline Project
275		Child Helpline	NDP2 Pipeline Project
276	1366	Youth Livelihoods Programme	NDP2 Pipeline Project
277		Promotion of Children and Youth (PCY)	NDP2 Pipeline Project
278		Community Based Rehabilitation	NDP2 Pipeline Project
279		Strengthening the Culture and Creative Industries project	NDP2 Pipeline Project
280	0115	Local Government Management Service Delivery project (former LGDP)	NDP2 Pipeline Project
PUBLIC ADMINISTRATION SECTOR			
281	0001	Construction of GOU offices	NDP1 Retained Project
282	0008	Support to State House	NDP1 Retained Project
283	0027	Strengthening Ministry of Foreign Affairs	NDP1 Retained Project
284	0353	Support to Electoral Commission	NDP1 Retained Project
285	0007	Strengthening of the President's Office	NDP1 Retained Project
286		Construction, rehabilitation and acquisition of property for Uganda Mission Abroad	NDP1 Retained Project
287	0398	Strengthening Mission in New York	
288	0894	Strengthening Mission in England	NDP1 Retained Project
289	0399	Strengthening Mission in Canada	NDP1 Retained Project
290	0893	Strengthening Mission in India	NDP1 Retained Project
291	1064	Strengthening Mission in Egypt	NDP1 Retained Project
292	0892	Strengthening Mission in Kenya	NDP1 Retained Project
293	0400	Strengthening Mission in Tanzania	NDP1 Retained Project
294	0972	Strengthening Mission in South Africa	NDP1 Retained Project
295	0402	Strengthening Mission in Washington	NDP1 Retained Project
296	0404	Strengthening Mission in Rwanda	NDP1 Retained Project
297	0974	Strengthening Mission in Denmark	NDP1 Retained Project
298	0975	Strengthening Mission in Belgium	NDP1 Retained Project
299	1177	Strengthening Mission in DRC	NDP1 Retained Project
300	0403	Strengthening Mission in Beijing	NDP1 Retained Project
301	1124	Strengthening Mission in Abu Dhabi	NDP1 Retained Project
302	1065	Strengthening Mission in Riyadh	NDP1 Retained Project
303	0928	Strengthening Mission in Moscow	NDP1 Retained Project
304	0973	Strengthening Mission in Geneva	NDP1 Retained Project
305	1125	Strengthening Mission in Bujumbura	NDP1 Retained Project
306	1169	Strengthening Mission in Guangzhou -China	NDP1 Retained Project
307	1287	Strengthening Mission in Mogadishu	NDP1 Retained Project
308	0976	Strengthening Mission in Juba	NDP1 Retained Project
309	0930	Strengthening Mission in Addis Ababa	NDP1 Retained Project
310	0001	Construction of GOU offices	
311		Acquisition of Land for Construction of Government MDA Offices.	NDP2 Pipeline Project
312		International integrated Foreign service communication system project (ICS)	NDP2 Pipeline Project

313		Uganda Institute for Diplomacy and International Affairs (UIDIA) project	NDP2 Pipeline Project
314		Capacity building in commercial and economic diplomacy project	NDP2 Pipeline Project
WATER AND ENVIRONMENT SECTOR			
315	0163	Support to Rural Water Supply project	NDP1 Retained Project
316	1191	Provision of improved water sources for returned IDP's	NDP1 Retained Project
317	0164	Support to small town WSP	NDP1 Retained Project
318	0168	Urban Water Reform	NDP1 Retained Project
319	1074	WSDF-North	NDP1 Retained Project
320	1075	WSDF-East	NDP1 Retained Project
321	1130	WSDF-Central	NDP1 Retained Project
322	1188	Protection of LV Kampala Sanitation Program	NDP1 Retained Project
323	1192	LVWATSAN	NDP1 Retained Project
324	1193	Kampala Water LV Water and Sanitation Project	NDP1 Retained Project
325	1231b	WMDP	NDP1 Retained Project
326	1231c	WMDP	NDP1 Retained Project
327	1283	WSDF-South West	NDP1 Retained Project
328	0137	Lake Victoria Environmental Mgt Project	NDP1 Retained Project
329	0149	Operational Water Res.Mgt NBI	NDP1 Retained Project
330	0165	Support to Water Resource Management	NDP1 Retained Project
331	1021	Mapping of Ground Water Resources in Uganda	NDP1 Retained Project
332	1231a	Water Management and Development Project	NDP1 Retained Project
333	1302	Support for Hydropower dev't and operations on River Nile	NDP1 Retained Project
334	0146	National Wetland Project Phase III	NDP1 Retained Project
335	1301	The National REDD-Plus project	NDP1 Retained Project
336	1102	Climate Change Project	NDP1 Retained Project
337	0161	Support to National Forestry Authority	NDP1 Retained Project
338	0947	FIEFOC	NDP1 Retained Project
339	1189	Sawlog Production GSP	NDP1 Retained Project
340	0151	Policy and Management Support	NDP1 Retained Project
341	1190	Support to Nabyeya Forestry College	NDP1 Retained Project
342	1304	Support to NEMA Phase II	NDP1 Retained Project
343	1231d	Water Management and Development Project	NDP1 Retained Project
344	0156	Rural Water	NDP1 Retained Project
345	0169	Water for production	NDP1 Retained Project
346	1347	Solar Powered Mini-Piped Water Schemes in rural Areas	NDP1 Retained Project
347	1349	Large Rural Piped Water Supply Schemes in Northern Uganda	NDP1 Retained Project
348	1359	Piped Water in Rural Areas	NDP1 Retained Project
349	0124	Energy for Rural Transformation (ERTII)	NDP1 Retained Project
350	1371	Uganda National meteorological Authority (UNMA)	NDP1 Retained Project
New Projects			
351		Large Rural Piped Water Supply Schemes	NDP2 Pipeline Project
352		LVWATSAN II	NDP2 Pipeline Project
353		ERT III	NDP2 Pipeline Project
354		Large Gravity Flow Scheme project	NDP2 Pipeline Project

355		Support to MWE (Data base and Retooling)	NDP2 Pipeline Project
356		Multi-village piped water systems	NDP2 Pipeline Project
357		Rural Growth Centres and small towns Piped Water system project	NDP2 Pipeline Project
358		Support to Rainwater harvesting	NDP2 Pipeline Project
359		Support to LGs (TSUs)	NDP2 Pipeline Project
360		Rural Hygiene and Sanitation promotion project	NDP2 Pipeline Project
361		Improved Urban Sanitation and Hygiene Services (small towns)	NDP2 Pipeline Project
362		GKMA water supply and sewerage expansions and extensions	NDP2 Pipeline Project
363		NWSC-Albertine Graben	NDP2 Pipeline Project
364		Multinational Lake Victoria communication and Transport Project by AfDB	NDP2 Pipeline Project
365		Trans boundary water resources management	NDP2 Pipeline Project
366		National Restoration of degraded wetland Eco-system project	NDP2 Pipeline Project
367		Enhancing communities to climate change	NDP2 Pipeline Project
368		Support to catchment based integrated water resource management	NDP2 Pipeline Project
369		Effective use of water through irrigation in East and Northern Uganda	NDP2 Pipeline Project
370		Use of biologic garbage from markets	NDP2 Pipeline Project
371		Integrated and a wholistic waste management in municipal councils.	NDP2 Pipeline Project
372		Value addition to EdNR goods and services	NDP2 Pipeline Project
373		Sustainable use and management of electronic and other hazardous waste management	NDP2 Pipeline Project
374		Environmental monitoring of oil and gas activities	NDP2 Pipeline Project
375		Biodiversity protection project	NDP2 Pipeline Project
376		Environment Satellite Account	NDP2 Pipeline Project
377		Hill tops and fragile areas tree planting project	NDP2 Pipeline Project
378		Restoration of degraded natural forests on protected and private land	NDP2 Pipeline Project
379		Forest Governance and Capacity Building Project	NDP2 Pipeline Project
380		Strengthening forest institutions responsible for forest management and development	NDP2 Pipeline Project
381		Tree seedlings development project	NDP2 Pipeline Project
382		Farm income enhancement and forest conservation project phase 2	NDP2 Pipeline Project
383		Mitigation and adaptation actions in the forestry sector	NDP2 Pipeline Project
384		Wetland gazettement project	NDP2 Pipeline Project
385		RAMSAR Wetland project	NDP2 Pipeline Project
386		Support to Meteorology Authority	NDP2 Pipeline Project
EDUCATION SECTOR			
387		Construction of MOES headquarters	NDP1 Retained Project
388	1091	Support to USE	NDP1 Retained Project
389		Skills Development Project	NDP2 Pipeline Project
390		John Kale Institute of Science and Technology Kisoro	NDP2 Pipeline Project
391		Tororo Roads and Railway Polytechnic (TRRP)	NDP2 Pipeline Project
392		OFID-funded Vocational Educational (VE) Project	NDP2 Pipeline Project

393	1232	Karamoja Primary education project	NDP1 Retained Project
394	1296	Uganda Teacher and school effectiveness project	NDP1 Retained Project
395	0897	Development of secondary education	NDP1 Retained Project
396	1308	Development and improvement of Special Needs Education	NDP1 Retained Project
397	1241	Development of Uganda Petroleum Institute Kigumba	NDP1 Retained Project
398	1273	Support to higher education, science and technology	NDP1 Retained Project
399	0942	Development of BTNET	NDP1 Retained Project
400	1270	Support to National Health and Departmental training institutions	NDP1 Retained Project
401	1310	Albertine Region Sustainable Development project	NDP1 Retained Project
402	1233	Improving training of BTNET Technical instructors, health tutors and secondary teachers in Uganda	NDP1 Retained Project
403	1057	Busitema University infrastructure development	NDP1 Retained Project
404	1298	Support to Muni infrastructure development	NDP1 Retained Project
405	1271	Support Education Service Commission	NDP1 Retained Project
406	1272	Support to Makerere university	NDP1 Retained Project
407	1132	Food Technology incubations	NDP1 Retained Project
408	1133	Technology innovations	NDP1 Retained Project
409	1134	Skills for production, enterprise, development and wealth creation (SPEDA)	NDP1 Retained Project
410	0368	Development	NDP1 Retained Project
411	0896	Support to MUBS Infrastructure development	NDP1 Retained Project
412	0369	Development of Kyambogo university	NDP1 Retained Project
413	1106	Support to Uganda Management Institute	NDP1 Retained Project
414	0906	Support to Gulu university	NDP1 Retained Project
415	1093	Nakawa Vocational Training Institute	NDP1 Retained Project
416	0984	Relocation of Shimonzi PTC	NDP1 Retained Project
417	1250	Support to innovation-EV car project	NDP1 Retained Project
418	1340	Development of PTCs Phase II	NDP1 Retained Project
419	1369	Akii Bua Olympic Stadium	NDP1 Retained Project
420	1370	National High Altitude Training Centre (NHATC)	NDP1 Retained Project
421	0423	Schools' Facilities Grant	NDP1 Retained Project
422	1356	Uganda National Examination Board (UNEB) Infrastructure Development Project	NDP1 Retained Project
423	1342	Technology Innovations II	NDP1 Retained Project
424	1343	SPEDA II	NDP1 Retained Project
425	1339	Emergency Construction of Primary schools II	NDP1 Retained Project
426		Higher Educ. Science and Technology Project-HEST ADB V	NDP1 Retained Project
427		Rehabilitation of National Health Colleges	NDP1 Retained Project
428		e- Learning project	NDP1 Retained Project
429		Support to Technology and innovation	NDP1 Retained Project
New Projects			
430		Support to the implementation of skilling Uganda Strategy (BTNET)	NDP2 Pipeline Project
431		Post Primary skills training and employability project	NDP2 Pipeline Project
432		Support to higher Education, in science ,Technology and Innovation at Public Universities in Uganda	NDP2 Pipeline Project
433		Eastern and Southern African Statistics Development project	NDP2 Pipeline Project

SECURITY SECTOR			
434	0982	Strengthening of Internal Security - ISO Capacity building project (Construction and equipping of ISO headquarters and field Stations)	
435	0023	Defence Equipment Project	NDP1 Retained Project
436	1178	UPDF Peace keeping mission in Somalia (AMISOM)	NDP1 Retained Project
437	0983	Strengthening ESO - Support to ESO Capacity Building Project	NDP1 Retained Project
New Projects			
438		Defence Capacity Building Project	NDP2 Pipeline Project
439		Military Referral Hospital (MRH)	NDP2 Pipeline Project
440		National Service Programme	NDP2 Pipeline Project
441		Barracks Construction Project	NDP2 Pipeline Project
442		Food and Beverages Production Projects- Kakiri	NDP2 Pipeline Project
443		Retirement Benefits and Arrears Project	NDP2 Pipeline Project
444		Luwero Industries Programme	NDP2 Pipeline Project
445		Magamaga Engineering Project	NDP2 Pipeline Project
446		Defence Research, Science and Technology Centre (DRSTC)- Lugazi	NDP2 Pipeline Project
447		Construction of MoD Headquarters at Mbuya	NDP2 Pipeline Project
448		Development of UPDF Physical Infrastructure (at Entebbe, Nakasongola ,Gulu and Soroti)	NDP2 Pipeline Project
449		Tororo Railway and Road polytechnic	NDP2 Pipeline Project
450		National Military Museum (NMM)	NDP2 Pipeline Project
451		Establishment and Development of an Engineer Division at Kakoge	NDP2 Pipeline Project
452		Establishment of the National Defence College (NDC)	NDP2 Pipeline Project
453		Construction of Dormitories for the Institute of Security and Intelligence Studies (ISIS)	NDP2 Pipeline Project
454		ISO staff Retirement project	NDP2 Pipeline Project
455		Payment of ISO staff Statutory arrears	NDP2 Pipeline Project
456		Security Information monitoring centre (ISO)	NDP2 Pipeline Project
457		Construction of Kitante Medical Centre(ISO)	NDP2 Pipeline Project
458		Construction of ISO Headquarters and field Stations	NDP2 Pipeline Project
459		ISO capacity Building	NDP2 Pipeline Project
460		Support to Eso Diplomatic and Security stations	NDP2 Pipeline Project
461		ESO Retirement and Statutory benefits	NDP2 Pipeline Project
462		Construction of ESO HQRS and Field offices	NDP2 Pipeline Project
463		ESO ICT and Specialized Technical Equipment	NDP2 Pipeline Project
464		ESO Executive Guest houses/Hospitality Centres	NDP2 Pipeline Project
465		ESO International Centre (Katonga Project)	NDP2 Pipeline Project
466		ESO capacity Building project	NDP2 Pipeline Project
467		Jumbo Medical Centre	NDP2 Pipeline Project
468		Support to ESO	NDP2 Pipeline Project
ACCOUNTABILITY SECTOR			
469	0933	Competitiveness & Investment Climate Secretariat	NDP1 Retained Project
470	1059	Value Addition Tea Industry	NDP1 Retained Project
471	0978	Presidential Initiatives on Banana Industry	NDP1 Retained Project

472	0054	Support to Ministry of Finance, Planning and Economic Development	NDP1 Retained Project
473	0061	Support to Uganda National Council for Science	NDP1 Retained Project
474	0988	Support to other Scientists	NDP1 Retained Project
475	0994	Development of Industrial Parks	NDP1 Retained Project
476	1003	African Development Foundation	NDP1 Retained Project
477	1063	Budget Monitoring and Evaluation	NDP1 Retained Project
478	1080	Support to Macroeconomic Management	NDP1 Retained Project
479	1208	Support to National Authorising Officer	NDP1 Retained Project
480	1211	Belgo-Ugandan study and consultancy Fund	NDP1 Retained Project
481	1288	Financial Inclusion in Rural Areas [PROFIRA] of Uganda	NDP1 Retained Project
482	1289	Competitiveness and Enterprise Development Project [CEDP]	NDP1 Retained Project
483	1290a	3rd Financial Management and Accountability Programme [FINMAP III] Component 1	NDP1 Retained Project
484	1290b	3rd Financial Management and Accountability Programme [FINMAP III] Component 2	NDP1 Retained Project
485	1290c	3rd Financial Management and Accountability Programme [FINMAP III] Comp. 3,4&5 - FMS, LGPFM and Oversight	NDP1 Retained Project
486	1290d	3rd Financial Management and Accountability Programme [FINMAP III] Comp. 6 - Management Support	NDP1 Retained Project
487	1305	U growth DANIDA programme	NDP1 Retained Project
488	0354	Support to IGG	NDP1 Retained Project
489	1226	Support to Directorate of Ethics and Integrity	NDP1 Retained Project
490	0362	Support to Office of the Auditor General	NDP1 Retained Project
491	0653	Support to URA Projects	NDP1 Retained Project
492	1225	Support to PPDA	NDP1 Retained Project
493	1213	Population and Housing Census 2012	NDP1 Retained Project
494	0997	Support to Micro finance	NDP1 Retained Project
495	0045	Support to Uganda Bureau of Statistics (UBOS)	NDP1 Retained Project
New projects			
496		LAS Digital system project	NDP2 Pipeline Project
497		LAS offices construction project	NDP2 Pipeline Project
498		Parliamentary museum project	NDP2 Pipeline Project
499		Support to the Recapitalisation of Uganda Development Bank Limited (UDBL)	NDP2 Pipeline Project
500		Support to LAS Secretariat research and analysis	NDP2 Pipeline Project
501		Support to restructuring and operationalization of new Agencies	NDP2 Pipeline Project
502		Support to Uganda Benefit and Retirement Authority	NDP2 Pipeline Project
AGRICULTURE SECTOR			
503	1166	Support to Fisheries Mechanisation & Weed Control project	NDP1 Retained Project
504	0151	Agricultural Research Project	NDP1 Retained Project
505	0152	Cotton Development project	NDP1 Retained Project
506	0153	Coffee Development	NDP1 Retained Project
507	0154	Agricultural Advisory Services	NDP1 Retained Project
508	0155	Dairy Development	NDP1 Retained Project
509	0156	Breeding and Genetic Development	NDP1 Retained Project

510		Improved control and surveillance of ticks and tick-borne diseases in Uganda	NDP2 Pipeline Project
511		Uganda Tsetse and Trypanosomiasis Eradication Project (UTTEP)	NDP2 Pipeline Project
512		COMESA seed harmonization implementation project	NDP2 Pipeline Project
513		Introduction of Quinoa as a high value crop for cultivation in Uganda	NDP2 Approved Project by DC
514		Uganda-China South-South Cooperation phase 2	NDP2 Approved Project by DC
515	1357	Improving access and use of agricultural equipment and mechanization through the use of labour saving technologies	NDP2 Approved Project by DC
516		The Project on irrigation Scheme development in Central and Eastern Uganda (PISD)-JICA supported project	NDP2 Approved Project by DC
517		Northern Uganda Farmers Livelihood Improvement Project	NDP2 Approved Project by DC
518		NAGRC Strategic Intervention for animal genetics improvement project	NDP2 Approved Project by DC
519		Regional Pastoral Livelihoods Resilience project	NDP2 Approved Project by DC
520		Meat Export Support Services Project	NDP2 Approved Project by DC
521		Farm-Based Bee Reserves Establishment project	NDP2 Approved Project by DC
522	1327	National Farmers Leadership Center (NFLC)	NDP2 Approved Project by DC
523	1328	Support to Agricultural Training Institutions	NDP2 Approved Project by DC
524	1362	Agro-Economic and Local Content Impact Deepening in the Albertine region	NDP2 Approved Project by DC
525		The Export Goat Breeding and Production Project	NDP2 Approved Project
526	0104	Support for Tea Cocoa Seedlings	NDP1 Retained Project
527	0970	Crop disease and Pest Control	NDP1 Retained Project
528	1010	COMESA Agricultural, Marketing and Regional Integration Project (AMPRIIP)	NDP1 Retained Project
529	1084	Avian and Human Influenza Project	NDP1 Retained Project
530	1085	MAAIF Coordination/U Growth	NDP1 Retained Project
531	1195	Vegetable Oil Development Project-Phase 2	NDP1 On-going Project
532	1238	Rice Development (PRIDE) Project	NDP1 On-going Project
533	1263	Agriculture Cluster Development Project (ACDP)	NDP1 On-going Project
534	1264	Commercialization of Agriculture in Northern Uganda (CANU)	NDP1 On-going Project
535	1265	Agriculture Technology Transfer (AGRITT) Cassava Value Chain Project	NDP1 On-going Project
536	1266	Support to Agro processing, business & marketing of agricultural Product Projects	NDP1 On-going Project
537	1267	Construction of Ministry of Agriculture, Animal Industry & Fisheries Headquarters	NDP1 Retained Project
538	1316	Enhancement of National food security through increased Rice production	NDP1 On-going Project
539	1268	Dairy Market Access and Value Addition	NDP1 On-going Project
540	0382	Support for NARO	NDP1 Retained Project

541	1139	ATAAS (Grant) EU, WB and DANIDA Funded	NDP1 On-going Project
542	0903	Government Purchases (NAADS Secretariat)	NDP1 Retained Project
543	1219	Cotton Production Improvement	NDP1 Retained Project
544	0100	NAADS (Headquarters)	NDP1 Retained Project
545	1008	Plan for National Agriculture Statistics	NDP1 Retained Project
546	0760	Support to Institutional Development Project (SIDP)	NDP1 Retained Project
547	0900	Livestock Disease control	NDP1 Retained Project
548	1165	Increasing Mukene for Human Consumption	NDP1 Retained Project
New Projects			
549		Support to adaptation of agriculture research products and quality seed multiplication project.	NDP2 Pipeline Project
ENERGY SECTOR			
550	1222	Electrification of Industrial Parks Project	NDP1 Retained Project
551		Hoima-Kinyara transmission line and associated substations	NDP1 Retained Project
552		Kabulasoke-Kiboga -Hoima transmission line and associated transmission lines	NDP1 Retained Project
553		Lira-Gulu-Agago transmission project	NDP1 Retained Project
554	1256	Ayago HPP	NDP2 Pipeline Project
555		Muzizi HPP (44.7MW)	NDP2 Pipeline Project
556		Achwa HPP (83MW)	NDP2 Pipeline Project
557		Nyagak III HPP (5.5MW)	NDP2 Pipeline Project
558		Maziba HPP (1.1MW)	NDP2 Pipeline Project
559		Construction of Small Hydro Power Plants (Nyamwamba-9.2MW, Siti – 5MW,Waki-5MW,Rwimi-5.4MW,Kikagati-16MW and Nengo Bridge-7.5MW)	NDP2 Pipeline Project
560		Improvement of Queensway Substation.	NDP2 Pipeline Project
561		Mbale-Bulambuli transmission and associated substations	NDP2 Pipeline Project
562		Network Manager System upgrade at the national control centre	NDP2 Pipeline Project
563	1352	Midstream Petroleum Transportation and Storage Infrastructure Development Project	NDP2 Pipeline Project
564		Rural electrification projects in Central, Southern and Western parts of Uganda. AfDB	NDP2 Pipeline Project
565	1354	Grid Rural Electrification Project AfDB	NDP2 Pipeline Project
566		Rural Electrification Projects in Kayunga and Kamuli District (BADEA II)	NDP2 Pipeline Project
567	1355	Strengthening the Development and Production Phases of the Oil and Gas sector	NDP1 Retained Project
568	0325	Energy for Rural Transformation II	NDP1 Retained Project
569	0940	Support to Thermal Generation	NDP1 Retained Project
570	1023	Promotion of Renewable Energy & Energy Efficiency	NDP1 Retained Project
571	1025	Karuma Interconnection Project	NDP1 Retained Project
572	1026	Mputa Interconnection Project	NDP1 Retained Project
573	1137	Mbarara-Nkenda/Tororo-LiraTransmission Lines	NDP1 Retained Project
574	1143	Isimba HPP (183 MW)	NDP1 Retained Project
575	1183	Karuma Hydro electricity Power Project (600MW)	NDP1 Retained Project
576	1184	Construction of Oil Refinery	NDP1 Retained Project
577	1199	Uganda Geo thermal resources Development	NDP1 Retained Project

578	1221	Opuyo Moroto Interconnection Project (Op)	NDP1 Retained Project
579	1223	Institutional Support to Ministry of Energy and Mineral Development	NDP1 Retained Project
580	1258	Downstream Petroleum Infrastructure	NDP1 Retained Project
581	1259	Kampala-Entebbe Expansion Project	NDP1 Retained Project
582	1261	West Nile Grid Extension Program-GBOBA	NDP1 Retained Project
583	1262	Rural Electrification Project	NDP1 Retained Project
584	1140	NELSAP	NDP1 Retained Project
	1212	The Electricity Sector Development Project (ESDP)	NDP1 Retained Project
585	1353	Mineral Wealth And Mining Infrastructure Development	NDP1 Retained Project
586		New Projects	
587	1332	Energy for Rural Transformation III	NDP2 Pipeline Project
588		Ariang Hydro Power Plant	NDP2 Pipeline Project
589		Kikagati, and Nshongyenzi Mini hydro power projects	NDP2 Pipeline Project
590		Lake Katwe Geo - Thermal Plant project	NDP2 Pipeline Project
591		Wind Mill Power Project	NDP2 Pipeline Project
592		Rare Earth Exploration and Development	NDP2 Pipeline Project
PUBLIC SECTOR MANAGEMENT SECTOR AND SUB-NATIONAL DEVELOPMENT			
593	1066	District Livelihood Support Programme	NDP1 Retained Project
594	0019	Strengthening and Re-tooling the OPM	NDP1 Retained Project
595	0022	Support to LRDPII	NDP1 Retained Project
596	0922	Humanitarian Assistance	NDP1 Retained Project
597	0932	Post-war Recovery, and Presidential Pledges	NDP1 Retained Project
598	1006	Support to Information and National Guidance	NDP1 Retained Project
599	1078	Karamoja Integrated Development Programme(KIDP)	NDP1 Retained Project
600	1251	Support to Teso Development	NDP1 Retained Project
601	1252	Support to Bunyoro Development	NDP1 Retained Project
602	1293	Support to Refugee Settlement II	NDP1 Retained Project
603	1294	Government Evaluation Facility Project	NDP1 Retained Project
604	1317	Dry-lands Integrated Development Project	NDP1 Retained Project
605	1285	Support to Ministry of Public Service	NDP1 Retained Project
606	1088	Markets and Agriculture Trade Improvement Project II	NDP1 On - going Project
607	1236	Community Agriculture & Infrastructure Improvement Project (CAIP) III	NDP1 Retained Project
608	1292	Millennium Villages Projects II	NDP1 Retained Project
609	1307	Support to Ministry of Local Government	NDP1 Retained Project
610	1005	Strengthening Min of EAC	NDP1 Retained Project
611	0115	LGMSD (former LGDP)	NDP1 Retained Project
612	0388	Public Service Commission	NDP1 Retained Project
613	0389	Support LGFC	NDP1 Retained Project
614	1371	Restoration of Livelihoods in Northern Region (PRELNOR)	NDP1 Retained Project
615	0361	National Planning Authority	NDP1 Retained Project
New Projects			
616		Public Service Reform Project	NDP2 Pipeline Project
617		Support to national community of practice for managing for development results	NDP2 Pipeline Project

618		Support to evidence based decision making phase III	NDP2 Pipeline Project
619		Capacity building for strategic coordination of government policies and programmes	NDP2 Pipeline Project
620		Capacity building for M&E across government	NDP2 Pipeline Project
621		Capacity building for implementation of the Uganda Nutrition Action Plan	NDP2 Pipeline Project
622		Enhancement of the National Evaluation facility to implement the 5-year Evaluation Agenda	NDP2 Pipeline Project
623		Support to the Public Sector Management –Secretariat	NDP2 Pipeline Project
624		Support for the Presidential Investors Round Table (PIRT) and the Prime Ministers SMEs Forum	NDP2 Pipeline Project
625		Development of an M+E Web Portal with Database functionality to act as a one stop centre for information on monitoring and evaluation of Government Programmes	NDP2 Pipeline Project
626		Support for the Implementation of the Government Communication Strategy	NDP2 Pipeline Project
627		Support to Integrated Rural Economy Development Project	NDP2 Pipeline Project
628		NDP M&E System	NDP2 Pipeline Project
629		Learning, Oversight and Evidence Based Policy Making Project	NDP2 Pipeline Project
630		Decentralised & Participatory Development Planning Project	NDP2 Pipeline Project
631		Support to Uganda Nutrition Council	NDP2 Pipeline Project
632		Strengthening Government/CSO Engagement	NDP2 Pipeline Project
633		Support to linkage of Prime Minister's Delivery Unit to MDAs and LGs	NDP2 Pipeline Project
634		Support to Strengthening Public Investment Management across MDAs and LGs	NDP2 Pipeline Project
635		Strengthening the National Records Centre and Archives	NDP2 Pipeline Project
636		Construction of Extension Office Block at MoPS Headquarters	NDP2 Pipeline Project
637		Public Service Reform and Transformation Programme	NDP2 Pipeline Project
638		National Capacity Building for Development Planning Project	NDP2 Pipeline Project
639		Learning, Evaluation and Evidence Based Policy Making	NDP2 Pipeline Project
640		Development and Implementation of Service and Service Delivery Standards in sectors	NDP2 Pipeline Project
641		Evaluation of Development Plans	NDP2 Pipeline Project
642		Karamoja Livelihoods Improvement Programme (KALIP) – Scale Up	NDP2 Pipeline Project
643		Karamoja Integrated Development Programme (KIDP) III	NDP2 Pipeline Project
644		Support to Busoga Development Programme	NDP2 Pipeline Project
645		Agricultural Livelihood Recovery Programme (ALREP) – Scale Up	NDP2 Pipeline Project
646	1235	Resettlement of landless persons and Disaster Victims project	NDP2 Pipeline Project
647		Support to Disaster Preparedness and Management	NDP2 Pipeline Project
648		Peace Recovery and Development Programme III	NDP2 Pipeline Project
649		Community Agriculture and Infrastructure Improvement Programme (CAIIP II)	NDP1 Retained Project
650		Community Agriculture and Infrastructure Improvement Programme (CAIIP III)	NDP1 Retained Project
651		Uganda Good Governance and Accountability Programme	NDP1 Retained Project
652		Strengthening Institutional Framework For Service Delivery	NDP1 Retained Project

653		Local Economic Growth Support (LEGS) Programmes	NDP2 Pipeline Project
654		Local Infrastructure for Transformation(LIFT)	NDP2 Pipeline Project
655		Support to Water Stressed LGS	NDP2 Pipeline Project
656		Switch Africa Green project, Uganda	NDP2 Pipeline Project
657		Support to Urban Planning in Kampala, and other selected Towns	NDP2 Pipeline Project
658		Support to District Planning Units	NDP2 Pipeline Project
659		Support to Public engagement on the EAC integration and Development of the Federal Constitution.	NDP2 Pipeline Project
660		Institutional Capacity Enhancement Programme (ICEP)	NDP2 Pipeline Project
KAMPALA CAPITAL CITY AUTHORITY			
661		Kampala Physical Development Plan Project	NDP2 Pipeline Project
662		Kampala BRT project – civil engineering works	NDP2 Pipeline Project
663		Kampala BRT project – Equipment and operations	NDP2 Pipeline Project
664		Kampala Roads improvement project (150Km)	NDP2 Pipeline Project
665		Kampala Roads and drainage improvement project	NDP2 Pipeline Project
666		Pilot Non-motorized Transport	NDP2 Pipeline Project
667		GIS upgrade and Comprehensive Street Naming and Addressing Project[2]	NDP2 Pipeline Project
668		Upgrade of Street Lighting system (solar street lighting) project	NDP2 Pipeline Project
669		Parking Tower and Transport terminal project (Old Taxi Park)	NDP2 Pipeline Project
670		Parking Tower and Transport terminal project (New Taxi Park)	NDP2 Pipeline Project
671		Hospital improvement project (Kirudu & Kawempe) – civil works	NDP2 Pipeline Project
672		Hospital improvement project (Kirudu & Kawempe) – Imaging & Laboratory services	NDP2 Pipeline Project
673		Hospital improvement project (Kiswa & Kitebi)	NDP2 Pipeline Project
674		City referral and ambulance project	NDP2 Pipeline Project
675		Integrated solid waste management project	NDP2 Pipeline Project
676		Kampala Primary schools improvement project	NDP2 Pipeline Project
677		City sports facilities improvement project	NDP2 Pipeline Project
678		Construction of SME workspaces (Artisan/business park)	NDP2 Pipeline Project
679		Market infrastructure improvement project (Busega, and Kasubi)	NDP2 Pipeline Project
680		Market infrastructure improvement project (USAFI)	NDP2 Pipeline Project
681		Market infrastructure improvement project - Nakawa & Kitintale,	NDP2 Pipeline Project
682		Kalerwe agricultural market construction project	NDP2 Pipeline Project
683		Kyanja Agricultural center up scaling	NDP2 Pipeline Project
684		Agriculture Bulk Warehousing and Export Facility	NDP2 Pipeline Project
685		Kampala Fish Farming project	NDP2 Pipeline Project
686		Development of a Kampala City Local Economic Development Strategy	NDP2 Pipeline Project
687		Development of the Kampala City Climate Change Resilience Strategy (ecological systems, climate change adaptation & Mitigation)	NDP2 Pipeline Project
688		Revenue modernization project[3]	NDP2 Pipeline Project
689		Revaluation of properties	NDP2 Pipeline Project
690		Institutional Development	NDP2 Pipeline Project
691		Light Rail Project (Feasibility study)	NDP2 Pipeline Project

692		Open Public spaces preservation project	NDP2 Pipeline Project
TOURISM, TRADE AND INDUSTRY SECTOR			
693	1111	Soroti Fruit Factory	NDP1 Retained Project
694	1164	One Village One Product Programme	NDP1 Retained Project
695	1245	Second Trade Capacity Enhancement Project	NDP1 Retained Project
696	1246	District Commercial Services Support Project	NDP1 Retained Project
697	1291	Regional Integration Implementation Programme [RIIP] Support for Uganda	NDP1 Retained Project
698	1306	National Response Strategy on Elimination of Non-Tariff Barriers (NRSE-NTB's)	NDP1 Retained Project
699	0248	Government Purchases and Taxes	NDP1 Retained Project
700	0430	Uganda Industrial Research Institute	NDP1 Retained Project
701	1127	Support to Uganda Tourism Board	NDP1 Retained Project
702	0253	Support to UNBS	NDP1 Retained Project
New projects			
703	1333	Mt. Rwenzori Tourism Infrastructure Development Project (MRTIDP)	NDP2 Pipeline Project
704	1334	Development of Museums and Heritage sites for cultural promotion	NDP2 Pipeline Project
705	1335	Establishment of Lake Victoria Tourism Circuit to enhance tourism around Entebbe and its neighbourhoods.	NDP2 Pipeline Project
706	1336	Development of Source of the Nile	NDP2 Pipeline Project
707	1337	Establishment of Regional Satellite Wildlife Conservation Education Centres In Uganda	NDP2 Pipeline Project
708		Support to SMEs for Value addition	NDP2 Pipeline Project
709		Produce Storage Facilities Development	NDP2 Pipeline Project
710		Local Markets Infrastructure Development	NDP2 Pipeline Project
711		Border Markets and Export-Related Infrastructure Development	NDP2 Pipeline Project
712		Support to non-Agricultural high Value Exports	NDP2 Pipeline Project
713		Jua-kali Business Incubation and Infrastructure Development	NDP2 Pipeline Project
714		Cooperatives Revitalisation for increased production and productivity	NDP2 Pipeline Project
715		Support to Uganda Free Zones Authority	NDP2 Pipeline Project
716		Free Zones Development Project	NDP2 Pipeline Project
JUSTICE LAW AND ORDER SECTOR			
717	0358	Support to Human Rights	NDP1 Retained Project
718	0364	Assistance to Prosecution	NDP1 Retained Project
719	0385	Assistance to Uganda Police	NDP1 Retained Project
720	0890	Support to Justice Law and Order Sector	NDP1 Retained Project
721	1242	Construction of the JLOS House	NDP1 Retained Project
722	0066	Support to Ministry of Internal Affairs	NDP1 Retained Project
723	0066C	Support to Internal Affairs (Government Chemist)	NDP1 Retained Project
724	1126	Support to Internal Affairs (Amnesty Commission)	NDP1 Retained Project
725	1128	Support to the Ministry of Justice and Constitutional affairs	NDP1 Retained Project
726	0352	Assistance to Judiciary System	NDP1 Retained Project
727	0356	Law Reform Commission	NDP1 Retained Project
728	0010	Support to Law Development Centre	NDP1 Retained Project

729	1167	National Security Information Systems Project	NDP1 Retained Project
730	1230	Support to National Citizenship and Immigration Control	NDP1 Retained Project
731	0386	Assistance to the UPS	NDP1 Retained Project
732	0390	Judicial Service Commission	NDP1 Retained Project
New Projects			
733		Establishment of the Regional Offices for Uganda Registration Bureau Services (URBS)	NDP2 Pipeline Project
734		Strengthening Prosecution services to safeguard the rights of vulnerable people and ensure fair and speedy justice	NDP2 Pipeline Project
735		Legal Aid Project	NDP2 Pipeline Project
736		Support to Justice for Children	NDP2 Pipeline Project
737		Detention facilities Sanitation project	NDP2 Pipeline Project
738		National Identification and Population data bank Project	NDP2 Pipeline Project
739		Support to Uganda Prisons Service farms	NDP2 Pipeline Project
740		Prisons Community Service Project	NDP2 Pipeline Project
741		Construction of the second maximum security prison	NDP2 Pipeline Project
742		Construction of 40 one stop JLOS service points at district level	NDP2 Pipeline Project

