



THE REPUBLIC OF UGANDA

NATIONAL DEVELOPMENT PLAN

(2010/11 - 2014/15)

VISION:

A TRANSFORMED UGANDAN SOCIETY FROM
A PEASANT TO A MODERN AND
PROSPEROUS COUNTRY WITHIN 30 YEARS

THEME:

GROWTH, EMPLOYMENT AND SOCIO-ECONOMIC
TRANSFORMATION FOR PROSPERITY

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FOREWORD

The Ugandan economy experienced varying growth rates when the Poverty Eradication Action Plan was being implemented, with an average GDP growth rate of 7.2 per cent between 1997/98 and 2000/01, to 6.8 per cent between 2000/01 and 2003/04, increasing to 8 per cent over the period 2004/05 to 2007/08. Based on economic forecasts, GDP growth rate over the National Development Plan (NDP) period is projected at an average of 7.2 per cent per annum. At this GDP growth rate, nominal per capita income is projected to increase from USD 506 in 2008/09 to about USD 850 by 2014/15. During the same period, the proportion of people living below the poverty line is expected to decline from the level of 31 per cent in 2005/06 to about 24.5 per cent in 2014/2015, above the MDG target of 28 per cent.

The NDP also addresses structural bottlenecks in the economy in order to accelerate socioeconomic transformation for prosperity. The NDP interventions aim at creating employment, raising average per capita income levels, improving the labour force distribution in line with sectoral GDP shares, raising country human development and gender equality indicators, and improving the country's competitiveness to levels associated with middle income countries. This requires the sustained orientation of Government expenditures and implementation capacity towards removal of the most binding constraints to the faster socio-economic transformation. Government's efforts shall be directed towards transforming Uganda from a predominantly peasant-based economy to a just, peaceful and prosperous middle-income country.

During the Plan period, the investment priorities will include: physical infrastructure development mainly in energy, railway, waterways and air transport; Human resources development in areas of education, skills development, health, water and sanitation; facilitating availability and access to critical production inputs especially in agriculture and industry; and promotion of science, technology and innovation.

The development approach of the NDP intertwines economic growth and poverty eradication. This will be pursued in a quasi-market environment where the private sector will remain the engine of growth and development. The Government, in addition to undertaking the facilitating role through the provision of conducive policy, institutional and regulatory framework will also actively promote and encourage public-private partnerships in a rational manner. Furthermore, the Government will continue to pursue outward-oriented policies by encouraging foreign investments and exports with high value addition, as well as pursuing sound macroeconomic policy and management. A "Business Approach" will be pursued to improve public service delivery. In addition, synergies and inter-intra sectoral linkages will be harnessed during the implementation of the NDP.

I call upon all Ugandans to embrace the principles stated in the NDP and apply them in the development and implementation of national programmes and projects. While respective Government sectors will align their policies and strategies with the NDP, I urge the private sector, civil society and academia to work together with Government and to align their development efforts towards achieving the NDP objectives and the country's Vision.

I wish to express my appreciation to all those who worked tirelessly to produce the NDP.

FOR GOD AND MY COUNTRY



Yoweri Kaguta Museveni

PRESIDENT OF THE REPUBLIC OF UGANDA

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LIST OF ACRONYMS

ABC	Abstinence, Being faithful and Condom use
ACTs	Anti-methy Combination Therapy
ADB	African Development Bank
ADR	Alternative Dispute Resolution
ADT	Annual Daily Traffic
AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
AMISOMAU	Peace Mission in Somalia
APEC	Asia-Pacific Economic Cooperation
APRM	Africa Peer Review Mechanism
ART	Anti-Retroviral Therapy
ARVs	Anti Retro-Virals
ASEAN	South Eastern Asian Nations
ASR	Annual Sector Review
ASSIP	Accountability Sector Strategic and Investment Plan
BFP	Budget Framework Paper
BOE	Barrels of Oil Equivalent
BOOT	Build, Operate, Own and Transfer
BOT	Build, Operate and Transfer
BoU	Bank of Uganda
BPO	Business Process Outsourcing
BTTB	Background To The Budget
BTVE	Business, Technical and Vocational Educational and Training
CAADP	Comprehensive African Agriculture Development Program
CBMs	Community Based Management Systems
CBOs	Community Based Organizations
CBT	Competency Based Training
CCG	Classroom Completion Grant
CCS	Commitment Control System
CDO	Community Development Officer
CFR	Central Forest Reserve
CFTC	Commonwealth Fund for Technical Cooperation

CGE	Computable General Equilibrium
CID	Criminal Investigation Directorate
CIS	Community Information System
CMA	Capital Markets Authority
COMESA	Common Market of Eastern and Southern Africa
CPD	Continuous Professional Development
CRB	Credit Reference Bureau
CRR	Country Review Report
CSOs	Civil Society Organizations
CSS	Combat Service Support
CTTE	Certificate of Technical Teacher Education
CWDs	Coffee Wilt Diseases
CYP	Commonwealth Youth Program
DANIDA	Danish International Development Agency
DEO	District Education Officer
DFIs	Development Finance Institutions
DGSM	Department of Geological Survey and Mines
DIT	Directorate of Industrial Training
DRC	Democratic Republic of Congo
DSCs	District Service Commissions
DSIP	Development Strategy Investment Plan
DWD	Directorate of Water Development
EAC	East African Community
EAMU	East African Monetary Union
EC	Electoral Commission
ECD	Early Childhood Development
EDF	European Development Fund
EFT	Electronic Funds Transfer
EMIS	Education Management Information System
EMU	Economic Monitoring Unit
EOC	Equal Opportunities Commission
EPZs	Export Processing Zones
ERP	Economic Recovery Programme
EU	European Union
FAL	Functional Adult Literacy
FAO	Food and Agriculture Organization

FDI	Foreign Direct Investment
FDS	Fiscal Decentralization Strategy
FEPA	Framework Economic Partnership Agreement
FEWs	Financial Extension Workers
FIA	Financial Institutions Act
FSD	Financial System Development Programme
FY	Financial Year
GDP	Gross Domestic Product
GEF	Global Environment Fund
GER	Gross Enrolment Ratio
GIR	Gross Intake Ratio
GIS	Geographical Information System
GKMA	Greater Kampala Metropolitan Area
GOSS	Government of South Sudan
GoU	Government of Uganda
GPS	Global Positioning System
GTZ	German Technical Cooperation
HDI	Human Development Index
HFS	Health Financing Strategy
HIV	Human Immune-deficiency Virus
HMIS	Health Management Information System
HRH	Human Resources for Health
HRPDM	Human Resources Issues Development Management
HSQE	Health safety environment and quality
HTTI	Hotel and Tourism Training Institute
ICT	Information Communication Technology
IDPs	Internally Displaced Persons
IDs	Identity cards
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IFMs	Integrated Financial Management System
IFPRI	International Food Policy Research Institute
IGG	Inspector General of Government
IMCI	Integrated maternal and childhood illness
IMR	Infant Mortality Rate
IMS	Information Management Services

IOE	International Office of Epizootics
IPPC	International Plant Protection Convention
IPR	Intellectual Property Rights
IT	Information Technology
IWR	Internal Water Resources
IWRM	Integrated Renewable Water Resources
JICA	Japan International Cooperation Agency
JLOS	Justice, Law and Order Sector
KIDDP	Karamoja Integrated Disarmament and Development Programme
KP	Kyoto Protocol
LAN	Local Area Network
LC	Local Council
LCS	Low Cost Sealing
LDPG	Local Development Partners' Group
LED	Local Economic Development
LGs	Local Governments
LIS	Land Information Management System
LMIS	Labour Market Information System
LOGICS	Local Government Information and Communication System
LRDP	Luwero-Rwenzori Development Plan
LTEF	Long Term Expenditure Framework
LVBC	Lake Victoria Basin Commission
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MATA	Metropolitan Area Transport Authority
MDAs	Ministries, Department and Agencies
MDGs	Millennium Development Goals
MDI	Microfinance Deposit-Taking Institutions
MEMD	Ministry of Energy and Minerals Development
MFI	Microfinance Institutions
MoFPED	Ministry of Finance, Planning and Economic Development
MICE	Meetings, Incentives, Conferences and Events
MIS	Management Information System
MoES	Ministry of Education and Sports
MoGLSD	Ministry of Labour gender and Social Development
MoH	Ministry of Health

MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoPS	Ministry of Public Service
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MSCL	Micro Finance Support Centre Limited
MSMEs	Micro, Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTRA	Multi Sectoral Transport Regulatory Authority
MTTI	Ministry of Tourism, Trade and Industry
MW	Mega Watts
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NAGRIC	National Genetic Resources and Information Centre
NALI	National Leadership Institute
NAPA	National Adaptation Plan of Action
NAPE	National Assessment of Progress in Education
NARO	National Agricultural Research Organisation
NARS	National Agricultural Research System
NBFIs	Non-Bank Financial Institutions
NCD	Non Communicable Diseases
NDA	National Drug Authority
NDC	National Data Centre
NDP	National Development Plan
NDP/A	National Drug Policy and Authority
NDR	National Defence Review
NECOC	National Emergency Coordination and Operations Centre
NEMA	National Environmental Management Authority
NES	National Exports Strategy
NFA	National Forestry Authority
NFE	Non Formal Education
NGN	National Geodetic Network
NGOs	Non Governmental Organisations
NICHE	National Council for Higher Education
NIFCP	Natural Ingredients for Food, Cosmetics and Pharmaceuticals

NLP	National Land Policy
NP	National Park
NPA	National Planning Authority
NPL	Non-Performing Loan
NPM	National Productivity Movement
NPV	Net Present Value
NRA	National Resistance Army
NRC	National Resistance Council
NRM	National Resistance Movement
NRP	National Resettlement Policy
NSS	National Statistical System
NSSF	National Social Security Fund
NTBs	Non Tariff Barriers
NTC	National Teacher's College
NTD	Neglected Tropical Diseases
NTNT	National Trade Negotiations Team
NTR	Non-Tax Revenue
NUSAF	Northern Uganda Social Action Fund
NWC	National Women's Council
NWSC	National Water & Sewerage Corporation
NYC	National Youth Council
NYTIL	Nyanza Textile Industry Ltd.
OAG	Office of the Auditor General
OBB	Output Based Budgeting
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OOB	Output Oriented Budgeting
OPM	Office of Prime Minister
OVC	Orphans and Other Vulnerable Children
OVOP	One Village One Product
PA	Public Administration
PARIs	Public Agricultural Research Institutes
PAYE	Pay as You Earn
PCR	Pupil Classroom Ratio
PDM	Participatory Development Management
PEAP	Poverty Eradication Action Plan

PES	Physical Education and Sports
PFA	Prosperity for All
PFM	Public Financial Management
PHAs	People living with HIV/AIDS
PLE	Primary Leaving Examinations
PMA	Plan for Modernization of Agriculture
PNFP	Post Natal Family Planning
PNSD	Plan for National Statistical Development
PPDA	Public Procurement and Disposable of Assets Authority
PPET	Post Primary Education and Training
PPPs	Public Private Partnerships
PRDP	Peace Recovery and Development Plan
PSM	Public sector Management
PSO	Private Sector Organization
PTC	Primary Teacher's Colleges
PTE	Primary Teacher Education
PTPs	Private Training Providers
PTR	Pupil Teacher Ratio
PWDs	People With Disabilities
R&D	Research and Development
RBTS	Rapid Bus Transport System
RH	Reproductive Health
ROM	Results Oriented Management
RVR	Rift Valley Railways
SACCOs	Savings and Credit Cooperative Organizations
SAM	Social Accounting Matrix
SAP	Structural Adjustment Program
SDoC	Self Declaration of Conformity
SDS	Social Development Sector
SEA	Strategic Environment Assessment
SFG	School Facilities Grant
SIDA	Swedish International Development Agency
SLM	Sustainable Land Management
SMC	Sound Management of Chemicals
SMEs	Small and Medium Enterprises
SNE	Special Needs Education

SOER	State of Environment Reports
SPICs	Science Park Incubation Centers
SPS	Sanitary and Phytosanitary measures
SPTIC	Science Parks and Technology Incubation Centers
STDs	Sexually Transmitted Diseases
STI	Science, Technology and Innovation
STIs	Sexually Transmitted Infections
SUFFICE	Support to Feasible Financial Institutions and Capacity Building Efforts
TAI	Technology Achievement Index
TBT	Technical Barriers to Trade
TDMS	Teacher Development and Management Systems
TDS	Technology Demonstration Sites
TFR	Total Fertility Rate
TICC	Technical Implementation Coordination Committee
TRWR	Total Renewable Water Resources
TSA	Tourism Satellite Account
TT	Technology Transfer
U5MR	Under Five Mortality Rate
UACE	Uganda Advanced Certificate of Education
UBOS	Uganda Bureau of Statistics
UCB	Uganda Commercial Bank (former)
UCDA	Uganda Coffee Development Authority
UCE	Uganda Certificate of Education
UDB	Uganda Development Bank
UDC	Uganda Development Corporation
UDHS	Uganda Demographic and Health Survey
UEPB	Uganda Export Promotion Board
UGAPRIV	Uganda Private Providers of Technical and Vocational Education and Training
UGIL	Uganda Garment Industry Ltd.
UHRC	Uganda Human Rights Commission
UHSBS	Uganda HIV/AIDS Sero-Behaviour Survey
UIA	Uganda Investment Authority
UIE	Uganda Institute of Ecology
UIRI	Uganda Industrial Research Institute
UJTC	Uganda Junior Technical Certificate
ULGA	Uganda Local Governments Association

UNBS	Uganda National Bureau of Standards
UNCST	Uganda National Council of Science and Technology
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNHS	Uganda National Household Survey
UNRA	Uganda National Roads Authority
UPDF	Uganda People's Defence Forces
UPE	Universal Primary Education
UPPA	Uganda participatory poverty assessment
UPPET	Universal Post Primary Education and Training
URA	Uganda Revenue Authority
URC	Uganda Railways Corporation
USAID	United States Agency for International Development.
USE	Universal Secondary Education
UTC	Uganda Technical College
UVQF	Uganda Vocational Qualifications Framework
UVQF/A	Uganda Vocational Qualifications Framework/Authority
UWA	Uganda Wildlife Authority
UWEC	Uganda Wildlife Education Centre
UWTI	Uganda Wildlife Training Institute
VAT	Value Added Tax
VCT	Voluntary Counselling and Testing
WAN	Wide Area Network
WB	World Bank
WfAP	Water for Agricultural Production
WFP	World Food Programme
WPC	Water Policy Committee
WRM	Water Resource Management
WSSP	Wetlands Sector Strategic Plan
WTTC	World Tourism and Travel Council
ZARDIs	Zonal Agricultural Research Development Institutes

PART 1: OVERVIEW

1.1 BACKGROUND

1. This National Development Plan (NDP) covers the fiscal period 2010/11 to 2014/15. It stipulates the Country's medium term strategic direction, development priorities and implementation strategies. In addition, it details Uganda's current development status, challenges and opportunities. In line with the National Vision Framework, six (6) five-year NDPs will be implemented of which this is the first. The theme of this NDP is "Growth, Employment and Socio-Economic Transformation for Prosperity." The thrust is to accelerate socio-economic transformation to achieve the National Vision of a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. This will be supported by the environment necessary for sustainable development which will entail making continuous improvements to the political, social and economic conditions.

2. The contribution of this NDP to the socio-economic transformation will be demonstrated by improved employment levels, higher per capita income, improved labour force distribution in line with sectoral GDP shares, substantially improved human development and gender equality indicators, and the country's competitiveness position, among others. These improvements will reflect the structural and socio-economic transformation that is the basis of this NDP.

3. Over the years, Uganda's economy has experienced varying growth rates. From independence in 1962 up to 1971, Gross Domestic Product (GDP) grew by an average of 5.2 per cent per annum. However, between 1971 and 1979, GDP declined by 25 per cent due to the unstable political situation and economic mismanagement. From 1981 to 1983, Uganda experienced GDP growth rate of 5.5 per cent but recorded negative growth rates in 1984 and 1986. The period was characterized by state ownership of means of production using policies like the 1968 Common Man's Charter (CMC), the 1970 Nakivubo pronouncement, and the 1972 expropriation of assets and businesses of foreign investors which were steps towards nationalization of private properties. All these resulted into a significant decline in the industrial and commercial sectors. Between 1987 and 1996, GDP grew at an average of 6.5 per cent translating into 3.4 per cent growth in per capita terms. The decline in monetary growth, together with growth in agriculture, especially food crop production, contributed to a reduction in inflation, from 200 per cent in 1987 to about 7.1 per cent in 1996. There was impressive growth over the Poverty Eradication Action Plan (PEAP) period, with an average rate of growth in GDP of 7.2 per cent per annum between 1997/98 and 2000/01. The growth rate slowed to 6.8 per cent between 2000/01 and 2003/04, and increased to 8 per cent over the period 2004/05 to 2007/08.

4. The impressive GDP growth performance in recent years has contributed to a significant reduction in poverty levels. The percentage of the population living below the poverty line declined from 56 per cent in 1992/93 to 44 per cent in 1997/98, and further to 31 per cent in 2005/06.

5. However, in spite of this commendable economic performance, the country continues to face some challenges which have undermined achieving much faster economic growth and socio-economic transformation. The country has not achieved significant productivity growth in agriculture and has thus not witnessed sufficient release of excess labour from the agricultural sector. This has been because of presence of particular structural bottlenecks in the economy that this plan addresses in order to accelerate and sustain high growth. These include:

- Dominance of primary commodities over industrial products implying that the rapidly growing new sectors are not contributing significantly to value added exports and are therefore, not outwardly oriented enough to penetrate global markets with high value products.
- Slower than desirable growth in the agricultural and industrial sectors;
- New sectors that are not absorbing the rapidly growing labour force; and
- Capital markets that are not effectively intermediating capital.
- Slow accumulation of core production infrastructure such as energy and transport

6. The above bottlenecks pose challenges for the next phase of our economic transformation that are quite different from those that we have overcome. Unlike the challenges we have so far overcome, addressing these challenges calls specifically for stronger state leadership in guiding and setting the pace for economic transformation. Government is well aware that the dynamism of the private sector is indeed very important in ensuring efficient allocation of resources in the economy. Considering however the magnitude of the transformation gap facing Uganda and the infancy stage of our private sector, it is inevitable for Government to play a more proactive role in context of a quasi-market economy if the country is to achieve its vision. The development strategies for the medium term will encourage growth in export-oriented industries. In this regard, Government will expand its role and increase its contribution to enable Ugandan firms penetrate and capture international markets with high value products.

7. There is also the daunting challenge of attaining a relatively higher per-capita income level in the face of a rapidly rising population. This will require a massive increase in skilled labour and its redeployment to the production of value added export-oriented goods and services. Skilling and tooling our human resource also presents an opportunity for the achievement of development goals, such as, the reduction of poverty and improvements in health, education, housing, gainful employment, gender equality and conservation of the environment. Coupled with the benefits of improving the quality of human resource are the gains in broadening participation in the socio-economic transformation process through the promotion of gender equality, peace building and post-conflict rehabilitation. The NDP, while focusing on removing physical barriers to sustain high rates of growth, does not lose sight of the necessary changes required to achieve gains in these areas of social development, as well as strategies to mitigate the consequences of emerging pressures on the environment. It also places strong emphasis on removing institutional barriers to economic growth through improving the performance of the Government in its policy, planning, and monitoring, regulatory and service delivery functions.

8. Capitalising on the above opportunities clearly has enormous implications on fiscal resources. With the eminent production of oil in the country, it is envisaged that resource requirement will be eased. In spite of the potential direct and indirect positive impact of the discovery of oil, Government will still actively pursue its economic diversification agenda during the Plan period and beyond. This will ensure equitable distribution of the economic gains.

1.2 CONTEXT OF THE PLAN

9. A review of the development progress of many economies in the world over the past few decades reveals that countries that have achieved growth did so through diverse policies and institutional arrangements. The routine application of “best practices” is being replaced with the recognition of the need to focus on reform paths suited to each country’s conditions and the removal of binding constraints to economic growth. A key observation of the Barcelona Development Agenda 2004 was that there is no single set of policies that can be guaranteed to ignite sustained growth. Nations that have succeeded at this tremendously important task have faced different sets of obstacles and have adopted varying policies regarding regulation, export and industrial promotion, technological innovation, and knowledge acquisition. Countries should be free to adopt policies suited to their specific circumstances. The priority is to identify the most binding constraints to growth and to address them through microeconomic and macroeconomic policies. Thus, the NDP will target those constraints that are most binding, as their removal would potentially have a significant positive socio-economic impact.

10. Countries have different mix of economic issues in relation to both government and market failure which need to be addressed through various interventions. The experience of East and South Asian countries points to the need to address market failures where private sector-led growth is supported by appropriate Government interventions targeted at removing barriers to growth.

11. The history of development planning in Uganda is characterised by different approaches. The mixed economy approach to development was a key feature of Uganda’s economic development from 1962 to 1971. This was interrupted in the 1970s by the almost adhoc economic war plan, which was followed by the Structural Adjustment Program (SAP) in the early 1980s and the Economic Recovery Programme (ERP) of 1987. Between 1997 and 2008, the Poverty Eradication Action Plans (PEAP) was the overarching planning framework for the country.

12. In order to prepare the current development plan, it was necessary to learn from the experiences of the PEAP, for which purpose an evaluation was undertaken. The results of the evaluation indicate that the PEAP had good features though there were aspects that could have been better implemented. Consequently, the NDP has incorporated the PEAP lessons with the following differences in approach:

- i) While the PEAP stressed poverty eradication and prioritised social services, the NDP maintains the poverty eradication vision, but with an additional emphasis on economic transformation and wealth creation thereby intertwining sustainable economic growth with poverty eradication.

- ii) As a key lesson from the PEAP, the NDP will first and foremost be an instrument of evidence- based political commitment used to capture the public imagination and commitment for the next phase of nation building. The NDP has been designed to be the key plan shaping all the processes that capture all political thinking as well as the existing and emerging Government initiatives such as the current Government development programs for poverty reduction, growth, prosperity for all, and reconstruction in post-conflict areas. However, it is also well grounded in terms of technical imperatives and their inter-linkages. Thus, coordination of the political aspirations and the implementation of key interventions will be a critical defining factor in the successful implementation of the NDP.
- iii) Finally, the NDP is designed to be the primary Government national strategic plan, the anchor for Government fiscal strategy, and lower level or sectoral plans. It will provide a guide for the allocation of resources through the Medium Term Expenditure Framework. Over the next five years, the NDP will guide decision making and implementation of government programmes including the annual budget process, and the prioritization and direction of Government actions. It will therefore, be a tool for prioritizing government interventions and mobilizing external resources.

1.3 THE THRUST OF THE NDP

13. In line with its theme, this Plan seeks to significantly improve specific socio-economic development indicators associated with transformation. These include raising average per capita income levels, improving the labour force distribution in line with sectoral GDP shares, raising the country's human development indicators, and improving the country's competitiveness to levels comparable to middle income countries.

14. After considering the extensive contributions and analysis emerging from the process of formulating this NDP, as well as identifying the most binding constraints on economic and social development, Government adopted specific principles and objectives to guide the implementation of this plan.

FIGURE I.1

VISION, KEY BINDING CONSTRAINTS, THEME AND OBJECTIVES OF THE PLAN

VISION: A TRANSFORMED UGANDAN SOCIETY FROM A PEASANT TO A MODERN AND PROSPEROUS COUNTRY WITHIN 30 YEARS

Vision Attributes

- Independent and sovereign
- Democratic and law abiding
- Stable and peaceful
- Knowledge based, informed and skilled
- Able to exploit and use its resources gainfully and sustainably
- In a strong federated East Africa with an effective African common market and a strong African defence mechanism

Key Binding Constraints

- Weak public sector management and administration
- Inadequate financing and financial services
- Inadequate quantity and quality of human resource
- Inadequate physical infrastructure
- Gender issues, negative attitudes, mind-set, cultural practices and perceptions
- Low application of science and technology
- Inadequate supply and limited access to critical production inputs

Objectives

- Increasing household incomes and promoting equity
- Enhancing the availability and quality of gainful employment
- Improving 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
- Promoting sustainable population and the use of environmental and natural resources

THEME: Growth, Employment and Socio-Economic Transformation for Prosperity

Specific Development Indicators:

- Per capita income
- Employment levels
- Share of labour force distribution in line with sectoral GDPs
- Life Expectancy
- Skilled manpower level
- Proportion of manufactured exports to total exports
- Level of development of industrial sector
- Level of urbanisation
- Country's competitiveness position

15. Realizing the objectives set in the NDP and implementing the strategies for unlocking the most binding constraints will require shifts in the spending mix of the national budget.

16. Taking into account past macroeconomic trends and available information, the nominal GDP growth rate over the NDP period is projected at an average of 7.2 per cent per annum. At this GDP growth rate, nominal per capita income is projected to increase from USD 506 in 2008/2009 to around USD 900 by 2014/2015. During the same period, the proportion of people living below the poverty line is expected to decline from the level of 31 per cent in 2005/2006 to around 24.5 per cent in 2014/2015, an achievement surpassing the Millennium Development Goal (MDG) target of 28 per cent. After addressing the key binding constraints during the NDP period, Uganda's economy will grow at even a higher growth rate, joining the middle income countries by 2017.

17. These improvements will rely on many changes to the economy and in the efficient use of public funds, including higher public and private investment levels, changes in public expenditure allocations in favour of growth enhancing activities, and a considerable improvement in the performance of the public sector. The projected growth is also based on the assumption that global and regional economies will recover and result in an increased demand for exports from Uganda.

18. To ensure ownership of the plan and to support the realization of its objectives, the preparation of this NDP took an iterative, consultative, and participatory process. It involved bottom-up and top-down approaches to ensure adequate participation at the Central and Local Government levels, civil society groups and the private sector. The process of implementing the NDP will entail monitoring progress to provide a comprehensive assessment of the country's socio-economic performance. The NDP will be reviewed after two and half years of implementation.

1.4 STRUCTURE OF THE NDP

19. For conceptual purposes, this plan is organised around four sector clusters: primary growth sectors, complementary sectors, social sectors and enabling sectors. Primary growth sectors constitute sectors and sub-sectors that directly produce goods and services. Complementary sectors comprise sectors and sub-sectors that provide institutional and infrastructural support to primary growth and other sectors. Social sectors comprise those sectors and sub-sectors that provide services required to maintain a healthy and quality population, and human resources for effective engagement in rewarding economic activities. Enabling sectors encompass all sectors and sub-sectors that provide a conducive environment and framework for efficient performance of all sectors of the economy. This conceptual framework known as the "egg concept" is aimed at harnessing inter-sectoral linkages, functional relationships and synergies among economic sectors which have in the past received insufficient attention (Annex II).

20. The Plan is structured in four parts: Part I provides an overview of the Plan. It contains the background to the Plan, its context, thrust and structure. It also covers the situation analysis at macro-level, examining the overall performance of

the economy, including an analysis of the binding constraints to economic growth and development. Part II presents the strategic direction of the plan, national development objectives and strategies for achieving them. As part of the strategies to unlock the binding constraints, core projects have been proposed in Part II. Part III presents sectoral situational analyses, objectives, strategies and interventions. Part IV deals with the implementation strategy and institutional arrangements, including the approach to monitoring and evaluation.

21. Post-independent Uganda has gone through periods of political stability and turmoil. It has also witnessed relatively satisfactory economic progress and economic decline. Regardless of economic trends, the post independence period has been hampered by common binding constraints. This chapter provides a review of Uganda's economic performance since independence in 1962. It is structured into two subsections: macroeconomic performance and national binding constraints. The subsection on macroeconomic performance examines performance in seven specific areas namely; the overall macro economy, primary growth sectors, complementary sectors, social sectors, enabling sectors, private sector and civil society perspectives.

2.1 MACROECONOMIC PERFORMANCE

2.1.1 Overall Macro economy

22. As earlier noted in section 1.1, Uganda's economy performed remarkably well from independence to 1970 when the country experienced relative political stability. Inflation was maintained at an average of 3 per cent per annum, real GDP grew by 5.2¹ per cent per annum and fiscal deficits rarely exceeded 2.5 per cent of GDP. Real interest rates were positive for most of the period, the current account balance was in surplus, and domestic savings averaged 15 per cent of GDP. In the same period, the growth in exports averaged 5 per cent per annum while that of imports was 6.2 per cent.

23. From 1971 to 1979, Uganda's economy was seriously damaged by economic mismanagement and civil conflicts that negatively impacted on the gains made during the previous periods. The rate of inflation averaged 30 per cent per annum between 1970 and 1980, as the Government financed public expenditure through bank borrowing. During the same period, GDP declined at 1.6 per cent per annum, exports by 8.5 per cent and imports by 9.8 per cent. This led to a decline in export revenue which subsequently impacted negatively on the balance of payment and external debt positions.

24. Growth in GDP was temporarily restored between 1981 and 1983, when an average annual growth rate of 5.6 per cent was registered. Inflation declined from 111 per cent to 25 per cent. The overall budget deficit reduced from 2.8 per cent of GDP in 1981 to 0.6 per cent in 1983 but rose to 11.9 per cent of GDP in 1984. Thereafter, the civil strife and political instability that ensued especially in the central

¹ World Bank: World Tables, 1993; World Bank: *Uganda: Agriculture*, 1993; IMF: *International Financial Statistics Yearbook*, 1993; Loxley, 1989.

part of the country negated the achievements made. As a result, negative GDP growth rates were recorded during the period between 1984 and 1986.

25. In 1987, Government launched a minimum Economic Recovery Programme (ERP) followed by a series of other reforms aimed at restoring macroeconomic stability to provide a favourable environment for economic growth and private sector development. The key reforms included a currency reform, changes in tax and fiscal policy geared towards improving revenues and restraining expansion in Government expenditures, while maintaining a strong focus on economic recovery and growth. Between 1987 and 1996, GDP grew at an average annual rate of 6.5 per cent, translating into 3.4 per cent growth in per capita terms. The decline in monetary growth led to substantial reduction in inflation.

26. Over the period 1997/1998 to 2000/2001, GDP growth averaged 7.2 per cent per annum. Between 2000/01 and 2003/04 it averaged 6.8 per cent and between 2004/05 and 2007/08, it was 8 per cent. As a result of the global recession which reduced the demand for Uganda's exports to Europe and America, GDP growth declined slightly in 2008/09 to 6.2 per cent at basic prices but is projected to increase to 6.4 per cent at basic prices in 2009/10. The fiscal deficit stood at 10.2 per cent and 7.9 per cent of GDP on average during 2000/01 to 2003/04 and 2004/05 to 2007/2008, respectively. Inflation rate was kept at single digit for most of these periods; foreign reserves covered at least five months of imports; and the exchange rates were competitive.

27. There has been a significant increase in both foreign and local investment flows into the economy. As a percentage of GDP, private investment rose from 12.2 per cent in 2000/2001 to 20.6 per cent in 2006/2007. Public investment averaged 5.1 per cent of GDP over the same period but was more or less stagnant over the last decade. Furthermore, the investment pattern of recent years shows rising private construction especially of residential buildings, modestly increasing machinery and equipment investment, and low public construction. This indicates issues with low capital investment in industries, services and labour productivity.

28. The global downturn is expected to negatively influence investments through reduced private remittances, foreign direct investment, and loans, although recent global economic trends coupled with the resilience of our economy have subdued the initially perceived risks. Foreign Direct Investment (FDI) has dropped from 5.3 per cent of GDP in 2007/2008 to 4.6 per cent GDP in 2008/09 and it is further projected to remain slow in 2009/2010. However, the anticipated negative effects on aid have, at worst, been marginal as most development partners have continued to meet their obligations.

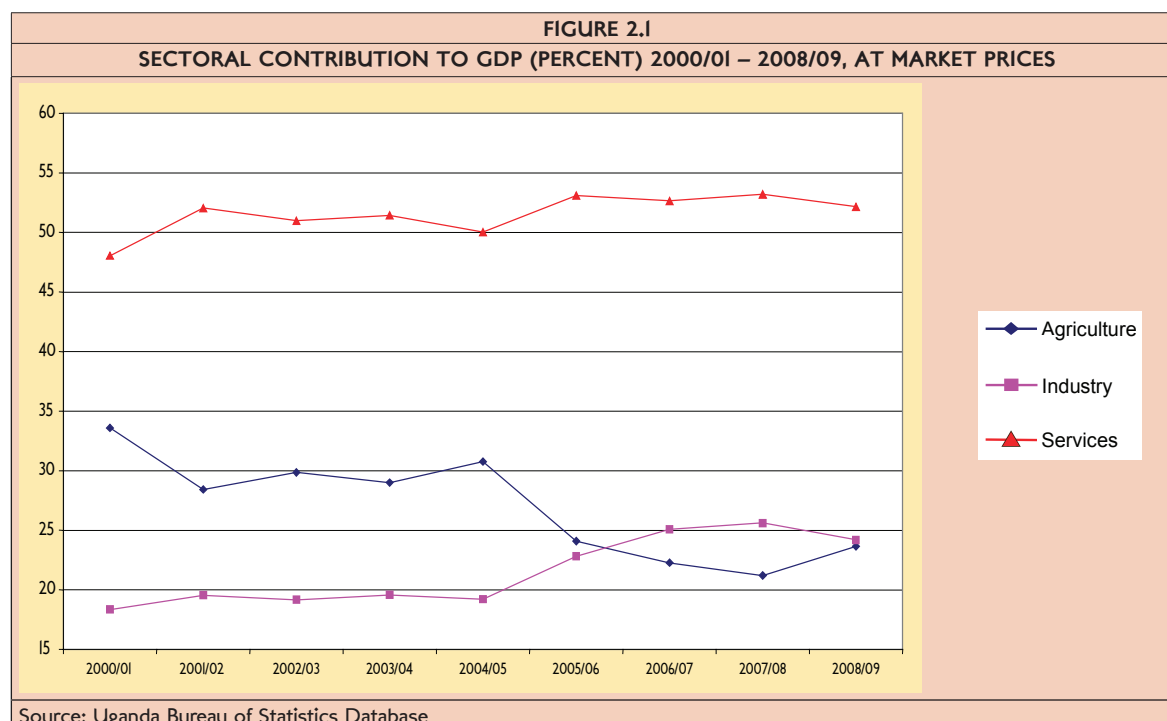
29. Uganda's trade deficit has been widening despite improvements in the composition and value of exports. The trade deficit as a percentage of GDP declined from an annual average of 12.9 per cent for the period 2000/01 to 2003/2004 to 13.5 per cent for the period 2004/2005 to 2007/2008. The balance of payments has also been unfavourable with a deteriorating trend in recent years. These results could partly be due to lower demand for Uganda's exports in advanced economies, although this is partly being compensated for by increased regional exports. Table 2.1 indicates that regional trade is taking an increasing share of Uganda's exports,

while the Middle East is also emerging as a major export destination. The European Union which in the past was the leading destination for Uganda's exports now accounts for about one quarter of total exports.

TABLE 2.1					
PERCENTAGE SHARE IN TOTAL EXPORTS BY REGION OF DESTINATION					
Region	2003	2004	2005	2006	2007
COMESA	27.7	26.8	30.7	29.5	37.9
Other Africa	8.6	5.7	4.8	3.9	6.6
European Union	26.3	27.3	31.1	27.4	24.3
Other Europe	14.8	17.1	10.1	5.1	6.8
North America	2.7	2.9	2.3	1.7	1.8
Middle East	3.5	5.6	10.8	20.6	14.3
Asia	9.3	8.9	7.5	7.8	5.4
South America	0.1	0.1	0.1	0.1	0.2
Rest of the World	0.4	0.0	0.1	0.0	0.0
Unknown	6.6	5.7	2.5	3.8	2.8
Source: UBOS Statistical Abstract (various)					

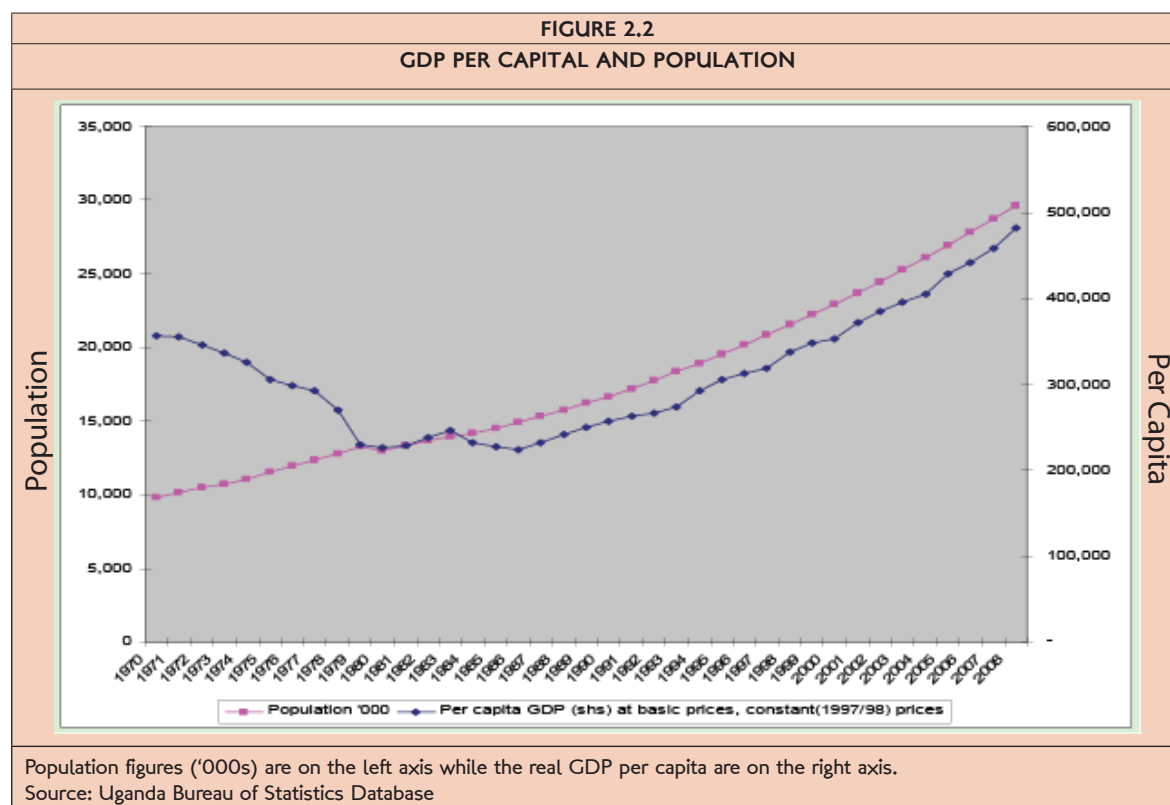
30. Whereas imports are becoming more technically advanced, exports are still dominated by primary commodities, indicating that the country's consumption patterns are changing faster than transformation of its techniques of production. This contrasts with some East Asian economies where exports were dominated by manufactured products. This means, therefore, that the future growth of the service and manufacturing sectors will have to undergo transformation to include new technologies in order to be more competitive in the export market.

31. Growth in GDP has been accompanied by changes in its broad sectoral composition. These changes reflect structural transformation in the economy. Figure 2.1 indicates the trend in the changing shares of GDP for agriculture, industry and services. Between 2000/01 and 2008/09, the share of agriculture to GDP fell rapidly while that of industry registered notable growth between 2004/2005 and 2007/2008 before converging with the share of agriculture in 2008/2009 at about 23 per cent.



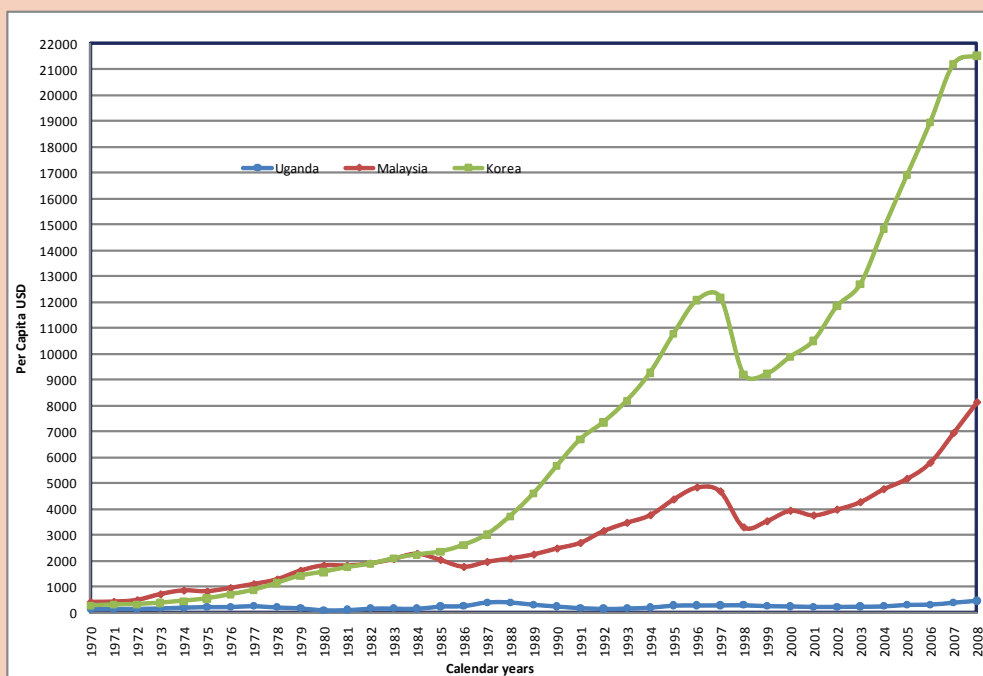
32. While there have been changes in the sectoral composition of GDP, there has not been a commensurate change in the distribution pattern of the labour force. The GDP share of the emerging modern sectors is increasing but their share of the labour force is falling. The share of the labour force employed in manufacturing and services sectors decreased from 6.8 and 26.8 per cent to 4.2 and 20.7 per cent respectively despite the rise in the GDP shares of these sectors. However, the share of labour force engaged in the agriculture sector increased from 66.4 per cent in 2002/03 to 75.1 per cent in 2005/06 while the share of agriculture GDP declined over the same period. This may be attributed to a variety of factors including: a mismatch between skills acquired and the requirements of employers; the development of low skilled services and industries; the high rate of growth in the labour force and the inability to absorb it in the growing sectors. These trends contribute to low productivity in agriculture which undermines the growth potential of the economy and contributes to issues related to food insecurity.

33. As the GDP growth rate increased with the return to peace in most parts of the country in 1986, per capita GDP also increased. Figure 2.2 shows real per capita GDP between 1970 and 2008. It depicts a declining trend in per capita income until 1988 after which the real per capita GDP began rising, reaching its 1970 level in 2003.



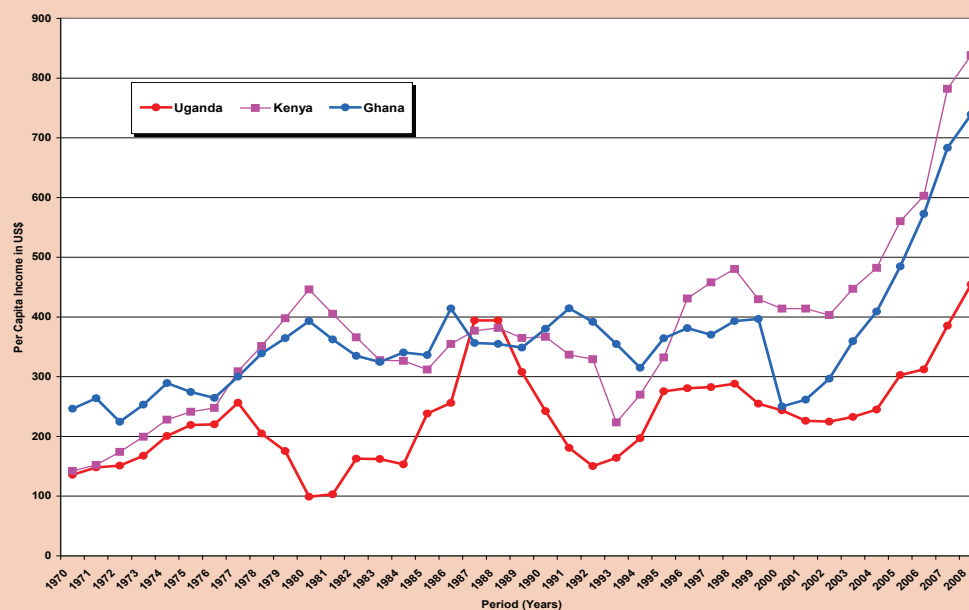
34. In spite of Uganda's economic recovery from the downturn of the 1970s and 80s, its size and the country's per capita income is still very low compared to other economies in Africa and Asia. While Uganda's economic performance was at par with that of countries such as Kenya, Ghana and Malaysia in the early 1970s, these economies have since improved significantly over Uganda's economy (Figures 2.3 and 2.4). For example, Malaysia is now only a role model to Uganda as opposed to being a peer as it was in the 1970s.

FIGURE 2.3
COMPARISON OF PER CAPITA INCOME (USD) OF UGANDA, MALAYSIA AND KOREA 1970-2008



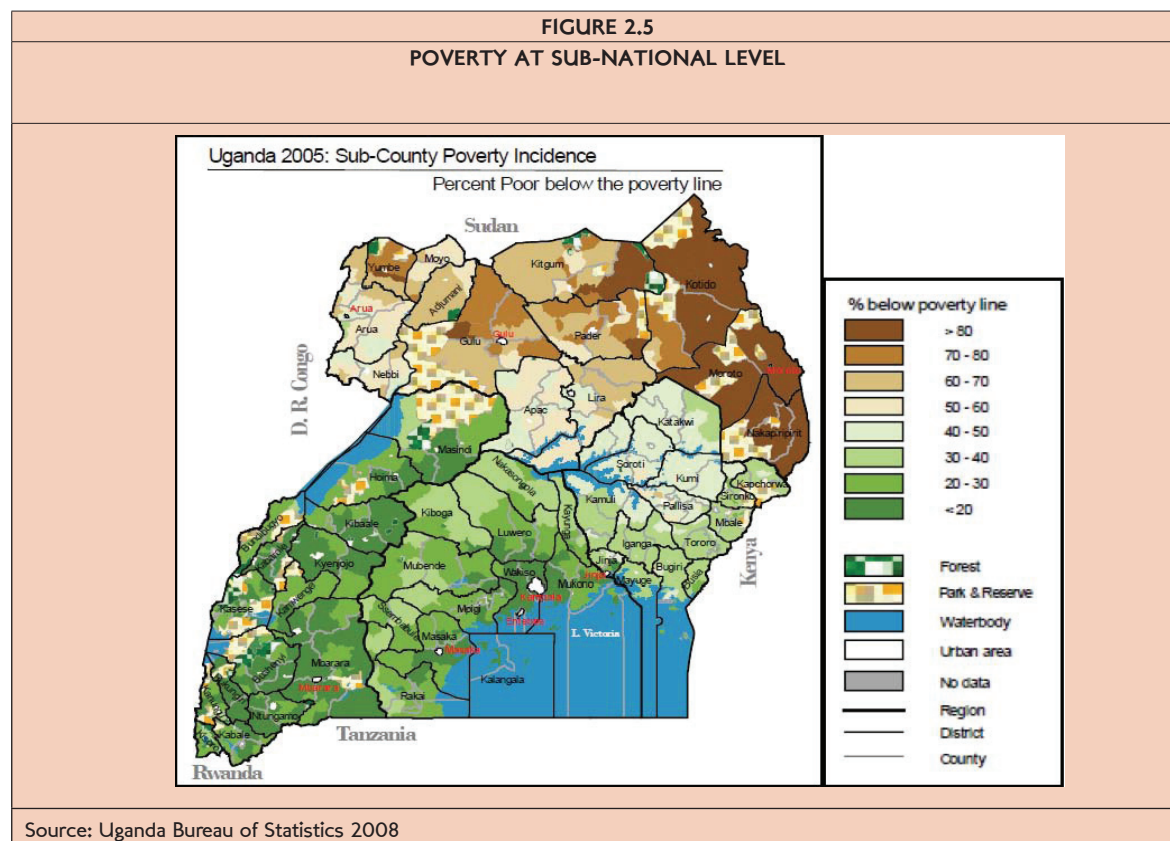
Source: World Development Indicators Database

FIGURE 2.4
COMPARISON OF UGANDA'S PER CAPITA INCOME WITH ITS REGIONAL PEERS



Source: World Development Indicators Database

35. The relatively high economic growth which has been sustained since the early 1990 has contributed to a reduction in the levels of poverty. In 1992/93, 56 per cent of the population was below the national poverty line; this dropped to 44 per cent in 1997/98 and to 31 per cent in 2005/06. A greater proportion of the population living under the poverty line is located in the northern part of Uganda (see Figure 2.5). This is largely attributed to the insecurity experienced in the region for over the past 20 years.



36. Inequality in consumption is high in Uganda by African standards. In addition to regional disparities (Table 2.2), there is also a disparity between rural and urban income levels with the mean consumption of the richest area (Kampala) being 2.5 times that of the poorest area (northern region). The data from 1992 to 2006 indicates that whereas rural inequality is declining after a period of an increase, urban inequality is yet to revert to its level of 1992/93.

TABLE 2.2 INEQUALITY GINI COEFFICIENT FOR UGANDA				
Region/Year	1992/93	1999/00*	2002/03	2005/06
National	0.37	0.40	0.43	0.41
Urban	0.33	0.33	0.36	0.43
Rural	0.40	0.43	0.48	0.36
Central	0.40	0.42	0.46	0.42
Eastern	0.33	0.35	0.36	0.35
Northern	0.34	0.34	0.35	0.33
Western	0.32	0.32	0.36	0.34

Source: Comprehensive UNHS 2005/06 and World Bank calculations. 1999/00 data exclude four districts

2.1.2 Primary Growth Sectors

37. The primary growth sectors consist of sectors and sub-sectors that directly produce goods and services. These include: agriculture, forestry, manufacturing, tourism, mining, oil and gas, ICT and housing development. The performance of these sectors has been varying (Table 2.3)². Table 2.3 presents the share of primary growth sectors in GDP at current prices. Added value in agriculture and industry need to become engines of growth but the agriculture sector has been declining in its growth rate and share of GDP, and the industry sector has not been expanding at a notable rate. While there has been growth in hotels, restaurants (tourism), and communications, these are not yet significant sectors in terms of GDP.

TABLE 2.3										
SHARE OF SELECTED PRIMARY GROWTH SECTORS IN GDP AND GROWTH PERFORMANCE										
Primary Growth Sectors	Percentage share in GDP (Current prices)					Growth performance (per cent)				
	1988	1997	2004	2007	2008	1988-1997	1998-2002	2004-2008	2007	2008
Agriculture	51.1	33.1	17.3	14.5	15.4	3.9	5.4	1.1	1.7	2.2
Forestry	2.2	1.7	3.3	3.5	3.4	4.7	7	3.9	2.2	4.2
Manufacturing	5.9	8.4	7.0	6.9	7.2	13.2	7.2	6.3	7.6	6.7
Hotels and restaurant (Tourism)	1.1	1.9	4.0	4.1	4.1	13.1	3.8	9.6	9.2	12.5
Mining	0.1	0.6	0.3	0.3	0.4	34.6	8	13	5	10.4
Post and Telecommunications (ICT)	0.2	0.6	2.0	3.0	3.4	10.1	22.8	26.2	16.1	39.6
Construction	4.1	6.5	11.9	12.2	12.2	6.5	6.3	6.3	4.8	5.8
Source: UBOS Statistical Abstract (various years)										

38. The share of **agriculture**³ in GDP was 51.1 per cent in 1988 and 33.1 per cent in 1997, declining further to 15.4 per cent in 2008 as shown in Table 2.3. The sharp decline in the share of agriculture in GDP represents significant structural transformation in the economy. Whereas this is a positive development, the challenge is to ensure that this shift is at the same time accompanied by productivity in the agricultural sector, and value addition in the industry and service sectors in order to absorb excess labour from agriculture. Also, there is a compelling need to ensure that productivity growth in agriculture supports the high population growth in addition to reversing the continued dominance of production and export of primary commodities.

39. Between 1988 and 1997, agriculture grew at an average rate of 3.9 per cent and 5.4 per cent between 1998 and 2002. However, from 2004 to 2008, the growth of the sector slowed markedly to average 1.1 per cent, with a growth of -1.8 per cent recorded in 2006. This performance raises issues of productivity in the agricultural sector and the need for radical strategies to improve the productivity levels and modernize the sector. The employment pattern has also been changing but not in a way that reflects transformation in the structure of the economy. The share of the labour force in agriculture increased from 66.4 per cent in 2002/03 to 75.1 per cent in 2005/06.

² Oil and gas sector not included in the table because it is new and was not captured in the GDP series in the past.

³ This share is lower than that indicated in graph 2.1 on account of the fact that it excludes forestry, livestock and fisheries.

40. The share of the **forestry** sub sector in GDP was 2.2 per cent in 1988 and 1.7 per cent in 1997, rising to 3.4 per cent in 2008. The increasing share of forestry in GDP is a positive development. However, the improvement in the contribution of forestry has been characterized by recent declining performance. Between 1988 and 1997, forestry grew at an average rate of 4.7 per cent per year and between 1998 and 2002 at an average rate of 7 per cent. From 2004 to 2008, the sector grew by 3.9 per cent per annum, a trend that needs to be accelerated. This trend is partly due to declining forest cover which decreased from 4,933,746 hectares in 1990 to 3,604,176 hectares in 2005, representing a 27 per cent reduction.

41. The share of the **manufacturing** sector in GDP was 5.9 per cent in 1988 and 8.4 per cent in 1997, peaking in 2002 and declining to 7.2 per cent in 2008. Between 1988 and 1997, the manufacturing sector grew at 13.2 per cent per year, recording the highest growth of 18.3 per cent in 1995. The sector grew by 7.2 per cent, on average, between 1998 and 2002 and by 6.3 per cent between 2004 and 2008. The share of the labour force employed in manufacturing sector decreased from 0.29 per cent to 0.14 per cent between 2002/03 and 2005/06.

42. The share of **tourism** in GDP measured by the share of hotels and restaurants⁴ in GDP was 1.1 per cent in 1988 and 1.9 per cent in 1997, rising to about 4 per cent in 2008. This represents a shift in the economic structure of the economy in terms of its GDP. Between 1988 and 1997, tourism grew by 13.1 per cent per annum on average and 3.8 per cent between 1998 and 2002, increasing to 12.5 per cent between 2004 and 2008.

43. The share of **mining** in GDP was 0.1 per cent in 1988 and 0.6 per cent in 1997, declining to 0.3 per cent in 2008. Between 1988 and 1997, mining grew at 34.6 per cent per annum on average and 8 per cent between 1998 and 2002. From 2004 to 2008, the sector on average grew by 13 per cent per annum. The share of the labour force employed in the mining sub-sector remained almost constant over the period 2002/03 to 2005/06, increasing from 0.93 to 1.0 per cent respectively.

44. The share of **ICT** in GDP measured by the share of posts and telecommunications was 0.2 per cent in 1988 and 0.6 per cent in 1997, increasing to 3.8 per cent in 2008. Between 1988 and 1997, ICT grew at 10.1 per cent and 22.8 per cent between 1998 and 2002. From 2004 to 2008, the performance of the sector was 26.2 per cent. There has been a rapid rate of telephone penetration with the number of fixed and mobile lines per 100 people rising from 0.24 and 0.02, in 1996 to 0.56 and 27.68 in 2008 respectively. Internet usage has been slow to pick up partly because of very limited internet support infrastructure available in the country and the low computer literacy rates amongst Ugandans.

45. The share of **construction** in GDP, which is used as a proxy to measure housing performance, was 4.1 per cent in 1988 and 6.5 per cent in 1997, rising to 11.9 per cent in 2008. Between 1988 and 1997 the housing sub-sector grew at 6.5 per cent and 6.3 per cent between 1998 and 2002. From 2004 to 2008, the performance of the sector was 6.3 per cent. The share of the labour force employed

⁴ This is a proxy measure considering that it may be tapping even more from non tourism domestic activities.

in construction remained nearly the same between 2002/03 (0.08 per cent) and 2005/06 (0.07 per cent).

46. The **oil and gas** sector is relatively new but with huge potential. The oil and gas reserves in the country are estimated at 2 billion Barrels of Oil Equivalent (BOE)⁵. To exploit these resources, large investments will be required for further exploration, development and extraction. In addition, government will invest in the necessary physical infrastructure.

2.1.3 Complementary Sectors

47. Complementary sectors consist of sectors and sub-sectors that provide institutional and infrastructural support to primary growth and other sectors, namely: transport, energy, land management and administration, physical planning, urban development, trade development, cooperatives, science and technology and water for production. Table 2.4 shows the share of some of the complementary sectors in GDP and growth performance.

48. The share of the transport sector in GDP has been without a clear growth pattern. While the performance of the sector improved between 2004 and 2008 compared to 1998 and 2002, its share in GDP has been about 3 per cent (Table 2.4). The share of the labour force employed in transport sector decreased from 2.84 per cent to 1.61 per cent between 2002/03 and 2005/06. The moderate performance in the transport sector is evident from the low share of the paved road network (4 per cent); limited flights, and limited functionality of the rail system (26 per cent).

TABLE 2.4										
SHARE OF SELECTED COMPLEMENTARY SECTORS IN GDP AND GROWTH PERFORMANCE										
Complementary Sectors	Percentage Share in GDP (Current prices)					Growth Performance (per cent)				
	1988	1997	2004	2007	2008	1988 - 1997*	1998 - 2002	2004 - 2008	2007	2008
Transport	3.0	3.9	3.2	3.3	3.4	9.3	5.3	6.8	9.6	6.9
Energy and Water	0.6	1.3	3.5	4.5	4.1	7.6	6.2	2.0	5.3	4.0
Trade	14.7	10.0	12.7	14.1	14.3	7.6	6.5	10.3	13.0	13.6
Financial Services	-	2.3	2.8	2.9	3.2	-	5.5	11.2	-3.9	11.1

Source: UBOS Statistical Abstract (various years) (* Figures adjusted to 2002 prices)

49. The share of **energy and water** in GDP progressively increased between 1988 and 2007 before marginally declining in 2008 (Table 2.4). The growth performance of the sector between 2004 and 2008 was about 2 per cent, reflecting a significant decline. The share of the labour force employed in the energy and water sectors declined from 6.5 per cent to 4.2 per cent between 2002/03 and 2005/06. Uganda's electricity consumption remains at 60kWh per capita which is low compared to South Africa at 4200kWh, Egypt at 1200kWh and Malaysia at 3200kWh.

50. The share of **trade** sector in GDP declined between 1988 and 1997 but has since progressively risen to nearly its 1988 levels. Growth performance of the sector averaged 10.3 per cent between 2004 and 2008. The share of the labour force employed in trade increased marginally from 1.35 per cent in 2002/03 to 1.39 per cent in 2005/06

5 Budget speech, 2009

51. Until 1997, the contribution of **financial Services** in GDP was not reflected in the national GDP series. However, with the growing role played by the sector in the economy's development, its contribution has reached significant proportions accounting for 3.2 per cent of GDP in 2008. With exception of 2007, where growth performance in the sector declined by 3.9 per cent, overall growth performance of the sector has been impressive. However, the share of the labour force employed in the financial services sector decreased from 2.11 per cent to 1.98 per cent between 2002/03 and 2005/06.

52. Achieving socio-economic transformation requires continuous improvement in the way goods and services are produced within an economy. Measured in terms of percentage exports with high technology content to the total manufacturing exports, the **Science, Technology and Innovation** sector is still underdeveloped. The expenditure share in R&D as a percentage of GDP is 0.1 per cent; Total Achievement Index (TAI)⁶ was 0.24 in 2005 compared to the minimum required of 0.35 per cent. The ratio of arts to science graduates is 5:1 and the country has one researcher to 1,000 employees.

53. While **Land Management and Administration, Physical Planning and Urban Development** are not directly reflected in GDP computations, they play an important role in GDP generation and growth as well as employment and prosperity for all. In the recent years, the level of urbanization in Uganda has been rising rapidly. In 1991, the population living in urban areas was 11.3 per cent, increasing to 12 per cent in 2002 and it's estimated at 15 per cent in 2009⁷. The urban population growth rate currently stands at 5.9 per cent per annum. The increasing levels of urbanization in Uganda and congestion in Kampala city creates considerable pressures on housing, transport, water, health, education, social welfare, and employment⁸ which need to be addressed through systematic physical and infrastructural planning.

2.1.4 Social Sectors

54. Social sectors consist of sectors and sub-sectors that provide services required for maintaining a healthy and quality population, and developing the required human resource for effective engagement in profitable economic activities. These sectors include: education, health, water and sanitation, social development and gender, and population.

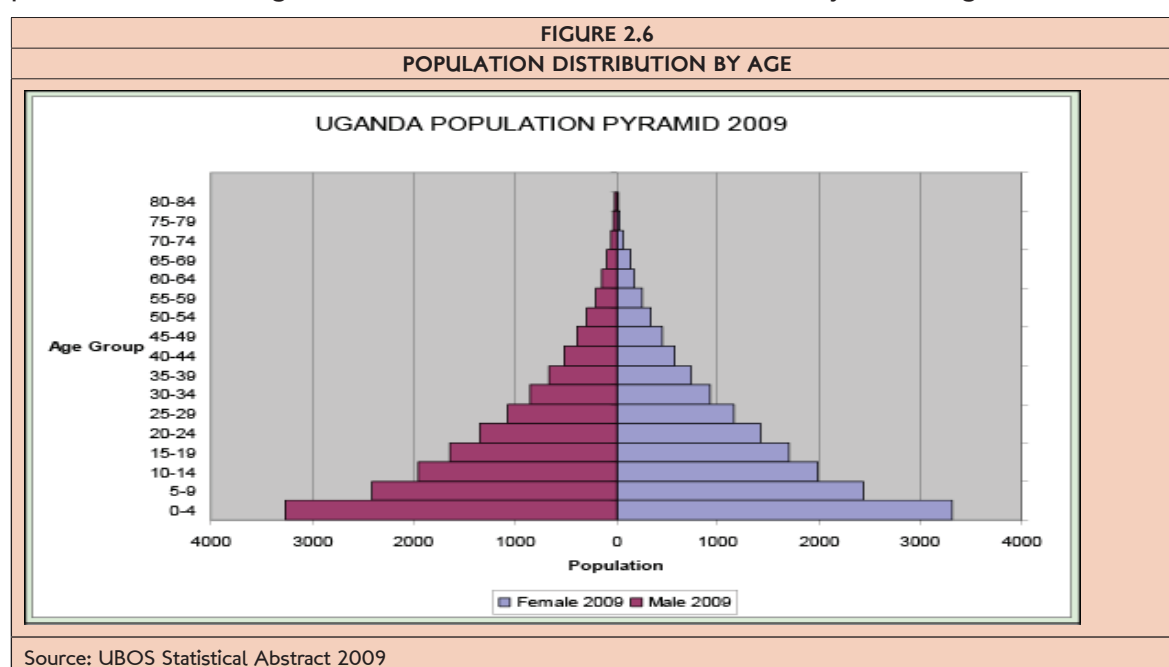
55. The **national population** size and its growth have a powerful impact on the achievement of socio-economic goals. Uganda has a fast growing population which has expanded from 9.5 million in 1969 to 24.2 million in 2002 and estimated at 30.7 million in 2009. At 3.2 per cent growth rate per annum (1991-2002), Uganda's population is projected to reach 38 million in 2015.

⁶ TAI is a measure of how well a country is creating and diffusing technology and building its human resources base. It includes R&D expenditures as per GDP, number of scientists and engineers per million populations, number of patent applications, and per cent of exports with high technology content to total manufacturing exports.

⁷ UBOS Statistical abstract 2009

⁸ MFPED, 2008.

56. The high fertility rate coupled with the young population means that the population will continue rising even if fertility declined (Figure 2.6). Nearly half of the population is below the age of 15 years and the population structure is expected to remain youthful for the next fifteen years. The population trend described above represents several challenges to future growth and structural transformation unless serious measures are taken to convert it into a population dividend. Already, Uganda has one of the highest dependency ratios in the world (above 1.5) which is expected to rise under the current growth trends. The causes of high fertility include low levels of education, poor access to family planning services with unmet demand estimated at 41 per cent, a low contraceptive prevalence rate of 24 per cent and early child-bearing with 25 per cent of adolescents being pregnant before the age of 19⁹. Other causes include the prevailing cultural and religious beliefs and preferences for large families as a source of social security at old age.



57. There is a high growth rate of 3.7 per cent per annum in the unskilled labour force but what the economy requires is skilled labour hence contributing to high levels of unemployment and under-employment. Public sector employment has not grown significantly and can only absorb a few people leaving agriculture to absorb the bulk of the labour force (which was estimated at 75.1 per cent of the labour force in 2005/06).

58. Table 2.5 gives the share of **education and health services** in GDP between 1988 and 2008 and their performance over the same period. The share of education services in GDP significantly increased between 1988 and 2004 where it peaked at 7 per cent but declined thereafter. Health services on the other hand have maintained an almost constant share for the most part of the period 1988 to 2008 with exception of 1997 where their share peaked at 1.9 per cent of GDP. The growth

9 UBOS (2006) Uganda Demographic and Health Survey 2006

performance of both sectors has significantly declined with contractions in 2007 and 2008. The share of the labour force employed in the health sector moderately decreased from 2.79 to 2.66 per cent between 2002/03 and 2005/06 respectively while that in education decreased from 0.8 to 0.68 per cent.

TABLE 2.5										
SHARE OF SELECTED SOCIAL SECTORS IN GDP AND GROWTH PERFORMANCE										
Social Sectors	Percentage Share in GDP (Current prices)					Growth Performance (per cent)				
	1988	1997	2004	2007	2008	1988 - 1997	1998 - 2002	2004 - 2008	2007	2008
Education	2.8	4.7	7.0	6.3	5.5	5.7	7.5	4.5	1.5	-2.4
Health	0.9	1.9	1.6	1.3	1.1	4.5	5.4	3.8	-1.3	0.2
Source: UBOS Statistical Abstract (various years)										

59. Uganda has made notable progress in increasing literacy and access to education at all levels. Access to Universal Primary Education (UPE) increased from 2.5 million students in 1997 to 7.5 million in 2008, reaching a level of 82 per cent of eligible pupils enrolled. The introduction of Universal Secondary Education (USE) and Universal Post Primary Education Training (UPPET) in 2007 increased secondary school enrolment by 25 per cent from 814,087 in 2006 to 1,088,744 in 2008, with girls constituting 46 per cent. In the same period, enrolment in BTNET increased by 46 per cent from 25,682 to 47,298. The adult literacy rate has improved from 69 per cent in 2005/06 (UBOS, UDHS 2005/06) to 73.6 per cent in 2009 (HDR 2009).

60. In spite of improved performance, Uganda's progress towards reaching the Millennium Development Goals (MDGs) by 2015 in respect of educational and health status is not as fast as desired. Table 2.6 sets out the results from the UBOS Statistical Abstract 2008. The MDG target for net enrolment ratio in primary education is 100 per cent by 2015 while the outturn in 2005/06 was 84 per cent.

61. Technical, vocational and university education is not yet adequately supporting the development of a workforce with appropriate skills. In 2006, student enrolment in science and technology at both private and public universities was less than 27 per cent of total registered students. This is below the minimum requirement of 40 per cent recommended for rapid and accelerated economic growth and effective contribution in the global knowledge based economy.

TABLE 2.6		
PROGRESS ON HEALTH AND EDUCATION RELATED MDGS BY 2005/06		
Goal/ Indicator	Progress (2005/06)	Target (2015)
Goal 2: Achieve Universal Primary Education		
Net enrolment ratio in primary Education	84	100
Goal 4: Reduce Child Mortality Rate		
Infant Mortality Rate (per 1000 live births)	76	41
Under-Five Mortality (per 1000 live births)	137	60
Proportion of 1 year old children immunized against measles	68.1	90.0
Goal 5: Improve Maternal Health		
Maternal Mortality ratio (per 100,000 live births)	435	131
Proportion of births attended by skilled health personnel	41.1	90
Total Fertility Rate	5.0	6.0
Contraceptive prevalence rate among women 15-49 years	23.9	
Goal 6: Combat HIV/ AIDS, malaria and other diseases		
Condom use among higher risk sex group 15-24 year olds	52.9	
Source: UBOS Statistical Abstract, 2009		

62. The current state of Uganda's health outcomes is mixed as measured by four core indicators set out in Table 2.6. While the trend in all the four outcome indicators was positive, the country fell short of all its defined national targets as articulated in the PEAP and risks missing the international targets. Generally, Ugandan health standards remain poor, even by Sub-Saharan Africa standards. Although there has been a decline in the maternal mortality ratio from 505/100,000 live births in 2001 to 435/100,000 in 2006 (UDHS, 2006), it is unlikely that Uganda will meet the MDG target of 131/100,000 live births by 2015. Access to maternal and reproductive health services for girls and women is still low.

63. Uganda's Human Development Index (HDI) score, which among others, considers life expectancy, literacy, and education enrolment rates, improved from 0.272 in 1995 to 0.581¹⁰ in 2006 before reducing to 0.514 in 2009. This is lower than the score of Kenya (0.541) and Tanzania (0.530) in 2009 but within the range of the medium human development category of countries. Uganda's 2009 HDI score translates into a rank of 157th out of 182 countries with data.

64. Uganda's development progress however, continues to be constrained by gender inequalities and social vulnerabilities. In the case of gender, Uganda's constitution guarantees equality between women and men, and has a number of affirmative action measures. Uganda is a signatory to various international commitments¹¹ and has a Gender Policy which provides for a framework for gender responsive development. Affirmative action has led to an increase in the percentage of female Members of Parliament from 18 per cent in 1995 to 29 per cent in 2009. Despite the presence of these measures, gender disparities still persist.

65. Gender based violence is estimated at 68 per cent for females against 20 per cent for males (UDHS 2009). Retention in primary education on the whole is low and exhibits gender disparity with 53 per cent of boys and 42 per cent of girls completing primary school in 2006. Enrolment figures for secondary level education also show gender disparities with only one third of girls who enrolled in primary education continuing in school to the age of 18 years, compared to half in the case of boys (UDHS 2006). HIV prevalence rate is also higher among women (7.5 per cent) than it is among men (5 per cent) (UHSBS 2004/05).

66. Furthermore, though it is estimated that women comprise 70 per cent of the work force in agriculture, they experience unequal access and control over important productive resources like land. This limits their ability to move beyond subsistence agriculture. In wage employment, women are concentrated in the lowest paying sectors, which is linked to their lower education levels; 50 per cent of employed women work in the three lowest paying sectors, compared to 33 per cent of men (2002/02 and 2005/06 UNHS). At the household level, women's participation in decision making is also limited; only 51 per cent of women reported participating in making major household purchases, and overall men believed that a husband

¹⁰ UNDP (2007: 46), Uganda Human Development Report

¹¹ Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), the Beijing Platform of Action, and the Millennium Development Goals

should play the major role in making most household decisions (UDHS 2006). The social vulnerabilities are generally associated with demographic characteristics such as age, disability, unemployment, ethnic minorities and other characteristics such as poverty and disasters. The UNHS 2005/06 report reveals that more than 2.1 million vulnerable children, representing 13.7 per cent of young people below 18 years were under the care of older persons, putting a lot of stress and further impoverishing them. About 1.9 million people (7 per cent of the population), live with disabilities and about 7.1 per cent of older persons have access to pension, of whom 60 per cent are male. Analysis of household survey data (2005/06) reveals that over 80 per cent of the poor, or about 7 million people are still trapped in chronic poverty.

2.1.5 Enabling Sectors

67. Enabling sectors encompass all sectors and sub-sectors that provide a conducive environment and framework for efficient performance of all sectors of the economy. They include defence and security, justice, law and order, legislature, environment management, climate change, water resource management, public sector management, public administration, disaster management, accountability, statistics, meteorology, and EAC integration.

68. For a long time, after independence, the defence and security sector was characterized by weak strategic leadership, unethical code of conduct, and ineffective organs and structures to regulate it. This created problems for the country resulting in animosity between the forces and the civilians, political instabilities and coups. Since 1986, efforts have been directed at addressing these issues. Statutes which guided the forces' ethical and operational code of conduct were established and restructuring has been carried out. The security forces are subject to parliamentary oversight, making them accountable and properly regulated.

69. Uganda's relations with her neighbours have greatly improved, which limits the possibility of the re-occurrence of inter-state conflicts, reduces the likelihood of further disagreements over border points as well as eliminating the chances of dissidents using the neighbouring areas to destabilize the country. Peace and stability has been restored throughout the country, including in Northern Uganda where armed conflict had persisted for over 20 years.

70. A number of democratic institutions have been put in place in line with the 1995 Constitution. The three arms of Government namely the Legislature, the Executive and the Judiciary are now in place and functioning, albeit with varying degrees of respect for each other's constitutional mandate. Parliament continues to exercise its constitutional mandate and has strengthened a number of institutions for promoting democracy and good governance including the Electoral Commission (EC), Inspectorate of Government (IGG), the Auditor General (with enhanced powers), and the Uganda Human Rights Commission (UHRC), among others.

71. However, the country's culture of constitutionalism is not improving fast enough. Many of the institutions established in the Legislative, Executive and Judicial branches of Government are still struggling to fully embrace the ideals, principles and practices of democracy. The media has been liberalized and is relatively free with both the print and electronic media providing citizens with ample

opportunity to express their views on a wide range of issues that affect their lives. At the same time, Uganda has seen a dramatic emergence of non-governmental and civil society organisations able and willing to engage the arms of Government in policy debate and advocacy on democracy and good political governance issues, albeit with challenges in the policy and regulatory framework. However, the citizenry in general is not yet empowered to engage effectively in demanding their rights and insisting that institutions meet their obligations.

72. The country has established a number of institutions to enable effective public sector management. These institutions are responsible for policy formulation and implementation and public service delivery. However, there are opportunities to improve the structure of the public sector. There are issues with the allocation of roles and responsibilities which sometimes affects service delivery. Most of public institutions were formed in the early 1960s before the liberalization policies of the 1990s. The organization of some public institutions is not suitable and impedes the delivery of policy, regulation and public services. Other issues include: overlaps and duplication of mandates, weak oversight of institutions, poor corporate governance and weak regulatory frameworks. The civil servants are still poorly remunerated and this limits their productivity. Furthermore, the coordination of the public sector institutions is still a challenge.

73. The progress made both in public administration and public sector management is being hampered by corruption at various levels of Government. Government recognises the devastating socio-economic effects of corruption and is committed to taking corrective and deterrent measures in order to fully realize the potential for improving social and economic conditions. Uganda ranks 130th out of 180 countries on the Transparency International's 2009 Corruption Perception Index, while many African countries rank better (Tanzania 126, Zambia 99, Swaziland 79, South Africa 56, and Botswana 37).

74. In order to enhance accountability in Government, the accountability sector was established in 2007 with the goal of promoting, supervising and implementing accountability systems. The sector comprises of the Ministry of Finance, Planning and Economic Development; the Inspectorate of Government; Office of the Auditor General; Directorate of Ethics and Integrity; Ministry of Public Service-Inspection; Ministry of Local Government; Public Procurement and Disposal of Public Assets Authority; Uganda Bureau of Statistics; Uganda Revenue Authority; and Development Partners. There is also a Stakeholders Forum in which civil society views are presented and addressed. Civil Society includes private business, media, anti-corruption NGOs, and community groups which play a vital role in representing views and experiences of public service beneficiaries and holding public officials accountable.

75. The legal, policy and regulatory framework that guides the accountability sector include the Budget Act, 2001, Public Finance and Accountability Act, 2003, the National Audit Act, 2008, the Leadership Code Act, 2002, the National Records & Archives Act, 2001, Public Procurement and Disposal of Public Assets Act, 2003, and the Access to Information Act, 2005. Other laws pending legislation include: the Anti-Money Laundering Bill, the Anti-Corruption Bill, 2008, and the Whistle Blowers' Bill. A special court has also been established to try corruption cases.

76. There is a need to ensure that there is sustainable management of the environment and natural resources. The environment is characterized by a geographical variance in rainfall levels. The amount of rainfall ranges from 400mm in Karamoja to 2200mm on Ssese Islands in Lake Victoria. The total renewable water resources are estimated at 66Km³ per year corresponding to 2200m³ per capita per year. While this meets the current needs of the country, it is estimated that by 2017, Uganda will be a water stressed country.

77. There are serious challenges in reversing the reduction in the habitat cover which decreased from 95 per cent in 1980 to 85 per cent in 2000. Associated with this, the native species have been declining with the population index decreasing from about 60 per cent in 1980 to 40 per cent in 2005. There has been reduction in total fish production from 434,000 tonnes in 2004 to 374,000 tonnes in 2007. The biodiversity has also been decreasing as reflected in the change in the biodiversity index from 0.8 in 1980 to 0.7 in 2005 and the reduction in the species richness index from 95 per cent in 1980 to about 85 per cent in 2005. The ecological footprint has decreased from 2 in 1980 to 1.6 in 2005 and the bio-capacity has decreased from 2 in 1980 to 1.2 in 2005¹².

2.1.6 Private Sector Performance

78. The private sector in Uganda largely comprises of Micro, Small and Medium Enterprises (MSME) and these cut across sectors of the economy, contributing 20 per cent of the GDP.¹³ The number of registered businesses in Uganda was 25,000 in 2007 with the majority (11,003) located in the central region of the country. Of the firms across sectors, those in the industry constituted 17.7 per cent, and were mainly engaged in beverages, sugar, textiles, building materials, foot wear, packaging, and food processing.

79. Although the private sector has grown rapidly between 2001 and 2007, growth in the number of firms has been concentrated in small firms with low value addition, whereas larger firms with high value added per employee did not increase as fast. The service sector is the fastest growing in Uganda (13 per cent per annum), with 32 per cent of these investments owned by Ugandans. Predominant in the service sector are telecommunications, hospitality and trade sub-sectors.

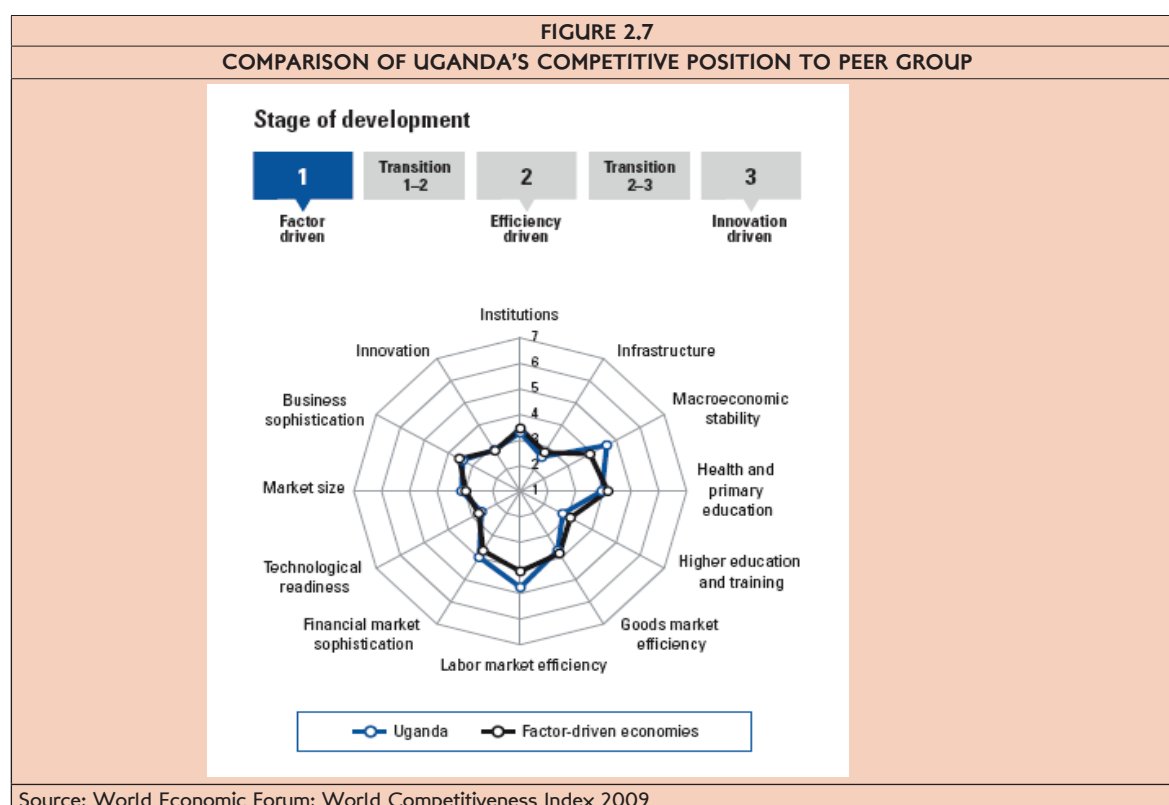
80. MSMEs employ over 1.5 million people of the total non-farm workforce. These include; retail trade, education and restaurants accounting for the bulk of total employment in new firms. With the exception of education, it was found that the rapid growth in enterprises is focused on low-value services and is, therefore, unlikely to be a platform for significantly transforming the economy.

81. The economic conditions and the business climate have significant impediments, as indicated by various studies. The World Economic Forum's Country Competitiveness Index 2009 ranks Uganda 108 out of 133 countries. Many other African countries rank better (Tanzania 100, Kenya 98, Namibia 74, Botswana 66,

¹² NEMA: National State of Environment Report 2008.

¹³ Private Sector Platform for Action, May 2009

South Africa 45) indicating better investment and business environments in those countries. In this study, Uganda deviates negatively compared to a peer group of factor economies with regard to health, primary education, higher education and training, infrastructure, institutions and technological readiness.¹⁴ These are key sectors that need to perform well to support the primary growth sectors. As shown in Figure 2.7, there is a positive deviation from this group with regard to Uganda's macroeconomic stability, financial market sophistication and labour market efficiency.¹⁵



82. The international “Doing Business Survey 2010” report ranks Uganda 112th out of 183 countries on a wide range of business indicators. Problems are identified in particular for registering property, trading across borders, protecting investors, starting a business, enforcing contracts, and getting credit. As Figure 2.8 shows, these impediments, among others, are affecting the competitiveness of the economy, with the main issues being access to finance, corruption, infrastructure, tax administration, work ethics, and Government bureaucracy.

14 Factor economies are at a stage of development where growth is largely driven by the country's basic resource endowments, its labour force and capital inputs.

15 World Competitiveness Index (score of 1 is low and 7 is high).



83. The Government has been implementing measures to address the barriers to investment through the Competitiveness and Investment Climate Strategy. However, actions have been slow and often uncoordinated. The Third National Competitiveness Forum noted similar issues to the ones identified in Figure 2.8, as well as a broader range of issues that included: high transport costs; lack of a policy framework for private-public partnerships; poor urban planning; and limited market size¹⁶. Other issues that were noted include: the potential effects of the financial crisis in many countries and the world economic downturn reducing FDI and remittances. Similar problems were identified in a survey of small and medium enterprises.¹⁷

2.1.7 Civil Society

84. As acknowledged in past Government policy frameworks, ‘it is essential for the concept of civil society that their actions are not planned or dictated by the Government’¹⁸. Civil Society in Uganda is as diverse as the concept itself, making it quite challenging to work with the sector. However, the emergence and growing importance of broadly inclusive non-governmental platforms presents an opportunity to engage with civil society in a more strategic and sustained manner. These platforms currently include non-governmental organisations (NGOs) and other non-profit entities including faith based organizations, trade unions, community based organizations, professional associations and interest groups.

85. When examining the structure of Uganda’s civil society, a mixed picture emerges. The participation of the citizens in CSOs appears to be very extensive. To a great extent, this is because rural life, in this largely agrarian country is often characterised by membership in various forms of community and other mutual help

¹⁶ Third National Competitiveness Forum, Kampala, 2008. www.cics.go.ug.

¹⁷ MFPED, “Enhancing Competitiveness of Micro, Small and Medium Enterprise,” Discussion Paper 15, July 2008.

¹⁸ MoFPED – the PEAP 2004, page 8

groups, which are socially inclusive, and to which faith-linked organizations can be added. Most of these CSOs are donor-dependent. The sector is fragmented across many facets of development and tends to favour accountability towards donors over accountability to the local population.

86. Following the Paris Declaration, CSOs are increasingly seeing advocacy work as a legitimate undertaking. It is also an area of work that donors support and where the Government is opening avenues, especially at the district level where some of the CSOs are being contracted for service delivery.

87. Despite the important role that civil society has and can play in the development process, a number of factors directly and indirectly work against their full effectiveness. The NDP has identified a weakness in the lack of a comprehensive and consistent framework to institutionalize the interface between NGOs and various Ministries, Departments and Agencies (MDAs) at national and district level. The current NGO law also constrains the engagement between NGOs and Government, thus fuelling mutual suspicion and sometimes hostility, rather than cooperation and partnership.

88. Several agencies of Government have little understanding of what conceptually NGOs are and or ought to be partly due to lack of comprehensive information on the nature, precise contribution and value of NGOs work to Uganda's development. Several agencies thus view NGOs as appendages of the Government whose programmes and financing should be integrated in Government plans. Furthermore, there is little empirical information available or known about what NGOs do, where they do it and the impact of their activities. Thus, the outcome of their work is not meaningfully captured in development statistics.

2.2 MOST BINDING CONSTRAINTS

89. As observed in the Barcelona Agenda 2004, Government will adopt a range of policies and interventions in its development strategy in the NDP in order to address the most binding constraints to economic growth. This will entail implementing a mix of microeconomic and macroeconomic policies and interventions, with the Government playing a more significant role. These actions will stimulate growth and productivity in the private sector and will improve performance in the public sector. In this context, a systematic methodology for undertaking country diagnosis and identifying the most binding constraints to growth was used in the course of the NDP preparation process. These constraints are presented below:

2.2.1 Constraint 1: Weak Public Sector Management and Administration

90. Analysis of the binding constraints to growth in Uganda reveals that public sector management and administration is characterized by weak policy, legal and regulatory frameworks; weak institutional structures and systems; weak civil society and civic participation; inadequate data and information; inadequate standards and weak quality infrastructure; limited social protection and support systems; and weak management of environment and climate change. Over 70 per cent of the Government sectors have obsolete, absent or weak policy frameworks. The weak

institutions, structures and systems take the form of inappropriate organizational structures, inadequate systems, understaffing, limited strategic oversight, overlapping and duplication of roles, protracted institutional infancy, weak client responsiveness and inefficient bureaucracy. This weak public sector management has led to low absorption of public funds and poor delivery of services.

91. Although considerable efforts have been made to reduce corruption, including putting in place an appropriate legal and institutional framework, it still significantly affects public service delivery in the country. Corruption is most rife in procurement, administration of public expenditure and management of revenue. The citizenry is not yet fully empowered to engage effectively in demanding better performance from Government institutions in meeting their obligations and providing services. Corruption has remained high at various levels of Government, with Uganda's ranking moving down from 126 to 130 out of 180 countries on Transparency International's Corruption Perception Indices for 2008 and 2009.

92. While Uganda has signed some international standards and codes, it has not yet ratified and domesticated many of them. These are relevant not only for benchmarking good practices for promoting good governance and sustainable development, but also enhancing the country's competitiveness through participation in key economic organisations. There is also a limited range of formal international standards related to the quality of goods and services that have been implemented in Uganda. There are 1,204 Ugandan standards which is an extremely low number compared to Kenya which has up to 8,000 standards. Out of the registered 25,000 firms, only 86 are certified by ISO. Only 203 firms are certified by UNBS.

93. There are many areas where citizens are pressing Government for better performance given that the poverty level was at 31 per cent in 2005/06 and inequity is evident in the relatively high Gini-coefficient data. Progress towards the MDG goals is not as fast as desirable, with poor outcomes for health in particular. There are also gaps in social protection. As of March 2007, the pension scheme covered only 44,000 public servants while the NSSF protected 1,282,994 workers between 1967 and 2003. Orphans and vulnerable children are estimated at 7.5 million of whom, only 23 per cent are adequately cared for.

94. The management and administration of land in Uganda is still a major challenge and will require additional input to implement the Land Act as amended in 2009. The complex and multiple land tenure systems have severely limited land use planning and utilization. Presently approximately 10 per cent of the total land area is titled. In addition, there are problems of alteration of land titles to the extent that it has caused a number of land disputes.

95. The management of the environment is not effective and remains relegated to few institutions that face significant challenges in enforcement. Over 7 per cent of the original wetland area had been reclaimed as of 2005. The forest cover declined from 24 per cent in 1990 to 18 per cent in 2005. Similarly, the habitat cover had reduced from 95 per cent in 1980 to 85 per cent in 2000. Given this trend, the country will experience significant adverse environment and economic effects in the near future.

2.2.2 Constraint 2: Inadequate Financing and Financial Services

96. In the public sector, despite concern about inefficiencies in the use of public funds, the majority of Ministries, Departments and Agencies (MDAs) usually cited funding as a key constraint to delivery of public goods and services. The financing constraint in the public sector is manifested mainly in under-funding of priorities of public sector programmes and projects, thereby impeding the quantity and quality of service delivery. In 2008, the Government domestic revenue, as a ratio of GDP was about 13 percent, which is low compared to about 25 per cent and 17 per cent for Kenya and Tanzania respectively. While this ratio is projected to grow over the NDP period, the Government has to rely on external financing for much of the budget expenditures, especially in the category of capital development. In this situation, it will be constrained to some extent, in its ability to match expenditure to priorities in a timely way.

97. In the private sector, availability of and access to financial services is also one of the major constraints. Non-availability of financial services is manifested in form of a lack of sufficient financial services infrastructure required to deliver appropriate financial services across the country. For instance, only 23 districts in Uganda have commercial banks. The situation is worse in most of the rural areas as most banks are situated in urban centres. The number of bank accounts in the country is about five (5) million, representing a 16 per cent penetration. This low financial penetration limits access to safe and sound financial services and therefore, access to high quality and low-cost finance. The capital market for long term funds is still under developed. There are currently six local equities and five cross border listings with Government and corporate bonds traded on stock exchange in Uganda, which compares poorly with Nairobi stock exchange in Kenya with 46 listed firms.

98. The nominal lending interest rates of banks range from 17 per cent to 23 per cent which is high and, except for very few areas where the rates of return on investments are higher, such interest rates are bound to continue discouraging investments. In the formal micro finance sector, nominal lending interest rates are even higher, ranging from 24 per cent to 36 per cent per annum, and the situation is worse in the informal microfinance systems. Coupled with the low savings culture in the country, raising relatively cheap domestic capital for investment is expensive and will require boosting the mobilization of domestic resources for intermediation through promoting rural savings, and further development of pension and insurance systems.

2.2.3 Constraint 3: Inadequate Quantity and Quality of Human Resource

99. The quality of human resource is important to organizational success. Despite the large and fast growing youthful labour force and the Government's efforts to provide education and training at various levels, the country continues to experience deficits in the supply of skilled human resources. This is evident in the limited availability of skilled labour as partly shown by wide wage differentials, and the high number of vacant posts in technical areas. The lack of skilled human resources is associated with quality issues in the education system, including low school completion rates, limited capacity in the vocational and technical training institutions, and the brain drain from the country. This is exacerbated by inadequate manpower planning in key areas of the economy.

100. The health sector, for example, continues to experience considerable workforce challenges arising from numbers, skills and motivational factors. The ratio of doctors to the patients in Uganda was 1:24,725 which is significantly lower compared to Kenya at 1:7,100, Cuba at 1:169 in 2002, and Malaysia at 1: 1,430 in 2000. The ratio of nurses to the population in Uganda is 1:1,634, compared with 1:877 in Kenya, 1:740 in Malaysia in 2000 and 1:134 in Cuba in 2002. The low number of health professionals in Uganda adversely affects the delivery of health services. The situation is similar with regard to the low levels of qualified people in other professions.

101. Human resource development is further encumbered by low service delivery standards in health and education sectors. For national referral hospitals the ratio is 1:30,000,000 whereas the standard should be 1:10,000,000. At the level of Health Centre IV (HC IV), the ratio is 1:187,500 whereas the desired ratio should be 1:100,000. For Health Centre III, the ratio is 1:84,507 whereas the optimum should be 1:20,000. For the education sector, at primary level, the class room pupil ratio is 1:68 compared to the target of 1:53. For secondary school level, the student classroom ratio is 1:60 whereas the target is 1:35. In addition, the curriculum and methods of training employed in the National education system do not adequately prepare graduates to standards that are globally competitive, thus rendering the country to continually depend on foreign experts in specialised fields.

2.2.4 Constraint 4: Inadequate Physical Infrastructure

102. Physical infrastructure plays a major role in the movement of final goods and services as well as factor inputs from places of supply to places of demand. Thus, inadequate physical infrastructure constrains production in many sectors of the economy. In the transport sector, the road sector, which carries 96.4 per cent of the total cargo freight, only 4 per cent of it is paved. The rail network carries only 3.5 per cent of the freight cargo and only 26 per cent of it is functional. This contrasts with China and India where over 90 per cent of the cargo is transported by rail. The cost of cargo freight by road is 3 times more than the cost of using rail. There are no functional wagon ferries and the country has only one entry-exit airport. Transport costs remain a significant trade barrier, equivalent to effective protection of over 20 per cent and imposes an implicit tax on exports of over 25 per cent (and up to 50 per cent on air freight). As a result, the cost of doing business in Uganda is high, undermining economic competitiveness.

103. Uganda has one of the lowest electricity consumption per capita in the world. The consumption per capita is 75kWh/capita compared to Malaysia about 3,668 kWh/capita, Korea at about 8,502 kWh/capita. It compares poorly even with its peers like Kenya at 152 kWh/capita and Ghana at 253 kWh/capita. The low level of consumption per capita is due to inadequate power generation capacity to meet the energy requirements of the population. The access to electricity is low at 11 per cent in comparison to Malaysia at 98 per cent and Kenya is 15 per cent. The use of electricity is constrained by higher power tariffs and inadequate transmission and distribution network. The Tanzania electricity consumer pays USD 8 cents per kWh; Kenyan consumer pays 13 cents per kWh, while Uganda consumer pays 22 cents per kWh. Moreover, the supply of electricity in Uganda experiences disruptions due

to load shedding and power outages, although this has improved in recent years as a result of short term but expensive interventions to mitigate the impact on the economy.

104. Communication infrastructure has improved significantly following liberalization of the sector that has attracted substantial private sector investments. However, the limited coverage, cost of access and usage as well as limited diversity of communication mediums are still major constraints. For example, the internet infrastructure is still limited with most concentration in the capital, Kampala. The price of the Internet in Uganda is still very high for everyday users at USD 14 cents per minute compared to Malaysia at USD 0.155 cents per minute. The problem of high cost and hence limited use of the internet is related to inadequate bandwidth and other related infrastructure. The situation is expected to improve following the connection of East Africa to the undersea cable and installation of the National ICT backbone in Uganda.

105. The consumptive use of water stands at 21 cubic meters per capita which is far below the world average of 599 cubic meters per capita. This means that less water is used for irrigation and industry, estimated at 28 times less than the world average. Access to safe water stands at 63 per cent for the rural and 72 per cent for the urban population. This is low compared to Malaysia with 96 per cent and 100 per cent in the rural and urban areas respectively. The available data suggests that 30 per cent of the population has no access to safe water supply for domestic use.

2.2.5 Constraint 5: Gender Issues, Negative Attitudes, Mind-set, Cultural Practices, and Perceptions

106. Certain elements in Uganda's traditions, culture and religious norms are not supportive to modern approaches in society and have, therefore, limited economic growth and structural transformation.

107. There is discrimination against women in Uganda through traditional rules and practices that explicitly exclude them or give preference to men, and this is a key constraint on women's empowerment and economic progress. At the governance level, these rules and practices limit political and economic participation of women. This in turn, leads to formulation and passing of policies and laws which do not protect women's rights. At the community and household level, women are restricted from participating in important decisions such as resource use, family planning, and access to services such as health and education. Women have been marginalised in access to ownership and control over land, education, business ownership, skills development, access to financial resources; employment and inheritance rights. The culture of early marriages amongst girls increases the rate of early pregnancies and is partly responsible for the country's high maternal mortality rate and high fertility rate. At all levels, the culture of ignoring various forms of violence against women must also be reversed in order to unlock critical barriers towards women's empowerment.

108. In terms of culture, Uganda has lagged behind in development partly as a result of backward cultural practices, beliefs, attitudes and a lack of national ethical values in political, social and economic spheres. These are manifested in the

form of; poor time management, negative attitudes towards work reflected in low human productivity and low entrepreneurial spirit, high dependency levels which stood above 1.5, large family size and rapidly growing population, female genital mutilation, property inheritance which favours mainly the male gender, the lack of ethics integrity and patriotism; and a tolerance for corruption.

109. Negative attitudes and perceptions influence the use and appreciation of natural resources, adoption of science and technology, and use of ICT. There is low utilisation of contraceptives among the population and slow behaviour change resulting in increased HIV/AIDS prevalence rate. In addition, negative attitudes towards immunization still persist, contributing to lower coverage which stands at about 46 per cent.

110. The poor business and entrepreneurial attitudes of the indigenous private sector is partly reflected in the country's high enterprise mortality rate, the highest in Global Entrepreneurship monitor reports of 2005, 2006 and 2007. The survey reports rated Uganda in the top countries, globally, in terms of enterprise creation. The high failure rate of not only fledgling businesses, but also those that accessed capital, large export markets, combined with the low number of successful joint venture investments below local entrepreneurs and foreign investors underscore the poor business attitudes of Uganda's SME's.

2.2.6 Constraint 6: Low Application of Science, Technology and Innovation

111. Global competitiveness is dependent on technological capability. This relates to the astuteness and competences of firms and productive enterprises to access, apply, adopt, adapt and deploy technical knowledge to gain competitive advantage. The technological capabilities of a country (its national system of innovation), is known to affect the export competitiveness of firms within the country, and in particular the sectoral structure of export performance. In addition, technological capabilities influence the existence of multinational enterprises (MNEs) in a particular country and affect the competitive advantage of those MNEs¹⁹. The low level of total factor productivity experienced in Uganda is partly due to limited application of STI in the production processes and service delivery mechanisms. The constraint is manifested in terms of poor quality of products and services; a low technology component of exports as evidenced in the percentage of manufactured exports to primary exports which was as low as at 4.2 per cent in 2008/09; and low numbers of R&D personnel with one R&D personnel per 1000 labour force compared to OECD countries that range from 5 to 18 R&D personnel per 1,000 labour force. Technology Achievement Index (TAI)²⁰ is 0.24 compared to Malaysia at 0.34. The share of expenditure on R&D as a percentage GDP is 0.3 per cent compared to Malaysia at 0.63 (2005/06). In 2001, Uganda published only 91 articles in respected journals compared to about 10,000 by Israel. In the area of innovations, only 3

19 Narula, Rajneesh & Katherine Wakelin, 2001, The Pattern and Determinants of US Foreign Direct Investment in Industrialised Countries, in: Rajneesh Narula (ed.), International Trade, Investment in a Globalising World, Pergamon, New York

20 TAI>0.5 leaders, TAI 0.35-0.49 Potential leaders, TAI -0.2-0.34 Dynamic adapters.

patent applications are submitted per year compared to Malaysia that has over 6000 patents per year. The ratio of science graduates to Arts graduates is 1:5 whereas in Malaysia it is 1:1.5.

112. Beyond the limited application of STI for social transformation, Uganda's ambition to become a major player in the international market has been severely impeded by the Country's lag in technological competitiveness. This is evident from the low technology component in exports as evidenced by the low per cent of manufactured exports to Primary products.

2.2.7 Constraint 7: Inadequate Supply and Limited Access to Critical Production Inputs

113. Value is created through a production and exchange process. Inputs are at the centre of the value chain creation. Examples of these inputs include raw materials such as fertilizers and water, human and financial resources, and physical capital. Some of these inputs are in serious short supply or are very expensive, thereby curtailing their widespread use. For example, fertilizer use in Uganda is at 1kg/hectare having increased from 0.37kg hectares in 2000 compared to 6kg/hectare in Tanzania, 16kg/hectare in Malawi, and 31.3 Kg/hectare in Kenya. This is partly attributed to high cost which has almost tripled from USD 252 per ton in January 2007 to USD 752 per ton in January 2008 (IFDC 2008). Use of fertilizers can boost the yields by 50 per cent. Currently irrigation is carried out on 14,418 hectares of land against an irrigation potential of 400,000 hectares. This represents 3.6 per cent of irrigation potential exploited, explaining the low consumptive use of water for production which stands at 21 cubic meters per capita, far below the world average of 599 cubic meters per capita.

114. The cost of 50kg of cement in Uganda is about USD 15 compared to USD 3 in Malaysia and about USD 10 in Kenya. Uganda currently has four steel mills, which use scrap as their basic raw material. National demand for steel products is estimated at 60,000 to 80,000 metric tons per annum while the current production level is estimated at only 7,000 metric tons per annum which represents 9 per cent of the demand. This is very low compared to Kenya that produced over 220,000 tonnes in 2003. Lack of access to these critical production inputs severely affects development.

PART 2:
STRATEGIC
DIRECTION
AND THE NDP
STRATEGY

3.1 VISION

115. The Vision for Uganda is “A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years”. This implies changing from a predominantly peasant low income to a middle income country within 30 years. It is envisaged that the country will graduate to the middle income segment by 2017. The Vision provided the direction of the theme for this NDP. The Vision attributes are:

- a) **Independence and sovereignty:** Ugandans aspire for a country that is both independent and sovereign in every aspect, a country free to govern itself and having complete power with freedom from undue political control by other countries and with the citizens determining their political destiny.
- b) **Democracy and the rule of law:** Democracy and observance of the rule of law is a major pillar of a modern society. In the next 30 years, Uganda needs to consolidate and enhance the democracy so far attained to provide a solid foundation for transformation into a modern and prosperous society.
- c) **Stability and peace:** An important pre-requisite for the development of any country is peace, stability and social cohesion in an environment of democracy, political and social tolerance. Ugandans aspire to live peacefully with other countries and in harmony within their social cultural and ethnic diversity.
- d) **Knowledgeable and skilled:** Knowledge, information and skills are a pre-requisite for a modern society. Uganda aspires to equip the population with the relevant knowledge, information and skills to enable them improve their quality of life, respond to development challenges and compete nationally, regionally and internationally.
- e) **Able to exploit and use its resources gainfully and sustainably:** Ugandans should be able to exploit and use national resources gainfully and sustainably to promote competitiveness, independence, self-sustenance and a dynamic economy, which is resilient to any external shocks; an economy which supports stability and protection of biological and physical systems.
- f) **In a strong federated East Africa with an effective African Common Market and a strong African Defence Mechanism:** To realize its 30-year vision of a modern and prosperous country, Uganda aspires to become a major player in East Africa, regional and other international markets. In addition, Uganda will embrace being a member of a strong African Defence Mechanism.

116. This Vision aims to transform the Ugandan society from a predominantly peasant-based economy to a just, peaceful and prosperous middle-income country. It will be realised through the implementation of three Ten-Year National Development Plans, sub divided into six Five-Year National Development Plans, Sector Master Plans, and Annual Plans and Budgets. These will be augmented by an effective implementation and monitoring mechanisms across political, economic, social and cultural targets. The NDP will guide the revision of the MTEF and the formulation of the annual budgets.

3.2 THE NDP THEME AND OBJECTIVES

117. The theme of this NDP is “Growth, Employment and Socio-Economic Transformation for Prosperity”. Each of the elements of this theme provides an overall thrust to what Ugandans want to be achieved during the NDP period.

118. Throughout the world, the magnitude of economies is measured by the size of their wealth, commonly referred to as Gross Domestic Product (GDP). It is the goal of every economy to increase its GDP in a rapid, efficient and sustainable manner. Broad-based economic growth increases revenues, stimulates employment, generates additional goods and services and advances the standard of living of the population. Embedded in the NDP theme is the desire to balance wealth creation with sustainable poverty reduction, which calls for growth with equity. That is, increasing the GDP while improving the socio-economic indicators such as the number of people living below the poverty line and infant mortality. Employment creation is equally critical for both wealth creation and poverty reduction. During the NDP period, the size of Uganda’s economy must not only increase significantly, but it should do so in such a way that creates adequate gainful jobs that are in tandem with the growing labour force. As already noted in the analytical sections, growth in employment will require stronger socio-economic transformation which should in turn feed into additional growth, gainful employment creation and eventually the prosperity of all citizens. Additional policies for transformation and social protection need to be targeted at the welfare of people who are unable to work or lack basic resources.

119. In line with this theme, the plan seeks to significantly improve specific development indicators associated with transformation. These include raising average per capita income levels, improving the labour force distribution in line with sectoral GDP shares, raising the country’s human development indicators and improving the country’s competitiveness to levels associated with middle income countries.

120. To achieve the NDP theme, the following eight objectives were identified as being strategic:

- a) Increasing household incomes and promoting equity.** The attainment of this objective is critical for sustainable economic development. This will be assessed by measuring changes in; income per capita, income distribution, employment, skills development and agricultural production and productivity.

- b) **Enhancing the availability and quality of gainful employment.** The attainment of this objective will be assessed based on; availability of employment, diversity of professional employment, the level of incomes, and increased industrial investments, production and productivity.
- c) **Improving stock and quality of economic infrastructure.** This objective has two aspects: quantity and quality. Its attainment will be assessed by; increased generation, distribution, access to and consumption of electricity; quantity and quality of the road network; increased functionality of the railway network; increased access to telecommunication services; access to mass public transport; and access to affordable banking services.
- d) **Increasing access to quality social services.** Ultimately, the fruits of development are; manifested in the social status of the population. Common measures of this objective include: literacy levels, life expectancy at birth, infant mortality rate, maternal mortality rate, safe water coverage, sanitation levels and incidence of communicable diseases and HIV/AIDS.
- e) **Promoting science, technology, innovation and ICT to enhance competitiveness.** Assessment of this objective will be based on the share of exports with high technology content in total exports; strengthened institutional capacity and the status of science and technology; increased capacity for R&D and innovation; increased capacity, access and use of ICT; and increased number of S&T and ICT professionals.
- f) **Enhancing human capital development:** This objective is a cornerstone of sustainable development and its achievement will be assessed by increased skilled manpower among nationals, increased institutional capacity for relevant skills development, and increased proportion of regional and international students trained.
- g) **Strengthening good governance, defence and security:** This objective will be assessed based on the quality of socio-economic and political governance; economic and corporate governance; the quality of democracy and the level of security.
- h) **Promoting sustainable population and use of the environment and natural resources.** To assess the attainment of this objective, the following will be measured: health status of the population, the quality of human settlement and urbanization, progress in restoration of degraded ecosystems, and the quality of management of environmental resources.

3.3 PRINCIPLES OF THE PLAN

3.3.1 Ownership

121. The realisation of a national vision requires the wholehearted support of all stakeholders. The same applies to a national plan derived from the vision and intended to achieve its goals and objectives. The ownership is not only for the formulation process but also for a smooth and successful implementation of programmes, projects and other initiatives that should lead to the realization of the objectives of the NDP.

3.3.2 Political Will

122. This National Development Plan requires strong backing from the political leadership at all levels just like the vision from which it is derived.

3.3.3 Good Governance

123. Good governance is the positive exercise of authority. It is characterized by citizen transformation and participation in governance, control of corruption, political stability, respect for the rule of law, Government effectiveness, regulatory quality and effective knowledge management. It is a prerequisite for achieving growth and poverty eradication. Therefore, to successfully implement the NDP, good governance is of paramount importance.

3.3.4 Resource Availability

124. It will be extremely important to ensure the availability of resources for implementing the planned programmes. This will require taking measures to eliminate wasteful spending, fighting corruption, intensifying accountability, improving the allocation of resources, increasing efficiency in the use of resources and giving more attention to effectiveness through monitoring and reviews.

3.3.5 Balanced Development

125. While recognising that the economy will reflect Uganda's comparative advantage, implementation of the NDP will encourage the development of sectors with potential competitive advantage rather than relying only on the current sectors. In this way the country's targeted growth will not hinge on a few sectors, as many others will have the potential to contribute to growth. With the discovery of oil and gas, the country will need to guard against getting trapped into the "Dutch disease syndrome" which could have adverse effects on the exchange rate and distort production incentives for other non-oil sectors thus undermining the country's export potential and diversification.

126. The second dimension of balanced development is linked to ensuring that all regions of the country benefit from growth of the national economy by equitably using national resources, better infrastructure and other development projects to realise higher investments levels required to fight poverty, promote social equity and harmony.

127. The other dimension of equity is promotion of gender and human rights. The NDP follows various international conventions and resolutions that promote equal opportunities and enjoyment of human rights for both men and women. Gender, disability and human rights mainstreaming are a core part of the planning process.

3.3.6 Behaviour Change

128. Behaviour change is needed in many public and private sector groups as well as in many citizens, and is crucial for rapid economic growth and transformation. The people will need to adopt a new attitude to public property, assets, amenities and the environment and be patriotic to their country. They should demonstrate and exercise concern for other citizens, especially the elderly, the disabled, and children. This includes being committed to promoting gender equality so that men, women, boys and girls have equal opportunities and access to resources. Ugandans should start appreciating hard work, discipline and patriotism.

3.3.7 Linkage with the National Planning Processes

129. The road to transformation will require careful planning and commitment of resources. The NDP is expected to be an all encompassing plan for the next five years, which will also act as a guide to any future planning. In essence, all ministries, departments and autonomous and semi-autonomous entities will realign their development priorities with the NDP.

3.3.8 Sustainable and Equitable Development

130. Sustainable development is about using resources to meet human needs while preserving the environment. For several decades, development has concentrated on improvement and advancement of economic, social cultural and political conditions and less on preserving the environment. This has resulted into global warming and other adverse environmental conditions associated with climate change. Less focus on gender inequalities has also often promoted discrimination against the female sex. The implementation of the NDP should ensure sustainable and equitable development.

131. While balancing wealth creation with poverty reduction, the design and implementation of the NDP emphasizes sustainable development through preservation of natural resources such as forests and wetlands. Access to basic needs such as education, health services, food, housing and the equitable distribution of incomes among all citizens shall be promoted. As part of implementing sustainable development, every person shall be assured of a life of dignity, including a life in a society that respects and helps realize human rights.

3.3.9 Effective Implementation, Monitoring and Evaluation Mechanism

132. In the course of the implementation of the various NDP initiatives, it will be important to determine whether or not the country is on course towards achieving its goals and objectives, whether or not progress is being made and success being registered. An effective implementation mechanism should lead to the achievement of the goals and objectives. To this end, effective monitoring and evaluation will be

undertaken to provide relevant information which will be used to fine-tune, re-orient, or otherwise alter the proposed initiatives. Effective M&E is important for measuring and reporting progress towards the planned objectives and related targets.

133. This chapter sets out the strategic approach for the achievement of the objectives of the Plan. The strategies in this Plan are presented in three categories. The first category (section 4.1) deals with elements of the broad development approach the country will pursue in the course of the Plan period. The second category (section 4.2) focuses on the specific ways for unlocking the most binding constraints identified in Chapter 2. The third category entails approaches that the Sectors will pursue to realise their respective objectives over and above the specific ways for unlocking binding constraints. These strategies are detailed in Part 3 of the Plan. The investment priorities are presented in section 4.3.

4.1 STRATEGY CONTEXT

134. Uganda's Vision of a transformed society from a peasant to a modern and prosperous country within 30 years provides the overall strategic planning framework for the NDP. The NDP objectives have been designed to incrementally attain this Vision.

135. The overarching policy of the NDP will intertwine economic growth and poverty eradication. Policies and strategies will be focused towards achieving accelerated and sustainable growth in the priority areas, creation of gainful employment and socio-economic transformation for prosperity. Increasing incomes beyond the subsistence level and stimulating growth requires sustained orientation of Government expenditure and interventions towards the effective resolution of the most binding constraints highlighted in Part 1. Attention to these areas will have impact on the efficiency and effectiveness of service delivery, productivity, household incomes and overall economic development.

136. A quasi-market approach, which includes a mix of government investments in strategic areas and private sector market driven actions, will be pursued. The private sector will remain the engine of growth and development, while Government, in addition to undertaking the facilitating role through the provision of a conducive policy, regulatory and institutional framework, will also actively promote and encourage public-private partnerships in a rational manner. Furthermore, the Government will continue to pursue outward-oriented policies by encouraging foreign investments and exports with high value addition, as well as pursuing sound macroeconomic policy and management.

137. In order to bring together all national development stakeholders to achieve common goals and objectives, a "business approach" will be adopted in the implementation of the NDP. The fundamental basis of this new approach is that successful national development requires the public and private sectors to adhere to the perception of the nation as a 'corporate' or a 'business entity', jointly owned by both sectors and working in tandem in pursuit of a common vision. The main postulate of this policy is the imperative to evolve a meaningful working relationship between the public and private sectors as a means to forge ahead in an increasingly competitive global marketplace.

138. To operationalise this concept, several reforms will be implemented including: deregulation of cumbersome bureaucratic rules and procedures; improving the public delivery system; deepening and strengthening the consultative machinery between the private and public sectors; and deepening the smart partnership programmes in nation building efforts.

4.2 STRATEGIES FOR UNLOCKING THE BINDING CONSTRAINTS

4.2.1 Improving Public Sector Management and Administration

139. Institutional efficiency and effectiveness is important in service delivery. For successful implementation of this plan, these strategies have to be expeditiously worked on preferably using administrative measures. Specific actions proposed to address inefficiencies and delivery issues in public sector management and administration are outlined in Table 4.1.

TABLE 4.1		
STRATEGIC ACTIONS FOR IMPROVING PUBLIC SECTOR MANAGEMENT AND ADMINISTRATION		
No.	Strategic Actions	Institution
1	The NDP shall be used as the basis for policy making in government to ensure alignment of all specific sector policies to the relevant national policies. Thus, Government shall strengthen policy making and planning in the MDAs/LGs, including involving public servants in policy initiation and formulation.	Parliament, Cabinet and MDAs
2	Formulate and operationalise the “business approach” that will cascade and strengthen the participation of the private sector, academia and civil society together with public sector in national development to significantly improve service delivery.	NPA, MoFPED
3	A review shall be made of the current policy framework to provide a basis for streamlining institutional mandates and improving institutional interfaces	PSM
4	The current ongoing reforms shall be expedited and implemented in a manner that ensures harmony with the NDP recommendations.	MDAs
5	The function of policy coordination in government shall be rationalized with a view to strengthening the Cabinet Secretariat to foster and ensure coordination of the policy making process. Guidelines for policy initiation and formulation will be developed and agreed upon.	Cabinet, PSM
6	The process of making laws shall be reviewed to ensure consistency in legal frameworks across sectors. To this end, Government will strengthen the role of sectors by ensuring that legal counsels are stationed at sector level. The formulation of laws should be preceded by policies.	PSM
7	Government will further strengthen the current framework for involvement of the private sector and civil society in public policy making, planning, and implementation and ensure that policies are based on sound research, analysis and evaluation.	PSM
8	In order to rationalise and strengthen the regulatory function of government, the Office of Prime Minister will be strengthened to coordinate Government regulations. Furthermore, efforts will be directed to ensure separation of the role of regulation from that of planning and implementation across MDAs.	PSM, MDAs
9	Put in place new and strengthen the existing regulatory agencies within government to ensure proper and efficient regulation. This is urgent in sectors of Agriculture, health, education, transport and works, water and sanitation and oil and gas industry.	MDAs
10	Review the framework for rationalisation and oversight of the privatised institutions. Review the PERD statute and fully operationalize UDC.	PSM, Cabinet
11	Government shall introduce institutional performance contracts at all levels	PSM, Cabinet
12	The functions of the Ministry of Public Service shall be enhanced to ensure proper handling of human resource issues, development management (HRPDM) in the public sector, PSC to regulate the HRPDM sector and MDAs/LGs to recruit and deploy personnel on individual performance contracts.	PSM, Cabinet
13	Deepen the current practice of hiring on contract to ensure that senior staff and management of Public service are on contracts employment terms.	Cabinet,
14	During the period of this NDP, Government shall complete the review and then implement the improved pay and incentive systems of the public sector.	PSM
15	To ensure good governance and harmonious development, this NDP shall see the promoting of social responsibility in the public and private sector; developing and enforcing corporate governance code and standards; training and creating awareness in corporate governance and responsibility.	Cabinet
16	Revitalise and strengthen the coordination and implementation of government policies and programmes so as to harness inter-sectoral linkages and synergies.	PSM
17	Build the capacity of and help to organise the private sector for effective service delivery. Registering associations and ensuring their performance is critical.	MDAs
18	Strengthen decentralization and the link between central government and LG planning	NPA, MoLG, LGs
19	Enhancing transparency and accountability	IGG, MoFPED, OAG, MoCA

4.2.2 Improving Public Sector Financing and Improving Financial Services

140. The constraint related to financing has two dimensions a public sector dimension; and a private sector dimension.

Public Sector Financing

141. To raise the required public resources for funding of the NDP, proposed strategies for mobilising the resources are outlined in Table 4.2A:

TABLE 4.2A		
STRATEGIC ACTIONS FOR INCREASING PUBLIC SECTOR FUNDING		
No.	Strategic Actions	Institution
1	Ensuring clear framework for determining Government priorities	NPA
2	Increasing revenues to fund the Government priorities	MoFPED
3	Developing an efficient framework for public sector functions in order to save public resources	Parliament, Cabinet, MoFPED, PSM, NPA
4	Strengthening public - private sector partnerships along key value chains	MoFPED
5	Recapitalizing the Uganda Development Corporation (UDC) and Uganda Development Bank (UDB) and strengthening the agricultural credit facility	MoFPED

Private Sector finance

142. An efficient and effective financial sector plays a key role in providing capital to finance activities that contribute to growth. During the NDP period, emphasis will be placed on the consolidation and strategic positioning of the financial sector in a globalised and liberalised environment while also ensuring the expanded outreach of the financial sector within the economy. Strategic actions will be undertaken to enable the financial sector assume a dynamic role in supporting the economy while preserving its stability and contributing to the health of the economy. To this end, the strategic actions that will be pursued include the following (Table 4.2B)

TABLE 4.2B		
STRATEGIC ACTIONS FOR IMPROVING FINANCIAL SERVICES		
No.	Strategic Actions	Institution
1	Maintaining financial and macroeconomic stability by pursuing low inflation rate and competitive exchange rates as well as continuing with the current strong and strict regulation of financial institutions.	BOU
2	Strengthening money markets through promotion of product development and innovations so as to put more financial instruments into the market.	Financial Sector
3	Strengthening capital markets and promoting product development. In addition, an appropriate framework necessary for the issuance of bonds such as sovereign infrastructure bonds will be developed.	Financial Sector
4	Increasing investor base by liberalizing the pension and related retirement benefits industry, encouraging retail investments, and promoting collective investment schemes.	MoFPED
5	Improving the financial infrastructure including, inter-alia, and promoting inter-connectivity and inter-banking.	BOU
6	Improving intermediation in the financial sector through putting in place measures that reduce interest rates spread and reducing fiscal interventions in monetary policy management.	Financial Sector
7	Enhancing the microfinance sector in rural and urban areas by supporting establishment, strengthening, expansion and consolidation of microfinance institutions, including SACCOs.	MoFPED
8	Improving information dissemination to enhance consumer education and promoting consumer education through financial literacy and protection.	Financial Sector

4.2.3 Increasing the Quantity and Strengthening the Quality of the Human Resource

143. Investment in human capital is one of the key ingredients of sustainable economic growth and development. During the NDP period, the principal thrust of human resource development will be the creation of a strong and responsive human resource base equipped with positive values and attitudes to generate and support accelerated growth, employment creation and prosperity for socio-economic transformation. The human resource must be competitive globally. Critical in this process will be the focus on productivity enhancement in all sectors of the economy. In this regard, the strategies presented in Table 4.3 will be pursued:

TABLE 4.3 STRATEGIC ACTIONS FOR INCREASING THE QUANTITY AND STRENGTHENING THE QUALITY OF HUMAN RESOURCE		
No.	Strategic Actions	Institution
1	Revitalize and strengthening national manpower planning and development	NPA
2	Deepening the implementation of individual performance based contracts to cover most public servants	PSM
3	Redesign the curricula and methods of training to suit the demand side of human resource requirements and integrating entrepreneurship, innovation and creativity in the whole education system	MoES, PSM
4	Review and strengthen the National education system to produce globally competitive human resource in terms of skills and training. Benchmarking the quality of education standards (curricula and methods of training) with first world country standards is critical in enhancing the competitiveness of the country's goods and services	MoES, NPA
5	Establish fully functioning vocational and technical training programmes to complement the formal education. Formulate and implement a national skills programme to impact skills to the unemployed youth	MoES, MGLSD, NPA
6	Design and implement skills development programmes to focus on the development of middle level technicians as well as managers.	MGLSD
7	Strengthen and improving the quality of Universal Primary Education (UPE), Universal Secondary Education (USE) and tertiary education and inculcating good morals, ethics, patriotism and values among both teachers and students.	MoES
8	Implement affirmative action to promote science subjects in order to improve the ratio of science to art from 1:5 to at least 2:5 in the 5 year plan.	MoES
9	Establish a soft skills training centre which will provide compulsory training in specialized skills for both the public and private sector including certification.	MOPS
10	Strengthen professional bodies to enhance professionalism in human resources for both private and public sectors and fully involving professional bodies and the private sector in setting the curricula and quality assurance.	OPM
11	Promote and support accreditation and certification of the human resource.	MoES

4.2.4 Increasing stock and improving quality of public physical infrastructure

144. With regard to public physical infrastructure, the strategies to increase the stock and improve the quality of public physical infrastructure will include the following (Table 4.4):

TABLE 4.4 STRATEGIC ACTIONS FOR INCREASING STOCK AND IMPROVING QUALITY OF PUBLIC PHYSICAL INFRASTRUCTURE		
No.	Strategic Actions	Institution
1	Continue to improve the stock and quality of national roads, district roads, urban roads and community access roads	MoWT, UNRA
2	Improve the stock and quality of road infrastructure, including connectivity and safety within Greater Kampala metropolitan and tourism areas.	MoWT
3	Improve rail transport and haulage to connect Uganda to the sea ports subsequently lowering the cost of transportation.	MoWT
4	Improve the water and air transport infrastructure and services.	MoWT
5	Establish a mechanism to certify all public and private interventions to ensure compliance with approved physical plans.	MLHUD
6	Promote and encourage construction of more hotels and restaurants in tourism areas.	MTTI
7	Facilitate the construction of basic agriculture infrastructure including silos, warehouses, and abattoirs.	MAAIF, MTTI
8	Expand the ICT infrastructure to cover major urban centres of the country.	ICT sector
9	Improve the power generation capacity.	Energy Sector
10	Expand the power grid and improve the transmission and distribution infrastructure.	Energy Sector
11	Construct an oil refinery and pipelines for evacuation of oil from the production places.	Energy Sector
12	Complete the construction of the oil pipeline from Eldoret through Kampala to Kigali for downstream activities.	Energy Sector
15	Increase and promote the provision of safe water supply and sanitation as well as good sanitation and hygiene practices.	Energy Sector

4.2.5 Promoting Gender Equality and Transforming Mind-Set, Attitudes, Cultural Practices and Perceptions.

145. The broad strategy will be the development of an action plan for promoting gender equality in all spheres and transforming mind-set, negative attitudes, and negative cultural practices that slow socio-economic growth and structural transformation. This will be done through the following (Table 4.5):

TABLE 4.5		
STRATEGIC ACTIONS FOR PROMOTING GENDER EQUALITY AND TRANSFORMING MIND-SET, ATTITUDES, CULTURAL PRACTICES, AND PERCEPTIONS		
NO	Strategic Actions	Institution
1	Build capacity for mainstreaming gender issues in development plans at both central and local Government levels.	MDAs
2	Promote affirmative action in all political, economic and social spheres.	MGLSD
3	Promote gender equality and the empowerment of women throughout the economy sectors, particularly in the areas of: governance, education, health, employment, agriculture, trade and industry, and access to justice. Prioritised gender-responsive strategies include: improving retention and participation rates for girls in schools, improving quality and availability of maternal and reproductive health care for women and girls, targeting women in HIV prevention programmes, addressing prevention, treatment and access to justice issues around SGBV, improving access to productive resources and services for female farmers to play a larger role in commercial agriculture, improving access to resources such as credit, business skills, training and market information for female entrepreneurs.	MGLSD
4	Promote equal access to education and other productive, human and social capital assets.	MoES
5	Ratify and domesticate international protocols and principals such as the African charter on human rights of women, PWDs and Children and Eliminating gender based violence.	MGLSD
6	Develop, adopt and inculcate a set of national ethical values in line with the national vision while mitigating and reducing the negative cultural values and practices. Ensure respect of the national symbols and values	MI&NG, President's Office/ MGLSD
7	Promote and institutionalise the agreed national ethical values in the education curriculum and other public trainings.	MoES, Cabinet
8	Promote patriotism, volunteerism and commitment to national agenda through various national service programmes.	MGLSD, Police, President's Office, PSM
9	Transform the mindset of the population through various training and practical programmes. (Examples of such programmes include epi-centre strategy).	MGLSD, NPA
10	Carry out civic education and community mobilization to transform mindsets to appreciate productivity and development.	MGLSD
11	Harness and blend indigenous knowledge with scientific knowledge.	MGLSD
12	Promote cultural and ethnic diversity through various government and non government programmes	MGLSD
13	Strengthen, deepen and expand existing private enterprise development skills through structured institutional support	MoFPED

4.2.6 Promoting Science, Technology and Innovation (STI)

146. It is widely recognized that STI is the life blood of sustainable economic progress and prosperity. STI has a strategic role in accelerating economic growth process by increasing the efficiency and productivity of all sectors in the economy. Steps will be taken to design and accelerate the implementation of STI-related programmes and projects. More specifically, the strategies to increase application of STI will encompass the following (Table 4.6):

TABLE 4.6		
STRATEGIC ACTIONS FOR PROMOTING SCIENCE, TECHNOLOGY AND INNOVATION (STI)		
No.	Strategic Actions	Institution
1	Institutionalise STI to play an effective role in national development.	NCST
2	Provide incentives for pursuing science professions by designing and implementing affirmative action in schools to promote the uptake of science subjects.	MOES, NHCS
3	Provide an enabling environment for teaching science subjects in schools, tertiary institutions and universities by, for example, constructing laboratories and providing chemicals.	MOES
4	Promote value addition in production and service delivery as well as innovations through adoption and adaptation.	MTTI
5	Establish science parks and technology incubation centres in various parts of the country to enable effective Research and Development.	MTTI
6	Establish and support the research fund.	NCST
7	Promote research and development, commercialization and adoption of scientific research and patenting intellectual property.	NHCS
8	Promote and upgrade local artisans (Jua-kali).	MTTI
9	Redesign the curriculum to diversify science and technical courses.	MOES
10	Establish and foster National Innovation system	NHCS, MTTI

4.2.7 Facilitating Availability and Access to Critical Production Inputs

147. The liberalization process and advancement in STI and Information, Communication and Technology (ICT), together with dynamic consumer market, has increased competition in the global market. For firms to survive and for countries to effectively compete on a sustainable basis, businesses have to be competitive through the entire value chain. To address the constraint of the inadequate supply of inputs, the strategies will include the following (Table 4.7):

TABLE 4.7		
STRATEGIC ACTIONS FOR FACILITATING AVAILABILITY AND ACCESS TO CRITICAL PRODUCTION INPUTS		
No.	Strategic Actions	Institution
1	Support the local production of phosphates fertilisers as inputs to agriculture industry.	MTTI
2	Support the local production of iron ore and process it to various ingots for manufacturing.	Energy
3	Support the reduction of dependency on rain-fed agriculture through rehabilitation and construction of large and small scale irrigation schemes	Agriculture Sector, MWE
	Support the provision of water for livestock and provision of bulk water supply for production activities	MWE, MAAIF
4	Using Public-Private Partnership to increased production of locally manufactured inputs like cement, lime, pesticides and herbicides	MTTI
5	Increase availability and accessibility to high yielding seed varieties and promoting mechanization of agriculture	Agriculture Sectors
6	Provide credit guarantees to private investors to facilitate them to import high cost technology equipment for agriculture and construction.	Agriculture and MTTI, MFPEd
7	Support the establishment and sustainability of small and medium enterprises which provide production inputs.	MTTI
8	Increase access to credit through means such as mortgage and other credit facilities for imported and locally manufactured goods.	MLHUD/ Financial Sector

4.3 INVESTMENT PRIORITIES AND NATIONAL CORE PROJECTS

148. The NDP priority areas are: strengthening human resource development; infrastructure development; promotion of science, technology and innovation; facilitating availability and access to critical production inputs. The respective intervention areas are presented in Table 4.1. In addition, specific national core projects that are critical for catalysing transformation of the economy have been identified within these priority areas.

TABLE 4.8: SUMMARY OF PRIORITY AREAS AND INTERVENTIONS		
No.	Investment Priorities	Intervention Areas
1	Human Resource Development	Education
		Health
		Skills Development
		Water & Sanitation
2	Infrastructure Development	Energy
		Transport Infrastructure
		Oil & Gas
		ICT
3	Critical production inputs	Agricultural inputs
		Iron ore
		Water for Production
		Meteorology
4	Science, Technology & Innovation	Fertilizers
		Industry technology & inputs
		Technology Incubation
		Technology uptake and Commercialization
		Research fund
		Upgrading Jua Kali
		Science laboratories
		Promote value addition
		Science Parks

4.3.1 Investment Priorities

4.3.1.1 Increasing the Stock and Improving the Quality of Public Physical Infrastructure

149. During the implementation of this plan, infrastructure for the oil and gas sector will be prioritised. The priority interventions will include developing an oil refinery to commence production of processed oil products in the Albertine Graben area and constructing a pipeline for transporting oil products. The pipeline from Eldoret to Kampala will also be completed in this period. Furthermore the exploration will continue with a view to increasing the potential extractive capacity from the reserves to about 2 billion barrels of oil equivalent. The policy, legal and regulatory framework will be strengthened and sufficient regulations put in place to guide private sector operations.

150. Energy infrastructure: To improve the country's competitiveness, and foster accelerated socio-economic transformation, the electricity consumption per capita must be raised to the levels of middle income countries like Malaysia and Korea. To attain this, drastic and significant efforts are required to increase the generation capacity. During this plan, the consumption per capita will be raised from 75 kWh/capita to 674 kWh/capita. This requires additional 3,500MW to be added to the existing capacity. In addition to complete Bujagali HPP (250MW), additional projects are planned as follows: Karuma HPP (700MW), Ayago HPP (700MW), Isimba HPP (130MW), Arianga HPP (400MW), Thermal plants (as part of refinery) (700MW), various mini HPP (150MW), solar thermal (150MW), Geo thermal (100MW), and co-generation from biomass (150MW). The rural electrification coverage is expected to increase to 20 per cent and power losses reduce to 16 per cent.

151. Improving the transportation network: In line with the transport Master Plan and other Government commitments, the existing rail network will be rehabilitated and the construction of a standard gauge rail line will commence from Malaba to Kampala including the branch to Port-Bell. This is approximately 260 Km. Construction, reconstruction, upgrading and rehabilitation of national roads will continue. A total of 1100km will be upgraded to class I and Class II bitumen standards. A total 1200km will be reconstructed and dualling will be done for 150Km. A total of 11,067 km of district roads will be rehabilitated including 10,095 km with low cost sealing (LCS); Periodic maintenance on 4,500 km will be undertaken annually and 21,513 km placed under routine maintenance. In addition 1,000 km of Community access roads each year will be maintained at access level 2. Dual carriage ways, single carriage ways and railway crossing will be constructed to improve transport infrastructure in Greater Kampala Metropolitan Area. Kampala Rapid Bus Transport System (RBTS) will be implemented. The investment in road and rail transport infrastructure will create a more efficient transport system in the country; increase the proportion of rail cargo and passenger traffic; reduce the transport cost, especially for bulky goods; and increase the life time for paved roads. Water transport on Lake Victoria will be improved by constructing the piers and landing bays. The air transport infrastructure will be improved by increasing the entry-exit ports and the infrastructure at Entebbe Airport.

152. ICT infrastructure: ICT infrastructure will also be improved through extension of the national fibre optic cable to cover most of the districts. Emphasis will be placed on Business Process Outsourcing (BPO) services where information technology business parks will be constructed and promoted. E-government services will be promoted and e-procurement introduced and operationalised. The proposed investment in ICT infrastructure is aimed at increasing internet usage, promoting e-commerce and ICT-Business and increasing efficiency in public and private sectors.

153. Tourism, Trade and Agriculture Infrastructure: Specific tourism infrastructure will be promoted. This includes hotels and restaurants in tourism areas. In addition tourism roads will be prioritised in the implementation of this plan. For agriculture and trade, silos, abattoirs and warehouses will be constructed to enhance value addition.

4.3.1.2 Improving the Quantity and Strengthening the Quality of Human Resource

154. Investing in human resource development with a focus on **health, education and skills development** will be a key priority for the NDP. This will entail thorough diagnosis of the available skills and competencies against what is required for national, regional and international markets and changing the education curriculum to suit the demands. The human resource produced by the National education system must be globally competitive. Increased emphasis will be placed on supporting practical science education in schools and colleges, including enabling science teachers to refresh and extend their skills so that young people gain skills for work. Furthermore, a national skills programme has been planned to equip the youth who are out of school with skills. The quality of education and the moral aspect of

education are emphasized in the Plan. Other specialized Human resource training will be carried out for personnel in key sectors including the Oil and Gas. It is expected that the skills gaps in key sectors will be addressed in order to enhance efficiency and productivity in existing and emerging sectors of the economy. Investment in the human resource capital will increase opportunities, including redistributing the labourforce from agriculture to other sectors.

155. For soft skills aspects, national values will be agreed and promoted in all schools and in the Public Service. A soft skills school will be established to inculcate morals and values to all public and private sector employees. In addition, the education curriculum will include moral and value aspects. For the private sector, a Centre of Enterprise Excellence shall be established to provide practical business management skills in the areas of marketing, finance, operations, HR and strategy for staff of private enterprises.

156. For the health sector, emphasis will be placed on both preventive and curative health care. Synergies and linkages with other sectors like education, social development, water and sanitation and agriculture will be emphasized with the aim of cooperating to reduce preventable diseases. Efforts will also be placed on rehabilitating referral hospitals as well as extending services nearer to the people. The motivation of health staff is a priority in the Plan. The proposed investment in health will significantly improve the health indicators, notably the Maternal Mortality Rate, Infant Mortality Rate, Under Five Mortality Rate and Life Expectancy.

157. The NDP also envisages an improvement in the efficiency of use of resources in the Education and Health sectors. This will include addressing regional disparities and dealing with the significant management and other issues impeding the delivery of cost-effective health and education services.

4.3.1.3 Promoting Science, Technology and Innovation

158. Promoting Science and Technology: Achieving socio-economic transformation requires continuous improvement in the way we produce and deliver goods and services within the economy. This can be realized through accelerated use of applied technology, research and innovation. In this plan, regional Science Parks and Technology Incubation Centres (SPTIC) will be constructed and operationalised. The acquisition and adaptation of technology will be enhanced greatly. Research and development will be promoted in the public and private sector institutions. The target is to improve from one researcher per 1000 labour force to at least 10 researchers per 1000 labour force. Emphasis will be on affirmative action to reduce the ratio of science to arts graduates from 1:5 to 1:3 by 2015. Practical skills in the formal education area are a pre-requisite for supporting business development. Incentives will be given to the private sector to encourage research and development, and innovation. Research and development will be promoted in key areas of production including agriculture, oil and gas, minerals, industry and physical infrastructures with the aim of improving the range, cost and quality of the services and products.

4.3.1.4 Facilitating Availability and Access to Critical Production Inputs

159. Inputs to agricultural production. The NDP identifies agriculture as a key sector contributing to exports, employment, and food security. The Plan focuses on facilitating the availability of key production inputs. In this plan, the Tororo Phosphates Plant will be constructed and operationalised as a core project to provide fertilizers to farmers at an affordable price. Increasing the availability of high yielding seed varieties and promoting mechanization of agriculture will be priorities. Extension services will also be strengthened to support the farmers.

160. Increasing Access to Water for Production. With the effects of the climate change becoming a reality and the impact this has had on the weather patterns, the NDP focuses on allocating more resources to increase the accessibility to water for production. Some of the specific interventions include: (i) Increasing the acreage under irrigation from the current level of 14, 418 ha to 22,000 ha, (ii) Increasing the supply of water for livestock watering in the cattle corridor from the current 36 per cent to 50 per cent and those outside the cattle corridor from 21 per cent to 30 per cent ²¹, and (iii) Increasing water supply systems for rural industries to facilitate agro-processing and other industrial activities.

161. In particular, investment in critical agricultural inputs and water for production is intended to increase both agricultural productivity and the sector's share to the GDP.

162. Improved Meteorological services: In this plan, a total overhaul and automation of the meteorological instrumentation will be done. This is to enhance the predictability of the weather and climate parameters and to increase the reliability of the forecasts. This is a major input to agricultural production, air transport, the defence sector and other sectors of the economy.

163. Inputs to the Manufacturing Sector: The contribution of the manufacturing sector to the economy, although improved over the last two decades, is still below the desired level partly due to the high cost of inputs. Government efforts will, therefore, focus on the reduction of the cost of inputs mainly through investment in infrastructure, like energy and transport. Efforts will also be directed to development of the iron ore industry to provide ingots for the steel industry through a Public Private Partnership. The identified investments in manufacturing are aimed at strengthening the foundation industries in the country with the view to increase overall growth of the industrial sector to absorb the growing labourforce, in addition to increasing the share of the sector to GDP.

4.3.2 National Core Projects

164. Specific interventions through core projects will be to augment other interventions and provide impulse to unlocking the binding constraints. These core projects are given in Table 4.9.

²¹ The percentage of livestock supplied with water from man made sources

TABLE 4.9											
NATIONAL CORE PROJECTS											
Strategy to Unlock Binding Constraints	Core Project	Year 1	Year 2	Year 3	Year 4	Year 5	GoU Funding	%age GoU Funding	Private Sector/ Off Budget Funding (UGX Billions)	Total Cost (UGX Billion)	Sector
Develop public irrigation schemes	Construction of Five Irrigation Systems	8.84	8.65	8.27	8.33	9.81	43.9	58.53	31.1	75	MAAIF
Refinery development	Refinery Development			604.57	1,038.83	1,127.43	2,770.83	92.36	229.17	3,000	MEMD
Regional cooperation in development of refineries and other midstream infrastructure to achieve regional security of energy supply	Construct the Inter-State Distribution Pipeline				216.42	281.86	498.28	16.61	2,501.72	3,000	
Construct large hydropower plants and thermal power plants through public and private investments.	Construction of Karuma HEP Project	33.24	471.78	482.9	376.58	536.66	1,901.15	68.18	887.4	2,788.55	
Construct large hydropower plants and thermal power plants through public and private investments.	Construction of Isimba HEP Project	5.34	42.67	113.36	129.85	95.83	387.05	54.59	321.95	709	
Construct large hydropower plants and thermal power plants through public and private investments.	Construction of Ayago Project HEP Project				1.73	3.38	5.11	100	2795	2800	
Modernise the public transport system.	Improve Transport Infrastructure, Connectivity, Transport Systems And Safety for Greater Metropolitan Kampala	58.49	88.01	87.21	88.2	107.1	429	100		429	MoWT
Rehabilitate the existing rail network and increase the haulage capacity, and commence the construction of the pstandard gauge rail	Rehabilitate the Existing Railway Lines	55.01	187.88	186.59	430.09	48.24	907.82	99.65	3.18	911	
Rehabilitate the existing rail network and increase the haulage capacity, and commence the construction of the standard gauge rail	Construct the Standard Rail Gauge From Malaba To Kampala	48.26	148.33	196.41	198.2	241.21	832.4	64.03	467.6	1,300	
Increase on the navigable routes and improve marine transport infrastructure	Improve Water Transport of Lake Victoria	11.58	23.34	17.87	6.54	7.96	67.29	99.91	0.06	67.35	
Develop ICT infrastructure	Information Technology (IT) Business Parks construction Project	3.45	7.27	13.23	14.84	2.1	40.89	71.74	16.11	57	ICT
Promote and strengthen industrial development	Construction and Development of Phosphate Industry in Tororo	42.14	56.19	38.1			136.42	22.74	463.58	600	MTTI
Promote and strengthen industrial development	Development and Production of Iron Ore ingots	42.14	49.16	60.96	93.11	118.32	363.69	30.31	836.31	1,200	
Develop a pool of non-formal employable skills	National Non-Formal Skills Development Programme	22.7	24.28	27.27	29.01	33.78	137.05	96.44	5.05	142.1	MGLSD
Scale up the adoptability of the new and available applied technologies	Construction and Development of 4 Regional Science Parks and Technology Incubation Centres (SPTIC)	10.49	9.97	12.42	15.54	13.49	61.9	83.65	12.1	74	STI
Total		341.67	1,117.54	1,849.14	2,647.28	2,627.15	8,582.79	1,129.31	8,570.33	17,153.12	

165. The National Core Projects will take the first call of budget resources. Most of the national core projects will be done through Public Private Partnership with varying levels of Government involvement. Overall, the Government share of funding to national core projects will be 70 per cent while that of the private sector will be 30 per cent. The construction of a standard rail gauge is expected to extend beyond the NDP period. For the rehabilitation of the existing railway system, the private sector will be contracted to carry out the works. For the Energy sector, the energy fund is operational and will be used to meet start up costs and to expedite implementation. The studies for all the three dams have already commenced. To quicken the process of implementation, most of the infrastructure projects will be turn-key projects, Build, Operate, Own and Transfer (BOOT) or Build, Operate and Transfer (BOT) where appropriate. This will significantly reduce the time of implementation. For energy projects, the more the private sector investment the higher the tariff, subsequently limiting use of the generated power. Therefore, a balance will be struck on what level of public investment is favourable and efficient to avoid heavy subsidies on power tariffs in future.

4.4 MACRO-ECONOMIC STRATEGY

4.4.1 Introduction

166. The NDP is framed in the context of an economy whose potential to grow is still strong and could be raised to higher levels. Going forward, the over-riding economic priority is to consolidate the gains already made, and to put in place the necessary conditions to ensure further economic progress. This would require a change of emphasis by allocating resources to priority interventions.

167. The strategy of the NDP is to maintain a balance between macroeconomic stability, sustenance/acceleration of economic growth and continued progress towards the achievement of set social development goals. Without abandoning the poverty eradication vision, the NDP re-orientes the development strategy to ensure faster economic transformation and sustainable poverty eradication. To achieve this overall goal, the Government will continue to pursue sound economic policy and management while making additional public investments in strategic sectors.

168. Avoiding unsustainable public sector indebtedness and increased dependency on donor aid, while at the same time making more public investments, will require increased mobilization of domestic resources. As will be elaborated on under the financing strategy, Government will continue to depend on external resources in the short to medium term, but the plan is to maximize future revenues from the oil industry and utilize them for high return public investments in the longer term.

4.4.2 Fiscal Strategy and Macroeconomic Targets for the NDP by 2014/15

169. To achieve the NDP objectives, the Government's fiscal strategy aims at ensuring that there is continued progress towards achieving the NDP targets by balancing wealth creation and poverty reduction for socio-economic transformation (Tables 4.10A and 4.10B). This approach will take the following steps:

- Creation of the necessary fiscal space for investments. This will involve curtailing growth in recurrent spending in non-productive activities such as duplicated roles of monitoring and evaluation with the savings used for more investments in the NDP priority sectors; and
- Prudent fiscal management. This entails formulation and implementation of fiscal policies that balance maintaining macroeconomic stability and growth without necessarily sacrificing goals relating to poverty reduction or income distribution.

170. Government's macroeconomic strategy will also be guided by the objective of participating in the East African Monetary Union (EAMU). Economic and financial integration, of which EAMU is a vital component, is essential for the long term prosperity and development of all the countries in East Africa in a global economy increasingly dominated by large countries and trading blocks. It will spur competition and boost productivity, allowing East African firms to reap the benefits of economies of scale and thereby becoming more competitive in global markets. To create the conditions for a successful monetary union, the individual countries of the East African Community are required to align their economies through a set of convergence criteria.

171. To generate increased budget resources, in real terms, to allocate to priority social sectors and to public infrastructure investment, it is imperative to strengthen domestic revenue mobilisation. This has been the hindrance to fiscal policy, with the revenue to GDP ratio being largely stagnant over the last decade. Government will aim to raise the revenue to GDP ratio from the current level of about 13 percent to 15 percent over the course of the plan, through a combination of broadening the tax base and improving tax administration.

172. The development strategy mainly focuses on new spending on sectors that have the greatest potential to contribute to economic growth particularly agriculture, manufacturing, energy, oil and mineral development, tourism, infrastructure, education, health, water and sanitation; and curtailing the growth in spending in non priority sectors. The required financing of the plan is projected to be UGX. 54.183 trillions. Tables 4.10A and 4.10B provide the expenditure composition over the planning period. This will involve increasing spending to a higher level, prioritization of spending and using the available resources more efficiently. The success of this strategy will depend on the quality of public spending and service delivery, prudent macroeconomic management, as well as the rapid reduction in constraints to growth including the considerable barriers to business.

TABLE 4.10A						
EXPENDITURE FRAMEWORK UNDER THE NDP 2010/11-2014						
MTEF Sectors	Percentage of Annual Budget					
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Average
Agriculture	6.6%	6.0%	5.3%	4.6%	5.0%	5.4%
Water and Environment	4.6%	4.4%	4.0%	3.8%	4.1%	4.1%
Tourism, Trade and Industry	2.0%	1.9%	1.8%	1.7%	1.9%	1.8%
Energy and Mineral Development	6.7%	11.8%	19.9%	25.9%	24.7%	18.9%
Information and Communication Technology	0.8%	0.9%	0.8%	0.9%	1.0%	0.9%
Lands, Housing and Urban Development	0.5%	0.6%	0.5%	0.5%	0.6%	0.5%
Works and Transport	23.6%	23.7%	22.3%	21.3%	17.5%	21.5%
Accountability	4.1%	3.9%	3.5%	3.5%	3.9%	3.8%
Social Development	1.6%	1.5%	1.4%	1.2%	1.4%	1.4%
Health	14.5%	13.6%	12.5%	11.6%	12.8%	12.9%
Education	14.6%	13.1%	11.4%	10.1%	11.0%	11.8%
Defence and Security	6.20%	6.1%	5.6%	5.0%	5.4%	5.6%
Public Sector Management	7.0%	6.2%	5.4%	4.8%	5.0%	5.5%
Justice, Law and Order	3.7%	3.3%	2.9%	2.8%	3.2%	3.1%
Legislature	1.4%	1.2%	1.1%	0.9%	1.0%	1.1%
Public Administration	2.1%	1.8%	1.6%	1.4%	1.5%	1.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Resource Envelope	7,948.22	9,292.93	10,672.99	12,320.95	13,986.24	10,844.2

TABLE 4.10B									
MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF) UNDER THE NDP 2010/2011 - 2014/2015									
Setor	Annualised GoU Funding					GoU Funding	Off Budget Funding	Unfunded	Plan Total
	Year 1	Year 2	Year 3	Year 4	Year 5				
Agriculture	524,580	557,580	565,670	566,760	699,310	2,913,900	18,398	2,040,945	4,973,243
Lands, Housing and Urban Development	39,740	55,760	53,360	61,600	83,920	294,380	402	28,579	323,361
Energy and Mineral Development	532,530	1,096,570	2,123,930	3,191,130	3,454,600	10,398,760	15,821,879	2,189,826	28,410,465
Works and Transport	1,875,780	2,202,420	2,380,080	2,624,360	2,447,590	11,530,230	467,596	5,509	12,003,335
Information and Communication Technology	63,590	83,640	85,380	110,890	139,860	483,360	65,000	142,023	690,383
Tourism, Trade and Industry	158,960	176,570	176,570	209,460	265,740	987,300	7,558	1,416,097	2,410,956
Education	1,160,440	1,217,370	1,216,720	1,244,420	1,538,490	6,377,440	5,273	102,722	6,485,435
Health	1,152,490	1,263,840	1,334,120	1,429,230	1,790,240	6,969,920	323,173	3,312,841	10,605,934
Water and Environment	365,620	408,890	426,920	468,200	573,440	2,243,070	808,788	4,010,099	7,061,957
Social Development	127,170	139,390	149,420	147,850	195,810	759,640	13,420	27,541	800,601
Security	492,790	566,870	597,690	616,050	755,260	3,028,660		1,038,501	4,067,161
Justice, Law and Order	294,080	306,670	309,520	344,990	447,560	1,702,820	8,000		1,710,820
Public Sector Management	556,380	576,160	565,670	579,080	699,310	2,976,599	4,321	773,227	3,751,827
Accountability	325,880	362,420	373,550	431,230	545,460	2,038,540		421,121	2,459,661
Legislature	111,280	111,520	117,400	110,890	139,860	590,950	243,509	10,764	845,223
Public Administration	166,910	167,270	170,770	172,490	209,790	887,230	2,542,811	938,368	4,368,725
Total	7,948,220	9,292,940	10,646,770	12,308,630	13,986,239	54,182,800	20,330,131	16,458,150	90,970,968

173. All sector expenditures are increasing in nominal numbers but the shares vary as they depend on the total resource envelope. The resource envelope is expected to increase every year. Significant increases are expected in the energy and transport sector. Since energy and transport have some one-off projects, the percentages will stabilise after the NDP period.

174. Public expenditure is projected to increase from 18 percent of GDP in 2009/10 to an average of 19.6 percent of GDP per year during the plan period. The NDP is targeting a fiscal deficit of 5.5 per cent of GDP on average per year over the plan period. However, this may widen within prudent macroeconomic parameters if more donor resources than currently envisaged become available to finance necessary Government expenditures. Conversely, if oil revenues come on stream within the NDP period, the fiscal deficit could turn out to be much lower than what is being projected in this Plan.

TABLE 4.II

SELECTED MACROECONOMIC AND FINANCIAL INDICATORS, 2009/10-2014/15

Macroeconomic Indicators		PEAP 2		PEAP 3		NDP Projections													
		2000/2001	2003/2004	2004/2005	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015							
Real Sector																			
Annual GDP Growth rates (factor cost)			6.8%		8.0%		6.2%		6.4%		6.6%		7.0%		7.2%		7.4%		7.5%
GDP (mkt) - Shs bn							29,972		36,339		41,397		46,934		53,904		62,227		72,094
Private investment (% GDP)			14.5%		17.1%		17.6%		16.5%		16.9%		17.4%		18.1%		18.2%		18.3%
Public investment (% GDP)			5.4%		5.5%		5.5%		7.3%		8.0%		8.8%		8.9%		9.2%		10.0%
Private consumption (% GDP)					76.9%		78.4%		77.5%		76.4%		75.3%		74.1%		73.4%		73.9%
Public consumption (% GDP)					13.8%		9.1%		9.6%		10.3%		10.1%		9.9%		9.9%		8.7%
Domestic savings (% GDP)			7.8%		8.8%		12.5%		12.9%		13.4%		14.5%		15.8%		16.7%		17.4%
Fiscal Sector																			
Government domestic revenue (% GDP)			11.2%		13.3%		12.5%		12.8%		13.1%		13.6%		14.1%		14.6%		15.1%
Government Expenditure (% GDP)			21.4%		21.2%		16.9%		17.8%		19.2%		19.8%		19.8%		19.8%		19.4%
Fiscal deficit, excluding grants (% GDP)			-10.2%		-7.9%		-4.4%		-5.0%		-6.1%		-6.2%		-5.7%		-5.2%		-4.3%
Domestic interest payments (% GDP)			0.9%		1.0%		1.1%		0.8%		0.8%		0.7%		0.7%		0.60%		0.60%
Domestic borrowing (% GDP)			0.2%		0.8%				0.1%		0.7%		0.60%		0.60%		0.60%		0.60%
External Sector																			
Exports & NfS (% GDP)			11.8%		15.2%		24.7%		22.1%		21.6%		21.3%		20.9%		20.7%		19.1%
Imports _ gds & SVs (% GDP)			24.6%		28.7%		35.5%		33.0%		33.2%		33.0%		32.1%		31.4%		30.0%
Trade deficit (% GDP)			-12.9%		-13.5%		-10.6%		-10.9%		-11.6%		-11.7%		-11.2%		-10.7%		-10.9%
Debt stock/GDP			60.5%		29.6%		12.9%		13.4%		14.8%		17.3%		18.9%		19.8%		18.2%
Net donor aid (% GDP)			11.0%		8.6%		4.4%		5.2%		5.4%		5.6%		5.1%		4.6%		3.7%
Monetary Sector																			
Inflation			3.3%		7.4%		11.1%		7.9%		7.5%		6.0%		6.9%		6.8%		6.8%
Reserves in months of imports of gds & SVs			5.9		5.6		5.0		5.1		5.1		5.3		5.5		5.6		5.7
Average Real Interest Rate on Government securities			10.1%		2.6%		-0.1%		-1.4%		3.5%		3.5%		3.0%		3.0%		3.0%
Average Nominal Interest Rate on Government securities			13.4%		10.0%		16.8%		15.7%		11.0%		9.5%		9.9%		9.8%		9.8%
Private sector credit (% GDP)			6.4%		8.3%		12.1%		12.0%		14.3%		15.2%		16.0%		16.8%		17.3%
Private sector credit growth			14.5%		22.0%		31.6%		22.2%		27.1%		20.6%		20.1%		19.3%		19.3%
Money (M3) (% GDP)			17.5%		17.4%		20.4%		17.8%		18.5%		19.1%		19.7%		20.1%		20.8%
Base Money (% GDP)			5.4%		5.7%		6.2%		6.4%		7.1%		7.5%		7.7%		7.9%		7.9%
Source: Musisi (2009), 'Macroeconomic Framework, Investments and Financing Options, 2010/11 – 2014/15', Background Paper for the National Development Plan, Kampala, National Planning Authority (NPA).																			

4.4.3 Economic Growth Prospects

175. The increase in public investments targeted to the core areas of intervention will have a large impact on growth of all sectors. The overall growth rate would be raised to an average of 7.2 percent during the planning period (Table 4.11). It is projected that there will be recovery in agricultural growth with the sector growing at an average of 5.6 per year over the NDP period. This will have a significant impact on raising incomes of the 70 percent of the population engaged in the sector. The recent positive growth rates in the industrial and services sector will be sustained.

TABLE 4.12					
SECTORAL GROWTH RATES UNDER THE NDP (2010/11-2014/2015)					
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Overall GDP	6.7	7.0	7.2	7.4	7.5
Agriculture	5.7	5.8	5.4	5.6	5.7
Of which					
Cereals	4.3	4.5	4.1	4.3	4.4
Root Crops	5.8	6.0	5.6	5.8	5.9
Pulses	4.5	4.7	4.4	4.6	4.9
Matooke	5.9	6.1	5.7	5.9	6.0
Horticulture	6.2	6.5	6.1	6.2	6.4
Export Crops	4.8	5.0	4.5	4.7	4.8
Livestock	5.4	5.6	5.2	5.4	5.5
Forestry	5.7	6.0	5.7	5.8	6.0
Industry	6.0	6.2	6.9	6.7	7.0
Of which					
Mining	6.1	6.3	9.0	8.1	8.3
Manufacturing	5.9	5.9	6.1	5.9	5.9
Food Processing	6.9	7.0	6.7	6.8	6.9
Meat Processing	5.4	5.6	5.1	5.3	5.4
Grain Processing	5.2	5.5	7.0	7.3	6.9
Feed Processing	5.6	5.8	5.4	5.6	5.7
Other Food Processing	6.6	6.7	6.4	6.4	6.5
Beverages and Tobacco	7.0	7.1	6.9	7.0	7.1
Non-Food Processing	5.7	4.9	4.7	5.5	4.9
Textiles and Clothing	4.9	4.6	4.7	4.6	4.5
Wood and Paper	3.7	3.5	3.6	3.4	3.2
Fertilizer	5.8	5.8	7.7	6.8	6.9
Other chemicals	6.8	7.1	9.5	8.5	8.7
Machinery & equipment	2.7	2.1	2.8	1.8	1.1
Furniture	6.4	6.6	6.4	6.6	6.7
Other manufacturing	4.5	4.2	4.5	3.9	3.5
Utilities	7.5	7.9	11.4	10.3	10.8
Construction	5.6	5.8	5.7	5.9	6.1
Services	7.6	7.8	7.5	7.7	7.8
Of which					
Private	9.4	9.5	9.1	9.2	9.2
Trade	6.4	6.5	6.4	6.4	6.6
Hotels & catering	26.5	24.4	20.1	19.3	18.4
Transport	3.7	3.3	3.6	2.9	2.2
Communications	6.8	6.9	6.7	6.8	7.0
Banking	6.2	6.3	6.1	6.1	6.1
Real estate	6.9	7.0	6.9	6.9	7.0
Community services	7.0	7.3	7.1	7.2	7.3
Public	2.2	2.2	2.1	2.2	2.3

176. The growth in the agricultural sector will also have secondary effects on agro-processing. With the emphasis on improving the value chains, agro-processing will grow by 6.8 percent during the Plan period. By creating a better enabling environment for manufacturing, reducing the cost of energy and transport, this will have a large impact on manufacturing. As shown in Table 4.11, the manufacturing sector will be able to grow by 6 percent during the period 2010/11-2014/15. Growth in services will partly be driven by the public investments targeted at the energy, transport and tourism sectors.

177. Increasing the growth rate of sectors to a higher level would have an impact on the Balance of Payments (BOP) as well. The switch in Government expenditure toward investment which is more import-intensive is expected to maintain a high trade balance deficit due to increasing imports, to support faster growth in infrastructure investments.

4.4.4 Monetary Policy

178. The Bank of Uganda will continue to implement monetary policy with the primary goal of controlling inflation. Quantitative monetary targets will play a prominent role in the monetary policy framework. Monetary policy will also aim to support continued robust growth in financial intermediation, with private sector bank credit projected to expand as a share of GDP from 12 percent in 2009/10 to about 17 per cent by the end of the plan period. This is essential to promote the growth of private investment and business activity. As noted above, controlling inflation while at the same time creating room for continued strong growth in private sector credit is only possible if Government curbs its domestic borrowing requirement.

179. Regarding other macroeconomic implications, the assumptions made are reflected in the macroeconomic variables shown in the Table 4.10. These include policy targets of inflation of an average of 6.8 percent and 5.7 months cover of import reserves by 2014/15.

4.4.5 Exchange rate policy and the external sector

180. A flexible exchange rate policy will be maintained over the medium term, allowing the economy to adjust to real shocks emanating from the external sector, such as terms of trade shocks. The Bank of Uganda will restrict its intervention in the foreign exchange market mainly to curbing volatility in the exchange rate and building up international reserves. To deal effectively with unexpected external shocks, the Bank of Uganda will raise the level of gross international reserves towards the target of 6 months of import cover over the course of the plan period.

181. During the plan period, the trade deficit will remain at approximately 11 percent of GDP, funded by a combination of remittances from Ugandans working abroad, net donor inflows and private sector capital inflows.

182. In terms of external debt, measurement of debt sustainability during the NDP period took into account the cost of borrowing and performance of the economy particularly exports. Using the conventional debt sustainability indicators, i.e. debt stock in relation to nominal GDP, Net Present Value (NPV) of debt relative to the projected export performance, and NPV of debt to domestic revenue collections,

the debt sustainability ratios show that the country's external public debt will remain within sustainable levels throughout the NDP period. This is assessed by comparing the projected ratios with the Threshold level beyond which debt becomes unsustainable (see Table 4.12).

TABLE 4.13									
SUSTAINABILITY BENCHMARKS (THRESHOLDS) COMPARED TO PROJECTED DEBT SUSTAINABILITY RATIOS									
Proxy Ratios	Threshold	2008	2009	2010	2011	2012	2013	2014	2015
EXTERNAL DEBT									
Solvency Ratios (%)									
NPV/GDP (%)	50	18	19	20	21	23	24	25	26
NPV/XGS (%)	150	99	94	104	110	116	122	128	134
NPV/DBR (%)	300	131	121	135	142	150	158	167	176
Liquidity Ratios (%)									
TDS/XGS (%)	25	2.20	1.60	4	5	5	6	7	8
TDS/DBR (%)	35	3.20	2.30	5	6	6	6	7	7
Source: External Debt Unit, Macroeconomic Policy Department, Ministry of Finance, Planning and Economic Development									

183. Despite these debt sustainability indicators, it is important that the Government does not become complacent as the country could easily slide back to unsustainable debt levels. It is therefore important that strict adherence to prudent borrowing²² is maintained by ensuring that external borrowing is only for strategic productive investments which increase the country's productive capacity and stimulates GDP growth and exports as planned in the NDP.

4.4.6 Social Development and Employment Prospects

184. Regarding the MDGs, continued progress is expected towards the achievement of key social development goals. However, compared to the existing 2015 targets (Table 4.13), only MDG 1 (poverty) and MDG 7 (access to safe water) are likely to be achieved. The head count poverty rate is projected to be 24.5 per cent by the end of the NDP period in 2014/15 compared to the MDG target of 28 per cent by 2015 while the rate of access to safe water is projected at 89.3 percent in 2014/15 compared to the MDG target of 72 percent by 2015. Other MDG indicators will marginally improve, including the net primary school completion rate and the under-five mortality rate, reflecting the fact that the growth rates for the necessary outcome determinants, which include relevant Government services, per capita consumption and necessary public infrastructure, would still be inadequate. The MDG target on HIV/AIDS has been achieved and the projections indicate that environment sustainability MDG will be achieved.

²² As highlighted in Uganda's Debt Strategy, 2007

TABLE 4.14									
POVERTY AND SOCIAL SECTOR INDICATORS AND TARGETS									
	Historical			NDP 2010/2011-2014/2015					MDG Target
	2000/ 2001	2002/ 2003	2005/ 2006	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	
Headcount poverty rate, %	33.8	38.8	31.1	28	27.4	26.6	25.6	24.5	28
Primary school completion rate, %				64.4	69	73.9	79.7		
Gross completion rate (GCR), %	...	22.4	37.9	74.3	76.7	79.5	83.7	89.2	100
Net completion rate, %	...	...	...	...	...	...	...	43.9	...
Under-five mortality rate / 1000	152		137	120.1	114	107.7	101.4	95.7	68
Maternal Mortality ratio (per 100,000 live births)			435					131	
Access to safe water, %	57		67.9	68.6	72.1	77.5	83.6	89.3	72
Source: UBOS & NPA									

185. Unemployment has stayed high, as the number of jobs generated has not been adequate to absorb the rising labour force. Unemployment (including underemployment) rate stood at 29.1 percent in 2005/06. With the domestic economy growing by about 7.2 percent on average during 2010/11-2014/15, total jobs created will reach 2.7 million, averaging 550,000 new jobs each year.

4.5 FINANCING STRATEGY

4.5.1 Tax and Non-Tax Revenue

186. Over the NDP period, expenditure is projected to increase to 19.6 per cent of GDP, an increase of 2 per cent of GDP from the 2009/10 level. Financing this level of expenditure will require concerted efforts to improve domestic revenue collection by focusing on the three factors that usually lead to increases in tax revenues: expansion in the bases of taxation, reform of the structure of taxation; and extensive re-organization of the institutions that administer the taxes in the country for improved tax collection efficiency and compliance. Government efforts will be focused on increasing domestic revenue collections by 0.5 per cent of GDP per year over the NDP period

187. More specifically, the main focus in raising tax revenues will be to ensure continued stability of the tax system and improvement in collections from other revenue sources, especially Non-Tax Revenue (NTR) which presently contributes about 1 per cent of total domestic revenues. To raise additional revenue from NTR, all its rates will be reviewed. Government will also streamline existing exemptions and tax incentive policies. In addition, improvements will be made in tax administration to enhance the compliance rate and focus on the retail sales end of Value Added Tax (VAT).

188. Steps will also be taken to include the large subsistence and informal sector of the economy into the taxable bracket. This will require gazetting specific places for informal sector traders in urban areas and providing support to them as an incentive to encourage paying tax.

189. Furthermore, the expected revenues from Uganda's oil deposits that are expected to materialize sometime during the NDP implementation should significantly improve Uganda's domestic revenue base compared to the levels projected in this NDP, and this should result in a lower fiscal deficit in the medium term.

4.5.2 Efficiency gains

190. In order to achieve the twin objectives of increasing expenditures on priority areas and achieving macroeconomic stability, Government will implement both allocative and technical efficiency improvement measures. This will create the necessary fiscal space to allow increased resource allocation especially in priority areas through: strengthening the link between public spending and outputs/results; strengthening regulations and compliance; ensuring increased human resource productivity; reducing bureaucratic red tape; eradicating corruption; and reducing duplication of functions (“unproductive” activities) through institutional restructuring and coordination, among others.

191. Value for money measures will include ensuring that Government expenditures are based on credible work plans; establishment of effective monitoring systems within Government to track and evaluate expenditures vis a vis intended results; improving coordination with other monitoring and evaluation agencies and overall Government system and accountability; and strengthening empirical research to form the basis for public spending. While these measures are expected to improve efficiency and effectiveness in resource utilization, they are also expected to improve the absorptive capacity of the Government in the medium to long term.

4.5.3 Public-Private Sector Partnerships

192. International experience suggests that co-operation between the public and private sectors in form of public-private sector partnerships (PPP) can be a powerful incentive for improving the quality and efficiency of public services, and a means of public infrastructure financing. PPP describes a Government service or private business venture which is funded and operated through a partnership of Government and one or more private sector entities. It involves a contract between a Government authority and a private sector party. A policy framework to guide Public-Private Sector Partnerships will be formulated.

193. To ensure macroeconomic stability and integrate the best practices of the private sector into the public sector system, Government will promote and encourage PPP in various forms in the implementation of this NDP. 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.

4.5.4 Grants and Loans

194. Given the level of financing that the NDP needs, the Government appreciates the fact that domestic revenue is not able to finance the necessary level of desired investment required to accelerate and sustain economic growth and prosperity for socio-economic transformation in the country. In the long term, Government will seek to fund its budget from domestic revenues. In the short to medium term, however, Government will continue to seek foreign assistance to fund its budget while progressively reducing this reliance. Therefore, during the NDP period, the Government will continue attracting foreign direct investment and official development assistance in form of grants and loans.

195. The overall Government strategy in seeking foreign assistance will be guided by the Government Aid Policy presented in Section 4.7 below. To attract foreign direct investment in the private sector, Government will continue to pursue market-led policies while strategically intervening in identified areas to provide public goods and address market failures.

4.5.5 Borrowing from the Capital Markets

196. One of the proposed sources of funding for the NDP is capital markets. During the NDP period, in addition to taking steps to ensure promotion and development of the capital markets in the country as well as its effective regulation, steps will be taken to develop the appropriate framework to facilitate issuance of sovereign bonds, to raise the necessary funds for investment in the priority sectors and more specifically in the construction of physical infrastructure and energy facilities. Steps will be taken to ensure regulation and liberalization of the pension sector to protect workers' old age savings, and improve the efficiency and soundness of the sector, but also to leverage domestic private savings in the form of pension and related funds to provide long term finance for investments in the domestic economy.

4.6 ROLES OF THE STATE, THE PRIVATE SECTOR, CIVIL SOCIETY AND DEVELOPMENT PARTNERS

4.6.1 The Role of Government

General

197. The state is responsible for ensuring a basic framework of legality, rights and freedom and intervening in the economy to promote economic efficiency, effectiveness, equity and growth. Interventions may be necessary for the following main reasons:

- Promoting the right incentives to encourage efficient private production;
- Ensuring that public goods are supplied;
- Correcting market failures; and
- Reducing inequality.

198. This NDP re-emphasises the importance of public goods, such as transport and energy infrastructure while exploring the option of public funding for private sector provision of these goods in a number of areas.

199. Government is committed to serving all citizens of Uganda irrespective of ethnic background, sex, or religious beliefs. This fundamental commitment will underlie all Government policies in the NDP.

Legislative and Executive

200. Most of the actions included in the NDP are implemented by the executive arm of Government. The fundamental commitments, however, are guided by the vision of Government as reflected in the promises made to the electorate. Parliament has a fundamental role both in passing legislation that bears on the theme of the NDP, and in scrutinizing the executive for efficient and effective service delivery. This will be based on re-viewed policy, legal and regulatory frameworks.

Autonomous and Semi-autonomous Agencies

201. There are several autonomous and semi-autonomous agencies within the public sector. Some of these have essential public sector roles including policy formulation, independent monitoring, service delivery, and the procurement of services. These are expected to pursue the interests of the population as a whole in the same way as central and local Governments. Others are expected to operate on an essentially commercial basis though subject to regulation.

202. There is consensus about the efficiency of some of them, existing substantial gap between their remuneration and that of the civil servants, and the amount of revenue that is effectively hypothecated by being assigned to these agencies. There is also concern that social and commercial missions have been blurred in some cases, leading to a reduction in the efficiency of investment. Thus the roles of these agencies will be subject to review to correct these contradictions and enhancing efficiency.

4.6.2 The Private Sector

203. The private sector, including the many small-scale farming households, is responsible for the majority of the productive investment. It is Government policy that the private sector will remain the engine of growth, employment creation and prosperity for socio-economic transformation in the country during the NDP period. In general, the motivation for investment is expected to be commercial, and Government will, therefore, seek to ensure that the incentives in the economy encourage the kinds of investment that will generate balanced development, and minimise any possible crowding out of private sector investment. In some cases, the commercial private sector will support the provision of public goods for altruistic, cultural or prestige reasons. For instance, commercial sponsorship of sport is an important international phenomenon. During the preparation of this NDP, the private sector contributed significantly to the priorities identified.

4.6.3 Civil Society

204. It is essential for the development of civil society that its actions are not planned or dictated by Government. However, Government enjoys productive partnerships with civil society organizations and supports the role they play in the process of economic growth and development that include:

- Advocacy, particularly for the interests of groups who might otherwise be neglected;
- Voluntarily financed service delivery in sectors not covered by Government programmes;
- Publicly financed service delivery, subcontracted by Government;
- Support to conflict resolutions; and
- Independent research on key policy issues.

205. In order to enhance the contribution of civil society to national transformation, the NDP commits to support the following priority undertakings that will create a more enabling operating environment for NGOs in the next 5 years:

206. Work with NGOs to realize a comprehensive cooperation framework that will lay out the partnership principles, including mutual accountability between NGOs and Government.

207. Support the ongoing effort by the Uganda Bureau of Statistics and the Uganda National NGO Forum to undertake a comprehensive NGO sector survey to establish the value of NGO work to Uganda's economy and their contribution to national health and wellbeing.

208. Together with other stakeholders find more sustainable sources of financing the work of the NGOs in ways that will guarantee their autonomy but ensure public accountability for local and foreign resources that will be available to NGOs.

209. Ensure better coordination of NGO work to avoid unnecessary duplication and wastage of resources.

4.6.4 Development Partners

210. Development partners continue to play a major part in financing public expenditure in Uganda. In accordance with the aid policy spelt out in section 4.7 of this plan, the development partners are encouraged to support Government programmes through budget support as opposed to programmes and projects. With the introduction of sectoral ceiling for the development budget including donor projects, both sectoral ministries and development partners will appreciate that each additional project will have an opportunity cost for the sector in terms of transaction costs and flexible resources for the sector's priorities. This is being done to ensure that project funds are subject to the same process of prioritization as more flexible resources.

211. Some development partners provide support direct to NGOs and to some districts outside the Government budget. Whereas this arrangement is not being discouraged, it will be appropriate to share information on the level of support and the activities being funded in order to have a fairly accurate assessment of the micro and macroeconomic effects.

4.7 MULTI-LATERAL AND BILATERAL PARTNERSHIPS

4.7.1 Situation Analysis²³

212. The Government's position on Official Development Assistance (ODA) has been set out in the "Partnership Principles between the Government of Uganda and its Development Partners" of 2003. Further, Uganda and its main Development Partners are signatories to the Paris Declaration on Aid Effectiveness (2005)²⁴ and the Accra Agenda for Action (2008).

213. ODA provided by partner governments and international organizations to Uganda has played an important role in supporting the country's recovery, growth, and poverty eradication efforts. Over the 2003 to 2007 period, 43 different DPs disbursed aid to Uganda. This included 29 bilateral DPs and 14 multilateral DPs, of which eight were UN agencies and two were Global Program Fund targeting specific themes such as prevention of HIV/AIDS (vertical funds). The relative monetary importance of DPs in Uganda is rather uneven. Of the USD6.7 billion ODA disbursed to Uganda over the 2003-07 period, half was disbursed by just three DPs (the World Bank, U.S., U.K.), while more than 90 percent was disbursed by 12 DPs. Thus, 30 DPs disbursed less than 10 percent of ODA to Uganda over the 2003 to 2007 period.

214. This National Development Plan, and the mechanisms in place to implement it, must provide a strong basis for determining what type and quantity of aid is required, and in which areas. Government mechanisms must provide assurance of the implementation of the strategies put in place, and likewise DPs must be accountable to deliver on their commitments in responding to the specific requirements of Government.

215. The nature of partnership also reflects relationships beyond ODA, to include commitments made in the Millennium Development Goals (Goal 8) on equitable trade and financial system, market access, debt sustainability and other issues.

216. To address these issues, Government has initiated the formulation of a Partnership Policy, of which some elements are contained in the National Development Plan. The remainder of this section outlines the principal areas that the Policy will cover.

4.7.2 Scope of Partnership Policy

217. The Partnership Policy will update the "Partnership Principles between the Government of Uganda and its Development Partners" of 2003 to reflect the changes in the policy environment in the country (including the initiation of the National Development Plan as a successor to the Poverty Eradication Action Plan),

²³ Data in this section is from the OECD's Development Assistance Committee (DAC). Note that Official Development Assistance (ODA) is measured on the donor side as expenditures that have as their main objective the promotion of the economic development and welfare of developing countries. What is classified as ODA to Uganda will not equal the amount received by the Government of Uganda.

²⁴ The USA signed with specific reservations related to Treasury regulations.

the subsequent international agreements, and the policies of the increased number of partner countries and agencies.

218. The Partnership Policy will be supplemented by a Memorandum of Understanding (MOU) that will be signed by Government of Uganda and all Development Partners, binding all signatories to the commitments therein. This MOU will make clear reference to existing agreements between the Government and each Development Partner, to ensure alignment.

219. The Partnership Policy will seek to address, inter alia, the following issues:

- Alignment of aid with country priorities and systems
- Transaction costs / burden of inefficiency
- Coordination with development partners and other stakeholders
- Predictability of and information on aid flows
- Mutual accountability for development results
- Partnerships beyond aid

220. The following objectives outline the Government's intended actions and expectations of development partner actions that will be encapsulated in the Partnership Policy to ensure aid effectiveness in support of Uganda's overall development goals and for the benefits of the Ugandan population.

4.7.3 Strategies to Improve the Effectiveness of Partnerships and Assistance

Ensure that all development assistance is aligned with the objectives and priorities of the National Development Plan

221. Significant assistance remains off-plan (meaning that it is not linked with the Governments' priorities) and off-budget (meaning that it is not reflected in the Government's budget nor disbursed through Government systems).

222. The existence of large vertical funds, whilst beneficial to development in some areas, may have distortionary effects on the Government's effort to attain an optimal allocation of resources across sectors and sub sectors. Furthermore, technical assistance is not always effective, and in some instances is perceived to undermine local capacities rather than improving them. Therefore, development partners must ensure that technical cooperation is well-coordinated with Government (that is, demand driven and responding to Government priorities), while the Government will ensure that capacity to effectively and efficiently coordinate technical cooperation is in place.

223. Lack of alignment is sometimes a reflection of weak or non-existent strategies in some sectors. On its part, the Government, therefore, undertakes to elaborate clear sector strategies. In addition, the Government will ensure that national systems, institutions and procedures for managing aid and other development resources are effective, accountable and transparent, and where necessary will undertake or continue reforms in this respect. In turn, the Government expects, as a minimum, that all development partners will align their assistance with the National Development Plan and relevant sector strategies.

All Development Partners will follow guidelines aimed at reducing transaction costs

224. Transaction costs related to receiving development assistance are often high, and whilst it is difficult to quantify these in a meaningful manner, it is clear that high transaction costs or inefficiencies lower the real value of the assistance received. Development Partners continue to place significant demands on the Government in terms of time, reporting needs, and use of other resources through numerous missions and meetings. To reduce this burden, the following measures and guidelines will be implemented.

225. Aid modalities: The Government prefers general budget support, as this aid modality is fully aligned with the Government's priorities and minimises transaction costs. Therefore, the Government encourages Development Partners to join the recently established Joint Budget Support Framework. The Government recognises that the provision of budget support is associated with requirements to improve accountability structures on the side of Government. The Government also recognises that some Development Partners are legally constrained to providing budget support. However, there are certain circumstances where project support brings with it particular benefits, for example, external expertise in some areas. Whichever modality is used, the Government must be satisfied that the assistance provided is delivered in an effective and efficient manner, in line with Government priorities and with the objective of reducing transaction costs.

226. Parallel implementation structures: Only in exceptional cases and only with explicit Government approval should Development Partners establish parallel implementation structures for projects or programmes. To the extent possible, Development Partners should make use of the Government's Public Financial Management (PFM) and procurement systems. On its part, Government will continue to strengthen PFM and procurement systems in line with international best practice.

227. Aid fragmentation and division of labour: As described previously, more than forty development partners provide development assistance to Uganda. In order to ensure aid effectiveness and to avoid spreading donor assistance too thinly, Government will encourage co-financing and division of labour among donor agencies. The Government expects Development Partners to provide their assistance in line with Government priorities as outlined in the NDP and to exercise the principle of mutual accountability and respect in aid relationships.

228. Closed season: In order to facilitate the formulation of the budget process, the Government will operate a "closed season", in which it will not engage with aid-related missions. The dates of the "closed season" will be outlined in the Partnership Policy.

Establishment of structures to strengthen dialogue with development partners and other stakeholders

229. The Government recognizes the need for a single channel of official communication between the Government and Development Partners. The Government will therefore communicate on matters relating to official development assistance primarily through the Local Development Partners' Group (LDPG). For

this reason, the Government requests that external providers of development assistance to Uganda, including non-traditional development partners, join and actively participate in the Local Development Partners' Group or act under its umbrella.

230. The Government will utilize the national coordination mechanism, established by Cabinet in 2003, under the leadership of the Office of the Prime Minister, to consult with the LDPG on the implementation of the NDP, review development partner assistance, and review efforts to improve aid effectiveness. In particular, the Government will work with the LDPG to review the current aid architecture to ensure that the sector/technical working groups are aligned with implementation of the NDP.

231. Parliament, CSOs, the Media, the private sector and other actors, have an important role to play in generating the social, political and economic changes necessary for the development cooperation to work. Government is committed to working with these stakeholders to provide an enabling environment that maximizes their contributions to development.

Improve the predictability of and information on aid flows

232. Being able to predict aid disbursements with respect to volume and timing is essential for the management of public finances and for planning and implementation of Government programmes. Therefore, the Government commits to the implementation of a single platform for the reporting of data on planned and actual disbursements of aid. In turn, the Government will expect all Development Partners to provide reliable indicative commitments of aid disbursements (both on- and off-budget) over a multi-year framework as well as timely and accurate data on actual disbursements.

Formulate and institutionalize measures and mechanisms for assessing mutual accountability

233. The Government of Uganda accepts that official development assistance involves a contractual relationship in which the flow of funds is subject to the achievement of development results. It welcomes the agreement in the Accra Agenda for Action that the donor community will work to change the nature of conditionality to support national ownership. Therefore, conditions linked to disbursements should be results-based and made public to ensure transparency.

234. Measures of mutual accountability will be developed to assess progress on commitments. This will involve joint assessment by Government, its Development Partners, civil society and Parliament to determine the status of the Partnership and to identify actions all stakeholders need to undertake to enhance achievement of results. Consideration will be given to operating mechanisms for mutual accountability that have proved successful in other countries, such as development partner performance assessment frameworks and independent monitoring by a locally based panel of experts.

Incorporate partner commitments beyond aid within Partnership Policy

235. The 8th Millennium Development Goal commits Government and its Development Partners (as signatories to the Millennium Declaration) to specific actions and targets in establishing a global partnership for development. Many of these commitments are not captured in the Paris Declaration and Accra Agenda for Action, and go beyond the provision and management of official development assistance, yet they have profound implications for the development of Uganda. These include measures on improving access to markets through reducing tariff barriers, tackling debt sustainability, improving access to affordable essential drugs, and improving access to new technologies.

236. The Partnership Policy will seek to incorporate these commitments, where relevant and appropriate, and ensure that progress towards MDG 8 is measured.

4.7.5 Formulation of Partnership Policy

237. While this section has outlined the main challenges and associated objectives to improve the partnership between the Government and supportive countries and institutions, the Partnership Policy will guide these relationships to achieve the objectives of the National Development Plan.

238. The formulation of the Partnership Policy will be coordinated by the Office of the Prime Minister in liaison with the Ministry of Finance, Planning and Economic Development, the National Planning Authority and the representatives of the Development Partner community in Uganda.

4.8 DEVELOPMENT INDICATORS AND TARGETS

239. Key development indicators have been identified for the theme of the NDP. These are per capita income, human development index, employment levels, labour force distribution in line with sectoral GDP, life expectancy, skilled manpower level, proportion of manufactured exports to total exports, share of industry in GDP, level of urbanisation, and the country's competitive index. In addition, indicators have been selected to monitor the progress of NDP objectives. Both the indicators for the theme and objectives and the corresponding annual targets are given in Table 4.15.

TABLE 4.15

DEVELOPMENT INDICATORS AND TARGETS											
NDP OBJECTIVES	Development Indicators	Specific Indicators	Base Year		Targets		2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	
			2008/ 2009	2010/ 2011	2010/ 2011	2011/ 2012					
(i) Increasing household incomes and promoting equity	(a) Per Capita Income (US Dollars)		506	614		667	718		775	837	
	(b) Proportion of people living below poverty line (%)		28.5	28.0		27.4	26.6		25.6	24.5	
	(a) Employment level	Percentage share of total national labour force employed	70.9			73.1	75.3		76.8	78.2	
(ii) Enhancing the availability and quality of gainful employment	(a) Human Development Index	Life expectancy	50.4	51.0		51.3	51.6		52.0	52.4	
		Literacy	73.6	75.2		76.9	78.7		80.4	82.2	
		HDI (Score and Rank)	0.514	0.526		0.531	0.541		0.543	0.572	
			(157th/183)	(152nd/183)		(150th/183)	(148th/183)		(146th/183)	(142nd/183)	
(iv) Improving stock and quality of economic infrastructure	(a) Transport Indicators	Proportion of paved roads to the total road network	4.0%							5.3%	
		Proportion of freight cargo by rail	3.5%							17.8%	
	(b) Energy Indicators	Proportion of households accessing power from national grid	11.0%							20%	
		Power Consumption Per Capita	60Kwh							92Kwh	
		DPT 3 pentavalent vaccine	85							87	
(v) Increasing access to quality social services	(a) Health Indicators	Proportion of qualified workers	56							85	
		HCs without medicine stock outs	26							65	
		Deliveries in health facilities %	34							40	
		OPD utilization	0.8							15	
		Infant mortality rate	76							41	
		Under five mortality rate	137	120.1		114	107.7		101.4	95.7	
		Maternal mortality rate	435							131	
		Net Enrolment rate primary (%)	93.2	93.30		95.00	95.60		96.00	96.40	
		Net Enrolment Rate – Secondary	23.50	25		28	30		32	35	
		Pupil-Teacher Ratio	53:1	49:1		47:1	46:1		44:1	43:1	
	(b) Education Indicators	Pupil-Classroom ratio	72:1	68:1		66:1	64:1		63:1	61:1	
		Student-Teacher Ratio	18:1	19:1							
		Student-Classroom ratio	45:1								
		BT/VET Enrolment (students)	185,430*	215,181		249,705	289,768		336,258	390,208	
		Rural water coverage (%)	66							77	
		Urban water Coverage (%)	60							100	
		Sanitation Coverage	62							77	
	(c) Water and sanitation Indicators										

TABLE 4.15										
DEVELOPMENT INDICATORS AND TARGETS										
NDP OBJECTIVES	Development Indicators	Specific Indicators	Base Year	Targets		2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	
(vi) Promoting science, technology, innovation (STI) and ICT to enhance competitiveness	(a) Proportion of budget dedicated for promoting SIT and ICT	Ratio of national budget allocated STI (R&D) and ICT	0.3%							
		Ratio of S&T to Arts Graduates	1:5							
		Level of ICT deepening								
(vii) Strengthening good governance, defense and security	(b) Level of development of the industrial sector	Proportion of manufactured exports to total exports (%)	4.2							
		Ratio of manufactured exports to GDP								
	(a) Extent of improvement in good governance	Level of representation and participation of marginalized groups in development processes								
		Level of transparency in public institutions								
		Level of implementation of regional and international protocols and standards								
		(b) Level of modernization of defense and security	Level of R&D developed							
(viii) Promoting sustainable population and use of the environment and natural resources	(a) Proportion of ecosystems restored	Level of core sector capabilities								
		Level of capacity built for infrastructure development								
		Number of wetlands gazetted and restored								
		Level of forestation and re-forestation								
	(b) Level of management of environmental resources	Forest cover								
		Wetland cover	13%							
		Level of water pollution								
		Level of industrial pollution								
Note: Surveys will be conducted to update/provide the development indicator targets in the first year of the NDP implementation.										

PART 3:
SECTORAL
SITUATIONAL
ANALYSES,
OBJECTIVES AND
INTERVENTIONS

5.1 AGRICULTURE DEVELOPMENT

5.1.1 Situational Analysis

240. Agriculture has for a long time been a core sector of Uganda's economy in terms of its contribution to GDP and employment. By 2005 it employed 73 per cent²⁵ of the labour force (UBOS, 2005)²⁶. In 2008/09, the sector accounted for 23.7 per cent of total GDP. Agricultural exports accounted for 47 per cent of total exports in 2007. Much of the industrial activity in the country is agro-based. Even though its share in total GDP has been declining, agriculture remains important because it provides the basis for growth in other sectors such as manufacturing and services. Being the largest employer, the majority of women (83 per cent) are employed in agriculture as primary producers and contribute 70-75 per cent of agricultural production. In the face of the global financial crisis, agriculture is contributing a lot of foreign exchange revenue from regional trade and therefore improving the country's balance of payments position, and in the process helps to stabilise depreciation of the shilling.

241. Agriculture has the potential to significantly increase its contribution to economic growth and poverty reduction. In 2008/09, agriculture grew by 2.6 percent, twice the rate of growth experienced in 2007/08. It has been demonstrated that if agriculture in Uganda grew at the average rate of 2.8 per cent per year, as experienced in the last 8 years, the poverty rate would be reduced to 26.5 per cent by 2015 (Benin et al, 2007)²⁷. However, if greater investments were made in agriculture and the sector grew at 5.9 percent per year to 2015, the national poverty rate would be reduced by an additional 8.6 percentage points thereby reducing head count poverty to 17.9 percent of the population and the absolute number of poor people to 6.9 million. Therefore, investing more in agriculture to achieve higher sector growth rates is the surest way of effectively reducing poverty. It is for these reasons that agriculture is being given a lot of attention in national development.

242. Despite the importance of agriculture in the economy, the sector's performance has not been impressive in recent years. Real growth rate in agricultural output declined from 7.9 percent in 2000/01 to 0.1 per cent in 2006/07 (UBOS, 2008)²⁸. However, the sector recovered and grew at 1.3 per cent and 2.6 per cent in 2007/08 and 2008/09 respectively (Table 5.1). This growth of the agricultural sector is much

23 The proportion of women employed in agriculture is higher (83%) than for men (71%).

26 Uganda Bureau of Statistics, 2005. 2002 Population and Housing Census. Main Report. March 2005.

27 Benin, et al, (2007). Agricultural Growth and Investment Options for Poverty Reduction in Uganda. International Food Policy Research Institute. December 2007.

28 UBOS, Statistical Abstract 2008

below the NDP annual growth target of 5.6 per cent and the 5.9 per cent growth rate that is required for effective poverty reduction. It is also below the 6 per cent annual growth target of the African Union's Comprehensive Africa Agriculture Development Program (CAADP)²⁹.

TABLE 5.1						
SECTORAL GDP (2002 PRICES) GROWTH RATES AND SHARES IN GDP						
Sector	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009
Sector and sub-sector Growth Rates						
Agriculture*	1.6	2	0.5	0.1	1.3	2.6
Cash crops	7.3	-5.5	-10.6	5.4	9.0	1.7
Food crops	-1.5	-0.2	-0.1	-0.9	2.4	2.9
Livestock	4.7	3.0	1.6	3.0	3.0	3.0
Fisheries	9.6	13.5	5.6	-3.0	-11.8	-0.4
Industry	8	11.6	14.7	9.6	9.1	3.8
Services	7.9	6.2	12.2	8.0	10.2	9.4
Sector Shares in Total GDP at Current Prices						
Agriculture*	23.8	25.1	24.1	22.3	21.2	23.7
Industry	22.9	23.5	22.8	25.1	25.6	24.2
Services	47.4	45.4	47.2	47.0	47.3	46.4
Source: UBOS Statistical Abstracts, 2008 and 2009. *Including forestry						

243. The Food Security situation has been unsatisfactory since 1992. The country's average caloric intake per person per day improved from 1,494 in 1992 to 2,193 in 1999 but declined to 2,066 in 2002 and to 1,971 in 2005. Although the decline is marginal, the average intake is still less than the WHO recommended daily intake of 2,300 per adult per day.

244. Crop sub-sector: An analysis of the UNHS crop production data for 1999/2000 and 2005/06 done by the External Monitoring Unit of Makerere University Department of Agricultural Economics, (EMU, 2007) shows a mixed picture in overall agricultural production (in physical terms). In some of the crops, production increased while in others it dropped. Increase in production of some crops came through area expansion as well as through improvement in yields during the same period³⁰. In some crops, however, there were noticeable decreases in production. It shows that current yields on farm are far less than the research station yields. There is, therefore, still room for increasing agricultural output through increasing factor productivity and through area expansion. Increase in crop production through area expansion, however, cannot continue for a long period because land is a fixed factor and Uganda has a fast growing population (World Bank, 2007)³¹

245. The EMU (2007) study further indicates that the decline in production patterns and land productivity were attributed to weather changes (mainly drought); crop pests and poor soil management; disease epidemics and changes in domestic and international commodity prices. Other reasons for the decrease in crop production include limited extension services. The National Service Delivery 2008 established that overall, only about 14 per cent of households had been visited by an extension

29 CAADP is an initiative of the New Partnership for Africa's Development (NEPAD) under the African Union.

30 With exception of some regions, whose acreage for crop production decreased

31 Country Economic Memorandum; World Bank (2007)

worker within 12 months before the survey. The visits were even lower for female headed households with 6.8 per cent. The main constraints identified by extension workers in reaching farmers were lack of transport/equipment, inadequate funding and negative attitudes of farmers towards change in farming practices. The observed increases in crop production and yield were attributed to land saving technologies (seeds, fertilizers and better agronomic practices) and area expansion.

246. Table 5.2 indicates that of the estimated 5,130,000 hectares of land owned, 4,420,000 hectares were cultivable land, which represents about 86 per cent of the total. However, only about 58 per cent of the total cultivable land was actually under crops during the first season. This suggests that it is possible to bring more land under cultivation in an effort to increase production which can be through promotion of technologies like animal traction and tractorisation.

TABLE 5.2					
CULTIVATED LAND BY REGION					
Region	Total	First Season		Second Season	
	Cultivable Land (Ha)	Total Cultivated Land (Ha)	Percentage Cultivated	Total Cultivated land (Ha)	Percentage Cultivated
Central	1,116,000	650,000	58.2	556,000	49.9
Eastern	1,222,000	47,000	61.1	605,000	49.5
Northern	894,000	401,000	44.9	444,000	49.7
Western	1,186,000	764,000	64.4	573,000	48.3
Total	4,420,000	2,563,000	58	2,180,000	49.3

Source: MFPED Agricultural sector investments and institutional performance, 2008

247. Livestock sub-sector: the Livestock Census (UBOS 2008) indicated that the national cattle herd is estimated at 11.4 million (an increase from 5.8 million in 1999). It also estimates 12.5 million goats, 3.4 million sheep, 3.2 million pigs and 37.4 million poultry birds. The Livestock Census indicates that livestock numbers have increased across all types: cattle, sheep, goats, poultry and others. However, current production levels in the sub-sector can only meet half the domestic and regional demand. The potential for the export market is also huge. Good potentials and opportunities for production and marketing exist in: dairy and meat; hides, skins and leather; apiculture development; and sericulture development. With regard to milk, FAO (2008) reports that, over the period 1995 to 2006, milk production increased at an annual growth rate of 4.8 per cent, resulting in an increase of average domestic milk consumption from 20.1kg per capita per year in 2001 to 25.4 kg per capita per year in 2006. Growth in the dairy sector is a result of the favourable macroeconomic environment, policy and institutional reforms including the privatisation of the Dairy Corporation Limited in August 2006, and better pasture and farm management practices. The beef industry is, however, still not well developed.

248. Table 5.3 indicates household livestock ownership by type and regional distribution. Total cattle ownership was estimated at 7.4 million heads in 2005, of which 16 per cent were exotic animals. Farmers consider the resources required in terms of pastures and veterinary costs for maintaining exotic animals to be prohibitive despite the relatively higher return on investment. The status explains why the productivity of most livestock farms has remained low and the affected farmers have not been effectively transformed. Current production levels in the sub-sector can only meet half the domestic demand (MAAIF, 2007).

TABLE 5.3						
UGANDA HOUSEHOLD LIVESTOCK OWNERSHIP, 2008						
Type of livestock	Uganda	Central	Eastern	Northern	Western	Karamoja zone
Exotic						
Cattle	700,030	221,700	141,860	9,800	317,850	8,820
Goats	151,839	44,028	22,081	9,273	51,037	20,827
Sheep	25,240	3,920	4,090	3,450	5,930	7,840
Chicken	4,609,310	3,709,500	282,940	127,650	481,500	7,730
Local						
Cattle	10,643,620	2,209,620	2,345,610	1,631,030	2,212,210	2,245,140
Goats	12,278,220	1,620,128	2,577,249	2,686,402	3,380,297	2,014,144
Sheep	3,385,130	265,680	315,270	565,060	561,450	1,677,660
Pigs	3,184,300	1,307,460	699,680	340,460	778,350	58,360
Chicken	32,834,580	6,820,930	10,413,170	7,516,770	6,728,620	1,355,090
Other poultry*	2,006,860	331,530	716,250	541,320	335,670	82,080
Source: MAAIF & UBOS (2009), The National Livestock Census Report 2008						

249. At regional level, Western Uganda accounts for 30 per cent of the total cattle herd as well as 73 per cent of the total exotic herd. With regard to goats, only 4 per cent of the estimated 8 million goat population is of the hybrid nature. Western Uganda accounts for 45 per cent of the goat population and 66 per cent of the hybrid type. Given that exotic goats command a premium price on the market, the limited ownership of exotic goats seriously affects household incomes. Western and Central Uganda dominate ownership of the pigs' population, accounting for 85 per cent of the national population. At 37 per cent share, Eastern region takes the largest share of the estimated national poultry population.

250. Export of livestock products in Uganda is limited to raw and semi-processed hides and skins but there is a rapidly growing export of live animals (cattle and goats) to Southern Sudan. Inadequate disease control and the absence of the relevant quality and processing infrastructure are some of the major limiting factors for exporting beef and dairy products. Constraints to growth in livestock sector are mainly related to diseases, lack of good breeds and lack of quality pastures and feeds for livestock. The demand for crop products by the livestock and fisheries sub-sectors creates both forward and backward linkages within the entire agricultural sector, demonstrating the huge potential for overall sectoral growth.

251. Fisheries Sub-sector: Fish exports are the second largest export earner for Uganda. Exports have increased from 4,687 tonnes in 1991 to 31,681 tonnes in 2007. They peaked in 2005 when 39,201 tonnes were exported valued at USD 143 million (UBOS, 2008). The trend is, however, changing due to declining catches. A survey of the informal fish trade by UBOS and BoU (2007)³² indicate that fish worth USD 33 million were exported informally to the neighbouring countries of DRC, Sudan, Kenya and Rwanda in 2006 alone. Fish was the highest (14 percent) of all informally traded goods from Uganda in that year. The average growth rate in fish exports is an impressive 48 per cent per year. The growth potential is considered high because of the forward and backward linkages and other multiplier effects over other sectors. The number of people depending on the sector has also increased

³² UBOS and BOU (2007): A survey of informal trade amongst selected commodities. Uganda Bureau of Statistics and Bank of Uganda

from 700,000 to over 1.2 million people. This good past performance in fisheries sector is, however, being threatened by declining catches mainly due to the use of destructive fishing methods.

252. In recent years, the fisheries sector has experienced a decline in fish catches, which affected exports. Fish production statistics indicate that catches from Lake Victoria are dwindling while those in Lakes Edward and George are almost getting extinct. Lake Kyoga catches have dropped from 150,000 tonnes in the 1980s to about 60,000 tonnes in 2007. Beyond the biological factors, the causes of this decline include use of illegal fishing gears and fishing in breeding areas. Current trends in catches are not likely to sustain the growth rates in demand. Earnings from fish exports declined to USD 124 million in 2007 from USD145.8 million in 2006. Table 5.4 shows the fish catch trends by water body.

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Lake Victoria	106	107	105	104	133	132	136	175.3	253.3	253.3	215.9	223.1
Lake Albert	22	19	19	29	19	19	19	19.5	56.4	56.4	56.4	56.4
Lake Kyoga	-	-	-	-	-	-	-	32.9	68.5	68.4	60.0	60.0
L. Edward George & Kazinga Channel	5	6	6	7	5	5	5	5.9	9.6	9.6	8.8	8.8
Other waters	9	7	7	8	6	6	6	8.3	40.6	24.1	21.1	21.0
Total	222	219	217	230	220	221	222	247.5	434.8	416.8	367.2	374.3
Growth Rate%	4.2	-1.4	-0.9	6	-4.3	0.5	0.5	11.7	75.4	-4.1	-12	1.9

Source: UBOS Statistical Abstract, 2009

253. Despite enormous benefits and potentials within the fisheries sub-sector, it faces specific problems, particularly resource depletion caused by over fishing of stocks, non-compliance with regulations and inadequate control of catches. The sub-sector is also characterized by illegal transportation of fish to some factories and to neighbouring countries. There is limited intervention to reverse the declining trend and harness the existing potentials. While Uganda can now boast of having attained high quality and safety standards for fish production and export, maintaining such standards is costly and requires effective monitoring. The European Union (which is a major importer of fish from the East African region) requires that fish exports must fully comply with strict quality and safety standards.

254. Policy Environment: In the last eight years the policy environment for the agriculture sector in Uganda has been shaped by the Plan for Modernization of Agriculture (PMA) which is a multi-sectoral policy framework for agriculture and rural development. The multi-sectoral nature of PMA gave it breadth that agriculture needs to move forward. Its scope covered seven pillars: research and technology development; national agricultural advisory services; rural finance; agro-processing and marketing; agricultural education; physical infrastructure and sustainable natural resource utilization and management. The PMA implementation mandate spread across 13 ministries and agencies, which among other factors, affected implementation.

255. In 2005, the Rural Development Strategy (RDS) was formulated with the overall objective of raising household incomes with a focus on the sub-county as a basic unit for planning. In 2006, a much broader vision of Prosperity for All (PFA)

was formulated arising out of the National Resistance Movement (NRM) Election Manifesto of 2006. The goal of the PFA was to improve lives of all Ugandans in all aspects – higher incomes, improved access to services in a peaceful and democratically governed country.

256. In 2006, the first Development Strategy and Investment Plan (DSIP) was developed as a medium-term plan of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). The DSIP was to translate the national goals and priorities contained in the PMA into a plan for Public Sector activities in the agricultural sector. The DSIP was designed to clarify the objectives and outputs for the sector and to bring out priority areas for spending between 2005/06 and 2007/08. Although no comprehensive review of its performance had been done, the internal assessment by the Ministry coupled with a comprehensive Public Expenditure Review show that it has not been effectively implemented. The main problems are sighted as weakness in internal coordination and the failure in aligning public resources to the DSIP priorities.

257. The strategy expired in June 2008 and a second DSIP for agriculture is now under preparation. This DSIP will provide a detailed and costed plan for implementation of priorities outlined in this NDP section.

5.1.2 Constraints to the Performance of the Agriculture Sector

- i) **Weak policy, legal and regulatory framework:** while agricultural sector policies have been developed, implementation of programs has not been consistent with specific Government policies and strategies. This has created uncoordinated interventions which are not guided by a robust policy and legal framework and systems that have resulted into ineffective and inefficient use of resources in the sector. This is manifested by poor harmonisation of donor support and lack of coordinated implementation of interventions.
- ii) **High risks and cost of investment:** transformation to commercial agricultural production requires significant capital outlays which many farmers are ill equipped to provide. Moreover, the existing banking system does not provide for facilities to support agricultural investment because of the high costs of administering these loans, coupled with the difficulty banks have in managing the risks involved. Insurance against crop failure is currently lacking, though some initial moves in this direction are now being taken.
- iii) **High cost and limited availability of improved farm inputs:** these include hybrid seeds, fertilizers, pastures and veterinary costs, exotic animals, irrigation equipment, tractors, post harvest technology, herbicides, among others.
- iv) **Limited human resource capacity:** most of the public and private institutions in the sector are experiencing shortages in quality technical staff especially in key areas such as research, pests and disease control, extension services, mechanisation and soil science. This manpower problem extends to key support entities such as financial institutions.

- v) **Weak institutions and structures:** the many institutions in this sector do not effectively coordinate and largely lack collaborative arrangement. This constrains the ability of the sector to coherently deliver on its mandate. In addition, there are weak farmer organisations in production, processing and marketing.
- vi) **Traditional and cultural attitudes:** many producers have been in peasantry production for a long time and are used to certain old practices which have become a tradition. For example; the use of a hand hoe, subsistence production, dominance of women in production and men in marketing, imbalances in land ownership between men and women, among others.
- vii) **Poor management of natural resources:** this affects fisheries, water resources, forests, soils and wetlands. This has resulted in declining agricultural yields rendering farming non-profitable.
- viii) **Inadequate physical infrastructure:** this includes transport (roads and railways); energy; water; and storage facilities, among others.
- ix) **Absence of data and information:** there is lack of regular and reliable agricultural statistics and market information (price, buyers, type of product and quality specifications).
- x) **Land tenure and access to farmland:** Uganda's divergent system of land tenure and overlapping land rights have impacted negatively on long-term investments in agriculture. Furthermore, many landless potential farmers (especially women) cannot easily access land because of costs, cultural norms and threats imposed by the existing overlapping land rights. Uganda's increasing population is gradually worsening the problem of land fragmentation and in so doing, negating efforts to transform agriculture from subsistence to commercial production.
- xi) **Standards, food safety and quality assurance infrastructure** are still generally weak and need to be strengthened to facilitate marketing of agricultural products.
- xii) **Inadequate Meteorological services:** inadequacies in providing early warning information related to changes in rainfall patterns to farmers.
- xiii) **Inadequate pest and disease control:** pests and diseases have remained a big threat for increasing agricultural output and productivity. The rural economies have been severely affected and a number of farmers receded into poverty due to disease infestations such as banana wilt, coffee wilt, cassava mosaic, foot and mouth disease.
- xiv) **Inadequate production and post-harvest facilities:** these include, farm level storage, cold stores, modern abattoirs, holding grounds, fish fry centres and fish handling facilities.
- xv) **Limited extension support:** provision of advisory services that target increased agricultural production and productivity i.e. soil fertility, choice and application of technology, disease control, farm management, harvesting, value addition and storage.

- xvi) **Weak value chain linkages:** production, processing and marketing are not closely linked. Much of the produce is sold in a raw form and where there is processing, the supply of raw materials is erratic and in most cases inadequate due to supply side constraints to sector performance. Many producers do not have access to markets due to lack of market information and/or poor infrastructure.

5.1.3 Objectives, Strategies and Interventions

258. Objective 1- Enhance agricultural production and productivity.

Strategy 1: Improve agricultural technology development.

Intervention Description

- i) Generate technologies, practice and strategies to address stakeholders' demands and response to market opportunities.
- ii) Institute an efficient and effective delivery and uptake of technology and knowledge, established through the innovative system.
- iii) Strengthen functioning of the National Agricultural Research System (NARS).
- iv) Strengthen the linkages between agricultural research and extension services at various levels.

Strategy 2: Ensure effective delivery of advisory services and improved technology.

Intervention Description

- i) Increase farmers' participation in technology development.
- ii) Enhance farmers' access to production and agro-processing technologies.
- iii) Provide farmers with quality advisory services and information.
- iv) Establish formal mechanisms for joint operations between NARO and NAADs at various levels.
- v) Strengthen linkages between researchers, extension workers and farmers to enhance relevance, tracking and feed-back on generated technologies.
- vi) Formulate an environmental and social management framework.
- vii) Promote farming as a business through careful enterprise selection, development and improved market linkages focusing on publicity on product standards.
- viii) Strengthen linkages between farmers and production support services (including financial services, capacity development and marketing)
- ix) Promote value addition and agro processing as a means to increasing earnings.

Strategy 3: Control diseases, pests and vectors.

Intervention Description

- i) Conduct early detection of crop pests, weeds and diseases.
- ii) Control livestock diseases and vectors to ensure that communicable diseases are managed in order to promote animal health as a means to greater productivity and market penetration.
- iii) Control diseases and vectors in the fisheries sub-sector.
- iv) Develop a policy on pests and disease control.
- v) Set and operationalise standards for diagnostics, surveillance and control of pests and diseases including weeds.
- vi) Strengthen capacity of local governments to effectively manage pest and disease control.
- vii) Develop infrastructure for pest and disease control (laboratories for crops, fish and livestock).

Strategy 4: Enhance productivity of land through sustainable land use and management of soil and water resources.

Intervention Description

- i) Support ongoing activities for scaling up Sustainable Land Management (SLM).
- ii) Strengthen enabling environment for SLM coordination and advocacy.
- iii) Support mainstreaming of SLM into sector and local governments, plans and budgets.
- iv) Strengthen commercial and advisory services for SLM friendly products and practices.
- v) Improve and strengthen SLM knowledge management.
- vi) Support rewarding programmes for water and soil conservation at community level.
- vii) Support SLM research.

Strategy 5: Increase supply for water for agricultural production (irrigation, water for livestock, aquaculture).

Intervention Description

- i) Strengthen the legal and institutional framework and capacity for developing water for agricultural production.

Water for Crops

- i) Rehabilitate five government irrigation schemes (Mobuku, Kibimba, Kiige, Olweny and Agoro).
- ii) Reorganize management of irrigation schemes and transfer management to the lowest appropriate level and systems to ensure their sustainability.

- iii) Establish new irrigation schemes (informal, small scale, commercial).
- iv) Provide support including: promotional activities, guidelines, regulations, standards, designs and manuals, and technical assistance, to small scale and commercial private irrigation developers.
- v) Establish demonstrations on small-scale irrigation technologies, and rain water harvesting and management to ensure transfer of irrigation knowledge and skills.
- vi) Establish a monitoring framework for supply, utilization and management of water for crops.

Water for livestock and wildlife

- i) Increase water storage through surface water reservoirs, gravity flow or pumped schemes, and ground water exploitation.
- ii) Train farmers on optimal and sustainable use of water facilities.
- iii) Establish and train 1000 water users associations and train them on existing and new watering facilities.
- iv) Prepare and disseminate a strategy and guidelines for decentralizing planning and implementation of water for livestock.
- v) Study the human-livestock-wildlife conflicts in areas bordering protected areas and implement recommendations.
- vi) Construct 25 new valley tanks equivalent to 2.2 million m³.

Water for Aquaculture

- i) Support the increase in acreage of small-scale aquaculture from 5,000 hectares to 20,000 hectares and large-scale aquaculture from 25,000 hectares by 2015.
- ii) Construct and equip aquaculture demonstration sites.
- iii) Train staff and farmer groups on stocking methods, harvesting, waster control and management.
- iv) Finalize and operationalize the National Aquaculture Development Strategy.

Strategy 6: Promote labour saving technologies and mechanisms.

Intervention Description

- i) Develop and promote appropriate technologies including animal traction and mechanisation.
- ii) Build capacity for development of appropriate farm structures as well as testing, adaptation, demonstration and promotion of appropriate farm equipment.
- iii) Formulate and implement incentive frameworks for acquisition and financing of labour saving technologies.
- iv) Enhance PPPs for agricultural mechanization.
- v) Reinstate small scale mechanization support unit.
- vi) Provide technical information on labour saving technologies and mechanisation.

Strategy 7: Improve access to high quality inputs, planting and stocking materials.

Intervention Description

- i) Formulate clear policies and strategies for inputs supply and use. Specifically review, refine and approve the draft seed policy (2006), pass the Seed Regulations and Plant Act (2000), put in place standards, enact the plant variety production act and draft guidelines for inspection and certification of vegetative propagated planting materials.
- ii) Improve the investment environment for the input supply by providing seed companies with access to foundation seed, supporting commercial input businesses, and establishing incentives for input dealers and developing crop-specific interventions.
- iii) Strengthen the regulatory framework for input business with regard to seed certification, infrastructure for quality control, registration and surveillance of input dealers, capacity of responsible institutions and regulation for inputs.
- iv) Build and strengthen central institutions involved in input supply by strengthening input dealers' capacity and network of professional dealers/stockiest, and designing and implementing training courses for input dealers.
- v) Raise awareness among farmers on the value of adopting high quality inputs through designing and implementing training courses for farmers, establishing of demonstration plots for promoting improved inputs, and disseminating materials on agricultural inputs.
- vi) Build and strengthen district institutions involved in input supply.
- vii) Improve implementation of standards for agricultural production.

Strategy 8: Improve agricultural livelihoods in Northern Uganda.

Intervention Description

- i) Increase agricultural production and productivity by addressing the absence of productive assets and agricultural knowledge, and poor service delivery.
- ii) Promote agro-processing/value addition to agriculture produce.
- iii) Build the capacity of farmers and LGs through training, providing technical and logistical support to District Production Departments and Sub-county Production Officers, and strengthening and facilitating the LG Works Departments.
- iv) Improve access to markets by strengthening agricultural input market chains, expanding capacity of producer groups and providing information on markets.

Strategy 9: Accelerate the development of selected strategic commodities. The selected commodities include: coffee, maize, fish, beef, dairy, poultry, beans, bananas and cassava.

Intervention Description

- i) Undertake value chain studies for commodities not yet studied to identify areas for intervention.
- ii) Establish commodity platforms to constantly discuss issues pertaining to particular commodities.
- iii) Establish public private partnerships in areas that need public support for private sector investment.

Strategy 10: Implement the hunger project - Epicenter strategy.

Intervention Description

- i) Cluster villages (20-30) into one community Epicenter to implement catalytic programmes that empower communities to end hunger and poverty in a sustainable manner.
- ii) Design and implement a microfinance programme in each Epicenter.
- iii) Design and implement HIV/AIDS and Gender responsive programmes in each Epicenter.
- iv) Design and implement a food production and food security enhancement programme in each Epicenter.
- v) Design and implement a nutrition programme in each Epicentre.
- vi) Design and implement a strong M&E system for the hunger project - Epicenter strategy.

259. Objective 2 – Improve access to and sustainability of markets.

Strategy 1: Increase PPPs in value chains in agriculture with emphasis on strategic commodities.

Intervention Description

- i) Strengthen higher level farmer organization to enhance farmer participation in market development activities.
- ii) Promote farming as a business through careful enterprise selection, development and improved market linkages focusing on publicity on product standards.
- iii) Strengthen linkages between farmers and production support services (including financial services, capacity development and marketing).
- iv) Promote value addition and agro processing as a means to increasing earnings.
- v) Improve farmers' access to markets through market research and better market information.
- vi) Review the tax regime for agro-processing and storage, formulate appropriate policies and laws to assist the agro-processing sector.

- vii) Conduct research on post harvest food technologies, to cover food processing, storage and utilization.
- viii) Facilitate financing and construction of appropriate storage structures.
- ix) Support development of a well coordinated system for collecting, analyzing and disseminating agricultural statistics and information on food and nutrition security to households and communities.
- x) Rebuild productive infrastructure in support of farming by rehabilitating rural infrastructure, like community access roads, water points, crushes, markets and others.
- xi) Improve access to markets by supporting the agricultural input market chain, increasing understanding of markets and market opportunities and strengthening the capacity of producer groups.

Strategy 2: Increase the number of functioning and sustainable farmer' organization involved in collective marketing.

Intervention Description

- i) Expand service provider capacity in situational analysis for guiding and supporting farmers' planning processes.
- ii) Train farmers' groups and fora in visioning, enterprise selection and needs identification.
- iii) Prepare guidelines for farmer institutional capacity development.
- iv) Mobilize groups for delivery of agricultural extension services.

260. Objective 3 – Create an enabling environment for competitive investment in agriculture.

Strategy 1: Improve the capacity for quality assurance, regulation, food and safety standards for outputs and products across crops, livestock and fisheries sub-sectors.

Intervention Description

- i) Review and harmonize obsolete laws, rules, and legislations in the crops, livestock and fisheries sub-sectors.
- ii) Review and develop a legal framework to ensure food and nutrition security at all levels.
- iii) Enforce crop laws, regulations, standards and guidelines along the entire value chain.
- iv) Enforce livestock laws, regulations, standards and guidelines along the entire value chain.
- v) Enforce fisheries laws, regulations, standards and guidelines along the entire value chain.
- vi) Educate farmers, traders, processors and agro exporters about quality standards.
- vii) Train food inspectors in legislation, policy, modern inspection systems and quality management systems.

Strategy 2: Enhance sector policy formulation, planning and coordination.

Intervention Description

- i) Develop Staff capacity in skills such as poverty analysis, budgeting techniques, appraisal and analysis of investments, coordination and harmonization of strategies and priorities, ICT skills, statistics, M&E, agribusiness development, policy analysis, and entrepreneurship.
- ii) Review and formulate policies, strategies and plans.
- iii) Strengthen the MAAIF management information system.
- iv) Review the current work on profits analysis, design a system for assessing farm enterprise profitability and operationalise it.
- v) Harmonize national sector policies/strategies with regional/international policies.
- vi) Establish an M&E framework to monitor MAAIF and LG programmes.
- vii) Assess the food and nutrition security status by using rainfall forecasts, conducting post harvest assessment, disseminating quarterly early warning bulletins, and conducting surveillance on the nutritional status.
- viii) Mainstream cross-cutting issues such as HIV/AIDS, gender, climate change and environment in the development of policies, strategies, programmes and projects.
- ix) Strengthen Agriculture Sector Working Groups.
- x) Conduct annual agriculture sector reviews.

Strategy 3: Enhance Intra and Inter-Sectoral Coordination.

Intervention Description

- i) Strengthen intra-sector policy and technical coordination to deal with internal policy and technical issues within MAAIF.
- ii) Strengthen inter-sector policy and technical coordination to focus on creating functional policy and technical linkages between MAAIF and other Government ministries/departments/agencies, as well as between MAAIF and Local Governments.
- iii) Participate in sector reviews of relevant sectors to provide input into sector plans and Budget Framework Papers.

Strategy 4: Build capacity to respond to Climate Change.

Intervention Description

- i) Identify climate effects, vulnerabilities and coping measures as they relate to the various agricultural production strategies pertaining across Uganda.
- ii) Improve climate forecasts along with procedures for use in agricultural management.
- iii) Integrate climate risk management in agricultural business strategies.

- iv) Strengthen central and LG capacity to integrate climate change into planning.

261. Objective 4 – Enhance institutional development in the Agriculture sector.

Strategy 1: Strengthen MAAIF and related public agricultural agencies.

Intervention Description

- i) Configure and re-align MAAIF and district production department structures
- ii) Review the functions, structures, roles and relationship of MAAIF's semi autonomous bodies.
- iii) Relocate MAAIF Headquarters to Kampala.
- iv) Harness synergies and improve linkages between MAAIF and other relevant stakeholders

Strategy 2: Increase the human resource productivity.

Interventions Descriptions

- i) Enhance the capacities of sector personnel by building on existing programs and developing a comprehensive sector capacity building program.
- ii) Improve the communication systems by developing, implementing and reviewing an agriculture sector coordination strategy.
- iii) Retool and equip MAAIF institutions and sector personnel through a comprehensive inventory, harmonized assessment of sector requirement and determination of financial implications.

5.2 FORESTRY SECTOR

5.2.1 Situational Analysis

262. Forestry plays a significant role in national development through its contribution to ecological balance, energy and industrial activities. The recommended level of national forest cover for Uganda to have a stable ecological system is 30 per cent. The national forest cover as of 2005 was, however, at 18 per cent, having dropped from 24 per cent in 1990. This decline which is estimated at 1.8 per cent per annum is largely attributed to increasing demand for agricultural land and fuel wood by the rapidly growing population³³. Between 1990 and 2005, a total of 1,329,570 hectares (27 per cent of original forest cover) was lost. The breakdown of the forest cover affected by type is summarized in Table 5.5. The most affected districts in terms of forest cover loss include: Mayuge (100 per cent), Wakiso (86.7 per cent), Mubende

33 NEMA 2009. State of Environment Report 2008

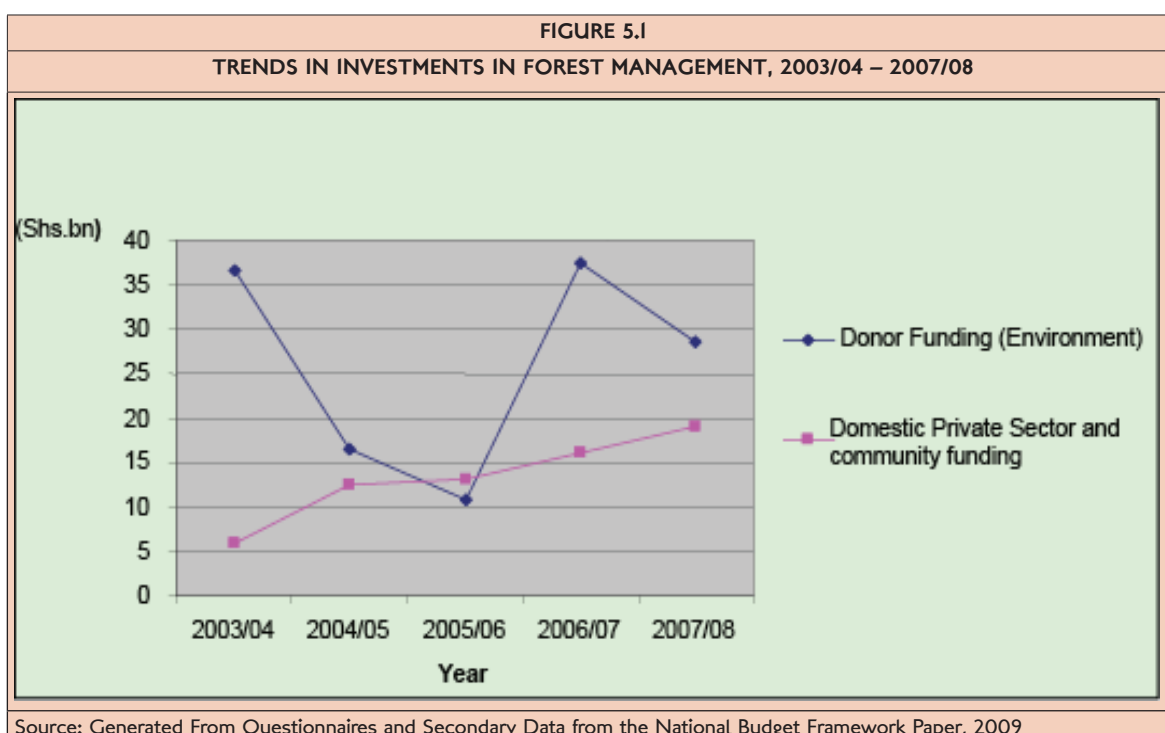
(79 per cent), Mityana (59.6 per cent), Kibaale (48.9 per cent), Mukono (36.4 per cent), Mpigi (32.6 per cent), Hoima (21.6 per cent) and Masindi (12.2 per cent).

TABLE 5.5						
PERCENTAGE CHANGE BY FOREST TYPE						
Forest Type	Area 2005 (Ha.)	Area 1990 (Ha.)	Change (Ha)	Annual change (Ha)	Percentage change	Percentage Annual change
Broad leaved	14,786	18,682	(3,896)	(260)	(21)	(1.4)
Conifer	18,741	16,384	2,357	157	14	1.0
TMF well stocked	600,957	651,110	(50,154)	(3,344)	(8)	(0.5)
TMF low stocked	191,694	273,061	(81,367)	(5,424)	(30)	(2.0)
Woodland	2,777,998	3,974,508	(1,196,510)	(79,767)	(30)	(2.0)
Total Forest cover	3,604,176	4,933,746	(1,329,570)	(88,638)	(27)	(1.8)
Source: National Forestry Authority, National Biomass Study Report, 2009						

263. In terms of forest management, there are 698 (1,266,000 hectares) gazetted forest reserves. In addition, another 730,000 hectares are located in national parks and game reserves. The majority of the reserves are less than 1,000 hectares. Of the total gazetted forest reserves, 506 are Central Forest Reserves (CFR) and 192 Local Forest Reserves (LFR). The central forest reserves, which account for 30 per cent of the national forest cover, are managed by NFA and UWA while the Local forest reserves are managed by Local Governments. A significant portion of these reserves were degraded especially those under Local Government management. As a remedy to this problem, Government adopted a Public-Private Partnership approach to re-establish these reserves. By 2002, the level of forest cover in gazetted forest reserves (Protected areas) was 1.34 million hectares (43 per cent) and this reduced to 1.3 million hectares (42 per cent) in 2008 despite efforts by NFA to plant 35,000 hectares within the Protected Areas. Most private investors in gazetted reserves are small to medium scale (up to 500 hectares) tree growers. They have planted 15,104 hectares in CFRs since 2002, which is 69 per cent of the total planted area over the same period

264. Besides the publicly managed forest reserves, there is a growing number of privately owned commercial forests. Central Forest Reserves (CFR); this category of growers constitutes 99.8 per cent of the number of investors in commercial forest plantations. This indicates that tree growing is becoming a more attractive venture to small-medium-scale investors.

265. In terms of investment financing for forestry, donor and local private financing are the major sources. While, on average, donor financing has exceeded local private financing and played a catalytic role, private financing is steadily increasing. The local private contribution has amounted to US\$ 90 billion over the period 2002 to 2008 (Figure 5.1).



Biomass Energy

266. The contribution of forestry to national energy demands is mostly expressed through woody biomass use by households and institutions for heating purposes. In 1994, charcoal production utilized 6 million m³ of round wood. This increased to 11 million m³ in 2007³⁴. In addition, the national consumption of firewood was estimated at 32.8 million m³ of woody biomass energy annually³⁵. The National Biomass Study (2003) indicates that 73 per cent of the districts in Uganda are experiencing a shortage of accessible woody biomass for fuel. On average, the distance travelled to collect firewood has increased from 0.73 km in 2000 to more than 1 km in 2007 (MWE 2007). In some districts like Kitgum, Nebbi, Gulu/Amuru, Nakasongola, Lira, Sironko and Adjumani, household members travel more than 4 km to collect firewood and this is done largely by women and children.

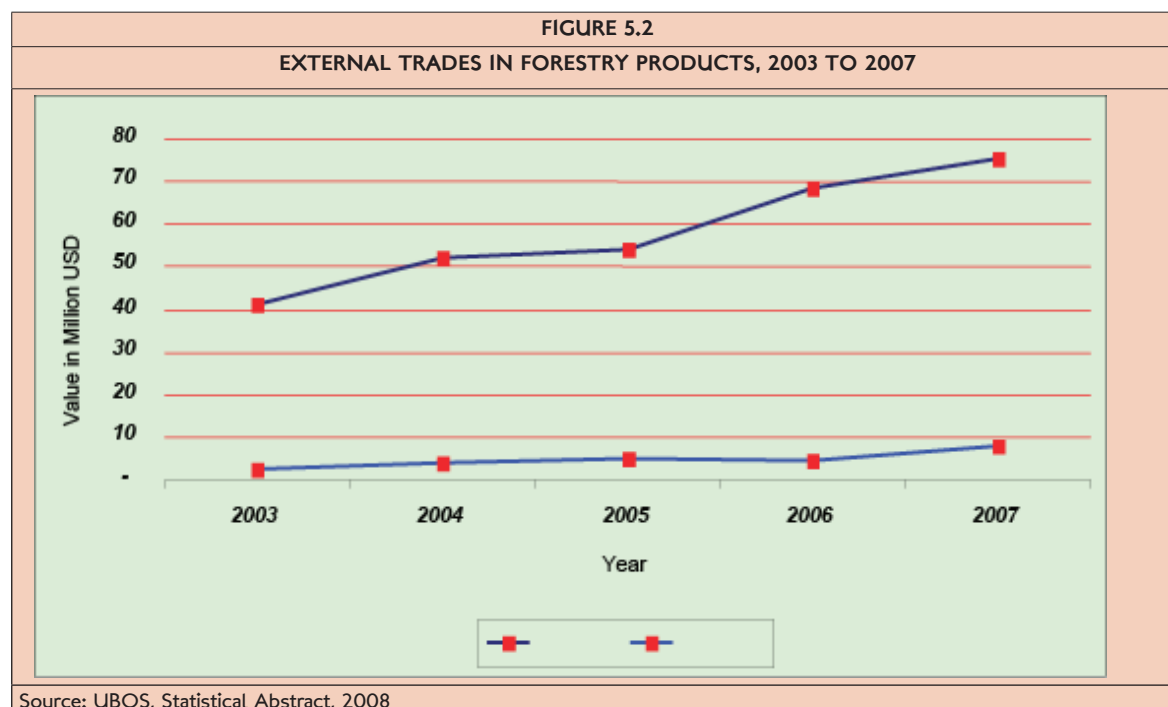
267. In addition to its contribution to ecological and energy concerns, forestry also supports the economy through forestry-related commercial products and services. These include timber products, ecotourism, arts & crafts, bee products, herbal medicine and rattan-cane. There is very little information to indicate trends in these products and services. However, ecotourism which is based on forest biodiversity is becoming a market niche for Uganda. The timber harvested and moved by licensed pit-sawyers increased from 51,000m³ to 90,000m³ between FY 1997/08 to FY 2004/05 (NFA Records, 2006). Round wood³⁶ harvest increased from

³⁴ National Biomass study, 2007

³⁵ Uganda Bureau of statistics, 2008

³⁶ Roundwood is inclusive of logs for production of sawn timber & veneer, construction and transmission poles, and fuelwood

215,723m³ (2003) to 258,522 m³ (2007). Despite this performance, Uganda remains a net importer of forestry products, and the gap between these imports and exports has been widening as illustrated in Figure 5.2. This has important implications for the forestry industry in Uganda.



5.2.2 Constraints to the Performance of the Forestry Sector

- i) Limited access to alternative sources of heating energy leading to dependence on wood fuel. Electricity supply and distribution is still very limited and tariffs remain unaffordable by the majority of the population;
- ii) Pressure on forest resource from other economic activities like agriculture, urbanization and mining leading to deforestation. This pressure is as a result of the growing population and the inability by the industrial and services sectors to absorb labour from rural areas;
- iii) Non implementation of the land use policy to mitigate the encroachment on forest land and inadequate physical planning has resulted in improper land usage;
- iv) Inconsistency in the legal and policy framework, and a weak institutional arrangement for management of the entire forestry resources in the country.
- v) Heavy investment requirement;
- vi) Limited public financial investment in the sector. The sector is almost entirely dependent on donor and private investment leaving a huge gap for public sector support to generate a reasonable supply of tree cover in order to reduce on the current deficit;
- vii) Limited access to inputs especially seedlings, pesticides, and herbicides. These are costly and unavailable to rural producers;

- viii) Weak enforcement in the forestry sector due to institutional capacity;
- ix) Limited extension services to support private sector players who are the majority in the sector.

5.2.3 Objectives, Strategies and Interventions

268. Objective 1 - Restore Forest Cover from 3,604,176 hectares³⁷ to 4,933,746 hectares (1900 levels) by 2015.

Strategy 1: Re-forestation and afforestation of 1,266,000 hectares in 698 forest reserves and 730,000 ha in national parks and game reserves.

Intervention Description

- i) Provide incentives and facilitation to leaseholders for planting trees. The intervention will involve stabilization of private sector licensing systems in forest reserves.
- ii) Establish and maintain forest plantations. The intervention requires additional forest plantations to be established and maintained by Government institutions.

Strategy 2: Promote greening along and around public infrastructure and establishments.

Intervention Description

- i) Initiate a policy requiring inclusion of greening in all road and infrastructure design and construction. Trees will be planted at all institutions, along road reserves and public lands owned by districts, cities, municipalities, town councils, schools and sub-counties.
- ii) Promote Urban Greenery through adoption of appropriate physical planning regulations.

Strategy 3: Promote commercial tree-planting on private land.

Intervention Description

- i) Institute a credit transfer scheme for land holding above a defined tree density. The plan is to capitalize the forest fund through a credit transfer scheme.

37 Biomass Study 2005

Strategy 4: Increase involvement of the population in tree planting.

Intervention Description

- i) Step up the supply of free and/or subsidized tree seedlings to farmers in agro-forestry systems. This will increase the tree density at household level (including land boundaries, inter-cropping, windbreaks, and compounds).
- ii) Support private initiatives in production of seedlings and other planting materials.
- iii) Sensitize land owners to plant trees as a means to generate income. This will be measured through the proportion of household tree-based income. The intervention will also lead to increased survival rate for trees planted, including those planted during national and international tree planting functions.
- iv) Promote afforestation on bare hills.

Strategy 5: Support Research and Development to promote new high-yielding and appropriate tree varieties.

Intervention Description

- i) Enhance availability of funds for Research and Development targeting development of improved tree varieties. Public financing for Research and Development in key institutions will be increased using competitive grant schemes. Local private Research and Development foundations will be promoted and supported.

Strategy 6: Strengthen the capacity of relevant sector institutions to effectively enforce forest and environmental laws and regulations.

Intervention Description

- i) Establish a policing force for enforcing forestry regulation. An operational forestry para-military force needs to be recruited, trained and equipped to effectively undertake forestry protection and surveillance.

269. Objective 2 - Restore degraded natural forests in forest reserves and private forests.

Strategy 1: Improve low stocked natural forests using the landscape approach.

Intervention Description

- i) Prepare and implement a Landscape Restoration Action Plan. The area of well-stocked natural forests will be increased.
- ii) Prepare and implement a phased approach to sustainable forest management. The coverage of natural forests under sustainable forest management regime will increase.

Strategy 2: Protect the Government permanent forest estate.

Intervention Description

- i) Strengthen the policing in National Parks and Wildlife Reserves to protect forest reserves against illegal activities. In particular, effort will be given to reducing forest crime such as illegal logging and encroachment.

270. Objective 3 - Reduce pressure on forest cover as a source of wood fuel and construction material.

Strategy1: Speed up implementation of the Rural Electrification Programme.

Intervention Description

- i) Extend the national power grid to at least one rural growth centre per sub-county.

Strategy 2: Scale-up incentives to promote investment in generation and use of alternative energy.

Intervention Description

- i) Provide incentives, as appropriate, on Liquid and Petroleum Gas Supplies. The relevant tax legislation requires to be adequately provided for in the Finance Bill.

Strategy 3: Promote the use of efficient energy saving sources.

Intervention Description

- i) Extend start-up capital to artisans involved in construction of fuel saving stoves in the form of a revolving fund. A mechanism for extending financial support needs to be established (e.g. an artisan fund).
- ii) Expand training in construction and use of energy-efficient stoves at household and institutional level. The interventions will increase the number of households and institutions with energy saving stoves.

Strategy 4: Invest in Research and Development for alternative energy source.

Intervention Description

- i) Enhance availability of funds for Research and Development targeted at adoption and use of alternative energy sources through existing institutions. Support to local private Research and Development foundations focused on alternative energy sources will be strengthened and promoted.

- ii) Review the Building Codes and Standards to introduce requirements for energy efficiency for new and existing buildings.

Strategy 5: Promote efficient use of timber in the Construction and Furniture industries.

Intervention Description

- i) Introduce policies and legislation to discourage unnecessary and or inefficient use of timber in construction and furniture-making. Timber use policy, legal and institutional framework to be put in place.
- ii) Implement a scholarship scheme to fund training in use of alternative materials for the manufacture of furniture products.

Strategy 6: Regulate forestry activity on private land in line with the land use policy.

Intervention Description

- i) Regulate forest harvesting activities in fragile ecosystems. Legal guidelines and standards will be developed and enforced.
- ii) Prescribe and enforce forestry regulations. Forestry regulations in support of the National Forestry and Tree Planting Act, 2003, will be developed and gazetted.
- iii) Support the development of a land use plan.

271. Objective 4 - Promote forestry-based industries and trade.

Strategy 1: Promote forest habitat-based livelihoods and products (for example Apiculture and natural medicines).

Intervention Description

- i) Sensitize communities on the potential economic benefits of forest habitat-based enterprises and products. Monthly, quarterly and annual sensitization programs need to be designed and implemented.
- ii) Improve availability of input supplies to communities neighbouring forest habitats. Relevant input supplies will be incorporated into the NAADS program.

Strategy 2: Promote Eco-tourism.

Intervention Description

- i) Scale-up the profile of forest development within the Tourism Sector Development Strategy. Investment in eco tourism (forest tourism) by Government Institutions will be increased.
- ii) Invest in and promote eco tourism (forest tourism).

Strategy 3: Introduce and popularize the use of timber and timber product substitutes, and processing technologies.

Intervention Description

- i) Facilitate fabrication of reusable scaffolding by SMEs and their acquisition by small scale contractors. This will require increasing funding and the scope of support to private initiatives.

Strategy 4: Strengthen networks for participation of local private sector in the global carbon credit market.

Intervention Description

- i) Provide additional incentives in the domestic carbon credit trade mechanism.
- ii) Establish and strengthen forest holder cooperatives and private companies.
- iii) Sensitize the public about carbon markets and develop skills.

5.3 TOURISM

5.3.1 Situational Analysis

272. This section focuses on tourism development and conservation of wildlife resources and the cultural heritage. Current international and domestic indicators give strong justification for prioritizing tourism in Uganda's development. The tourism sector is guided by the Uganda Wildlife Policy, 1999 and the National Tourism Policy, 2003. The legal framework that governs the development and regulation of the tourism industry includes: the Tourism Act, 2008, Uganda Wildlife Act, 2000, Game (Preservation and Control) Act, 2000 and the Historical Monuments Act, 1967. However, the Historical Monuments (Amended) Act, 1977 is weak and outdated.

273. Tourism Development: According to the World Tourism and Travel Council (WTTC), the contribution of Travel & Tourism in Uganda to Gross Domestic Product (GDP) was estimated at 9.2 per cent (USD1,1610 million) in 2008 compared to 10.8 per cent (USD3,463.6 million) for Kenya. Real GDP growth for the Travel & Tourism sector was estimated at 4.0 per cent in 2008. In addition, tourism contributed 7.4 per cent of total employment (420,000 jobs). The hotels and restaurants sub-sector has shown strong growth in their contribution to employment from 13,898 jobs in 2001/02 to 32,796 jobs in 2006/07³⁸. Wildlife based tourism and conservation programs in Uganda directly employ over 80,000 persons. However, the absence of a developed tourism management information system makes it difficult to accurately estimate employment in the sector. The number of tourist arrivals increased from 512,000 in 2004 to 844,000 in 2008, which is an increase of 65 per cent (Table 5.6). By comparison, the total international tourist arrivals in Kenya in 2007 were 1,816,800.

38 UBOS, Statistical Abstract, 2008.

TABLE 5.6					
TOURISM BASIC INDICATORS 2004 TO 2008					
Indicator	2004	2005	2006	2007	2008
Visitor Arrivals by Region ('000)					
Africa	407	337	396	482	624
Americas	23	29	36	42	54
Europe	49	62	71	77	106
Asia	18	20	22	25	34
Middle East	2	3	3	4	8
Oceania	2	4	4	4	6
Other & not stated	11	13	4	8	12
Sub-total	512	468	536	642	844
Visitor Arrivals by mode of Transport ('000)					
Air	131	172	200	234	358
Road	381	296	336	408	486
Sub-total	512	468	536	642	844
Arrival by Purpose of Visit ('000)					
Leisure, recreation & holidays	86	9	30	140	144
Business & professionals	81	31	72	110	163
Visiting friends & relatives	71	35	89	272	347
Other	274	393	345	120	190
Tourism expenditure in the country (USD Million)	321	327	375	449	590
Source: UBOS, Statistical Abstract, 2009					

274. Most tourist arrivals in 2008 were from Africa (74 per cent), followed by Europe (13 per cent) and Americas (6 per cent). This trend has remained the same over the period 2004 to 2008. The leading source markets for tourists are Kenya, UK, USA and South Africa in that order. A large number of tourists come by road (58 per cent of total arrivals in 2008), although the growth in terms of arrivals by air appears to be picking up much faster (57 per cent growth between 2007 and 2008). Tourism expenditure increased steadily from USD 321million in 2004 to USD 590 million in 2008, an average annual increase of 22 per cent. On average, the length of stay for tourists in Uganda is still very short, an aspect that must be addressed to enhance earnings from the sector.

275. Tourism Product Mix: Analysis shows that Uganda's current tourist products are nature-based and centred on distinct geographic areas. Several of these are linked to national parks, wildlife reserves, forests reserves or specific attractions, and activities such as white water rafting at the source of the Nile in Jinja. The nature of attractions include: Eco-Tourism, Cultural Heritage, Faith-Based Tourism, Community Development Tourism and Meetings, Incentives, Conferences and Events (MICE).

276. Eco-Tourism: The greatest unique attractions in this area include: gorilla tracking; viewing chimpanzee, golden monkeys and Patas monkeys; nature guided walks, community walks, butterfly viewing, and bird watching. Uganda's position as a plateau astride the equator has given it a niche in the variety of bird life.

277. Cultural Heritage: The desire to learn from the heritage and way of life of communities is a strong human inclination. Uganda is endowed with diverse heritage and cultural treasures that attract both foreign and domestic visitors. The archaeological treasures opening the window into the beginning of mankind, the monarchical leadership that predates the early explorers, the living culture and the history manifested in Idi Amin's leadership are tourist products that Uganda can capitalize on. However, Uganda's tangible cultural heritage is fast vanishing. This is partly attributed to ineffective and outdated laws. For example, Fort Lugard in Old Kampala was demolished while cultural/ historical objects are easily exported and gazetted sites are not being optimally utilized.

278. Faith-Based Tourism: Worldwide, religious capitals have developed and supported the growth of tourism notably Mecca, Jerusalem and Rome. Equally, different destinations have been shaped by religion from the Buddhist temples in Asia, apparition sites of the Virgin Mary to the current spread of Pentecost faith. In Uganda, the Namugongo Martyrs Shrine stands out as a site of pilgrimage, as well as the hills housing the important symbols of Catholic, Anglican, Bahai, Pentecost and Islamic faiths. However, the current policy and practice has not integrated tourism in the development and promotion of these sites. This potential has grown naturally and should be harnessed to fully realize the benefits of faith based tourism.

279. Community and Development Tourism: Community tourism refers to tourists who wish to experience the way of life of the communities living in the various points of interest. Development motivated tourists are those driven by the desire to improve the lives of the communities in less advantaged locations. Examples in this category include doctors conducting health clinics in a village and Rotarians supporting the construction of a village well or school. This is a growing source market that has not been specifically targeted through policy and practice. It is commonly sourced in the non-governmental organizations like churches, social groups and professional associations.

280. Meetings, Incentives, Conferences and Events (MICE): The MICE industry includes conference organizers, event managers, decorators, sound and lighting providers, video graphics, exhibitors and entertainers. All these businesses are entwined and depend on the ability of a destination to attract people to meet for various reasons and purposes. The success of this industry is dependent on the destination's infrastructure relating to transport, communication, finance and other developed services. It is estimated that the growth of the urban hotel industry in Kampala, Entebbe and Jinja is largely attributed to this segment.

5.3.2 Constraints to the Performance of the Tourism Sector

- i) Inadequate public and private institutional capacity to initiate meaningful tourism development. The private sector on the other hand is fragmented, small and lacks sufficient public sector support.
- ii) Inadequate policy frameworks to conserve Uganda's cultural heritage which is presently threatened to extinction.
- iii) Limited funding: Tourism promotion is costly yet the sector experiences serious shortages in resource allocation to effectively compete with other tourist destinations.
- iv) Lack of adequate skilled human resources particularly in tourism promotion, hotels and restaurants, tours and travel, leisure and hospitality.
- v) Negative perception about Uganda's image due to past insecurity: This has affected Uganda's attractiveness as a secure tourist destination. In addition, the over reliance on foreign tourists makes the sector highly vulnerable to external shocks.
- vi) Inadequate physical infrastructure support: A network of good roads and availability of affordable air charters are essential for the comfort, safety and security of tourists. Some existing tourism attraction

facilities are inaccessible due to poor condition or absence of the requisite transport infrastructure. The supply of water, communication facilities and electricity are equally necessary.

- vii) Inadequate research and development of the tangible and intangible heritage.
- viii) Narrow product diversity: the country's tourism activities are largely concentrated on wildlife despite the existing potential in culture, community, faith based conferences and business tourism.
- ix) Inadequate research on emerging trends, markets and consumer surveys as well as regular statistical information required to inform decision makers, investors and tourists.

5.3.3 Objectives, Strategies and Interventions

281. Objective 1 - Develop and review the policy, legal and regulatory framework for the sector.

Strategy 1: Review the tourism policies and plans.

Intervention Description

- i) Review the Tourism Policy.
- ii) Review the Tourism Master plan.
- iii) Review the Uganda Wildlife Policy.
- iv) Formulate a Museums and Monuments policy.

Strategy 2: Update relevant legal and regulatory framework.

Intervention Description

- i) Review the National Wildlife Act.
- ii) Enact the Uganda Wildlife Education Centre (UWEC) Act.
- iii) Review the Museums and Monuments Act.
- iv) Develop and implement the Wildlife sub-sector regulations (fire arms, sport hunting, farming, ranching, ecotourism, scientific and education use and extractive utilization) for the protected areas.
- v) Domesticate CITES.
- vi) Review Uganda Wildlife Training Institute (UWTI) Act.
- vii) Review Hotel and Tourism Training Institute (HTTI) Act.

282. Objective 2 - Increase the contribution of tourism to GDP and employment.

Strategy 1: Operationalise the Tourism Development Levy and Fund.

Intervention Description

- i) Develop and disseminate guidelines for collection of the levy.
- ii) Establish structures and mechanisms for levy collection.
- iii) Develop and make operational a framework for the Tourism Development Fund.

Strategy 2: Develop marketing tools packaging Uganda as the preferred tourism destination.

Intervention Description

- i) Review the National Tourism Marketing Strategy.
- ii) Enhance marketing tools.

Strategy 3: Develop and implement Meetings, Incentives, Conferences and Events (MICE) strategy.

Intervention Description

- i) Establish a functional MICE Bureau/centre.
- ii) Develop a MICE marketing strategy.
- iii) Build capacity of MICE industry through training and market support.

Strategy 4: Strengthen the tourism and wildlife information system, including developing the Tourism Satellite Account (TSA).

Intervention Description

- i) Develop a tourism management information system.
- ii) Develop the Uganda Tourism Satellite Accounts (TSA).
- iii) Undertake international niche market surveys and other data collection activities
- iv) Strengthen animal wildlife database.
- v) Develop and implement guidelines on wildlife trade and enterprise.
- vi) Strengthen the museums, monuments and antiquities database.

Strategy 5: Secure international and domestic source markets for tourism.

Intervention Description

- i) Strengthen presence in existing tourism source markets.
- ii) Identify and nurture new tourism segments.

Strategy 6: Diversify tourism products.

Intervention Description

- i) Implement four (4) Zonal tourism plans and produce Zonal plans for four (4) other ecological zones.
- ii) Habituate and avail new gorilla, chimpanzee and monkey groups for tourism.
- iii) Re-introduce chimpanzees and rhinos into wildlife.
- iv) Develop the souvenir art and craft industry through support of art and craft groups with necessary equipment and training.

- v) Develop cultural centres through provision of concept and infrastructure support to cultural groups and companies.
- vi) Develop water based tourism resources through provision of concept and infrastructure support to water based tourism resources.
- vii) Promote other new tourism products such as butterfly viewing, caving, bird watching, canopy walk, and wilderness camping.

Strategy 7: Regulate tourism products development.

Intervention Description

- i) Develop and implement quality inspection and licensing framework.
- ii) Undertake monitoring and evaluation of the sector activities.
- iii) Monitor and regulate tourism in mining, hydropower, oil and gas, and wildlife conservation areas.

Strategy 8: Support development of tourism enterprises.

Intervention Description

- i) Research and package new tourism enterprise opportunities.
- ii) Enhance capacity of tourism sector SMEs, including putting in place a seed capitalization fund and information centres for SMEs in tourism.
- iii) Support community based tourism enterprises around wildlife protected areas.

Strategy 9: Develop tourism human resource.

Intervention Description

- i) Review the tourism and wildlife manpower training curricula, including upgrading the quality of the tourism and wildlife training tools.
- ii) Enhance capacity of tourism and wildlife tertiary institutions through staff in-service training in areas of tourism development, wildlife, museums, and culture, arts and craft enterprises.
- iii) Strengthen the Uganda Hotel and Tourism Training Institute.

Strategy 10: Develop tourism support infrastructure.

Intervention Description

- i) Develop and implement a framework to facilitate development of convenient tourist stop-overs along major high ways and tourist circuits.
- ii) Construct a tourism house to accommodate tourism sector institutions.
- iii) Identify and develop critical transport networks leading to protected areas and other tourist sites.

- iv) Construct ranger out posts in Queen Elizabeth National Park (QENP), Murchison Falls National Park (MFCA), Bwindi and Mugahinga Conservation Area (BMCA) and Rwenzori National Park (RNP).
- v) Upgrade/renovate campsites, signage, information/interpretation centres, gates, walk ways and game viewing tracks in key wildlife areas.
- vi) Construct Museums at Kabale and Hoima and finalize plans for Soroti and Jinja, and support renovation of key cultural and religious sites.
- vii) Re-design and develop the Jinja source of the Nile tourist site.
- viii) Procure and title prime land to support construction of tourist accommodation facilities; and produce ready for implementation architectural design works for model tourism developments.
- ix) Upgrade mountain climbing and rescue facilities in Rwenzori, Elgon, Muhabura and Kadam. This will include putting in place trails, rest points, accommodation facilities, and safety and rescue services.
- x) Establish a tourist circuit on Lake Victoria (Botanical gardens, Lutembe beach, Ngamba Island, UWEC). This will include development of 2 landing sites, migratory birds' observatory at Lutembe beach and UWEC floating restaurant, and acquisition of 3 boats.
- xi) Upgrade Uganda Wildlife Education Centre (UWEC) by constructing an education and information complex; increasing the animal exhibits and recreational facilities; and stone paving the trail and road network.
- xii) Establish satellite Wildlife Education Centres for the four (4) regions of Uganda.
- xiii) Construct a dining hall, dormitory, 10 staff houses, and museum block at Uganda Wildlife Training Institute (UWTI) and retool the Institute.
- xiv) Construct an extension of the National Museum to expand its operations and modernize its interpretation facilities by establishing ICT/database aided interpretation equipment and tools.
- xv) Establish interpretation centres at 10 cultural and archaeological sites.
- xvi) Revive the Uganda Institute of Ecology (UIE).

Strategy 11: Develop strong public and private sector institutional linkages.

Intervention Description

- i) Establish and support tourism and wildlife associations.
- ii) Support district commercial and environment offices to handle wildlife conservation, museum and monument matters.
- iii) Support the development of tourism private sector apex body.

Strategy 12: Undertake research to support the development of tourism, wildlife resources and cultural heritage.

Intervention Description

- i) Create a wildlife resources data bank for Uganda.
- ii) Conduct tourism specific studies on trends, inventory and problem analysis to enrich the database.

Strategy 13: Develop a public-private partnership (PPP) framework for the management of tourism, wildlife and cultural heritage attractions.

Intervention Description

- i) Register and train private wildlife management entrepreneurs country wide.
- ii) Support tourism development in local governments.

Strategy 14: Improve human-wildlife relationships.

Intervention Description

- i) Formulate national guidelines for wildlife veterinary interventions.
- ii) Resettle and or compensate people residing in key tourism and wildlife conservation areas. These include; Majelli community in Ajai, Benet community in Elgon and Mbwa Tract in Bwindi.
- iii) Negotiate and acquire land for migration corridors in Aswa Lolim.
- iv) Carry out evaluations of the existing human-wildlife conflict mitigation measures with a view to improve them.
- v) Implement problem animal deterrent and scare measures (Trenches, Walls, thunder flashes, crocodile barriers, pepper and live fence) to reduce incidents of human animal conflict.
- vi) Carry out electric fencing of 118 km boundaries of Lake Mburo to address the problems of animals around the Park as a pilot project.
- vii) Carry out electric fencing of 100 km part of Queen Elizabeth National park.

Strategy 15: Effective participation in International decision making.

Intervention Description

- i) Clear accumulated subscriptions to WTO and other international bodies.
- ii) Support private sector participation and advocacy in regional and international meeting.

Strategy 16: Enhance security and safety for tourists and tourism resources.

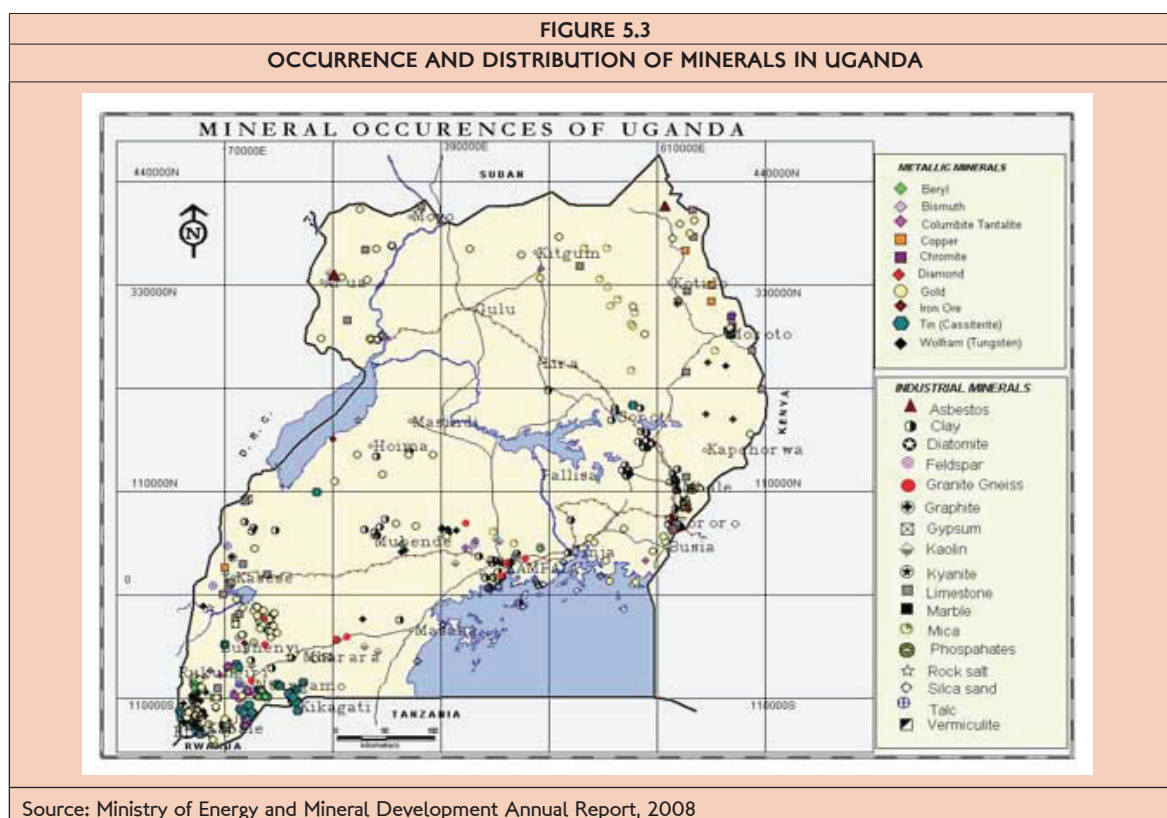
Intervention Description

- i) Develop and implement a national safety and security plan for tourists and tourism resources.
- ii) Strengthen law enforcement in wildlife conservation areas to guarantee security of tourists and wildlife resources.

5.4 MINING SECTOR

5.4.1 Situational Analysis

283. Uganda is endowed with a variety of mineral deposits. The map below (Figure 5.3) indicates the occurrence and distribution of minerals in Uganda.



284. Mineral exploration, mining and processing has occurred since the colonial times. In the 1960s, mining was ranking among Uganda's top economic activities and foreign exchange earners, contributing one-third of the total exports and up to 7 per cent of the GDP. However, the contribution of mining to Uganda's GDP declined significantly in the 1970s largely due to political and economic instability. This trend persisted throughout the 1980s and 1990s until recently when deliberate attempts were made to rejuvenate the sector performance.

285. Over the past six years, Government has implemented a Comprehensive Mineral Sector Reform Programme with a primary goal of harmonizing the legal, policy and institutional framework within the mining sector and enhancing

contribution of mining to GDP, foreign exchange and employment. This program has contributed to the following:

- Increase in number of investors licensed in the sector from 91 in 2003 to 517 in 2008.
- Production volumes and exports have gone up (Table 5.7 and 5.8)

TABLE 5.7				
MINERAL PRODUCTION - VOLUME AND VALUES (2004 TO 2007)				
Mineral Type	Production Volume in Tones			
	2004	2005	2006	2007
Limestone	428,775.90	540,755.60	425,610.70	447,462.80
Pozzolan Materials	134,643.97			
138,932.70	213,639.90	280,522.30		
Vermiculite	2,688.00	2,574.00	3,512.00	3,269.00
Colombite/Tantalite	0.38	0.30	0.10	0.10
Cobalt	459.00	637.80	689.20	636.30
Gold	1.50	0.05	0.02	0.03
Gypsum	181.20	285.30	121.20	168.20
Lead (Galena)	-	-	46.00	38.00
Wolfram	79.90	45.10	94.80	107.90
Kaolin	537.00	55.00	-	8,152.20
Iron ore	-	208.50	-	366.00
Syenitic aggregates	-	4,519.00	6,080.00	8,994.20
Total	567,366.78	4,827.6	6,174.8	17,620.3
Mineral Type	Production Value (UGX millions)			
	2004	2005	2006	2007
Limestone	34,302.10	54,075.60	51,073.28	53,695.53
Pozzolan Materials	2,827.50	2,917.60	4,486.44	5,891.00
Vermiculite	914.00	875.16	1,194.08	1,111.46
Colombite/Tantalite	0.60	0.41	1.55	16.00
Cobalt	21,254.00	30,645.66	33,113.80	33,377.20
Gold	30,621.40	1,076.66	787.24	983.47
Gypsum	18.10	28.53	12.12	16.84
Lead (Galena)	-	-	115.00	190.00
Wolfram	89.50	50.52	106.20	120.84
Kaolin	53.70	5.50	0.00	244.56
Iron ore	-	20.85	0.00	25.62
Syenitic aggregates	-	0.00	9.12	13.50
Total	143.2	76.87	115.32	404.52

Source: Ministry of Energy and Mineral Development Annual reports 2004, 2005, 2006, 2007, 2008

TABLE 5.8				
MINERAL EXPORTS FROM 2004-2007				
Mineral	Value UGX Millions			
	2004	2005	2006	2007
Limestone	2.03	0.80	1,451.84	309.67
Columbite/Tantalite	0.00	0.75	0.00	62.85
Cobalt	2.7	11.04	9,183.63	21,196.94
Gold	151.88	164.14	219.34	131,566.99
Gypsum	0.00	0.00	0.00	0.00
Lead (Galena)	0.00	0.00	76.46	6.06
Wolfram	0.04	5.6	88.3	63.15
Diamond	0.00	56.94	71.243	43.5
Tourmaline	0.00	0.00	3.7	45.02
Tin	0.01	0.00	8.63	0.00
Sapphire	0.00	0.00	0.87	0.00
Rubbies	0.00	0.00	1.74	0.00
Beryl	0.00	0.00	0.00	0.00
Copper	0.12	0.00	0.00	52.95
Total	181.49	173.04	218,347.00	153,347.1

Source: Ministry of Energy and Mineral Development 2008–Annual reports

Employment

286. In the 1970s, the minerals sector provided employment for 8,000 people. To date, more than 130,000 Ugandans work as Artisans and small scale miners and at least 700,000 more people indirectly benefit from artisan and small scale mining. Some of these are indirectly employed in transport, marketing, food vending and equipment supply. More than 100,000 of these miners are working in “industrial minerals” production including salt, clay, sand, aggregates, limestone, and slates. Almost 50 per cent of these miners are women. Mining has become the principal livelihood for many Ugandans with a bigger number dependant on these miners for their living. After the Sustainable Management of Mineral Resource Project, the number of artisan and small scale miners is likely to grow to 300,000 by 2014/15.

Productivity and Efficiency Measures

287. Most of the mining activities in Uganda are by artisan and small scale miners who use manual and labour intensive methods. Minerals produced are usually exported as concentrates without refining them. There is need for value addition. There are no facilities for the production of pure elements from mineral ores in Uganda except at Kasese Cobalt Plant.

288. Under Sustainable Management of Mineral Resource Project, about 1000 artisan and small scale miners have been trained in geology and exploration, mining methods, mineral processing, environment management, business skills, health and safety, social issues (gender, child labour, social conflicts, health and safety). By 2014/15, after providing access to training and extension facilities, ensuring the availability of affordable and effective technology, promoting environmentally sound technologies, there will be increased mineral productivity and revenues accruing from mining.

5.4.2 Constraints to the Performance of Mineral Sector

- i) Inadequate infrastructure in particular transport and power: The scattered nature of minerals all over the country poses challenges to power supply and provision of transport infrastructure.
- ii) Land encumbrances in mineral prospective areas: While Uganda’s Constitution is clear that any parcel of land found to be harbouring mineral resources becomes property of Government (upon compensation of the registered owner), the same law vests ownership of land to the people. This delays exploitation of minerals deposits in privately owned parcels of land.
- iii) Limited access to appropriate technologies: most mining activities in the country, especially those carried out by local investors and artisans, use inappropriate technologies. This is largely due to low availability and high cost of mining plants and equipment on the local market. Use of inappropriate technologies is responsible for low productivity of the sector and environmental degradation as evidenced in sand mining.

- iv) Inadequate human resources: the sector suffers from inadequacy of skilled personnel such as Geoscientists.
- v) Inadequate basic geological data for mineral exploitation and land-use planning.

5.4.3 Objectives, Strategies and Interventions

289. Objective 1 - Promote and empower artisanal and small scale miners.

Strategy 1: Develop and implement laws and regulations to protect and benefit miners, communities and the environment.

Intervention Description

- i) Institute an effective border security system to prevent illegal cross-border trade in minerals.
- ii) Promote actions aimed at legalising businesses of artisanal small scale miners.

Strategy 2: Enhance institutional collaboration and partnership in the Mining Sector.

Intervention Description

- i) Establish PPPs for development of mining sector.

Strategy 3: Promote the use of new proven technologies for improved mineral recovery and production.

Intervention Description

- i) Establish pilot model schemes for new proven technologies within mining communities.
- ii) Facilitate linkages between high technology mining companies and mining communities.

Strategy 4: Promote transparency in mining.

Intervention Description

- i) Establish a modern mining cadastre which is adaptable, sustainable, affordable, efficient and secure.

Strategy 5: Provide Credit access to artisanal and small scale miners

Intervention Description

- i) Provide access to formal regulated sources of money such as grants to artisanal and small scale miners.
- ii) Encourage miners to make productive investments through demonstrations on site for efficient technologies.

Strategy 6: Develop infrastructure for mining activities.

Intervention Description

- i) Extend and improve physical infrastructure into potential and existing mining areas through construction of roads, power grid lines and substations, and piped water systems.

Strategy 7: Ensure market awareness within artisanal and small scale miners' communities.

Intervention Description

- i) Collect and disseminate market information through workshops and seminars.

290. Objective 2 - Provide basic geo-scientific information for development of the Mining and Subsidiary sectors.

Strategy 1: Undertake geological, geochemical, geophysical and remote sensing surveys & mineral resource surveys.

Intervention Description

- i) Carry out multi-disciplinary studies to discover mineral deposits which can be extracted economically.

Strategy 2: Disseminate mining information.

Intervention Description

- i) Disseminate mining information through publications, workshops, conference presentations and any other media.
- ii) Establish geological and mineral information systems.

291. Objective 3 - Enhance human resource capacities within the mining industry.

Strategy 1: Build human resource capacity in geo-scientific research.

Intervention Description

- i) Recruit, train and retain geo-scientists.
- ii) Train geologists, miners, mineral processors, geo-information managers & analytical chemists through government direct sponsorship.
- iii) Promote bilateral cooperation through exchange and fellowship programmes.
- iv) Provide incentives to mining industries to employ, train and retain local manpower.

Strategy 2: Produce general interest publications about mining.

Intervention Description

- i) Document “how to” field guide manuals about mining and mineral occurrences.

Strategy 3: Offer extension services.

Intervention Description

- i) Construct new and refurbish old zonal offices for bringing Government assistance closer to mining communities.

292. Objective 4 - Promote environmental and social responsibility in mining.

Strategy 1: Strengthen monitoring of mining corporations for compliance to their stated CSR and environmental management plans.

Interventions Description

- i) Incorporate CSR in investment licensing compliance monitoring.

Strategy 2: Promote safe practices and technologies in the sector.

Interventions Description

- i) Ensure adherence to mining practices, standards, methods, regulations and international best practice.

Strategy 3: Ensure the institution and enforcement of OHS policies and respect of human rights in all mining operations.

Intervention Description

- i) Strengthen the capacity of labour inspection division to monitor labour standards and practices in mining operations.
- ii) Strengthen linkages and cooperation with CSOs to enhance monitoring of child labour and other HR abuses in mining operations.

Strategy 4: Carry out awareness campaigns for mining communities.

- i) Train communities on social issues like social conflict, justice, human rights, gender issues, health and safety, child labour.

293. Objective 5 - Strengthen and expand the National Seismological Network to achieve national coverage over areas prone to earthquakes.

Strategy 1: Locate and monitor earthquakes, map seismic risk and mitigate their impact in Uganda.

Intervention Description

- i) Carry out site surveys and selection in order to produce seismic risk maps.

- ii) Conduct signal to noise studies at the selected sites and provide warning bulletins to the public.
- iii) Acquire 40 sites with acceptable signal to noise ratio.
- iv) Construct 40 seismic vaults and sensors for acquisition of data at the acquired sites.
- v) Establish data transmission systems from the 40 stations to the National Data Centre (NDC) at Entebbe.
- vi) Upgrade the NDC with state of art systems that will handle heavy traffic of data streams received from the 40 remote stations.
- vii) Train Uganda scientists in different ways of data acquisition and processing.

294. Objective 6 - Promote and gazette the geo-sites and geo-parks.

Strategy 1: Identify and classify the potential sites/areas and gazette them as geo-sites and geo- parks.

Intervention Description

- i) Identify and document all the geologically interesting sites/areas.
- ii) Participate in short courses and international conferences about geo-sites and geo-parks.
- iii) Classify the identified geo-sites and geo-parks.
- iv) Create awareness and recognition of the classified geo-sites and geo-parks.
- v) Collaborate with UNESCO for international recognition and protection of geo-sites and geo-parks.

295. Objective 7 - Develop geothermal energy to complement hydro and other sources of power.

Strategy 1: Explore and develop the geothermal energy resources.

Intervention Description

- i) Carry out Geological and geophysical surveys.
- ii) Collect baseline data for environmental impact assessment.
- iii) Conduct training programmes in resource testing, project design, operation and financing.
- iv) Drill and test 9 exploration wells.
- v) Drill and test 10 production wells.
- vi) Construct 3 geothermal power plants at Katwe in Bundibugyo district, Buranga in Kasese district and at Kibiro in Hoima district.

5.5 OIL AND GAS SECTOR

5.5.1 Situational Analysis

296. The oil and gas industry consists of upstream, mid-stream and downstream operations. Upstream operations include exploration and production, mid-stream involves transportation and refining, while downstream operations include distribution and marketing.

297. Within the national context, major developments in upstream operations are associated with the recent discovery of commercially viable oil deposits. This discovery traces back to geological mappings developed since 1925. In light of the importance of petroleum products in meeting national energy demands and on the country's terms of trade, Government is keen to capitalize on this discovery.

298. Over the period 1997 to 2008, a total of USD 500 million private capital had been invested in these upstream operations. Government has invested in infrastructure support including upgrading of roads connecting to exploration sites and undertook various assessments to ensure compliance with international best practice in the exploration processes. These assessments included, among others, Environmental Impact Assessments, Biodiversity Conservation Assessments, and border surveys to mark national boundaries and minimize border conflicts. There have also been improvements in the institutional and policy framework for effective production and management of oil revenues with the approval of the National Oil and Gas Policy 2008. However, the complementary legislations proposed by the policy such as Petroleum Resource Law and Petroleum Revenue Management Law are yet to be enacted.

299. In terms of potential capacity, reserves are currently estimated at 2 billion Barrels of Oil Equivalent (BOE)³⁹ as of June 2009⁴⁰, with most of it concentrated in the Albertine Graben region⁴¹ in an area of about 23,000km². However, oil reserves are likely to increase since exploration is still on-going.

300. In respect to downstream operations, the average annual growth of petroleum consumption stands at about 5 per cent. Between 2005 and 2007, there was a steep growth in consumption of about 20 per cent as a result of thermal electricity generation using diesel as a temporary intervention in the power sector. Currently, the nation meets all its petroleum needs with imports now standing at 847,603 cubic meters, and estimated at USD 320 million per annum. This constitutes about 8 per cent of total national imports and represents slightly above 20 per cent of total export earnings.

39 This is a combined amount of oil and gas in place

40 Budget Speech 2009

41 Albert region stretches from Arua to Kanungu

5.5.2 Constraints to the Performance of Oil and Gas Sector

- i) Inadequate human resource capacity in terms of numbers and skills; this is exacerbated by the absence of adequate specialized training institutions within the country, and the duration it takes to develop expertise.
- ii) High staff turnover in the sector rendering it weak and ineffective in its functions.
- iii) Limited bulk transportation means due to the dilapidated rail system, and over reliance on a single transport route.
- iv) Insufficient legal, policy and institutional framework.

5.5.3 Objectives, Strategies and Interventions

UPSTREAM

301. Objective 1 - Scale up oil and gas exploration with a view to increasing the potential capacity of reserves up from 2 billion barrels of oil equivalent.

Strategy 1: Continued exploration in the Albertine and other basins outside the graben.

Intervention Description

- i) Carry out continuous geological and geophysical mapping.
- ii) Licensing of complement oil companies for exploration and development.

MIDSTREAM

302. Objective 2 - Carry out commercial production of oil and gas and build subsequent infrastructure for distribution, operations and management.

Strategy 1: Develop an appropriate and modern legal and regulatory framework for midstream petroleum segment.

Intervention Description

- i) Develop the legal framework.
- ii) Develop the attendant regulations to regulate midstream activities, facilities and infrastructure.

Strategy 2: Develop an appropriate institutional framework to monitor, regulate and promote the development of midstream infrastructure/facilities.

Intervention Description

- i) Develop the institutional set up for regulation of the activities - capacity/ infrastructure, procure monitoring and regulatory systems.

Strategy 3: Refinery development.

Intervention Description

- i) Carry out a feasibility study for refinery development.
- ii) Project structuring and promotion.
- iii) Refinery engineering.
- iv) Refinery construction and commissioning.

Strategy 4: Ensure that the oil and gas resources in the country provide maximum optimal benefits to the country and region.

Intervention Description

- i) Develop the petroleum utilisation plan.
- ii) A study on the transportation options for refined products for distribution in the country and region.
- iii) A study on gas requirement for the existing energy based industries for example Cement, Steel, fertilizer, among others.
- iv) A study on the exportation options/potential of refined products.
- v) A study on gas conversion and processing.
- vi) Develop a monitoring and evaluation system.
- vii) Develop standards for midstream facilities.
- viii) Develop a tariff methodology and third party access procedures for capacity utilisation of midstream facilities.
- ix) Develop a licensing framework for midstream facilities.

Strategy 5: Build appropriate and the necessary human resource capacity necessary to oversee, regulate and promote the sector.

Intervention Description

- i) Capacity building areas.
- ii) Petroleum (midstream) policy development, planning regulation and management of midstream activities and facilities (refineries, Crude oil, transportation, refining and trading (oil supply logistics).
- iii) Refinery operations (engineering, analytical, processing among others)
- iv) Pricing of refined products, electricity tariff and power production from crude oil, refined products and gas.
- v) Operations and regulation of the development, installation, operation and maintainance of midstream facilities.
- vi) Industrial conversion of gas and gas processing facilities.
- vii) Health safety environment and quality (HSQE) in refineries, pipelines, chemical plants and gas conversion plants.

Strategy 6: Regional cooperation in development of refineries and other midstream infrastructure to achieve regional security of energy supply.

Intervention Description

- i) Develop a regional agreement on the development of midstream infrastructure.
- ii) Develop a regional agreement on purchase of Ugandan oil and gas by regional countries.
- iii) Develop regional supply systems for oil and gas resources; inter state pipelines to distribute petroleum products, inter state rail.

303. Objective 3 - Build human resource capacity for oil and gas exploration, production, processing and marketing at all levels including artisan, technicians and professionals.

Strategy 1: Develop and retain a pool of national expertise for oil and gas sector.

Intervention Description

- i) Strengthen Kigumba Technical Institution to provide training up to international standards.
- ii) Train professionals in petroleum fields at Masters level for upstream, midstream and downstream operations.
- iii) Train staff in petroleum standards, chemistry, engineering and management.
- iv) Facilitate and equip the petroleum downstream department.

304. Objective 4 - Ensure sufficient stock of petroleum products on the market all the time.

Strategy 1: Restock strategic reserves.

Intervention Description

- i) Restock the Jinja reserve.
- ii) Complete the construction of the Nakasongola reserve.
- iii) Restock the Nakasongola reserve.
- iv) Complete the construction of the Gulu reserve.
- v) Restock the Gulu reserve.

Strategy 2: Build capacity for the downstream petroleum department.

Intervention Description

- i) Train staff in petroleum standards, chemistry, engineering and management.
- ii) Facilitate and equip the downstream petroleum department.

305. Objective 5 – Provide sufficient legal, policy and institutional framework to support private sector participation in the sector.

Strategy 1: Strengthen the policy, regulatory and institutional framework.

Intervention Description

- i) Implement the current oil and gas policy.
- ii) Expedite the formulation of the national PPP policy to allow more private investment in the sector.

5.6 MANUFACTURING

5.6.1 Situational Analysis

306. Manufacturing is one of the economic activities under industry. It involves turning of raw materials into goods and products on a large scale. This sector comprises: metallurgical; food processing; leather and leather products; textiles, clothing and garments; building and construction; paper, printing and packaging; and chemical and pharmaceutical products industry.

307. The share of manufacturing in GDP has been decreasing from 7.0 per cent in FY 2003/04 to 6.7 per cent in FY 2008/09. This was largely due to high power tariffs and unreliable power supply in the country⁴². However, the operational establishments increased from about 150 to about 209 in 2007. Most of these establishments were in the Food processing sub sector.

308. The manufacturing sector in Uganda is still small but diverse in terms of its composition. It is characterized by processing of agricultural raw materials and production of consumer goods⁴³. Cotton ginning, tea processing, coffee hauling, or tobacco handling and processing, beverages, wheat products and dairy products are some of the examples of such processing.

309. Capital goods industries are very few and capacity utilization of manufacturing industries is low, standing at an estimated less than 50 per cent of installed capacity (UBOS, 2005). Small and Medium Enterprises (SMEs) account for over 90 per cent of the manufacturing sub-sector with 39 per cent of these in agro-based industries.

310. The UBOS Business Register Survey of 2007 listed 3,280 manufacturing establishments in Uganda. The survey shows that Kampala had the highest proportion of businesses in all manufacturing sub-sectors except coffee processing, grain milling and tea processing (Table 5.9)

⁴² UBOS, Statistical abstract, 2009.

⁴³ Such processing takes place at or near the sources of supply of these raw materials.

TABLE 5.9						
REGIONAL DISTRIBUTION OF MANUFACTURING BUSINESS IN UGANDA						
Industry	Kampala	Central	East	North	West	Total
Processing of Meat, Fish and Dairy Products	23	19	18	13	19	92
Coffee Processing	21	4	33	1	36	185
Grain Milling	190	98	193	39	79	599
Tea Processing	2	8	3	2	23	38
Bakery and Manufacture of Other Food Products	93	45	25	8	32	203
Manufacture of Beverages and Tobacco	51	12	10	6	4	83
Manufacture of Textiles and Leather Products	80	33	47	26	34	220
Sawmilling, Printing and Publishing	275	35	26	19	30	385
Chemicals and Chemical Products	66	8	7	-	2	83
Manufacture of Plastics	60	37	47	2	32	178
Manufacture of Metal Products	263	79	55	32	55	484
Manufacture of Furniture and Other Manufacturing	250	151	137	51	141	730
Total	1,374	619	601	199	148	3,280
Source: UBOS Business Register 2007						

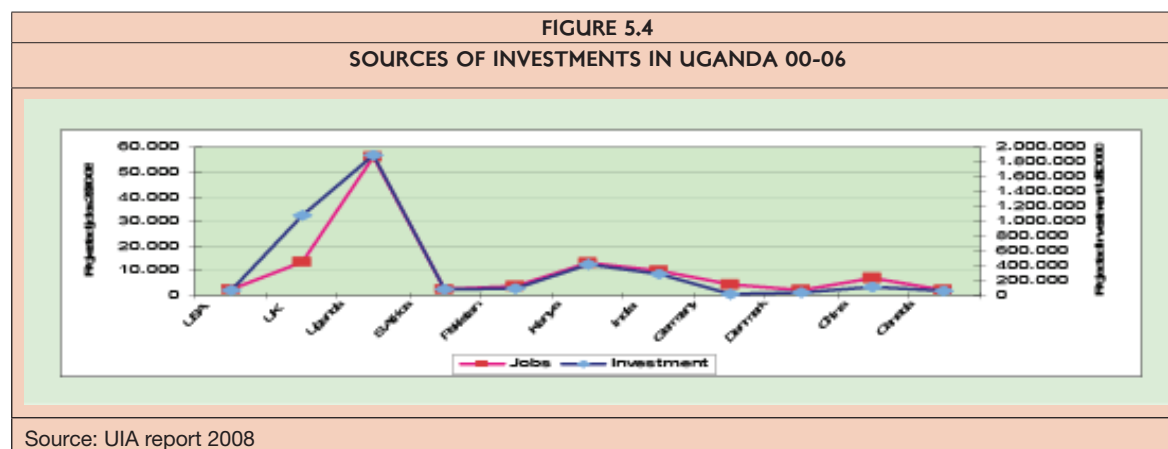
311. The manufacturing sector employed nearly 72,200 persons in 2006/07 with 79 per cent being male compared to only 21 per cent female. On the whole, most employment is in the tea processing, bakery and manufacture of other food products, manufacture of metal products, processing of meat, fish and dairy products. The least employment was in coffee processing followed by chemicals and chemical products sub sector (Table 5.10).

TABLE 5.10:						
EMPLOYMENT BY SEX IN THE MANUFACTURING SECTOR						
Industry	Number of businesses	Males employed	%	Female employed	%	Total
Processing of Meat, Fish and Dairy Products	92	4,654	8	1,698	11	6,360
Coffee Processing	185	1,719	3	531	3	2,253
Grain Milling	599	4,579	8	876	6	5,463
Tea Processing	38	11,211	20	2,971	19	14,202
Bakery and Manufacture of Other Food Products	203	5,278	9	1,311	9	6,598
Manufacture of Beverages and Tobacco	83	3,426	6	1,379	9	4,811
Manufacture of Textiles and Leather Products	220	3,469	6	2,018	13	5,493
Sawmilling, Printing and Publishing	385	4,329	8	1,812	12	6,149
Chemicals and Chemical Products	83	1,861	3	747	5	2,611
Manufacture of Plastics	178	1,444	8	663	4	5,115
Manufacture of Metal Products	484	6,068	11	712	5	6,791
Manufacture of Furniture and Other Manufacturing	730	5,763	10	570	4	6,343
Total	3,280	56,801	100	15,288	100	72,189
Source: UBOS Business Register 2007						

312. In 2000, UIA commissioned a survey of projects it had licensed since inception in 1991 and existing on the ground. The survey established that on average firms operated at less than 50 per cent of installed capacity. Only 11 (or less than 5 per cent) of the 228 firms in the manufacturing sector were operating at full (100 per cent) capacity. Nearly a quarter of all the projects surveyed were idle (0 per cent capacity utilization). Only 35 per cent of projects were operating at more than half their capacity with only 37.5 per cent of these utilizing more than 75 per cent of capacity. This was largely attributed to supply constraints and power shortages.

313. Since 2000, Ugandans have on the average been the largest contributors to private investment in Uganda. Of the projects registered by UIA, it is estimated that

30 per cent originate from local investors, followed by UK, Kenya, India in that order (Figure 5.4).



5.6.2 Constraints to the Performance of Manufacturing Sector

- i) **Poor Institutional Support Network:** While a number of institutions exist to support and stimulate industrial development in Uganda, the challenge has been the capacity of these institutions to respond to the needs of their stakeholders.
- ii) **Access to Credit:** One of the key constraints for many firms in Uganda is access to credit, but even where there is access, lending interest rates have been prohibitively high (25-30 per cent). Much of the lending is limited to short-term capital as the presence of UDB has not been largely felt by industry.
- iii) **Lack of Necessary Skills:** Many enterprises in Uganda lack the requisite technical skills for industry. While Government has made significant efforts towards the development of Uganda's manpower base to meet the challenges of industrialization, enterprises still suffer shortage of critical skills; financial, production, material and project management, as well as technical capability, which along with other factors, have contributed to the low productivity of the industrial sector.
- iv) **Inadequate physical infrastructure:** Poor infrastructure renders the industrial sector in general and manufacturing in particular uncompetitive due to higher transaction costs and delays.
- v) **The low level of technology and lack of indigenous capability for technological mastery:** Uganda is grossly deficient in technology and lacks indigenous capacity to copy, adapt and develop technology. There is also poor attention paid to R&D funding in public sector research institutions leading to failure to meet the needs of the industrial sector.
- vi) **Low Science, Technology and Innovation (STI) capabilities:** Overall, STI infrastructure is inadequate to meet the needs of STI-driven development. Government expenditure on science and technology remains low although it rose from US\$49.2 billion in 2002/03 to Shs.77.1 billion in 2005/06.

- vii) **Lack of serviced industrial Parks:** Access to industrial land has been a major bottleneck and where it is accessible, investors have had to incur full expenses of transmitting three phase power supply. The process of starting a factory in Uganda is characterized with numerous delays and high transaction costs.
- viii) **Poor (unreliable) supply of Inputs:** Many industrial inputs are imported. Since Uganda is landlocked, enterprises that depend on imported inputs have, therefore, to contend with high transport costs and long delays because of bureaucracy. Moreover, the agriculture sector has not effectively implemented a production programme that would help to ensure a reliable supply of industrial raw materials.

5.6.3 Objectives, Strategies and Interventions

314. Objective 1 - Promote development of value added industries especially the agro-industries

Strategy 1: Enhance value addition to primary products.

Intervention Description

- i) Support the establishment of pilot processing facilities.
- ii) Support the establishment of model processing industries in line with agricultural zoning programme
- iii) Develop and implement sector specific policies and or interventions with a view of addressing emerging processing and production challenges through such initiatives as the “One Village-One Product” concept.

Strategy 2: Build capacity in specific targeted skills needed for value addition.

Intervention Description

- i) Strengthen the existing network of vocational and technical training institutions to cater for the required skills

315. Objective 2 – Increase competitiveness of local industries.

Strategy 1: Promote and strengthen industrial development.

Intervention Description

- i) Strengthen technology adaptation and acquisition including availability of advisory services to support local manufacturers
- ii) Establish capacity for mineral beneficiation (to establish their content, laboratory and pilot processes).
- iii) Support commercial exploitation of key minerals especially iron ore and phosphates.
- iv) Operationalise and capitalise Uganda Development Corporation (UDC) with a view of financing key projects.
- v) Promote locally manufactured products

Strategy 2: Promote Small and Medium Enterprises (SME) industrial development.

Intervention Description

- i) Establish national and regional technology incubation centres for nurturing SMEs and start-up enterprises.
- ii) Develop, promote and coordinate public sector-led SME industrial clusters.

316. Objective 3 - Enhance the development and productivity of the informal manufacturing sub-sector

Strategy 1: Develop skills of non-formal manufacturing sector (Jua Kali artisans) to enhance their competitiveness.

Intervention Description

- i) Establish informal training and common centres.
- ii) Promote activities of the Jua-Kali artisans.

317. Objective 4 - Enhance applied research and technology development.

Strategy 1: Strengthen research and technology developments in industrial application.

Intervention Description

- i) Extend support to specific research institutions to develop industrial technology prototypes.
- ii) Establish and foster a National Innovation System for proper and adequate exploitation of R&D outputs and promote emerging technological needs.
- iii) Promote and support to structured technology development, acquisition and Technology Transfer.
- iv) Strengthen the legal framework associated with Intellectual Property Rights.
- v) Establish biomass energy digesters to utilise municipal and household wastes.

5.7 INFORMATION AND COMMUNICATION TECHNOLOGY

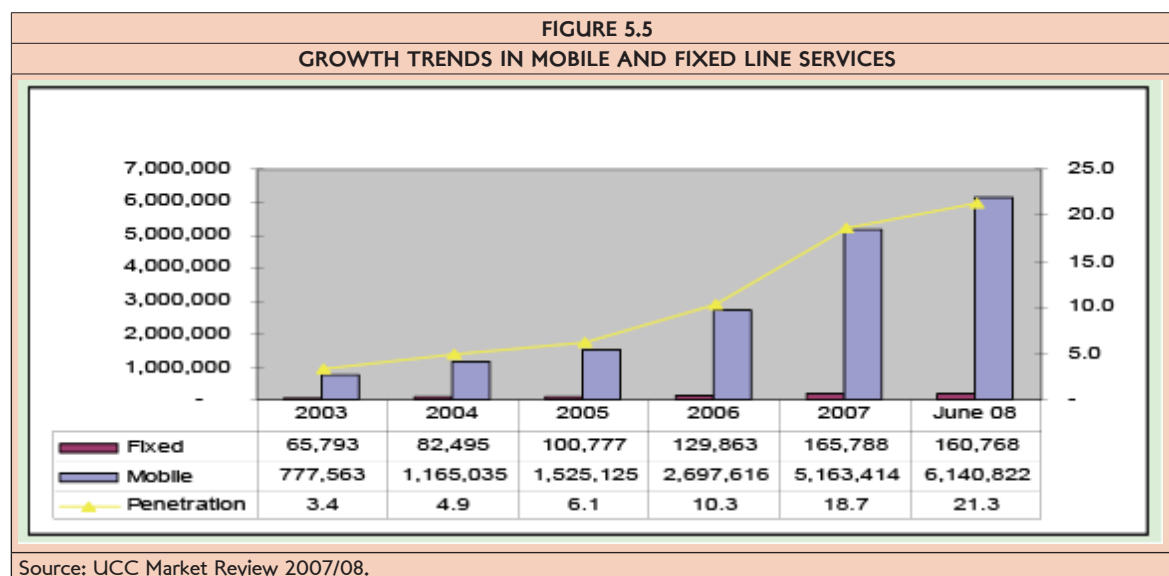
5.7.1 Situational Analysis

318. Uganda's ICT sector has considerably been liberalized from a few state monopolies to several private providers. The sector is composed of the following sub-sectors: Telecommunications, Postal Services, Broadcasting Infrastructure, Information Technology and Library and Information services.

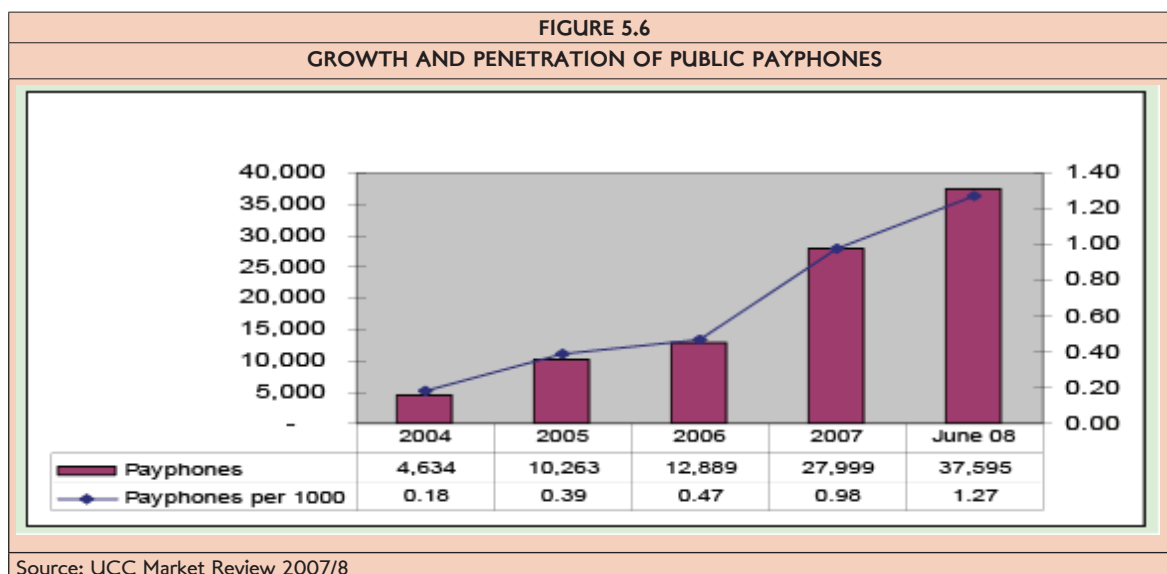
319. In Uganda, ICT services particularly telecommunications and broadcasting have traditionally been supplied by state monopolies. Liberalization of the sector started in 1994 with introduction of competition in the telecommunications industry while liberalization of broadcasting services was effected in the year 2000.

320. During the period of state monopoly, performance of the ICT sector was weak. In the case of telecommunication, telephone penetration remained very low at a tele-density of 0.5 per cent; the network coverage was also limited to places in and around the capital city, Kampala.

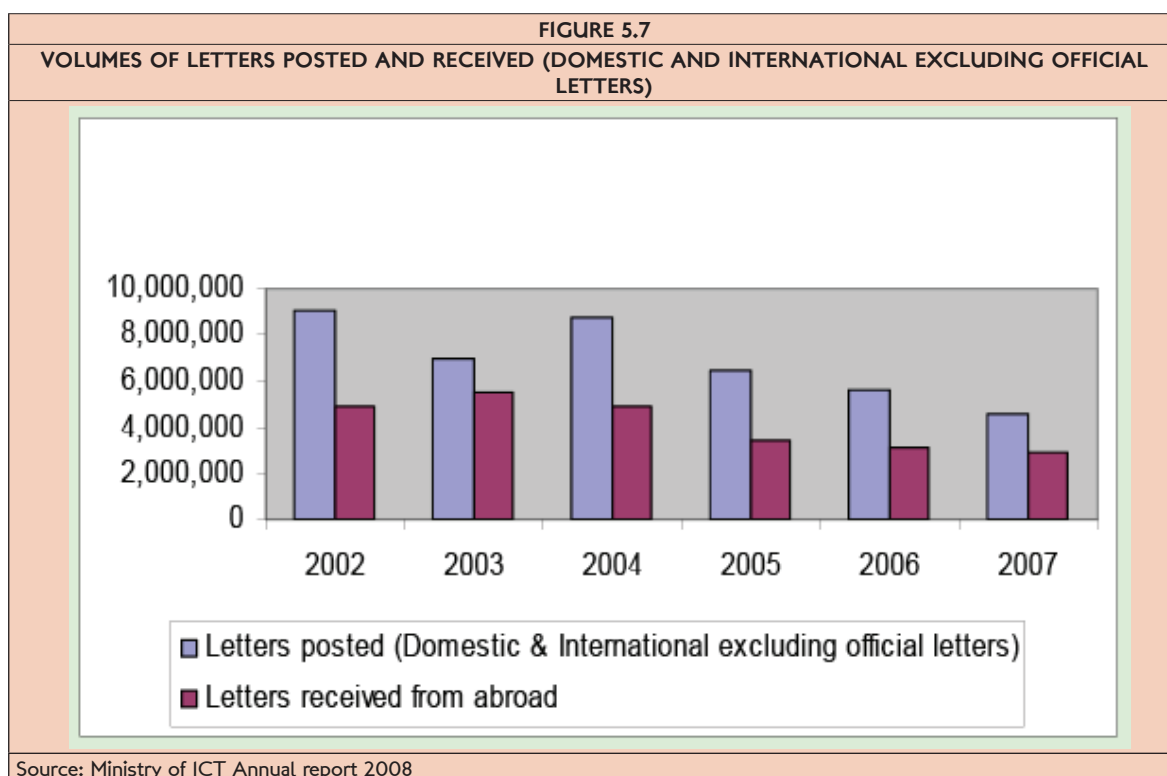
321. The country, however, started witnessing a surge in telephone subscription trends with the licensing of the second national operator in 1998. The fixed lines subscription grew from 45,145 lines subscribers in 1996 to over 60,000. As indicated in Figure 5.5, the subscriptions have continued to grow reaching 160,000 subscribers in 2008. The average annual growth rate for the mobile subscriber base between 2005 and 2007 was 61 per cent, with 2007 in particular realizing 2.4 million additions. This has translated into a mobile penetration of approximately 21 lines per 100 inhabitants, up from 8 lines per 100 in 2005.



322. The number of public payphones increased from 3,000 in 1996 to 37,595 in 2008 raising payphone penetration from less than 0.5 per 1,000 inhabitants in 1996 to 1 phone per 1,000 inhabitants as shown in Figure 5.6.

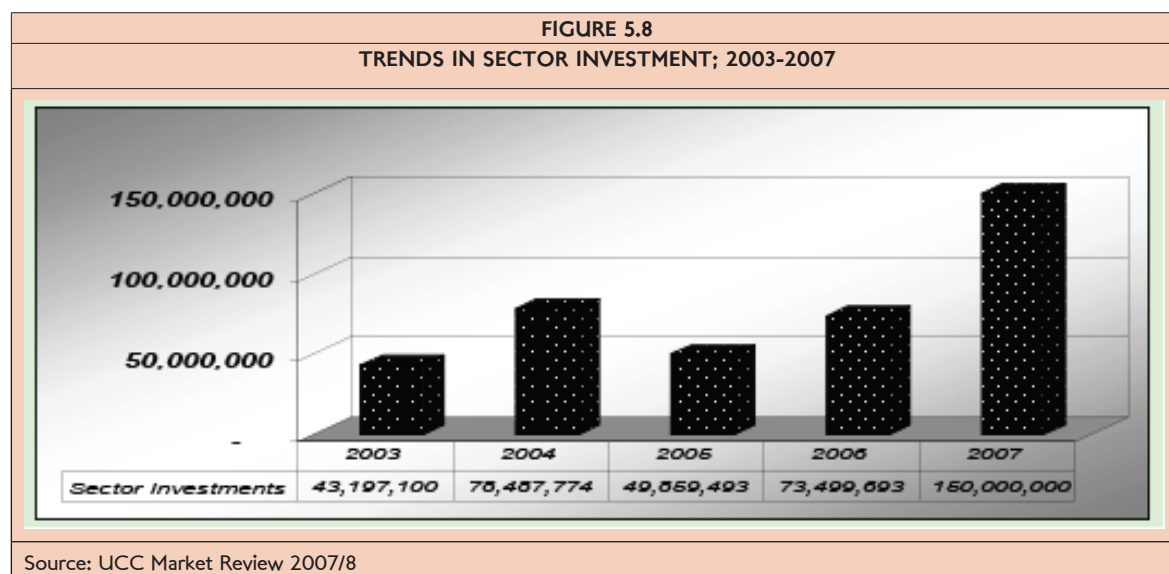


323. With respect to postal services, there has been a decline in the volume of letters posted. This applies to both domestic and international destined letters. The trend is the same for letter received from abroad. The decline is partly attributed to the emergence of other communication channels. Of concern is the limited presence of postal services in the rural areas. Figure 5.7 indicates the trends in the volume of letters posted and received.

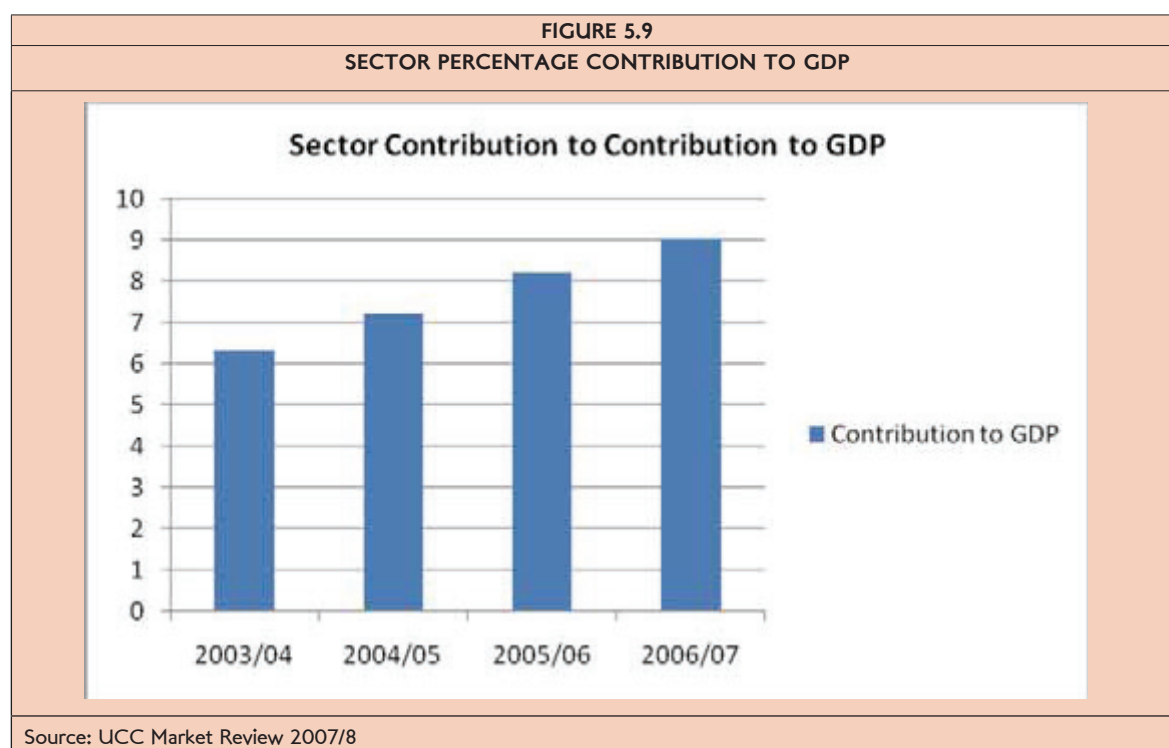


324. The liberalization of the national ICT sector has led to increased private investment in the sector in terms of Foreign Direct Investment (FDI) in the upstream ICT services, as well as local investments in end user services. As indicated in Figure 5.8, between 2003 and 2008, the communications sector alone managed to

raise annual average investment from USD 78 million in 2004 to USD 150 million in 2007.



325. The growth in investment has consequently resulted into growth in revenues and increased contribution to GDP as shown in Figure 5.9.



326. The broadcasting sub sector has also recorded marked transformation. There has been a marked increase in both the number of TV and radio stations. There are presently 41 licensed TV stations up from 31 in 2004 while licensed private FM radio stations have increased from 148 in 2004 to 199 in 2008. This is a result of stringent and consistent radio spectrum management policies which involve the allocation of

radio frequencies and time to time monitoring activities to ensure strict compliance to frequency regulations.

5.7.2 Constraints to Performance of the ICT Sector

Telecommunications Su7b-Sector

- i) Infrastructure gaps in the delivery of broadband.
- ii) High dependence on satellite bandwidth for the provision of internet services.
- iii) High costs of Internet services.
- iv) Limited access to the electricity grid in most parts of the country.
- v) High usage taxes in the telephony sub-sector.
- vi) Generally low income levels especially in the rural areas.
- vii) Low ICT integration in Government as well as business processes resulting in low demand for internet.
- viii) A largely illiterate consumer mass unaware of its rights, benefits and opportunities.

Information Technology (IT) and Information Management Services (IMS) Sub-sector

- i) Low levels of awareness by the public on the role IT can play in social economic transformation.
- ii) Lack of IT skills and knowledge by the population especially in rural areas.
- iii) High cost of IT equipment and software.
- iv) Increase in cyber crime (electronic fraud, computer misuse) and growing insecurity in the use of IT equipment and software.
- v) High level of digital marginalization (digital divide), especially in rural communities.
- vi) Expensive internet connectivity costs due to limited connection to the submarine cable system.
- vii) Lack of sufficient IT skills at managerial level.
- viii) Insufficient local content.
- ix) Lack of relevant IT business-driven applications.
- x) Lack of an appropriate legal and regulatory framework for the IT sub-sector.
- xi) Lack of standards in hardware manufacturing and software development.

Broadcasting Sub-Sector

- i) Absence of a comprehensive national plan on migration from Analogue to Digital terrestrial broadcasting in line with internationally agreed switchover date of June 2015.
- ii) Inadequate legal and regulatory framework within which to manage the global trends such as convergence of technologies, digitization

and international best practices in merging broadcasting and communications sector.

- iii) Limited access to broadcasting infrastructure across the country. The distribution of radios and television signals and hence quality broadcasting services are centred in and around Kampala city due to the high cost of infrastructure needed to attain nationwide coverage.
- iv) Rapid convergence in ICT has led to utilization of a shared platform (telecommunications infrastructures) for broadcasting purpose. This has presented new challenges to the Broadcasting council, Uganda Communications Commission as well as the broadcasters in meeting consumer demand as a whole.
- v) Lack of harmonized policies and laws in various channels of communications in order to create a single national framework under which the sub-sector can operate.
- vi) Lack of policy guidelines on the establishment of broadcasting infrastructure in general, which innately has brought about inequitable access to broadcasting infrastructure and quality program services.
- vii) Lack of control over fees charged and services provided by pay television stations and hence leaving such services to the wealthy minority.

Library and Information Services Sub-sector

- i) Lack of a purpose built structure to house the National Library of Uganda which has made it difficult to fully carry out its mandate.
- ii) Lack of policies to regulate the running of both public and school libraries
- iii) Low levels of funding especially to public libraries managed by the LGs where only 14 out of the 23 public libraries get this funding.
- iv) Initial exclusion of library staff from the LGs' structure which led to declining service and in some cases closure of the libraries in the district.
- v) Low levels of both basic and information literacy among the population about the need to seek information and make informed decisions that affect their lives.
- vi) Uncoordinated approach to information provision in the country and poor dissemination strategies of local information which is still difficult to get.

Postal Sub-Sector

- i) Low levels of educated consumers especially in the rural areas on the postal services available in the country.
- ii) Slow development of a product mix of postal services to meet customer needs and make the services affordable.
- iii) Inadequate postal services network to enable their delivery to all sub-counties;

- iv) Lack of institutional mechanisms, including emergence of new technologies, to enhance the pace at which services are delivered.
- v) Lack of strategic investments to enhance the postal network so that consumers, especially in the rural areas, are able to access the services they require more easily.
- vi) Insufficient investments in key postal technology such as mail processing and tracking technology, computerized systems, procedures and equipment.
- vii) Inadequate legal and regulatory framework to address postal specific issues.
- viii) Inadequate institutional framework for the implementation of the postal sub-sector obligations.

5.7.3 Objectives, Strategies and Interventions

327. Objective 1 - Enhance access to quality, affordable and equitable ICT services country wide

Strategy 1: Develop ICT infrastructure.

Intervention Description

- i) Roll out the National fibre optic cables to cover all districts.
- ii) Construct Information Technology (IT) Business Parks.
- iii) Support Public Private Partnership (PPP) arrangements to extend fibre optic cable to production centres and institutions.

328. Objective 2 - Enhance the use and application of ICT services in business and service delivery.

Strategy 1: Promote the use of ICT in business and service operations (e-commerce and e-government).

Intervention Description

- i) Enact and operationalise the Cyber Laws.
- ii) Popularize Tele-Business Information Centres and Payphone services.
- iii) Increase the computerization of service delivery functions in Government.
- iv) Develop relevant local internet content and translation in local language for business, and science and technology.
- v) Collect, preserve and disseminate documented information for present and future use.

Strategy 2: Build competent human resource capacity in the sector.

Intervention Description

- i) Provide requisite ICT skills.
- ii) Accredit ICT courses and training institutions.
- iii) Incorporate ICT into education curricula.

Strategy 3: Develop and implement a policy, legal and regulatory framework for systematic sector development.

Intervention Description

- i) Make operational cyber laws to facilitate e-commerce.

Strategy 4: Promote utilisation of ICT as a business.

Intervention Description

- i) Support Business Process Outsourcing (BPO) Services.
- ii) Support initial operations of the Information Technology (IT) Business Parks.
- iii) Promote hardware assembly and software development as an investment opportunity to potential local and foreign investors.

329. Objective 3 - Enhance access to quality, affordable and equitable Broadcasting services country wide

Strategy 1: Develop Broadcasting infrastructure.

Intervention Description

- i) Migrate from Analogue to Digital terrestrial broadcasting.
- ii) Enact and operationalise laws to manage the global trends such as convergence of technologies, digitization and international best practices in merging broadcasting and communications sector.
- iii) Support Public Private Partnership (PPP) arrangements to extend the broadcasting infrastructure across the country to enhance the distribution of radios and television signals.

Strategy 2: Develop and implement a policy, legal and regulatory framework for systematic sub-sector development.

Intervention Description

- i) Formulate and operationalise harmonized policies and laws in various channels of communications in order to create a single national framework under which the sub-sector can operate
- ii) Formulate and operationalise policy guidelines on the establishment of broadcasting infrastructure to create more equitable access to broadcasting infrastructure and quality program services
- iii) Devise and implement a service fee mechanism for pay television stations

330. Objective 4 - Enhance access to quality, affordable and equitable Library services country wide

Strategy 1: Promote the use of Library Services

Intervention Description

- i) Design and build structures to house the National Library of Uganda.
- ii) Formulate and operationalise policies to regulate the running of both public and school libraries
- iii) Provide sufficient funding for running public libraries in the 23 LGs with public libraries
- iv) Establish and fill staffing positions in LGs' structure for running the libraries in the districts.
- v) Devise a coordinated approach to information provision and local information dissemination strategies in the country

331. Objective 5 - Rejuvenate the application of Postal Services country wide

Strategy 1: Promote the use of Postal Services

Intervention Description

- i) Create a National Address Management System.
- ii) Automate Postal services operations
- iii) Expand the postal services network to all sub-counties so that consumers, especially in the rural areas, are able to access the services they require more easily
- iv) Educate consumers especially in the rural areas on the postal services available in the country
- v) Retool the postal services to cope with emerging technologies to make the services affordable and enhance the pace at which services are delivered. Sufficient investments should be made in key state-of-the-art postal technologies such as mail processing and tracking, computerized systems, procedures and equipment.
- vi) Enact and operationalise the postal legal and regulatory framework to address postal specific issues.

5.8 HOUSING DEVELOPMENT

5.8.1 Situational Analysis

332. Housing is essential for the well being of humankind. Government is committed to ensuring the provision of adequate housing for all. In Uganda, the majority of housing units are provided by the private sector, and therefore, the main task of Government is to put in place appropriate policy, legal and regulatory framework for the housing sector to flourish.

333. In 2005, 78 per cent of households lived in owner occupied dwellings (UNHS2005/06) while 16 per cent lived in rented units as indicated in Table 5.11. However, in Kampala 64 per cent of households occupy rented structures whereas only 28 per cent live in owner-occupied dwellings. This is attributed to the high cost of construction of housing units and the lucrative businesses associated with real estate development. As far as the dwelling type is concerned, 61 per cent of households reside in dwellings roofed with iron sheets while 38 per cent resided in grass thatched structures. Construction materials indicate the durability of a dwelling unit and denote the economic status of the household. The distribution of housing units by construction materials by region is indicated in Table 5.12 and Table 5.13.

TABLE 5.11						
SECTOR CONTRIBUTIONS TO GDP						
Type of Tenure	Kampala	Central	Eastern	Northern	Western	Uganda
Owner occupied	27.8	69.4	86.5	89.3	85.1	78.3
Rented	64.4	20.8	9.2	4.8	10	15.3
Free	7.9	9.7	4.2	5.7	5	6.3
Total	100	100	100	100	100	100

Source: UNHS 2005/06

TABLE 5.12						
DISTRIBUTION OF HOUSEHOLDS BY TYPE OF CONSTRUCTION MATERIALS AND RESIDENCE (PERCENTAGE)						
Material used	2002/2003			2005/2006		
	Rural	Urban	Uganda	Rural	Urban	Uganda
Roof						
Iron sheets	58.6	86.4	63.3	55.9	82.7	60.6
thatched	40.9	8.2	35.4	43.2	14.2	38.2
other roof	0.5	5.5	1.3	0.9	3.1	1.3
Wall						
Brick	45.3	77.4	50.7	48	79.2	53.4
Mud and poles	51.7	17.3	45.8	47.2	17.2	42
Other wall	3.1	5.3	3.5	4.8	3.6	4.6
Floor						
Earth	83.1	27.2	73.5	82.8	29.6	73.5
Cement	15.2	66.9	24	16.5	68.6	25.6
Others floor	2	5.9	2.5	0.8	1.8	1
Total	100	100	100	100	100	100

Source: UNHS 2005/06. Includes flats, uniforms, garage and boys quarters

334. Table 5.13 gives the housing tenure in Uganda by region. On the whole 22 per cent of Ugandans reside in huts. This is partly attributed to low levels of income and other socio-economic factors.

TABLE 5.13						
DISTRIBUTION OF DWELLING TYPES (PERCENTAGE)						
Type	Kampala	Central	Eastern	Northern	Western	Uganda
Detached	31.2	73.8	57.4	27.8	84.2	60.5
Huts	0	2.7	30.7	67.7	3.4	22
Tenants	64.3	22.2	10	2.7	9.2	15.2
Others	4.5	1.3	1.9	1.7	3.2	2.2
Total	100	100	100	100	100	100

Source: UNHS 2005/06

335. The Uganda National Household Survey 2005/06 indicates that more than 50 per cent of all households in Uganda occupy one roomed houses. Almost three quarters of households in Kampala have one room for sleeping. The Northern and Eastern regions have the highest average number of people (4 people) per sleeping room while other regions have about 3 people. This congestion is not recommended for health reasons (Table 5.14).

TABLE 5.14						
DISTRIBUTION OF HOUSEHOLDS BY NUMBER OF ROOMS USED FOR SLEEPING AND AVERAGE NUMBER OF PEOPLE PER ROOM BY REGION (PERCENTAGE)						
Number of Rooms	Kampala	Central	Eastern	Northern	Western	Uganda
One	73.6	50.9	58.1	80.1	36.5	56.3
Two	13.0	24.4	20.7	13.2	30.1	22.0
More Than One	13.5	24.7	21.2	6.8	33.4	21.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average No. of People per room	3.1	3.1	3.7	4.0	2.9	3.4

Source: UNHS 2005/06

336. Uganda's current housing stock is estimated at 5.28 million housing units with an average household size of 4.7 persons. The national occupancy density is estimated at 1.1 households per housing unit, giving a total national backlog of 612,000 units. According to UBOS 2006, the urban areas have a total housing stock of 700,000 units with a backlog of 153,000 units compared to the rural areas with a stock of 4,580,000 units and backlog of 458,000 units. The housing status by dwellings type, occupancy, and tenure is given in the Table 5.15.

TABLE 5.15			
BASIC INDICATORS OF SETTLEMENTS IN UGANDA (PERCENTAGE OF TOTAL DWELLINGS)			
Indicator	Year 2005/06		
	Urban	Rural	Total
Dwelling Types			
Detached house	31.1	65.2	65.2
Semi-detached house/flat	18.4	15.1	15.1
Tenements/ Mizigo	46.9	12.8	12.8
Others	3.5	7.0	7.0
Occupancy Tenure			
Owned	29.9	86.1	78.3
Rental	57.0	7.9	14.8
Status of Dwelling			
Temporary	26.0	78.5	71.1
Semi-permanent	14.3	10.9	11.4
Permanent	59.7	10.6	17.5
Housing Backlog	27	31	30

Source: UNHS 2005/06

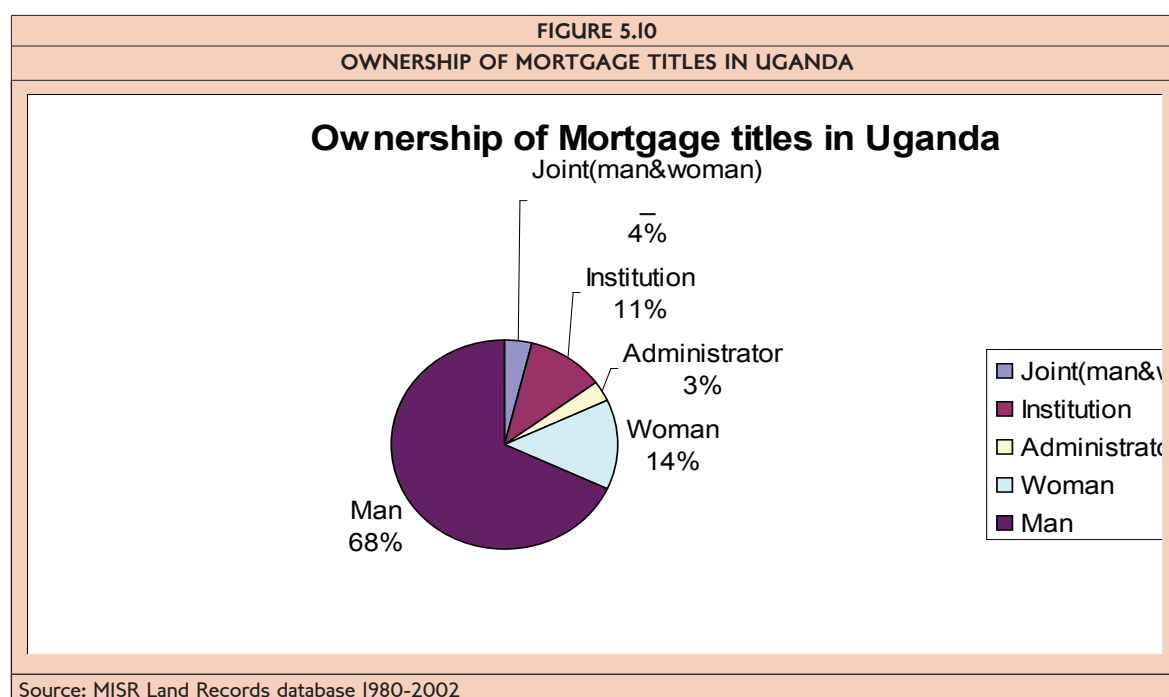
337. The Real Estate⁴⁴ sector has been growing at an average rate of 5.6 per cent per annum between 2004 and 2008. The sector on average accounts for 7.5 per cent of Uganda's GDP. Its growth is attributed to rapid population growth, increase in disposable income, increase in foreign direct investment, and immigrant remittances. The relationship between GDP and growth in real estate business is illustrated in Table 5.16.

TABLE 5.16 CONTRIBUTION OF REAL ESTATE IN GDP					
Year	2004	2005	2006	2007	2008
Total GDP at Market prices (Ug. Shs. Billions)	13,467	14,814	15,859	17,156	18,582
Real Estate (Ug. Shs. Billions)	1,071	1,130	1,193	1,261	1,332
Real Estate share in GDP %	8.0	7.6	7.5	7.4	7.2
Growth Rate %	--	5.5	5.6	5.7	5.6

Source: UBOS Statistical Abstract, 2009

338. Most houses are owned by men, although family houses are by law considered matrimonial property. This is partly due to the disparity in the incomes of men and women.

339. Access to mortgage finance is still very limited on account of limited collateral to present to the lending institutions. Figure 5.10 shows the patterns of ownership of 93,146 registered land titles mortgaged during the period 1980 to 2002 in Uganda.



44 Real estate activities include rental and owner occupied outputs

5.8.2 Constraints to the Performance of Housing Sector

- i) Weak, outdated and uncoordinated legal and policy framework presents critical challenges to the sector.
- ii) Lack of access to and the high cost of finance constrain the sector. The requirements for accessing long-term mortgage finance are so stringent, and therefore, unaffordable by a large section of potential borrowers. The problem of high interest rates on housing loans (currently above 15 per cent) further limits the growth in the sector.
- iii) Shortage of skilled manpower in the areas of architecture, quantity surveying, structural engineering. The few professionals in these fields are confined in Kampala and other major towns.
- iv) High cost of building materials (cement, steel, timber, iron sheets) limits the sector's growth. The cost comparison for a 50 Kg bag of cement is USD15 in Uganda and USD4 in the Middle East. The situation is worsened by the country's failure to adopt a range of low cost technologies in construction.

5.8.3 Objectives, Strategies and Interventions

340. Objective 1 - Formulate and operationalise policy and regulatory framework to enhance development of the sector.

Strategy 1: Develop a comprehensive national housing policy, law and investment plan.

Intervention Description

- i) Finalise the development of and implement the national housing policy by end of 2010.
- ii) Develop and operationalise the estates management policy.
- iii) Develop and implement the Landlord and Tenants Bill to streamline impediments to the quality and quantity of housing infrastructure.
- iv) Develop and implement the Building Control Bill to facilitate the promotion of safety
- v) Implement the condominium property law. Key on this programme will be sensitisation of the masses.

341. Objective 2 - Enhance accessibility to housing related inputs.

Strategy 1: Develop information, communication and education materials for public consumption.

Intervention Description

- i) Support documentation and dissemination of research findings to the public, universities and other related institutions.
- ii) Hold annual exhibitions; undertake demonstration of housing and production of annual report on housing materials.

342. Objective 3 - Deepen public knowledge about housing and human settlements development.

Strategy 1: Develop IEC strategy to sensitise the public.

Intervention Description

- i) Maintain an up to date database on all housing related issues and produce annual reports on the status of housing.
- ii) Develop IEC materials to sensitize the public.
- iii) Construct demonstration houses.
- iv) Monitor private sector construction and produce quarterly/annual housing bulletins.

Strategy 2: Promote rural housing development schemes.

Intervention Description

- i) Provide and improve access to appropriate and affordable construction technologies.
- ii) Develop and implement a rural resettlement program to promote organized settlement and free land for commercial agriculture.

343. Objective 4 - Prevent slum development and upgrade the existing ones.

Strategy 1: Implement the national slum upgrading strategy and action plan.

Intervention Description

- i) Carry out a national slum profiling.
- ii) Support the redevelopment of slums. During the first year of the plan, implementation of Kasoli slum upgrading scheme will commence and thereafter upgrade 3 Slums each year.
- iii) Support the establishment of land banking through purchase of land from owners.
- iv) Support the initiation of urban fund for capital investments.
- v) Develop physical infrastructures in slums.
- vi) Undertake site and service schemes. For the five year period, the sector will undertake five site and service schemes in 5 new towns annually.

344. Objective 5 - Promote and ensure availability and accessibility of affordable housing finance.

Strategy 1: Increase access and availability of long-term affordable housing finance.

Intervention Description

- i) Support initiatives of financial institutions to mobilize long term finance for housing.

- ii) Develop initiatives towards lowering the interest rates on mortgages.
- iii) Promote formation and development of housing cooperatives and pro-housing saving groups to avail funds for housing.
- iv) Encourage mortgage banks to develop low income mortgages.
- v) Develop mechanisms for mobilizing pension schemes and insurance deposits to support housing financing.
- vi) Implement the Public servants' loan scheme to facilitate acquisition or construction of houses by public servants.

345. Objective 6 - Develop a well planned and managed construction of public and private housing estates.

Strategy 1: Provide technical support to Government, public and private sector on housing.

Intervention Description

- i) Regulate the practice of professionals in the sector through monitoring and supervision in their activities.
- ii) Supervise public buildings construction and maintenance.
- iii) Generate fifty prototype plans in every quarter for public consumption.
- iv) Build capacity to resolve housing related disputes. Alternative Dispute Resolution (ADR) committees will be set up and related guidelines produced.
- v) Develop institutional structures at LG level to address staffing requirements

Strategy 2: Provide technical support to earthquake and other disaster prone areas.

Intervention Description

- i) Develop appropriate construction technologies to withstand different types of disasters.
- ii) Undertake demonstration housing in disaster prone areas and disseminate research findings.
- iii) Train trainers in disaster resistant building technologies.
- iv) Support IDP resettlement housing scheme by designing and implementing house development programs.
- v) Carry out demonstration of resettlement appropriate technology in construction.

6.1 SCIENCE AND TECHNOLOGY

6.1.1 Situational Analysis

346. Achieving socio-economic transformation requires continuous improvement in the way we produce and deliver goods and services within the economy. This can be realized through accelerated use of applied technology, research and innovation. Currently, research and development is mainly confined to institutions such as universities, colleges, vocational institutes and Government research centres with limited applicability to production and delivery of services. It is also worth noting that adaptability of the little available applied science and technology is slow in both public and private sectors.

347. Globally, a country's efforts in this direction are measured against indicators such as: researcher per workforce, R&D personnel per labour force, expenditure on STI as a percentage of GDP, number of publication in scientific journals, number of scientific patents per year, exports with high technology content to total manufactured exports and the composite index, known as the overall technology achievement index.

348. Uganda currently has only one researcher per a thousand members of the workforce compared to over five researchers per a thousand in the developed world (UNCST, 2005); one R&D personnel⁴⁵ per a thousand of the labour force compared to five to eighteen R&D personnel per 1,000 of the labour force in the OECD countries. The ratio of arts to S&T graduates is 5:1 compared to 1:1.5 in Malaysia.

349. The share of expenditure on R&D as a percentage of GDP is 0.3 per cent compared to the African Union target of 1 per cent.

350. Only 91 scientific publications were produced in internationally recognized scientific journals in 2001 compared to 10,000 in Israel. However, world-class discoveries have been made in HIV/AIDS prevention and vaccine trials, cassava mosaic eradication, and development of clonal coffee. According to a UNCST survey, only 40 patents have so far been granted for local inventions and usually less than 3 patent applications were submitted in any given year by 2004. In addition, out of the total recorded applications for industrial property rights, 75 per cent were owned by foreign enterprises suggesting low local innovation (WIPO, 2005). Furthermore, according to the Technology Achievement Index (TAI⁴⁶), Uganda is

⁴¹ Researchers, technicians and other S&T support staff

⁴⁶ TIA is a measure of how well a country is creating and diffusing technology and building its human resources base. It includes R&D expenditures as per GDP, no of scientist and engineers per million populations, number of patent applications and per cent of exports with high technology content to total manufacturing exports.

ranked in the dynamic adopter category with a TAI of 0.24 where the range is 0.05-0.5⁴⁷. However, in order to improve her competitiveness, the country should advance its technological levels to at least 0.35 in the next five years.

351. Another related indicator in this regard is the number of trademarks registered. As of 2004, a total of 26.189 trademarks were registered with only one-third being local.

352. With respect to innovation, only 57 per cent⁴⁸ of the firms were found to have introduced at least a new product or service or improved on an existing one in the market in 2005. Most of the products/processes were from firms engaged in agricultural primary production and agro-processing.

353. In recognition of the strategic role of STI in national development, Government has over the years initiated efforts to promote a suitable environment for STI to thrive. These efforts have taken the form of legal, institutional and administrative reforms to facilitate research and development, technology transfer and human capital development. They also include adoption of the National Biotechnology and Bio-safety Policy in April 2008; formulation of Research Registration and Clearance Policy and Guidelines; National Guidelines for Research involving Humans and Research Participants in 2007. Others are: enactment of the Agricultural Research Policy and Act in 2003 and 2005, respectively; amendment of the Copyright Law in 2006; Patents Act in 2002; formulation of regulations for access to genetic resources and benefit sharing in 2006; and the formulation of the National Science, Technology and Innovation (STI) Policy (2009) in an effort to integrate STI in the national socio-economic development process.

354. Beyond legal, institutional and administrative efforts, very little has been done regarding implementation of the national STI agenda.

6.1.2 Constraints to Performance of the Science and Technology, Innovation Sector

- i) Inadequate focus on research and development by both private and public actors.
- ii) Inadequate financing for research and development and STI aspects in general.
- iii) Inappropriate formal and informal education and training which limits affinity for R&D and innovation.
- iv) Weak collaboration mechanisms between planners, research institutions, industry, and academia.
- v) Inadequate personnel in product innovation and services.
- vi) Lack of venture capital to support researchers and innovators.
- vii) Slow adoption of new technologies due to ignorance and apathy.
- viii) Lack of incentives to promote private research and development

47 UNDP Human Development Report 2001.

48 Science and Technology Report 2005

- ix) Inadequate capacity to deliver requisite skills and competences necessary to produce innovative technology technicians and engineers. The training institutions lack the necessary tools, plants, machinery and equipment for meaningful practical training.

6.1.3 Objectives, Strategies and Interventions

355. Objective 1 - Promote and accelerate the use of research, innovation and applied technology.

Strategy 1: Scale up the adaptability of the new and available science knowledge and technologies.

Intervention Description

- i) Establish Science and Technology (S&T) training centres in the formal and informal sectors in low and high level technology applications. Over the NDP period, ten (10) S&T training centres will be established to equip target groups with basic and vocational S&T skills. The intervention is intended to promote technology adaptation and innovation and demystify application of S&T.
- ii) Establish and maintain Science Park and Technology Incubation Centres (SPTIC). Four (4) SPICS centres are planned to provide controlled practical experience and further research for the best young science graduates.
- iii) Provide incentives and support to the private sector to make effective contributions in R&D.
- iv) Facilitate and encourage S&T innovation through protection and use of intellectual property rights (IPR).
- v) Increase the applied content in science curricula at pre-primary, primary, secondary and tertiary levels. The intervention will be aimed at producing more practically oriented S&T graduates from primary to tertiary level.

Strategy 2: Improve the technical capacity of the research and development institutions.

Intervention Description

- i) Fund infrastructural development in R&D institutions. Infrastructure will be established, rehabilitated and upgraded to provide research facilities and environments in key institutions in various sectors.
- ii) Develop and implement mechanisms for collaborative research at national, regional and international levels. Local and international collaborative frameworks/mechanisms between institutions, sectors and countries will be established / strengthened.
- iii) Fund acquisition of input materials in R&D institutions. Resources will be provided to enable continuity and increase in R&D input materials for the research institutions.

- iv) Increase public spending on R&D and establish and operationalise a national science and technology fund will be put in place to support R&D.

Strategy 3: Enhance the STI human resource capacity in the country both in Government and the private sector.

Intervention Description

- i) Provide incentives and support to the private sector to make effective contribution in R & D. The support will aim at increasing the number of R & D products from the private sector.
- ii) Improve the enrolment for science education and training in public and private schools, tertiary institutions and universities. The intervention will target to improve the ratio of arts to science graduates from 5:1 to 3:1.
- iii) Design and implement early tailor-made STI outreach programmes for households and communities. The outreach programmes will target gender balance and different age groups.

356. Objective 2 - Enhance the level of collaboration between research institutions and the industrial sector to facilitate adaptability and use of STI.

Strategy 1: Strengthen collaboration between academic institutions and the general industry in research and development, innovation, financing and training.

Intervention Description

- i) Stimulate the evolution and growth of venture capital for R&D in the country. Commercialization of R&D products will be strengthened through venture capital.
- ii) Support private companies to constantly upgrade their technologies and products through R&D for greater competitiveness and market penetration. The private companies will be technically and financially supported to upgrade technologies.
- iii) Establish technology platforms involving academia/research institutions and the private sector/industry.

357. Objective 3 - Strengthen the policy, legal and institutional framework to support STI development.

Strategy 1: Implement the National Science, Technology and Innovation related policies.

Intervention Description

- i) Implement the National Biotechnology and Bio-safety Policy.
- ii) Implement the Research Registration and Clearance Policy.
- iii) Implement the Agricultural Research Policy and Act

- iv) Implement the Copyright Law and Patents Act
- v) Implement the National Science, Technology and Innovation (STI) Policy.

Strategy 2: Strengthen the institutional mechanisms to support STI development.

Intervention Description

- i) Institutionalise a sector for Science and Technology and Innovation. In particular establish a Ministry of Science and Technology.
- ii) Establish and effectively enforce an information system of STI codes and standards.
- iii) Strengthen the certification and accreditation capabilities for services, products and companies.
- iv) Establish a framework for identifying and addressing new and emerging issues in STI.
- v) Establish mechanisms and institutional framework for accessing the science and technology fund.

6.2 TRANSPORT SECTOR

6.2.1 Situational Analysis

358. An efficient transport system is a prerequisite for economic and social transformation. The national transport system currently comprises of road, rail, air and water transport modes. Over 90 per cent of cargo freight and passengers in Uganda move by road. The road accounts for 96.5 per cent of the freight cargo whereas the rail accounts for only 3.5 per cent. In nominal terms, roads carry an estimated 5,500 million-tonne-km per year compared to 200 million-tonne km by rail, 0.03 million tonne-km by air and negligible freight by water transport. This is in contrast to India and China where the rail freight cargo accounts for over 90 per cent of the total freight cargo. As far as passenger traffic is concerned, roads account for an average of 95 per cent. In nominal terms, the road network carries an average of 40,000 million passenger-km per annum compared with 9 million passenger-km by air transport, 6 million passenger-km by water and none by rail.

359. Road Transport: The total national road network is estimated to be 78,100 km of which 4 per cent is paved. The total national road network is categorized as National Roads (20,800 km), District Roads (17,500 km), Urban Roads (4,800 km) and Community Access Roads (35,000 km). For national roads, 3,050km (15 per cent) were paved having increased from 2,200 km in 1996 to 2,650 km in 2003⁴⁹. All district and community access roads are not paved while a few urban roads are loosely paved. Dual carriageways account for only 20 km, mainly urban areas of

49 National Transport Master Plan, 2008 - 2023

Kampala and Jinja. It is worth noting that the community road network coverage is a proxy indicator of improvement of access to social services. Rehabilitation and maintenance of community roads has a positive impact on the poor and especially on women (MGSDS 2008).

360. The total annual flow of motorized traffic on national roads in 2003 was computed to be 3,756 million vehicles-kilometres, 78.6 per cent (2,951 million veh-kms) being motor vehicle and 21.4 per cent motor cycles traffic. A breakdown of motor vehicle traffic by vehicle type had cars accounting for 27.7 per cent of the traffic, light goods vehicles for 26.6 per cent, minibuses for 25.5 per cent, buses for only 2.0 per cent, single-unit trucks for 14.2 per cent, and multiple-unit trucks for 4.0 per cent. Approximately 48.3 per cent of total traffic is conveyed on only 8.3 per cent of the national road network and has an Annual Daily Traffic (ADT) flow of more than 2,500 which is beyond the limit for low volume traffic⁵⁰. However within the 96km road network of Metropolitan Kampala, traffic flow has reached 10,000 ADT. Furthermore in four sections of Metropolitan Kampala road network totalling 22km has exceeded 20,000 ADT. This is in excess of the medium and high traffic limits for single lane as per international standards. The traffic count carried out in 2008, indicates that traffic volume in Metropolitan Kampala area has been increasing at 8 per cent per annum since 2001.

361. Another important measure of road traffic is the growth rate in vehicle population. The average annual growth rate over ten years (1997 to 2007) was 7.3 per cent for cars, 5.4 per cent for light goods vehicles, 11.4 per cent for minibuses, 4.8 per cent for buses, and 9.0 per cent for trucks. Average rate of increase for all these vehicle types was 6.3 per cent per annum from 1997 to 2002, 8.4 per cent from 2002 to 2007, and 7.3 per cent over the entire period. The annual growth of around 8 per cent is consistent with the results given by the traffic surveys. Based on the increase in the freight movements by truck on the national road network, the total annual freight movement⁵¹ increased from 3,000 to 5,500 million tonne-kms between the years 2003 to 2008.

362. An equally significant development within the roads sub-sector over the last decade is the increase in the unit cost of paved road construction. The cost of upgrading a kilo meter of gravel road to bitumen standard increased from USD 300,000 - 400,000 in 2000, to USD 700,000 – 900,000 in 2009. This represents a threefold increase within a ten year period. This is partly due to the high cost of inputs, weak private sector capacity and weaknesses in the procurement system. On the other hand, the growth rate in public financing for road construction and maintenance was more or less stagnant at USD 250 – 300 million over the period 2002 to 2007 and only increased to USD 500 million between 2008 and 2009.

363. In the last five years, there have also been a number of significant reforms in the sub-sector. Most notable among these, has been the separation of roles and responsibilities with respect to policy formulation, road development and

50 Based on the AASHTO international standards

51 Assuming freight movement by truck is 80% of total annual freight movement.

maintenance, regulation, and financing. This has resulted in the creation of the Uganda National Roads Authority (UNRA) which is responsible for development and maintenance of national roads. In addition, the Road Fund (RF), which serves as a pool for road maintenance funds, was created. Other interventions in the pipeline include the establishment of the autonomous Metropolitan Area Transport Authority (MATA) and a Multi Sectoral Transport Regulatory Authority (MTRA).

364. Rail Transport: The national total rail network by early 1990s was 1266km. This has however declined to only 321 km of functional rail network covering the main line from Malaba-Kampala route (251km), the Port Bell-Kampala link (9 km) and the Tororo-Mbale line (61km). As noted above, rail transport is not significantly exploited as compared to other modes of transport. The relatively low utilisation is largely attributed to three factors: insufficient managerial capacity, dilapidated network system and insufficient rolling stock. The major reason for the dilapidated state of the rail network has been low investment in its regular maintenance. Similarly, the insufficient rolling stock arises from the inadequate maintenance and the non replacement of the old rolling stock. Management of the rail network, which was vested under URC until November 2006, was largely characterized by weak human resource capacity coupled with political meddling. This problem emanated from failure to delineate the critical roles and responsibilities which culminated into weak regulation of both operations and infrastructure maintenance.

365. In a bid to address some of the above challenges, Government entered into a concession for operations and maintenance of the functional rail system to Rift Valley Railways (RVR) for 25 years from 2006 to 2032. It was expected that through this measure, the freight cargo conveyed on the rail network would increase and subsequently reduce the cost of doing business as well as wear and tear on the roads. Evidence however, shows that not only has this not been achieved but the situation has worsened. The volume of cargo conveyed on the rail network in 2005 was 185.6 million tonnes-kms but has since reduced to 128 million tonnes-kms in 2007⁵².

366. Despite the above issues, the assets portfolio under URC remains strong, comprising significant chunks of prime land, mechanical workshops, goods and passenger shades as well as container terminals. With strategic renewed investment and management, these assets could catapult the rail transport to play a much more significant role within the national transport system.

367. Another critical development in the rail industry within the African context, is the recent adoption of a continental position on harmonization of the rail gauge to standard gauge of 1.435m. This is intended to increase continental connectivity; carriage capacity; and reduce the transit time of en-route goods and passengers. Accordingly, Uganda will need to upgrade and standardize its rail system from the current 1,000mm gauge to the 1,435mm gauge.

368. Air Transport: Uganda being land locked, air transport is critical for economic security and prosperity. This is because the country currently relies on the sea route

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to Mombasa for international trade. Besides, air transport is playing an increasing role in the promotion of tourism and in regional integration.

369. Over the period 1997 to 2007, total air passenger and cargo traffic increased by 102 per cent and 137 per cent, respectively⁵³. Passenger traffic is overwhelmingly dominated by international passengers. In 2007, international passengers accounted for 97 per cent of total passenger traffic. The percentage is even higher for international cargo traffic which virtually accounted for all total cargo traffic in 2007. International passenger traffic stagnated between 1997 and 2002, but had a positive growth trend from 2002 to 2007 at an average of 15.9 per cent per annum. In contrast, domestic traffic had a positive trend from 1997 to 2003, before steadily declining at an average annual rate of 12.5 per cent to its lowest level during the ten year period (1997 to 2007).

370. In terms of air transport infrastructure, Entebbe International Airport is currently the only functional exit point. Other five upcountry airports namely: Arua, Soroti, Pakuba, Kidepo and Kasese have been designated as exit points. There are 60 licensed airfields with 30 currently in use and 19 having regular services.

371. Water Transport: 18 per cent of Uganda's surface area consists of lakes, rivers or swamps. The principal lake and river system includes Lake Victoria, Lake Kyoga, Lake Albert and Lake George, together with River Kagera, the Victoria Nile and the Albert Nile. Currently, both motorized and non motorized vessels ply the above lakes and rivers. Some water routes are served by wagon ferries while others are served by road bridge vehicle ferries. The wagon ferry routes are Port Bell-Mwanza and Port Bell-Kisumu which also connect to the rail network. There are seven bridge vehicles ferries including three on Lake Victoria, two on Victoria Nile, one on Lake Albert and one on Albert Nile.

372. None of the Uganda URC Wagon ferries are functional following the sinking of MV Kabalega and the grounding of two remaining Wagon ferries from service due to maintenance and insurance constraints. The wagon ferry routes of Port Bell –Mwanza and Port Bell-Kisumu have therefore remained without any national carrier on them.

373. Apart from the wagon and road bridge ferries, the only formal service is a new ferry, the MV Kalangala which plies between Nakiwogo near Entebbe and Lutoboka in the Ssese Islands. This service has been contracted out to a private operator.

374. Overall navigation of Uganda water bodies remains risky. This is largely because there have never been any hydrographical surveys to determine the navigation routes, except those conducted on Lake Victoria and the lake charted way, in 1901. The charts on Lake Victoria are also too old to be relied upon for navigation purposes and there are no navigation aids installed. The sub-sector is also characterized by disjointed and obsolete laws, regulations and standards which require immediate review and harmonization.

⁵³ The total traffic was at 841,000 and cargo traffic 64,400 tonnes

6.2.2 Constraints to the Performance of the Transport Sector

- i) Inadequate supply and high cost of construction materials which increase the unit cost of construction.
- ii) Large capital requirements limiting investment in rail, marine and air transport.
- iii) Weak legal and regulatory framework characterised by absence of standards and codes and weak compliance resulting in shoddy work.
- iv) Limited financing options such as infrastructure bonds.
- v) Weak local private sector players (contractors, transporters and consultants) with inadequate technical and financial capacity which affects service delivery.
- vi) Long gestation period from conception to commissioning of infrastructure projects leading to high cost of finance and delays in investment.
- vii) Inadequate specialized skilled human resource including: material engineers, traffic engineers, geo-engineers and surveyors among others.
- viii) Inappropriate institutional set-up that does not separate the roles of policy formulation, planning, implementation and regulation.
- ix) Poor physical planning, which leads to high compensation costs, complex designs, delayed implementation of projects and high investment costs.
- x) Lengthy and expensive procurement system which increases the cost of doing business.
- xi) Over reliance on road transport system as opposed to rail, marine and air transport. This limits the transportation of bulk goods and subsequently increases cost of doing business.

6.2.3 Objectives, Strategies and Interventions

375. Objective 1 - Improve the stock and quality of road infrastructure.

Strategy 1: Upgrade specific national roads from gravel to class I and II bitumen standard.

Intervention Description

- i) Upgrade national roads (from 15 per cent (3,050km) to 21 per cent (4,105km) by 2015).
- ii) Reconstruct or rehabilitate sections of national roads.
- iii) Dualling of specific sections of national roads to improve their capacity.

Strategy 2: Improve the condition of national roads network from the current 60 percent in fair to good condition to 85 per cent.

Intervention Description

- i) Upgrade specific district roads to national roads.
- ii) Maintain national roads in good condition.

- iii) Enforce axial load control and install an automated system.
- iv) Increase road safety through specific road improvements.
- v) Procure and operationalise additional road vehicle ferries.

Strategy 3: Develop and maintain selected strategic roads for tourism, minerals, oil and gas and industry.

Intervention Description

- i) Construct and maintain strategic roads leading to major tourism sites, mining areas, oil and gas exploitation and production areas, urban and rural industrial areas.

Strategy 4: Upgrade, rehabilitate and maintain district, urban and community access roads.

Intervention Description

- i) District roads: Rehabilitate 11,067 km, including 10,095 km with low cost sealing (LCS); undertake periodic maintenance on 4,500 km each year; and Place 21,513 km under routine maintenance.
- ii) Urban roads: Rehabilitate and apply low-cost seals to 2,550 km; undertake periodic maintenance on 300 km each year; Place 3,140 km under routine maintenance; install street lighting and construct side pavements over 486 km.
- iii) Improve 1,000 km of community access roads each year to access level II.

376. Objective 2 - Improve the traffic flow within the Greater Kampala Metropolitan Area.

Strategy 1: Improve transport infrastructure, connectivity, safety, and modernize the public transport system.

Intervention Description

- i) Construct Dual Carriageway with Railway Viaduct (4.74 km), other Dual Carriageways (122.85 km), single Carriageway (572.93 km), junction improvements on 62 locations, railway Crossings at 27 locations, and Pedestrian Pavements and Crossings (1,053 km).

Strategy 2: Modernize the public transport system.

Intervention Description

- i) Implement the Kampala Rapid Bus Transport System (RBTS).

- 377. Objective 3** - Increase the volume of passenger and freight cargo conveyed on the rail network.

Strategy 1: Rehabilitate the existing rail network and increase the haulage capacity, and undertake construction of the standard gauge rail.

Intervention Description

- i) Reconstruct Kampala-Kasese railway line and Tororo-Pakwach railway line and some sections of Malaba-Kampala railway line.
- ii) Construct a standard gauge rail system connecting Kampala to Malaba with future connectivity to other parts of the country.
- iii) Overhaul and revitalize the operations of the national rail system to increase haulage on the existing rail system. Procurement of additional passenger and cargo locomotives is vital.

- 378. Objective 4** - Increase the volume of passenger and cargo traffic by air transport.

Strategy 1: Increase international, regional and domestic air flight routes.

Intervention Description

- i) Upgrade Entebbe airport to class A standards.
- ii) Complete the on-going upgrade of Arua airfield and upgrade Kasese, Soroti, Pakuba and Kidepo airfields to exit ports.
- iii) Modernize and expand the meteorological services' infrastructure.
- iv) Revise existing PPP arrangements to allow other players on regional flight routes to and from Entebbe besides air Uganda.
- v) Enter into joint ventures between Government and private actors to increase the domestic flights to various parts of the country.
- vi) Acquire land and gazette future airfields.

- 379. Objective 5** - Increase the volume of passenger traffic and cargo freight by marine transport.

Strategy 1: Increase navigable routes and improve marine transport infrastructure.

Intervention Description

- i) Conduct hydrographic surveys to map navigable routes on Lake Victoria and other lakes.
- ii) Rehabilitate the two Ugandan wagon ferries and replace the MV Kabalega.
- iii) Rehabilitate port infrastructure at Port Bell, Jinja and Butiaba.

380. Objective 6 - Increase efficiency and improve effectiveness in service delivery of transport infrastructure and provision of transport services.

Strategy 1: Strengthen the policy, legal and regulatory framework and coordination amongst stakeholders in the sector.

Intervention Description

- i) Formulate and implement a National Transport Policy and Master Plan.
- ii) Formulate and implement the axial load policy.
- iii) Formulate and implement national transport standards.
- iv) Review the procurement process for public works with a view to shortening the period and making the process cheaper.
- v) Expedite the formulation of national PPP policy to allow more private investment in the sector.
- vi) Strengthen the coordination mechanisms within the sector and establish a national transport databank.
- vii) Mainstream cross-cutting issues in the transport sector.
- viii) Improve transport regulation by strengthening the Transport Licensing Board.
- ix) Promote safety within the transport sector.

Strategy 2: Strengthen the institutional and human resource capacity.

Intervention Description

- i) Separate the institutional roles of policy and planning, implementation, and regulation.
- ii) Create a separate agency to manage transport infrastructure development and management for the Greater Kampala Metropolitan Area.
- iii) Create a separate administrative unit in MoWT to handle transport management.
- iv) Reform the rail sub sector to separate roles of commercial operations, infrastructure development and maintenance, and regulation.
- v) Survey, demarcate and acquire land titles for transport projects for existing in future to avoid large amount of compensations. Road reserves should be clearly marked and protected.
- vi) Improve the skills and numbers of technical staff in relevant public institutions in the transport sector.
- vii) Initiate alternative financing options for large infrastructure projects.
- viii) Improve coordination of institutional planning through reforming sector working groups to incorporate key sectors affected and those that contribute to the transport sector.

381. Objective 7 - Strengthen the national construction Industry

Strategy 1: Improve the policy, legal and regulatory framework for construction industry

Intervention Description

- i) Finalize the National Construction Policy and operationalise it.
- ii) Review the national construction standards and disseminate them effectively.
- iii) Expedite the formulation and enactment of the building laws.
- iv) Formulate and disseminate regulation and guidelines.
- v) Strengthen the enforcement mechanisms of approval of plans, quality assurance and inspection in the building industry.
- vi) Promote certification and adherence to building code.

Strategy 2: Build the capacity of the national construction industry.

Intervention Description

- i) Initiate and support leasing mechanism for contractors.
- ii) Ensure availability of technical data for planning, design, construction and maintenance purposes.
- iii) Undertake training for all professionals in the sector and equip them with up to date practices in planning, design, construction and maintenance.
- iv) Provide regular technical advice to the private sector players.

6.3 ENERGY SECTOR

6.3.1 Situational Analysis

382. Limited access and use of energy significantly slows down economic and social-transformation. The low energy consumption per capita in Uganda has largely contributed to the slow economic transformation by limiting industrialisation as well as value addition. It's one major factor that impacted on the country's competitiveness over the last decade. The energy exploitation and consumption patterns reflect that the country is still in infancy stages of energy application in production processes. The exploitation pattern is such that biomass accounts for 92 per cent of total energy consumed while fossil fuels account for 7 per cent and electricity only 1 per cent. Most of the biomass energy is from wood, which is consumed in the form of charcoal and firewood. This exploitation pattern is not sustainable because it heavily relies on non renewable energy that is both costly, untimely, limited and has serious environmental effects.

383. Energy consumption pattern shows that residential related activities account for 70.3 per cent of the total. The rest is accounted for by commercial use (13.6 per cent), Industrial use (10.7 per cent), transport use (5 per cent) and other uses (0.4 per cent). Most of the energy consumed for residential activities is woody biomass

energy which can not be used in industries in that form. The low level of access to electricity energy, high tariff and low generation capacity explains why the majority of Ugandans use woody biomass energy as a source of fuel. The pattern further denotes the low level of industrialisation and commercial production in the country.

384. The critical source of energy for Uganda is Electricity which is used for industrial and commercial production. The pattern of electricity consumption as of 2008 was as follows: 29.3 per cent for residential activities; 13.2 per cent for commercial and 57.5 per cent for industrial. This is partly explained by the higher power tariff for the industrial and commercial users thus restricting usage.

385. This electricity is generated from hydropower, cogeneration from biomass and thermal power by both public and private actors. The current installed power generation capacity is 595.84MW. The large hydropower generation accounts for 380MW of which 180MW is from Nalubaale and 200MW from Kiira. The mini hydropower plants account for 28.84MW⁵⁴. The cogeneration contributes to the grid 17MW from biomass from by Kakira sugar factory (12MW) and Kinyara sugar factory (5MW). In addition, thermal generation which accounts for 170MW are generated from Namanve, Kiira, Tororo and Mutundwe thermal plants.

386. The actual hydropower generation varies between 140-200MW despite the installed capacity. The major factors behind the shortfall are prolonged drought and low water levels on Lake Victoria to mention but a few. Besides the shortfall in power generation, the sector is also faced with system losses of about 40 per cent. These are technical and commercial⁵⁵ in nature with each accounting for about 50 per cent of the losses. This translates not only into a reduction in access to and use of power but also a waste of public resources.

TABLE 6.I			
INSTALLED CAPACITY AND ACTUAL GENERATION OF THE POWER CONNECTED TO THE NATIONAL GRID			
Type of Power	Installed power capacity	Actual power Generation	Remarks
Hydro power	409 MW	140-200MW	180MW (Nalubaale HPP)
			200MW (Kiira HPP)
			28.84MW (Mini –HPP)
Biomass power Potential	26MW (17MW connected to Grid)	26MW (17MW connected to the Grid)	Kakira (18MW) but to Grid 12MW Kinyara (8MW) but to Grid 5MW
Thermal Power	170 MW	170MW	Namanve (50MW), Mutundwe (50MW), Kiira (50MW) and Tororo (20MW)

387. Installed capacity is expected to rise to about 802MW in 2011 with the full commissioning of the Bujagali hydropower plant currently under construction⁵⁶ and various mini hydropower plants. Accordingly, Government is undertaking a number of energy efficiency measures. These include energy audits to establish areas of improvements in energy use⁵⁷, refurbishment of the grid network, installation of

54 Mini plants include Kilembe mines Ltd 5.4MW Bugoye/ Mubuku3 13MW, Kasese Cobalt Ltd (10MW), Kisiizi 0.26MW, Kagando 0.06MW, Kaluva 0.12MW

55

56 Installed capacity of the first two large hydropower plants of Nalubaale and Kiira power stations is 180MW and 200MW respectively. There are a number of small hydropower plants with total installed capacity 15.87MW. These are Mobuku 3 (10MW), Mobuku1 (5.4MW), Kuluva (0.12), Kagando (0.06) and Kisiizi (0.29MW).

57 A number of public institutions which include 21 referral hospitals, 120 schools and colleges, 10 industries, 20 public

prepaid meters and other actions to curb illegal use of electricity. The measure is expected to reduce energy demand by 20MW.

388. In spite of the above efforts, Uganda has one of the lowest electricity consumption per capita in the world. It is estimated at 69.5 kWh per capita in 2009. This is significantly lower than Africa's average of 578 kWh per capita and the World's average of 2,752 kWh per capita. It compares poorly with peers like Kenya and Ghana that are 2.3 times and 3.6 times better. The consumption per capita is about 55 times lower than that of Malaysia (3,668 kWh per capita) and 123 times lower than that of Korea that stands at 8,502 kWh per capita. The current supply levels can not support heavy industries like steel mills, textile mills and aluminium processing plants. This is partly attributed to little investment in the power generation for over 40 years since the completion of Nalubaale dam. The policy of supplying electricity to meet the demand within the economy has partly contributed to low prioritisation of the energy sector subsequently limiting investment. Power is a prerequisite for investment not the opposite. It is an indispensable parameter in attracting investments.

389. In order to create a favourable investment climate and attract heavy investments in the industry sector, there is need for policy reform to ensure sufficient electricity generation capacity is created. Given the current levels of electricity generation, there is need for radical and drastic action to step up electricity supply to drive the economy to the indicators compared to middle income countries like Malaysia and Korea. The table below indicates the capacity requirements to raise the consumption per capita from 75 kWh per capita by 2,010 to 3,670 kWh per capita by 2,040.

TABLE 6.2							
ELECTRICITY GENERATION PROJECTIONS TO MEET THE VISION AND NDP TARGETS							
Year	2010	2015	2020	2025	2030	2035	2040
Consumption (kWh/capita)	75	674	1273	1872	2470	3069	3668
Capacity (MW)	425	3,885	8,601	14,670	22,222	31,252	41,738

390. Although, the consumption per capita is low, Uganda has an estimated hydropower potential (over 4500MW), biomass co-generation (1,650MW), geothermal potential (450MW), peat power potential (800MW), high solar power potential, high fossil fuel thermal potential and high nuclear energy potential. Exploitation of these potentials will massively reduce the deficit. However, there is need to invest in both exploration and development of new energy sources and technologies to meet the future demand and the Vision targets. Furthermore, interconnection within the region and Africa are important to ensure the projections are met.

391. Beyond hydropower generation, improving access and use also requires increasing both the geographical coverage of the grid and the number of households connected to it. As far as geographical coverage is concerned, the transmission network currently consists of 1,100 km of 132 kV and 54 Kms of 66 kV network. Domestic connections to the grid on the other hand increased from 237,830 in 2004 to 276,255 in 2008. Commercial consumers decreased from 23,231 in 2004

buildings, police barracks, 6 universities and NWSC facilities have been audited.

to 20,484 in 2008 while industrial consumers decreased from 733 in 2004 to 159 in 2008.

392. Access to the grid however remains very low due to limited national power grid coverage and low generation capacity. In terms of Rural –Urban divide, only 6 per cent of the household in the rural areas have access to grid power as compared to 40 per cent of urban households. While access is higher in urban areas (40 per cent) a significant proportion of households still rely on non-renewable energy sources. This is partly due to the prevailing high power tariffs. In addition to local consumption, Uganda also exports grid power during off peak hours as a source of foreign exchange earnings with 10.1 MW and 6 MW destined for Tanzania and Kenya respectively.

6.3.2 Constraints to the performance of the Energy Sector

- i) Low lake water levels, arising from poor management of the catchments and the low level of regional cooperation in the management of shared water resources.
- ii) Limited institutional capacity of water resource institutions in terms of planning, coordination, monitoring and regulation.
- iii) Limited skilled human resource in water resources management.
- iv) Weak regulation and enforcement.
- v) Short term and uncoordinated institutional planning.
- vi) Weak private sector which is required to play an increasing role in the energy sector.
- vii) High investment capital and limited financing options for energy projects.
- viii) Poor regulation of public-private partnerships.
- ix) Lack of implementation of national land use policy that has led to haphazard land utilisation including rapid destruction of tree cover.
- x) High power losses (commercial and technical losses).
- xi) High power tariffs.
- xii) Limited power transmission and distribution network which limits access to power.
- xiii) Limited generation capacity.

6.3.3 Objectives, Strategies and Interventions

393. Objective 1 - Increase power generation capacity.

Strategy 1: Construct large hydropower plants and thermal power plants through public and private investments.

Intervention Description

- i) Complete Bujagali hydropower dam construction. This is expected to Increase power generation capacity by 250 MW.
- ii) Construct Karuma hydropower plant to generate 700MW.
- iii) Study, design and construct Ayago hydro power plant to generate 700MW.

- iv) Study, design and construct Arianga hydro power plant to generate 400MW.
- v) Construct Isimba hydro power dam to generate approximately 130MW.
- vi) Build a thermal power Plant (700MW as part of the refinery) to utilise Uganda's oil resources.
- vii) Design and construct solar thermal plants to generate 200MW.
- viii) Study, design and build Goe-thermal plants to generate 100MW.
- ix) Increase the co-generation capacity to 150MW from wood, waste crop and garbage.

Strategy 2: Develop mini hydro power plants to generate 150MW.

Intervention Description

- i) Construct Muzizi, Kikagati, Nshongyenzi, Waki and other mini hydro power projects.
- ii) Complete the construction of Mpanga, Nsheruka and Nyagak mini hydro power plants.

394. Objective 2: Build new transmission lines to evacuate new generation plants and extend to improve power service delivery to different areas of the country.

Strategy 1: Expand the transmission grid from the current 1,300 km to 2,750 km and increase transmission voltage from the current 132KV to cover 220KV and 400KV.

Intervention Description

- i) Build new transmission lines to evacuate generation plants. These evacuation lines will include : Nkenda-Mputa-Hoima (132KV, 254km), Karuma-Kawanda (400KV, 264km), Karuma-olwinyo (132KV, 60km), and Karuma –Lira (132KV, 80km) and Isimba interconnection (132KV, 40km)
- ii) Extend the transmission grid to improve power service delivery to different areas of the country: New grid extension lines to be built to improve power delivery are : Kawanda-Masaka (220KV, 142km), Opuyo-Moroto (132KV, 200km), Tororo-Opuyo-Lira upgrade (132KV, 260km), and Mbarara-Nkenda (132KV, 160km)
- iii) Build several substations (Kawanda 400KV, Masaka 220/132kv, Hoima 132/33KV, Mputa 132/33KV, Fortportal 132/33KV, Moroto, 132/33KV and Olwinyo 132/33KV) to allow distribution and rural electrification to take off.

395. Objective 3 - Accelerate rural electrification

Strategy 1: Expand the grid to the rural areas.

Intervention Description

- i) Extend the grid to District Headquarters; maximize connection of major economic centres and social service facilities.
- ii) Implement community schemes.
- iii) Provide subsidies to independent power producers operating the mini grids.
- iv) Invest in energy transmission to rural and urban areas.

396. Objective 4 - Promote Energy Efficiency.

Strategy 1: Reduce power losses from 40 per cent to 16 per cent.

Intervention Description

- i) Reduce commercial power losses through introduction of prepaid meters and increased monitoring among others.
- ii) Reduce technical power losses mainly through revamping the transmission and distribution system.
- iii) Acquire the necessary information and data to attract and facilitate private sector participation and capital inflow.
- iv) Review policy, legal and institutional frameworks to attract more private investment into the power sector. This will among others, improve coordination of institutional planning to incorporate key sectors affected and those that contribute to the energy sector.
- v) Introduce prepaid meters to minimise losses.

397. Objective 5 - Strengthen the policy, legal and institutional framework.

Strategy 1: Regulate and Monitor Energy Policies/Plans.

Intervention Description

- 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 Policy, and Electricity Act).
- iii) Formulate a PPP framework to allow more private investment in the energy sector.

398. Objective 6 - Promote Renewable Energy.

Strategy 1: Promote and facilitate the use of Renewable Energy Technologies (biomass, solar, gasification technologies and stoves) at household and institutional level.

Intervention Description

- i) Develop an institutional framework for gasification technology.
- ii) Install demonstration gasifiers in forest management areas.
- iii) Provide subsidies for solar PV systems.
- iv) Provide subsidies and loan systems for bio gas systems.
- v) Train artisans to install quality biogas systems.

Strategy 2: Promote and facilitate the use of bio fuels.

Intervention Description

- i) Develop and implement a strategy for bio fuels crop growing.
- ii) Develop and implement legislation for fuel blending.

Strategy 3: Invest in power generation from wind.

Intervention Description

- i) Develop database for wind energy and its characteristics.
- ii) Promote windmills.

Strategy 4: Promote development of co-generation for power production.

Intervention Description

- i) Provide incentives/subsidies for co-generation.

399. Objective 7 - Promote and regulate peaceful application of atomic energy.

Strategy 1: Carry out specialized training of human resource in nuclear energy.

Intervention Description

- i) Carry out specialised training of human resource in nuclear energy.
- ii) Seek authorization of atomic energy practices with proper monitoring.
- iii) Monitor atomic energy applications.

400. Objective 8 - Build capacity in the energy sector.

Strategy 1: Strengthen the institutional and human capacity.

Intervention Description

- i) Review the existing structure.
- ii) Recruit and train human resource.
- iii) Acquire relevant tools.

6.4 WATER FOR PRODUCTION

6.4.1 Situational Analysis

401. Water is one of the vital inputs in production processes. Delivery of reliable and sufficient water to production units is a key economic infrastructural support that Government has to undertake in order to stimulate production, especially in the agricultural, tourism and industrial sectors. The major uses of water for production in the country currently include crop irrigation, fish rearing, livestock farming, industrial processing and wildlife conservation.

402. In the case of crop farming which heavily depends on the amount of rainfall and its seasonal variations, increasing productivity requires steady supply of sufficient water. The same applies to livestock farming and fish rearing. Crop irrigation, livestock watering and water impounding serve to ensure the steady supply of water for these purposes. With respect to wildlife conservation, providing water reservoirs creates a suitable habitat for particular wildlife species which are an asset to the tourism industry. In the context of industry, water serves both as an ingredient and a processing agent.

403. Crop Irrigation: Currently, there are a number of public, private and public-private owned irrigation schemes covering a total of 14,418 hectares. However, this represents only 3.6 per cent of the total national irrigation potential of 400,000 hectares. Due to infrastructure deterioration and poor operation and maintenance, the service area of these schemes has decreased over the past eight years.

404. Livestock Farming: In regard to this area, emphasis has been on construction of dams and valley tanks. The initial efforts were directed to Karamoja region mainly due to the high level of nomadic pastoralism and associated problems. Seven dams were constructed in this region between 1997 and 2009 namely Kailong dam in Kotido, Kawomeri dam and Kulodwong dam in Abim, Kobebe dam and Arechet dam in Moroto, Longoromit dam in Kaabong. Dams constructed in other parts of the country include: Kakinga in Sembabule, Mabira in Mbarara, Kigabaga in Kiruhura, Leye in Apac and Kodhukul in Kumi.

405. In addition, a number of valley tanks have been constructed in various areas within districts. These dams and tanks provide water to about 1,000,000 livestock. This is approximately 68 per cent of the total number of livestock in the cattle corridor and 28 per cent in the non cattle corridor.

406. Fish Rearing: Government has provided minimal infrastructural support for fish farming which is still in its infancy.

407. Industrial Processing and Wildlife Conservation: Water infrastructure support for rural industry and tourism has not yet taken effect and will therefore, be a major area of focus in this plan period.

6.4.2 Constraints to the Performance of the Water for Production

- i) Lack of a framework for operation and maintenance of the water for production facilities.
- ii) High operation and maintenance costs for irrigation which are not affordable by the majority of farmers.

- iii) Limited implementation of zoning, specialisation and large scale commercial production.
- iv) Limited investment financing from both private and public sectors.
- v) Lack of collaborative and coordination mechanisms in planning, infrastructural development and financing between public and private sector institutions.
- vi) Lack of knowledge and experience in adaptation of water harvesting techniques.
- vii) Weak capacity for provision of critical expansion services for crop production, irrigation techniques and practices as well as marketing.
- viii) Inadequate planning and coordination between water supply and water usage.
- ix) Lack of a national irrigation strategy.
- x) Lack of coordination among stakeholders (MWE, MAAIF, LGs, and MFPED, among others).

6.4.3 Objectives, Strategies and Interventions

408. Objective 1 - Increase acreage under irrigation from the current level of 14,418 hectares to 22,000 hectares.

Strategy 1: Develop public irrigation schemes.

Intervention Description

- i) Establish five new large irrigation schemes and ensure that they are functional through regular maintenance.
- ii) Put in place and operationalise a management and maintenance system for the irrigation schemes.

Strategy 2: Promote micro-level irrigation.

Intervention Description

- i) Establish model micro-level irrigation schemes at Sub-county level. During the plan period, Government will establish a total of 50 model irrigation schemes mainly focusing on crop farming.
- ii) Promote smallholder investment in micro-level irrigation schemes through facilitation of farmers to access micro-finance.

Strategy 3: Promote appropriate technology for household level irrigation.

Intervention Description

- i) Promote Research and Development (R&D) and support application of appropriate technology on pilot basis.
- ii) Disseminate appropriate technologies by use of a designed dissemination strategy and effective Community mobilization.

Strategy 4: Strengthen the PPP in construction and maintenance of irrigation schemes.

Intervention Description

- i) Train private sector players in construction and maintenance of irrigation schemes. Government will provide training to 60 private sector players to build their technical capacity and enhance their level of involvement in constructing and maintaining irrigation schemes.
- ii) Involve private sector in Operation and Maintenance (O&M) of irrigation schemes.
- iii) Put in place and operationalise a PPP framework for consultancy, construction and O&M of irrigation schemes.
- iv) Implement the framework for O&M management of water for production facilities with the involvement of the private sector.

Strategy 5: Rehabilitate existing irrigation schemes.

Intervention Description

- i) Rehabilitate and maintain the functionality of the existing five irrigation schemes of Kibimba, Doho, Mubuku, Olweny and Agoro.

409. Objective 2 - Increase supply of water in the cattle corridor from the current 36 per cent to 50 per cent and those outside the cattle corridor from 21 per cent to 30 per cent.

Strategy 1: Construct valley dams and valley tanks and set up reliable O&M structures and systems.

Intervention Description

- i) Construct and maintain the functionality of 12 valley dams in the cattle corridor and 3 outside the cattle corridor with regional balance and production levels as key principles.
- ii) Construct and maintain functionality of 135 valley tanks in the cattle corridor and 15 outside the corridor putting into consideration regional balance and the production levels.

Strategy 2: Equip the existing valley dams/tanks to facilitate easy livestock watering.

Intervention Description

- i) Equip 150 valley tanks/dams with abstraction systems.

Strategy 3: Build capacity of the private sector players to construct and maintain valley dams/tanks.

Intervention Description

- i) Train 150 private sector players in construction and maintenance of valley tanks/systems.
- ii) Develop and implement management systems for water for production equipment.

410. Objective 3 - Strengthen management of water catchment areas around Water for production facilities.

Strategy 1: Manage water resources at catchment areas.

Intervention Description

- i) Gazette water catchment areas.
- ii) Enforce water catchment area laws and regulations.
- iii) Plant appropriate vegetation around water for production facilities.

Strategy 2: Build capacity for water resource management.

Intervention Description

- i) Train community user committees in water resource management to develop a pool of competent and functional community committees in management of water for production facilities.
- ii) Support development of by-laws and ordinances to enable the proper management of water resources around water for production facilities.
- iii) Support community mobilization, sensitization and information dissemination to enhance their participation in managing the water resources.

411. Objective 4 - Increase water supply systems for rural industries to facilitate agro-processing and other industrial activities.

Strategy 1: Provide water for production supply systems to key industrial areas.

Intervention Description

- i) Construct and maintain the functionality of 25 water supply systems to key rural industrial areas putting into consideration the principle of regional balance. Set up an appropriate O&M system.

412. Objective 5 - Increase water supply for multi-purpose use in water stressed areas of the country.

Strategy 1: Construct bulk water supply schemes.

Intervention Description

- i) Construct and maintain functionality of 3 Bulk water supply schemes for multipurpose use. Set up appropriate operation and maintenance system.

6.5 LAND MANAGEMENT AND ADMINISTRATION

6.5.1 Situational Analysis

413. Uganda covers a total surface area of approximately 241,038 square kilometres of which 18.2 per cent is water and 81.7 per cent is land. A total of 42 per cent of the available land is arable land although only 21 per cent is currently utilized, mostly in the southern parts of the country. Land is fairly distributed among households throughout the country with the average land holding being about 1.6 to 2.8 hectares in the South and 3.2 hectares in the North. There are four different forms of tenure namely: customary, freehold, leasehold and mailo.

414. The Land Act, 1998 recognizes the multiple land tenure systems as indicated in Table 6.2. A great part of the land in Uganda is held on customary rights and is usually subject to restrictions such as transfer outside the family and clan. The successions follow the native rules and certain family, clan or communal rights that have to be respected. Freehold land was given as a grant to the citizens of Uganda and existing institutions⁵⁸ by the colonial masters before independence in 1962. Since independence, leasehold has been granted from public land vested in the Government which was represented by the Uganda Land Commission, until the promulgation of the new Constitution in 1995. Since then, this role has been taken over by the District Land Boards. Mailo is, in principle, a feudal land tenure system, originating from an agreement between the King of Buganda and the British Government in 1900. It is today treated more or less as freehold land tenure.

TABLE 6.3					
DISTRIBUTION OF LAND TENURE SYSTEMS, 2002/03 (PERCENTAGE)					
System of Tenure	Uganda	Central	Eastern	Northern	Western
Registered freehold mailo	7.8	8.9	7.8	1.8	11.1
Unregistered freehold mailo	35.7	78.3	11.9	6.6	33.6
Leasehold	15.9	12.3	26.4	15.6	8.8
Customary	40.6	0.4	53.7	76.1	46.6

Source: 2002/03 Uganda National Household Survey

415. The ambiguity of the different systems of land ownership complicate access to land especially for those that may want to use it as a factor of production. The majority of land owners in rural areas have focused more on land as their fundamental

⁵⁸ Religious organizations, educational institutions and other big corporate bodies

source of livelihood. They have continued to practice primitive and peasantry methods of production utilizing very small proportions of their land holdings.

416. The majority (95 per cent) of land owners do not have land titles to guarantee their security of tenure. The problem of accessing land titles is compounded by: bureaucracy, manual operations, corruption, low level of funding to the sector, legal and regulatory constraints, attitude, culture, squatters, historical issues, shortage of relevant skills such as land surveying and many other related problems.

417. The Land Act (1998) also provides for female inheritance rights over land, and requirements for spousal consent in all matters relating to land from which family derives subsistence. However, customary practice favours male inheritance of land so that women's land rights tend to be limited to access while men enjoy ownership rights. Women's minimal land ownership means they have limited decision making power over land use. Women often lack awareness about their legal land rights. In post-conflict areas these gender-related land issues are particularly acute. The situation is made worse given the fact that 70 per cent of women are employed in Agriculture and yet only 20 per cent of women own registered land. It has been established that there is an increase in women's accessibility to land by 5 per cent, agriculture production would be boosted by 0.3 per cent every year⁵⁹.

418. The supply of land is fixed but Uganda's population continues to grow at a very high rate of 3.2 per cent per annum. The current population estimated at 30.7 million in 2009 is projected to rise to 38 million by 2015 thus causing a challenge to land distribution. Table 6.3 shows how the population density has been increasing between different population censuses.

TABLE 6.4						
UGANDA'S POPULATION DENSITY						
Years	1948	1959	1969	1980	1991	2002
Total Population (Millions)	5.0	6.5	9.5	12.6	16.7	24.2
Population Density (km ²)	25	33	48	64	85	124
Source: UBOS Database 2004						

419. This rapidly growing population density puts pressure on land resources and has therefore created serious socio-economic problems, including; land fragmentation, increasing land disputes, loss of forest cover and environmental degradation, poor agricultural yields, constraints in physical planning among others.

420. The number of districts increased from 56 to 80 between 2000 and 2008. This has created a need for district border demarcations, survey and planning of district headquarters. Furthermore, the discovery of oil in Albertine region has led to increased land transactions in the oil regions increased border disputes and consequently the demand for survey works. The trends in the outcomes of the Land Administration and Management sector are summarized in Table 6.4.

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TABLE 6.5					
TRENDS IN OUTCOMES IN THE LAND ADMINISTRATION AND MANAGEMENT SUB-SECTOR					
Outcome Indicators	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	Target 2014/2015
% of International Boundaries Demarcated	20	5	5	20	70
Certificates of Land Titles Issued	Mailo (15,544)	Mailo (16,000)	Mailo (7500)	Mailo (12000)	Mailo (50000)
	Leasehold (4,804)	Leasehold (3,000)	Leasehold (4500)	Leasehold (5000)	Leasehold (60000)
	Freehold (565)	Freehold (1,800)	Freehold (3000)	Freehold (8000)	Freehold (150000)
Rehabilitation and Computerization of Land Registry	Mailo (83,174)	Mailo (124,382)	Mailo (139,459)	Mailo (185,000)	Mailo (250,000)
				Leasehold (80,000)	Leasehold (200,000)
					Freehold (80,000)
LIS Coverage of Districts	0	0	0	6	15
Digital Mapping Data Bases Produced	9	10	12	15	35
District Thematic Maps Produced	27	54	64	70	82
No. of Plots Adjudicated, Demarcated and Surveyed Systematically	2450	785	657	750	400,000
Cadastral Surveys Approved	3300	2000	2500	3500	10,000
Deed Plans for Titling Produced	1620	7200	4200	8000	260,000
Districts Rendered Technical Support	5	12	10	25	80
Training and Technical Capacity Undertaken	45	60	62	120	350
% Completion of Rehabilitation of Geodetic Network	5	5	0	10	100
Number of Area Land Committees Trained	15	30	16	30	80
Number of District Land Boards Provided Technical Support	18	25	37	40	80
Number of Land Related Laws Reviewed and Submitted to Cabinet	3	1	2	3	14
Source: Ministry of Lands, Housing and Urban Development (2006 – 2009)					

6.5.2 Constraints to the Performances of Land Management Sector

- i) The absence of a National Land Policy to guide review of the existing laws on land administration and management. For instance, although the Land Act, 1998 as amended in 2009, provides basic tenets of a land policy, several provisions do not conform to sections of other laws.
- ii) Inadequate supply of skilled and experienced professionals including Land Surveyors, Valuation Surveyors and Land Economists.
- iii) Inadequate capacity of the existing institutions of land management and administration at the National and Local Government levels. The decentralization system has created different centres of power in land administration. These centres lack the capacity to deliver services to the population effectively. The coordination mechanism has been severely affected by lack of standards and a central line of

command and control at the national level. Poor enforcement of land use regulations remains a challenge.

- iv) Obsolete equipment for survey works, mapping, physical planning, land registration and information management.
- v) The low level of awareness on land issues, including land rights and obligations, therefore making some sections of the population vulnerable.
- vi) Outdated information on land including cadastral maps, topographical maps, district maps. The National Atlas and other related maps have never been updated since the 1960s. By 2008, there were over 100 urban centres with no specific maps to guide their planning.
- vii) Bureaucratic red tape in accessing land titles breeds corruption, delays and high transaction costs.
- viii) The existing land law vests land ownership in the citizens of Uganda. In order to acquire any land for public use such as roads, open spaces and industrial parks, there has to be adequate compensation of the land owner. For instance, a number of Local Governments do not have adequate resources for this purpose. This affects the effectiveness of the Local Authorities and other Government institutions in service delivery. In addition, the existence of multiple tenure rights on land also affects access to land by would be potential developers.

6.5.3 Objectives, Strategies and Interventions

421. Objective 1 - Create an inclusive and pro-poor policy and legal framework for the land sector.

Strategy 1: Formulate the National Land Policy.

Intervention Description

- i) Finalize consultation and approval processes of land policy.
- ii) Disseminate and implement the National Land Policy.

Strategy 2: Review and harmonize relevant legislations.

Intervention Description

- i) Review and harmonise existing laws.
- ii) Formulate and implement regulations and guidelines.

Strategy 3: Formulate and implement a National Resettlement Policy.

Intervention Description

- i) Develop and implement a National Resettlement Policy (NRP) which lays down the eligibility criteria and guidelines for resettlement.

Strategy 4: Formulate and implement a Government Land Management Policy.

Intervention Description

- i) Develop and implement a Government Land Management Policy. This will provide a strong basis for deciding more systematically on how to bring such land to its best use as well as to redress past appropriations.

Strategy 5: Improve the land fund program.

Intervention Description

- i) Develop and implement a redistributive land reform program for comprehensive operationalisation of the land fund with a focus on poverty eradication and ensuring women ownership of Land.

422. Objective 2 - Establish and maintain transparent, accountable and easily accessible institutions and systems for decentralized delivery of land services.

Strategy 1: Strengthen coordination of the different institutions responsible for land administration and management.

Intervention Description

- i) Develop a sector wide legal, institutional and financial framework for implementation of land sector reforms at central and local government levels.

Strategy 2: Strengthen land, dispute and resolution institutions.

Intervention Description

- i) Develop and implement a strategy for Alternative Land Dispute Resolution.
- ii) Institute a transparent, just and easily accessible legal, institutional and financial framework for alternative land dispute resolution.

Strategy 3: Resolve Land Conflicts in Northern Uganda and other parts of the country.

Intervention Description

- i) Develop and implement land disputes resolution programme for Northern Uganda. Gender sensitivity will be an integral part of the programme.

Strategy 4: Strengthen the Land Sensitization Secretariat at Central Government level.

Intervention Description

- i) Establish a coordination mechanism for provision of public information on land rights in all the institutions responsible for land management and administration both at central and local government level. A component to strengthen women's awareness of their land rights will be included.

Strategy 5: Survey both International and District Boundaries.

Intervention Description

- i) Initiate and conduct Joint Technical and Boundary Commission dialogue for international boundaries.
- ii) Initiate a technical/administrative forum for demarcation of district boundaries.

Strategy 6: Roll out the systematic adjudication, demarcation, survey and certification/registration of land programme.

Intervention Description

- i) Carry out a comprehensive assessment of the pilot Systematic Demarcation programme
- ii) Develop a strategy for rolling out the program.

423. Objective 3 - Increase the stock and quality of human resources.

Strategy 1: Strengthen technical services of various institutions responsible for delivery of land services.

Intervention Description

- i) Review and implement the Training and Capacity Building Program for various central Government institutions responsible for delivery of land services.
- ii) Review and implement the Training and Capacity Building Program for decentralized delivery of land services. In particular, focus will be on District Land Boards, Area Land Committees and Recorders.
- iii) Recruit staff at national and district level, with at least two professionals to handle land matters in each district.

424. Objective 4 - Increase the level of awareness on land issues.

Strategy 1: Create awareness on land issues.

Intervention Description

- i) Review and implement an IEC strategy to promote awareness on land issues.

425. Objective 5 - Develop the requisite infrastructure for effective and efficient delivery of land services.

Strategy 1: Complete the rehabilitation and densification of the National Geodetic Network.

Intervention Description

- i) Design, modernize/rehabilitate the National Geodetic Network (NGN). This will increase the percentage of macro geodetic network. In order for Government to fully benefit from the GPS technology, densification of NGN is necessary.

Strategy 2: Re-establish the hydrographic survey capacity.

Intervention Description

- i) Develop and implement a program for delivery of Hydrographic Surveys.

Strategy 3: Put up purpose built facilities with functional designs to meet requirements of modern survey and mapping service delivery system.

Intervention Description

- i) Renovate and construct DLOs, carry out Surveys and Mapping of HQs, LIS Centre, Storage and Archival Centre and School of Surveying and Land Management.

426. Objective 6 - Increase availability, accessibility, affordability, and use of land information for planning and implementing development programmes.

Strategy 1: Improve land data and information management.

Intervention Description

- i) Review and implement the Digital Mapping Programme which is critical for all forms of planning but most importantly physical planning.

Strategy 2: Establish and operationalise the Land Information System (LIS).

Intervention Description

- i) Roll out and establish a transparent, decentralized, efficient and affordable GIS based National Land Information System. To this end, investments will be directed at revamping the recording system, revising the land maps and computerization of the land registries to reduce the amount of time taken in service delivery.

6.6 PHYSICAL PLANNING

6.6.1 Situational Analysis

427. Uganda has 112 gazetted towns⁶⁰ of which 93 have up-to-date structure plans (Table 6.5). However, a big number of these towns have not translated the bulk of their Structure Plans into implementable detailed physical development plans. In addition, Uganda lacks a coherent rural land use plan. The country, therefore, continues to experience haphazard developments in both urban and rural areas.

TABLE 6.6				
STATUS OF PHYSICAL PLANNING OF UGANDA'S TOWNS				
	City Council	Municipal Councils	Town Councils	All gazetted towns
No. of gazetted towns	01	13	98	112
No with up-to-date structure plans	00	11	93	104
No Requiring Updating of existing Plan	01	02	01	04
No without any comprehensive structure plan	00	00	04	04
% of towns with up-to-date structure plans	0	85	95	93

Source: Ministry of Lands, Housing & Urban Development, background paper for the NDP, 2009

428. Efforts have been taken to improve the situation, notably:

- Planning of the first batch of 40 out of 143 Town Boards has commenced.
- Review of the Kampala Structure Plan (1994) and preparation of the Greater Kampala Metropolitan Area physical development plan are ongoing and expected to be completed by 2012.
- Most districts have now employed qualified Physical Planners. However, the structure provides for only one position of a District and Urban Physical Planner except Kampala City Council. The critical challenge is that none of the Local Governments has adequate facilities and budgets to oversee, monitor and evaluate the implementation of the available physical development plans hence the haphazard developments evident in most parts of the country. Many fragile ecosystems have continued to be tampered with due to either absence of the relevant land use plans or poor implementation of such plans where they exist. Water catchment areas, steep slopes and hill tops, natural forests and wetlands, among

⁶⁰ These include all towns, cities and municipalities except town boards

others, are daily being developed outside of the management principles of such fragile areas.

- The National Land Use Policy was approved in 2007. The overall purpose of this policy is to achieve sustainable land utilisation in the country, including settlement, conservation, agriculture, and other economic activities. However, its dissemination and implementation have not been undertaken and as such the country continues to experience unplanned and uncontrolled land use development.
- The Physical Planning Bill has been passed by Parliament. Once implemented, it will address issues of uncontrolled spatial developments.

6.6.2 Constraints to the Performance of Physical Planning Sector

- i) Inconsistent laws: The applicable law (the Town and Country Planning Act, 1964) has provisions that are inconsistent with other laws such as the Local Government Act, 1997, the Land Act, 1998, the National Planning Authority Act, 2002, and other laws.
- ii) Inadequate coordination: There is no clear mechanism for coordination among various institutions involved in physical planning. This problem is eminent between Urban and District Local Governments, and the Ministry responsible for physical planning and Local Government. Also, coordination among relevant MDAs is lacking.
- iii) Inadequate financial resources for preparation and implementation of physical development plans.
- iv) Inadequate human resources to formulate and implement physical development plans.
- v) Negative attitude and perceptions as well as lack of goodwill to implement physical development plans.
- vi) Lack of up-to-date planning information, including topographic maps, cadastre information and land tenure maps, among others.
- vii) Lack of national physical planning standards, guidelines and regulations.

6.6.3 Objectives, Strategies and Interventions

429. Objective 1 - Increase the level of compliance to physical development plans by both private investors and Government projects (such as roads, dams, water supply schemes, irrigation schemes, housing, education and health infrastructure among others)

Strategy 1: Implement the new physical planning law.

Intervention Description

- i) Develop and disseminate comprehensive physical planning regulations, guidelines and standards.
- ii) Carry out regular supervision, monitoring and inspection to ensure compliance with physical planning standards.

- iii) Institute approval mechanism for public physical infrastructure projects.
- iv) Produce a bi-annual State of Physical Planning Report.

430. Objective 2 - Put in place a national spatial development backbone to support orderly and sustainable urbanization, industrialization, services and infrastructural development.

Strategy 1: Formulate and implement national and regional physical development plans.

Intervention Description

- i) Develop and implement national physical development plan.
- ii) Develop and implement regional physical development plans.

431. Objective 3 - Ensure effective resourcing of physical planning services both at national and local levels.

Strategy 1: Support national and local government physical planning

Intervention Description

- i) Provide conditional grants to LGs and monitor the use of grants.

432. Objective 4 - Improve capacity and efficiency for physical planning at all levels.

Strategy 1: Establish a land use (Physical Planning) database & computerize physical planning operations.

Intervention Description

- i) Establish and operationalize an appropriate institutional structure at the Local Government level.
- ii) Train all Central Government physical planning staff in advanced Geographical Information System (GIS) skills.
- iii) Roll out GIS training to all district and urban Local Governments to impart adequate GIS skills for all relevant Local Government technical staff.
- iv) Establish a GIS centre and a national spatial database to adequately back up land use data repository and work stations for all trained Planners.
- v) Support relevant security and law and order organs to build spatial databases linked (real time) to national spatial records of street layouts, utility maps, addresses, architectural plans, land use and ownership among others.

433. Objective 5 - Facilitate the participation of the marginalised groups in physical planning.

Strategy 1: Carry out national campaigns for planned physical (spatial) development.

Intervention Description

- i) Develop and implement an IEC strategy for Physical planning by end of 2010.
- ii) Review the planning process to ensure increased physical plans implementation and public acceptance.
- iii) Select and plan five model towns country wide using the newly developed participatory planning process.
- iv) Measure and document economic benefits from planned developments in the five towns & elsewhere.

434. Objective 6 - Facilitate optimal utilization of land resources especially in areas with the highest economic potentials.

Strategy 1: Prepare physical development plans for areas with the highest economic potentials.

Intervention Description

- i) Develop and implement physical development plans for the Albertine Graben area.
- ii) Develop and implement physical development plans for the Greater Kampala Metropolitan Area (GKMA).
- iii) Develop and implement physical development plans for highly mineralized areas and establish a physical planning taskforce to implement the plans.
- iv) Prepare and implement model land use plans for northern Uganda, (preferably at sub county level) and establish a physical planning taskforce in the region.

6.7 URBAN DEVELOPMENT

6.7.1 Situational Analysis

435. Urbanization is when large numbers of people become permanently concentrated in relatively small areas, forming cities or towns. A country is considered to be urbanized when over 50 per cent of its population lives in the urban areas. Urban agglomeration improves productivity and promotes economic growth⁶¹.

436. Urban areas are dynamic and represent growing centres of industry, financial services, trade, education and other services. Urban people enjoy better incomes, a higher life expectancy and tend to maintain smaller families⁶². As they grow, urban areas become centres of entrepreneurship and innovation that attract talented and skilled workers. However, if not properly planned and controlled, urbanization can cause congestion, environmental degradation, housing shortages, and formation of informal settlements and slums.

437. Table 6.6 shows that Uganda's urban population is increasing rapidly from less than 1 million in 1980 to 3 million persons in 2002, indicating a more than three-fold increase. At 12 per cent level of urbanization, Uganda is considered a rural economy as well as neighbouring Kenya and Tanzania that are 20 per cent and 22 per cent urbanized respectively. For the country to achieve faster socio-economic transformation there is need to raise the level of urbanization⁶³.

TABLE 6.7				
TRENDS IN URBAN POPULATION IN UGANDA 1980 – 2002				
Census Year	Urban Population (Millions)	Total Population (Millions)	Percentage of Population in Urban Areas	Urban Growth Rate (%)
1980	0.84	12.6	6.7	-
1991	1.65	16.7	9.9	6.1
2002	3.00	24.2	12.3	5.1
Source: UBOS, 2002 Population and Housing Census, 2005				

438. The level of urbanization is still very low in most of the regions in Uganda ranging between 7 per cent and 10 per cent. Kampala city is 100 per cent urban with a population of 1.2 million and is the largest urban centre, followed by Gulu municipality with a population of 0.1 million (UBOS 2005).

439. However, the emerging rapid increase in the urban population is not matched with growth and development in basic physical infrastructure, housing, social amenities, management and skills. This has led to overcrowding, traffic congestion, growth of slums and informal settlements, dilapidated housing and poor sanitation.

440. Most urban dwellers do not have stable sources of income. On the whole, poverty has been decreasing both in the rural and urban areas (Table 6.7).

61 Long 1998

62 Brookfield and Byron 1993, Bilsborrow 1998

63 Urban areas are defined as gazetted cities, municipalities and town councils as per the Local Government Act 2000, while the earlier censuses included ungazetted trading centers with more than 1,000 people as part of the urban population (UBOS 2005)

TABLE 6.8										
POVERTY AND INEQUALITY BY SPATIAL SUBGROUP, 1992 TO 2003										
Level	Poverty Headcount					Gini Index of Inequality				
	1992/ 1993	1997	1999/ 2000	2002/ 2003	2005/ 2006	1992/ 1993	1997	1999/ 2000	2002/ 2003	2005/ 2006
National	55.7	45	33.8	37.7	31.1	0.36	0.35	0.4	0.43	0.408
Rural	59.7	49.2	37.4	41.7	34.2	0.33	0.31	0.33	0.36	0.363
Urban	27.8	16.7	9.6	12.2	13.7	0.4	0.35	0.43	0.48	0.432

Source: Uganda Population Secretariat; State of Uganda Population Report, 2007

441. The quality of the urban environment is being degraded due to proliferation of informal settlements and slums, substandard construction, increasing number of vehicles, industrial emissions/ effluent, deforestation and uncontrolled soil erosion, among others.

6.7.2 Constraints to the Performance of Urban Development Sub-Sector

- i) Absence of a comprehensive National Urban Policy to guide the urbanization process, ensure orderly development and enhance urban management.
- ii) Weak Institutional framework to regulate and support urban development.
- iii) Inadequate funds and equipment to effectively address the challenges of urban development and management.
- iv) Inadequate human capacity at Central and Local Government level.
- v) Multiple Land Tenure Systems and Rights that constrain the preparation and implementation of agreed physical plans.

6.7.3 Objectives, Strategies and Interventions

442. Objective 1 - Create an inclusive policy and regulatory framework for urban development.

Strategy 1: Develop and harmonize National Urban Development policy, standards and regulations.

Intervention Description

- i) Formulate and implement the National Urban Development policy to guide urban planning and development.
- ii) Develop and implement a Strategic Urban Development Plan.
- iii) Review urban development laws and regulations.
- iv) Put in place appropriate urban development standards and guidelines.
- v) Formulate and implement appropriate pollution and solid waste management policy, laws and regulations.

443. Objective 2 - Ensure well planned and managed, quality, efficient, progressive and sustainable urban centres in Uganda.

Strategy 1: Strengthen urban management institutions and human resource capacity.

Intervention Description

- i) Recruit and train urban development technical personnel at the central and LG levels.
- ii) Strengthen capacity of urban management institutions.
- iii) Develop and implement E-governance to facilitate efficient and effective urban development and management.
- iv) Strengthen the monitoring system for urban centres.

Strategy 2: Promote awareness on urban development and management.

Intervention Description

- i) Develop and implement national campaign programmes on sustainable urban development.

444. Objective 3 - Improve urban environment and heritage.

Strategy 1: Prepare urban beautification and landscaping plans.

Intervention Description

- i) Develop and implement urban beautification and landscape plans for selected urban centres.
- ii) Develop and implement urban disaster management plans.
- iii) Promote urban greening.
- iv) Develop, restore, preserve and gazette urban heritage.

445. Objective 4 - Develop and strengthen a competitive urban economy.

Strategy 1: Put in place an urban redevelopment, renewal and revitalization strategy.

Intervention Description

- i) Develop and implement urban redevelopment, renewal and revitalization programs.
- ii) Gazette and develop industrial parks, special economic zones and business parks.
- iii) Set up and develop incubation centres for training, skills development and technology transfer in urban areas.
- iv) Redevelop and upgrade urban markets and food courts through PPPs.

Strategy 2: Develop urban Local Economic Development (LED) Programmes.

Intervention Description

- i) Formulate and implement LED programme in city and municipal councils.
- ii) Develop business associations/cooperatives /SACCOs.

446. Objective 5: Develop an efficient integrated infrastructure to support urban development.

Strategy 1: Develop and implement the Strategic urban infrastructure investment framework.

Intervention Description

- i) Develop and implement a strategic urban infrastructure investment plan.
- ii) Formulate and implement a National Integrated Urban Transport Policy.
- iii) Develop and implement an urban drainage management strategy
- iv) Increase street-lighting coverage in urban areas.
- v) Increase sewerage coverage and sewerage treatment capacity in urban areas.

447. Objective 6 - Upgrade slums and informal settlements.

Strategy 1: Develop a strategy for upgrading slums and informal settlements.

Intervention Description

- i) Develop and implement a programme for upgrading slums and informal settlements.

448. Objective 7 - Increase availability of and access to land for urban expansion and investment.

Strategy 1: Create land banks in urban areas.

Intervention Description

- i) Promote establishment of land banks in urban areas and promote land banking/consolidation schemes.

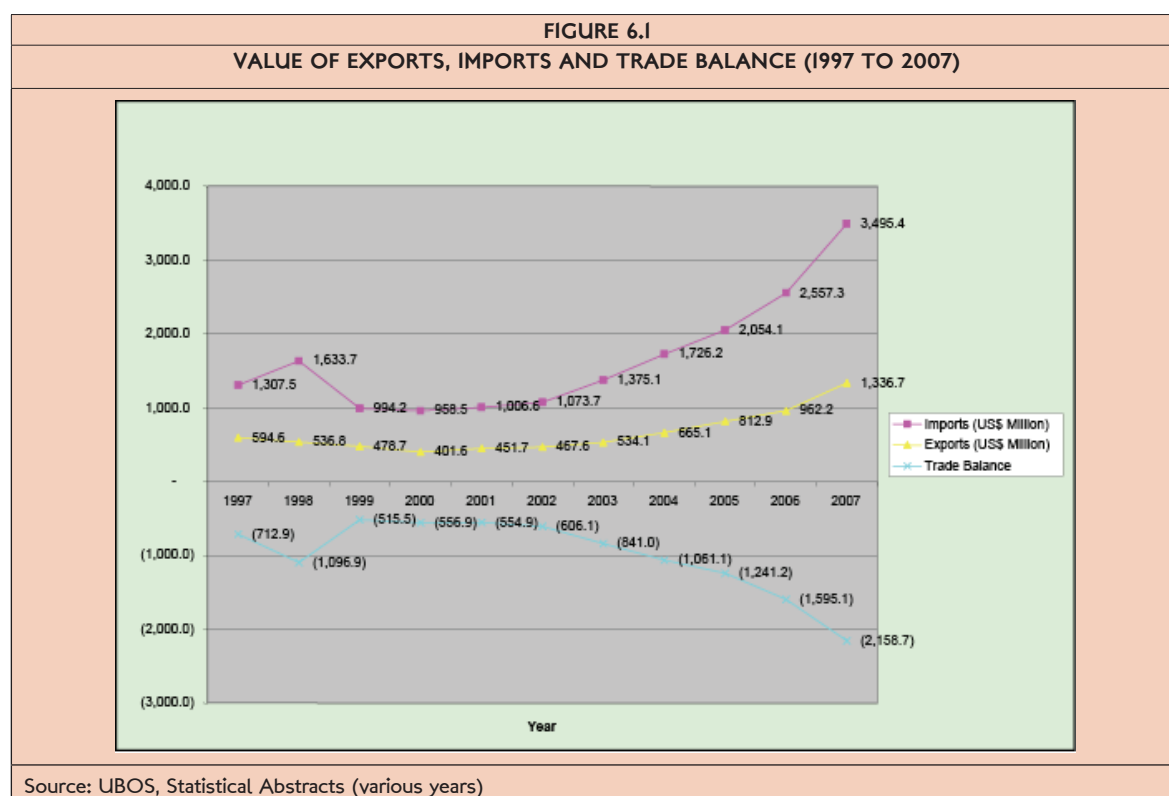
6.8 TRADE DEVELOPMENT

6.8.1 Situational Analysis

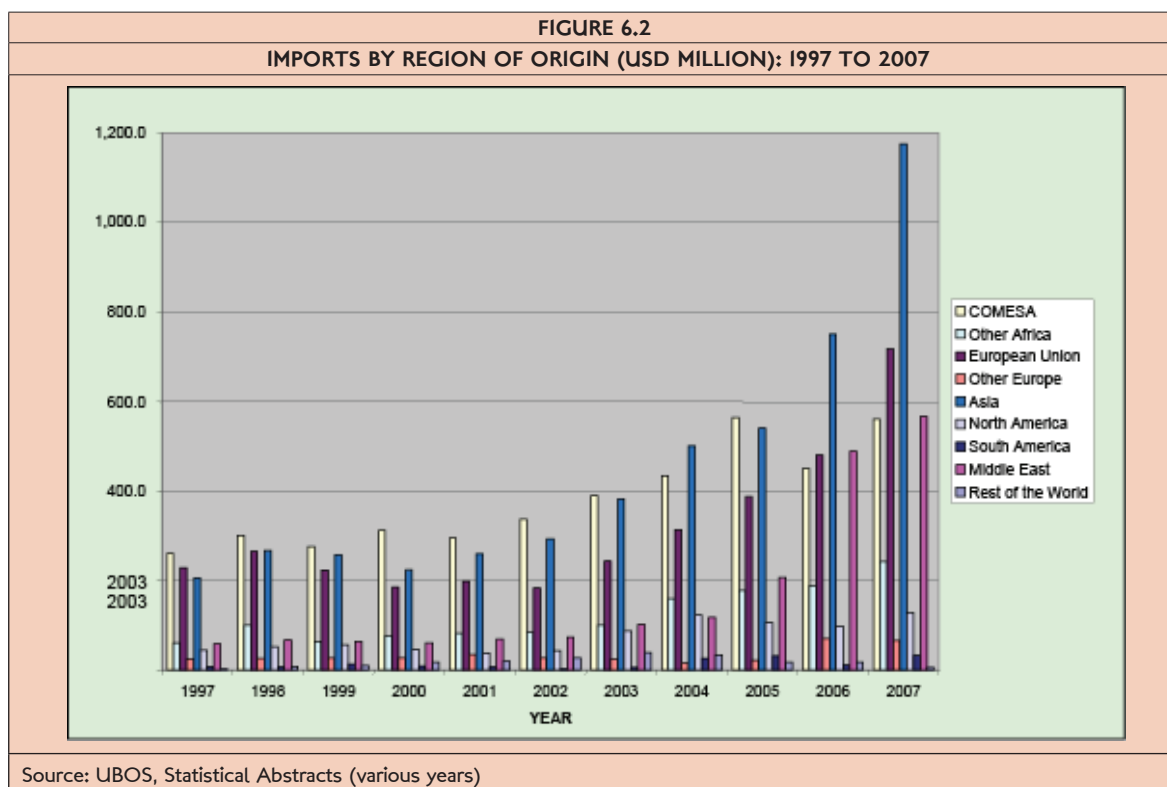
449. Trade development is concerned with the creation and diversification of markets, development and stability of productive capacities, harmonization of tariff regimes, reduction of trade barriers, diversification of exports, and expansion of the export base and export markets. Implementation of the National Trade Policy requires functional institutions, supportive legislation, adequate and efficient trade facilitating infrastructure as well as appropriate human capital and skills.

450. The trade sector is characterized by growth in both exports and imports, with the latter growing faster. However, exports substantially increased from 2.5 per cent in 2001 to 24.1 per cent in 2005, though they dropped to 18.4 per cent in 2006. In 2008/09, Uganda's merchandise exports peaked at USD 2.8 billion, having increased from USD 2.6 billion in the 2007/08 financial year, compared to a meagre USD 372 million in 1986⁶⁴.

451. Overall imports have been increasing faster than exports resulting into a wider trade imbalance. Figure 6.1 reveals that the economy has been experiencing a growing trade deficit. The imports by region of origin are shown in Figure 6.2.



64 UBOS, 2008



452. Since 1986, Government has undertaken deliberate economic reform programs, including trade liberalization and diversification of exports. The measures resulted in increase and widening of the export base, with non-traditional export products playing a more prominent role in terms of export earnings. The contribution of the four traditional exports to total merchandise export earnings fell from 71.3 per cent in 1999 to 29.9 per cent in 2007, while that of non-traditional exports increased from 28.7 per cent to 70.1 per cent over the same period (Table 6.8). This implies that the economy is largely shielded from the effects of volatility in international prices of coffee and cotton, and any regional adverse global economic situations.

TABLE 6.9										
COMPOSITIONS OF EXPORTS BY VALUE (PERCENTAGE)										
Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Traditional Exports	65.9	71.3	52.6	38.3	39.1	37.3	36.8	32.9	29.9	29.9
Non-Traditional Exports	34.1	28.7	47.4	61.7	60.9	62.7	63.2	67.1	70.1	70.1

Source: UBOS, Statistical Abstracts (Various years)

453. The contribution of the services sector has been increasing, overtaking agriculture as the leading contributor to GDP in 2002 (Table 6.9).

TABLE 6.10																
CONTRIBUTIONS TO GDP AT FACTOR COST 1997/98 PRICES																
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture	50	49	48	47	45	43	41	42	42	41	41	40	39	36	34	32
Industry	13	13	13	15	16	17	19	19	19	19	19	19	19	21	21	21
Services	37	38	38	39	39	40	40	40	40	40	40	41	42	43	45	46
Source: UBOS Database																

454. The growth in the services sector has benefited largely from significant increases in transport and communication, tourism and remittances by Ugandans abroad Table 6.10.

TABLE 6.II								
REMITTANCES, USD MILLION, 2000-2007								
	2000	2001	2002	2003	2004	2005	2006	2007
USD million	238	342	421	306	371	423	814	856

Source: World Bank, Migration and Remittances Fact Books.

455. Despite the impressive performance in the exports sector, Uganda's share in global trade remains negligible. The country accounted for 0.01 per cent and 0.02 per cent of global merchandise exports and imports respectively in 2007, compared to South Africa with 0.5 per cent and 0.4 per cent.

456. From 2006, COMESA became the country's main export destination (Figure 6.3), with the EU drifting into second position. This confirms the importance of emerging regional markets, Table 6.10 and 6.11. However, exports to the EU have also been growing as shown in Figure 6.3, although at a slower rate than those to COMESA.

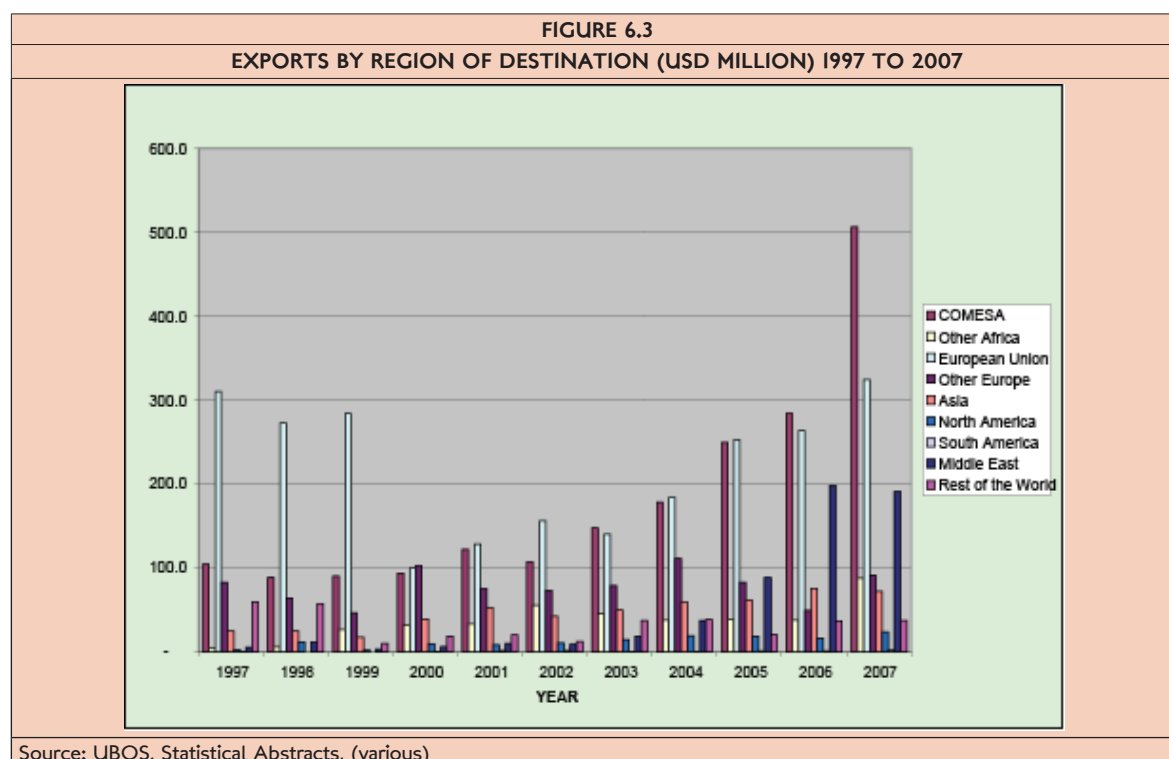


TABLE 6.12					
PERCENTAGE SHARE IN TOTAL EXPORTS BY REGION OF DESTINATION					
Region	2003	2004	2005	2006	2007
COMESA	27.7	26.8	30.7	29.5	37.9
Other Africa	8.6	5.7	4.8	3.9	6.6
European Union	26.3	27.3	31.1	27.4	24.3
Other Europe	14.8	17.1	10.1	5.1	6.8
North America	2.7	2.9	2.3	1.7	1.8
Middle East	3.5	5.6	10.8	20.6	14.3
Asia	9.3	8.9	7.5	7.8	5.4
South America	0.1	0.1	0.1	0.1	0.2
Rest of the World	0.4	0.0	0.1	0.0	0.0
Unknown	6.6	5.7	2.5	3.8	2.8
Source: UBOS, Statistical Abstracts (various years)					

TABLE 6.13			
EXPORTS TO EAC MEMBER STATES ('000 USD), 2003 TO 2007			
Member State	2003	2007	Change (%)
Burundi	10,076	42,719	324
Kenya	78,432	118,191	51
Rwanda	20,803	83,309	300
Tanzania	5,832	46,416	696
Total Earnings	115,143	292,642	154
As a % share of total exports	21.6	21.9	0.3
Source: UBOS, Statistical Abstracts (Various years)			

457. There is a significant untapped potential for women to contribute to Uganda's growth through their participation in higher levels of trade and industry value chains. Women own about 40 per cent of private enterprises, mostly at the micro-enterprise, informal sector. About 29.5 per cent of women in business are in export trade. However, female entrepreneurs often lack the skills and knowledge required to manage a successful business. This is compounded in rural areas where women tend to have less access to information and markets, especially foreign markets, and more often have no access to formal credit. Their multiple roles leave them with limited time for continuous training and development or strategic networking for business and limited access to towns where training takes place.

458. Government has been pursuing a policy of seeking market opening by her trade partners through both regional integration and bilateral trade negotiations. Consequently, the country has secured duty free and quota free market access to the East African Community (EAC) countries under the EAC Customs Union and Common Market, the twenty seven European Union Member States under the Economic Partnership Agreement (EPA), and the United States under the African Growth and Opportunities Act. Uganda can add value to her agricultural and manufactured products and still access these markets without facing any tariffs or quantitative restrictions. The country has also secured market access from some developing countries for a number of her products through unilateral trade preference schemes. However, we have not fully capitalised on the opportunities due to supply constraints, poor infrastructure, inappropriate technology, inadequate skills and inadequate standards infrastructure. This plan will focus on addressing these constraints to enable the country's products access international markets.

6.8.2 Constraints to the Performance of Trade Sector

- i) Weak policy, legal and institutional framework and systems notably the PPP and Micro, Small and Medium Enterprise (MSME) policy. There is absence of trade/market opportunity response strategies such as a deliberate effort to link the productive and trade sectors.
- ii) Existence of Non-Tariff Barriers (NTBs) to trade in both regional and international markets.
- iii) High cost and limited access to business finance coupled with a poor borrowing culture. The available alternative financial systems of credit rationing through micro-finance institutions are short term thus do not respond to long term productive investment needs. The formal banking sector has high liquidity levels but because of high risk perceptions, it only delivers low levels of domestic credit favouring a small number of large firms.
- iv) Shortage of specialised technical and entrepreneurial skills (mismatch between the education curriculum and the labour market demands in the business sector)
- v) Inadequate physical infrastructure (road network, rails, energy and ICT) constrains access to markets, low productivity, high production and distribution costs, leading to uncompetitive products and services. In addition, Uganda has the highest energy tariff in the East African region.
- vi) Inadequate quality infrastructure and standards (metrology, sanitary, and phyto-sanitary and quality assurance).
- vii) Inadequate data and information about the sector constraining informed planning, policy formulation, and investment decisions.

6.8.3 Objectives, Strategies and Interventions

459. **Objective 1** - Improve the 'doing business' environment.

Strategy 1: Strengthen the policy, legal and regulatory frameworks.

Interventions Description

- i) Formulate and implement the Micro, Small and Medium Enterprises (MSMEs) Policy and strategy.
- ii) Develop and/or amend the required commercial laws and the regulatory frameworks.
- iii) Formulate and implement the Public Private Partnership (PPP) Policy.
- iv) Design and implement measures to enhance e-commerce and e-economic governance by putting in place the e-commerce policy, laws, e-payment regulations, among others.

Strategy 2: Implement measures to reduce the time and cost of starting a business.

Interventions Description

- i) Strengthen the autonomy of the Uganda Registration Services Bureau.
- ii) Enhance the computerisation and introduce online registration of business.
- iii) Enhance access to business finance and reduce the cost of borrowing.

460. Objective 2 – Nurture the private sector with a view to improve its competitiveness in the domestic, regional and international markets.

Strategy 1: Develop and implement a national trade information system.

Intervention Description

- i) Strengthen and harmonize the market information systems and dissemination mechanisms, and deepen its outreach coverage by establishing regional trade information Centres.
- ii) Develop and popularize an incentive regime for business formalization to ensure growth of formal business enterprises.

Strategy 2: Develop human resource in trade related issues.

Intervention Description

- i) Equip the private sector with entrepreneurial development skills.
- ii) Work with relevant institutions and private sector to integrate into the curriculum business skills development that enhances labour productivity.
- i) Develop appropriate incentives to encourage the private sector to take responsibility for capacity development.

Strategy 3: Increase awareness on the available financing options and standards.

Intervention Description

- i) Enlighten the business community on the various trade financing options.
- ii) Create awareness on the standards and quality issues for the private sector to comply.
- iii) Enforce standards of goods and services.

461. Objective 3 - Increase market access for Uganda's products and services in regional and international markets.

Strategy 1: Negotiate better market access for Ugandan goods and services.

Intervention Description

- i) Strengthen and increase the capacity of the National Trade Negotiations Team (NTNT) and associated processes.
- ii) Conduct studies to inform the negotiation processes.
- iii) Train the private sector in trade policy and negotiation issues so as to enhance their participation in consultations.
- iv) Hold regular consultations with the private sector on negotiation issues.
- v) Recruit and post trade officers to key international markets for Uganda.

Strategy 2: Enhance branding of products and services.

Intervention Description

- i) Develop an effective branding programme for products and services brands.
- ii) Strengthen the Non-Tariff Barriers (NTBs) monitoring and removal mechanism.
- iii) Develop and implement market access response strategies.
- iv) Formulate and implement coherent National Standards and Sanitary and Phyto-Sanitary (SPS) Policies.

Strategy 3: Promote effective positioning of Uganda's products and services in international markets.

Intervention Description

- i) Strengthen trade-related institutions including implementing agencies and Local Governments to support trade development.
- ii) Establish the Export Development Centre.
- iii) Promote consumer awareness and sensitization on standards and quality issues (Amend UNBS Act and provide commercial extension services).
- iv) Implement the National Exports Strategy (NES).
- v) Establish Export Processing Zones (EPZs).

Strategy 4: Penetrate high value markets in high income countries such as the European Union, the United States, and Canada.

Intervention Description

- i) Implement product-market specialization with a focus on the duty free and quota free markets of the EU and the US.
- ii) Promote focussed market penetration initiatives into the above markets on textiles and clothing, the selected agricultural products – dairy and dairy products, beef, fish and fish products, coffee, floricultural and horticultural products, processed bananas and processed mineral products.
- iii) Support and strengthen product value chains of the above mentioned products to access high value markets and penetrate global value chains through Public Private Partnerships (PPPs) and Inter-Government Sectoral Collaboration.

462. Objective 4 - Improve the stock and quality of trade infrastructure.

Strategy 1: Develop trade infrastructure.

Intervention Description

- i) Strengthen the Southern route (Port Bell to Dar es Salaam).
- ii) Strengthen water transport and improve landing sites along Lake Victoria.
- iii) Construct a standard rail gauge line from Malaba to Kampala.
- iv) Construct a standard rail line Kasese-Kampala – Tororo-Pakwach.

Strategy 2: Establish relevant institutions and structures for enhancing infrastructure delivery and standards.

Intervention Description

- i) Provide incentives that promote private investment in trade infrastructure development (such as cold storage facilities, roads, air cargo, railways networks, laboratories, and community Silos).
- ii) Establish a National Quality Institute and an Accreditation Centre.

463. Objective 5 - Promote policy synergies between the production and trade sectors.

Strategy 1: Strengthen coordination of trade institutions.

Intervention Description

- i) Strengthen and implement Public Private Partnership framework measures at the Local Government level.
- ii) Enhance coordination within the trade Sector Working Group and build synergies with production sector working groups.

- iii) Harmonize local taxation and licensing policies and practices with national development priorities for efficient flow of domestic and international trade.

464. Objective 6 - Provide equal opportunity to women and other disadvantaged groups to participate and benefit from trade.

Strategy 1: Promote equal opportunities to women, youth and disadvantaged groups.

Intervention Description

- i) Empower disadvantaged groups particularly women, youths and people with disabilities to enable them to participate more in trade through training in trade skills and competencies, market information and business skills.
- ii) Reintegrate the formerly war affected persons in the production and trade systems.
- iii) Raise awareness about HIV/AIDS in the trade sector.

6.9 FINANCIAL SERVICES

6.9.1 Situational Analysis

465. Uganda's financial infrastructure and services have evolved over the years. The financial sector has historically been dominated by financial institutions, in particular commercial banks. Currently, commercial banks account for 83 per cent of the financial sector assets. Within the banking sub-sector, there is a large share of foreign ownership (87 per cent) and high concentration (until recently, of over 70 per cent) of assets in the four largest banks.

466. The Government was also a key player in the commercial banking sub-sector with sole ownership of the former Uganda Commercial Bank (UCB). Following liberalization of the financial sector, Government divested its stake in UCB and other Banks. The role of Government has now been restricted to provision of policy oversight and supervision. The supervision function of the banking sector is vested in the Central Bank (BoU). There has also been a big increase in the number of players in the sector.

467. Uganda's financial sector landscape changed tremendously in the mid 1990s, when new services were introduced including capital market developments. The leasing and mortgage services have also become a significant part of the market. The Capital Markets Authority was established by an Act of Parliament in 1995, to oversee the securities and stock market activities.

468. The financial institutions currently operating in Uganda include: the Central Bank (BOU) as a custodian of monetary policy and supervisor of regulated financial institutions, (i.e. those in Tiers 1-3). Tier 1 comprises commercial banks; Tier 2 credit institutions; and Tier 3 Micro Deposit Taking institutions (MDIs). Unregulated financial institutions fall under Tier 4 and include Savings and Credit Cooperatives (SACCOs),

and MFIs. However, preliminary preparations are ongoing to put in place legislation for Tier 4. Non-banking financial institutions include: savings clubs, pension funds, insurance companies and foreign exchange bureaus.

469. A number of prudential and institutional reforms have been implemented in the financial sector with commendable success. The privatization of UCB was concluded in 2002 improving the service, and several laws were enacted to improve supervision and operation of the banking sector. The new Financial Institutions Act (FIA), 2004, that repealed the Financial Institutions Statute of 1993, has tightened the supervisory function of the Central Bank while the Microfinance Deposit-Taking Institutions Act (MDI) 2003, resulted in 4 former MFIs upgrading to regulated status and thus enabling them to mobilise deposits from the public while also benefiting from supervision by BOU.

470. There has been restoration of integrity and confidence in the banking sectors⁶⁵ leading to a resurging positive performance. This performance is manifested in capital adequacy and falling Non-Performing Loan (NPL) ratios. The NPL ratio had dropped to 3 per cent at the end of 2006, a development that boosted the safety of the depositors' funds.

471. The moratorium that was imposed on the establishment of new banks was lifted in 2007, leading to licensing of four new commercial banks⁶⁶. The presence of added players in the financial market, especially foreign banks, has spurred competition and introduced new products and services on the market. In particular, the presence of foreign financial services has attracted financial and management expertise as well as technology, which foster greater productivity and efficiency. This has also facilitated strong capital flows and greater access to international financial markets.

472. Over the last decade, Uganda's financial sector, though still small, has continued to grow into a sound and vibrant sector. This growth is reflected in a number of banking activities and monetary indicators, and is attributed to a number of factors namely; tightening the supervisory function of the Central Bank, strengthening of the regulatory framework and privatization of Uganda Commercial Bank (UCB).

⁶⁵ Between 1998 and 1999, the banking sector suffered financial distress leading to closure of four commercial banks.

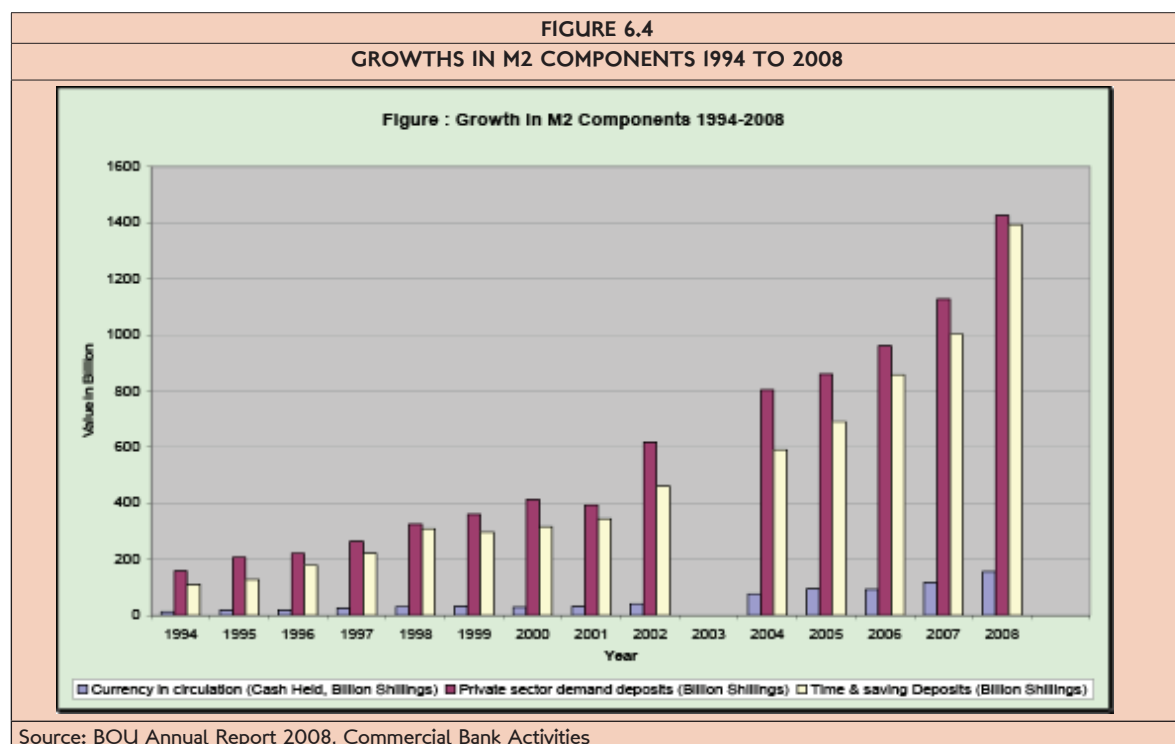
⁶⁶ New banks are United Bank of Africa, Continental Trust Bank, Kenya Commercial Bank and Housing Finance Bank, which was upgraded from a credit and mortgage institution.

473. Money and Banking: Over the past decade, the money and banking indicators of Uganda's financial sector development, including base money and money supply (M2 and M3) have recorded impressive performance as indicated in Table 6.13.

Financial Sector	Base Money (Billion US\$)	M2 (Billion US\$)	M3 (Billion US\$)	M2 growth (% p.a)	M3 growth (% p.a)	Growth in money demand (% p.a)	Currency in circulation (Billion US\$)	Private sector demand deposits (Billion US\$)	Time & saving Deposits (Billion US\$)
1997/98	378.57	873.05	1,019.96	23.74	26.07	24.66	25.07	263.92	220.81
1998/99	460.52	952.73	1,160.54	9.13	13.77	3.81	30.30	324.90	308.60
1999/00	509.19	1,036.33	1,347.17	8.80	16.10	6.91	32.53	360.09	296.88
2000/01	559.61	1,193.44	1,583.68	15.20	17.60	9.30	28.83	413.05	316.61
2001/02	661.64	1,490.59	1,925.40	24.90	21.60	...	30.77	392.90	344.29
2002/03	696.13	1,749.19	2,373.38	17.35	23.27	...	40.72	617.49	460.06
2003/04	867.09	1,924.88	2,587.26	10.04	9.01	...	...	...	...
2004/05	928.33	2,157.86	2,811.11	12.10	8.65	...	76.00	803.98	589.59
2005/06	1,100.17	2,520.18	3,271.60	-1.75	0.77	...	93.52	860.15	690.68
2006/07	1,360.13	2,993.90	3,842.02	16.72	17.44	...	92.84	961.53	857.31
2007/08	1,614.49	3,894.52	5,037.01	30.08	31.10	...	117.49	1,127.96	1,002.33

Source: Bank of Uganda Annual Report Year Ended 30 June 2008, Commercial Bank Balance Sheet.

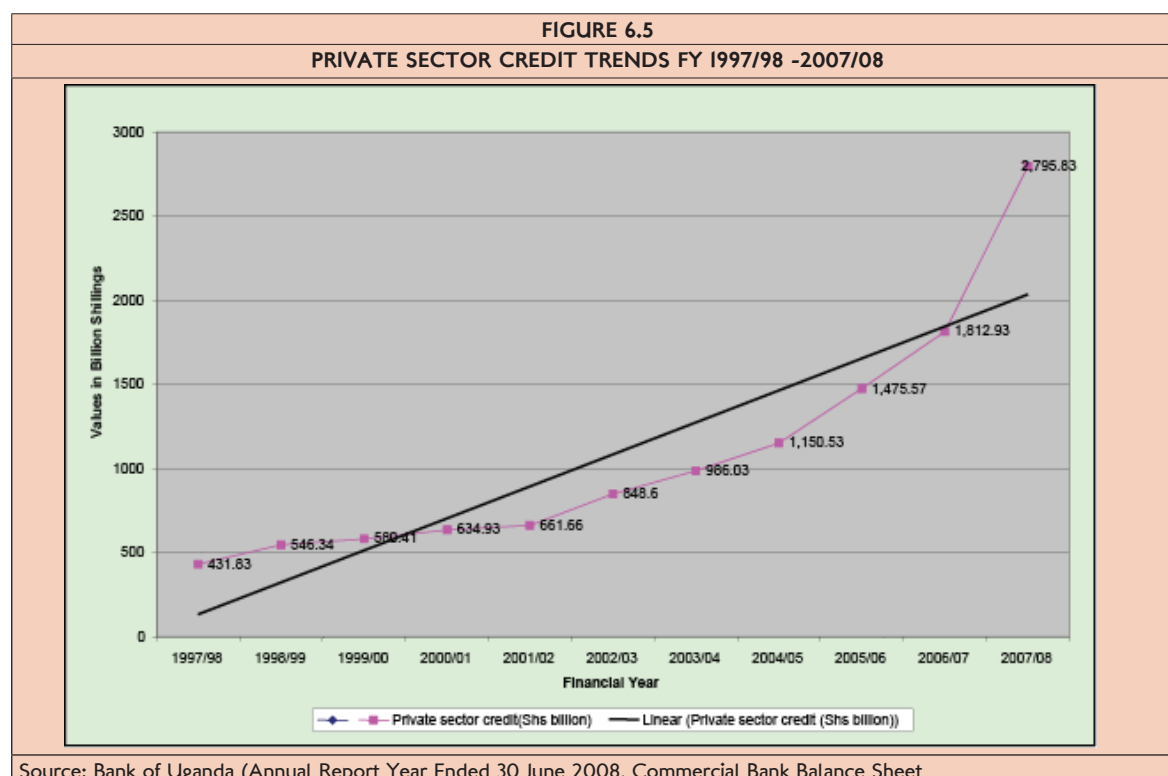
474. The growth in base money has been largely on account of increased net foreign assets of the Central Bank. The growth in money supply (M3) has been largely due to increment in currency in circulation, private sector demand, and time and savings deposits. All these variables, have exhibited good performance, as illustrated by the Figure 6.4.



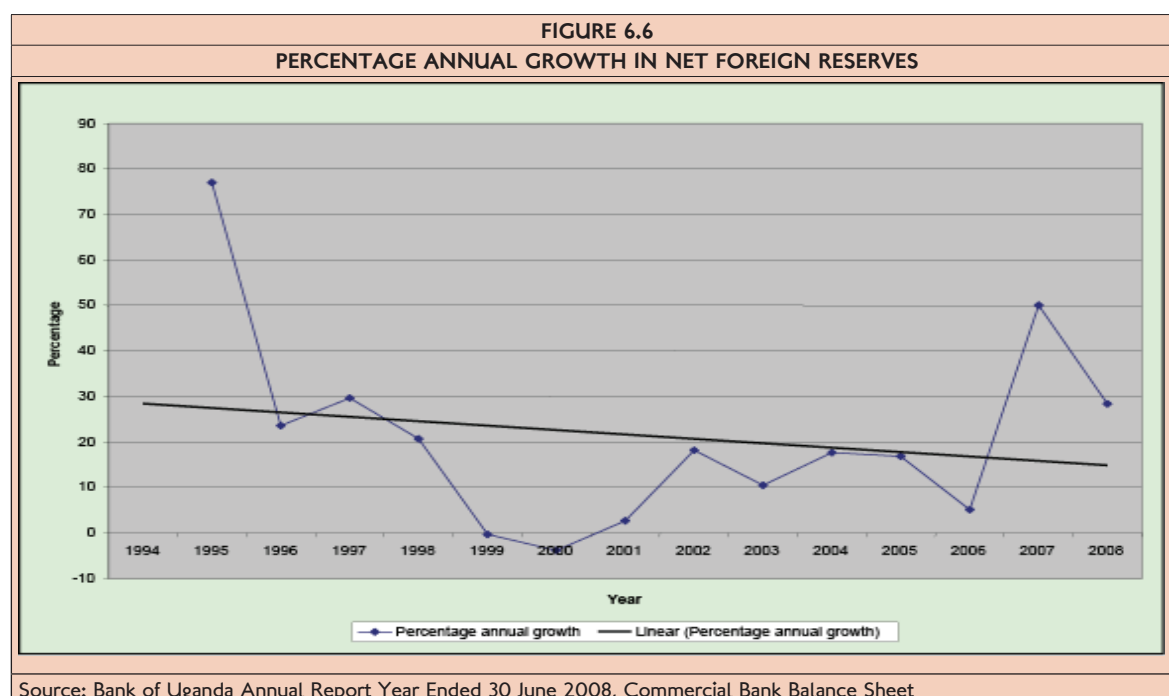
475. Net Domestic Assets and Net Foreign Assets: The net domestic assets of the banking system with Government have continued to indicate a saving especially in regard to Central Government. For example, banking system's net claims on Central Government increased by 30.1 per cent between 2006/07 and 2007/08; and those to the private sector by 56.1 per cent. This implies increased credit to the private sector largely on account of the increased number of banks (Table 6.14 and Figure 6.5).

Year	Net Domestic Assets (Billion US\$)	Net Foreign Assets (Billion US\$)	Banking Systems claim on Private Sector (Billion US\$)	Banking Systems claim on Central Government net (Billion US\$)	Banking Systems claim on Parastatals (billion US\$)	Banking Systems claim on Local Government (billion US\$)	Net Domestic Credit (Billion US\$)
1994	352.5	-148.5	212.17	-10.12	0.00	0.00	34.0
1995	316.7	-38.5	257.74	-44.87	0.00	0.00	-24.3
1996	209.1	72.2	344.82	-7.25	0.00	0.00	-31.5
1997	93.9	231.7	353.06	84.39	0.00	0.00	-118.7
1998	-81.3	452.0	431.83	120.59	0.00	0.00	-221.6
1999	-195.3	585.0	546.34	97.08	20.20	1.09	-197.0
2000	-162.4	614.8	580.41	169.36	12.39	1.02	249.2
2001	-296.6	792.3	634.93	257.66	6.02	0.98	207.2
2002	-501.4	1,090.6	661.66	469.37	2.86	0.79	16.7
2003	-904.9	1,500.5	848.60	585.18	2.55	0.59	-190.8
2004	-899.2	1,680.5	986.03	557.82	11.69	0.36	-463.8
2005	-1,209.2	2,050.8	1,130.12	657.10	6.77	0.03	-812.0
2006	-1,648.4	2,614.0	1,456.69	878.51	18.56	0.10	-969.6
2007	-2,084.2	3,330.9	1,792.47	981.10	30.43	0.35	-688.0
2008	-2,841.4	4,355.9	2,774.49	1,357.07	25.52	0.09	-302.8

Source: Bank of Uganda Annual Report Year Ended 30 June 2008, Monetary Authority Balance Sheet



476. However, foreign reserves have recorded unstable performance over the last decade, giving an overall downward trend. Figure 6.6 indicates that Uganda's foreign reserves declined sharply between 1995 and 2000. Since then however, there has been an upward trend though still unstable.



477. Financial Depth: Overall Uganda's financial depth as measured by the ratio of currency in circulation to GDP, the ratio of currency in circulation to broad money (M2), financial savings (composed of total time and saving deposits plus certificates of deposits as ratio of M2), and the ratio of broad money (M3) to GDP has continued to register impressive performance.

478. Commercial Banks' Activities: Commercial banks' activities as measured by the asset holdings, outstanding loans and advances to the private sector, as well as commercial banks' liabilities which have indicated positive growth over the past 5-10 years. BoU Annual Reports have been capturing this information, which makes it easier to assess comparative performance and establish trends over the year. The most recent performance is provided in Table 6.15:

TABLE 6.16 COMPARATIVE COMMERCIAL BANK PERFORMANCE 2005 TO 2008				
Activity	2005	2006	2007	2008
Outstanding loans and advances to the private sector (US\$ Billion)	829.57	1,017.84	1,335.87	2,075.28
Commercial banks' liabilities	810.69	972.38	1,293.29	2,049.72

Source: Bank of Uganda Annual Report Year Ended 30 June 2008, Commercial Bank Balance Sheet (Billion Shillings)

479. The growth in the non-banking sector has also been spectacular especially in regard to the introduction in the mid 1990s of hitherto missing securities exchange and capital markets. There has also been a positive development in leasing and mortgage, insurance and microfinance services. **The Uganda Capital Markets Industry** has within its first 10 years of existence (1997 to 2007) recorded some

positive results. There are currently 7 local equities listed on the stock exchange, 5 cross border listings, 18 Government bonds and 5 corporate bonds (two of which have been redeemed). Market capitalization increased by over 7000 per cent from US\$ 4.6 Trillion to US\$ 62 Billion in 2000.

480. Additional progress includes passing of the Collective Investment Schemes Act in 2003, issuance of twenty (20) licenses in 2007 up from 9 in 1997; and formulation of a number of laws and regulations to improve the regulatory oversight of CMA. Examples of these laws and regulations include the Capital Markets (Insider Dealing) Regulations; the Capital Markets (Asset Backed Securities) Regulations; and the Capital Markets (Mergers and Acquisition) Regulations. New products have also been introduced to the market, namely Government bonds, corporate bonds, equity, and Collective Investment Schemes. The future expansion of the securities exchange market is expected to come from the privatization of state enterprises, private sector company listings, and issuance of bonds by Government corporations and local/municipal authorities.

481. Leasing and Mortgaging: Uganda's leasing and mortgage sub sector is underdeveloped but with high potential. Lease penetration⁶⁷ in Uganda is less than 1 per cent compared to the global average of approximately 20 per cent. The main area of mortgage has been the acquisition and expansion of housing, while leasing has been in the acquisition of machinery and equipment. In addition, there are still few independent leasing/mortgage companies and limited participation of commercial banks in the leasing industry.

482. Insurance Industry: Uganda's insurance industry is still underdeveloped. The sub-sector comprises of about 21 big companies and only few insurance underwriters. It employs less than 1,000 people and this number has kept fluctuating since 1997 as indicated in Table 6.16. The Uganda Insurers Association, as an umbrella body, is being strengthened to promote development and expansion of sound insurance and re-insurance activities in Uganda. As required by the Insurance Statute of 1996, most insurance companies have raised their capitalization though there are few yet to hit the US\$ 1billion target for the year 2006.

TABLE 6.17												
SIZE OF INSURANCE SUB-SECTOR IN UGANDA												
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. of Insurance Companies	26	19	19	19	17	18	19	20	19	19	20	20
No. of People Employed	676	653	592	549	431	555	487	487	553	563	598	
Source: Uganda Insurance Commission, Annual Insurance Market Reports												

483. Microfinance Sector: There are over 1,340 Microfinance institutions (MFIs) in Uganda three of which have so far been licensed under the Micro Finance Deposit Taking Institutions Act (MDI), 2003. There are a number of programmes/projects providing support from Government and other Development Partners such as GoU/ IFAD/EU-funded Microfinance Outreach Plan (MOP), and Microfinance Support

⁶⁷ Lease penetration is leasing shares as part of all the varied means of equipment acquisition

Centre Ltd (MSCL) funded by African Development Bank (ADB). These programmes provide loans and matching grants to MFIs for expansion of financial services.

484. Pension Sector: Uganda's Pension sector is monopolized by one single scheme – the National Social Security Fund (NSSF). The introduction of alternative schemes like the Health Social Insurance Scheme is still at policy formulation level. The NSSF, with an asset base of roughly \$125m (equivalent to 10 per cent of the total assets of commercial banks), has invested almost all its liabilities in short-term Government securities and property, depriving the private sector of a vital source of long-term investment funds. Private pension funds help greatly to establish and develop a market for long term domestic financial instruments through pension funds to debt factoring, leasing and venture capital companies.

6.9.2 Constraints to the Performance of the Financial Sector

- i) High risk borrowers contributing to high interest rates.
- ii) Narrow range of assets acceptable as collateral.
- iii) High interest rate spreads (by regional standards), attributed to higher operating costs and credit risk.
- iv) Weak competition among financial institutions.
- v) Old legislations that need to be reviewed or repealed and lack of sector specific laws, as is the case for the leasing and mortgage sector.
- vi) Limited insurance options.
- vii) Underdeveloped capital markets and limited financing options.
- viii) Absence of medium and long term financing including, equity financing for SMEs.
- ix) Absence of medium and long term financing for agriculture.
- x) Low coverage of banking services in rural areas and a poor saving culture.
- xi) Weak enforcement of contracts that might limit growth of the financial sector.

6.9.3 Objectives, Strategies and Interventions

485. Objective 1 - Promote a sound, vibrant and deep financial system

Strategy 1: Strengthen the financial system regulatory environment

Intervention Description

- i) Coordinate and cooperate with regional regulatory authorities on information sharing, licensing and monitoring the performance of financial institutions.
- ii) Benchmark the existing legal and regulatory regime with regional and international best practices.
- iii) Enact missing laws and regulations for regulating the financial sector, especially those covering leasing and mortgages.

Strategy 2: Develop and strengthen payment and settlement systems.

Intervention Description

- i) Enact legislation related to the payments and settlements, and electronic commerce.
- ii) Improve access to broadband width and other ICT infrastructure.
- iii) Encourage the adoption of a universal switch.
- iv) Expand access to Real Time Gross Settlement (RTGS) for payments and link Central Depository System (CDS) to RTGS.
- v) Support the development of relevant risk management systems for monitoring and managing risks in financial markets.
- vi) Promote accessibility to Electronic Fund Transfers for Tier 2 and Tier 3 institutions.

Strategy 3: Promote competition and prudence in the sector.

Intervention Description

- i) Continue the policy of licensing new financial institutions that meet the required regulatory standards.
- ii) Publish interest rates and other fees/commissions charged by financial institutions.
- iii) Design and implement incentives to encourage and promote the establishment of a bank or a bank branch in every district and an MFI in every sub-county.
- iv) Expand the coverage of the Credit Reference Bureau to include all financial institutions and customers.
- v) Develop and support financial literacy, public awareness and consumer protection policies.

Strategy 4: Encourage product innovations in line with market needs.

Intervention Description

- i) Carry out studies on the gaps in existing products and potential for product innovation.
- ii) Encourage the development of innovative products, especially those that best exploit existing infrastructure and institutions.

Strategy 5: Promote expansion of banking services to rural areas.

Intervention Description

- i) Provide logistical and technical support to SACCOs.
- ii) Promote research into innovative ways of expanding financial access to rural areas.
- iii) Develop tax relief and incentive schemes for rural banking institutions.

Strategy 6: Strengthen property and land rights legislation.

Intervention Description

- i) Strengthen land and property ownership and management systems.
- ii) Promote public sensitisation on property rights.

Strategy 7: Strengthen anti-money laundering efforts.

Intervention Description

- i) Enact anti-money laundering legislation and develop regulations to enable its enforcement.
- ii) Strengthen regional and international collaboration and partnerships in crime management.
- iii) Review and amend cyber laws.

486. Objective 2 - Increase access to affordable long term finance.

Strategy 1: Strengthen institutional arrangements for mobilizing long-term funds.

Intervention Description

- i) Encourage the introduction of a long term bond-yield curve in the private sector.
- ii) Develop new standards for corporate governance and financial disclosure.
- iii) Promote the revival of the life assurance facility.
- iv) Develop the Public Private Partnership Policy framework.
- v) Encourage organizations and corporations to use the debt market to fund long-term projects through the issuance of short-term and long-term instruments.

Strategy 2: Reform the pensions sector and promote savings mobilisation.

Intervention Description

- i) Prepare, adopt and implement the regulatory framework to support liberalization of the pension sector, including the establishment of a regulatory body for the sector.
- ii) Review the NSSF Act in line with the new regulatory framework.
- iii) Undertake a diagnostic study of civil service pension schemes, including preparation of an actuarial valuation, and a reform option paper.
- iv) Encourage and support collective investment schemes.
- v) Support training of fund managers and investment advisors.

487. Objective 3 – Attain greater integration within the East Africa region.

Strategy 1: Harmonisation of financial sector policy within EAC.

Intervention Description

- i) Review policies governing various segments of the financial sector and ensure their harmonization within the framework of the EAC integration.
- ii) Harmonize capital markets policies and regulations within the EAC.
- iii) Promote cross-listing and greater cross-border investment in the region.

6.10 COOPERATIVES

6.10.1 Situational Analysis

488. The co-operative movement in Uganda is composed of an Apex body; tertiary and secondary unions; and primary societies formed by individual members. Government views the Cooperative Movement as being central in mobilizing and organizing farm-level production, value addition, marketing, savings and financial intermediation at the local level. It is a means through which, productive enterprise involving indigenous entrepreneurs can be built at all levels (rural or urban) in the national economy.

489. The Department of Co-operative Development under the Ministry of Tourism, Trade and Industry (MTTI) guides and regulates the co-operative movement. In addition, there are many other Government and non government players (Private Sector and Civil Society).

490. The Co-operative movement in Uganda is composed of 10,746 co-operative societies with a membership of 3.9 million people. There are 10,621 primary societies, 121 secondary societies including 80 Area Co-operative Enterprises, 4 tertiary societies⁶⁸ and one apex body⁶⁹ - the Uganda Co-operative Alliance Ltd. Of the total number of registered co-operative societies, 83 per cent are on permanent registration while 17 per cent are registered on probation. Co-operatives are generally categorized as follows: production and agricultural marketing (55 per cent); savings and credit (23 per cent), multipurpose (6 per cent), and services (16 per cent)⁷⁰.

491. The Cooperative movement in Uganda thrived in the 1960s and 1970s when most of Uganda's export commodities were traded through the cooperative chain. However, the period 1992 through 2006 exhibited a continuous decline of co-operative commodity marketing, for instance, co-operatives accounted for 22

68 Uganda Co-operative Transport Union Ltd, Uganda Crane Creameries Co-operative Union Ltd, Co-operative Insurance Services Ltd, Uganda Central Co-operative Finance Union Ltd.

69 The Registrar of Co-operative Societies, (February 2009) Register of Societies

70 Consumer, housing, transport, health and rural electrification co-operatives

per cent (28,585 tons) of the total coffee exports (130,068 tons) in 1992/93. This dropped to only 2 per cent (3,868 tons) out of the total of 180,164 tons in 2001/02 and further to a meagre 1 per cent (2,104 tons) out of 162,254 tons in 2006/07. While the performance of co-operatives declined, that of multinational companies significantly increased from 14 per cent (18,459 tons) to 83 per cent (134,589 tons) over the same period. The decline was largely on account of a new policy then to disband produce marketing Boards and the general policy of liberalizing the marketing of produce. Cooperative enterprises were ill equipped to match the competition given their poor financial status, narrow product base and weak managerial competences.

492. On the other hand, as co-operative commodity marketing declined, other co-operatives enterprises emerged; for instance, 2,351 SACCOS were registered between 2004 and 2008 with a portfolio of over 100 billion shillings, total member savings and shareholding of over 23 billion shillings and loans totalling 77 billion shillings. This was largely due to the failure of the formal financial services sector to adequately respond to the needs of most Ugandans. This expansion was also on the account of Government's intervention of building a strong savings and investment culture especially in rural areas.

493. There are some factors that are negatively impacting on the performance of the cooperatives. These include:

- Governance and Leadership gaps: Although co-operatives are democratic in nature, most of the membership has not taken advantage of this democracy to elect able leaders and appoint competent managers to ensure that the co-operative ideals and aspirations are realized and conformity to the co-operative Laws is achieved
- Inadequate knowledge on Co-operatives: The majority of the current co-operative membership is not adequately educated and trained in co-operative matters. This leads to member exploitation, low patronage and poor accountability which negatively impacts on co-operative business.
- Dented image and weak advocacy by the Co-operative Movement: This is attributed to various disadvantages in the past such as poor leadership, unethical practices, poor accountabilities, unfavourable economic and legal environment, political interference, mistrust among members and institutional failure to deliver services.
- Unreliable market and management information: While co-operative members have responded to calls by Government to produce, most of them lack information on the available market opportunities for their products.

6.10.2 Constraints to the Performance of the Cooperatives Sub-Sector

- i) Inadequate legal and regulatory framework: The current Co-operative Societies Act, 1991, and Co-operative Societies Regulations, 1992, do not adequately address some governance issues within the co-operative movement. Some sections of the law are inadequate on issues such as supervision and enforcement, the education fund, dispute settlement, offences and penalties, ethics and code of conduct.

- ii) Limited skilled human resource for cooperatives as most of the institutions offering cooperative education and training have been declining from their original status.
- iii) Poor and inadequate storage facilities and other infrastructure. Uganda is faced with an acute shortage of modern agricultural commodity warehouses. The National Warehouse Survey of 2007 (Ministry of Tourism, Trade and Industry) shows that there are only 866 warehouses in the country with a total storage capacity of 450,733 metric tonnes. Of these, only 3 per cent meet the standards for agricultural marketing while 8 per cent require minor repairs. The other 89 per cent require major refurbishment.
- iv) Low savings by members is constraining the ability of cooperatives to invest. This is partly due to high poverty levels and a low savings culture in Uganda.
- v) Low capitalization: the co-operative movement in Uganda is faced with the problem of insufficient working capital due to limited financing options in the country.
- vi) Poor image and erosion of confidence in cooperatives
- vii) Limited mobilization for cooperatives formation.

6.10.3 Objectives, Strategies and Interventions

494. Objective 1 - Promote good governance of the co-operative movement

Strategy 1: Strengthen the policy and legal framework of cooperative societies.

Intervention Description

- i) Finalize the formulation of the National Co-operative Development Policy and implementation strategy to empower and guide cooperatives.
- ii) Review the Co-operative Societies Act, 1991 and the Co-operative Societies Regulations, 1992. It is expected that in the plan period, the Co-operative Societies Act (Cap. 112 Laws of Uganda) will be amended, the Co-operative Societies Regulations, 1992 reviewed, and model bye laws will be put in place.
- iii) Popularize, disseminate and implement the policy and the laws in i) and ii) above.

495. Objective 2 - Enhance the capacity of co-operatives to compete in domestic, regional and international markets

Strategy 1: Increase productive capacity and productivity of the members of the Cooperative Movement.

Intervention Description

- i) Support farmers in enterprise selection through provision of advisory services to the different categories of farmer organizations.

- ii) Support the re-establishment of the co-operative based inputs delivery system to avail quality inputs to the members. A mechanism to guide supply of inputs will be put in place.
- iii) Support and facilitate cooperative society members to acquire mechanization and irrigation equipment, and other appropriate technologies.
- iv) Facilitate cooperative society members in the acquisition of farm level post harvest handling technologies including packaging of commodities for marketing.
- v) Support research and development in cooperatives.
- vi) Support farm exchange visits to increase exposure of cooperative members to new ideas and technologies.

Strategy 2: Promote cooperative education and training.

Intervention Description

- i) Undertake a comprehensive co-operative training needs assessment, the report of which will guide the implementers on the training requirements for the different categories of cooperatives.
- ii) Review, upgrade and strengthen Kigumba Co-operative College as a centre of academic excellence.
- iii) Review and implement an appropriate co-operative curriculum.

Strategy 3: Promote value addition and collective marketing.

Intervention Description

- i) Strengthen the co-operative commodity marketing infrastructure through refurbishing, upgrading and equipping the existing co-operative storage facilities.
- ii) Support the establishment of warehousing facilities for all types of commodities at community level around the whole country.
- iii) Promote and support the Uganda Commodity Exchange (UCE) and the Warehouse Receipt System (WRS) to increase cooperative trade through them.
- iv) Establish collaborations between regional and international co-operative movements and other agencies to strengthen the marketing network.
- v) Provide extension services to cooperative members to identify opportunities for value addition to different enterprise products.
- vi) Establish an Agricultural Commodity Marketing Fund.
- vii) Restructure and strengthen producer co-operatives as well as supporting certification of members' products.
- viii) Support certification of "members" products.
- ix) Support co-operatives to access and acquire intellectual property rights.

Strategy 4: Improve access to financial services for the co-operative institutions.

Intervention Description

- i) Establish financial institutions at district or sub-county level that are tailored to the needs of co-operative institutions.

Strategy 5: Strengthen the capacity of Cooperative institutions.

Intervention Description

- i) Build capacity and enhance functionality of the offices responsible for Co-operative Development at the Central and Local Government levels through recruitment, training and equipping.

Strategy 6: Promote partnerships and linkages.

Intervention Description

- i) Promote partnerships and linkages through developing and operationalising a framework for linking co-operatives and industries for purposes of supplying industrial inputs; accessing markets and promoting product research and development.

Strategy 7: Establish and strengthen cooperative information systems.

Intervention Description

- i) Establish and strengthen the cooperatives information systems by facilitating co-operatives to develop management and market information systems for decision making, planning and marketing.
- ii) Develop and standardize management and operational information systems for SACCOS.

496. Objective 3 - Diversify the type and range of enterprises undertaken by co-operatives

Strategy 1: Expand the scope and range of cooperative enterprises.

Intervention Description

- i) Increase the range of cooperatives through support and strengthening of other forms of co-operatives including insurance, housing, health, tourism, energy, consumer, shared services and enterprise based co-operatives
- ii) Revitalize and strengthen dormant co-operatives by focusing on research, networking, study tours, mobilization and sensitization of the communities.

7.1 POPULATION**7.1.1 Situational Analysis**

497. Population size and growth: Uganda's population growth rate was 3.2 per cent per annum over the period 1991 to 2002. It is estimated that the population increased at an average of 3\2 per cent to reach 30.7 million in 2009 and is projected to increase to 37.9 million in 2015 (Table 7.1). This trend suggests that the population could double to nearly 61 million in about 22 years⁷¹. More than half of the population (51 per cent) are females. In general, the population is increasingly becoming younger with the proportion of children (under 18 years) having increased from 51 per cent in 1969 to 56 per cent in 2002. More than half of these are below the age of 14 years. The proportion of older persons (60 years and above) on the other hand has decreased from 5.8 per cent in 1969 to 4.6 per cent in 2002. Owing to high population increase against fixed land, the population density of the country has increased overtime from 64 persons/km² in 1980 to 85 persons/ km² in 1991, to 123 persons/ km² in 2002. This has also increased the dependency ratio to 110 per cent in 2002 and was projected to increase to 115 per cent in 2009.

67 UBOS, The 2002 Uganda Population and Housing Census, 2005.

TABLE 7.1

POPULATION ESTIMATES AND PROJECTIONS (1991 TO 2015)

	1991	1995	2000	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total population (million)	16.67	19.50	22.87	24.23	26.74	27.63	28.58	29.59	30.66	31.78	32.94	34.13	35.36	36.62	37.91
Male population (million)	8.19	9.57	11.12	11.82	12.94	13.39	13.87	14.38	14.93	15.52	16.12	16.74	17.38	18.04	18.72
Female population (million)	8.49	9.93	11.75	12.40	13.80	14.24	14.71	15.21	15.73	16.27	16.82	17.39	17.97	18.57	19.19
Percent with age 0-4 years (%)	18.92	20.61	21.04	18.7	20.8	20.7	20.7	20.6	20.6	20.6	20.6	20.6	20.5	20.4	20.2
Percent with age 5-14 years (%)	28.4	28.51	30.13	30.6	31.5	31.8	31.7	31.6	31.4	31.2	31.0	30.9	30.8	30.7	30.7
Percent with age 15-49 years (%)	43.5	43.56	42.41	42.8	42.2	42.2	42.5	42.8	43.1	43.4	43.6	43.9	44.1	44.3	44.6
Percent with age 15-64 years (%)	49.5	48.7	47.06	47.6	46.2	46.0	46.2	46.4	46.6	46.8	47.0	47.3	47.5	47.7	47.9
Percent with 65 and over years	3.3	2.17	1.77	3.1	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.2	1.2
Percent of females with age 15-49 (%)	44.5	43.75	42.96	43.7	42.7	42.6	42.8	43.0	43.2	43.3	43.5	43.6	43.8	43.9	44.0
Sex ratio	96.5	96.43	94.64	95.3	93.8	94.0	94.2	94.6	95.0	95.4	95.8	96.3	96.7	97.2	97.6
Dependency ratio	102.5	105	112	110.2	117	118	116	115	115	114	113	112	111	111	109
Median age	16.5	15	15	15.3	14	14	14	14	14	14	14	14	14	14	15
Urban Population (million)	1.89			2.98	3.95	4.08	4.22	4.37	4.52	4.69	4.89	5.03	5.21	5.39	5.57
Rural Population (million)	14.78			21.25	22.79	23.55	24.36	25.22	26.14	27.09	28.05	29.10	30.15	31.23	32.34
Percent urban	11.34			12.30	14.77	14.77	14.76	14.77	14.74	14.76	14.85	14.74	14.74	14.72	14.69
Percent rural	88.66			87.70	85.23	85.23	85.24	85.23	85.26	85.24	85.15	85.26	85.26	85.28	85.31
Source: UBOS 2006															

498. Fertility: The Total Fertility Rate (TFR) has remained high over the last three decades at an average of about 7 children per woman. This is mainly due to cultural and religious beliefs and preferences for large families as source of sustenance and form of social security. The low contraceptive rate estimated at 23 percent exacerbates high fertility. For example, in 2006, there was a high unmet need for family planning of 41 percent among 3 million married women in reproductive years. This unmet need is projected at 3.4 million married women by 2015. The low contraceptive use among adolescents has fuelled fertility with 59 percent of young people becoming pregnant by the age of 20 years⁷².

499. Mortality: The infant mortality rate declined from 122 to 76 deaths per 1,000 live births between 1991 and 2006 while under five mortality declined from 203 to 137 deaths per 1,000 live births over the same period⁷³. These indicators could be further improved with higher levels of immunization from the current 63 per cent. The maternal mortality ratio as of 2006 was 435 deaths per 100,000 live births. The overall life expectancy at birth from 2002 census was 50.4 years for both sexes. There was a gain of 2.3 years in life expectancy between 1991 and 2002 for both sexes and was estimated at 51 years in 2009. The improved mortality indicators are a result of improved social service delivery and declining poverty levels.

500. Urban Migration: The population of urban dwellers has increased from less than one million (6.7 per cent) in 1980 to 3 million (12.3 per cent) in 2002. Between 1991 and 2002, this population grew at a high growth rate of 5.6 per cent.

7.1.2 Constraints to Sustainable Population Growth

- i) Low levels of education and lack of skills which are mainly a result of high dropout rates, especially among girls in both primary and secondary schools, which in turn leads to teenage pregnancies and early marriages.
- ii) Some cultural and religious beliefs do not agree with the need for family planning and, therefore, limit the use of family planning services by some sections of the population.
- iii) Low levels of reproductive health services due to the fact that a number of individuals are either uninformed or do not have access to family planning services.
- iv) Lack of social safety nets and security at old age. Households tend to consider having children as security for old age due to the absence of appropriate insurance and social safety nets. In addition, children are employed to provide family labour by most households. This problem is exacerbated by high level of infant mortality that drives couples to produce more children to cushion themselves against such risks.
- v) Absence of advocacy programmes.

⁷² (UDHS, 2006)

⁷³ (UDHS, 2006)

7.1.3 Objectives, Strategies and Interventions

501. Objective 1 - Integrate population factors and variables at various levels of development planning.

Strategy 1: Secure commitment to population and development linkages and ensure appreciation of community initiatives in response to population and development issues.

Intervention Description

- i) Develop capacity for population data management (collection, analysis, utilization and dissemination) at various levels.
- ii) Develop capacity for integrating population variables into policies, plans and programmes.
- iii) Advocate for better understanding and appreciation of the linkages between population and development. To enhance this, mobilization for commitment and support of decision makers at various levels to allocate resources for the integration of population factors and variables into development planning will be undertaken.
- iv) Advocacy for increased utilization of population data and information for evidence-based decision making.

502. Objective 2 - Promote improvement in the health status of the population.

Strategy 1: Promote access and use of population and health information.

Intervention Description

- i) Develop capacity to analyze, document and disseminate population trends in relation to socio-economic development and patterns at central and local Government levels. In this regard, training programmes for staff will be developed and research reports will be produced annually.
- ii) Design and implement community awareness programmes on health rights especially reproductive rights and improved quality of health services delivery.
- iii) Continue to conduct and extensively disseminate findings from Uganda Demographic Health Surveys (UDHS), Population Census, and reports from the Annual Health Management Information System (HMIS).

Strategy 2: Advocate for affordability, availability and accessibility of quality health services.

Intervention Description

- i) Promote awareness among men, women and communities on their roles and responsibilities in sexual and reproductive health and rights.
- ii) Promote the strengthening and expansion of a functional referral system. This will require strengthening the HMIS and disseminating UDHS results.

- iii) Advocate for development and appropriate deployment of skilled human resource for reproductive health through dissemination of UDHS, Population Census and HMIS reports.
- iv) Advocate for Reproductive Health (RH) commodity security. In this regard, HMIS reports, Labour Market Information system (LMIS) reports, and Ministry of Health sector reports will be produced and disseminated.
- v) Promote the strengthening of youth-friendly sexual and Reproductive Health services. This will include advocating for institutionalisation of youth friendly services.
- vi) Advocate for linking of reproductive health and HIV/AIDS programmes. To facilitate this, advocacy for increased budgetary allocation for RH will also be intensified.
- vii) Advocate for adherence to RH rights especially for women and girls including Gender Based Violence (GBV).
- viii) Revise, disseminate and enforce public health and environment standards for communities and households. Community and household guidelines for public health and environment sanitation standards will be developed.
- ix) Advocate for improvement of maternal and child mortality through campaigns to reduce teenage pregnancies, proper spacing of pregnancies and improve quality of maternal care.

503. Objective 3 - Enhance Competitive skills building and human capital development.

Strategy 1: Ensure that established population groups have functional and competitive skills and are increasingly participating in education, training and functional literacy programmes.

Intervention Description

- i) Promote compulsory Universal Primary Education and Post-Primary Education and Training. In this regard, EMIS reports and annual reports will be produced and education sector plan reviewed.
- ii) Promote increased enrolment and retention of girls and boys at all levels of education including technical and vocational training.
- iii) In addition, advocacy for making vocational training more practical and relevant through redesigning the curriculum will be undertaken.
- iv) Improve Functional Adult Literacy programmes especially for the rural poor through redesigning the FAL curriculum.
- v) Promote the revision of the education curriculum to focus on entrepreneurship and competitive skills development at all levels.
- vi) Promote a work ethic and culture that encourages every person to contribute positively to the socio-economic development of the country.

504. Objective 4 - Advocate for improved nutrition and food security, increased household incomes, protection of the environment and sustainable use of natural resources.

Strategy 1: Increase ability of households to earn and allocate higher incomes to meet national nutrition and food security standards, and to demand appropriate sources of clean energy while conserving water and soils.

Intervention Description

- i) Advocate for the review and development of a legal framework to ensure food security at all levels.
- ii) Promote school feeding programmes to reduce hunger at school and improve the nutritional status, development and school performance of children.
- iii) Encourage appropriate cultivation and distribution of food to meet domestic demand and have surplus for sale.
- iv) Encourage appropriate food processing, preservation and storage at household level.
- v) Revitalize public health education on appropriate feeding, nutrition and health.
- vi) Establish functional schemes for rewarding communities and households adopting strategies for appropriate food and nutrition security.
- vii) Review and develop the policy and legal frameworks for natural resource management at national and community level.
- viii) Support rewarding programmes for water and soil conservation at community level.
- ix) Support acquisition of appropriate technology for alternative sources of clean household energy.
- x) Empower communities, households and individuals to improve their incomes and develop a saving culture.

505. Objective 5 - Promote positive health seeking behaviour.

Strategy 1: Ensure that communities and individuals utilize available health services and adhere to good sanitation practices.

Intervention Description

- i) Promote awareness among men, women and communities in their roles on sexual and reproductive health and rights.
- ii) Promote community utilization of safe motherhood and child survival services.
- iii) Promote awareness among men, women and communities on their roles and responsibilities in sexual and reproductive rights.
- iv) Advocate for strengthening health education, proper hygiene, safe water and proper sanitation practices at the household level.

506. Objective 6: Reduce the unmet need for family planning.

Strategy 1: Promote adherence to a manageable family size among couples.

Intervention Description

- i) Advocate for affordability, availability and accessibility of family planning services.
- ii) Promote provision of family planning information and increased utilization of family planning.
- iii) Promote efficient commodity security logistics.
- iv) Focus on making family planning services available for women and girls especially in rural areas.

507. Objective 7 - Advocate for planned urbanization and human settlements.

Strategy 1: Ensure planned urban infrastructure with adequate employment and amenities for education, health, water and waste disposal.

Intervention Description

- i) Analyze, document and disseminate information on the advantages of planned urbanization and human settlement and relate them to social service and infrastructure provision.
- ii) Promote the reviewing of the land tenure system.

508. Objective 8 - Mobilize resources for effective implementation of the national population policy and programmes.

Strategy 1: Ensure that population activities and resources are efficiently managed and that implementing partners adhere to the action plan.

Intervention Description

- i) Advocate for increased budgetary allocation for implementation of the population policy at national, district and lower levels.
- ii) Develop capacity of stakeholders at various levels for resource mobilization.
- iii) Strengthen partnerships and collaboration for resource mobilization, including the private sector.

509. Objective 9 - Develop a monitoring and evaluation system for the implementation of the National Population Policy.

Strategy 1: Establish a functional monitoring and evaluation framework.

Intervention Description

- i) Develop a monitoring and evaluation framework.
- ii) Establish a management information system for the national population policy and programmes.
- iii) Ensure data sharing and institute appropriate interventions at all levels.

7.2 LABOUR AND EMPLOYMENT

7.2.1 Situational Analysis

510. Uganda's total labour force was estimated at 10.9 million persons in 2006 (UNHS 2005/06) and is projected to reach 19 million by 2015. The labour force participation rate was 82 per cent with more males than females. The combined unemployment and underemployment rates accounted for 14 per cent of the labour force.

511. Out of 12 million Ugandans in the working age group, only 6.4 million were actively working in 2002. Nearly 75 per cent were actively working in rural areas. The labour market will, therefore, need to absorb about 8.2 million people in 2015. Moreover, 50 per cent of the economically active youth are not engaged in income generating employment (paid employment or self-employment). Of these, 6 per cent are looking for employment while the rest are employed as unpaid family workers. The most affected is the young female population (14-30 years) of which 70 per cent are engaged in unpaid family work (Population and Housing Census, 2002). The overall unemployment rate⁷⁴ was 5 per cent in 2002 with the urban unemployment rate standing at 10 per cent (UBOS 2002). The proportion of the permanently employed to the total labour force was 4.8 per cent in 2002/03 and reduced to 4.6 per cent in 2005/06.

512. In addition, subsistence agriculture remained a major sector of employment increasing from about 66 per cent in 2002/03 to about 75 per cent in 2005/06 (2006 UNHS). Between 2002 and 2005, the percentage of self-employed people in the agriculture sector increased by 11.2 per cent. This could be partly due to the failure to get non-agricultural work as explained by a negative growth rate for the self-employed in non-agricultural activities (-9.4 per cent) per annum. While the Ugandan economy has been growing at an average rate of 7 per cent for the last 10 years, the average rate of population growth remains high at 3.2 per cent per annum.

⁷⁴ Employment rate refers to persons who worked under 1 hour in the past seven days. Under employment refers to persons that worked under 35 hours in the past seven days.

513. While agriculture accounts for over 75 per cent of labour force, problems of low agricultural productivity and land degradation appear to be getting worse. Farmers' yields are typically less than one-third of the yields obtained on research stations. The rate of soil fertility depletion in Uganda is among the highest in Sub-Saharan Africa with an average annual rate of total depletion of 70 kilograms of nitrogen, phosphorus, and potassium per hectare. The agriculture sector therefore requires a strong stimulus if it is to absorb the increasingly large number of the labour force. Alternatively, other sectors of the economy (industry and services) will have to expand significantly in order to create opportunities for labour migration from the agricultural sector.

514. The industrial sector which is the immediate alternative employer is still equally under developed. Over 95 per cent of Uganda's exports are primary agricultural commodities. Uganda's industrial sector is largely informal characterized by production of low quality goods; gross deficiencies in technology; lack of indigenous capacity; little attention to research; low development and innovation; lack of foundational engineering industries and foundries necessary for the manufacture of tools and spare parts for use in different industries and the generally poor state of roads and rail infrastructure that makes supplies and distribution of goods costly. These inhibiting constraints will have to be relaxed in order to create opportunities for absorbing the increasingly expanding labour force.

515. Labour productivity in Uganda is still very low. The value added per worker in Uganda is 68 per cent lower than that in India and 96 per cent lower than that in China. Tanzania's labour productivity is 28 per cent higher than that of Uganda. For instance, the WB/UMACIS survey (2003) reported that about 24.7 per cent of workers surveyed reported having been ill within the previous 30 days.

516. Government has put in place several Labour Laws to regulate the work environment and facilitate delivery of Labour services. The Employment Act No.6 (2006) requires districts to appoint Labour Officers to provide Technical Advice to employers. However out of 90 districts, only 30 have recruited Labour Officers to enforce Labour legalization. There is also inadequate funding to the Centre and Local Governments to register and undertake sufficient inspection of workplaces. The level of awareness of the Provisions of the existing Labour Laws is also unacceptably low among the workers and employers.

517. There is a structural segregation of women into low paying sectors; 50 per cent of employed women are in the three lowest paying sectors (agriculture, household and mining and quarrying) compared to 33 per cent of men. In the private sector women are paid lower wages than men for the same work; in 3 out of 9 identified occupations, women earn less than 75 per cent of the average male wage (MFPED 2009).

7.2.2 Constraints to the Performance of Labour and Employment Sector

- i) Inappropriate education and training system: The current education system prepares graduates to become job seekers rather than job-creators. Little emphasis is placed on entrepreneurship development, vocational training and skills development at all levels. Most of Uganda's employees have inadequate technical and professional qualifications. This factor is basically responsible for some employers' general preference for expatriate personnel to locally trained Ugandans.
- ii) Inadequate attention to workers' training and retraining including the neglect of farmers in general training policies and programmes.
- iii) Low levels of income and savings and inadequate financial intermediation to enable potential entrepreneurs to start new enterprises or expand existing ones.
- iv) Poor Health: Poor health conditions owing to malnutrition, lack of access to clean water, unhealthy housing and environmental sanitation limit the productivity of the labour force.
- v) Inadequate Infrastructure: Lack of infrastructure such as roads and rail denies producers access to markets. The problem is aggravated by the absence of electricity and water for production.
- vi) Use of rudimentary and obsolete technology: Despite the existence of technologies elsewhere in the world, Uganda's economic sectors continue to experience major deficiencies in terms of technology use and advancement.
- vii) Non-conducive work environment such as unhygienic and hazardous work environment which is risky to people's lives.
- viii) Weak labour market information system to facilitate efficient planning for the labour force.

7.2.3 Objectives, Strategies and Interventions

518. Objective 1 - Create an enabling environment for increasing high quality employment.

Strategy 1: Implement the existing policies, regulations, laws and guidelines.

Intervention Description

- i) Implement the national youth employment policy and plan and implement other laws and guidelines on labour productivity and employment. Deliberate effort will be made as affirmative action to target the employment of persons with disability and women in line with the disability Act and policy, the gender policy and national action plan on women and UN conventions on the rights of persons with disability and women.
- ii) Strengthen the Labour Market Information System (LMIS) through increased funding so as to effectively guide both employers and job seekers.

- iii) Establish a minimum wage for decent income, improved productivity and increase in aggregate demand for goods and services.
- iv) Strengthen the industrial Court to arbitrate disputes between workers and employers.

519. Objective 2 - Develop a pool of non-formal employable skills in the country.

Strategy 1: Promote non-formal skills development.

Intervention Description

- i) Develop and implement a National non-formal skills development programme with a major focus on developing the lower and middle cadre skills in the country targeting especially youth and women.

Strategy 2: Promote institutionalised entrepreneurship development training.

Intervention Description

- i) Provide regular business health checks and report performance of SMEs.
- ii) Provide regular business counselling.
- iii) Establish productivity centre.

Strategy 3: Promote Start-ups and youth entrepreneurship products to include graduate empowerment.

Intervention Description

- i) Establish enterprise start-up business clinics.
- ii) Develop a techno-entrepreneurs' park and SME business incubation programme.
- iii) Provide young enterprises seed capital.
- iv) Provide motivation for new enterprises. A mechanism of awards will be developed and operationalised.
- v) Operationalise regional youth centres.
- vi) Support apprenticeship centres.

Strategy 4: Promote value-chains.

Intervention Description

- i) Promote cluster development.
- ii) Promote corporate governance of a community owned economic cluster to increase corporate participation.

Strategy 5: Increase access to finance.

Intervention Description

- i) Establish a credit guarantee scheme.
- ii) Provide training in financial literacy; loan implementation and SMEs financing.
- iii) Promote Joint Venture (JV) development to increase JV businesses.

520. Objective 3 - Increase protection of workers through improved compliance with labour standards.

Strategy 1: Strengthen institutional capacity.

Intervention Description

- i) Recruit labour officers at both Central and Local Government levels.
- ii) Continuously train labour inspectors to manage the employment dynamics.
- iii) Strengthen labour administration and compliance to labour standards through implementation of a decent work country programme.
- iv) Strengthen development, review and implementation of labour laws and policies.
- v) Implement the externalisation of labour programmes.

521. Objective 4 - Promote social dialogue and industrial harmony in the employment sub-sector.

Strategy 1: Strengthen Social Dialogue and Tripartism.

Intervention Description

- i) Implement the Tripartite Charter to increase settlement of disputes.

7.3 EDUCATION AND SPORTS

7.3.1 Situational Analysis

522. The Education and Sports Sector in Uganda is comprised of Government and private formal as well as non-formal educational institutions spanning all educational levels namely: Pre-primary; Primary; Secondary; Business; Technical and Vocational Education and Training (*BTVET*); and Higher Education levels. It also includes public, private and community Physical Education and Sports institutions. It has multiple objectives including the transmission of general and applied knowledge, as well as skills development.

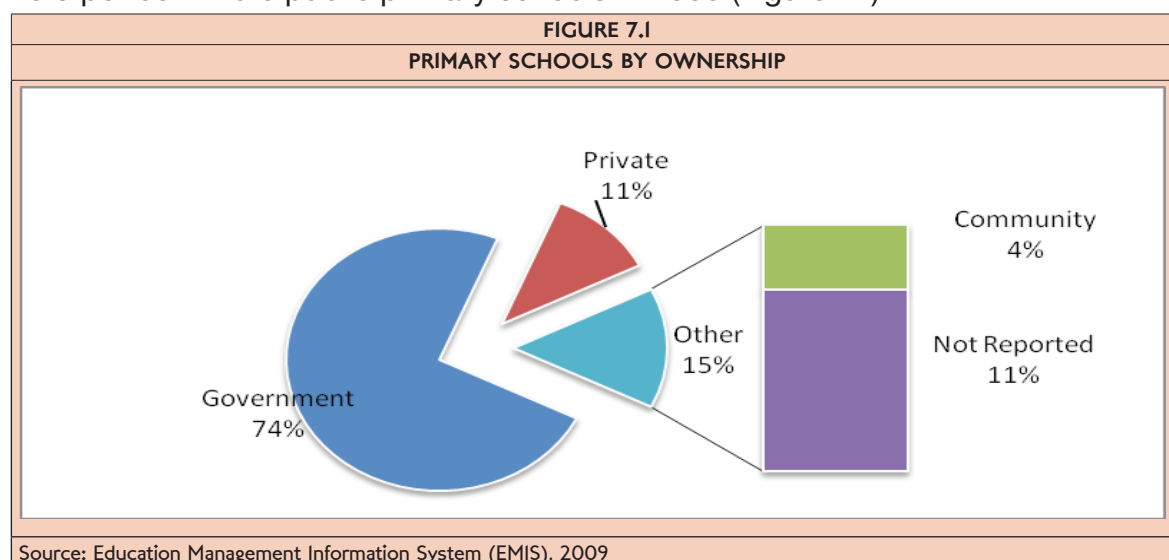
523. Education and Sports is important for the provision of the public good whose returns are critical for sustained economic growth and social transformation. There is a growing body of evidence suggesting that spending more years in school is an effective strategy for promoting development including improved family health, nutrition, and reduced fertility rates.

524. Factors affecting delivery of education and sports service: Service delivery, in the past decade, has been shaped by four critical contextual factors that include: the macro-economic context, sectoral policies, demography and international long term commitments.

525. The current budgetary allocation is inadequate for the required expansion of service delivery in the sector, to meet the projected social demand over the next decade. The allocation to the Education and Sports Sector as a proportion of total GoU expenditure, in the past decade, has progressively declined from the all time high of 24 per cent (FY 2001/02) to 17.3 per cent (FY 2009/10).

526. Basic Education: This is constituted by pre-primary and primary schools. Pre-primary schools cater for 2-5 year olds and are currently exclusively owned and managed by the private sector. In 2008, the enrolment in pre-primary schools was reported at approximately 89,296 children in about 1,724 registered pre-primary schools in the country. The Gross Enrolment Ratio (GER) increased by 1.8 per cent between 2002 and 2009 (EMIS, 2009). However, many children of pre-primary school going age remain excluded considering the number of children aged 3-5 years who were approximately 3.5 million in 2008.

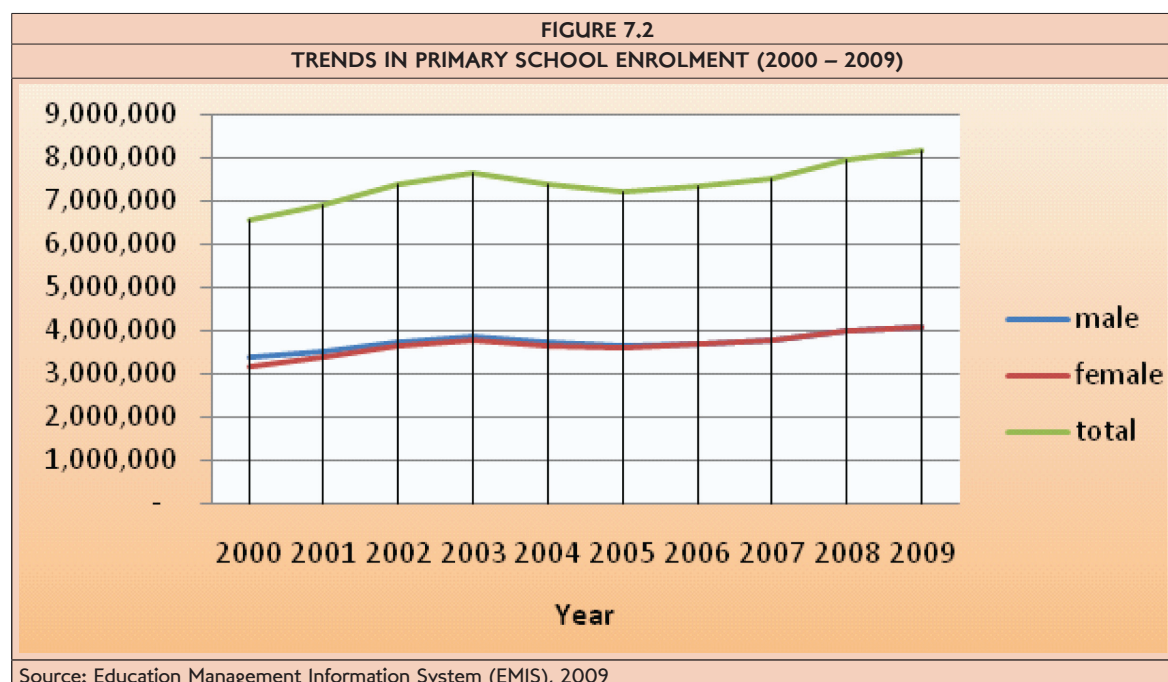
527. Primary education caters for 6-12 year olds. It is provided through a network of 16,600 public and private primary schools scattered across the country. Of these, 73.8 per cent were public primary schools in 2008 (Figure 7.1) .



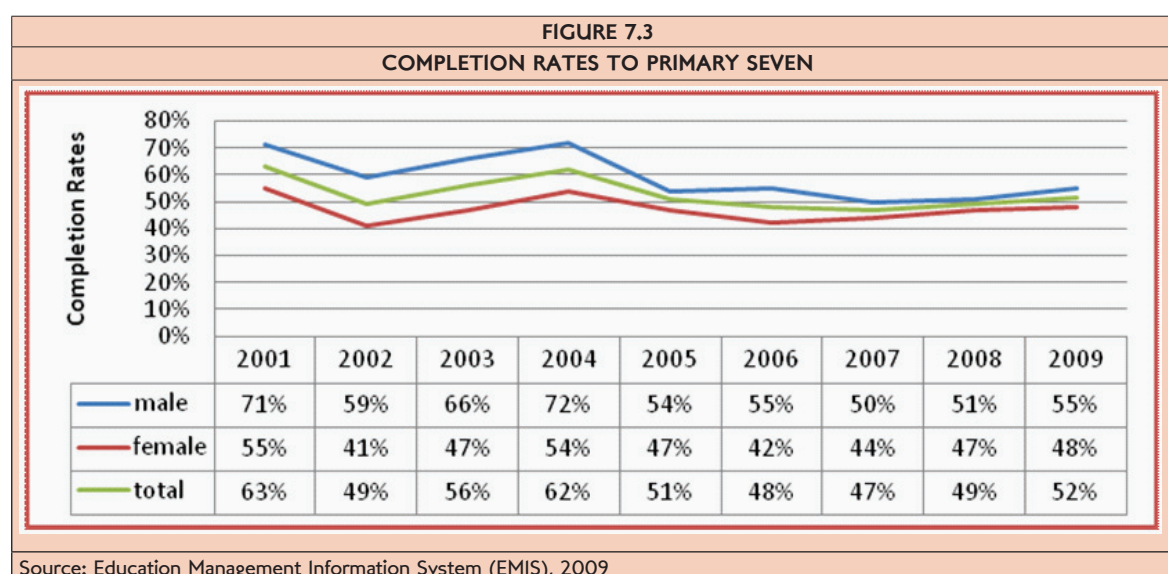
528. The number of Government primary schools increased from 12,500 in 2000 to 12,169 in 2009 and the pupil classroom ratio improved from 106:1 to 72:1 over the same period. The introduction of UPE in 1997 significantly increased access to primary education as total enrolment tripled from about 2.7 million in 1996 to 8.2 million in 2009. The Gross Enrolment Ratio (GER)⁷⁵ reduced from 128 per cent in 2000 (132 per cent, boys, 124 per cent, girls), to 115.1 per cent in 2009 (118.1 per

⁷¹ GER is "the ratio of the number of pupils actually enrolled in school regardless of age, to the population of the school going age" (MoES, 2001).

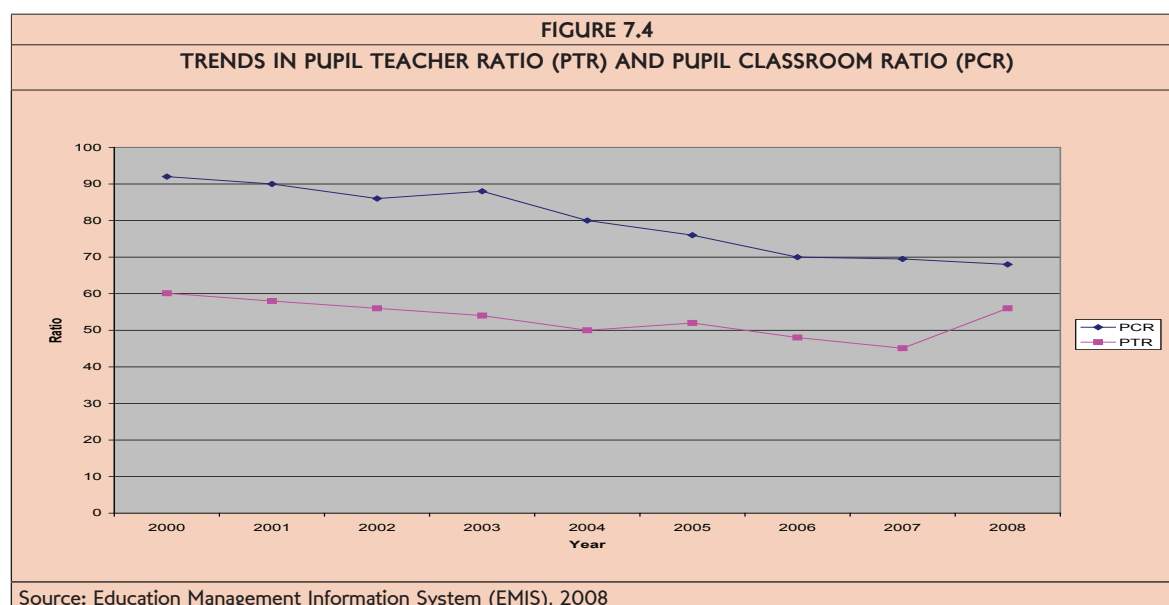
cent for boys, 112.1 per cent for girls). A significant number of new teachers have also been trained and recruited. The number of qualified teachers has more than doubled from 74,000 (1995) to 158,110 (2009). This has decreased the proportion of untrained teachers from 28 per cent to 11 per cent in the same period (Figure 7.2).



529. Over the same period, the number of books for the four core subjects of English, Mathematics, Science and Social Studies increased from 6.6 million to 11 million (2008). Between 2000 and 2005, the average pupil book ratio is reported by the Ministry of Education and Sports to have improved from 4:1 to 2:1. Completion rate has declined by 13.9 per cent from 62.9 in 2001 to 49 per cent in 2008. The decline is attributed to class repetition estimated at 11 per cent and school dropouts at 6.7 per cent (Figure 7.3).

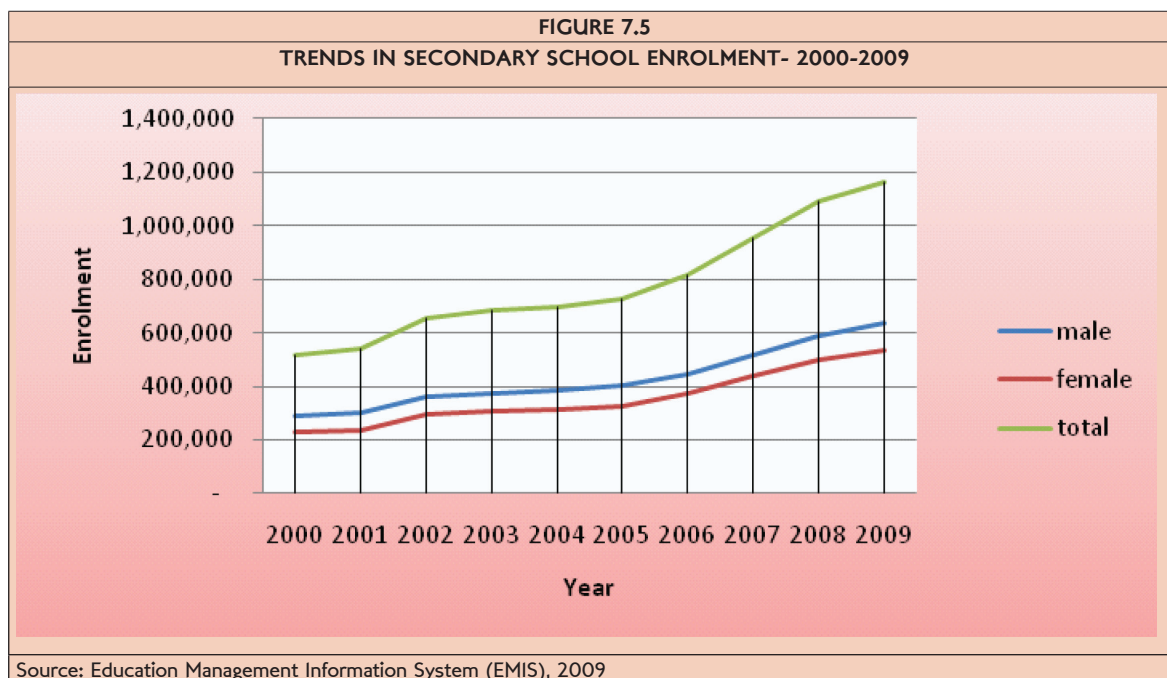


530. Upon the implementation of UPE, there was massive recruitment of teachers to cater for the increased enrolment. The Pupil Teacher Ratio (PTR) reduced from 65:1 in 2000 to 48:1 in 2006 but reverted to 52:1 in 2009 (Figure 7.4).



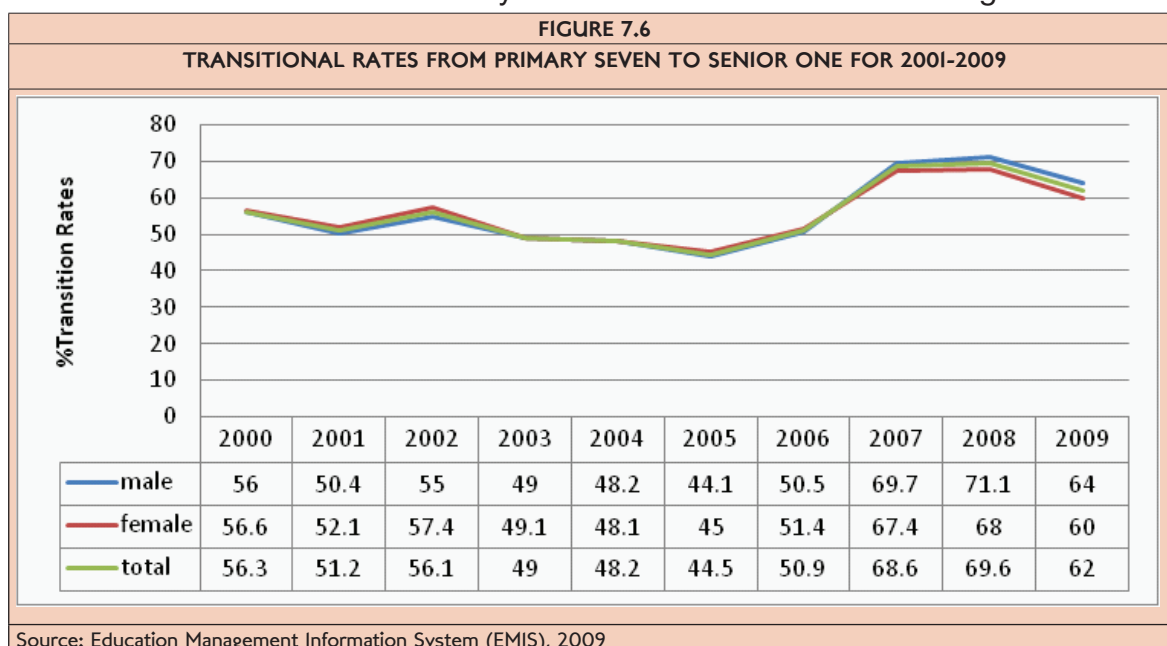
531. There has been an increase in classroom construction leading to an improved Pupil Classroom Ratio (PCR) from 106:1 (2000) to 72:1 (2009). Between 2000 and 2005, the total number of classrooms increased by 60 per cent as a result of the continued construction of classrooms under the School Facilities Grant (SFG) and Classroom Completion Grant (CCG). Approximately 80 per cent of the classrooms were built under SFG.

532. Secondary Education: is provided through a network of schools totalling to 3,020 (914 Government and 1,994 non- government). The percentage share of responding Government, private and community schools was 31.1 per cent, 57.1 per cent, and 12.4 per cent respectively. There are also a very small number of international schools that deliver foreign curricula. Rural based secondary schools account for 37.8 per cent of the total number of schools. Most of the private schools are found in urban areas. The introduction of Universal Secondary Education (USE)/Universal Post Primary Education and Training (UPPET) in 2007 increased secondary school enrolment (S1 – S6) by 25 per cent from 814,087 in 2006 to 1,165,355 students in 2009, with girls constituting 45.6 per cent of total enrolment. Figure 7.5 shows trends in Secondary School Enrolment 2000-2009.



533. As a result of USE, the GER improved to 29 per cent; the NER to 24 per cent in 2008 and the Gross Intake Rate (GIR) for S1 to 33.3per cent in 2008. The improvement of the GIR increased the proportion of S1 in the total enrolment to 29 per cent.

534. In addition, the transition rates from P.7 to S.1 have increased since the introduction of Universal Secondary Education in 2007 as shown in Figure7.6 below.

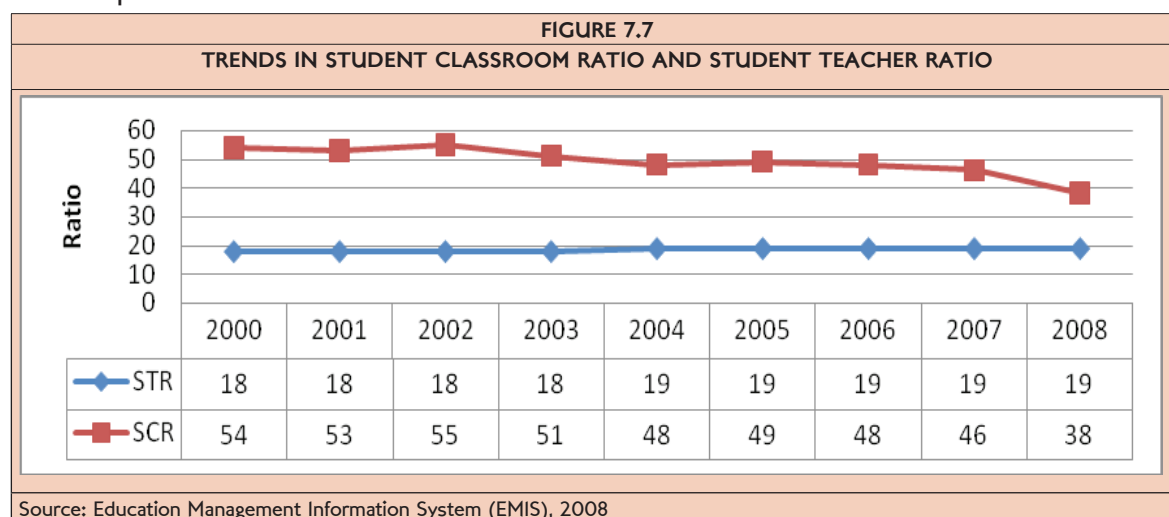


535. The same trend is observed in the transition rates from S.4 to S.5 between 2005 (39 per cent) and 2009 (48 per cent). The number of classrooms constructed for secondary schools also increased from approximately 14,760 in 2005 to about 33,512 in 2009.

536. Efficiency and quality of secondary education remains very low due to poor management of school resources. According to preliminary results of the 2008 National Standardized Test for Senior 2 students; 81.9 per cent of students reached minimum competency levels in English, 69.4 per cent in Mathematics and 36.7 per cent in Biology.

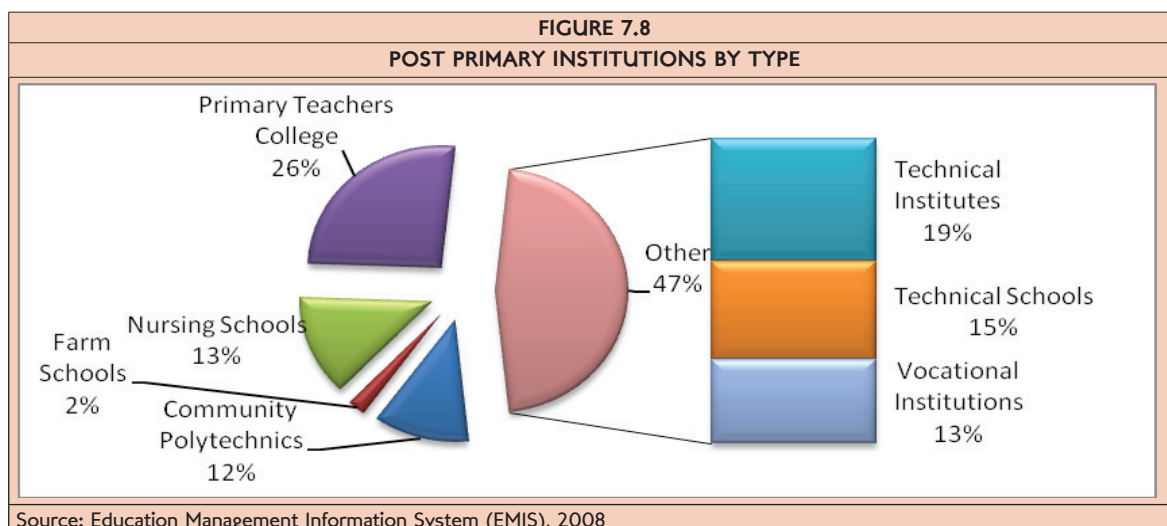
537. The secondary curriculum has many optional subjects. In addition, the workload is still very low by international standards. Poor implementation of *efficiency enhancing policies*, and inequitable deployment of teachers are some of the causes of low efficiency and quality in secondary education.

538. Figure 7.7 shows that the student teacher ratio in secondary school has relatively remained the same (1:18 in 2000 to 1:19 in 2008). The student class room ratio improved from 54:1 in 2000 to 46:1 in 2007.



539. The high cost of transition to mass provision of secondary education is compounded by budget limitations even if efficiency measures were to be implemented vigorously.

540. Business, Technical, Vocational Education and Training (BTJET): This is an overlapping three-tier system; comprising craftsman level training offered by technical schools and institutes, technician level training offered by technical colleges and Graduate Engineer level training offered by universities. It comprises 133 public institutions, about 600 private training service providers and 17 apprenticeships and enterprise-based training programmes representing 17 percent, 81 per cent and 2 per cent respectively (Figure 7.8).



541. Between 2006 and 2009 enrolment in BTVET increased by 14.5 per cent from 25,682 (25 per cent female and 75 per cent male) to 30,009 (39 per cent female and 61 per cent male) respectively. This is attributed to the implementation of the BTVET component of USE. The number of instructors has increased in both public and private institutions from 1, 041 in 2004 to 1,843 in 2008.

542. To adequately contribute to development, the BTVET sub-sector should have an enrolment ratio of at least 30 per cent of post primary enrolment.

543. Higher Education: this is the heart of education as well as the core of national innovation and development systems. It is also the place where teachers are trained and curricula developed. Without research in higher education to develop curricula for the entire education system, all curricula will be of little relevance to national development. Universities are the core of any national development system because they produce not only the knowledge needed to drive economies but also the skilled human resources required to do the job.

544. During the plan period, the higher education gross enrolment ratio will be raised from the current 4.97 per cent to at least 15 per cent (of relevant age). To economically take off, a country should have a tertiary gross enrolment ratio of at least 40 per cent in relevant disciplines. As the country's ratio is still very low, the contribution of the state to public universities should be increased from 0.30 per cent as a percentage of the GDP (where it has been since 1999) to 1.0 per cent to match what Kenya and Tanzania spend on this item. This is the key way to keep Uganda's edge as a supplier/exporter of education in the region. The higher education sub-sector should be prepared to receive the graduates of UPE and USE. Attention should be paid to both public and private institutions in terms of providing the requisite resources and incentives to expand and maintain the required standards.

545. Due to increased emphasis on primary and post primary education, higher education is continuing to face major challenges particularly with the subventions from Government. Most public universities are characterized by over-crowded lecture rooms, dilapidated old infrastructures, meagre education facilities, inability to attract the best academic and administrative staff and inadequate research

or artistic productions. There were 145 higher education (universities and non-university) institutions with a total enrolment of 155,000 students in 2007 growing from 10,000 in 2000. However, enrolment growth was 14 per cent, slightly lower than the Sub-Saharan average growth of 15 per cent. Preliminary figures indicate 180,000 students were enrolled in 2009. The current staffing level of 1:20 representing only 53 per cent of total needs is far lower than the ideal set by the National Council for Higher Education. Moreover, about 47 per cent of academic staff work part-time, which is inconsistent with what is required to maintain high quality education and training standards. Privately sponsored student numbers in both public and private institutions have increased enormously. By 2005/6, the share of private fee paying students in public universities was 80.2 per cent (9,592 students) as compared with 19.8 per cent (11,786 students) Government sponsored ones. This growth must be matched with facilities hence the need to secure more financial support. Private education will increasingly become vital for absorbing demand and therefore enhancing access. This plan will focus on improving the higher education sub-sector because all educational levels dovetail into the higher education sub-sector.

546. Despite the rush to attain university education, student enrolment in science and technology in both private and public universities lags behind at less than 27 per cent (2006) of the total enrolment. This is below the international minimum standard of 40 per cent registration in science and Technology in order for a country to economically take off and participate in the global knowledge based economy.

547. Teacher Education: This constitutes Primary school teachers trained in Primary Teacher Colleges (PTCs) and Secondary school teachers trained in National Teachers Colleges (NTCs) and Universities under the Teacher Development and Management System (TDMS) that has been operational since mid 1990s. In the past decade the education and sports sector made great efforts to boost the number of qualified teachers at both primary and secondary levels. However, this increase remains short of the required numbers resulting into high Pupil Teacher Ratios. The total number of qualified teachers in the primary sub sector increased from 110,366 in 2000 to 158,110 in 2009 while in the secondary sub-sector there were a total of 63,293 teachers in 2008.

548. The shortage of teachers has led to prioritizing the implementation of the policy of 100 per cent Government sponsorship of students joining Primary Teachers Colleges and 80 per cent sponsorship for those joining National Teachers Colleges (NTCs). In addition Pre-service students registered in all the 46 Government aided PTCs are being trained on competencies required to deliver the Thematic Curriculum. Furthermore, the Scheme of Service targeted at all serving staff has been introduced as a framework for career progression and development. This framework is expected to address the issue of teacher motivation and retention as well as making the teaching profession first choice for bright students.

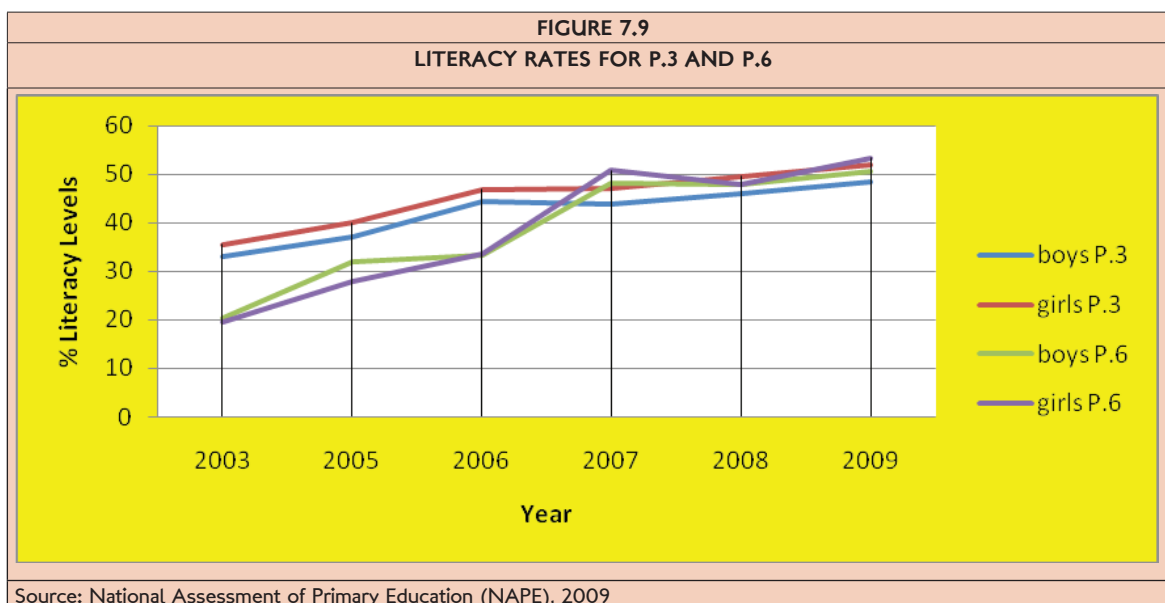
549. Physical Education and Sports: This contributes to national development through promotion of fitness, teamwork, discipline, patriotism and social harmony. It is also a profession that creates opportunities for self employment and livelihood, as well as providing entertainment and amusement. The ministry has developed the Physical Education and Sports Policy and a Strategic Investment Plan that

are expected to guide the development of Physical Education and Sports in the country. The Policy and the Strategic Plan are being operationalised through formal education institutions at all levels of the Education System. In addition, attempts are being made to procure basic physical education and sports equipment.

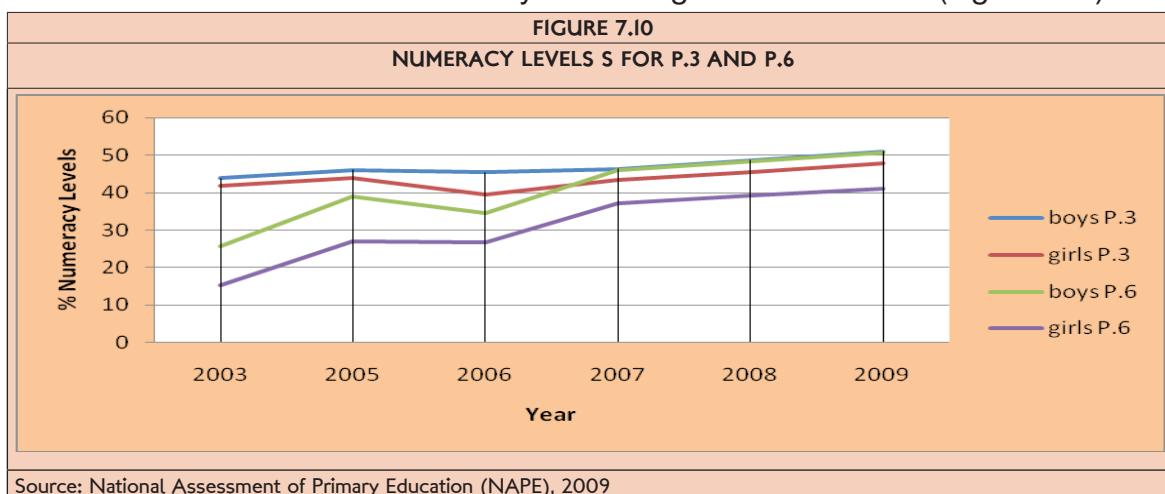
550. Since 2007, the Physical Education and Sports sub-sector has trained 100 coaches; 800 youth sports trainers, and 800 Physical Education primary teachers and volunteer trainers. It has also successfully carried out public awareness raising and education workshops for 160 sports stakeholders throughout the country. In addition, it has distributed Physical Education and Sports instructional materials and sports equipment to a number of educational institutions at all levels. In the primary sub-sector total equipment available includes 1,143 footballs, 673 netballs, 41 rackets and a mixture of others. The total number of facilities includes 1,059 fields, 476 courts, 35 swimming pools and a mixture of others. In the secondary sub-sector, the total equipment available includes 3,836 footballs, 2,399 netballs, 148 rackets and a mixture of others while the total facilities includes 1,285 courts, 12 swimming pools and 386 other facilities.

551. Special Needs Education (SNE): It is estimated that 10 per cent of school-going-age children have special needs of some kind and require special needs education. The scope of SNE covers all levels of education and training. In the pre-primary education sub-sector, there are a total of 6,632 (47.8 per cent males and 52.2 per cent females, EMIS, 2008). SNE pupils are currently 185,545 (53 per cent males and 47 per cent females) enrolled in Government aided primary schools. At secondary school level, there are a total of 11,145 (51.8 per cent males and 48.2 per cent females) learners with SNE needs.

552. Gender in Education Sector: The introduction of UPE resulted in increased enrolment for boys and girls, and by 2006 it had reached 90.4 per cent for girls compared to 93 per cent for boys. Completion rates to Primary Seven are low overall, and lower for girls. In 2006, 53 per cent of boys and 42 per cent of girls completed primary school. Fewer girls are still enrolled at secondary level; just one third of the girls who enrolled in primary are still in school at the age of 18, compared to half of the boys (UDHS, 2006). Whilst high costs affect both boys and girls, key causes of drop-out and absenteeism amongst girls are: early pregnancy; sexual harassment; female genital mutilation (MGLSD, 2008); lack of sanitation facilities. Girls also lag behind boys in grade promotion and learning achievement; their performance in national examinations such as PLE, UCE and UACE is much lower than that of boys as indicated by the UNEB Primary Leaving Examination results for the past five years (2004-2009). A report of the MoFPED shows that if the number of skilled women in the labour force is increased by 5 per cent every year, this would increase national output by 0.3 per cent.

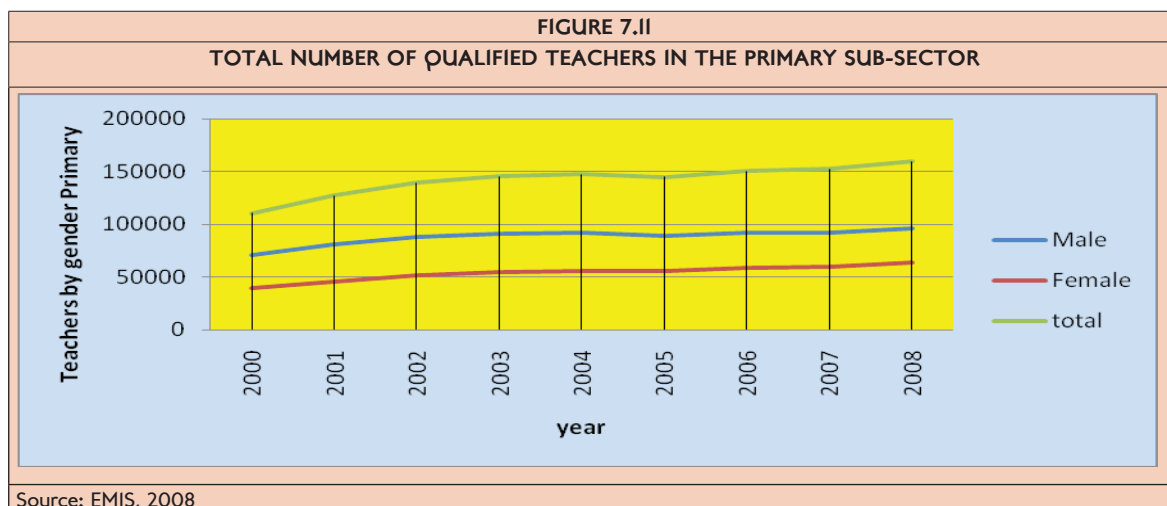


553. The same is true for numeracy rates for girls in P.3 and P.6 (Figure 7.10).

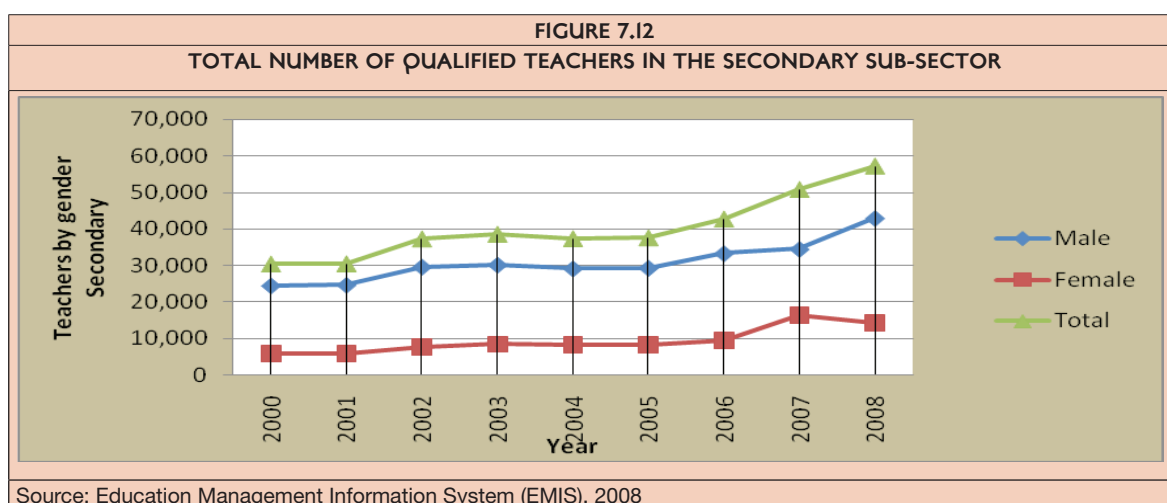


554. Girls constitute the largest proportion of out-of-school children in the population. Girls are also more likely to drop-out of school or repeat grades than boys. Girls performance in National Examinations such as PLE, UCE, and, UACE has remained much lower compared to that of boys.

555. In the primary sub-sector the total number of qualified teachers in 2008 was 159,516 (male 60.2 per cent and female 39.8 per cent). The number of qualified female teachers has persistently been very low (Figure 7.11).



556. In the secondary sub-sector the total number of qualified teachers in 2008 was 63,293 (male 75 per cent and female 24.9 per cent). The female rate of participation as teachers in secondary education has persistently been very low (Figure 7.12).



7.3.2 Constraints to Performance of Education and Sports Sector

- i) Weak institutional alignment, coordination and accountability practices. The amorphous structure of non-formal BTVET aggravates the coordination and management problems resulting in increased transactional costs within the sector.
- ii) Inadequate budgetary resources to meet current and emerging priorities: Public funding to higher education has also been declining overtime. A lot of pressure is being put on the existing old facilities in public universities resulting into poor quality of service delivery.
- iii) Capacity gaps in education: Teaching methods are old fashioned and books are not only inadequate but those that are available are not always used effectively. For example at primary and sometimes secondary levels many students leave school without having mastered required levels of literacy and numeracy.

- iv) Social and cultural practices, attitudes and perceptions which affect the performance of the sector. Although the cost factor appears to be the most important for boys, girls drop out of school due to teenage pregnancy, sexual harassment and early marriages while for boys indifference to education is a key factor. In addition, a significant number of girls help with household chores. There is limited access to education for marginalized groups including children with disabilities and those in post conflict areas.
- v) Inadequate physical infrastructure (scholastic materials, classroom blocks, water and sanitation, and power supply).
- vi) Inadequate sports facilities and equipment.

7.3.3 Objectives, Strategies and Interventions

Primary Education

557. Objective 1 - Increase access and equity of primary education for girls and boys.

Strategy 1: Reduce costs of education to families.

Intervention Description

- i) Continue with the implementation of compulsory UPE by providing capitation grants to cover school costs.
- ii) Adopt and implement a differentiated allocation formula for capitation grants to schools that takes into consideration the differences among schools and the communities they serve so as to realize an improved allocation of the capitation grants. In addition, a budget line will be allocated within the UPE capitation system for specialized equipment, facilities and materials for children with disabilities.

Strategy 2: Support programs targeted at disadvantaged children and the youth.

Intervention Description

- i) Collaborate with NGOs to implement special projects for disadvantaged and marginalized groups and integrate NGO staff into the district establishments and provide corresponding wage bills.
- ii) Recruit and train more Special Needs Education (SNE) teachers to build capacity for provision of SNE and Inclusive Education in the Local Governments.
- iii) Provide hardship allowances to teachers in hard to reach, hard to stay and conflict areas to increase their level of motivation and retention.

Strategy 3: Reduce social-cultural barriers to girls' school attendance in order to reduce gender disparity in primary education.

Intervention Description

- i) Lower social-cultural barriers to girls' access to primary education. This will include among other interventions, deploying more female teachers to rural schools to handle gender related issues at school level.
- ii) Increase girls' participation and retention in primary education through designing and implementing priority programmes and projects as well as disseminating lessons learned.

Strategy 4: Expand and improve primary school infrastructural facilities.

Intervention Description

- i) Use the School Facilities Grants (SFG) to expand and improve classrooms, teachers' houses, pit latrines and other related facilities in order to improve hygiene, safety and security of children at school to be gender responsive.
- ii) Repair/maintain facilities established under the SFG program in a cost effective manner.
- iii) Make SFG flexible enough to accommodate the diverse infrastructural needs of schools in conflict areas and especially those with special needs requirements.

558. Objective 2 - Improve quality and relevance of primary education for girls and boys.

Strategy 1: Enhance instructional quality to increase pupils' achievement of literacy, numeracy, and basic life skills.

Intervention Description

- i) Increase pupils' competences in literacy (read and write), basic arithmetic and practical mathematics (numeracy) to help them master literacy, basic arithmetic and numeracy.
- ii) Decongest overcrowded classrooms (particularly at lower primary classes- P1 to P3), to enable teachers to work with manageable groups of pupils that permit significantly more teaching and learning to take place.
- iii) Craft a new regime of indicators for class size as a basis for determining quality targets and disbursement of funds rather than the current pupil-to-classroom and pupil-to-teacher ratios that tend to mask huge variations among classes particularly P1 & P2 that are generally more crowded than upper primary classes.
- iv) Intensify the use of local languages as the medium of instruction in P1-P3, while P4 becomes a transitional class and time for the change of medium of instruction to English.

- v) Intensify the implementation of the thematic curriculum that was introduced in 2006.
- vi) Implement the continuous assessment system in primary schools to enable teachers to continually assess progress of pupils and provide remedial assistance to pupils that lag behind.

Strategy 2: Strengthen the teaching force.

Intervention Description

- i) Make teaching in the classroom effective through accelerated recruitment of more qualified teachers, enhanced free service and in-service training of teachers focusing on training of untrained and licensed teachers, and undertaking regular school inspection and support supervision activities.
- ii) Carry out regular review of the Primary Teacher Education (PTE) Curriculum for primary teacher training to accommodate emerging issues.
- iii) Recruit additional tutors to meet the requirement of growing enrolment and teaching staff at teacher training colleges.
- iv) Appoint mentor teachers in all schools to liaise between teachers and Coordinating Centre Tutors (CCTs) as a measure to improve coordination and collaboration.
- v) Rehabilitate and expand Primary Teachers Colleges (PTCs) facilities (with emphasis on Non Core PTCs).
- vi) Implement a new scheme of service to improve working conditions.
- vii) Provide relevant equipment, furniture, and other supplies to PTCs.
- viii) Improve the management of PTCs and the conditions of service for primary teachers, including the implementation of the new scheme of service.

Strategy 3: Adopt pre-primary programs and other measures to prepare children for the intellectual requirements of primary school.

Intervention Description

- i) Strengthen public-private partnership in the provision of pre-primary education through licensing of more Early Childhood Development (ECD) centres.
- ii) Institute measures that discourage under-age enrolment in P1 of children aged five years and below, and over-age children above six years.
- iii) Integrate remedial programs into P1 and PTE curricula to target children that enrol in P1 with little or no exposure to reading, pre-reading materials and other readiness skills.

559. Objective 3 - Improve effectiveness and efficiency of primary education.

Strategy 1: Ensure that schools manage instructional programs, staff and other resources and become accountable to their communities.

Intervention Description

- i) Improve schools management through Teacher Development and Management Systems (TDMS) in-service training program for head teachers in financial and school management practices.
- ii) Mobilize communities to participate in school activities.
- iii) Develop and implement school improvement plans.
- iv) Effectively monitor pupils' progress towards acquisition of numeracy and literacy skills.
- v) Regularly publish results of assessments of students' achievements in literacy and numeracy, as a basis for each school's plan for improvement of pupil achievement levels.
- vi) Implement the customized performance targets scheme for head teachers rigorously to enhance performance and compliance with set learning achievement targets.

Strategy 2: Ensure that district education offices deliver educational services, help schools comply with standards and regulations, and monitor regularly and report accurately on school performance.

Intervention Description

- i) Strengthen the capacity and role of District Education Officers (DEOs) to effectively work with Local Governments (LGs) on the needs of schools and to have enhanced supervision capacity.
- ii) Publish on annual basis district league tables to enable Local Governments (LGs) gauge and track performance rating at national level. The key measurement variables will focus on critical outcome indicators such as completion and net enrolment ratios.
- iii) Implement customized performance targets and institute a reward system to encourage performance of districts and schools.
- iv) Involve districts in Annual Sector Reviews (ASRs) to review annual progress and agree on performance targets.
- v) Formulate relevant sectoral policies and ensure that the existing legal framework reflects the sectors' strategic direction.
- vi) Conduct research in topical areas and disseminate results to inform policy and decision making.
- vii) Pilot priority initiatives that hold promise for the sub-sector.
- viii) Strengthen EMIS to collect and analyze data, and report on schools in a timely manner for planning and decision making.
- ix) Institute a coherent assessment strategy that includes day-to-day assessment in the classroom, and at each grade level of critical

competencies as a measure to strengthen the tracking of pupil achievements at all levels.

- x) Implement a new scheme of service for primary teachers (including head teachers) that will create a career ladder and differentiates salaries according to career status.

Strategy 3: Strengthen capacity of the Ministry, its agencies and institutions to provide leadership and management.

Intervention Description

- i) Provide administrative staff with the needed resources and tools to track the flow and use of resources. This is geared at realizing enhanced accountability.

Strategy 4: Enhance quality assurance and accountability.

Intervention Description

- i) Develop and maintain a coherent and feasible system of standards and performance monitoring for efficiency and effectiveness.

Secondary Education

560. Objective 1 - Increase access and equity in secondary education.

Strategy 1: Reduce costs of secondary education to families.

Intervention Description

- i) Continue with implementation of the Universal Secondary Education (USE) program.

Strategy 2: Expand, equip, and improve secondary school facilities.

Intervention Description

- i) Continue with construction of “seed secondary schools” in sub-counties where there are none and in districts where the need is great. All schools will be constructed on the principle of inclusiveness to ensure that they have accessible physical infrastructure to take care of concerns for students with disabilities.
- ii) Rehabilitate and expand existing secondary schools to accommodate growing numbers.
- iii) Expand, equip and improve secondary school facilities in needy areas.
- iv) Provide furniture, equipment and supplies to all secondary schools.
- v) Construction of sanitation facilities.
- vi) Construction and renovation of teacher houses.
- vii) Effectively assess USE performance.
- viii) Construct and equip libraries.

Strategy 3: Improve equity in the participation of girls, students with disability and needy students.

Intervention Description

- i) Implement targeted bursary schemes for girls, students with disabilities and needy students.
- ii) Implement and continuously assess and rationalize affirmative action for girls and students located in war-ravaged areas.
- iii) Enforce the policy of inclusive education to reduce the costs of educating children with special needs in separate institutions and enable them to easily associate with other normal children. This will also enhance their life skills.
- iv) Construct and equip regional secondary schools for children with severe disabilities to enable them gain access to formal education.
- v) Establish regulation to protect girls and boys from sexual harassment in schools.

561. Objective 2 - Improve quality of secondary education.

Strategy 1: Strengthen the teaching force.

Intervention Description

- i) Improve the teacher training (pre-service and in-service) to enhance the competency of secondary school teachers to teach effectively; through training and continuous professional development. It is expected that guidelines for in-service or pre-service training will be used to motivate more teachers to enrol for special needs education.
- ii) Establish TDMS for secondary education as a delivery mechanism for institutionalized teacher development and professional support for teachers, head teachers and education managers.
- iii) Develop a new secondary teacher training curriculum that is focused on improvement of instructional skills for teachers in an inclusive education system.
- iv) Upgrade facilities of National Teachers Colleges (NTCs).
- v) Improve staffing and management of NTCs.
- vi) Replace the two NTCs taken over by Universities (i.e. Nagongera and Kaliro NTCs).
- vii) Recruit and train additional Special Needs teachers and guidance counsellors.
- viii) Improve conditions of service for secondary teachers, NTC tutors and Non teaching staff.

Strategy 2: Establish education “centres of excellence”.

Intervention Description

- i) Fully equip teachers with all the facilities required for effective teaching and learning under the zonal model schools policy. These will include, among others, adequate number of qualified teachers, fully furnished libraries, science and ICT laboratories, adequate and relevant instructional materials, teachers’ houses, adequate and functional sanitation and hygiene facilities for both boys and girls, clean water and power.

562. Objective 3 - Improve effectiveness and efficiency of secondary education.

Strategy 1: Accord high priority to workforce competencies and further education.

Intervention Description

- i) Review secondary education curriculum to prioritize competencies with a broader application in the areas of effective communication, understanding of abstract concepts, numerical skills solving semi-structured problems by formulating and testing hypotheses; and ICT.
- ii) Construct laboratories for science and ICT as well as libraries to create a firm basis for acquisition of productive and employable knowledge and skills. The infrastructure will be made accessible to Persons with Disabilities (PWDs) and specific computer packages for students with visual impairment procured and installed in the laboratories.

Strategy 2: Make more efficient use of teachers/instructors’ and learners’ time, and other resources.

Intervention Description

- i) Reduce students’ course load drastically through consolidation of subject matter into fewer courses.
- ii) Ensure a nationally approved limited list of core textbooks as opposed to school-based lists.
- iii) Increase the standard minimum class size and rationalize teacher workloads.
- iv) Redeploy teachers from schools where there is a surplus to those where there are deficiencies. Schools with few or no special needs teachers and female teachers will be given priority in improving staffing levels.
- v) Introduce and implement double-shifts and multi-grade classrooms, so that space and staff are used efficiently.
- vi) Ensure that all teachers have the required skills to teach at least two subjects.
- vii) Provision of textbooks.

Strategy 3: Reconfigure secondary education.

Intervention Description

- i) Redesign the current six-year academic secondary curriculum to prepare students for higher education, and entry-level-jobs in the workforce.
- ii) Establish general secondary schools that are tailored to the needs of the communities they serve.

Strategy 4: Ensure effective and efficient school inspection.

Intervention Description

- i) Increase the level and quality of secondary school inspection through provision of adequate financial and logistical facilitation and further enhancing the human resource capacity for school inspection in the Local Governments (DEOs and Inspection Units).

Business, Technical, Vocational Education and Training (BTJET)

563. Objective 1 - Increase access and equity of BTJET.

Strategy 1: Expand and improve BTJET facilities.

Intervention Description

- i) Construct and rehabilitate infrastructure in existing BTJET institutions.
- ii) Furnish existing institutions with the required equipment, furniture and other supplies.
- iii) Modularize BTJET courses to optimize use of training facilities.
- iv) Provide matching grants to deserving private providers of BTJET.

Strategy 2: Improve equity in the participation of girls and needy students.

Intervention Description

- i) Target grants to BTJET institutions in more needy areas.
- ii) Institute a bursary scheme for eligible girls and needy students.
- iii) Take affirmative action for girls, needy students and students with special needs in the war-ravaged areas.
- iv) Enforce inclusive education policy in the BTJET sub sector to reduce the costs of educating children with special needs.

564. Objective 2 - Improve quality and relevance of BTVET.

Strategy 1: Re-configure the BTVET sub-sector.

Intervention Description

- i) Transform BTVET into a flexible system to increase enrolment rates.
- ii) Institutionalize BTVET within the framework of Uganda Vocational Qualifications Framework/Authority (UVQF/A) to ensure alignment of course objectives with corresponding job qualifications as well as credible assessment and certification of occupational competencies for learners.
- iii) Oblige training providers in both public and private institutions to meet the sectoral objectives and standards.
- iv) Ensure that 10 per cent of primary seven completers and 30 per cent of Post ordinary level students pursue skills development courses in BTVET.
- v) Modularize all BTVET courses to ensure that they are based on the requirements of the labour market.
- vi) Strengthen public-private partnership in the provision of skills training in accordance with UVQF/A.

Strategy 2: Strengthen the teaching force.

Intervention Description

- i) Recruit additional qualified instructors and craftsmen.
- ii) Strengthen training (pre-service and in-service), and Continuous Professional Development (CPD) for instructors and head teachers.
- iii) Enhance monitoring and support supervision.

Strategy 3: Strengthen intra and inter-sectoral linkages.

Intervention Description

- i) Design and implement collaborative mechanisms among MDAs in the provision of BTVET.
- ii) Improve articulation of education between BTVET and other levels with a view to ensure continuity of opportunities.

Strategy 4: Adopt and implement efficiency measures to deliver BTVET programs.

Intervention Description

- i) Encourage private providers and communities to offer skills training courses.
- ii) Modularize BTVET courses to optimize use of training facilities.
- iii) Increase the supply of training materials through matching subsidies.
- iv) Establish a text-book rental scheme.

Higher Education

565. Objective 1 - Increase equitable access to Higher Education.

Strategy 1: Reduce costs of education to families.

Intervention Description

- i) Continue and enhance Government sponsorship of higher education students so as to realize increased enrolment in higher education.

Strategy 2: Develop facilities to cope with rapidly increasing numbers.

Intervention Description

- i) Rehabilitate and expand existing facilities.
- ii) Establish an open university.
- iii) Strengthen the new public universities of Eastern and Northern Uganda.
- iv) Encourage the private sector to get more involved in the provision of higher education.
- v) Decentralize university education by opening up rural campuses for programmes that relevant to those areas.

Strategy 3: Diversify the sources and mechanism for financing higher education.

Intervention Description

- i) Reform public financing to target individual students and disciplines (science and technology) rather than institutions.
- ii) Establish a student loan scheme to allow more students access tertiary education.

Strategy 4: Reform and improve curricula and instruction in priority disciplines.

Intervention Description

- i) Review the higher education curricula to link them to national socio-economic development needs and those of the labour market.
- ii) Attract and retain qualified faculty staff.

Strategy 5: Promote research, particularly applied research and publications.

Intervention Description

- i) Craft a policy to institutionalize research in all institutions of higher learning for both students and faculty members.
- ii) Establish and maintain a specific fund/budget line for research.

566. Objective 2 - Improve quality and relevance of the tertiary education system.

Strategy 1: Restructure the tertiary system to increase coherence and flexibility.

Intervention Description

- i) Operationalise the sub-sector strategic plan that centres on a restructured system in order to develop coherence among Universities and other institutions of higher learning.
- ii) Develop a course-credit system that allows mobility of students among disciplines and institutions without loss of earned work.

Physical Education and Sports

567. Objective 1 - Improve access to physical education and sports in the country.

Strategy 1: Expand physical education and sports (PES) facilities.

Intervention Description

- i) Finalize the development of the Medium Term Capacity Building Plan.
- ii) Disseminate the Physical Education and Sports Policy.
- iii) Train a minimum of 25 coaches annually. Coaches in the sports of deaf and blind people will be trained, for instance coaches in the area of Goal ball.
- iv) Carry out in-service training of teachers. This is expected to reach 400 in-service teachers annually.
- v) Provide sports equipment and materials to a minimum of ten schools per district annually.
- vi) Expose Ugandan athletes to international sports events. This is anticipated to benefit thirty sports personalities in each international event annually.
- vii) Provide logistical support to a minimum of fifty national clubs and associations annually.
- viii) Organize sports competitions for schools and institutions to ensure continued sports competitions on an annual basis.
- ix) Develop an M&E framework for physical education and sports.

Strategy 2: Enhance Capacity Building in PES.

Intervention Description

- i) Appoint, train and deploy PES teachers.
- ii) Advocacy for PES.
- iii) Establish PES Data-Base.
- iv) Follow up the recruitment and deployment of qualified PES graduates at district/ municipal levels.

Elite and Community Sports

568. Objective 1: Support and develop elite and community sports.

Strategy 1: Formulate and implement appropriate policies, laws and guidelines.

Intervention Description

- i) Develop a comprehensive sports law including revision of the NCS Act.
- ii) Establish District and LLG sports councils.

Strategy 2: Support national sports federations and associations.

Intervention Description

- i) Support and nurture talent at National and Local Government level.
- ii) Support construction of facilities aimed at increasing the number of facilities for sports.
- iii) Harmonize NSFs/NSAs activities in Els sports calendar.
- iv) Mainstream sports into educational curricula at various levels. This is expected to make physical education and sports part and parcel of education curricula at all levels.

569. Objective 2: Develop a cadre of high performing sports persons on a sustainable basis.

Strategy 1: Track and nurture talented sports persons.

Intervention Description

- i) Develop and implement a strategy for tracking and nurturing talent.
- ii) Put in place basic facilities at District and LLG level for developing talent.
- iii) Institute affirmative action for talented persons in sports.

Strategy 2: Establish a national recognition and reward scheme for elite sports persons. This is expected result into an operational recognition and reward system for athletes.

Intervention Description

- i) Provide bursary/scholarships to elite athletes. An operational reward scheme is expected to be put in place.
- ii) Provide financial rewards to excelling national athletes. National awards (national, regional, parliamentary and presidential). To this end, a national rewards scheme is expected to be operational during the plan period.
- iii) Promote private sector investment in sports.

Strategy 3: Introduce a pension scheme for nationally acclaimed elite sports persons.

Intervention Description

- i) Create and operationalise a contributory fund for retiring athletes.

CROSS-CUTTING ISSUES

HIV/AIDS

570. Objective 1 - Combat HIV/AIDS in the Education Sector.

Strategy 1: Build capacity to combat HIV and AIDS.

Intervention Description

- i) Strengthen the sector's policy framework for HIV/AIDS. This is expected to improve the sector response to HIV and AIDS.
- ii) Train and mentor staff on relevant HIV/AIDS competencies such as Life skills, care and support.
- iii) Review and formulate a new sector strategic plan on HIV/AIDS and put in place a monitoring and evaluation system.
- iv) Provide technical backup to support schools/institutions to enhance institutional capacity.
- v) Formulate an IEC strategy and build capacity for its implementation.
- vi) Mainstream HIV/AIDS education in the school curriculum.

Strategy 2: Conduct HIV/AIDS advocacy and prevention education.

Intervention Description

- i) Raise awareness and distribute IEC materials.
- ii) Encourage research in institutions to enhance knowledge creation.
- iii) Promote Music Dance and Drama (MDD) and media campaigns in schools and institutions to raise awareness about HIV/AIDS.
- iv) Carry out media campaigns.

Strategy 3: Provide HIV/AIDS treatment and care.

Intervention Description

- i) Liaise with service providers of anti-retroviral treatment to provide ARVs.
- ii) Ensure access to Palliative Care including ARTs and CD4 tests.
- iii) Ensure the provision of food and nutrition in schools/institutions for HIV/AIDS learners and teachers. This is expected to increase the health and life expectancy of HIV/AIDS learners and teachers.
- iv) Provide spiritual and physical support in schools/institutions. This is expected to improve performance and retention of HIV/AIDS learners and teachers.

- v) Distribute and promote use of condoms in schools/institutions. This is expected to reduce infection rates in schools and institutions.
- vi) Provide educational support and skills training to orphans and vulnerable children (OVCs).

Quality and Standards (Quality Assurance)

571. Objective 1 - Enhance quality and standards (quality assurance).

Strategy 1: Develop and maintain a coherent flexible system of standards and performance monitoring.

Intervention Description

- i) Disseminate standards to key stakeholders.
- ii) Document good practices.
- iii) Enforce the agreed standards for replication.

Strategy 1: Strengthen school inspection and support supervision.

Intervention Description

- i) Ensure that District Education Officers and District Inspectors of Schools (DISs) inspect and report on school compliance with standards, regulations, and other procedures. This is expected to ensure compliance with standards, regulations, and other procedures by schools and institutions.
- ii) Ensure that CCTs regularly observe teaching and learning and continuously help teachers to improve their instructional methods and management.
- iii) Conduct regular assessments of progress in education. The focus will be on primary National Assessment of Primary Education (NAPE) and secondary National Assessment of Secondary Education (NASE).

Strategy 3: Prevent and reduce corruption and misuse of public resource.

Intervention Description

- i) Institute an appropriate regime of incentives and sanctions that counter corruption and misuse of public resources. This is expected to increase transparency and accountability in the use of public funds.
- ii) Enforce codes of conduct and sanctions against unprofessional conduct to improve education service delivery.
- iii) Train staff in critical areas especially procurement and financial management.

Information and Communication Technology

572. Objective 1 - Adopt Information and Communication Technology in the delivery of Education and Sports services.

Strategy 1: Strengthen the use of ICT in the MoES Headquarters

Intervention Description

- i) Upgrade ICT infrastructure to match the expanded needs of the sector and technological trends. This is expected to enhance sector performance.
- ii) Connect all departments, sections and units to the Local Area Network (LAN) for enhanced internet connectivity.
- iii) Improve the integrity of the LAN to enhance its dependability and reliance as a tool for accessing and storage of information.
- iv) Enhance training of staff in the use of the LAN (i.e. intranet, internet, email) to enhance productivity.

Strategy 2: Integration of ICT in various curricula.

Intervention Description

- i) Review curricula to ensure that they include ICT as one of the skills areas to be addressed. This is expected to lead to impartation of appropriate skills in ICT.
- ii) Enhance training of qualified ICT instructors in order to improve the teaching and learning process.
- iii) Enhance the provision of computer hardware, software and accessories to schools/institutions.
- iv) Carry out in-service training of teachers on ICT.
- v) Promote the use of ICT to deliver various curricula as an efficiency measure to improve the teaching and learning process.

Environment

573. Objective 1 - Enhance environmental awareness in delivery of Education and Sports Services.

Strategy 1: Integrate environmental concerns in education and sports programs.

Intervention Description

- i) Mainstream environmental issues in various curricula at all levels of the education systems. This is expected to enhance environmental management in schools and institutions.
- ii) Formulate sector specific policies and implementation guidelines on environment management.
- iii) Strengthen coordination and networking on environment issues at the MoES Headquarters.

Strategy 2: Support Information Education Communication (IEC) activities on environment.

Intervention Description

- i) Support production and dissemination of brochures, flyers, and kits to schools to raise awareness levels.
- ii) Sensitize stakeholders to create informed stakeholder participation.
- iii) Carry out orientation and in-service training of teachers to enhance teaching and learning.
- iv) Carry out multimedia campaigns.

Special Needs Education (SNE)

574. Objective 1 - Enhance equitable access to education and sports at all levels.

Strategy 1: Policy development and review.

Intervention Description

- i) Appraise the current policy framework in order to recommend necessary solutions to challenges. This is expected to institute relevant and operational policy framework.
- ii) Formulate and operationalise new policies as well as plans and guidelines.

Strategy 2: Carryout advocacy and awareness creation.

Intervention Description

- i) Develop an advocacy strategy for SNE.
- ii) Sensitize stakeholders to enhance stakeholder participation.
- iii) Produce and distribute copies of approved policies.

Strategy 3: Build capacity for SNE.

Intervention Description

- i) Review the various curricula to integrate SNE issues.
- ii) Enhance training of SNE teachers, head teacher and the community (pre-service and in-service).
- iii) Ensure community improvement (pre-service and in-service). This is expected to result into community interest and participation.

Gender Mainstreaming

575. Objective 1 - Enhance gender equity in education and sports at all levels.

Strategy 1: Raise gender awareness.

Intervention Description

- i) Carry out training and in-service training of teachers (particularly senior women/men teachers and career teachers) and other stakeholders in gender responsive methodologies and practices.

Non-Formal BTVET

576. Objective 1 - Increase equitable access to non- formal BTVET.

Strategy 1: Offer non-formal training to communities in post P7 enrolling BTVET Institutions.

Intervention Description

- i) Design and implement a programme to facilitate enrolment of communities around BTVET Institutions for Non-Formal training during holidays.
- ii) Set up non-formal BTVET centres in communities. This is expected to expand training opportunities for BTVET training.

Strategy 2: Support companies and individuals that offer industrial training and BTVET Non-formal training to increase the capacity of technicians and craftsmen.

Intervention Description

- i) Support companies and individuals involved in non formal BTVET.

Strategy 3: Improve equity in the participation of girls and needy students.

Intervention Description

- i) Increase girls' participation in non-formal BTVET to raise the number of female technicians and artisans.

Strategy 4: Develop modules for BTVET courses.

Intervention Description

- i) Modularize non-formal BTVET Courses. This is expected to enable BTVET graduates keep abreast with the modern technology changes.
- ii) Train and retrain instructors/providers for non-formal BTVET institutions to improve the teaching and learning processes in BTVET institutions.

Strategy 5: Strengthen the teaching and assessment of enrolled students.

Intervention Description

- i) Strengthen the UVQF for better and standardized assessment and awards.
- ii) Standardize BTVET Occupational Profiles.

Strategy 6: Foster partnerships between the sector and other sectors in service delivery and capacity building.

Intervention Description

- i) Enhance public private partnership in skills development.

Strategy 7: Strengthen intra and inter-sectoral linkages to enhance sectoral synergies.

Intervention Description

- i) Capacity building for private providers and non-formal educators.

Strategy 8: Adopt efficiency measures to deliver BTVET programs.

Intervention Description

- i) Strengthen Uganda Private Providers of Technical and Vocational Education and Training (UGAPRIV) for better monitoring and profiling of competencies.
- ii) Inspect activities of the Non-Formal BTVET.
- iii) Carry out sensitization campaigns to create awareness and positive attitudes among the population.

7.4 SKILLS DEVELOPMENT

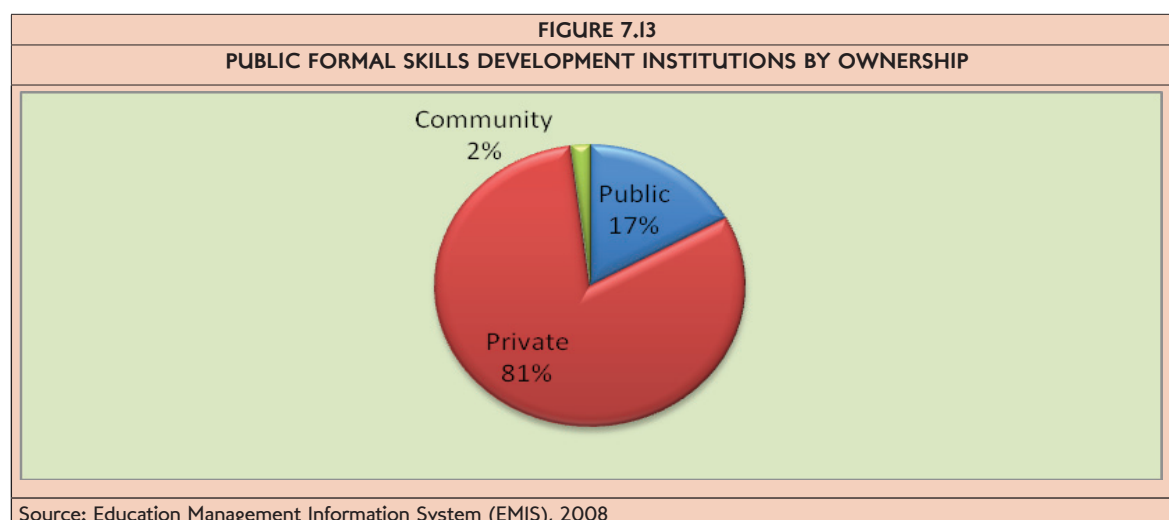
7.4.1 Situational Analysis

577. The notion of skills development: Skills Development is the imparting of applied knowledge and skills required in the world of work for non formal and formal employment. Skills development system caters for diverse individuals (irrespective of age, education level and social economic status etc) who demand and are able to pay for it.

578. Structure organization and Scope of skills development: Skills Development is comprised of Formal Public and Private Institutions, Private Training Providers (PTP), Private companies and non-formal training arrangements. Its scope covers vast areas that span business, technical, vocational, health, agriculture, and Para-medical and Para-professional fields. It is carried out in a number of centres and places of learning including work places.

579. Skills development institutions: These comprise formal and non-formal institutions. Whereas formal skills development institutions are registered with Ministry of education and sports, non-formal institution providers are unknown. The private vocational training institutions are estimated at over 1,000 however, private training providers are registered with Uganda Association of Private Vocational Institutions (UGAPRIV) and are encouraged to register with MoES. Some of these private skills providers operate as micro or small businesses in the informal sector and deliver their own certificates that are not formally recognized by MoES. A vast majority of them concentrate on office related skills development areas such as secretarial services, computer skills and apprenticeship.

580. Trends in outputs: The demand for skills development in the country is rapidly growing. For instance the number of service providers has increased from 575 in 2006 to 734 in 2008 (137 public and 600 private) and offer over 10,000 training vacancies. Although the number of non-formal institutions remains unknown it is currently estimated at 1,000 Private Training Providers and over 600 private and public companies. The number of private formal training institutions registered with MoES increased from 450 (2006) to 600 (2008), while public owned institutions also grew from 103 in 2000 to 137 in 2008 (Figure 7.13).



581. Table 7.2 below shows the areas of focus in the formal skills development institutions.

TABLE 7.2		
AREAS OF FOCUS FOR FORMAL SKILLS DEVELOPMENT AND TARGET GROUPS		
Institutions	Courses	Target Group
Technical schools, Farm Schools, Community Polytechnics	• Carpentry and Joinery • Block laying and concrete Practice • Tailoring and Cutting Garment • Motor Vehicle Mechanics • Agriculture • Electrical installation • Brick laying & concrete	P.7 completers
Technical institutes	• Carpentry and Joinery • Block laying and Concrete Practice • Tailoring and Cutting Garment • Motor Vehicle Mechanics • Electrical Installation • Agriculture • Leather and Tanning	'O' level completers
Technical colleges	• Architect Diploma in Draftsmanship • Ordinary Diploma In Civil and Building Engineering • Ordinary Diploma in Electric Engineering • Diploma in Industrial Ceramics • Ordinary Diploma in Mechanics • Ordinary Diploma in Refrigeration and Air Conditioning • Ordinary Diploma in Water Engineering	'A' level completers Technical Institute Completer – Holder of a Technical Craft Certificate
Uganda Colleges of Commerce	• Diploma in Business Studies • Diploma in Secretarial Studies • Diploma in Hotel and Institutional Catering • Diploma in Business Administration • Diploma in Human Resource Management • Diploma in Local Government Finance Management • Diploma in Accountancy • Diploma in Project Planning and Management • Diploma in Stores Management	A' level completers
Meteorological Institute	• Diploma in Meteorology • Certificate in Meteorology • Certificate in Agro – Meteorology • Certificate in Instruments and Weather Observation.	'A' level completers
Survey and physical planning	• Certificate in Surveying. • Certificate in Physical Planning	'O' level completers
Para Medical or Health Training Institutions	• Enrolled Comprehensive Nursing • Registered Comprehensive Nursing • Registered Nursing • Registered Midwifery • Nursing and Allied Professionals • Anaesthesia • Ear, Nose, and Throat Skills • Mental Health • Medical Lab. Technology • Clinical Medicine • Bio-Chemistry • Micro-Biology • Lab Techniques • Pharmacy Technicians • Medical Entomology • Environmental Health Assistants • Community Health Nursing • Occupational Therapy • Ophthalmology • Orthopaedic Appliances • Pharmacy Technicians • Physiotherapy • Dental Techniques • Radiography • Haematology • Parasitological	'O' and 'A' level completers
• Private Companies • Corporate companies • Business associations • NGOs • SMEs • Professional Associations • Business Assoc Extension workers	• Refresher courses i.e. management, computer, administration	Public formal training institutions
Source: Ministry of Education and Sports (2008)		

582. Private-not-for Profit: These are mainly faith-based institutions which are usually registered with authorities and regulated by Government. They may receive subsidies and other public support. This category also includes institutions financed by NGOs. There are several faith-based and community based vocational training institutes for women in textiles, embroidery cooking and other home economics-related courses. However, in the absence of data on them, it is not possible to know their number and social economic status of the target groups.

583. Private-for-Profit: These are particularly numerous in urban areas. They charge tuition fees, which typically, constitute their main source of revenue and practice selective admissions. However, the profit oriented centres may receive subsidies from the Government or other sources. In most cases, the duration of training offered by private institutions ranges on average from twelve to fifteen months as compared to the formal skills development component that takes a minimum of two years. The training conditions vary a lot from one institution to another.

584. The common programmes offered by private for profit institutions are: handicraft and industrial trade; occupations connected with computer science; secretarial and accounting; medical and health services; transport related courses; hotel management and tourism; communication; agriculture and rural development; tailoring of traditional and modern garments; driving; machine and metallurgy; home economics; nursery teacher training and cookery and bakery.

585. The technical component of skills development: This is an overlapping three-tier system; craftsman level offered by technical schools and institutions, technician level offered through technical colleges and graduate engineer level offered through university programs. Formal technical schools offer three year full time courses to P.7 leavers leading to the award of Uganda Junior Technical Certificate (UJTC).

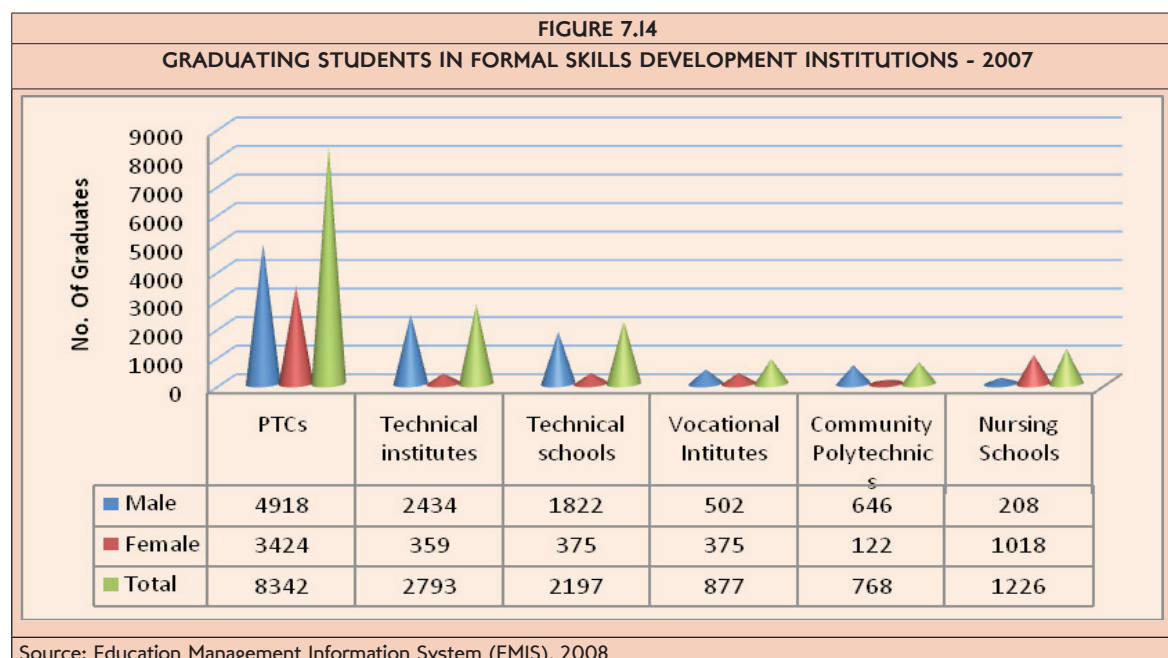
586. Formal technical institutes offer two-year full time courses leading to the award of Uganda Craft Certificate (Part I) and also one year advanced course leading to award of Certificate (Part II), in course areas that include among others carpentry, joinery mechanics and plumbing. Informal skills development component on the other hand, is characterized by on-the-spot training, on-the-job and Industrial training. Business associations and professional associations facilitate infirm training.

587. Intake capacity in formal skills development institutions varies from one institution to another. Whereas public formal skills development institutions had an overall intake capacity of 41,096 places, only 21,763 were occupied by 2008, implying that a total of 19,333 (43 per cent) places remained vacant.

588. In terms of enrolment, Public formal skills development component experienced an increase in enrolment of 71per cent (from 14, 077 in 2000 to 47,298 in 2008). This data does not include enrolment for the on-the-job training; training covered by companies and apprenticeship.

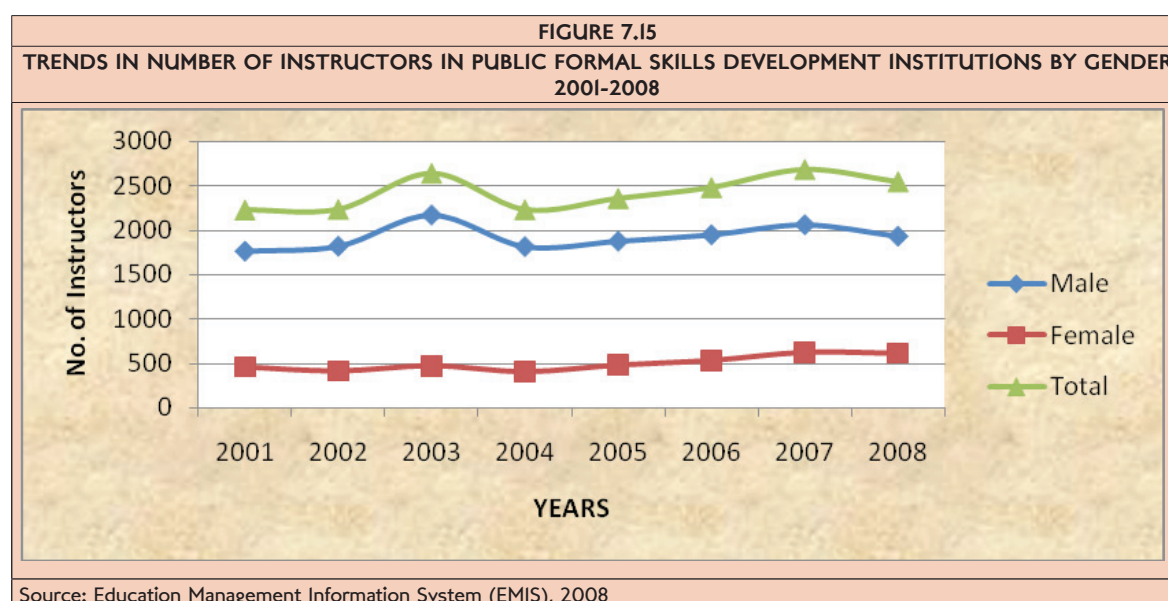
589. With regard to graduation, a total of 16,203 students graduated from the formal skills development component in 2007 of which 10,530 were male and 5,676

were female. This Figure however excludes students who graduated from non-formal institutions as shown in Figure 7.14.



590. The total number of classrooms and workshops in formal skills development institutions has increased. While the classrooms increased by 16 per cent (100) from 597 in 2005, to 697 in 2008, workshops increased from 54 to 70 over the same period. The trend in the increase in classroom stock is expected to continue since more resources are being allocated to the sub sector.

591. The trends also indicate increased availability of instructors for public skills development institutions as indicated in Figure 7.15. There is however, a wide gender gap of 79 per cent in the number of instructor's recruited in the skills development system. The instructor development programme needs to be well instituted and developed at all levels to meet national demand.



592. Main achievements: These include the establishment of new structures for formal skills development, reorganization of the skills development sub-sector, creation of the skills development department, strengthening of quality assurance mechanism and regulatory framework, establishment of a coordination mechanism for public and private provision of skills development, establishment of Uganda Vocational Qualification Framework (UVQF) coordinated under the Uganda Association of Private Vocational Institutions (UGAPRIV), the full transformation of Department of Industrial Training (DIT) into a National Vocational Assessment Body replacing UNEB in technical exams, transfer of DIT as well as departmental training institutions to MoES, integration of non-formal training programme into the BTVET system.

593. Quality assurance reforms: In the early 1990s, the policy and legal frameworks for regulation of non-formal skills development required either updating or review. A coherent policy and legal framework has been developed to support the implementation of planned interventions.

594. Improved coordination of private training providers: To allow for easy coordination, an organization for private providers UGAPRIV was established to coordinate all registered private providers. Most of the formal skills development institutions that were formally under other Ministries were brought under the skills development sub-sector, although some have since been returned to their departments. Despite the achievements, efforts should be increased to coordinate the non-formal training as provided for in the BTVET Act, 2008.

7.4.2 Constraints to the Performance of Skills Sector

- i) High unit costs: On a student basis when compared to other levels of education (especially primary and secondary), skills development education is much more expensive to provide. This is because of the smaller classes and larger expenditure on facilities, equipment, and consumables.
- ii) Access and participation especially in rural areas remain limited to the majority who graduate or dropout of P.7 because of the limited capacity and the high cost.
- iii) Negative social perceptions and stigma: This is particularly in the public and majority of parents who consider vocational education as fit for only the academically less endowed.
- iv) Inadequately trained instructors: Uganda lacks fully fledged instructor training institutions for producing qualified instructors.
- v) Gender stereotyping: There are still deep-rooted gender stereotypes in skills development courses. This is exacerbated by the fact that some types of occupational courses are often strongly gender biased. Some skills are culturally identified with one gender only; for instance, domestic related courses and secretarial skills are identified with females, while industrial arts skills are identified with males.
- vi) Unsynchronized curricula: The curricula and training programs for skills development institutions are not standardized. There is no uniformity in the courses being offered, the quality of the training as well as

the standards to be complied with by all providers. The unstructured nature of non formal training institutions also makes coordination of training very difficult.

- vii) Scarcity of data on skills development and the labour market: accurate data on actual number of people undergoing skills development under various approaches is lacking. In addition data on actual employability of graduates including job opportunities and evolving skills demands in the labour market is also lacking. This is attributed to absence of institutionalized skills development as well as labour market and employment surveys. The last comprehensive labour market survey occurred 40 (forty) years ago and a national man power survey was last conducted in 1988.
- viii) Mismatch between training content and the actual skills required in the labour market: Large numbers of graduates of formal skills development system continued to be unemployed despite the fact that there is a shortage of skilled workers in the economy. This is attributed to inadequate participation by employers in curriculum design and its delivery.
- ix) Fragmented nature of skills development: skills development provision in the country is spread over different Ministries and organizations, including NGOs and faith based organizations with multiple testing and certification as well as standards. The DIT assessment programme is not spreading out fast enough to match the demand.
- x) Diverse and amorphous scope: Skills development is not only diverse but is also amorphous with a wide scope and no clearly defined structure for the non-formal component.
- xi) Lack of appropriate training equipment: training of high quality requires appropriate equipment, tools and adequate supply of training materials. However, Uganda's system faces a chronic shortage of these inputs. As a result, efficiency and quality of skills development remain low. This is compounded by lack of qualified instructors, poor management and coordination, and streamlined curricula and unstructured non-formal training institutions. In addition, there is no programme to upgrade instructors in order to match the demand.
- xii) Inadequate Certification System: In Uganda, certification exists only at the end of an arduous long cycle of education.
- xiii) Proliferation of Certificates and Qualifications: There are currently many certifications being awarded by various bodies in the public sector, private sector and non-governmental organizations haphazardly. All these need to be harmonized to ensure proper maintenance of quality and standards. DIT/UVQF needs more capacity to meet the demand.
- xiv) Accreditation System: There is currently no system and institution for comparing and ranking of certificates from outside and within the country. UNEB has been trying to do so but they are not mandated and structured to do so. There is need for benchmarking the system of certification and qualification against set standards by a legally and

organizationally competent institution. DIT/UVQF was established for this purpose but it requires more support.

- xv) Progression and integration: except for the direct formal academic career progressions, the rest of the other career paths are incapable of having continuous progression in their certification qualifications and career development from the lowest certificate to the highest degree attainable. Vocational courses have terminal progression and are integrated with academic pathway. The BTVET path should not be a dead end and more University programmes for technicians have to be opened.
- xvi) Inadequate experienced instructors and teachers in private institutions. They are mainly drawn directly from graduates of technical institutes and polytechnics who have rarely had industrial experience or pedagogical training. Although there are some instructor initiatives at Nakawa Vocational Training Institute, more comprehensive instructor training institutes have to be opened to cover all parts of the country.

7.4.3 Objectives, Strategies and Interventions.

595. Objective 1 - Increase access to and participation in a coherent and flexible skills development system.

Strategy 1: Re-configure the skills development system.

Intervention Description

- i) Transform skills development into a flexible system through a gradual transition from the current full-time programs to a more flexible system.
- ii) Build more capacity for UVQF/A to certify learners' acquisition of vocational skills.
- iii) Expand the existing post-primary vocational, farm schools and community polytechnics to cover rural areas.
- iv) Modularize courses in skills development to ensure that they are based on the requirements of the labour market.
- v) Oblige all training providers (both private and Government) to offer courses that correspond to the assessment requirements specified by UVQF/A.

Strategy 2: Make more efficient use of instructors'/teachers' and learners' time, and other resources.

Intervention Description

- i) Re-deploy instructors from institutions where there is a surplus to those where there are deficiencies.
- ii) Implement double-shift and multi-grade systems for efficient use of space and staff.
- iii) Provide continuous training of instructors in latest technologies in education.

Strategy 3: Expand, equip, and improve formal skills development facilities.

Intervention Description

- i) Continue to rehabilitate existing facilities.
- ii) Construct new facilities to accommodate the growing numbers of students, including implementing the policy of establishing more regional/zonal vocational and technical institutes.
- iii) Equip all training facilities.
- iv) Re-establish “centres of excellence” in each district.
- v) Strengthen public private partnerships in the provision of skills training.
- vi) Provide training materials and equipment for BTVET programmes.

Strategy 4: Enhance status and attractiveness of skills development.

Intervention Description

- i) Support social marketing programmes for perception and attitude change among the public about technical and vocational training.
- ii) Create a network among skills development experts and institutions to increase visibility and funding.
- iii) Redesign BTVET programmes make them more relevant to target groups.

596. Objective 2 - Improve quality and relevance of skills development.

Strategy 1: Assure employability of trainees.

Intervention Description

- i) Identify and profile skills demanded in potential growth sectors.
- ii) Enhance capacity of training centres through the training of trainers, supply of equipment and instructional materials.
- iii) Enhance monitoring and evaluation of employability of trainees through tracer studies and other relevant methods.

Strategy 2: Provision of Life Long Learning.

Intervention Description

- i) Provide second chance to learners with limited access to training in the past to build on their skills and competencies.
- ii) Provide modular short training to individuals and employees.
- iii) Integrate non-formal training in BTVET programmes

Strategy 3: Delivery of quality skill development.

Intervention Description

- i) Provide well qualified instructors and craftsmen with industry-based experience.
- ii) Provision of Competency Based Training (CBT).
- iii) Establish a training fund to support skills development.

Strategy 4: Reform and improve curricula and instruction in priority disciplines.

Intervention Description

- i) Review curricula to include use of ICT.
- ii) Transform the five Technical Colleges into National Polytechnics that train technicians.
- iii) Establish a research fund.

Strategy 5: Strengthen and motivate the teaching force.

Intervention Description

- i) Improve conditions of service to attract and retain academic staff.
- ii) Recruit and train (pre-service and in-service) instructors.

597. Objective 3 - Improve effectiveness and efficiency in the delivery of skills development.

Strategy 1: Strengthen intra and inter-sectoral linkages.

Intervention Description

- i) Collaborate with other ministries in the delivery of skills development.
- ii) Improve articulation between formal skills development and other levels of education and training.
- iii) Adopt efficiency measures in the delivery of formal skills development programs.

Strategy 2: Provide requisite tools and resources to technical/ administrative staff.

Intervention Description

- i) Train principals/deputies, instructors/teachers in supervision and management.
- ii) Provide requisite tools to staff.

Strategy 3: Develop and maintain public private partnerships in delivery of services.

Intervention Description

- i) Solicit community contribution to institutions' construction and maintenance.
- ii) Encourage NGOs assistance to programs for disadvantaged groups.

7.5 HEALTH AND NUTRITION SECTOR

7.5.1 Situational Analysis

598. Uganda has made progress in improving the health of its population: life expectancy increased from 45 years in 2003 to 52 years in 2008; HIV prevalence reduced from 30 per cent in the 1980s to 6-7 per cent in 2008; polio and guinea worm were eradicated, although there is re-emergence of polio due to cross border migration.

599. The Under-five mortality rate (U5MR) improved from 156 in 1995 to 137 deaths per 1,000 live births; the infant mortality rate (IMR) decreased from 85 to 76 deaths per 1,000 live births. Under-weight prevalence reduced from 23per cent to 16 percent over the same period; stunted growth from 41per cent to 38.5per cent and wasting increased from 4 percent to 6 percent (UDHS, 2006). The Newborn Mortality Rate was 33 per 1,000 live births in 2000 and decreased to 29 in 2006 accounting 40 per cent of infant mortality. Seventy percent of overall child mortality is due to malaria, ARIs, diarrhoea, pneumonia and malnutrition. The prevalence of vaccine preventable diseases has declined sharply.

600. Malaria, malnutrition, respiratory tract infections, HIV/AIDS, and tuberculosis remain the leading causes of morbidity and mortality. The high burden of disease due to these conditions continues to undermine efforts and investments made for social and economic development. Non-communicable diseases (NCD) are an emerging problem and include hypertension, cardiovascular diseases, diabetes, chronic respiratory diseases, mental illness, cancer conditions, injuries as well as oral diseases. Cancers are on the increase in Uganda and some of them are linked to STDs such as HIV/AIDS and Human Papilloma Virus. The increase in NCDs is due to multiple factors such as adoption of unhealthy lifestyles, increasingly ageing population and metabolic side effects resulting from lifelong antiretroviral treatment. Uganda has the world's 2nd highest accident rate, with over 20,000 road accidents annually. In 2008 there were 2,334 fatalities. Neglected Tropical Diseases (NTDs) are still common even when many are targeted for elimination. Trypanosomiasis may be expanding. The threat of fatal viral infections such as Ebola, Marburg, also SARS and avian influenza has implications beyond health and it impacts on trade, tourism and investment.

601. Maternal Mortality Rate (MMR) reduced from 527 to 435 per 100,000 live births between 1995 and 2006, but remains very high. Teenage pregnancy estimated at 25 per cent in 2006 is among the highest in Sub-Saharan Africa and significantly contributes to overall MMR. Despite the slight drop in MMR, it is still

short of the 2015 MDG target of 131. There is lack of facilities, supplies, medicine and staff. While 95 per cent of women visited antenatal clinics, only 47 per cent had four or more visits as recommended (UDHS 2006). Only 42 per cent of births are assisted by a skilled provider, and 63 per cent of women in rural areas give birth at home, compared to 20 per cent of women in urban areas. These poor results are compounded by unfavourable practices in health seeking behaviour and limited male involvement. Sexual and Gender Based Violence is common and often related to excessive use of alcohol. The 2006 DHS shows that 40 per cent of women and 11 per cent of men have ever experienced sexual violence. Female Genital Mutilation, is a major health concern and the health service lacks the necessary human and physical resources to treat victims. Despite high levels of awareness, only 18 per cent of married women use a modern contraceptive method, partly because of cultural factors and partly because of poor access to reproductive health services. Key factors limiting use are low education amongst women, and the practice of not discussing family planning with spouses. Poor health outcomes for women and girls are magnified in the post-conflict areas of the North where incidences of early marriages stand at 43.1` per cent.

602. HIV prevalence amongst women is 7.5 per cent compared to 5 per cent among men. According to the UDHS of 2006, 21 per cent of married women say they cannot refuse sex, while 46 per cent of them say they cannot ask their husbands to use a condom. Young women and girls are also vulnerable to infection, especially those affected by conflict and violence.

603. Limited male utilisation of health services such as reproductive health and VCT, compromises family health. In addition men are less involved in providing care at home, resulting in greater burden of care for women. Negative cultural practices are among the under lying causes of poor health seeking behaviour among women.

604. Adequate nutrition has internationally been recognized as one of the key factors in human development and economic productivity. Data from the previous three Demographic Health Surveys, report high levels of child and maternal under nutrition that have persisted over the past 15 years. According to the 2006 UDHS, 38 per cent of children under five in Uganda are stunted, 16 per cent are underweight, and 6 per cent are wasted. Fifty percent (50 per cent) of women and 73 per cent of children fewer than 5 years are anaemic. One out of every five children (20 per cent) and one out of every five women (20 per cent) are vitamin A deficient. Countries with widespread iron deficiency as it is the case in Uganda are known to lose 2 per cent of their GDP every year due to poor learning ability and low productivity due to iron deficiency.

605. Infant and young child feeding practices are sub-optimal with only 60 per cent of infants 0 – 6 months exclusively breastfeeding and 80 per cent receiving complementary foods which is often not adequate in terms of quality and quantity. The causes of malnutrition are multi-dimensional and require an integrated approach involving line Ministries including MoH, MAAIF, MoES, MTTI, MoJCA, MoLG, MoGLSD, MWE and other stakeholders such as Universities, Hospitals, NGOs and CBOs.

606. These problems call for intensive, focused and well-coordinated collaboration between the Ministry of Health and other stakeholders. Over 75 per cent of the disease burden in Uganda can be prevented through health promotion and prevention. Preventive interventions such as immunization, promotion of sanitation and nutrition, though cost-effective, have not been given adequate attention. Opportunity now exists with the new vaccines coming on the market for prevention of pneumonia (pneumococcal vaccine), diarrhoea (rotavirus vaccine) and cervical cancer (Human Papilloma Virus).

TABLE 7.3						
TRENDS IN HEALTH-RELATED OUTCOMES (1995-2006) AND PLANNING TARGETS						
Indicator	1995	2001	2006 ¹	PEAP Target (2007/2008)	NDP Target (2014/2015)	MDG Target (2015/2016)
Infant Mortality Rate (per 1,000 live births)	81	88	76	68	41	41
Under 5 Mortality Rate (per 1,000 live births)	156	152	137		60	60
Maternal Mortality Ratio (per 100,000 live births)	527	505	435	354	131	131
Total Fertility Rate	6.9	6.9	6.5	5.4	6	
Source: Ministry of Health, Sector Performance Report 2008						

607. The performance of the health sector under the PEAP was monitored through eight indicators (Table 7.4).

TABLE 7.4										
TRENDS IN HEALTH SECTOR PERFORMANCE INDICATORS (2000/01 – 2008/09)										
Indicator	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2015
OPD Utilization	0.43	0.60	0.72	0.79	0.90	0.90	0.90	0.8	0.8	1.5
DPT 3/ Pentavalent vaccine coverage	48	63	84	83	89	89	90	82	85	87
% of deliveries in health facilities	22.6	19	20	24	38	29	32	40	34	40
% of approved positions filled by qualified health workers	40	42	56	68	68	75	38.4	38.4	56	85*
HIV- Prevalence rate at ANC	6.1	6.5	6.2	-	6.1	-	6.4	7.0	6-7	6-7
% of HCs without medicine (stock outs)	N/A	N/A	33	40	35	27	35	28	26	65
% of household latrine coverage	N/A	N/A	56	59	57	58	58.5	63	67.4	72
Source: Ministry of Health, Annual Health Sector Performance Report, FY 2008/09										

608. New outpatient attendance improved from 0.60 visits per capita in the FY 2001/02 to 0.80 visits per capita in FY 2008/09. Similarly, deliveries in health facilities increased from about 23 per cent in the FY 2001/02 to 40 per cent in 2007/08. However, the vaccination coverage remained largely stable between 2002/03 and 2008/09, and the percentage of health centres without medicine stock-outs throughout the year actually decreased from 33 per cent to 26 per cent. Only 56 per cent of all positions in the staff establishment are currently filled by qualified staff. However, it should be noted that the standards changed in 2006/07 to reflect the higher need for Human Resources for Health (HRH) and increased workload, resulting in the sudden 'drop' from 75 per cent in 2005/06 to 38 per cent 2006/07 (Table 7). The steady increase in 2008/09 was directly related to the recruitment drive that was instituted in 2008.

609. The above progress registered in the health sector in general, was a result of improved availability of resources including finances, health infrastructure and equipment; increased accessibility to especially government services (opening of new facilities, removal of user fees); improvements in management; and strengthening of IEC campaigns.

610. Over the past decade, Government has focused on expanding its health infrastructure through construction of more health facilities in an effort to bring services closer to the people (Table 7.5). However, a number of these health facilities are neither manned with the right cadre of health workers nor adequately equipped. In addition, the number of private facilities dropped dramatically from 858 in 2004 to 277 in 2006.

TABLE 7.5												
HEALTH FACILITIES (2004 - 2006)												
Year	2004				2006				2010			
INDICATOR	GOVT	PNFP	PRIVATE	TOTAL	GOVT	PNFP	PRIVATE	TOTAL	GOVT	NGO	PRIVATE	TOTAL
Hospitals	55	42	4	101	59	46	8	114	64	56	9	129
Health centre IV	151	12	2	165	148	12	1	161	164	12	1	177
Health centre III	718	164	22	904	762	186	7	955	832	226	24	1082
Health centre II	1055	388	830	2273	1332	415	261	2008	1562	480	964	3006
Total	1979	606	858	3443	2301	659	277	3237	2622	774	998	4394
Source: Ministry of Health, Infrastructure Division, 2004 and 2006 and 2010												

611. The national standards for availability of health facilities towards achievement of overall and specific objectives are given in Table 7.6.

TABLE 7.6		
NATIONAL HEALTH FACILITY AVAILABILITY STANDARDS AND 2009 SITUATION		
Type of facility	Indicator	
	Health Facility Population Ratio standard	Current Situation
National Referral Hospital (general, Mulago)	1: 10,000,000	1: 30,000,000
National Referral Hospital (mental health, Butabika)	1: 10,000,000	1: 30,000,000
Regional Referral Hospital	1: 3,000,000 or 1 per region	1: 2,307,692
District Hospital	1: 500,000 or 1 per district	1: 263,157
Health Centre IV	1: 100,000 or 1 per county	1: 187,500
Health Centre III	1: 20,000 or 1 per sub-county	1: 84,507
Health Centre II	1: 5,000 or 1 per parish	1: 4,940
Health Centre I/ Village Health Team	1: 1,000 or 1 per village	Still being piloted
Source: Ministry of Health, HIMS-2009		

612. The per capita cost of providing the current Uganda Minimum Health Care Package was estimated at USD 41.2 in 2008/09⁷⁶. The actual level of public funding (excluding off-budget) was USD 10.4 per capita in 2008/09 which is far below the estimated requirements. A review of the financial support to the health sector shows an increasing trend over the past decade (Table 7.7). In the period 2001/02 to 2008/2009, development partners' contribution fluctuated between 46 and 54 per cent of the annual budget in the MTEF, without a clear trend.

76 Minimum Service Standards Study, MoH, 2009

TABLE 7.7						
TREND OF FINANCIAL SUPPORT TO THE HEALTH SECTOR, 2001/02 -2008/09 (USD)						
Year	GOU Funding	Donor Project	Donor contribution, %	Total	Per capita (US\$)	GOU Health Expenditure as % of total GOU Expenditure
2001/2002	169.79	144.07	46%	313.86	7.6	8.9
2002/2003	195.96	141.96	42%	337.92	7.9	9.4
2003/2004	207.8	175.27	46%	383.07	8.6	9.6
2004/2005	219.56	146.74	40%	366.3	8	9.7
2005/2006	229.86	268.38	54%	498.24	9.98	8.9
2006/2007	242.63	139.23	36%	381.86	7.84	9.3
2007/2008	277.36	141.12	34%	418.48	8.4	9.0
2008/2009	375.46	253.00	40%	628.46	10.4	8.3
Source: MoH Annual Health Sector Performance Report, 2008						

7.5.2 Constraints to the Performance of the Health and Nutrition Sector

- i) **Weak policy, legal and regulatory frameworks:** Several Government policies and bills to promote and regulate health services have been pending on the drawing board for a long time. The Bills include: revision of the National Drug Policy and Authority (NDP/A) Act of 1993, the Pharmacy Profession and Practice Bill, the National Health Insurance Scheme bill, the Traditional and Complementary Medicine Bill, the Mental Health Bill, the Food Safety Bill, and the Health Tertiary Institutions Bill. The current regulatory bodies mandated to enforce regulations such as the Health Professional Councils and the National Drug Authority have limited capacity. Enforcement of legislation and policies remains a major challenge.
- ii) **Inadequate capacity to deliver the Uganda National Minimum Health Care Package** specifically Mother and Child health, Communicable, Non-Communicable Diseases and Nutrition.
 - a) **Mother and Child health:**
 - Inadequate skilled personnel for deliveries.
 - Inadequate provision of emergency and basic obstetric care.
 - Limited access to contraceptives (low family planning uptake).
 - Limited and inappropriate adolescent sexual and reproductive health services.
 - Shortage of HRH including requisite skills and the general lack of funding for Integrated Maternal and Childhood Illness (IMCI).
 - Inadequate funding for the immunization programmes to support provision of supplies, equipment and transport.
 - Limited use of data for planning.

b) Communicable Diseases

HIV/AIDS

- Increased prevalence of HIV/AIDS due to absence of a coherent strategy to control the disease.
- High rates of discordance in marriage and in stable sexual relationships.
- High level of complacency.
- Inadequate provision of the PMTCT.
- Shortage of safe blood.
- Inability to provide comprehensive HIV/AIDS care.
- Inability to provide home based care.

Malaria

- Weaknesses in the procurement which lead to delayed delivery of Malaria commodities especially Coartem.
- Inadequate trained workers.
- Inadequate laboratory infrastructure for Malaria diagnosis.
- Weak Malaria partnership forum.
- Weak implementation of a comprehensive policy on malaria and diagnostics treatment.

Tuberculosis

- Weak management and procurement of TB drugs.
- Weak mechanism for tracing defaulters and new cases.
- Inadequate numbers and trained health workers in treatment and diagnosis of TB.

c) Non Communicable Diseases:

- Increasing prevalence of Non-Communicable Diseases (NCDs) such as hypertension, diabetes, cancer and their risk factors.
- Inadequate capacity of specialized units to handle these disease conditions like Uganda Cancer Institute and Uganda Heart Institute.
- Absence of an elaborate framework to address non-communicable diseases.

The country has not carried on a non-communicable disease survey. Another major challenge of controlling NCDs in the country is the health system not designed to take care of chronic conditions like NCDs and the high cost of medicines/supplies for treatment.

d) Mental Health

Mental health problems and substance abuse disorders contribute 12.5% of the global burden of disease. The burden is likely to be higher in Uganda due to effects of civil strife, the consequences of HIV/AIDS and increase in alcohol and drug abuse due to an inefficient and poorly enforced substance use control law. The implementation of mental health programmes is impeded by underfunding, stockouts of mental health and

epilepsy medicines, delayed repeal of mental health law and negative attitudes of some managers which hinders integration with other programmes.

e) Injuries, Disabilities and Rehabilitative Health

Understaffing, Inadequate support to orthopedic workshops, low priority accorded to disability at all levels and challenges of coordination of many different stakeholders with varying interests.

f) Sexual and reproductive health

Maternal and child mortality rates in Uganda are quite high; the proportion of deliveries by skilled personnel is still low; the provision of emergency and basic obstetric care is limited; the CPR is low and while a significant proportion of Uganda's population constitutes of adolescents, adolescent sexual and reproductive health services are limited and they do not address the needs of these adolescents.

g) Immunization and Integrated Management of Childhood Illnesses (IMCI)

The immunization programme in Uganda is faced with low funding, fluctuations in gas supply, aging vehicles, fridges and poor use of data for planning. In regard to IMCI, there is shortage of HRH including requisite skills and the general lack of funding.

h) Nutrition

- Lack of food resulting from famine.
- Lack of food supplements and therapeutic diets.
- Limited availability of Anthropometric and other equipment for managing and monitoring nutrition programmes.
- Limited knowledge of proper preparation of food and a balanced diet in feeding.
- Inadequate implementation of the framework to address food production and use.

iii) **Inappropriate structures for intersectoral collaboration:** Health outcomes call for an interface between various factors outside the health sector. These include: income, education, access to water and sanitation, access to food, effective law enforcement, and road safety. However, there is no forum, at the Ministry level through which harmonization of multi-sectoral initiatives can be coordinated. This has resulted into the failure of many programmes including: the infant and maternal mortality initiative, the 1997 Kampala Declaration on Sanitation, the Food and Nutrition Council, the Inter-Ministerial Committee on the training of health workers, among others.

iv) **Under funding:** The per capita cost for providing the current Uganda Minimum Health Care Package has been estimated at USD 41.2 in 2008/09, rising to USD 47.9 in the fiscal year 2011/12. However, in

2008/09 the per capita health cost was only USD 10.4 (Table 7.7). The shortfall is significant. This has affected all inputs in the sector. For instance, current annual per capita expenditure on essential medicines is only USD 0.87 against an estimated requirement of USD 2.4 per capita (excluding ARTs, ACT's, ITNs and the pentavalent vaccine). The scaling up of programmes and expansion of the health facility network has meant that more staff, equipment and medicines are required to run the operations of the health facilities. Moreover, the increase in population simply imposes more demands for health services.

- v) **Shortage of health workers:** The sector has experienced unprecedented problems related to low motivation, labour migration and retention of professional workers, both in the Government and PNFP subsectors, as both employers have been unable to offer attractive employment packages. Despite the existing four Medical Schools in Uganda, there is an alarming doctor to patient ratio of 1:24,725 and nurse/midwife to patient ratio of 1:11,000. The WHO recommended norm of doctor-patient ratio is 1:800. The health worker to population ratio of 1:1,298 as compared to the WHO standard of 1:439. At regional and international levels, the remuneration of health workers in Uganda is much lower than that of his/her counterpart abroad. On average, a doctor (medical officer) in UK earns 12 times more while one in Kenya earns 4 times more than his counterpart in Uganda (MoH 2009 Motivation and Retention Strategy). Low motivation of workers is partly due to insufficient career development opportunities.
- vi) **Inadequate health infrastructure and equipment:**
 - Shortage of equipment. Only one-third of facilities offering delivery services have basic equipment and supplies for conducting normal deliveries (MOH, 2008). Less than one-quarter of health facilities have all essential equipment and supplies for basic antenatal care.
 - Dilapidated health facilities. Old health facilities are in dire need for renovation and uplifting.
 - Inadequate staff housing to attract and retain health workers.
- vii) **Inefficiency in the Sector:**
 - Inappropriate allocation of resources within the sector: About 75 per cent of diseases are preventable yet only about 10 per cent of available funds are allocated to them.
 - Inefficiencies in procurement, storage and distribution of drugs: In the value for money audit done by the Office of the Auditor General in 2006, 42,555 packs of ARVs valued at USD 468,000 had expired at the National Medical Stores

on account of poor stock management. A recent study of MoH, MoFPED and the World Bank estimated that leakage of essential medicines results in a waste of US\$ 3 billion annually.

- Low labour productivity mainly due to absenteeism of health workers: The above study revealed that absenteeism of health workers is the single most important waste factor in the sector costing GoU approximately UGX 26 billion annually.
- Inadequate capacity to provide oversight, poor coordination and supervision.

viii) **Inadequate Research:** Research has so far been hampered by an inadequate policy framework, funding and shortage of human resources and logistics. Other challenges include lack of a national database of research done and limited translation of research findings into policy. However, very recently UNHRO has been fully mandated to coordinate all health related research, including biomedical and operations research in the country providing new opportunities for further improvements.

ix) **Ineffective supervision, monitoring and evaluation at all levels:**

- Irregular Area Team Visits.
- Inadequate supervision skills.
- Inability of Professional Councils to regulate private health practitioners.
- Fragmented Health Management Information System (HMIS).
- Limited community participation.
- Inadequate support for clinical supervision of regional and general referral hospitals by specialists from the national and regional referral hospitals respectively.
- Inadequate feedback mechanism between the Area Teams and the health sub-Districts.

x) Limited access and control over resources by women who are the main health care-providers in the households.

7.5.3 Objectives, Strategies and Interventions

613. Objective 1: Strengthen the organisation and management of the national health system.

Strategy 1: Ensure that all levels of the health system carry out their core functions effectively and efficiently.

Intervention description

- i) Improve the leadership, planning and management capacity at all levels.
- ii) Establish and operationalize a regional tier in all regions of the country.
- iii) Strengthen the District Health System so that both public and private partners jointly carry out their responsibilities.
- iv) Support the functionality of Health Sub Districts (HSDs) which are responsible for: management of routine health service delivery at lower levels; planning and management of health services and fostering community involvement in the planning, management and delivery of health care.
- v) Implement the Supervision and Mentoring Plan 2010, which specifies the role of all management levels of the MoH, PNFP and regulatory bodies, including the NDA and Professional Councils.
- vi) Design, pilot and implement appropriate service delivery models for hard-to-reach areas and disadvantaged population groups.
- vii) Ensure that complete, reliable, timely, efficient and effective health management information for health care is provided and shared among all stakeholders in the sector.
- viii) Provide adequate resources for district health services taking into account of the health care need.
- ix) Provide services in an integrated manner in order to harness efficiency and only maintain vertical programmes where they remain the most efficient and effective way for achieving specific objectives.
- x) Plan, design and install ICT infrastructure and software for the management and delivery of health care.

Strategy 2: Build a harmonized and coordinated national health information system.

Intervention description

- i) Build sustainable capacity at all levels of the MoH, Local Governments, the private sector, and communities to carry out supportive supervision, monitoring and evaluation of health interventions and disease surveillance.
- ii) Integrate the various parallel monitoring and evaluation systems in the health sector into a single, result-oriented and decision-making supporting system.
- iii) Re-conceptualise and re-organise the managerial and clinical support

mechanisms and structure to districts and RRH, including redefining the role of the Area Teams, Office of the Medical Superintendent, Community Health Departments (CHDs) at RRH and others at district and sub-district level.

- iv) Strengthen and ensure support for the HMIS at all levels through increased investments, including the development and use of appropriate ICT for improving communication and information flow.
- v) Strengthen the training, recruitment and deployment of required human resource for effective data management and dissemination at all levels.
- vi) Facilitate the establishment and operation of a community-based health information system.
- vii) Ensure utilization and dissemination of information to other stakeholders for purposes of improving management, sharing experiences, upholding transparency and accountability.
- viii) Generate through periodic surveys, appropriate data for effective planning, management and delivery of health services.
- ix) Ensure continuity of health care, design appropriate medical records and improve their utilisation at community and facility level.

Strategy 3: Strengthen human resource planning in the health sector.

Intervention description

- i) Recruit and deploy health workers in line with the Human Resources for Health (HRH) Strategic Plan.
- ii) Produce, recruit and retain more health workers in partnership with the private sector.
- iii) Implement the 2009 Motivation and Retention Strategy for HRH, including the provision of staff houses, especially in rural and hard-to-reach areas.

Strategy 4: Review curricula and training strategies to enable health workers cope with emerging health problems, approaches and challenges.

Intervention description

- i) Coordinate the pre-service training programmes with all stakeholders, including the staff and owners of the schools (PNFP, MoES).
- ii) Organise in-service training programmes for all relevant categories of staff, especially on conditions and interventions which are proven to be the most cost-effective in reducing morbidity and mortality.
- iii) Redefine the institutional framework of health workers' training institutions including the mandate, leadership and coordination mechanisms among all stakeholders.

Strategy 5: Increase motivation, productivity, performance, integrity and ethical behaviour of human resource through the development and efficient utilisation of the health workforce.

Intervention description

- i) Strengthen management and leadership skills at all levels in public and private sectors to ensure clear roles and responsibility for the health staff.
- ii) Strengthen supportive supervision and performance management for both public and private health workers.
- iii) Strengthen enforcement of professional standards and develop effective ways of increasing health workers' accountability towards client communities.
- iv) Develop and implement an appropriate strategy aiming at reducing staff absenteeism.
- v) Ensure a fair and transparent professional and career development for all public and private sector health workers.
- vi) Develop and implement a safe working environment to minimise health risk for the human resources and patients.
- vii) Ensure provision of appropriate remuneration of health workers.
- viii) Ensure provision of decent accommodation for health workers at health facilities.
- ix) Develop and promote other incentive schemes for deployment and retention of health workers, especially in hard-to-reach areas.

Strategy 6: Ensure that essential, efficacious, safe, good quality and affordable medicines are available and used rationally at all times.

Intervention description

- i) Ensure adequate financing of essential medicines and health supplies.
- ii) Promote regional and international collaboration on medicine regulation and bulk purchasing.
- iii) Encourage local production of medicines and ensure compliance with Standards of Good Manufacturing Practices.
- iv) Promote, support and sustain interventions that ensure efficient medicines and health supplies logistics management, rational prescribing, dispensing and use.
- v) Implement the new policy on the financing, procurement, storing and distribution of EMHS.
- vi) Procure and distribute relevant health commodities to communities and support programmes.
- vii) Strengthen the existing regulation and its enforcement in the pharmaceutical sector.
- viii) Support the National Drug Authority to ensure safety and efficacy of medicines, including traditional medicines.

- ix) Integrate relevant aspects of private sector activities into the MoH pharmacy policy framework on issues such as accreditation, standards of practice and cooperation and collaboration with training institutions.
- x) Promote and support good and relevant aspects of complementary and traditional medicines.

Strategy 7: Mobilize sufficient financial resources to fund the health sector programmes whilst ensuring equity, efficiency, transparency and mutual accountability.

Intervention description

- i) Develop a comprehensive Health Financing strategy addressing resource mobilisation, pooling of funds, efficiency (allocative, technical and administrative) and equity.
- ii) Consider regional and international commitments to which the Country is a signatory in the process of budgetary allocations to and within the health sector.
- iii) Ensure that resources are allocated in a manner that prioritises funding of the UNMHCP.
- iv) Ensure that all financial resources to the health sector are administered according to the GoU financial regulations.
- v) Establish overall adjusted health financing mechanisms-based on prepayment and financial risk pooling aiming at universal coverage and social health protection. These include national health insurance and other community health financing mechanisms.
- vi) Revise and expand contracting mechanisms with the private sector to improve resource use and efficiency in service delivery and general support services.
- vii) Strengthen programming of external funding for health through improved harmonisation and alignment to sector priorities, mutual accountability and improved reporting.
- viii) Implement fiscal and financing mechanisms that promote private sector growth in addition to regulatory mechanisms.

614. Objective 2: Ensure universal access to quality Uganda National Minimum Health Care Package (UNMHCP)⁷⁷, with emphasis on vulnerable populations.

Strategy 1: Provide integrated promotive, preventative, curative and rehabilitative services that have been proven effective, cost effective and affordable in conjunction with the private sectors.

Intervention description

- i) Provide services as specified in the UNMHCP, various disease-specific strategic plans and following the National Treatment Guidelines.
- ii) Develop and implement appropriate strategic plans and treatment guidelines for the emerging non-communicable diseases.
- iii) Strengthen the prevention and control of HIV/AIDS, Malaria & Tuberculosis.
- iv) Improve access to reproductive health services in HC IIIs & HC IVs with focus on maternal health care.
- v) Ensure that all people in Uganda, both users and providers of health services, understand their health rights and responsibilities
- vi) Improve people's awareness about health and related issues in order to bring about desired changes in knowledge, attitudes, practices and behaviour regarding the prevention and control of major health and nutrition problems in Uganda.
- vii) Promote the use of social marketing and establish a clear marketing plan that will be pro-active in targeting groups with the greatest need and use varying media according to the target audience.
- viii) Gradually strengthen responsible self-care, especially at primary healthcare level, for selected health problems and patient categories through carefully planned and evaluated- pilot phases.
- ix) Strengthen community health services.

Strategy 2: Improve access to quality hospital services at all levels in both the public and private sectors.

Intervention description

- i) Increase autonomy of hospitals and strengthen management capacity as well as departments within hospitals including community health departments.
- ii) Develop and implement a comprehensive plan that will ensure continuity of care for patients seen in GoU and PNFP facilities.
- iii) Review the design and handling of patient records (computerised where appropriate).
- iv) Undertake timely referral of patients to the appropriate level of care, with appropriate transport when necessary.

⁷⁷ Consisting of promotive, preventive, curative and rehabilitative services for all priority diseases and conditions

- v) Provide specialised hospital care in autonomous and national referral hospitals, as well as the Uganda Heart and Uganda Cancer Institutes and other tertiary care units.
- vi) Enhance the specialised human resource capacity of Uganda Heart and Uganda Cancer Institutes and other tertiary care units.
- vii) Expand and upgrade the infrastructure in Uganda Heart and Uganda Cancer Institutes and other tertiary care units.
- viii) Strengthen lower level facilities so as to enable the referral system to function.
- ix) Strengthen the national referral system for primary, secondary and tertiary care.

Strategy 3: Provide and maintain functional, efficient, safe, environmentally friendly and sustainable health infrastructure including laboratories and waste management facilities for the effective delivery of the UNMHCP, with priority being given to consolidation of existing facilities.

Intervention description

- i) Prioritize renovation, maintenance and rational use of health infrastructure.
- ii) Ensure evidence based capital investment to address sectoral priorities.
- iii) Strengthen planning, procurement and management of health infrastructure according to agreed standards.
- iv) Support private sector in health infrastructure.
- v) Rehabilitate and equip health centres, general, regional and national referral hospitals in line with the Health Sector Strategic Plan III (HSSP III).
- vi) Purchase and install blood transfusion equipment and provide assistive devices for the disabled in line with the HSSP III Capital Investment Plan.

615. Objective 3: Improve nutrition status of Uganda population.

Strategy 1: Support maternal and child nutrition initiatives to promote child survival growth and development.

Interventions description

- i) Encourage and support antenatal care services through health and nutrition education.
- ii) Promote diet diversification, growth monitoring, and counseling.
- iii) Support infant and young child feeding in the context of HIV.
- iv) Promotion and support for exclusive breastfeeding for six months, timely introduction of adequate complementary feeding, and continued breastfeeding to at least 24 months.

Strategy 2: Strengthen mechanisms for Control and prevention of micronutrient deficiencies.

Interventions description

- i) Promote supplementation with Micronutrients (Vitamin A, Iron, and Zinc) to target groups.
- ii) Establish and implement a comprehensive policy framework for micronutrient deficiency control.
- iii) Control iodine deficiency disorders.
- iv) De-worm young children, school children and pregnant women.
- v) Diet diversification and food fortification with essential micronutrients.

Strategy 3: Build community and institutional capacity for management of malnutrition.

Interventions description

- i) Promote nutrition in patients with HIV/AIDs, TB and other non communicable diseases.
- ii) Identification, referral and management of cases of acute malnutrition.
- iii) Nutrition management and support of sick children following IMCI protocols.
- iv) Support institutional feeding.
- v) Promote local production of therapeutic feeds.
- vi) Procure nutrition equipment.
- vii) Nutrition education and sensitization for communities.

616. Objective 4: Create a culture in which health research plays a significant role in guiding policy formulation and action to improve the health and development of the people of Uganda.

Strategy 1: Strengthen health research and its application.

Intervention description

- i) Put in place a policy and legal framework to ensure effective coordination, alignment and harmonisation of research activities.
- ii) Develop and implement, under the coordination of UNHRO, a prioritised national health research agenda in a consultative manner and undertake effective dissemination of research findings.
- iii) Harness Development Partners' and Government funds to successfully implement the national health research agenda.
- iv) Promote dialogue and information sharing between the policy makers, researchers, health care providers and communities in order to ensure that research is relevant to the needs of the people.
- v) Strengthen health research capacity in institutions at all levels and develop quality human resource and infrastructure.

- vi) Ensure an ethical code of conduct for health research in Uganda, promoting the safety and rights of research participants, as well as the researchers as per the UNHRO Act.

617. Objective 5: Improve the policy, legal and regulatory framework.

Strategy 1: Review and develop relevant acts and regulations governing health in Uganda.

Intervention description

- i) Identify emerging health issues, conditions and therapeutic interventions that require new legislation and policies, and develop new legislation as appropriate and in a timely manner.
- ii) Strengthen coordination of policy development in health related sectors to ensure mainstreaming of health issues.
- iii) Strengthen relevant institutions including National Drug Authority and professional councils to develop and enforce health and related legislations.
- iv) Support and implement an effective regulatory environment that will enforce existing legislation and policies, including inspections by regulatory bodies, and ensure that high quality services are provided.
- v) Support the development of an effective regulatory environment and mechanisms for clients who seek redress for poor service provision.
- vi) Support the development and enforcement of by-laws and regulations at Local Government level that can directly impact the social determinants of health.

618. Objective 6: Build and utilize the full potential of the public and private partnerships in Uganda's national health development by encouraging and supporting participation in all aspects of the National Health Policy at all levels and according to the National Policy on PPPH.

Strategy 1: Strengthen and coordinate health services provided, including training health workers by the PNFP and Private Health Providers (PHP).

Intervention description

- i) Assure continued participation of the private sector in the process of policy development, planning, effective implementation and quality assurance, with the aim of building consensus and sharing ownership of policies and plans.
- ii) Establish appropriate legislative frameworks and guidelines to facilitate and regulate the private sector in line with existing laws and regulations.
- iii) Establish specified structures of the partnership, at all local government levels, to facilitate consultation and coordination among partners and promote the active participation of the private sector in district health planning and services delivery.

- iv) Work with the private sector to reform incentive mechanisms (e.g. fiscal) that would attract legally accepted private health practitioners to the under-served and hard to reach areas.
- v) Formalise commitments with the PNFP subsector through memoranda of understanding and service level agreements with the view to ensuring that the level of subsidies is linked to agreed outputs with the objective of improving access for vulnerable populations.
- vi) Provide subsidies to PNFP facilities
- vii) Support the adoption of the HMIS by the private health providers to improve completeness of national data, planning and health financing.
- viii) Facilitate access of the private sector to development capital, essential medicines and supplies for health care developments vital to service expansion to the population.

Strategy 2: Implement the national health policy and the Health Sector Strategic Plan within the Sector Wide Approach and IHP framework, through a single harmonized in-country implementation effort, scaling up financial, technical and institutional support for health MDGs and ensuring mutual commitment and accountability.

Intervention description

- i) Harmonize and align donor support in collaboration with key development partners.
- ii) Continue to generate consensus with all development partners on the key national development objectives, health priorities, and the main strategies for attaining them.
- iii) Promote a common framework to be used by HDPs and GoU for planning, budgeting (the Joint Budget Support Framework), disbursement, program management, support supervision, accounting, reporting, monitoring and evaluation.
- iv) Progress with the gradual integration of on-going programs and projects into the HSSP.
- v) Strengthen capacity at national and district levels for effective co-ordination of all development partners in health, eliminating duplication of efforts and rationalizing HDP activities to make them more cost-effective.
- vi) Define measures and standards of performance, accountability and transparency in financial management, procurement, and program implementation in line with accepted good practices.

619. Objective 7: Strengthen collaboration between the health sector and other government ministries and departments, and various public and private institutions (universities, professional councils, etc.) on health and related issues.

Strategy 1: Promote the use of Health Impact Assessment as a tool for measuring the potential impact of new policies on population.

Intervention description

- i) Define, for all levels of the government system, structures and methods of consultation on any cross-cutting issues which may have multi-sectoral implications.
- ii) Carry out Health Impact Assessments and utilise the information for planning purposes..

620. Objective 8: Ensure that communities, households and individuals are empowered to play their role and take responsibility for their own health and well being and to participate actively in the management of their local health services.

Strategy 1: Build capacity to ensure participation of communities in the design, planning and management of health services.

Intervention description

- i) Expand VHTs to all local governments and explore ways of sustaining the VHTs which constitute the first contact point for the majority of the people in rural areas.
- ii) Facilitate the functioning of the Health Unit Management Committees, and Boards of autonomous and semi autonomous institutions.

7.6 HIV/AIDS

7.6.1 Situational Analysis

621. Over the past two decades, Uganda registered tremendous achievements in the fight against HIV/AIDS. It succeeded in bringing down HIV/AIDS prevalence from a peak of 18 per cent in 1992 to 6.1 per cent in 2002⁷⁸. The prevalence rate is higher for women, at 7.5 per cent, than it is for men, at 5 per cent (UHSBS 2004/05). Access to Anti Retro-viral Therapy (ART) has improved over the years, for example in 2009 a total 141,416 patients (43 per cent) were receiving ART out of about 330,000 people living with HIV/AIDS who needed treatment. There has also been increased access to HIV/AIDS related information, condoms and social support.

622. Despite the above developments, HIV/AIDS epidemic in Uganda remains a major development challenge. It has disproportionately affected all sectors of

⁷⁸ The prevalence has, however stagnated at 6.4 per cent between 2002 and 2009.

development, continues to burden the country's health and social systems and undermines the country's capacity to reduce poverty and income inequalities.

623. HIV/AIDS is affecting economically productive sectors of the economy and it is expected to affect the macro economy in various ways. At the macro level, it is expected that HIV/AIDS will lead to a fall in GDP growth. It is estimated that the GDP will fall from a projected 6.5 per cent per year in situations “without AIDS” to 5.3 per cent under the “With AIDS and without ART” situation. It is further estimated that by 2025 the economy will be 39 per cent smaller than it would have been without AIDS⁷⁹. Additionally, the study reveals that HIV/AIDS raises the overall headcount poverty rate by 1.4 percentage points. The impact is greater in rural areas, where poverty rises by 1.6 percentage points compared to 0.9 percentage points in urban areas. Furthermore, HIV/AIDS undermines sectors' ability to deliver services. The degree of vulnerability varies from sector to sector with the highest being in, education, health, social work, agriculture, and public administration.

624. The social impact of HIV/AIDS is also alarming. By December 2005, a total of 915,400 people were living with HIV/AIDS of whom 530,932 were women and 109,000 were children under 15 years (Hladik et. al., 2008¹). The number of deaths due to HIV/AIDS though declining is still high, standing at 76,400 deaths in 2005. The number of orphans due to the HIV/AIDS epidemic is estimated to be over 500,000 children. The rate of new infections in the general population remains high with a total of 135,300 people newly infected with HIV in 2005.

625. In addition to the above socio-economic impacts of HIV/AIDS, there are emerging challenges with the epidemic. They include the following:

- There are changes in the pattern of the epidemic with concentration of the new infections shifting from the young population (19-24 years) to the older age groups (34-39 years).
- The number of new infections continues to significantly outstrip the scale up pace of ART. In 2005, there were an estimated 132,000 new infections but only 32,000 enrolled for ART. This high unmet demand for ART poses a challenge for achieving access targets.
- Slow progress in behavioural change and at times, retrogression in behavioural change. There is a concern about recent complacency, as evidenced by the rise in new infections.
- There are growing concerns that social support packages for HIV/AIDS affected families have not been well conceptualized in the context of the national response vis-à-vis the broader development agenda resulting in fragmented support to affected communities.
- The sustainability of social support programmes and community coping mechanisms is becoming a big concern. This is largely due to over reliance on donor support, as a source of financing. This is further aggravated by high levels of off-budget resources.

⁷⁹ MoFPED, 2008 - macroeconomic impact of HIV/AIDS analysis study, phase II

- ART is a lifelong therapy and any interruption in its course leads to rapid developments of resistance of the HIV virus against the ARV drugs.

7.6.2 Constraints to the Performance of HIV/AIDS Sector

- Weak policy, legal, regulatory and institutional framework: HIV activities are poorly coordinated at LG and lower levels. There is also weak mainstreaming of HIV/AIDS into sectoral and LG development plans.
- Limited human resource capacity to deliver the HIV/AIDS national response.
- Under-funding and over dependency on external funding sources (up to 85 per cent); most of the HIV programmes are donor funded which makes them very unpredictable. The resources are poorly coordinated with a lot of off-budget contributions leading to inappropriate and an unsustainable use.
- Slow pace of behavioural change: People's perception about HIV/AIDS especially in light of reduced suffering and symptoms due to availability of ARTs has changed their behaviour negatively with the hope of living longer and healthier.
- Multiple HIV/AIDS contributory factors such as poverty, insecurity and lack of social support mechanisms.
- Gender, social and cultural practices put women at a disadvantage. They have less individual choice in sexual relationships and lack the necessary knowledge to protect themselves (UDHS 2006).
- Discrimination and stigmatisation of people living with HIV/AIDS has affected the roll out of a number of HIV programmes including, voluntary counselling and testing or routine counselling and testing.

7.6.3 Objectives, Strategies and Interventions

626. Objective 1 - Build and maintain an effective national HIV/AIDS response system.

Strategy 1: Strengthen the policy, legal, social and community HIV/AIDS response framework.

Intervention Description

- Finalize and ratify the National HIV/AIDS Policy and enact the HIV/AIDS Law.
- Develop and implement sectoral HIV/AIDS policies. Priority will be on the sectors with the highest degree of vulnerability to HIV, high HIV/AIDS prevalence rates and those where HIV/AIDS has had devastating impact.
- Review and scale up social protection interventions targeting people living with HIV/AIDS (PLHAs), OVCs and other vulnerable groups affected by HIV/AIDS.

Strategy 2: Strengthen institutional coordination.

Intervention Description

- i) Enhance the functionality of the centralised and decentralized coordination structures by ensuring that the relevant committees are filled, facilitated and empowered for regular business.
- ii) Establish and operationalise a comprehensive National HIV/AIDS M&E framework for proper monitoring and reporting.
- iii) Put in place a partnership framework to guide private sector participation in delivery of HIV/AIDS services.
- iv) Establish measures to mainstream HIV/AIDS in planning and budgeting processes at National and LG levels.

627. Objective 2 - Reduce the incidence of HIV by 40 per cent.

Strategy 1: Increase access to prevention and treatment of HIV/AIDS and opportunistic infections.

Intervention Description

- i) Design and implement programmes that empower women and other vulnerable groups to prevent infection and to care for the affected.
- ii) Reduce mother to child HIV transmission by extending PMCT programme to all health centre IIIs and make it an integral component of antenatal care services.
- iii) Reduce HIV transmission among married people and discordant couples through counselling, joint testing and disclosure.
- iv) Promote ABC plus other strategies to reduce sexual risks.

Strategy 2: Increase access to ART and treatment of opportunistic infections.

Intervention Description

- i) Ensure equitable distribution and access to ARVs by all people that need it.
- ii) Requisite infrastructure will be put in place for equitable and timely access to HIV/AIDS services.
- iii) Ensure increased equitable access to ART including treatment of opportunistic infections (STIS, TB, and malaria).
- iv) Scale up supportive home based care to ensure that PHAs are treated and counselled at home.

628. Objective 3 - Enhance livelihoods and economic empowerment of affected communities and households.

Strategy 1: Increase support to income generating activities for affected households.

Intervention Description

- i) Promote and support income generating activities for affected households and ensure their integration to the livelihood of the household.

Strategy 2: Scale up social support to affected households.

Intervention Description

- i) Promote access to formal education, apprenticeship, vocation and life skills training for the affected households.
- ii) Mitigate against social, cultural and economic effects of HIV/AIDS at individual, household and community level.

7.7 WATER AND SANITATION

7.7.1 Situational Analysis

629. Government is committed to the provision of safe water within easy reach and to improve sanitation. Progress in the achievement of this goal is measured against a set of performance and outcome indicators. These indicators include access, functionality, per capita investment, sanitation, water quality, equity, hand washing, management and gender (number of women on water user committees). Performance against these indicators over the last five years is summarized in Table 7.8 and discussed in the context of rural and urban areas.

Rural Water Supply

630. The average rural water access as of FY 2008/09 was 63 per cent and has been the same for the previous 3 years (Table 7.8 and Figure 7.16). The rate of increase in safe water access was relatively steady between 1991 and 2002 as compared to the period 2002 to 2008. Functionality which is key to sustaining access, has improved from 82 per cent to 85 per cent over the previous five years. Household sanitation on the other hand has been improving more steadily with the proportion of households with safe sanitation facilities increasing from 57 per cent in FY 2004/05 to 69 per cent in FY 2008/09. Despite these achievements, a great disparity remains in district specific coverages, ranging from 12 per cent in Kaabong to 90 per cent in Rukungiri. Approximately half of the districts are still below the national average of 63 per cent. Furthermore, water coverage in 130 sub-counties out of 1,024 is below 39 per cent. Equally, there is disparity in the functionality of water facilities across districts. In areas, which are water stressed, effective water coverage may be increased only with use of higher per capita cost technologies.

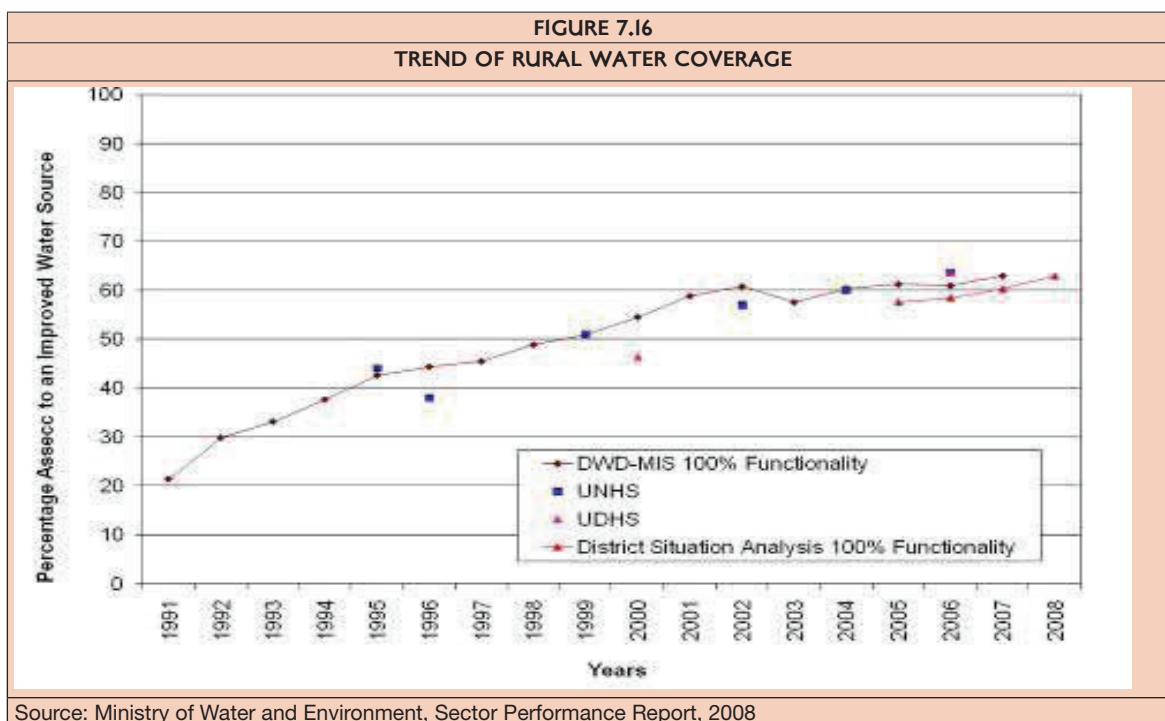


TABLE 7.8						
SECTOR PERFORMANCE MEASUREMENT INDICATOR						
Indicator			Achievements		Targets	
			2007/ 2008	2008/ 2009	2008/ 2009	2014/ 2015
1. Access % of people within 1 km (rural) and 0.2 km (urban) of an improved water source	Rural	63%	65%	63%	77%	
	Urban	61%	66%	60%	100%	
2. Functionality % of improved water sources that are functional at time of spot-check (rural and WiP). Ratio of the actual hours of water supply to the required hours of supply (urban)	Rural	82%	83%	85%	90%	
	Small Towns	89%	89%	87%	95%	
	WiP	23%	23%	89%	90%	
3. Per Capita Investment Cost (Average cost per beneficiary of new water and sanitation schemes) (USD)	Rural	\$44	\$43	\$41	\$45	
	Small Towns	\$93	\$64	\$75	\$85	
4.1 Sanitation % of people with access to improved sanitation (Households).	Rural	62%	68%	69%	77%	
	Urban	74%	73%	77%	100%	
4.2 Sanitation: Pupil to latrine/toilet stance ratio in schools		47:1	43:1	65:1	40:1	
5. Water Quality: % of water samples taken at the point of water collection, waste discharge point that comply with national standards	Protected Source – Rural	e. coli	70%	95%	95%	
	Treated Drinking Water Large Towns	e. coli	97%	83%	100%	
		Colour	80%	-	90%	
	Wastewater	BOD5	60%	15%	Targets to be set	
		Phosphorus	-	-		
TSS		67%	100%			
6. Quantity of Water (Cumulative water for production storage capacity) (million m3)		n/a	17	Targets to be set		
7. Equity Mean Sub-County deviation from the district average number of persons per improved water point, (Mean Sub-County deviation from the National ave. no. of persons per improved water point presented here)		243	178	Targets to be set		
8. Hand washing % of people with access to hand washing facilities.	Household	21%	22%	23%	50%	
	School	-	31%	23%	50%	
9. Management % of water points with actively functioning Water & Sanitation Committees/ Water Supply and Sewerage Boards.	Rural - WSCs	65%	68%	69%	95%	
	Urban - WSSBs	65%	69%	69%	95%	
	WiP - WSCs	31%	29%	-	75%	
10. Gender % of Water User committees/Water Boards with women holding key positions.	Rural - WSCs	63%	68%	67%	95%	
	Urban- WSSBs	71%	59%	67%	95%	
	WiP- WSCs	63%	61%	65%	75%	
11. Water Resources Management Compliance % of water abstraction and discharge permits holders complying with permit conditions	Wastewater discharge		40%	Targets to be set		
	Surface water abstraction		65%	Targets to be set		
	Groundwater abstraction		55%	Targets to be set		
Source: Ministry of Water and Environment, Sector Performance Report 2008						

Urban Water Supply

631. Urban water supply is further classified into large towns (23) and small towns (160). The large towns are served through 18 piped water supply schemes and managed by National Water and Sewerage Corporation (NWSC). As of FY 2008/09, average safe water coverage in the large towns was at 72 per cent. Of the 23 large towns, 5 (Bushenyi/Ishaka, Soroti, Hoima, Mubende and Masindi) fell below the national average coverage. The small towns are managed under Directorate of Water Development (DWD) of Ministry of Water and Environment. Small towns which are further classified into Town Councils and Town Boards had an average coverage of 49 per cent and 36 per cent respectively. Of the 80 town councils and 80 town boards, only 53 and 48 respectively had safe water coverage of over 36⁸⁰ per cent (Table 7.9).

TABLE 7.9							
TREND OF WATER SERVICE COVERAGE IN LARGE TOWNS							
Year	2002	2003	2004	2005	2006	2007	2008
% Coverage (Water)	60	63	65	68	70	71	72
Source: Ministry of Water and Environment Sector Performance report 2008							

632. Unaccounted for water is estimated at 40 per cent for NWSC and 24 per cent for other small towns under DWD. This is high in comparison with international water supply systems where unaccounted for water stand at an average of 18 per cent. The installation of bulk water meters and recording of the data would reduce the losses.

633. While Government endeavours to attend to all the pertinent issues of domestic water supply, the main focus during this NDP period is to increase access to safe water and sanitation levels as well as the functionality of water supply systems; and reduce investment cost per capita. Table 7.10 shows the projected targets for these indicators by rural and urban divide.

TABLE 7.10			
WATER SUPPLY - NDP INDICATORS			
Indicator		Current Situation	Target
		2008/2009	2014/2015
Access % of people within 1km (rural) and 0.2 km (urban) of an improved water source	Rural	65%	77%
	Urban	66%	100%
Functionality % of improved water sources that are functional at time of spot-check	Rural	85%	90%
	Urban Towns	87%	95%
Investment Average cost per beneficiary of new water and sanitation schemes (USD)	Rural	\$38	\$45
	Urban Towns	\$58	\$85
Sanitation % of people with access to improved sanitation (household and schools).	Rural HHs	69%	80%
	Urban HHs	77%	100%
Source: Ministry of Water and Environment Sector Performance Report 2008.			

80 Towns below 36 per cent coverage have no functional piped water supply systems

7.7.2 Constraints to the Performance of the Water Supply and Sanitation Sector

- i) Unplanned settlement patterns lead to difficulties in supply of water and sewerage services.
- ii) Lack of clear separation of institutional roles on policy formulation, planning, implementation, and regulation.
- iii) Inadequate institutional capacity including limited skilled human resource to effectively plan and manage the supply of safe water.
- iv) Weak local Private Sector players (contractors, consultants and private operators).
- v) Insufficient funding to meet the high population demands and limited financing options such as infrastructure bonds.
- vi) Temporal and spatial variability of water resources leading to high investment costs. High energy costs and limited grid power network leading to high tariffs.
- vii) Increasing unit cost partly due to reduction in cheap water source options.
- viii) Lack of capacity to pay for the water services.
- ix) Low prioritization of sanitation and hygiene.

7.7.3 Objectives, Strategies and Interventions

634. Objective 1 - Increase access to safe water supply in rural areas from 63 per cent to 77 per cent by 2015.

Strategy 1: Construct, maintain and operate the water supply systems in rural areas.

Intervention Description

- i) Construct safe water supply systems in the rural areas to increase the number of water point systems.
- ii) Construct safe water supply systems in rural areas to increase the number of piped water supply systems. Central Government will concentrate in water stressed areas and large piped water supply systems that are trans-district in nature.
- iii) Systematically implement domestic Rainwater harvesting at household and community level.

Strategy 2: Improve functionality of water supply systems.

Intervention Description

- i) Strengthen community based management systems through formation of functional water user committees and boards.
- ii) Improve the spare parts supply chain through public private partnership arrangements to increase accessibility to spare parts of point water sources. The NDP target is to have a spare parts store in each district.

- iii) Mobilize and increase equal participation of men and women in the management of water systems.
- iv) Train and certify borehole mechanics and ensure that they are equitably distributed around the country. At least each district should have more than 2 certified borehole mechanics.

635. Objective 2 - Increase access to safe water supply in urban areas from 60 per cent in 2008 to 100 per cent by 2015.

Strategy 1: Construct, maintain and operate piped water supply systems in urban areas.

Intervention Description

- i) Construct new safe water supply systems in all urban areas.
- ii) Extend the existing water supply systems in urban centres to supply more people.
- iii) Support the operation and maintenance of urban water supply system to keep the costs affordable.
- iv) Extend water supply systems in Greater Kampala Metropolitan Area (GKMA) to cover more areas.

Strategy 2: Reduce unaccounted for water in NWSC systems in Greater Kampala Metropolitan Area (GKMA) from 40 per cent to 18 per cent.

Intervention Description

- i) Revamp the transmission and distribution systems in the GKMA.
- ii) Support the operation and maintenance of the NWSC water supply system to increase accessibility to safe water supply systems.

636. Objective 3 - Increase access to improved sanitation from 69 per cent to 80 per cent for rural areas and 77 per cent to 100 per cent for urban areas.

Strategy 1: Promote good sanitation and hygiene practices in households, communities and rural growth centres.

Intervention Description

- i) Identify an institution for coordinating sanitation activities and allocate resources to a budget line for sanitation to address the low prioritization.
- ii) Revitalize and strengthen the health inspection function across districts and sub-counties. Seek enhanced political will and support in enforcement of the Public Health Act, sanitation ordinances and bye laws.
- iii) Implement demand led sanitation and hygiene (Community Led Total Sanitation and sanitation/social marketing including hand-washing with soap).

- iv) Promote ecological sanitation through waste re-use to increase agriculture production and to prevent pollution of the water sources and environment at large.
- v) Mobilize and sensitize households on good sanitation and hygiene practices through home and school improvement campaigns and competitions.
- vi) Increase the stock and distribution of public sanitation facilities in rural growth centres.
- vii) Modernize solid waste management and treatment in the rural growth centres and fish landing sites.
- viii) Increase sanitation facilities in schools and promote hygiene education to prevent sanitation related diseases in primary schools. This is expected to improve the pupil stance ratio and ensuring that each school has hand-washing facilities and a dumping ground.
- ix) Condition the provision of the water supply systems in any community to availability of sanitation facilities in all households and public sanitation facilities.
- x) Promote appropriate sanitation technologies.

Strategy 2: Promote good sanitation and increase sewerage systems to cover urban areas.

Intervention Description

- i) Intensify sewerage connections in towns with sewerage systems and put sewerage systems in towns with piped water supply systems.
- ii) Implement the Kampala Sanitation Master Plan.
- iii) Modernise solid waste management and treatment in the city and major towns.

637. Objective 4 - Improve efficiency and effectiveness in water and sanitation service delivery.

Strategy 1: Improve the policy, legal and regulatory framework.

Intervention Description

- i) Revise and update the water policy to incorporate new changes in the sector, protocols and agreements signed and ratified by Government.
- ii) Revise and update the Water Act and subsequent regulations to be in line with the revised policies and Acts.
- iii) Strengthen the capacity of the Policy Analysis Unit and put in place mechanisms to update and review the various policies in the sector.
- iv) Implement the Water and Sanitation Good Governance Action Plan.
- v) Establish a robust monitoring and evaluation system to enforce compliance and to established codes and standards.
- vi) Ensure implementation of Engineers Act and other Regulation Acts to enhance regulation within the sector.

Strategy 2: Strengthen the institutional structures and systems and coordination of water and sanitation activities.

Intervention Description

- i) Separate the institutional roles of policy and planning, from those of implementation and regulation.
- ii) Streamline the institutional roles and responsibility for sanitation, management and inspection.
- iii) Provide specific technical training for technical personnel in water supply and sanitation programmes.

Strategy 3: Enhance the involvement of private sector players in water infrastructure financing, development and provision of water services.

Intervention Description

- i) Formulate a PPP framework to guide the involvement of the private sector in water sector activities.
- ii) Facilitate the diversification of financing options for water infrastructure development through the use of infrastructure and municipal bonds.
- iii) Provide education and training opportunities for the local private sector players in technical and entrepreneurship areas to develop capabilities. In addition, certification of service providers will be undertaken.
- iv) Strengthen the contractors association to regulate the performance of contractors and have representation on sector working groups.

Strategy 4: Enhance sector coordination and management.

Intervention Description

- i) Regularly update the MIS systems.
- ii) Coordination of sector activities and the work of development partners.
- iii) Carry out sector evaluations.
- iv) Hold annual sector reviews and retreats.

7.8 SOCIAL DEVELOPMENT SECTOR

7.8.1 Situational Analysis

638. In any society, human dignity is central to the development process. The importance of fostering respect and promotion of human rights and freedoms in national development cannot therefore be over emphasized. This requires citizens to be empowered and protected to make choices within constitutional limits. Both Government and the citizenry therefore need to play their respective roles and responsibilities in a manner that allows the society to realize its aspirations.

639. On the part of Government and non-state actors, this involves sensitizing and mobilizing the citizenry to equitably take advantage of empowerment opportunities available as well as nurturing a value system based on national identity, faith, customs, traditions and patriotism. In the Ugandan society, as in many African countries, the state has made efforts in reducing gender and regional inequalities to facilitate equal access to opportunities and participation. The citizenry on the other hand, must responsibly explore, exploit and actively participate in development endeavours. In Uganda, the social development agenda is currently configured around four thematic areas: social protection; community mobilization and empowerment; gender and human rights; and culture for development.

640. Social Protection: This entails all public and private interventions that address vulnerabilities associated with being or becoming poor. Social protection is a public investment in human capital that facilitates risk taking endeavours and also enables the poor to prevent, cope with and mitigate risks. These interventions currently include: provision of social assistance to the chronically poor; care for the elderly, Orphans and other Vulnerable Children (OVC); special needs education and training; community based rehabilitation services for PWDs; social security for public sector and formal private sector employees; pension for public sector employees and relief services to disaster victims. In addition, the Government has promoted equal opportunities, operation of social security schemes, labour standards and occupational safety.

641. The need for social protection is motivated by two factors namely: poverty and vulnerability. While the later describes the level of income or consumption below a normal standard for human dignity, vulnerability refers to the risk of falling into poverty and perpetually living in a condition of impoverishment. Many people are poor or face the risk of becoming poor due to adverse changes in the macroeconomic context such as terms of trade, shocks or changes in regulatory framework (e.g. deregulation). Other people are disadvantaged by demographic characteristics like gender, disability, household composition, age, ethnicity and loss of bread winner, which determine their control over productive assets, access to basic services and livelihoods.

642. For over a decade, Government has implemented a wide range of programmes to improve the socio-economic conditions of the population and achieved progress in reducing poverty. Poverty headcounts in the country progressively declined from 56 per cent in 1992 to 34 per cent in 1999/2000 to 38 per cent in 2002/2003 and 31 per cent in 2005/2006.⁸¹ However, the number of people living below the poverty line still remains high. It is estimated that nearly 8.4 million people in the country are poor. Analysis of household survey data reveals that over 80 per cent of the poor or about 7 million people are trapped in chronic poverty. Chronically poor households are characterized by the presence of vulnerable groups such as widows, orphans, the unemployed, youth, plantation workers, PWD's, the chronically ill, ethnic minorities and the elderly.

643. Many other people are in danger of falling into poverty as a result of shocks, such as those associated with climate change, disasters or others of a more individual nature, such as illness. The major disasters suffered by the country over the PEAP period (1997-2007) included: drought and famine, floods, epidemics, human induced disasters, landslides, collapsing civil structures, and windstorms. Of these, the recurring ones have been droughts and famine (1998, 1999, 2002 and 2005), floods (1997, 2007) and human induced disasters⁸². It is estimated that a total of 655,000 people were affected by famine and droughts; 700,000 by floods; 100,000 by epidemics; 66.3 per cent of the people in the Northern region, 150,000 people in western Uganda and 200,000 people from other countries by human induced disasters; and 2,053 people by landslides. Such disasters make people more vulnerable. From the social protection perspective, key Government interventions in response to the above disasters included provision of emergency shelters, provision and facilitation of relief food and water supply delivery, emergency medical care, and farm inputs.

644. Uganda's population is dominated by children below 15 years of age who constitute 50.7 per cent of the population of which about 2.3 million are orphans. The available statistics reveal that 78.4 per cent of the country's population is below 30 years of age⁸³ of which children above 14 years and the youth comprise 27.0 per cent. Adults above 30 years of age represent 21.6 per cent of the population, Women constitute 51.2 per cent while the people aged 60 years and above comprise 4.6 per cent of the population, corresponding to nearly 1.4 million older persons⁸⁴. More than 2.1 million vulnerable children, representing 13.7 per cent of young people below 18 years were under the care of older persons. About 7 per cent of the population or 1.9 million people in Uganda have disabilities, of which 47.6 per cent have permanent disabilities.

81 The Uganda National Household Survey (UNHS) Report, 2005/06

82 Northern Uganda, 2000-05; Western Uganda, 1998; Karamoja 2000-05

83 The 2002 Uganda Population and Housing Census

84 UNHS 2005/06 Report

645. The majority of older persons live in abject poverty. Currently, only 7.1 per cent have access to pension of whom 60 per cent are males. The rest require social protection, either through pension or some kind of assistance to enable them cope with vulnerability.

646. The burden of caring for OVC continues to be overwhelming. Out of an estimated 16.8 million children⁸⁵, 7.5 million or 46 per cent are experiencing child poverty. The majority of households taking care of OVC are headed by widows, widowers or grandparents. The burden of looking after orphans coupled with limited economic activity has put a lot of stress on older persons and impoverished them almost to the extent of destitution. In light of the critical role played by older persons in society, it is important that their efforts are complimented by both the state and private actors. To this end, Government has promoted partnership with CSOs in the implementation of the programme for OVCs, but the demand for the services is still very high. Currently 1.7 million OVCs are being cared for under this arrangement. This represents 23 per cent of the total estimated OVCs in the country.

647. Government continues to provide justice for children as victims and offenders in the justice system. As pointed out in the Annual Assessment of Juvenile Justice study, the majority of children in the Juvenile Justice system are in need of care and protection and they get into the system due to survival behaviour, status offences, or indiscipline. In the absence of a strong child care and protection system, children end up in a justice system that is not adequately equipped to handle their needs. In addition, this failure has occasioned repeat offending, emerging occurrences of organized crime, and use of children by adults in the commission of crime and negative outcomes of victims of crime.

648. Government and Development Partners have provided support to children and youth in the form of vocational training, special needs education and community based rehabilitation services. In the 6 vocational training institutions⁸⁶ run by Government, a total of 2,058 children and youth have received training over a period of 5 years. Furthermore, special needs training schools were set-up and are operational. These take care of the unique and special learning needs of children.

649. In addition, a public reception centre for lost and abandoned children is operational at Naguru in Kampala. On average, Naguru Reception Centre accommodates 105 children annually. These efforts are supplemented by private actors who run children and infants homes. It is worth noting that a number of children in need of these services is not catered for by these institutions but it is hard to determine the exact number due to lack of a clear mechanism for data collection and analysis.

650. In respect of promotion and protection of workers' rights, 2,696 complaints were registered of which 672 were related to harmful work environment. About 1.8 million children were involved in child labour, with long working hours and in hazardous conditions. In a bid to address and minimize the occurrence of these

85 Uganda House Hold Survey Report, 2005

86 The institutions include Naguru Remand Home, Naguru Reception Centre, Kampiringisa

cases, Government implemented a number of measures including the enactment of new labour laws, upgrading the status of the Industrial Court and designing the Decent Work Country Programme. Besides these interventions, Government facilitated the employment of 7,200 Ugandans in Iraq, United Arab Emirates and Sudan through the externalization of Labour Programme. While these are significant milestones, their benefits are yet to be realized given that some of them are yet to become operational.

651. In terms of provision of social security, there are two major services: The civil servants and UPDF pension schemes, and the National Social Security Fund (NSSF). The Pension Scheme is non-contributory and is funded from the consolidated fund. As of March 2007, the public servants pension scheme had covered 44,000 retired public servants. On the other hand the NSSF protected a total of 1,282,994 workers for the period 1967 to 2003. In addition, Government is designing other social security schemes which include the private health insurance scheme and private provident funds. However, these are limited in scope.

652. Community Mobilization and Empowerment: One of the major factors which has hindered the poor from harnessing available opportunities for getting out of poverty is ignorance and lack of knowledge⁸⁷. The information from the last Population and Housing Census as well as the two Household Surveys conducted thereafter, in 2002/03 and 2005/06, reveal that the adult illiteracy rate in Uganda has stagnated at 30 per cent. Almost half of adult women in the country are illiterate, compared with 23 per cent for men. Considering the fact that some of the primary school dropouts are often presumed literate, even when they have difficulties in reading and writing, the actual adult illiteracy rate may be higher. This implies that there are more than 4.5 million illiterates in the country; out of whom nearly 2.9 million are women and 1.6 million are men, potentially requiring functional literacy skills.

653. The Functional Adult Literacy (FAL) programme was designed to empower illiterate adults to participate effectively in public as well as community initiatives. A total of 1.2 million people had benefited from FAL as of 2007. This programme was complimented by information services including 6 public libraries, 22 community libraries and 6 tele-centres.

654. To enhance community mobilisation and empowerment, Government revitalized the community development function in the Local Governments. The Community Mobilization Empowerment Strategy is in place to guide coordination of mobilization activities in the country. The Local Government structure approved in 2005 provides for 2 Community Development Officers (CDOs) at the sub-county level. The Community Development staff support all sectors in mobilisation of communities, especially for water and sanitation, health, wealth creation, community participatory planning to ensure that Government programmes respond to community needs, and preparation of sub-county development plans. In addition, they maintain the Community Information System (CIS) in all aspects including birth

87 The Uganda Participatory Poverty Assessment (UPPA) Report, December 2002

and death registration, adult literacy rates and income generating activities, among others.

655. In spite of their important role, there are only 405 CDOs and 483 ACDOs out of 995 CDO and 990 ACDOs positions in all Districts and sub counties. In the 40 PRDP districts there are only 153 CDOs and 216 ACDOs out of the 439 established positions for each category. The capacity gaps and poor facilitation in terms of meagre resources allocated to CDOs are reflected in the limited community capacity to demand for services and slow progress in the socio-economic indicators across sectors.

656. Human Rights and Gender Equality: To optimize development results, it is important that there is equity in access to opportunities and control of resources. Research shows that there are varying degrees of disparity in access to opportunities between different social groups. This disparity extends to gender relations. Considering that women constitute over 51.2 per cent⁸⁸ of the population, it is important that they have equal access to resources and opportunities if the country is to realize the full potential of its human resources. The National Constitution also guarantees equality between women and men before the law. In line with this, a policy of affirmative action was adopted to partly address gender inequalities and promote women empowerment in political, social and economic spheres. The National Gender Policy and National Action plan on women were also formulated to support this. In addition, Gender mainstreaming has been high on Government's agenda in a bid to integrate gender issues in development plans and programmes.

657. As a result of these efforts, there have been achievements in attaining gender equality and women empowerment. The primary school enrolment for females raised from 44.2 per cent in 1990 to 49.8 per cent in 2006 while retention rates stood at 42 per cent in 2006. Secondary school enrolments for girls grew from 37.2 per cent in 1990 to 46 per cent in 2006 while tertiary enrolment raised from 23.9 per cent in 1990 to 49.6 per cent in 2006. In terms of political representation at parliament level, the share of women raised from 18 per cent in 1990 to 30 per cent in 2006. Despite these achievements, there are other areas where efforts are still needed to change the status quo. For instance, the share of women in wage employment in non agricultural sectors was 28.9 per cent as of 2006, the adult illiteracy rate as of 2006 was 50 per cent for women as compared to 23 per cent for men. However, the number of women in gainful employment is still negligible.

658. Furthermore, women continue to face constraints related to access and control of resources like land. In 2009, only 20 per cent of registered land⁸⁹ was owned by women. The proportion of the women population reporting that they have experienced gender based violence still remains unacceptably high. In 2006, 68 per cent⁹⁰ of the women had reported violence of this nature as compared to 20 per cent

88 UNHS 2005/6

89 MLHUD 2009

90 UDHS 2006

of their male counterparts. It is worth noting that the gender agenda has not gone down well in some sections of society, this is partly attributed to misconceptions pertaining to measurement of progress in gender equality and conflict with some cultural values and norms.

659. Gender based inequality limits economic growth and exacerbates poverty. It is thus essential to invest in initiatives that promote productive capacity in both men and women. A study to assess the effectiveness of gender mainstreaming and quantify the contribution of reduced gender inequality to GDP growth prospects in Uganda, has established that addressing issues of gender inequality in education and formal sector employment would increase the GDP growth rate by 1.2 per cent annually.⁹¹

660. As a way of fostering equity and promoting equal access to opportunities in the social, economic and political arenas, Government has put in place a policy, legal and institutional framework for establishment of the Equal Opportunities Commission (EOC). The EOC is mandated to promote affirmative action in favour of marginalized groups and eliminate all forms of discrimination in access to social services, employment opportunities and governance structures.

661. Culture and Family Affairs: Culture is defined as the sum total of the ways in which a society preserves, identifies, organizes, sustains and expresses itself. Culture includes both the tangible and intangible heritage. The tangible include monuments or architecture, visual arts and handicrafts, cultural sites, manuscripts, cultural industries, linguistics and literary and other objects of artistic and historical interest. The intangible heritage comprises language, oral traditions, performing arts, music, festive events, cultural beliefs, organization culture, values and social practices, traditional craftsmanship, indigenous knowledge and practices concerning nature. Culture manifests itself in various forms that influence different aspects of people's perception and aspirations of life. Enhanced knowledge about people's origin and way of life, inculcates a sense of pride and motivation to preserve positive aspects of one's culture which in turn trigger a desire to improve living standards and to contribute to development initiatives. However, the diversity in culture poses a challenge of forging a shared national vision.

662. From 2000 to date, there has been an improvement in the performance of the Culture sub-sector. Government support towards 11 recognized Traditional Leaders was initiated in 2005 and the Uganda National Culture Policy was approved in 2006. In addition, the laws were realigned to new policy shifts: the Traditional Rulers Restitution of Assets and Properties Act (Cap 247), the Copyright Law 1957 repealed, the Copyright and Neighbouring Rights Act 2006 to provide for increased benefits from intellectual property was enacted. In terms of global commitments, Uganda is signatory to the Convention on the Protection of the World Cultural and Natural Heritage (1972) and the 2003 UNESCO Convention on Cultural Diversity and Cultural Expressions ratified May 2009. In the area of trade in goods and services,

91 MFPED, 2000

Uganda exported core cultural goods worth USD 206,800 in 2002⁹². These include heritage goods, books, newspapers and periodicals, other printed matter, recorded media, visual arts and audio visual that contributed to the volume of trade in GDP.

663. The family is the basic unit of society, a source of social capital, strength for guidance and support to its members. In the past, the mutual interdependence between family members guaranteed individuals emotional support and material assistance in difficult times, making the family network a prime mechanism for coping with social, economic and political adversity. Government strategies for eradicating poverty have targeted the household at family level for provision of public goods and services such as social protection, health, education, water and sanitation, and micro finance and other poverty eradication initiatives. However, the family structure is increasingly affected by the rapid political and socio-economic changes, including HIV/AIDS, increasing poverty, civil strife and conflicts, high unemployment, and exposure to multi-cultural activities, which has led to diminishing extended family support systems.

7.8.2 Constraints to the Performance of the Social Development Sector

- i) Inadequate institutional capacity for effective community mobilization and empowerment.
- ii) Lack of a coherent community mobilization policy and inadequate resources to implement the community mobilisation and empowerment strategy.
- iii) Lack of a National value system which limits unity, spirit of patriotism, lack of National identity, poor attitudes towards work, ethics and integrity.
- iv) Conflict in norms, values and beliefs, which limit cohesion and slow down development.
- v) Increasing number of vulnerable persons attributed to HIV/AIDS, disasters, chronic poverty and limited social protection.
- vi) Breakdown in extended family system and community resource mechanisms for supporting vulnerable groups.
- vii) Gender inequality leading to unequal distribution of resources, opportunities and violation of human rights including harmful practices.
- viii) Lack of statistical information on the contribution of culture to development.

92 UNESCO institute of Statistics, UN COM trade, DESA/UNSD, 2002

7.8.3 Objectives, Strategies and Interventions

664. Objective 1 - Develop and nurture a National value system.

Strategy 1: Foster national unity, patriotism, positive attitudes, change of the poverty mindset, ethics and integrity, and love for the country.

Intervention Description

- i) Identify, adopt and nurture a set of national values through the entire spectrum of social, political and economic systems. A proposal of a set of ten core national ethical values includes: Unity in diversity; Honesty in civic duties and all endeavours; Respect for community and environment; Work hard for self reliance; Community responsibility; Integrity/uprightness; Patriotism; Social harmony; Justice and fairness; and Creativity and innovativeness.
- ii) Formulate, disseminate and implement a policy on a national value system based on the National Shared Vision.
- iii) Develop and implement a national training programme focusing on the national core ethical values including change of the mindset and other soft skills.
- iv) Enforce promotion of national values through media and its licensing system.
- v) Forge partnerships with religious bodies to promote national value systems and family values through various programmes.
- vi) Promote and train the population in the use of Kiswahili as a national language to foster unity and position Ugandans for regional integration.

665. Objective 2 - Promote positive cultural values, norms and practices.

Strategy 1: Intensify the promotion of Uganda's visual and performing arts both locally and internationally.

Intervention Description

- i) Establish cultural centres at regional level and use them to promote positive cultural attributes.
- ii) Re-develop the National Theatre and the National Museum to international standards.
- iii) Promote and develop the local film industry and visual and performing arts to international standards and support them to enable the consumption of their products locally and internationally.
- iv) Support the participation of cultural groups in regional and international cultural events including international accreditation.
- v) Provide financial and technical support to traditional/cultural institutions to effectively play their role in enhancing positive cultural and national values.

- vi) Develop and promote indigenous knowledge through documentation of content of local knowledge, blending indigenous technology with scientific technology, recognizing and supporting local artisans
- vii) Formulate and implement the copy right law to promote culture and other creative arts.

Strategy 2: Strengthen the family Unit as a basis for quality human development.

Intervention Description

- i) Develop and implement a programme to strengthen the family unit. This will entail sensitising communities on family values and the importance of the family unit and their vital role in development; developing appropriate family courses on marriage and parenting; combating domestic violence through legal measures, awareness campaigns and provision of shelter and services; and preserve indigenous family norms and guard against bad practices.

666. Objective 3 - Expand social protection measures to reduce vulnerability and enhance the productivity of the human resource.

Strategy 1: Diversify and provide comprehensive social protection measures for the different categories of the population.

Intervention Description

- i) Formulate a comprehensive social protection policy and strengthen the mechanism for coordination of social protection programmes.
- ii) Diversify social security measures to cover more people, those employed in the formal and informal sector as well as the unemployed.
- iii) Establish a regulatory agency.
- iv) Liberalize the provision of national social security services to allow more providers or fund managers to cover other areas such as hospitalization, housing and pensions.
- v) Establish a data management system for the different categories of vulnerable groups and workers in the formal and informal sectors and the unemployed.
- vi) Establish public and support private health insurance schemes.
- vii) Develop and implement social transfer programmes including cash transfer programmes to the elderly, persons with disability and the poorest quartile of the population, and cash for work for the vulnerable youth.
- viii) Provide adolescent life skills to the youth outside and in school.
- ix) Strengthen institutional rehabilitation services for children with disabilities and those in conflict with the law.

- x) Support comprehensive community response programmes for vulnerable groups (OVCs, widows, old persons and ethnic minorities) through partnerships with civil society organizations.
- xi) Expand community based rehabilitation services for older persons, people with disabilities (PWDs) and children with special needs to all districts in the country.
- xii) Provide social protection for abused and neglected children and babies who are in need of care and protection in collaboration with the civil society organizations.

667. Objective 4 - Promote Gender equality and women empowerment by ensuring equitable access to opportunities and participation in the development process.

Strategy 1: Promote gender mainstreaming in development plans, programmes and projects.

Intervention Description

- i) Strengthen technical capacity for gender and equity mainstreaming in plans, policy analysis and evaluation.
- ii) Promote and conduct Gender Responsive Budgeting (GRB).
- iii) Carry out gender responsive monitoring and evaluations in sectors and LGs.
- iv) Create effective linkages with MDAs, Local Government, the private sector, civil society and other partners to promote gender.

Strategy 2: Reduce gender based violence and promote women's rights.

Intervention Description

- i) Develop and implement sensitization and awareness programmes and put in place clear reporting and administrative mechanisms for handling the cases.
- ii) Ratify, domesticate and report on regional and international protocols, conventions and principles on women's rights and gender equality.
- iii) Support survivors of gender based violence to engage in income generating activities and provide access to professional psycho-social counselling services.
- iv) Reduce incidences of sexual and gender based violence among men and women.
- v) Ensure total elimination of female genital mutilation (FGM).

Strategy 3: Promote economic empowerment of women.

Intervention Description

- i) Promote women's full participation in economic decision making at all levels.
- ii) Develop and implement gender sensitive policies and programmes aimed at enhancing women access to full and productive employment and decent....
- iii) Develop programmes that support and develop women's technical, managerial and entrepreneurial capacities and initiatives.
- iv) Implement initiatives that translate educational achievements of women into employment opportunities.
- v) Invest in labour saving technologies, affordable energy sources and ensure access to productive resources for women.

668. Objective 5 - Ensure respect and promotion of human rights and dignity.

Strategy 1: Strengthen the systems for promotion of human rights and prevention of human rights abuses.

Intervention Description

- i) Strengthen the capacity of stakeholders in human rights promotion, protection and reporting.
- ii) Strengthen the Equal Opportunities Commission (EOC) to ensure affirmative action is implemented by the various sectors to enable vulnerable groups effectively participate in the development process.
- iii) Empower marginalised and vulnerable groups to effectively participate in development initiatives.
- iv) Strengthen technical capacity in disability mainstreaming and policy analysis to facilitate the integration of disability needs in policy, development programmes and projects as well as in infrastructure designs.

669. Objective 6 - Ensure effective community mobilization and participation in development initiatives.

Strategy 1: Improve the functionality and accessibility to quality non-formal literacy and numeracy services.

Intervention Description

- i) Expand Functional Adult Literacy Programmes (FAL) to reach all villages and increase adult enrolment and training.
- ii) Expand the provision of library and information services through construction and refurbishment of the national, and district level libraries.
- iii) Design and implement community mobilization models for villages, parishes, sub-counties and districts.

Strategy 2: Strengthen the human resource and operational capacity for community mobilization.

Intervention Description

- i) Recruit, train and provide logistical support to community development workers.
- ii) Implement the community mobilization and empowerment strategy and domesticate the role of community mobilization in the social development sector to avoid duplication among sectors and fatigue on the communities.

Strategy 3: Promote the establishment and operationalisation of the Community Information system (CIS) in all districts.

Intervention Description

- i) Roll out the CIS to cover all the sub-counties in the country.
- ii) Provided continuous training in data collection, processing and usage of CIS at the Central and Local Government level.

Strategy 4: Formulate and implement policies, laws and regulations.

Intervention Description

- i) Develop and implement a harmonised community mobilisation policy.
- ii) Review the community mobilisation regulations and guidelines.

670. Objective 7 - Strengthen the institutional capacity for the Social Development Sector (SDS).

Strategy 1: Support and strengthen institutional and human resource capacity.

Intervention Description

- i) Support operational activities.
- ii) Build the capacity of the staff.
- iii) Acquire appropriate office space.
- iv) Provide tools, equipment and logistics and maintain them regularly.

Strategy 2: Strengthen Social Development Sector (SDS) Management Information System (MIS) and Monitoring and Evaluation (M&E) system.

Intervention Description

- i) Harmonise and maintain SDS MIS.
- ii) Implement SDS plan for statistics development.
- iii) Strengthen SDS M&E system.

8.1 LEGISLATURE

8.1.1 Situational Analysis

671. Article 77 of the 1995 Constitution of the Republic of Uganda, establishes the Parliament and spells out its functions in Article 79 as follows:

- Subject to the provision of this Constitution, Parliament shall have power to make laws on any matter for the peace, order, development and good governance of Uganda;
- Except as provided for in this Constitution, no person or body other than Parliament shall have power to make provisions having the force of law in Uganda except under authority conferred by an Act of Parliament; and
- Parliament shall protect this Constitution and promote the democratic governance of Uganda.

672. Article 87A of the Constitution establishes a Parliamentary Commission, which is a body corporate responsible for organizing and providing strategic guidance to the Parliament of Uganda. The Commission is chaired by the Speaker of Parliament and has seven other members: the Leader of Government Business, the Leader of Opposition, the Minister of Finance, Planning and Economic Development, and four Commissioners elected among the Members of Parliament (MPs). It makes policies for the smooth running of the institution and ensures that (i) attendance and participation of MPs in Plenary and Committee Sitzings is optimized; (ii) the oversight role of Parliament is protected and strengthened; (iii) welfare and privileges of MPs are guaranteed; and (iv) quality of support services offered by staff to Members.

673. The legislative process goes through nine stages, namely: (i) Proposal Stage (ii) Drafting Stage (iii) First Reading (iv) Second Reading (v) Committee Stage (vi) Report Stage (vii) Third Reading (viii) Assent and (ix) Implementation. However, the legislature has full control over the stages starting at the First Reading to Third Reading. The first two and the last two stages are the responsibility of the Executive branch of the State, except in rare cases where legislation is introduced as a private Member's Bill. In these cases, stages (i) and (ii) may also be controlled by the Legislature. Once in Parliament, Bills have prescribed target dates to be met and should ideally not take more than **forty five days** within Parliament. In reality however, the experience has been that Bills take many more months or even years. The delay in enactment is attributed to two main factors. These are: (i) lack of advocacy and prior consultation of Members by stakeholders (MDAs, CSOs, academia and private sector) which would provide explanations, data and information for MPs to quickly understand the objective, purpose and benefits of the Bill to the Nation; and (ii) lack of funding to meet the printing costs of the assented to copies.

8.1.2 Constraints to the Performance of the Legislature

- i) The large number of legislators that stands at 333 MPs.
- ii) Lengthy legislature procedures.
- iii) Lack of full and active participation of some legislators in the House and development activities of their constituencies.
- iv) Lack of quorum in plenary and committee meetings
- v) Inadequate support capacity to the legislature.
- vi) Inadequate space in the Parliamentary Chamber, committee rooms and lack of offices for Members.

8.1.3 Objectives, Strategies and Interventions

674. Objective 1 - To ensure effective legislation (Legislative Agenda).

Strategy 1: Improve the quality of research and support services to Members of Parliament.

Intervention Description

- i) Train technical staff. Training of staff will focus on research, planning, budgeting, public financial management and other key strategic support areas.
- ii) Provide necessary institutional facilities. The focus will be on improving efficiency through support to further development of the office ICT infrastructure. These interventions are aimed at building the institutional capacity of Parliament.

Strategy 2: Promote researched, informed and knowledge-based debate in Parliament.

Intervention Description

- i) Equip the parliamentary library with more literature resource and encourage its regular use by MPs.
- ii) Electronically link the library to other libraries.
- iii) Best practices exposure for legislators, particularly the heads of committees.
- iv) Support in-house training of Parliamentarians.
- v) Promote more effective mechanisms for sharing research work.

Strategy 3: Increase advocacy and strengthen institutional relations amongst stakeholders involved in the legislative process.

Intervention Description

- i) Promote regular consultative meetings and information sharing sessions with state and non-state actors. Legislators will participate in meetings for sharing research designs and findings, and policy formulation.
- ii) Create Public awareness about legislative processes.

Strategy 4: Provide adequate space in the chamber, and for offices and Committee meetings

Intervention Description

- i) Construct and equip the new Parliament Chamber, committee rooms and offices.

Strategy 5: Enforce the mandatory period of 45 days within which Bills must be attended to by Committees.

Intervention Description

- i) Introduce sanctions for absenteeism of MPs at committee meetings. Implementation of the intervention is aimed at expediting the legislative processes.

Strategy 6: Empower Parliament to print bills for assent.

Intervention Description

- i) Parliamentary Commission will be supported to manage the printing of bills. A facility will be developed for in-house printing of bills to enhance timeliness.

675. Objective 2 - Enhance effective representation of people's views in legislation and policy making (Representative Role).

Strategy 1: Empower citizens to demand MPs to actively participate in Parliamentary sessions and committee meetings.

Intervention Description

- i) Facilitate CSOs to participate in Parliamentary hearings in constituencies. CSOs will be supported to develop and implement advocacy programs.
- ii) Support conducting regular Parliamentary sessions in all regions of the country.
- iii) Arrange regular Committee meetings at regional level.

676. Objective 3 - Strengthen the oversight function of Parliament over the Executive.

Strategy 1: Strengthen Parliament's role and authority in overseeing the National Budget and policy processes, service delivery and performance of the entire Government.

Intervention Description

- i) Support Parliament to internalize and influence the preparation of the National Budget. The intervention will ensure national equity, efficient allocation of resources and correct prioritization of interventions.

- ii) Support Parliament to monitor disbursements of the National Budget as appropriated.
- iii) Facilitate Parliament to influence and monitor policy processes.
- iv) Facilitate Parliament to monitor budget performance in the delivery of public goods and services and follow up value for money against resource utilization.
- v) Facilitate Parliament to assess performance of the entire socio-economy.

8.2 JUSTICE, LAW AND ORDER

8.2.1 Situational Analysis

677. The administration of Justice, Law and Order is an instrument for realizing growth and socio-economic development. An effective legal environment facilitates individual and national productivity, mitigates social inequity and political instability, and improves the country's Competitiveness Index position. The Justice, Law and Order Sector (JLOS) is pursuing a vision of "Justice for All" designed around a six-point agenda. This includes: i) promotion of the rule of law and due process; ii) fostering a human rights culture across JLOS institutions; iii) enhancing access to justice for all especially the poor and the marginalized groups; iv) reducing the incidence of crime, and promoting safety of persons and security of property; v) enhancing JLOS contribution to economic development; and vi) building institutional capacity to enhance service delivery.

678. Rule of Law and Due Process: Government accorded priority to improving the quality of laws, ensuring user access and participation in both the law reform process and updating legislation. The JLOS spearheaded the establishment of law revision and codification systems; promotion of decriminalization and repeal of obsolete laws that were inconsistent with the Ugandan Constitution, 1995. The sector also registered improvements in commercial and criminal justice⁹³ legislative frameworks, by amending a number of key laws⁹⁴, while others await proceedings of Parliament or decisions in Cabinet.

679. Status of Human Rights in the Administration of Justice: Government efforts to foster a human rights culture across all JLOS institutions have led to improvements in the overall human rights situation in the country⁹⁵. JLOS has constructed and renovated police barracks and prisons to improve the welfare of users. The sector has registered reductions in incidences of specific human rights

89 Examples of bills enacted into law in FY 08/09 include the Law Revision (Fines and Financial Other Amounts in Criminal Matters) Act 2008, the Trial on Indictment Amendment Act, and The Arbitration and Conciliation (Amendment) Act No. 3/2008.

94 Examples of reformed laws include the Trial on Indictments Amendment Act 2007, Magistrate Courts Amendment Act 2007, The Penal Code Amendment Act 2007, the Local Councils Court Act 2006, the Police Act 2006, the Prisons Act 2006. It should be noted that these laws are only starting to be fully implemented and at the time of developing this Strategy, cases were still being transferred from the High Court to the Lower Courts

95 See annual reports of the Uganda Human Rights Commission

violations in its prisons⁹⁶ and improved levels of rights awareness among the general public in a number of ways. These include: training, awareness creation, partnerships with Local Governments and Development Partners, civil society organizations and the private sector. It has also introduced the rights based approach as a basis for service delivery. Despite improvement in the application of rights based approach, there are a number of key challenges to the sector including the dire living conditions and welfare of staff particularly in Prisons and Police and an increasing mismatch between prison physical carrying capacity and the number of prisoners. In 2007, the number of prisoners exceeded physical carrying capacity by 100 per cent despite efforts to improve the situation as shown in Table 8.1.

TABLE 8.1				
STATUS OF PRISONER VERSUS PHYSICAL CARRYING CAPACITY IN THE UGANDA PRISON SERVICE				
Year	Population	Approved Capacity	Excess	No. of times exceeding Capacity
2005	17,523	8,530	8,993	2.1
2007	19,149	9,428	9,721	2.0

Source: JLOS Annual Progress Report 2007/2008

680. Duty to Promote Access to Justice for All: To support and enhance access to justice especially by the poor and the marginalized groups, the JLOS embarked on reforms to tackle and remove impediments to access to justice. Major barriers to access to justice are: a growing caseload; physical distance to service institutions; technical barriers; poverty; and lack of access by women and marginalized groups. Women experience more barriers in accessing justice than men. This is because they have higher levels of illiteracy and lack information about legal rights. Their restricted mobility and poverty means that it is not easy for them to access legal institutions and services.

681. A recent review of court performance over the period June 2007 to June 2008 projected court caseload to grow at a rate of 10 per cent per annum. The caseload by June 2008 stood at a total of 168,726 cases of which 85,516 were filed between June 2007 and June 2008. Of this caseload, the backlog⁹⁷ is approximately 40,046 cases across the four focus areas of land, family, criminal and commercial justice (Tables 8.2 and 8.3).

TABLE 8.2				
JUDICIARY- SUMMARY OF CASE DISPOSAL FY 2008/2009				
Court	Brought forward as at July 2008	Filed FY 2008/2009	Disposed FY 2008/2009	Disposal rate %
Supreme Court	61	19	19	23.8
Court of Appeal	1814	597	275	11.4
High Court	27542	9550	9068	24.4
Chief Magistrates Court	61345	49107	42843	38.7
Magistrate GI Court	13058	22278	21243	60.0
Magistrate GII taxation	2827	5732	5361	62.6
Total	106647	87283	78859	40.6

Source: JLOS Annual Report 2008/2009

⁹⁶ Including torture and compliance with the minimum standard rules for the treatment of prisoners.

⁹⁷ Defined as any matter that has clocked two years from the date of filing.

TABLE 8.3						
SUMMARY OF CASE DISPOSAL PER DIVISION/THEMATIC AREA FY2008/2009						
Case Category	Brought forward	Registered	Disposed	Pending	Disposal Rate % 2008/09	Disposal Rate % 2007/08
Criminal	54200	57147	54065	57282	48.6	49.7
Civil	31315	8611	14527	25399	36.3	33.0
Family	9885	6905	7185	9605	42.7	26.9
Land	9715	3940	2162	11493	15.8	20.5
Commercial	1532	1161	920	1773	34.2	30.7
Total	106647	87283	78859	115,071	40.7	41.8
Source: JLOS Annual Report 2008/2009						

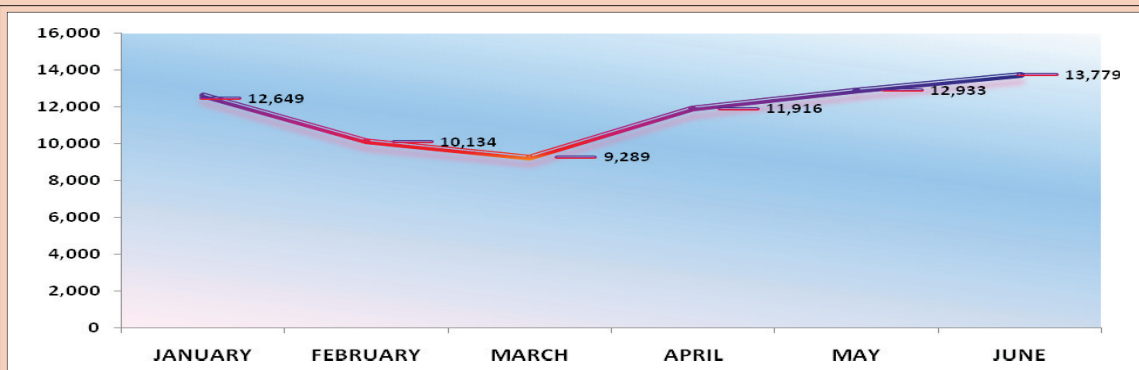
682. While there has been good progress in certain service areas such as issuance of passports, the sector continues to face challenges. For instance, in 2008, the Uganda Police Force recorded over 40,000 cases pending investigation, the Judicial Service Commission reported a backlog of 196 cases, the Uganda Law Council 670 complaints, Tax Appeals Tribunal 157 cases, and the Administrator General 1,209 cases. In addition, work permits and related services, and registration of businesses are also characterised by delays which directly increase the cost of doing business.

683. The sector continues to strive for gender responsiveness through law reform in compliance with national, regional and international obligations. In 2006, JLOS spearheaded an amendment of the penal code under the Sexual Offences Bill which extended protection to girls up to 19 years of age and provides for compensation to victims of defilement. However, the challenge remains with dissemination and enforcement of these legal provisions and tackling discriminatory laws. The Marriage and Divorce Bill, which supersedes the Domestic Relations Bill and determines the legal status of women and children, as well as addressing the structural constraints to gender equality at the household level, is yet to be passed. An amendment of the Land Act has been done to address women's land rights. A Domestic Violence Bill has also been passed.

684. Crime Reduction, Safety of Person and Security of Property. The Justice, Law and Order Sector registered progress in tackling the increasing crime rate, fire incidents, proliferation of small arms and illegal entrants. In Uganda, crime annually results in loss of billions of shillings, loss of lives, and destruction of property and is a deterrent to investment. The incidence⁹⁸ of crime over the last years is indicated in Figures 8.1, 8.2 and 8.3.

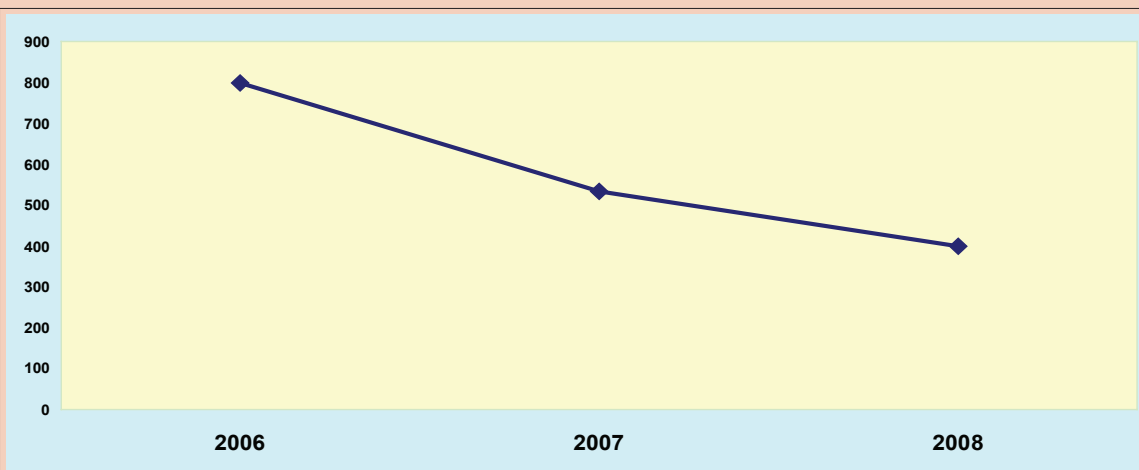
⁹⁸ The total number of crimes reported per population of interest over a given period of time in a defined area (territory/country)

FIGURE 8.1
MONTHLY CRIME TREND 2009



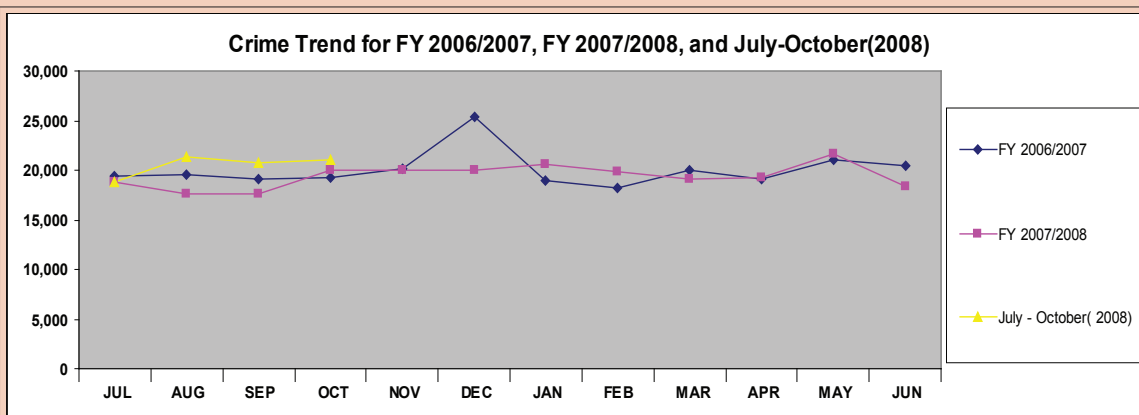
Source: JLOS Progress Report 2008/2009

FIGURE 8.2
CRIME RATE COMPARISON FOR THREE YEARS



Source: JLOS Progress Report 2008/2009

FIGURE 8.3
CRIME TREND FOR TWO YEARS



Source: JLOS Progress Report 2008/2009

685. According to the crime report, the rate of reported crime per one hundred thousand people in 2004 was estimated at 781 and in FY 2006/2007 at 831 with a decline to 400 in 2008. The value of property and cash lost due to criminal activity dropped from UGX.111 billion in 2007 to UGX. 84.5 billion in 2008.

686. In addition, the nature of emerging crimes that threaten and accentuate vulnerability include: the ritual murders of children; increasing trends in gender based violence which continue to negatively affect women's productivity⁹⁹; and rising crime in the post conflict areas. In 2008, a total of 25 cases of ritual murders were reported to the Police. In all these cases, children were the victims . A further profiling of reported crime in 2008 demonstrates that Ugandans are more likely to be victimized by theft and assaults than other crimes. In 2008, the incidence of domestic violence reported to Police was 137 and this led to 156 losses of lives. Defilement of girls under 18 and rape of women continue to rank high among sex related crimes reported to the Police. In 2008, defilement cases ranked highest among sex related crimes at 8,635 cases. Rape cases rose from 599 in 2007 to 1,536 in 2008. Uganda has some of the highest rates of sexual and gender based violence in the world. About 68 per cent of women compared to 20 per cent of men have ever experienced sexual violence. The majority of perpetrators of the physical violence are not taken to court because of inadequate supportive laws and communities have little faith in the formal justice system.

687. Fire outbreaks and management pose a threat to economic investment and safety of the person. In 2008, a total of 48 deaths were caused by fires , 84 fire incidents happened in schools and property worth billions of shillings was lost. Sectoral response so far is constrained by inadequate legal frameworks, inadequate collaboration with Local Governments and other Government sectors.

688. In 2008, 112 guns were recovered from criminals during operations. This represents a minute fraction of the number of illicit arms in communities. The sector presently faces challenges arising from poor enforcement of laws on firearms, absence of a central registry for small arms and light weapons, and a weak arms supply and distribution tracking system. In addition, the lack of a National Identification System constrains planning and provision of services.

689. JLOS Contribution to Economic Development: The JLOS has made positive strides in supporting the economic justice system, improvements in Non-Tax Revenue (NTR) management, and meeting the demands of regional integration. In FY 2007/08, the sector collected NTR amounting to about UGX 25,519,199,403. The Directorate of Citizenship and Immigration Services alone collected up to 18 billion.

690. To respond to private sector demands, the sector has put in place a robust framework for reform of the commercial justice system. It includes targeted support to reform commercial laws, developing the capacity of commercial lawyers, revitalizing the commercial registries and supporting a specialized commercial division of the

99 World Bank(May 2005) Gender and Growth Assessment for Uganda- A Gender Perspective on Legal and Administrative Barriers to Investment Pg Vi

High Court. The commercial division is now operating in its own premises which are more user-friendly, bears its Client Charter and involves private sector organizations in the activities of the court through users committees and ensures participation in the Presidential Investors' Round Table discussions. To meet regional integration demands, efforts are being directed towards harmonization and domestication of treaties, sensitization of the public on rights, duties and procedural arrangements and alternative dispute resolution, which continues to make demands on sector resources.

691. Institutional Development: Overall, there is considerable progress in institutional development. Improvements in sector wide coordination, planning and implementation, and programme milestones for instance in law reform, publicity and de-concentration of prisons have been attained. As of December 2009, the number of High Court Judges was 41 whereas the required number is 82. By close of FY 2006/07, the Criminal Investigations Directorate (CID) of the Uganda Police Force bore personnel strength of 2,442, presenting a workload of 98 cases per detective, compared to the optimum workload of 12 cases per detective per annum. Minimal improvements were registered by close of FY 2007/2008 through a sector-led recruitment effort increasing the strength to 3,371. This translated into a caseload of 69 cases per detective. The Directorate currently operates at 18 per cent of the optimal staffing strength (Table 8.4).

TABLE 8.4			
THE STAFFING POSITIONS IN SELECTED JLOS INSTITUTIONS			
Institution	Staffing Complement	Optimum Staff Load	Gap/ Issues
Police			
General Police	Ratio Police: population is 1:786	1: 500	Annual recruitment of Police to close the gap
CID	Ratio of CID to cases is 1: 69	Ratio of 1:12 cases	Current workload officer ratio has been brought down from 1:98 through recruitment of more officers. Total number now stands at 3,371 officers
DPP&MOJCA			
State Attorneys-MOJCA	144	189	Annual recruitment of State Attorneys to replace State and Police Prosecutors
State Attorney -DPP	148	219	Recruitment must be for those with a degree in law and diploma in legal practice (Bar course)
State Prosecutors-DPP	142		No more recruitment because they are being phased out.
Judiciary			
Supreme Court	7	11	- Judges have retired and should be replaced - The number of Judges should be increased to cater for higher numbers of constitutional cases filed - The current number of judges includes those who are currently serving on Commissions - Number of Chief Magistrates has been enhanced but it is not clear if it is adequate to handle the increased number of cases due to jurisdiction reforms - The number of GI magistrates should be increased to cater for the phasing out of GI magistrates under the professionalization of the Bench programme - Grade II Magistrates are being phased out.
Court of Appeal	8	15	
High Court	41	82	
Chief Magistrates	35	39	
Grade I	110	150	
Source: JLOS Case Backlog Reduction Strategy 2009-2011			

8.2.2 Constraints to the Performance of the JLOS

- i) Inadequate financial and human resources.
- ii) Increasing rate of crime and sophistication of the methods used by criminals.
- iii) Gaps in the existing legislation and slow review process of laws.
- iv) Capacity gaps at institutional level leading to delays in case disposal across the justice system.
- v) Limited coordination between the users of JLOS services and other sectors.
- vi) Long physical distance to service institutions and technical barriers related to gender, disability and poverty.
- vii) Poor welfare particularly in Police and Prisons.
- viii) Poor state of infrastructure in Police and Prisons.
- ix) Inadequate reformatory institutions for special interest groups like juveniles and large numbers of pre-trial detainees awaiting trial for extended periods.
- x) Inadequate affirmative action to facilitate equal access to justice by vulnerable groups including the poor, women, workers and children.
- xi) Limited public understanding of citizens' rights and duties under the law.
- xii) Corruption.

8.2.3 Objectives, Strategies and Interventions

692. Objective 1 – Promote rule of law and due process in Uganda

Strategy 1: Foster the faster enactment and availability of laws and their continuous revision.

Intervention Description

- i) Support comprehensive and demand driven law reforms to enhance access to justice and equality before the law.
- ii) Develop and implement a strategy to publish and disseminate unified law reports.
- iii) Enhance access to updated laws, case precedents in criminal, commercial, family and land justice.
- iv) Revise and simplify laws.
- v) Strengthen the capacity of law drafting institutions.
- vi) Promote judicial activism.
- vii) Expedite the enactment of laws.

Strategy 2: Foster independence of the judiciary.

Intervention Description

- i) Strengthen the Judicial Service Commission and other oversight bodies and institutions.
- ii) Strengthen the law reporting function.
- iii) Enhance capacity of judicial officers and other legal professionals.
- iv) Advocate for improvement of working conditions of personnel in JLOS institutions.
- v) Collaborate with the Public, Civil Society and Uganda Law Society (ULS) to strengthen, protect and address threats to independence of judicial process.
- vi) Create clear mechanisms to resolve conflicts between Judiciary and Executive.
- vii) Ensure administrative and financial independence of the judiciary.

Strategy 3: Enhance due process.

Intervention Description

- i) Improve the environment and procedure for execution of court decisions through vigilant supervision of court brokers and bailiffs.
- ii) Develop standards of justice and improve the enforcement of constitutional time limits and standards in courts, UHRC, tribunals and governments.
- iii) Mainstream gender and human rights standards in the administration of justice.
- iv) Develop internal capacity to enforce regulations.
- v) Enhance awareness initiatives for the public sector on government liability and its application for national development.

Strategy 4: Enhance transparency, accountability and ethics across JLOS institutions.

Intervention Description

- i) Implement the National Anti-Corruption Strategy.
- ii) Implement the JLOS Anti-Corruption Strategy.

Strategy 5: Create more awareness on value of administration of justice in the country.

Intervention Description

- i) Develop and implement incentives and review remunerations to increase staff motivation. The sector will lobby for pay reforms.
- ii) Strengthen institutional disciplinary mechanism.
- iii) Develop and implement procedural manuals.

- iv) Develop and implement performance standards with set targets.
- v) Promote use of client charters and user guides at institutional and sector level to enhance staff accountability.
- vi) Develop and implement code of conduct.
- vii) Sensitise the public about the due process.
- viii) Sensitise government department and the public on the laws.

693. Objective 2 – Foster a culture of human rights observance across JLOS institution.

Strategy 1: Enhance human rights awareness and practices at institutional and sectoral levels.

Intervention Description

- i) Integrate human rights principles in institutional induction; training programmes and operational procedures and promote right based approach in service delivery.
- ii) Improve social responsibility among staff and JLOS institutions.
- iii) Improve customer service.
- iv) Minimize strong law and order orientation.
- v) Increase level of enforcement of codes of conduct.

Strategy 2: Reduce human rights violations in JLOS institutions.

Intervention Description

- i) Implement measures to realize minimum standards of conditions in detention facilities and access JLOS institutions.
- ii) Construct additional detention centres.
- iii) Reduce incidences of human rights violations in detention facilities and institutions.
- iv) Establish and pilot demonstration projects to promote victims and accused persons rights.
- v) Establish a framework of cooperation with UHRC and other security agencies.
- vi) Promote the rights of victims and accused persons.
- vii) Institutionalize complaint mechanisms.
- viii) Develop systems of strengthening institutional and individual accountability.
- ix) Engage CSO and Private Sector through working groups and user committees.

694. Objective 3 – Enhance access to justice for all, particularly for the poor and marginalized.

Strategy 1: Rationalise physical access and availability of JLOS and functions.

Intervention Description

- i) Develop and implement a rationalized, coordinated and cost effective strategy to enhance physical access.
- ii) Construct and equip the Supreme Court and Constitutional Court premises, JLOS house, Criminal Court and appellant courts.
- iii) Renovate and equip offices and courts prioritizing hard to reach areas and post conflict areas.

Strategy 2: Minimise financial bottlenecks hampering access to justice.

Intervention Description

- i) Develop and implement policy and framework for provision of legal aid countrywide.
- ii) Develop, implement and integrate innovative pilots and low cost model of legal aid including paralegal advisory services, juvenile justice and use of paralegal services.

Strategy 3: Promote use of alternative conflict resolution mechanisms (ADR) and innovative approaches to enhance justice.

Intervention Description

- i) Extend use of ADR mechanisms to all focus areas (criminal, commercial, land and family justice) with emphasis to conflict affected areas of Northern Uganda.
- ii) Conduct training sessions in ADR for all staff.
- iii) Develop and implement awareness programmes for the public and users on benefits of ADR.
- iv) Strengthen judicial oversight over ADR and improve record keeping.

Strategy 4: Support National Community Service programme.

Intervention Description

- i) Undertake capacity building in districts.
- ii) Foster rehabilitation of offenders.
- iii) Increase community service orders.
- iv) Enhance completion rates and reduce abscondment.
- v) Reduce rate of recidivism.
- vi) Implement awareness programmes.
- vii) Strengthen programme performance through restructuring and training.

Strategy 5: Strengthen capacity of local council courts to ease access to justice.

Intervention Description

- i) Streamline funding to LC Courts.
- ii) Increase cases handled and disposed off by LC Courts.
- iii) Undertake capacity building for LC Courts.
- iv) Implement and enforce Local Council Court Amendment Act 2006.

Strategy 6: Enhance quality of delivery of justice.

Intervention Description

- i) Develop and enforce minimum standards of service delivery.
- ii) Develop and implement gender and access to justice strategy.
- iii) Develop and implement a comprehensive human resource development strategy.
- iv) Evaluate, review and integrate existing pilots aimed at reducing backlogs.
- v) Improve administration and create efficiency savings with the sector.

Strategy 7: Minimise technicalities that hamper access to justice.

Intervention Description

- i) Develop and implement a comprehensive information dissemination strategy.
- ii) Enhance dialogue between JLOS agencies and communities.
- iii) Simplify laws and translate into at least four (4) regional languages.
- iv) Deploy court interpreters at key points in JLOS sector.
- v) Strengthen and replicate community policing programmes especially in conflict areas of Northern Uganda.
- vi) Build capacity of JLOS institutions and stakeholders to address SGBV.
- vii) Establish and implement mechanism for fast tracking SGBV cases.

695. Objective 4 – Reduce the incidence of crime and promote safety of person and security of property.

Strategy 1: Enhance JLOS response to crime.

Intervention Description

- i) Strengthen capacity of crime fighting agencies through restructuring and training especially crime investigations, detection surveillance and fraud units.
- ii) Recruit, train and deploy police officers and staff.

Strategy 2: Reduce the rate of recidivism.

Intervention Description

- i) Improve the data and information management system for adult and juvenile offenders.
- ii) Develop and implement programmes to rehabilitate both adult and juvenile offenders.
- iii) Wider avenues of communications to monitor and strengthen family and community ties of incarcerated offenders.

Strategy 3: Strengthen crime prevention mechanisms.

Intervention Description

- i) Review and strengthen crime prevention strategy.
- ii) Develop and implement national campaigns against specific crimes such as child related crimes.
- iii) Strengthen the community policing and neighborhood watch programme to increase community participation in crime prevention.
- iv) Partner with regional and international organizations to combat global crimes and work with other national security agencies.
- v) Carry out legislative reforms to minimize the use of legislative sanctions as a mode of social control and address more sophisticated crimes such as e-crime.
- vi) Strengthen the intelligence gathering efforts in UPF and immigration departments to assess and utilize data and establish patterns for decision making.
- vii) Identify and target particular crimes that have multiplier effect on other sector objectives like family based violence, child related crime, land disputes and white collar crime.

Strategy 4: Promote safety of persons and security of property.

Intervention Description

- i) Define and prioritise threats to safety and security.
- ii) Design and implement collaborative partnership with private sector, LGs and Civil Society.
- iii) Develop and implement a costed strategy to promote safety and security of persons.
- iv) Increase presence of JLOS institutions at community level such as police officers, policing initiatives, mobile courts, among others.

Strategy 5: Control, prevent and reduce proliferation of small arms and light weapons.

Intervention Description

- i) Carry out research.
- ii) Institute policy, legal and regulatory framework.
- iii) Capacity building in arms management.
- iv) Establish electronic database.

696. Objective 5 – Enhance JLOS contribution to economic development.

Strategy 1: Support production, competitiveness and wealth creation.

Intervention Description

- i) Conduct study and implement recommendations on land and family justice.
- ii) Streamline the land policy and review the land laws.
- iii) Review and revise key processes to minimize costs of doing business.

Strategy 2: Increase non-tax revenue collections.

Intervention Description

- i) Implement the financial management strategy.
- ii) Review systems for collections of non-tax revenue.
- iii) Revise fines and other matters.

Strategy 3: Strengthen JLOS contribution to creating an environment that enables Uganda comply with and take advantage of regional, bilateral and international trade agreements.

Intervention Description

- i) Develop and implement specialized training programmes, for JLOS staff about direct linkages between public sector performance and economic development.
- ii) Review operations of the Industrial Court.
- iii) Update and harmonise domestic, regional and international laws and procedures that affect the business environment, stifle investment and deep economic growth.

8.3 NATIONAL DEFENCE AND SECURITY

8.3.1 Situational Analysis

697. National Defence and Security is a prerequisite for sustainable socio-economic development, stability, democracy and national unity. This entails ensuring national security for the people and their property, cooperating with civilian authority in emergency situations and in cases of disasters, fostering harmony and understanding between the Defence Forces and Civilians, participating in regional and international operations, and engaging in productive activities contributing to national development. In this plan period, the defence and security sector will continue to play the enabling role while at the same time harnessing the intra and inter-sectoral linkages with various sectors of the economy.

698. Prior to 1986, the defence and security sector was characterized by lack of strategic leadership and a road map, unethical Code and ineffective organs and structures to regulate it. This created problems for the country resulting in animosity between the forces and the civilians, political instabilities and coups. Since 1986, efforts have been directed at addressing the above issues. The NRA Statute which was revised in 1993 guided the forces' ethical and operational code of conduct. Similarly, the Police Force underwent restructuring at both strategic and operational levels focusing on leadership, recruitment, training and discipline. In addition, the Security Organizations Statute in 1987 which defined the roles and powers of the security agencies was enacted. This subjected the sector to Parliamentary oversight, making it accountable and properly regulated.

699. With scaling down of the insurgency in the 1990s, emphasis was put on restructuring and building the national defence and security capabilities. Between 1991 and 1995, a reduction exercise was undertaken in the army which led to optimal levels that would be well trained, equipped and remunerated. Furthermore, in 2001 a decision was taken to professionalize and modernize the Uganda Peoples Defence Forces (UPDF). Subsequently, a comprehensive Defence Review was undertaken resulting in the Security Framework Paper, a Defence Policy, the White Paper on Defence Transformation, the Strategic and Corporate Plans and the Roles and Responsibility Schedules. As UPDF was scaling down its presence, the Uganda Police Force (UPF) increased its activity to fill the gap and it operationalised a number of Police Posts and Stations in the conflict affected areas. More recruitment and training of personnel is being undertaken to ensure police presence at every sub county.

700. The defence and security sector has continued to ensure security for the people and their property which has significantly contributed to a stable socio-economic environment. Key successes include elimination of banditry, urban terrorism and containing cattle rustling. This has largely been attributed to strong leadership, enhanced capabilities in the areas of training, equipment, infrastructure development, supportive legal, policy, regulatory and institutional framework and support of the people.

701. The sector continues to cooperate with civil authority in many areas including emergency situations, internal security and disasters management. The army has actively engaged in disaster management to assist civilians in parts of the country that suffered consequences of floods. Furthermore, the army participated in the distribution and provision of basic amenities such as food, water, medical care especially to the internally displaced people and in cases of disease outbreaks.

702. In line with the Defence Policy which is anchored in popular will and national sovereignty, the sector has continued to foster harmony and understanding between it, civil authority and the population. This strategic partnership has contributed to eliminating the negative attitude towards the sector. As a result of this, the population has continued to support the sector in various operations. Notably among these were the “*Amuka*” and the “*Arrow boys*” support to rout the insurgency in the country. Furthermore, the sector continued to support the building of national unity and inculcation of patriotism through training of civilians at the National Leadership Institute (NALI)-Kyankwanzi and Oliver Tambo School of Political Education-Kaweweta.

703. The sector has continued to contribute to fostering regional and international cooperation through engaging in Peace Support Operations (PSO) under various auspices of regional and international bodies. These include operations in Liberia, Somalia and Sudan, Darfur and East Timor.

704. The Sector continues to enhance its capabilities through engaging in productive activities through the National Enterprise Corporation (NEC) which was established by a Statute of the NRC in 1989. Subsequently, in 1995, Parliament passed a new Law which mandated NEC to produce goods and services for the Defence Forces and the public. For instance, Luwero Industries Ltd. has over the years produced various products in addition to the support it renders to the Forces in terms of fleet repairs and refurbishment. In addition, NEC Construction, Works and Engineering Ltd. (NEC Works Ltd) provides construction services while NEC Tractor Projects assembles and hires out agricultural tractors for modernisation of agriculture. The Defence and Security Sector has also made some progress in the area of construction of supportive infrastructure like security roads and bridges, especially in the North and Eastern parts of the country. The UPF in addressing the state of poor accommodation which had a negative impact in its image has embarked on Public Private Partnership (PPP) to address the problem of accommodation within Kampala Metropolitan (KMP) this will involve the PPP in constructing the Institutional accommodation and commercial development as a revenue generating project to finance the development, operations and maintenance of the structures.

8.3.2 Constraints to the Performance of the Defence and Security Sector

- i) Inadequate housing, medical care, salaries and other basic needs resulting in poor personnel welfare.
- ii) Inadequate social security that limits exit from the army.
- iii) Inadequate operational capabilities to enable the sector effectively play its constitutional role of national Defence and security.

- iv) Political instability in the region which poses a challenge to the sector. The unpredictable and protracted nature of these threats has a significant impact on its meagre resources.
- v) Inadequate policy and legal framework concerning issues like gender and health that have led to increased HIV/AIDS infections.
- vi) Inadequate administrative and training infrastructure.

8.3.3 Objectives, Strategies and Interventions

705. Objective 1 - Enhance the sector's capabilities

Strategy 1: Enhance human resource development

Intervention Description

- i) Recruitment and training of soldiers according to capacity needs and attrition plans.
- ii) Specialized skills will be developed within the military forces to enhance capabilities both in core defence and R&D areas.
- iii) Training of administration and other support personnel.
- iv) Foster better work culture, attitudes, etiquettes, ethics and integrity. This will be undertaken through training and sensitization activities to be included in the local defence and security training programs.

Strategy 2: Re-organize and restructure the defence and security sector

Intervention Description

- i) Review the defence security structures to enhance efficiency as part of the sector's modernization program.
- ii) Clarify roles and responsibilities and deploy staff appropriately.
- iii) Strengthen management structures and build capacity for management staff.

Strategy 3: Procure and maintain equipment.

Intervention Description

- i) Acquire and maintain appropriate equipment.
- ii) Provide logistical support for the maintenance of the equipment.

Strategy 4: Strengthen defence alliances.

Intervention Description

- i) Participate in the negotiation and operationalization of Memoranda of Understanding (MoUs), Protocols and Treaties.
- ii) Enhance inter and intra-sectoral linkages in Government.
- iii) Carry out joint Research and Development with other MDAs at both national and regional levels.

- iv) Enhance international and regional cooperation in the fight of trans-national and trans-border crimes and promote peace regionally and internationally.

Strategy 5: Strengthen defence diplomacy.

Intervention Description

- i) Train and deploy career Defence Attachés to facilitate execution of multiple tasks.

Strategy 6: Build strategic partnerships with the public.

Intervention Description

- i) Identify areas that require partnerships (public and private) and develop a framework for implementation.
- ii) Mobilise and commit resources for partnership arrangements.

Strategy 7: Strengthen the Reserve Force.

Intervention Description

- i) Recruit, train and re-train the reserve force to rationalize the active force. A re-training plan for reserve forces will also be developed and implemented.

706. Objective 2 - Provide and ensure internal security.

Strategy 1: Strengthen internal policing.

Intervention Description

- i) Improve police to population ratio of 1:500 through appropriate recruiting, training and deploying
- ii) Ensure training in specialized fields.
- iii) Provision of transport to improve quick access to scenes of crime and general policing
- iv) Increase use of scientific evidence base investigations by procuring DNA machines and Automatic finger print information system
- v) Provide of specialized equipment including SOCO kits, anti-riot, marine, fire brigade, aviation and dogs,
- vi) Provide of communication and information Technology especially radio communication equipment
- vii) Provide for computerized police operations and administration systems.
- viii) Provide for general maintenance of vehicles, Boats, helicopter and motorcycles.

- ix) Improve surveillance for counter terrorism and International crimes.
- x) Ensure liaison with international police on criminals.
- xi) Improve public relations and customer care.
- xii) Establish and support child and family protection department.
- xiii) Provide office and residential accommodation to police and staff
- xiv) Improve health of police personnel by improving the health facilities and ensure they are equipped
- xv) Improved training facility for the police
- xvi) Provide for regular and routine maintenance of buildings and barracks
- xvii) Provide of staff salary and wages

Strategy 2: Strengthen early warning mechanisms.

Intervention Description

- i) Gather, analyze and disseminate information to fully functional levels.

Strategy 3: Strengthen joint border security coordination.

Intervention Description

- i) Hold regular joint border meetings to ensure better coordination and agreements on various issues.
- ii) Carry out routine border surveillance and prepare regular reports for action.

Strategy 4: Stop proliferation of Small Arms and Light Weapons (SALW).

Intervention Description

- i) Mobilize and sensitize the population through meetings, workshops and community visits against the illegal possession of SALW.
- ii) Disarm persons illegally possessing SALW.
- iii) Conduct vetting, Inspections and Monitoring operations of private security Operations organisations.

707. Objective 3 – Develop physical infrastructure.

Strategy 1: Develop the Engineers' Corps in the Army.

Intervention Description

- i) Develop a policy, legal and regulatory framework to guide support to National infrastructure development.
- ii) Undertake targeted recruitment and training of professionals for infrastructure development.
- iii) Acquire equipment for Engineers' Corps to establish capacity for them to handle infrastructure development within the sector.

Strategy 2: Improve office and accommodation infrastructure.

Intervention Description

- i) Construct new Headquarters for the Ministry of Defence.
- ii) Construct and relocate Air Force Headquarters.
- iii) Renovate/construct Division, Brigade and Battalion Headquarters.

Strategy 3: Improve social services infrastructure.

Intervention Description

- i) Construct a Military Referral Hospital.
- ii) Construct/ Upgrade Division and Brigade Health centres.
- iii) Renovate/ construct UPDF training schools and colleges.
- iv) Construct/ Upgrade Regional Clinics to Health centre II levels.
- v) Renovate/ construct UPDF training schools and colleges.

708. Objective 4 – Promote Innovation, Research and Development.

Strategy 1: Strengthen Research, Development and Innovation.

Intervention Description

- i) Undertake targeted recruitment and training of professionals.
- ii) Equip and provide raw materials for R&D and incubation and production centres
- iii) Support technology transfer and acquisition.
- iv) Develop and implement an incentive framework for talented human resource and unique professions within the sector.

709. Objective 5 - Improve staff welfare especially remuneration for sector.

Strategy 1: Rationalise salaries and wages for army and police.

Intervention Description

- i) Institute a review and implement improved remuneration.

Strategy 2: Improve working environment.

Intervention Description

- i) Provide transport and necessary equipment.

Strategy 3: Improve pension and gratuity management.

Intervention Description

- i) Validate and pay pension and gratuity arrears.
- ii) Develop and institute a social security framework for the sector.

Strategy 4: Improve provision of health services.

Intervention Description

- i) Ensure adequate supply and efficient utilization of equipment and materials in health units.

Strategy 5: Improve SACCOs and Police and Defence shops.

Intervention Description

- i) Stock defence shops and make them operational.
- ii) Increase capitalization to SACCOs.
- iii) Provide Technical Assistance to SACCOs in the sector.

8.4 ENVIRONMENT

8.4.1 Situational Analysis

710. Environment is mainly described by the state of atmospheric resources, water resources and wetlands, biodiversity and ecosystem health, land resources, fisheries resources, human settlement and infrastructure and energy resources. These resources play a pivotal role in the realization of sustainable development. The environment sector contributes to the productivity of other sectors especially agriculture, industry and fisheries by providing natural assets from a sustainable natural resource base. It also reduces the public cost of providing particular services. For example, over 90 per cent of the disease burden in Uganda, such as malaria, cholera, and diarrhoea, is environmental health related. In 1998, the environment sector was estimated to have contributed 54.4 per cent of total GDP¹⁰⁰.

711. Uganda is well endowed with rich biodiversity in terms of species richness and abundance. Recent surveys indicate an occurrence of over 18,783 plant and animal species¹⁰¹, with at least 50 per cent of the famed Mountain Gorillas, over 1,000 bird species, over 7 per cent of the global mammal species, and unique game. Most of Uganda's biodiversity is in protected areas (forest reserves and wildlife conservation areas), but there is a lot of biodiversity on private land. This rich biodiversity offers a comparative advantage in bio-trade and national development. Bio-trade refers to the collection/cultivation, transformation and commercialization of biological resources. The global demand for bio products and services is growing.

712. There is a range of biodiversity based products and services in Uganda and these include Natural Ingredients for Food, Cosmetics and Pharmaceuticals (NIFCP), Ornamental plants (wild flowers and foliage), live animals and animal products (pets, skins), Carbon Trade, Payment for Ecosystem Services, Fisheries (food and ornamental) and Handicrafts and furniture among others.

¹⁰⁰ Moyini and Muramira, 2001

¹⁰¹ NEMA, 2006

713. However, there has been rapid deterioration of the quantity and quality of these natural resources as a result of increased pressure from high population and economic activities. The main challenges include environmental degradation through habitat conversion, pollution, proliferation of invasive species and handling emerging environmental issues such as e-waste, the impact of oil and gas discovered in the Albertine Graben, and management of chemicals.

714. Habitat loss has affected most ecosystems such as forests, wetlands, rangelands and catchments and resulted into the loss of biodiversity especially on privately owned land. Land degradation through soil erosion and loss of soil fertility and productivity have a negative impact on Sustainable Land Management (SLM).

715. The poor disposal of solid and liquid waste from industries and human settlements, among others, has put the health and livelihood of thousands of inhabitants at risk. The waste profile in Uganda is increasingly becoming complex with new additions of electronic waste, radioactive waste, plastics and polythene materials, industrial wastes and medical waste to the traditional organic wastes. Noise pollution is becoming a challenge especially in urban areas.

716. Invasive alien species which are non-indigenous introduced in the country have brought about changes that are harmful to ecosystems, biodiversity, health, economic or other aspects of human life. They reproduce, and spread in their environments, dominating vegetation and water bodies and displacing native species.

717. Other impacts on the environment are arising from the use of genetically modified organisms such as bio-fuels. They have a potential to offer solutions to energy scarcity and energy insecurities facing Uganda and other developing countries. However, in pursuing the benefits of bio-fuels the risks of invasion by introducing plant species has received little or no attention. Large areas of rainforests are being cleared for growing bio-fuel crops leading to loss of biodiversity and degradation of the environment in general.

718. Though the production of chemicals in Uganda is still minimal, thousands of tonnes of chemicals (petroleum products, agricultural chemicals, cosmetics, drugs, chemicals embedded in electronic gadgets, among others) are imported into the country every year for use in the various sectors. These can be detrimental to environment if not properly managed.

719. The discovery of oil and gas in the Albertine Graben poses serious environmental challenges. The Albertine Graben is the most species rich eco-region for vertebrates in Africa and contains 39 per cent of Africa's mammal species, 51 per cent of its bird species, 19 per cent of its amphibian species and 14 per cent of its plant and reptile species.

720. Government has put in place elaborate environmental laws, regulations and standards to guide the management of environmental resources. However, the level of compliance to these environmental laws, regulations and standards is still very low, leading to misuse and degradation of the environment.

721. Environmental management cuts across all sectors and requires the participation of various actors. The environmental mainstreaming measures in the MDAs and Local Governments are weak partly due to capacity and funding.

722. CSOs have become more vigilant with regard to issues of environment and rural development. In particular, their roles have included: environmental advocacy, mobilization of resources, capacity building for environmental management, environmental awareness and education. More participation by CSOs, especially the media and CBOs, is expected to generate demand for accountability from environment management institutions.

8.4.2 Constraints to the Performance of the Environmental Sector

- i) Poor compliance with environmental laws and regulations.
- ii) Inadequate appreciation of the contribution of environmental management to economic development.
- iii) Limited practical knowledge of environmental laws within law enforcement agencies (Police, prosecutors, magistrates, prison officers), to handle environmental offences effectively.
- iv) Insufficient relevant information in a timely manner and in formats that can readily be used by investors, planners and decision makers.
- v) Inadequate institutional capacity in NEMA, DESS and Local Governments to execute their roles.
- vi) Limited networking, collaboration and coordination among the national and international communities on information sharing and financial leverage.
- vii) Inadequate funding.
- viii) Weak regulation and control of counterfeits and other non-environmentally friendly goods.

8.4.3 Objectives, Strategies and Interventions

723. Objective 1 - Restore degraded ecosystems (wetlands, forests, range lands and catchments) to appropriate levels

Strategy 1: Restore the forest cover to 1990 levels.

Intervention Description

- i) Support re-forestation and forestation on both public and private land.
- ii) Promote participation of the population in tree planting through national campaigns and provision of free and subsidized tree seedlings. Civil society organizations and the private sector will be mobilized to support this initiative.
- iii) Enhance private investment in forestry through promotion of commercial tree planting on private land, agro-forestry and the use of trees to demarcate boundaries of land holdings.

Strategy 2: Restore the wetlands, rangelands and monitor restoration of all ecosystems.

Intervention Description

- i) Gazette wetlands to increase acreage.
- ii) Implement catchment-based management systems to restore the rangelands and catchments.
- iii) Monitor and inspect restoration of ecosystems (forests, wetlands, catchments).

Strategy 3: Support environmental improvement initiatives.

Intervention Description

- i) Support sustainable provision of ecosystem services through restoration of fragile ecosystems (river banks, lakeshores, hilly and mountainous areas, and wetlands).
- ii) Promote tree planting in public institutions (Local Government headquarters, schools, colleges, universities, prisons, Police and army barracks among others).

724. Objective 2 - Ensure sustainable management of environmental resources and minimize degradation

Strategy 1: Integrate environmental concerns in all development initiatives.

Intervention Description

- i) Mainstream environmental concerns in all policies and plans.
- ii) Review and update sectoral specific guidelines, policies, plans, programmes and legal frameworks for mainstreaming environment.

Strategy 2: Strengthen the policy, legal and institutional framework to support environmental management.

Intervention Description

- i) Strengthen the institutional capacity of NEMA, DESS and Local Governments to enable them execute their roles effectively. In this regard, staffing and skills development in the environment institutions, re-tooling and equipping and research and development will be priority.

Strategy 3: Develop national, regional and international partnerships and networks to enhance trans-boundary environmental management.

Intervention Description

- i) Strengthen institutional capacity for trans-boundary management of environment. Ensure effective transboundary monitoring.

- ii) Establish international partnerships for monitoring environmental and spill over effects.
- iii) Ensure the domestication and implementation of international and regional protocols concerning environment through establishment of a coordination secretariat.

Strategy 4: Enhance institutional collaboration between key actors for example UNBS, URA and NEMA to assist in regulating counterfeits and other non-environmental friendly products.

Intervention Description

- i) Effect institutional mechanisms and measures put in place to prevent environmentally un-friendly products from entering the country.

Strategy 5: Increase public awareness and environmental education.

Intervention Description

- i) Develop and implement awareness programmes on the contribution of a healthy environment to national development.
- ii) Increase public awareness through media, talkshows among others.
- iii) Strengthen environmental education in the education system through reviewing the curriculum.
- iv) Support implementation of innovative and environmentally friendly initiatives that include; energy efficient technologies, environmentally sound waste management practices, innovative community based environmental management schemes, cleaner production practices, modern incineration facilities for hazardous wastes, and generation of energy from human waste in public institutions (schools, prisons, and police and army barracks).

Strategy 6: Promote compliance with environmental laws and regulations.

Intervention Description

- i) Strengthen mechanisms for screening public interventions and enforcing environmental compliance through assessment of policies, programmes and plans as well as putting in place environmental standards, regulations and guidelines.
- ii) Enforce environmental impact assessment compliance through monitoring implementation of mitigation measures.
- iii) Enforce compliance with regulations through licensing, carrying out inspections and audits for compliance.
- iv) Advocate and support training of Magistrates, Lawyers and other law enforcement agencies in environment related aspects.
- v) Operationalise the Environment Police Unit.
- vi) Train Police and other law enforcement agencies in environment aspects.

Strategy 7: Increase and enhance access to environmental information for investment and environmental management.

Intervention Description

- i) Establish and maintain a functional national environment database.
- ii) Institute mechanisms for collecting, analyzing and disseminating environmental data and information for production of the State of Environment Reports (SOER) and Environmental atlas.

725. Objective 3 - Identify and address emerging environmental issues and opportunities.

Strategy 1: Improve electronic and other hazardous waste management.

Intervention Description

- i) Develop a policy on e-waste management and other hazardous wastes.
- ii) Develop a national action plan, guidelines, regulations and standards for management of e-waste.
- iii) Establish e-waste regional collection centres.

Strategy 2: Sustainable management of Oil and Gas resources.

Intervention Description

- i) Conduct a Strategic Environment Assessment (SEA) for the Albertine Graben¹⁰².
- ii) Build capacity in managing related environmental challenges.
- iii) Compile environmental databases and publish environment atlas.

Strategy 3: Improve the management of chemicals.

Intervention Description

- i) Develop national and sectoral chemicals profiles.
- ii) Build sectoral capacity for sound chemicals management.
- iii) Review and integrate sound chemicals management in sectoral policies, plans and programmes.
- iv) Develop national chemical profiles and priority management interventions.
- v) Implement identified priority areas in national profile for chemical management.

¹⁰² Albertine Graben stretches from Arua to Kanungu.

8.5 CLIMATE CHANGE

8.5.1 Situation Analysis

726. Sustainable economic and social development of Uganda largely depends on exploitation of its environmental and natural resources, including climate. However, the increasing degradation of these resources coupled with increasing climate variability and climate change is beginning to have a serious negative impact on Uganda's social and economic development and the livelihoods of millions of its people. Indeed the degradation is threatening Uganda's attainment of development targets including the Millennium Development Goals (MDGs). Past experience in Uganda shows that El Nino and Lanina episodes are the principal causes of the most severe climate change related disasters in Uganda.

727. Climate change models for Uganda¹⁰³ point to an increase in temperature in the range of 0.7°C to 1.5°C by 2020. The models predict a likely increase in the variability of rainfall with most areas probably getting higher rainfall. These changes will have impact on agricultural production and food security. This will have a significant effect on employment levels particularly in the agriculture sector where over 70 per cent of the country's population is engaged.

728. Other predicted impacts will be on national security, the life span and durability of infrastructure, and hydro power production. Although the predicted climate change is not as damaging and extreme as in many countries, Uganda is judged¹⁰⁴ to be amongst the most vulnerable and least climate resilient due to poverty and low income diversity.

729. Uganda is a party to the United Nations Framework Convention on Climate Change (UNFCCC, adopted in 1993) and the Kyoto Protocol (KP) that came into force in February 2006. It obliges Uganda to put in place appropriate mitigation and adaptation measures to address the cause and effects of climate change as well as undertake education and awareness programmes. These Treaties have been ratified but not yet domesticated. A 2008 study¹⁰⁵ recommends that a statutory order is used to fast track the insertion of these treaties into local legislation. Several studies undertaken by the Climate Change Unit in the Ministry of Water and Environment on the overall policy environment in Uganda for climate change have also shown that most of the relevant sector policies have not integrated climate change.

730. In 2007, a National Adaptation Plan of Action (NAPA) was launched with support from the Global Environment Fund (GEF) which presents a list of 9 priority projects with a cost of approximately USD 40 million. Limited progress has been made in implementing the NAPA due to lack of funds, and inadequate capacity to prepare detailed proposals and mobilize funding.

103 IPCC 2000

104 CIGI 2007

105 Danida 2008, pg12

8.5.2 Constraints to the Performance of the Climate Change Sector

- i) Critical shortage of requisite expertise.
- ii) Limited awareness at all levels about the causes of climate change and/or climate variability as well as their devastating impacts to socio-economic development plans and activities.
- iii) Lack of policy, legislation, regulation and guidelines for mainstreaming climate change into development plans at all levels.
- iv) Inadequate conceptualization of the importance of weather and climate information by strategic planners.
- v) Insufficient and unreliable scientific data and information especially weather and climate data necessary for forecasting scientific phenomena.
- vi) Inadequate institutional and financial resources.
- vii) Weak coordination mechanisms.

8.5.3 Objectives, Strategies and Interventions

731. Objective 1 - Develop national capacity for coordination and implementation of climate change adaptation and mitigation activities in the country in support of social welfare and national development.

Strategy 1: Address legal and institutional frameworks necessary for the implementation of the UNFCCC.

Intervention Description

- i) Domesticated and enforce the UNFCCC and its related protocols.
- ii) Strengthen the capacity and mandate of the Climate Change Unit to allow for effective sector coordination and streamline roles and linkages with other stakeholders.
- iii) Undertake sectoral studies and identify their role in climate change action.
- iv) Develop national climate change policy to provide a conducive policy and regulatory framework.

732. Objective 2 - Ensure climate proof development planning.

Strategy 1: Re-define climate change as a development issue.

Intervention Description

- i) Increase climate change awareness, training and education at all levels.
- ii) Implement the NAPAs with a focus on building community and ecosystems' resilience to adverse impacts of climate change.
- iii) Build capacity through institutional and manpower development.
- iv) Strengthen weather and climate monitoring for improved data generation.

- v) Conduct climate change research (adaptation and mitigation) and technology development.
- vi) Develop mainstreaming guidelines, with a strategy to climate proof development initiatives for use at all levels of Government.

733. Objective 3 – Promote Low carbon economic development path.

Strategy 1: Provide and promote incentives for clean development.

Intervention Description

- i) Intensify public education on the role of emissions in global warming.
- ii) Develop and implement incentive mechanism for reduced or avoided emissions.
- iii) Build capacity of private sector to effectively participate in clean energy development initiatives.
- iv) Reduce overheads for CDM Project formulation and development.

734. Objective 4 – Meet Uganda's international obligations.

Strategy 1: implement climate change conventions.

Intervention Description

- i) Follow up the commitments and obligations in the conventions.
- ii) Implement COP decisions.
- iii) Participate in Climate Change Fora.

8.6 WATER RESOURCE MANAGEMENT

8.6.1 Situational Analysis

735. The need for equitable use, integrated and sustainable management of the water resources is increasingly taking centre stage in national development processes. The economic activities which rely on water resources include domestic water consumption, livestock watering, industrial and commercial water supply, hydropower generation, irrigated agriculture, marine transport, fisheries, waste discharge, tourism and environmental conservation. Uganda's water resources are trans-boundary in nature and thus require strategic regional and international cooperation. The challenges the country faces are related to ensuring increased socio-economic benefits and sustainable management of water resources for the present and future generation.

736. Uganda's fresh water resources comprise of rivers, lakes, wetlands, ground water found in aquifers underground and direct rainfall. The lakes, rivers and wetlands cover about 18 per cent of her total surface area. The internal surface water resources are estimated at 39 cubic kilometres per year (km³/yr) while ground water resources are estimated at 29km³/yr. However, because some water comes from outside Uganda, the total internal renewable water resources (IRWR) is estimated at

39km³/yr. The external renewable water resources are estimated at 27km³/yr with 25km³/yr as inflow from Lake Victoria and 2km³/yr from the Democratic Republic of Congo. The total renewable freshwater resources in Uganda are estimated at 66 km³/yr. Due to a rapidly increasing population, the volume of water per capita has been decreasing from 2,800 m³ in 2002 to 2,200m³ in 2008. However, the spatial and temporal variability often renders many parts of the country water stressed over long periods of the year which poses a big challenge to water resource utilisation and management.

737. Uganda currently has capacity to utilize only 1 per cent of the current renewable freshwater for consumptive uses. Of this 1 per cent, 51 per cent is used for domestic water supply. The average consumptive use per capita is at 21m³/yr in 2008 compared to 12m³/yr in 2002. This level of water use is considered sub-optimal in comparison with the neighbours and the world as indicated in Table 8.5.

TABLE 8.5										
WATER WITHDRAWALS IN UGANDA IN COMPARISON WITH OTHER REGIONS										
Country/ Region	Year	Annual Water Withdraw (Units lx106m ³)						Total Volume	% of TRWR	Withdrawal per capita (m ³ /yr)
		Agriculture	% of Total	Domestic	% of Total	Industrial	% of Total			
Uganda	2002	120	40	134	45	46	15	300	0.5	12
Uganda	2008	259	41	328	51	50	8	637	1.0	21
Kenya	2003	2,165	79	470	17	100	4	2,735	8.9	87
Tanzania	2002	4,632	89	527	10	25	1	5,184	5.6	143
Africa	2002	182,349	86	21,462	10	9,003	4	214,814	5.5	247
World	2002	2,661,000	70	380,000	10	777,000	20	3,181,800	8.7	599

Source: FAO 2005

738. Non-consumptive water-use activities include hydropower generation, fisheries, tourism, marine transport, waste discharge and environmental conservation. It is estimated that approximately 50 per cent of current renewable freshwater is used for non-consumptive uses especially hydropower. This quantity and quality of water, therefore, has to be available in water bodies to ensure that these non-consumptive uses are sustained. For example in 2005, the lowering of Lake Victoria water levels, significantly affected hydropower generation. The consequences peaked with a severe shortfall in hydropower of 148 MW; equivalent to about UGX 37 billion was experienced. It is estimated that the country spends UGX 92 billion annually on thermal generation of electricity as a result of the reduction in hydropower generation capacity at Jinja¹⁰⁶.

739. A major phenomenon that is a threat to the above benefits is climate change and its impact. If not carefully planned for and managed using mitigation measures, climate change will continue to negatively impact on socio-economic returns from water resources. Droughts, floods, landslides, windstorms and hailstorms, which contribute over 70 percent of the natural disasters in Uganda, annually destroy an average of 800,000 hectares of crops, making economic losses in excess of UGX 120 billion.

¹⁰⁶ State of Environment, NEMA 2008.

740. To increase and sustain these social-economic benefits, there has to be effective and efficient management of the country's water resources. Achieving this requires collaborative efforts at both national and trans-boundary levels given the localized and trans-boundary nature of water resources and their catchments. Currently, water resources management in the country has five aspects: trans-boundary water resources management; water resources assessment and monitoring; water resources planning and regulation; water quality management; and catchments-based water resources management.

741. Trans-boundary water resources management: There are two major on-going initiatives. They include the Lake Victoria Basin Commission (LVBC) that involves EAC¹⁰⁷ member states and the Nile Basin Initiative involving a total of 10 countries in the Nile Basin. Under the LVBC initiative, one of the major issues of concern is the water release policy for Nalubaale dam, which affects all EAC member states. Under the Nile Basin Initiative, it is worth noting that riparian countries agreed on a shared vision whose objective is "to achieve sustainable socio-economic development through utilisation of, and benefit from, the common Nile basin water resources".

742. Water Quality Management: This is paramount to sustaining fishing, reduced cost of domestic water supply treatments and environmental conservation. The existing National Water Quality Monitoring Network comprises of 119 monitoring stations. This represents 40 per cent of the required network. Six monitoring points in the Greater Murchison Bay of Lake Victoria were added to the permanent monitoring stations to track water quality changes in this important bay. The main source of pollution is waste water discharge into the water bodies from industries and municipal waste water. The level of compliance with national waste water discharge standards is estimated at only 40 per cent. The largest quantity of this waste water discharge is untreated sewage from Kampala.

743. Water Resources Planning and Regulation: This involves developing plans for integrated use of water resources, allocating it to meet various uses and regulating its use in line with the Water Act and National Water Policy. Regulation is done through use of water permits for controlling water abstraction, use and waste water discharge. The total number of permits issued since 1998 is 681 out of the estimated 1,049 eligible permits, representing 65 percent of eligible permit holders. Furthermore, due to limited institutional capacity, only 102 (14.9 per cent) were monitored for compliance in the FY 2006/07, increasing to 188 (27.6 per cent) in the FY2007/08. Overall compliance within the water permits was 40 per cent in 2008 and has increased to 55 per cent in 2009. Compliance is lowest in waste water discharges because of high cost of investment, coupled with high technical knowledge requirements for construction and operating waste water treatment plants.

107 EAC: East African Community

744. Water Resources Assessment and Monitoring: This involves monitoring and assessing the variation of the quantity and quality of water resources due to both human and climatic impacts and thus providing information for supporting various production and investment activities. The current network consists of only 80 hydrological stations (71 river stations, 9 lake levels) out of the required 120 gauging stations, which represents 75 per cent of the required network. Most of these stations are still read manually. Water resources mapping has been carried out in only 33 out of 80 districts as of 2008. A comprehensive water resources database is operational. However, more effort will be required to improve the connectivity, automation and real time data acquisition.

745. Catchments Based Water Resources Management: The catchment based water resources management involves decentralizing the management of water resources to appropriate levels (catchments/basins) and involving all key stakeholders. This helps to conserve the water and related resources and ensure sustainable and integrated water use thereby promoting equity and avoiding potential water use conflicts. Pilot catchment based WRM has been carried out since 2006 in River Ruizi, River Mpanga/Lake George, Semliki and Lake Albert catchments. The results show that the approach is effective.

8.6.2 Constraints to the Performance of Water Resources Management Sector

- i) Limited institutional and human capacity especially skills in negotiating trans-boundary issues, regulating the use and pollution of water resources, and implementing catchment-based water resources management.
- ii) Interference in the management of water resources especially in regulatory aspects.
- iii) Weak policy, legal and regulatory framework.
- iv) Weak enforcement of laws and regulations for water abstraction, releases and waste discharge.
- v) Lack of water resources data and information which limits analysis, negotiation on trans-boundary issues, proper management of the resources and community participation.
- vi) Rigid and cumbersome regional and international agreements and protocols that slow the process of exploitation and use of trans-boundary water resources.
- vii) Water hyacinth and other invasive weeds that affect the use of water especially for fisheries in the major lakes, hydropower generation at Jinja and Marine transport in Lake Victoria.
- viii) Delayed implementation of land use policy.

8.6.3 Objectives, Strategies and Interventions

746. Objective 1 - Ensure that Uganda fully utilizes its water resources for development and guarantees her water security.

Strategy 1: Promote cooperation for equitable and sustainable utilisation of shared water resources of the Nile and Lake Victoria Basins.

Intervention Description

- i) Train key technical personnel in the relevant negotiation and diplomatic skills across relevant MDAs to enhance their capacity, and give Uganda an advantage in sharing of water resources with member countries.
- ii) Enhance technical and financial capacity of the Water Policy Committee (WPC) to effectively provide strategic guidance on management and development of water resources.
- iii) Update the relevant water laws and regulations to ensure that they reflect present and future requirements. In addition, a policy will be formulated and a regulatory framework designed to guide Uganda's effective participation in trans-boundary water resources affairs.
- iv) Raise awareness; build capacity and confidence in trans-boundary water resources issues. This will be done by designing and implementing programmes and projects for confidence building.
- v) Establish a Management Information System (MIS) for trans-boundary water resources management.
- vi) Ratify all protocols and agreements and harmonize the domestic laws and policies with them.

747. Objective 2 - Ensure sustainable utilisation of water resources to maximize benefits for the present and future generations.

Strategy 1: Monitor the quantity and quality of water resources in the country.

Intervention Description

- i) Expand, replace and automate hydro meteorological, river gauging, groundwater and water quality stations, which is expected to improve the water monitoring network.
- ii) Continuously collect, process, analyze data and disseminate it to the relevant stakeholders in a timely manner.
- iii) Train personnel to effectively analyze data and information.
- iv) Prepare a national strategy for storm water control and utilization.
- v) Provide sufficient security for the water measuring instruments.

Strategy 2: Foster partnerships with relevant agencies to ensure proper use and protection of catchments to minimize degradation of water resources.

Intervention Description

- i) Prepare and sign MOUs with relevant stakeholders to implement catchment management strategies.
- ii) Establish a National Water Resources Institute to develop human resource capacity in Integrated Water Resources Management (IWRM) approaches. This will raise the number of stakeholder groups trained in IWRM and increase their level of involvement in water resources management.

Strategy 3: Promote cost effective planning and development of water resources.

Intervention Description

- i) Assess national and regional water resources (quantity and quality) and prepare key reports such as Hydrological yearbook and ground and surface water maps, to guide planning and development activities.
- ii) Promote the utilization of the assessments to guide investment in, exploitation and use of water resources.

Strategy 4: Strengthen the national data and Management Information System (MIS) for water resources management and development.

Intervention Description

- i) Establish, operationalise and maintain an integrated MIS for water resources management.
- ii) Procure a useful analytical tool-box that includes relevant software and train staff in its application.

Strategy 5: Decentralize the management of water resources to the lowest appropriate scientific level (water management zones, catchments and or basins).

Intervention Description

- i) Support the establishment and functionality of four (4) water management zones.
- ii) Establish and support the functionality of catchments based management organizations. Catchment communities will be supported to set up their own committee structures to effectively manage their specific areas.
- iii) Prepare and implement national and catchments based plans for water resources management and development using IWRM principles.

Strategy 6: Strengthen national and regional capacity for water quality analysis.

Intervention Description

- i) Establish and ensure functionality of regional laboratories for water quality analysis.
- ii) Upgrade the existing national water quality laboratory to international standards and ensure that it is internationally certified.
- iii) Continuously carry out water quality analysis on water bodies to determine the quality of water.

Strategy 7: Improve regulation and management procedures of large and small hydraulic works.

Intervention Description

- i) Develop and operationalise reservoir “operation policies” to regulate hydraulic works.
- ii) Develop and implement procedures for issuing new licenses for hydraulic works.
- iii) Ensure regular inspection and compliance with regulations.
- iv) Strengthen safety monitoring and inspection of dams and produce annual dam safety monitoring reports.
- v) Develop and operationalise lake/ reservoir management strategies

Strategy 8: Strengthen the management and use of water reservoirs for fisheries, hydropower and lake transport.

Intervention Description

- i) Control of water hyacinth and other invasive weeds.
- ii) Develop and operationalise appropriate forecasting models and technologies to guide routine planning and use of Lake Victoria, big reservoirs, lakes and River Nile waters.

Strategy 9: Strengthen regulation of water use and waste water discharge to safeguard the water resources from over exploitation and pollution.

Intervention Description

- i) Increase issuance of relevant water permits for abstraction and waste water discharges.
- ii) Improve compliance monitoring and enforcement of water laws and permit conditions.
- iii) Strengthen stakeholder participation in enforcement of water permit conditions.
- iv) Conduct training programmes for existing and potential permit holders and key staff from police, judiciary and law society in water law and regulations.

748. Objective 3: Support the sustainable exploitation of water resources for economic activities.

Strategy 1: Promote use of water resources to increase the per capita withdraw target.

Intervention Description

- i) Promote water use in various sectors of the economy.

8.7 METEOROLOGY SECTOR

8.7.1 Situational Analysis

749. Weather and climate information and accurate forecasting of these phenomena is essential to planning and management of economic production, provision of social-services and other key national services such as defence.

750. Meteorological services provide real time, short term, seasonal and long term forecasts and essential parameters that are critical for civil aviation and air defence purposes; planning and management of agricultural production; water resource use and management; solar energy use; research, disaster and rescue operations; transport, trade and tourism; and for monitoring and management of environmental related diseases. The meteorological parameters are essential in the design, construction and management of physical infrastructure. In addition, they are necessary to understand weather variability and climate change as well as their impact on socio-economic development.

751. Currently, the short term prediction accuracy ranges from 40 to 50 per cent while the long-term prediction is in the range of 70 to 80 per cent. Real time prediction is only limited to Entebbe airport for aviation purposes. The accuracy is limited due to the condition of instrumentation used for observation.

752. With the current instrumentation, only ground observations are being carried out, though insufficiently. Atmospheric parameters are not being observed save for satellite observation. On the whole, only 17 per cent of the required instrumentation is available to capture the required weather and climate data and information. Furthermore, the equipment and tools are obsolete and not automated.

753. Out of the 9 types of meteorological stations¹⁰⁸ required, only 6 are in place. The missing types are upper air, radar and pilot balloon stations. This limits the quality and quantity of meteorological information captured and consequently the meteorological products available for socio-economic planning and management.

754. Within each type, there are a number of observation stations. These stations are located within specifically defined spatial scientific zones. However, there are insufficient numbers of stations of a given type within defined specific zones.

¹⁰⁸ These types include; Agro-meteorological, Climatological, Hydro-meteorological, Synoptic, Rainfall, satellite, upper air, radar and pilot balloon stations.

Currently, out of 20 agro-meteorological zones, only 4 have observation stations; out of 110 climatological zones, only 18 have observation stations; out of 20 hydro-meteorological zones, only 2 have observation stations; Out of 16 synoptic zones, only 12 have observation stations; out of 600 isohytic zones, only 65 have stations; and out of 4 satellite zones, only one observation station is available.

755. Accurate prediction of weather and climate phenomena requires data and information from other countries. To attain this, Uganda is party to a number of international Protocols, Conventions and Agreements¹⁰⁹ which bind it to certain standards and obligations. Currently, data and information is exchanged within member countries at scheduled time intervals and agreed standards. Furthermore, data and information is being provided to institutions for various purposes including search and rescue missions and disaster management. However, on average only 30 per cent of the required information and data is availed mainly due to obsolete, insufficient and inadequate meteorological infrastructure.

8.7.2 Constraints to the Performance of the Meteorology Sector

- i) Obsolete and inadequate equipment which limits data collection, analysis and provision of meteorological services.
- ii) Acute shortage of skilled human resources.
- iii) Weak institutional set-up.
- iv) Absence of a policy and legal framework to guide the provision of services.
- v) Inadequate funding for sector activities.
- vi) Limited appreciation and use of meteorological services by other sectors of the economy.

8.7.3 Objectives, Strategies and Interventions

756. Objective 1 - Provide modern meteorological services to effectively and efficiently support the various sectors of the economy.

Strategy 1: Overhaul, automate and inter-link the meteorological system.

Intervention Description

- i) Increase the type and number of automated weather and climate observation stations to meet national and international requirements. The whole system will be automated and inter-linked.
- ii) Provide accurate real time, short term and long term forecasts to facilitate the effective performance of the different socio-economic sectors including, Air transport, defence and security, agriculture, health, industry, construction, water resources management.

¹⁰⁹ World Meteorological Convention, the International Civil Aviation Convention, the United Nations Convention on climate change, the Kyoto protocol and desertification convention.

Strategy 2: Enhance the human resource capacity to strengthen observational and analytical capabilities.

Intervention Description

- i) Recruit, train and retain technical personnel to enable provision of accurate meteorological services to various users.

Strategy 3: Create awareness and promote use of meteorological services.

Intervention Description

- i) Develop and implement awareness programmes on the importance and use of meteorological services.
- ii) Design and disseminate sector specific meteorological application products.

Strategy 4: Strengthen the policy, legal and institutional framework for meteorological services.

Intervention Description

- i) Formulate and implement a meteorology policy.
- ii) Formulate and implement a Meteorology Act and subsequent regulations.
- iii) Strengthen the agency managing meteorological services.

8.8 WETLAND MANAGEMENT

8.8.1 Situational Analysis

757. Wetlands are a critical part of the environment and one of the important natural resources that invariably contributes to the health of the environment and the socio-economic development of the country. They hold an enormous amount of fresh water and provide buffering capacity against pollution, flooding and siltation. They also provide essential life support through stabilization of the hydrological cycle and microclimates, protection of river banks and lake shores, nutrient and toxin retention and sewage treatment. In addition, they have high biodiversity values and provide ecological services such as habitat for wildlife (including migratory birds), and fish breeding grounds.

758. Wetlands are an important part of national development. They support tourism especially bird watching; fisheries industry by providing conducive breeding grounds; water supply through provision of buffering capacity of fresh water and treatment of the urban waste waters; and water resources by protecting the water bodies from pollution and sedimentation. Wetlands contribute to the construction industry by providing building materials such as clay, sand, and timber. Wetlands support agriculture through their use for paddy rice farming and providing water for livestock. They further prevent flooding which otherwise destroy people and property. The ecological contribution to the environment through nutrient acquisition,

processing and recycling is significant. Therefore the sustainable management and use of wetlands is paramount for the sustainable development of the nation.

759. The wetlands in Uganda cover almost 30,105 square kilometres, or about 13 per cent of the total land surface area of the country excluding open waters. Of this, 1/3 is permanently flooded. They include areas of seasonally flooded grassland, swamp forest, permanently flooded papyrus and grass swamp, and upland bog. The wetlands lie in varying altitudes from 1,134m at Lake Victoria to 1,534m in the Rwenzori Mountains.

760. These wetlands hold enormous amounts of freshwater reserve estimated at 20 cubic kilometres. They are habitat to not less than 210 bird species, ranging from the Shoebill and African Skimmer to the endemic Fox's Weaver. In addition, there are four Papyrus endemics which include the Papyrus Gonolek, Papyrus Canary, White-winged Warbler and Papyrus Yellow warbler. There is also the White Winged Black Tern roost of about 2 to 3 million birds in the Entebbe area (Lutembe bay). Furthermore, they provide sanctuary for the reptiles and other mammals that are essential for tourism and biodiversity. They also provide fish sanctuary and breeding places for many types of fish in Uganda. The mud fish, lung fish, tilapia and Nile perch all breed in wetlands. The fish industry contributed over USD 117 millions in export revenue in 2007 down from USD 142.69 in the previous year.

761. It is estimated that the purification function of 5 square kilometre of Nakivubo wetland in Kampala is estimated at USD 1.3 million per year¹¹⁰, while over 5 million people directly depend on wetlands for water supply calculated at commercial price in rural areas to be UGX 50 billion per year¹¹¹. Papyrus harvesting and mat making in rural wetlands in eastern Uganda contribute USD 200 per year per family.¹¹² It is also recognized that wetlands contribute to human welfare by providing a course of goods that support subsistence income generation estimated at USD 11.4 million per annum for rural households.¹¹³ However, other products like poles, grass, fish, vegetation, clay and sand, also contribute significantly to Uganda's economy specifically towards improving the daily incomes of the poor. For example, small-scale brick making in wetlands is a well-established industry providing large numbers of specialized artisans with a regular income. Wetland edge cultivation is carried out throughout the country and ensures daily provisions to different people.

762. Despite the importance of the wetlands, they continue to disappear at alarming rates, mainly attributed to their direct consumptive use value. By the year 2000, an estimated 2,376 square kilometres had been reclaimed for other purposes including agriculture, industrial, residential and commercial purposes. In western Uganda many wetlands have been converted into agricultural land and large-scale dairy farms. In Eastern Uganda, many valleys are used for small holder paddy rice production. This represents almost 2 per cent of the total wetland areas. The figure

110 Emerton et al 1999

111 WSSP 2001 -2010

112 IUCN 2005

113 Moyini and Muramira 2001

is estimated to be higher due to increased population and development pressure on wetlands.

763. In line with the Ramsar Convention on Wetlands, Uganda has designated 12 sites covering 454,303 hectares as Ramsar sites, or Wetlands of International importance. These include Lake Bisina wetland system, Lake George wetland system, Lake Mburo-Nakivali wetland system, Lake Nabugabo wetland system, Lake Nakuwa Wetland System, Lake Opeta wetland system, Lutembe Bay wetland system, Mabamba bay wetland system, Murchison falls-Albert delta wetland system, Nabajjuzi wetland system, Rwenzori Mountains Ramsar Site and Sango bay-Musambwa Island-Kagera wetland system.

8.8.2 Constraints to the Performance of the Wetland Management Sub-sector

- i) Lack of specific Sub-sector laws. Existing related laws are inconsistent and impose very weak penalties.
- ii) Weak structures and mechanisms for enforcing laws and regulations.
- iii) Inadequate funding for effective wetland management.
- iv) Limited specialized skills and equipment.
- v) Inadequate research and data on key components of wetlands such as hydrology and soils.
- vi) Delayed implementation of the national land use policy.
- vii) Undervaluation of wetland products and services owing to lack of appreciation of their importance.
- viii) Poor marketing strategies for wetland products which makes them less competitive on the local and international markets.

8.8.3 Objectives, Strategies and Interventions

764. Objective 1 - Enhance the sustainable use of wetlands in order to achieve the optimum, ecological value and socio-economic benefits for development.

Strategy 1: Conserve the biodiversity value of wetlands.

Intervention Description

- i) Strengthen national data and information for wetland management and regularly update district wetland inventories.
- ii) Establish a monitoring system to assess and enhance value of wetlands.
- iii) Carry out mapping of current bio-diversity of wetland and assess the values.
- iv) Ensure increased awareness and political support for sustainable wetland management.

Strategy 2: Enhance the ecological value of wetlands.

Intervention Description

- i) Assess, document and disseminate the ecological and socio-economic values of wetlands.
- ii) Promote wise-use of wetland for socio-economic development.
- iii) Gazette wetlands in collaboration with Survey and Mapping and the Land Registry.

Strategy 3: Ensure sustainable use of wetlands for economic purposes.

Intervention Description

- i) Develop innovative approaches to wetland management through Research and Development.
- ii) Undertake socio-economic and wetland valuation studies in critical and vital wetlands.
- iii) Establish and equip national wetlands research centre.
- iv) Develop and disseminate wetland resource user guidelines.
- v) Strengthen collaboration with key sectors notably tourism, agriculture, water supply and fisheries sub-sectors through harmonization of relevant Sectoral policies.
- vi) Enhance community involvement in wetland management through various Community initiatives.

Strategy 4: Institute and operationalise appropriate policy, legal and institutional frameworks.

Intervention Description

- i) Harmonize related policies and legal frameworks for effective wetland management especially Local Government Act, Wetland Act and Environmental Act.
- ii) Strengthen capacity of the sub-sector institutions through recruitment of sufficient staff, and acquisition of equipment and tools.
- iii) Formulate and enforce the wetland laws and regulations.
- iv) Harmonize structures, procedures and systems for wetland management with water resources management especially the decentralized roles.
- v) Zone wetland areas for effective management.
- vi) Support community initiatives that promote wise use of wetlands.
- vii) Establish market centres for wetland products and services countrywide.
- viii) Establish wetland based domestic carbon credit trade mechanism/schemes.
- ix) Strengthen close collaboration with relevant institutions.

Strategy 5: Restore degraded wetlands and ensure sustainable management.

Intervention Description

- i) Rehabilitate and restore degraded wetlands.
- ii) Develop and implement framework management plans for wetland systems.
- iii) Develop and implement community based wetland management plans.
- i) Identify and gazette Ramsar sites and wetland reserves.

Strategy 6: Promote transboundary co-operation for sustainable management of wetlands.

Intervention Description

- i) Ratify and domesticate Conventions, Protocols, Treaties, Agreements and other trans-boundary wetland initiatives; and establish regional wetland centres of excellence.
- ii) Establish wetland education and information centres and incorporate wetland issues/topics in the education curriculum in Schools.

8.9 DEVELOPMENT OF NATIONAL STATISTICS

8.9.1 Situation Analysis

765. Statistics are an integral part of the enabling infrastructure for national development. They are important for public policy and programme formulation, implementation, monitoring and evaluation. Statistics are critical to national development planning and implementation of private sector, civil society and academic research activities. It has been noted that “good statistics are absolutely vital to sensible, sound economic management, good social policy and are as necessary to the nation as sound money and clean water” (Michael Scholar).

766. Official statistics infrastructure and activities were largely non-existent before the colonial period (up to 1948) when the first population and housing census was conducted in Uganda. However, significant efforts have been made in the last decade to improve the national statistics. Various statistics are produced in the country through censuses, surveys and administrative action. At the level of MDAs, a variety of management information systems that process administrative and other data have been developed such as the Education Management Information System (EMIS) and the Health Management Information System (HMIS), although hampered by issues of coordination, financing, standardization and donor dependency. Since 2006, however, the development of statistics in the country has been enhanced by putting in place the Plan for National Statistical Development (PNSD).

767. The assessment of the status of statistics in the country revealed weaknesses in organizational development and management, limited human resource capacity as well as inadequate statistical production and dissemination standards in MDAs

and LGs. The organizational issues include the need to strengthen the institutional capacity of the Uganda Bureau of Statistics (UBOS) by amending the UBOS Act, 1998, and clearly defining the role of MDAs and LGs within the National Statistical System (NSS) framework, in order to enable the Bureau to manage the NSS effectively.

768. In particular, improving the availability and quality of statistics is limited by the low capacity of MDAs and LGs to generate, analyse, utilize and disseminate statistics. UBOS has permanent presence in only two (2) districts (Gulu and Mbarara) out of eighty (80), which greatly limits the Bureau in managing the NSS and build the required capacity for timely national and small area statistical production.

769. Statistics development in the country continues to be affected by the low numeracy out-turn at the education foundation levels of pupils and students. The education and training of Statisticians at University level has also been affected by the collapse of the East and Central African Regional Statistics Training Programme at Makerere University which was intended to support training of applied statistics, especially in key relevant and critical areas. The University infrastructure is inadequate and trainer gaps are beginning to get pronounced at University level in key critical statistics disciplines such as agricultural statistics, monetary and financial statistics as well as other economic statistics.

8.9.2 Constraints to the Performance of National Statistical Sector

- i) Limited capacity of MDAs and LGs to implement the PNSD. This is attributed to poor staffing and facilitation as well as limited statistical infrastructure, which limit undertaking of statistics activities by these institutions.
- ii) Inadequate legal, regulatory and policy frameworks. The UBOS Act, 1998 is not clear about the roles of MDAs, LGs and other stakeholders. The regulatory and policy frameworks are weak. There is need for a consistent and coherent framework for coordination of the NSS.
- iii) Education and training system does not adequately cater for Statistics. Weak numeracy at the education foundation level limits enrolment for statistics and mathematics at various levels. The higher level infrastructure and facilities for teaching statistics are inadequate.
- iv) Under funding. Resources for official statistics are inadequate. Most large data collection exercises (establishment and household surveys, and the Population Census of 2002) have relied on external donor funding. Sectoral components are inadequately resourced in terms of finances and resources for statistical production. Without adequate funding, there would neither be key economic, social and demographic statistics, nor monitoring of the National Development Plans.
- v) Limited use and appreciation of statistics for policy design, formulation and development debates. There is limited appreciation of the vital role of statistics in the national development process. A number of policies and decisions do not benefit from statistical evidence.

8.9.3 Objectives, Strategies and Interventions

770. Objective 1 - Improve the availability and quality of sector statistics.

Strategy 1: Operationalise the Plan for National Statistical Development (PNSD).

Intervention Description

- i) Strengthen capacity within MDAs and LGs to generate accurate and relevant data. This will entail establishing positions within organizational set-up of MDAs and LGs as necessary, as well as filling them with appropriately qualified personnel. In addition, the institutions will be equipped and facilitated to effectively collect, analyze and disseminate relevant statistical information.
- ii) Introduce provisions to ensure mandatory allocation of resources by all MDAs and LGs for statistics. In this regard, legal, regulatory and administrative provisions will be put in place to ensure adequate resource allocation to support statistics activities.

Strategy 2: Improve use of statistics by MDAs and promote information sharing at national level.

Intervention Description

- i) Train MDA staff in generation and application of statistics.
- ii) Develop and implement an awareness and sensitization strategy on use of statistics and ensure it is adopted.
- iii) Create a framework for statistical information sharing. A system for regular statistical information interchanges will be developed and regular exchange of statistical information among stakeholders promoted.

771. Objective 2 - Strengthen institutional capacity of the UBOS for effective coordination of National statistics.

Strategy 1: Institute a consistent and coherent framework for coordination of the National Statistical System (NSS).

Intervention Description

- i) Amend the UBOS Act, 1998 to empower UBOS to manage the NSS and to define the role of MDAs and LGs within the NSS framework.

Strategy 2: Train and retain personnel to facilitate fulfilment of UBOS mandate and functions for implementation of the NSS.

Intervention Description

- i) Train UBOS staff to provide leadership in the implementation and roll out of the NSS.

772. Objective 3 - Strengthen LGs in data generation and dissemination.

Strategy 1: Develop LG institutional capacity for generation and use of statistics.

Intervention Description

- i) Develop an organizational framework for generation of LG statistics. The Community Information System (CIS) and Local Government Information and Communication System (LOGICS) will be institutionalized and rolled out to all Local Governments.
- ii) Equip and facilitate LGs to collect, analyze and disseminate LG statistics. This will include facilitating and equipping districts and lower Local Governments to operate CIS and LOGICS.
- iii) Recruit and train staff for collection and analysis of LG statistics.

773. Objective 4 - Train, build capacity and retain statisticians in key relevant areas/fields.

Strategy 1: Avail short-to medium-term support to key tertiary training institutions

Intervention Description

- i) Mobilize foreign short to medium-term technical assistance for tertiary institutions.
- ii) Establish a scholarship scheme to support external graduate training. This will result in statisticians being trained at post-graduate level in shortfall areas.

Strategy 2: Develop a critical mass of local tertiary institutional staff to provide graduate training in priority areas.

Intervention Description

- i) Develop a policy to attract, develop and retain professionals.
- ii) Develop and implement an infrastructure development plan for the teaching of statistics in tertiary institutions.

Strategy 3: Revive the East and Central African Regional Statistics training programme.

Intervention Description

- i) Identify the critical success factors and redesign the programme/project document and implementation plan for East and Central African Regional Statistics training programme.
- ii) Mobilize resources and implement the above programme.

774. Objective 5 – Improve availability of national statistics,

Strategy 1: Generate Social Economic indicators and population data .

Intervention Description

- i) Collect Social Economic data.
- ii) Collect population and household data.
- iii) Carry out other surveys.
- iv) Carry out National census.

Strategy 2: Generate population data.

Intervention Description

- i) Collect population and household data.
- ii) Carry out other surveys.
- iii) Carry out national census.

8.10 STANDARDS AND QUALITY INFRASTRUCTURE

8.10.1 Situational Analysis

775. The national standards and quality infrastructure comprises human and physical infrastructure that supports competitiveness of local products and services and protection of the consumers. It comprises of standards and technical regulations, quality assurance, metrology (science of measurement), inspection, certification, laboratory testing and accreditation.

776. Uganda's National standards and quality infrastructure is still in its infancy and constitutes the National quality infrastructure that acts as software to the success of all economic activities. Standardization and conformity assessment activities include: inspection, certification, laboratory testing and accreditation are carried out by both the public and private sectors.

777. Apart from UNBS there are a number of other Government departments and agencies, which have mandates to develop and administer standards and technical regulations for improvement of Uganda's competitiveness and trading capacity, including protection of public health and ensuring sustainability of the environment. Furthermore, under the Local Government Act, Local Authorities have both legislative and executive powers to implement standards and technical regulations. This has not only resulted into creation of institutions with overlapping mandates, but also some conflicting ones. UNBS regulates the public and private laboratories but there is conflict of interest with its mandate. On realizing this, Government is in the process of putting in place an International Apex Standards Body by amending UNBS Act (1983) to harmonize the coordination of the public and private international certifying agencies, inspection agencies, and laboratories (both private and public). In addition, it has developed the Quality Infrastructure and Standards Program (QUISP, 2009) to harmonize and streamline the standardization infrastructure. QUISP supports trade, health, safety, consumer protection and a sustainable environment.

778. There are limited Uganda standards for the entire range of products and services. Currently there are 1,204 Uganda standards of which 39.9 per cent are engineering standards, 34.9 per cent are food and agriculture standards, 18.8 per cent are chemical standards and 6.5 per cent are management standards. This is extremely low compared to other countries like Kenya that have a total of 8,000 Kenya standards.

779. The capacity of UNBS and other public sector administrators and regulators are weak. There is low capacity of producers/manufacturers, importers and service providers to absorb and comply with the required technical requirements, standards and codes of conduct. There are currently 203 companies certified by UNBS against Uganda standards, and 86 companies certified against ISO standards on quality and environment. The physical infrastructure is limited to only one laboratory equipped and located in Kampala.

780. There are low levels of public awareness about the role of standards and quality in the competitiveness of local products and consumer protection. Consumers are not able to understand the importance of standards in consumer protection.

781. Uganda is a member of the World Trade Organization (WTO) and is, therefore, obliged to fulfil and implement the WTO agreements on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary measures (SPS). The TBT and SPS Agreements have specific requirements which Uganda's standardization system has to comply with for effective participation in multilateral trading arrangements. These bring about new challenges such as the need for the country to base its own technical regulations on international standards.

782. Uganda does not have a voting right to influence final international standards set by ISO due to lack of funds to subscribe for membership. Unfortunately, inability to vote means that important decisions are taken on Uganda's behalf without her participation and yet Uganda is bound to these decisions.

783. International standards are regulated under EUREPGAP, which changed to GLOBAL GAP with a focus at farm level. Uganda uses these standards to domesticate its standards in line with regional EAC standards. MTTI and UNBS are in the process of developing a draft UGA-GAP standards. Currently, not more than three firms are certified under UGA-GAP, which are horticultural farms (mainly fruits and vegetables). The Flower farms are also certified by IFS and UGA-GAP but mostly by private commercial retailers under their umbrella organization for Horticultural Exporters Association (HOTEXA).

784. Some of the international standards that Uganda subscribes to include: ISO for industrial sector, IEC for electrical sector, Codex for food stuffs, IPPC for plant protection, OIE for animal health, ITV for telecommunications sector, and many others. While the public standards focus on safety and quality, the private standards are broader including traceability (record keeping), social dimension (child labour, among others) and environment (i.e. organic products). Most of the private or commercial standards by retailers have stringent international requirements.

8.10.2 Constraints to the Performance of the Standards and Quality Infrastructure Sector

- i) Lack of a National policy on standardization.
- ii) Obsolete laws and regulations that do not provide deterrent measures against violation. Many of the laws came into effect before the advent of liberalization and globalization and there is need to review/update them to address current best practices.
- iii) Low levels of public awareness on the role of standards and quality in the competitiveness of local products and consumer protection.
- iv) Low capacity by producers, manufacturers, importers and service providers to absorb and comply with the required technical requirements, standards and codes of conduct, good practices and conformity to assessment procedures due to high costs of compliance for inspection, testing and certification.
- v) Weak standards and quality infrastructure to support the growing economy in both imports and local production of goods and services.
- vi) Inadequate and poorly facilitated staff to undertake rapid standardization within Uganda.
- vii) Weak institutions for the management and enforcement of standards and conformity assessment due to inadequate funding thus exposing consumers to counterfeits, sub-standard services and shoddy goods that are unsafe, having shorter life or poor functionality.

8.10.3 Objectives, Strategy and Interventions

785. Objective 1 - Promote the use of standards and quality infrastructure to improve the competitiveness and safety of Ugandan products, processes and service delivery systems in domestic, regional and international markets.

Strategy 1: Strengthen Uganda's standards development and quality infrastructure and processes to guarantee industry competitiveness (especially SMEs).

Intervention Description

- i) Strengthen the institutional capacity of service providers concerning standards development, conformity assessment and metrology.
- ii) Increase participation in regional and international standardisation.

Strategy 2: Adopt the use of standards in public policy and legislation to foster business competitiveness and protection of public health, safety and the environment.

Intervention Description

- i) Develop and implement a national policy on standardization that takes into consideration the needs and aspirations of business in Uganda, international best practices and market requirements.
- ii) Review, update and harmonize the laws on health, safety and environment protection to ensure effective use of standardization in public sector policy and regulation.

- iii) Develop and implement mechanisms to enhance the use of standardization in public procurement.
- iv) Establish and implement a National regulatory mechanism consistent with the WTO TBT and SPS Agreements.
- v) 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.

Strategy 3: Set up a national conformity assessment regime that provides confidence in national capacity and competences in line with market requirements

Intervention Description

- i) Establish a national accreditation system to provide credibility and international recognition of conformity assessment services.
- ii) Establish a national inspection and certification system to demonstrate conformance of products and services to standards and regulations.
- iii) Establish a scientifically rigorous and internationally recognized (accredited) testing laboratory network to provide testing for products in line with established standards and regulations in priority sectors of national economy.
- iv) Establish and maintain a National metrology and calibration system to support businesses.

Strategy 4: Develop and maintain institutional capacity for development, analysis, implementation and dissemination of laws, regulations and standards in line with demonstrated priorities and anticipated needs in standardization.

Intervention Description

- i) Designate key institutions with clear non-overlapping and or non-duplicable mandate in the critical sectors of the economy to oversee standards, technical regulations and conformity assessment infrastructure.
- ii) Build and strengthen capacity of the key institutions in form of human and material resources including housing, laboratories and operational logistics commensurate with the level of the economy.
- iii) Establish mechanisms to support private sector especially MSMEs in building capacity to produce and trade in quality goods and services competitively, and on a sustainable basis.
- iv) Ensure sustained inspection and enforcement of regulations for compliance with market requirements.
- v) Establish and implement a National supply and repair policy, and maintenance facility for sophisticated laboratory equipment.

Strategy 5: Increase awareness on standardization among public and private sector decision makers to enhance competitiveness and improve consumer protection.

Intervention Description

- i) Enhance awareness, advocacy and implementation support for application of standards and use of conformity assessment and measurement services to increase competitiveness of local products and services, but also enhance the general understanding of the roles and benefits of producing safe and quality products.
- ii) Create awareness in industry and among the public on the benefits of using standards.
- iii) Create and maintain awareness among the policy makers and institutions of learning on standardization and the need to include it in the formal education system. This will entail development of curricula in standardization and institutionalisation in the school system.
- iv) Raise the level of awareness in Government on the benefits of using standards in social policy, regulatory system and public procurement.
- v) Raise the level of awareness in the business sector and among the population on the benefits of using standards at the different levels of business such as purchasing, manufacture and supply.

Strategy 6: Establish a National co-ordination framework to enhance cooperation and coherence within the National standardization system including public private partnerships

Intervention Description

- i) Establish a clear coordination and collaboration mechanism of major stakeholders, with defined mandates and responsibilities for the different actors which promote harmonization of objectives and programmes among stakeholders.
- ii) Restructure and streamline public institutions and agencies to clarify their mandates, roles, and responsibilities so as to avoid duplication, fragmentation, overlaps, gaps and conflict of interest.
- iii) Designate and mandate a single National Authority on national standards to provide coordination of national positions, act as a single depository of standards and technical regulations, so as to avoid duplication/proliferation of national standards.
- iv) Define a mechanism for recognizing other standards setting bodies and make sure that standards receiving designation as national standards are relevant and minimize conflict with other standards.

Strategy 7: Promote the application and use of standards in industry to enhance quality and competitiveness.

Intervention Description

- i) Create awareness in industry and among the public on the benefits of using standards.

Strategy 8: Evolve innovative and sustainable funding business models to attract increased funding

Intervention Description

- i) Develop flexible business models that secure sustainable funding for standardization.
- ii) Enhance Government's contribution to standardization to ensure global competitiveness of the economy, protection of public welfare, and the overall national interests.
- iii) Strengthen industry support towards standardization activities through funding for participation of experts, research, and sharing of information useful in defining and setting standards requirements.

8.11 PUBLIC SECTOR MANAGEMENT

8.11.1 Situational Analysis

786. Public Sector Management (PSM) is a key function for efficient and effective management of public service delivery. It entails the establishment of institutions, structures and systems, and the formulation and enforcement of policies, laws, regulations, standards and procedures for effective coordination and management of public service delivery systems. PSM aims at ensuring that public services are accessible by users in a timely and reliable manner, and they are affordable and of good quality. As Government's coordination mechanism, PSM ensures that public service delivery institutions are well guided (strategic planning and policy direction), coordinated and regulated. PSM strives to build capacity of public service institutions for effective and efficient service delivery as well as ensuring that these institutions conduct themselves in a manner that is accountable to the general public (value-for money). The objective is to enhance coherence in policy frameworks for public sector management in planning, policy formulation and implementation, coordination of implementation, monitoring and evaluation of Government policies and programmes, and institutional and human capacity building both at central and Local Government.

787. The lack of clarity between the functions and role of PSM and that of Public Administration (PA) has in the past affected service delivery. While PA is concerned with politics and governance of the country in order to create public value, PSM deals with productivity management of public sector institutions. The interface between the political and technical arms of the public sector (both at Central and Local Government levels) has been affected by limited mechanisms of transforming

political direction into development results. On the one hand, the technical arm has in many instances been slow to adapt to dynamic political changes. For example, policy implementation is weak in many areas and a number of interventions are constrained by the absence of pre-requisite policies. On the other hand, a number of political directives have sometimes been contradictory to existing established policy implementation mechanisms. This has often compromised faster implementation and the quality of service delivery to the frustration of citizens and the private sector.

788. The design of systemic organization structures must be dynamic and purposely responsive to the demands of its clients. The level of dynamism and responsiveness of Uganda's PSM institutions to market signals, citizen demands and the regional and global dynamics is currently weak and, therefore, affects Government performance. This problem is partly attributed to institutional configuration and instruments of Government which date back to colonial times. This set up is in many respects unsuitable for the contemporary demands of citizens and business actors. The Government's machinery is also characterized by a misalignment between institutions and functions. This has created unnecessary bureaucracy, conflicts, overlaps and duplication in the discharge of public functions by various PSM institutions. As a result, there are a number of public functions being executed by institutions whose mandate does not cover such functions. Furthermore, the power relation between the existing regulatory agencies and their parent ministries is complicated by the fact that the former cannot adequately regulate the latter.

789. In a bid to improve PSM, Government has instituted a number of reform programmes and strategies. These include:

- i) Support to Local Governments in output orientation of budgets. Through engagement and negotiation with LGFC and ULGA, Government introduced a Local Services Tax in compensation of GT;
- ii) A pay roll cleaning exercise in Central and LGs;
- iii) Continued implementation of the fast tracking of the East African Political Federation by instituting avenues for the EAC customs union and establishment of the EAC common market;
- iv) Implementation of affirmative action measures to address inequalities. For example the design and on-going implementation of the Peace Recovery and Development plan (PRDP) for Northern Uganda;
- v) Adoption of performance enhancement measures such as OOB and ROM;
- vi) Institutional capacity strengthening programmes including e-government support by MoICT, capacity building programme at NPA and MoLG and institutional restructuring exercise by MoPS, among others;
- vii) The preparation of a comprehensive National Development Plan (NDP) as a successor to the PEAP.

790. Under PEAP, Government approved a more comprehensive institutional framework for coordinating the implementation of Government policies and

programmes under the OPM. The framework entails a hierarchy of coordinating committees headed by a Cabinet Sub-Committee on Policy Coordination and supported by a secretariat in OPM. It is, however, not so clear whether this resolves the challenges of performance management in the public sector. There is still considerable scope for improvement by reducing the multiple reporting channels in the current coordination framework which are responsible for the waste that is apparent across and within sectors, and between sectors and the Local Government system. The challenges of monitoring, evaluation and performance measurement are widespread, causing unnecessary work overloads and de-motivation mainly at district level. The monitoring and supervision of implementation within Local Governments by Ministries is uncoordinated and inefficient leading to less efficient use of resources.

791. The NDP is aimed at providing a more comprehensive framework for systematic achievement of strategic goals and targets in line with the country's Vision of "a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years". The single coordinated and harmonised plan (NDP) will harmonise policy implementation, monitoring and evaluation. This requires strengthening of the planning functions at all levels (Central, Local and NPA).

792. The Government performance measurement and management framework is still weak. There are no organized processes amongst the central control agencies for ensuring that Government objectives are properly financed and implemented; and that the problems in policy management and service delivery are identified and fixed. The Results Oriented Management (ROM) initiative should be complemented by instituting better compliance and control measures.

793. Staffing and management in the public service is characterised by low remuneration and meagre annual salary increments. In general, the salaries are insufficient for civil servants to afford a decent standard of living. In addition, the working environment is ill-equipped for personnel to adequately perform. There is limited stability in structures as a result of frequent changes in government priorities and piece-meal re-structuring processes. New MDAs and LGs have been created without due consideration to the functional relationship between them and existing institutions, a phenomenon that has exacerbated the problem of duplication of effort and wastage of public resources.

794. The level of staffing in public institutions is also low. For instance, the average staffing of Local Government structures is at 64 per cent¹¹⁴ of the approved structure. This is against a background of increasing demand for public services mainly as a result of increasing population. Local Governments also lack capacity to generate local revenue in order to manage delegated services. Achieving an optimal split between un-conditional and conditional grants on one hand, and the systems for development of Local Government revenue sources and mobilization of local revenue on the other, is a challenge that affects viability and sustainability of Local Government structures.

¹¹⁴ Source: Ministry of Public Service, Payroll Monitoring Unit, June 2008

795. Public Sector institutions suffer from personnel attraction, recruitment, selection and retention problems, especially in hard to reach and hard to stay areas in Local Governments. In some instances, District Service Commissions (DSCs) are dysfunctional.

8.11.2 Constraints to Public Sector Management

- i) Weak policy, legal and regulatory framework. This has severely affected government implementation in key sectors such as agriculture and transport.
- ii) Overlaps and duplication: conflicting, overlapping and duplicated mandates still exist in public sector functions, especially planning, coordination of implementation, monitoring and evaluation.
- iii) Non compliance with service delivery standards: enforcing compliance for performance and regular reporting in public institutions is a key challenge constraining service delivery.
- iv) Low motivation, remuneration and inspiration of public servants.
- v) Inadequate and inappropriate service delivery structures: Of recent new MDAs have been created. However, their mandates are not rationalized with already existing institutions, a phenomenon that creates duplication, inefficiency and wastage. The quest for bringing services closer to the people has led to creation of new districts, which has increased the cost of Public Administration at the expense of service delivery.
- vi) Understaffing of public management institutions is a key factor affecting service delivery. The problem manifests in the following: unfilled established posts resulting from under-funding of manpower structures, high labour turnover, uncoordinated deployment and failure to report to new stations especially in hard to reach and hard to stay areas. This problem is aggravated by the protracted recruitment and selection process in public service.
- vii) Low levels of productivity in the public sector attributed to inadequate facilitation (man/capital ratio), understaffing, poor work culture, and ill-health especially due to HIV/AIDS.
- viii) Weak planning, budgeting, policy coordination and implementation processes.
- ix) Low responsiveness of Uganda's public sector institutions to market and citizenry demands.
- x) Inadequate funding of the sectors largely due to low domestic revenue mobilization.

8.11.3 Objectives, Strategies and Interventions

796. **Objective 1** - Strengthen the policy, legal and regulatory framework.

Strategy 1: Strengthen the public policy formulation and implementation and legal framework.

Intervention Description

- i) Ensure NDP is the basis of policy making and sector strategies are geared towards implementing it.
- ii) Rationalize the function of policy coordination in Government with a view to strengthening the Cabinet Secretariat.
- iii) Ensure that ongoing policy reforms are in line with the strategies in the NDP and the National Vision Framework.
- iv) Strengthen the capacity of civil servants and empower them to provide evidence based policy agenda and innovation.
- v) Establish a framework for the effective engagement of the public in policy making process.
- vi) Institute the framework for promoting Public Private Partnerships (PPP) and supporting private sector role in service delivery.
- vii) Review the law making process to ensure ownership.
- viii) Recruit and place legal officers in MDAs and LGs
- ix) Ensure laws are formulated within policy context.
- x) Institutionalise Regulatory Best Practice in Government
- xi) Establish mechanisms for translating political direction and decisions into policy implementation framework including election manifestos.
- xii) Implement recommendations of the PSM study on strengthening coordination, information flow and sharing within the public sector.
- xiii) Develop and implement the PSM Strategic Investment Plan (SIP).
- xiv) Develop and implement programs that define, build consensus, promote and inculcate National Values.
- xv) Harmonize existing legislations for planning and implementation.
- xvi) Finalise and disseminate the National Vision Framework.

Strategy 2: Separate the role of regulation from that of planning and implementation across MDAs.

Intervention Description

- i) Separate the roles of regulation from planning and policy, implementation, operations and maintenance. This relates to MWE, MoWT and MAAIF.
- ii) Review the framework for oversight of privatized institutions.

Strategy 3: Strengthen policy planning frameworks in Government.

Intervention Description

- i) Review the national planning function and its legal framework to remove overlaps and duplication.
- ii) Strengthen planning units in the MDA and Local Governments.
- iii) Establish a system for reviewing the quality of public policy and plans.
- iv) Establish capacity and strengthen geo-spatial planning and implementation.

797. Objective 2 - Rationalise public sector institutions to deliver the NDP Objectives.

Strategy 1: Review institutional mandates, roles, responsibilities and structures.

Intervention Description

- i) Undertake a comprehensive review of structures, with particular attention to rationalization, harmonization and affordability.
- ii) Rationalize the OPM with a view of decongesting it so that it concentrates on its constitutional mandate effectively.
- iii) Strengthen the Ministry responsible for LG to deal with Karamoja affairs, Luwero triangle, northern and the local level “Baraza”.
- iv) Review the PERT policy to enable responsible Ministries to have technical oversight over the parastatals like; the Ministry responsible for agriculture, animal industry and fisheries to deal with NAADS, NARO, CDA, CDO, DDA, UTDA, ULI, and USL; the ministry responsible for energy and mineral development to deal with ERA, UEDC, UEGC, UETC and Kilembe Mines Limited; the Ministry responsible for works and transport to deal with RAFU, NRSC, ERB, TLB and URC; the Ministry responsible for tourism, trade and industry to deal with MTAC, UEPB, UIRI, UNBS, UTB, UTA, UWA, WEC, IPS, KSW, SCoUL, UGMC; and the Ministry of Information to deal with the New Vision.
- v) Decongest the MoES with a view to ensuring that all training institutions are returned to the respective technical Ministries responsible for Health, Agriculture, Works, Environment, Lands, Public Service and Labour.
- vi) Review the policy framework for the Ministry responsible for ICT with a view of creating a new Ministry responsible for Science, Technology, Innovation and ICT.
- vii) Review the policy framework for information and broad casting with a view of creating a portfolio under the Presidency responsible for “Information and Broadcasting”.
- viii) Strengthen the Ministry responsible for labour and social protection to fully deal with National Social Security Fund and Pension issues.

- ix) Strengthen the Ministry responsible for gender to deal with the issues related to the National Women Council and National Youth Council, and related issues.
- x) Strengthen the Ministry responsible for social development to lead the issues related to the Public Libraries Board.
- xi) Rationalize the role of Ministry of Public Service to ensure that the Ministry is responsible for policy and planning of human resource, Public Service Commission regulates human resources management, and the MDAs are empowered to recruit, hire and dismiss staff.
- xii) Institute prompt payment of severance packages for redundancy arising out of restructuring.

Strategy 2: Ensure that the five year NDP is operational.

Intervention Description

- i) Create awareness and publicity for timely implementation of the NDP.
- ii) Prepare and disseminate the 10 year NDP.
- iii) Monitor plan implementation and undertake a mid-term review and final evaluation of the NDP.

Strategy 3: Provide overall oversight and reporting on the 5-Year National Development Plan, 10 Year Plan and the 30 Year Vision.

Intervention Description

- i) Carry out a mid-term review of the 5 -Year NDP, 10 Year Plan and 30 Year vision.
- ii) Enhance capacity of NPA to perform functions of a Secretariat to the 5-Year National Development Plan, 10-Year Plan and the 30-Year Vision.
- iii) Undertake research to inform strategic planning, visioning, and monitoring and evaluation.
- iv) Develop the next 5-Year NDP.

Strategy 4: Build sustainable capacity of Sectors and Local Governments for development planning.

Intervention Description

- i) Develop and issue Planning guidelines to MDAs and LGs.
- ii) Design and implement integrated planning models.
- iii) Create awareness on new planning dispensations.
- iv) Carry out a functional analysis of the planning function in the country and implement the recommendations.
- v) Develop and implement a National Capacity Building Plan.
- vi) Monitor and evaluate sectoral and decentralized development plans.

- vii) Research, document and disseminate findings on best practices in sectoral & decentralized planning.
- viii) Implement the Participatory Development Management Programme country wide.
- ix) Develop and implement a revised Public Service reform Strategic Framework.
- x) Develop and implement a strategic plan for MoPS.

798. Objective 3 - Strengthen human resource capacity.

Strategy 1: Develop the National Human Resource Plan.

Intervention Description

- i) Conduct a National Human Resource Survey.
- ii) Formulate and implement a Human Resource Development Policy.
- iii) Produce and operationalise a Human Resource Development Plan.

Strategy 2: Develop and maintain skilled, able and committed human resource in the public service.

Intervention Description

- i) Attract and retain skilled and committed human resource in the public service.
- ii) Improve recruitment and selection systems.
- iii) Implement a program for filling up vacant positions especially in LGs in line with approved structure.
- iv) Implement targeted capacity building in areas that support transformation of the public service.
- v) Undertake Performance Improvement Training programmes (Induction, On-the-Job and corporate values).
- vi) Strengthen the Public Service Value System.
- vii) Support Innovative Ideas.
- viii) Strengthen service commissions to enable them apply appropriate selection techniques and promptly conduct all issues related to recruitment of staff.
- ix) Promote research and development in human resources management.
- x) Establish a civil servants college.

799. Objective 4 - Enhance the performance of the public sector.

Strategy 1: Implement an accelerated pay reform strategy.

Intervention Description

- i) Implement the pay targets under the pay reform strategy for the Public Service. This will necessitate increasing the wage bill by about 43 per cent over the medium term and will imply raising the ratio of the wage bill to GDP to 7.5 per cent.
- ii) Accelerate attainment of pay targets for middle to senior level managers, professionals, and technical staff. Special attention will be paid to scientists who are critical to the economic transformation of the country.
- iii) Pursue cost effectiveness and efficiency measures with a view to realize efficiency savings that can be transferred to boost the wage bill.
- iv) Strengthen payroll management in MDAs and LGs.
- v) Implement the integrated personnel and payroll system.
- vi) Improve planning for the human resources and the wage bill.
- vii) Strengthen the results framework and measures for ensuring compliance to standards.

Strategy 2: Implement a pension reform strategy.

Intervention Description

- i) Review the current pension arrangements and implement a scheme for pre-retirement training..
- ii) Settle pension arrears.

Strategy 3: Institutionalise a Result Oriented performance management system.

Intervention Description

- i) Integrate and link Results Oriented Management (ROM) and Output Oriented Budgeting (OOB).
- ii) Institute institutional performance contracts for MDAs and LGs.
- iii) Deepen the current practice of hiring on contract to ensure that senior staff and management of Public service are on contract employment terms.
- iv) Develop adequate leadership capacity and commitment to drive results orientation both at the political and technical level.
- v) Implement performance improvement and change management strategies geared to building common values and principles for addressing performance gaps.

- vi) Strengthen compliance to international and national service delivery standards through harmonized quality assurance and support supervision, performance measurement and performance reporting.
- vii) Strengthen monitoring of actual delivery of outputs against plans and budgets.
- viii) Implement a reward and sanctions framework.

Strategy 4: Strengthen public service delivery accountability.

Intervention Description

- i) Define service delivery standards (in terms of quantity, quality, cost and time), document, disseminate and apply them in the delivery of services.
- ii) Review systems, processes and procedures that affect responsiveness of services.
- iii) Empower clients to demand services and to provide feedback both positive and negative using client charters and other education, information and communication mechanisms.
- iv) Utilize feedback to improve services through service design and performance improvement mechanisms.
- v) Undertake National service delivery survey.

Strategy 5: Improve public and Media relations management.

Intervention Description

- i) Institutionalise media development initiatives.
- ii) Build capacity of public servants in media relations.
- iii) Establish mechanisms for government information dissemination.
- iv) Strengthen working partnerships with the media fraternity.
- v) Implement a comprehensive information, education and communication strategy.

Strategy 6: Improve work facilities and environment.

Intervention Description

- i) Standardize and provide tools and equipment to facilitate service delivery.

Strategy 7: Strengthen records and information managements systems to improve timeliness and quality of decisions made.

Intervention Description

- i) Strengthen physical records management at both the centre and in the LGs in terms of human resources, tools and equipment.
- ii) Computerise records and information management systems in line with ICT policy and strategy.

- iii) Operationalise the Access to Information Act, 2006.
- iv) Network with various Management Information Systems and effectively utilize them to collect, store and analyse data and information for monitoring and evaluating performance, and promote information sharing.
- v) Construct and operationalise National Records and Archives facility.

Strategy 8: Ensure adequate financing for priority public service delivery functions.

Intervention Description

- i) Review modalities for Central Government transfers to LGs to ensure greater equity and flexibility.
- ii) Implement programs for the identification of new local revenue such as Municipal bonds.
- iii) Implement measures aimed at enhancing efficiency in local revenue mobilization and administration.
- iv) Develop and implement an efficiency framework to enable effective utilisation of government resources.

Strategy 9: Improve value for money and downward accountability.

Intervention Description

- i) Enforce the leadership code and prosecute the corrupt.
- ii) Conduct regular value for money audits and sector reviews.
- iii) Enhance community based monitoring of service delivery.
- iv) Develop and implement client charters.

Strategy 10: Strengthen coordination of the implementation of Government Policies and Programs.

Intervention Description

- i) Develop and implement the PSM Strategic Investment Plan (SIP).
- ii) Develop and implement programs that define, build consensus, promote and inculcate National Values.

800. Objective 5 - Ensure that all national plans, sectoral & LG Plans are sensitive to the plight of special interest groups.

Strategy 1: Implement special programmes for affirmative action.

Intervention Description

- i) Mobilise and lobby for adequate resourcing of special programmes to eliminate backlog of claims and demand.
- ii) Implement the disaster and refugee policy.
- iii) Mainstream Gender, HIV/AIDS and environmental issues into the PSM.

Strategy 3: Strengthen capacity for mainstreaming cross cutting issues into National, Sectoral and LG Plans.

Intervention Description

- i) Strengthen capacity for Gender, disability, HIV/AIDS and Human rights mainstreaming in MDAs, LGs and civil society plans and budgets.
- ii) Integrate Gender, disability, human rights and HIV/AIDS in the annual sectoral and LG plans and budgets.
- iii) Research, benchmark, document and disseminate findings and best practices in provision of national social protection, culture and mind-set change.
- iv) Strengthen technical capacity of NPA, MGLSD and LGs in social development policy, planning and practice.
- v) Mainstream environment and climate change issues in planning.

801. Objective 6 - Ensure that National Development Plans and programs as well as other interventions achieve the intended goals of socio-economic transformation.

Strategy 1: Effective monitoring and evaluation of National Development Plans and the Vision Framework.

Intervention Description

- i) Develop and maintain NPA's Monitoring and Evaluation system.
- ii) Monitor the economy and produce annual performance reports.
- iii) Carry out Innovative policy research.
- iv) Establish a national research fund.
- v) Facilitate national planning and dialogue on cross-cutting issues.

Strategy 2: Maintain essential linkages and working relations with key stakeholders in development planning; and policy formulation and management.

Intervention Description

- i) Develop and implement a responsive Communication Strategy targeting the NPA's diverse constituencies.
- ii) Engage regularly with the President and Cabinet on the national strategic direction.
- iii) Conduct national/regional dialogue on sectoral policy issues and priorities.
- iv) Engage in dialogue with State and Non-State stakeholders in Uganda's Human Capital Management and Development.

Strategy 3: Carry out global scanning and benchmarking for improved planning.

Intervention Description

- i) Research, and document best practices for improved country competitiveness.
- ii) Establish capacity for global scanning.
- iii) Train local experts in economy modelling and forecasting.
- iv) Integrate regional/continental initiatives in national plans.

802. Objective 7 - Ensure proper co-ordination of Continental, Regional and National Cross-Sectoral Development Initiatives.

Strategy 1: Coordinate NEPAD Initiatives in Uganda.

Intervention Description

- i) Monitor APRM Programme of Action (POA) and conduct half year and annual performance analyses.
- ii) Coordinate NEPAD Programmes for example CAADP, E-schools programme, and School feeding, among others.
- iii) Support activities of the beneficiary institutions.

Strategy 2: Coordinate the implementation of the Uganda Country Capacity Building Programme (UCCBP).

Intervention Description

- i) Coordinate the implementation of UCCBP with beneficiary institutions.
- ii) Provide capacity building initiatives to UCCBP beneficiary institutions.

Strategy 3: Coordinate the National Productivity Movement (NPM).

Intervention Description

- i) Coordinate the National Productivity Initiatives.
- ii) Establish and nurture NPM Centre.

8.12 ACCOUNTABILITY SECTOR

8.12.1 Situational Analysis

803. Accountability is a key element in delivering good governance. The concept of accountability has moved from basic financial reporting to include other elements of transparency and integrity in delivery of public service. The Accountability Sector was established in 2007 with the goal of promoting, supervising and implementing accountability systems. The Sector comprises the Ministry of Finance, Planning and Economic Development; the Inspectorate of Government; Office of the Auditor General; Directorate of Ethics and Integrity; Ministry of Public Service (Inspection);

Ministry of Local Government(Inspectorate); the Public Procurement and Disposal of Public Assets Authority; Uganda Bureau of Statistics; and Uganda Revenue Authority. There is also a Stakeholders' Forum in which civil society views are presented and addressed.

804. The Accountability Sector Strategic and Investment Plan (ASSIP), was developed to guide attainment of sector priorities. It facilitates the incorporation of accountability issues into the broader national development framework.

805. The legal, policy and regulatory frameworks that guide the sector include the following: the Budget Act 2001, the Public Finance and Accountability Act 2003, Anti-Corruption Act 2009; the National Audit Act 2008, the Leadership Code Act 2002, the National Records & Archives Act 2001, the Public Procurement and Disposal of Public Assets Act 2003 and the Access to Information Act 2005. Other pending legislations include: Anti-Money Laundering Bill, Witness Protection Bill, and Whistle Blowers' Bill. The Anti-corruption Court has also been established to try corruption-related cases.

806. Service delivery charters were introduced in three districts and they require monitoring to ensure compliance. There is need to roll out the use of public service charters in other districts and to have an effective method of monitoring compliance and taking corrective action.

807. Under public finance management, Government established finance management reform initiatives to improve efficiency and effectiveness of public expenditure management, promote transparency and accountability and enhance the quality of public finance management and service delivery. Key reforms introduced include: commitment control system, integrated financial management system, fiscal decentralisation strategy, non-tax revenue management, electronic fund transfer, payroll management, audit and oversight, result oriented management and budget reforms.

808. Commitment Control System (CCS); This is intended to minimize excessive expenditure, in particular, the growth of domestic arrears by prompting Accounting Officers not to commit Government to expenditures to which there is no release.

809. Integrated Financial Management System (IFMS); This is the Government's computerized budgeting and accounting system designed to help it plan and use its financial resources more efficiently and effectively. It currently incorporates about 70 per cent of recurrent expenditure and 30 per cent of development expenditure. There is need to improve its effectiveness and coverage.

810. Fiscal Decentralization Strategy (FDS); This is intended to, among others, strengthen decentralization by giving LGs more discretion in use of central government transfers. Effective implementation of FDS requires strong cash and commitment controls, good planning and management of local revenue; effective capacity to turn funding into services at lower Local Governments; efficient scrutiny of lower Local Governments and effective supervision of private contractors.

811. Non Tax Revenue Management (NTR); This measure is intended to increase the contribution of NTR to National Budget. The transfer of NTR collection to URA in 2003 improved its management by minimizing leakages in collection and accountability.

812. Electronic Funds Transfer (EFT); With effect from 1st July 2007, all payments of UGX 20 million and above are required to be effected through EFT. The system facilitates fast, secure and timely funds transfer. However, since challenges of cyber crime still exist, there is need to devise and enforce legislation and strong security mechanisms.

813. Payroll Management; Effective Payroll management requires maintaining the integrity of the payroll system and continued revalidation of the payroll. A payroll cleaning exercise was undertaken in FY 2005/06 in which 229,901 records were identified for verification.

814. Audit and Oversight; The Office of the Auditor General (OAG) reports to year end 30th June 2004, 2005 and 2006 recorded audit coverage (Table 8.6):

TABLE 8.6				
PERFORMANCE OF AUDITOR GENERAL'S OFFICE				
Sector for Audit	Year	Audits Due	Audits Completed	Audits in Progress
Central Government	2003/2004	79	79	Complete
	2004/2005	83	83	Complete
	2005/2006	85	85	Complete
Statutory Corporations	2003/2004	71	37	27 in process 7 outstanding
	2004/2005	71	51	15 in process 5 outstanding
	2005/2006	71	63	3 in process 5 outstanding
Projects	2003/2004	98	97	1 outstanding
	2004/2005	91	70	19 in process 2 outstanding
	2005/2006	103	94	8 in process 1 outstanding
Higher Local Government	2003/2004	134	56	30 outstanding
	2004/2005	135	134	1 outstanding
	2005/2006	163	73	74 in process 16 outstanding
Lower Local Government	2003/2004	897	897	
	2004/2005	897	400	497 outstanding
	2005/2006	897	-	897 outstanding
Source: Office of Auditor General Reports (2004, 2005, 2006)				

815. Table 8.6 demonstrates the need to enhance capacity to undertake timely audits of the various entities, especially for lower Local Governments. This is a key accountability issue to be addressed given that about US\$ 980 billion¹¹⁵ is channelled through Local Governments annually. A PPDA Procurement Integrity Survey¹¹⁶ estimated identifiable losses of between US\$ 32 to 43 billion to corruption in the Local Government procurement systems alone.

816. Results Oriented Management (ROM): This is aimed at enhancing public service performance and accountability. ROM entails individual public service organizations setting performance targets to facilitate objective reporting of results, evaluation and accountability. ROM implementation began in 2000 after piloting it in 1997. Effective implementation of ROM is still a challenge.

¹¹⁵ Ministry of Finance, Planning and Economic Development, Local Government Unit.

¹¹⁶ Procurement Baseline Integrity Survey 2006, Public Procurement and Disposal of Public Assets Authority

817. Budget Reforms: Government adopted and implemented a new programme budgeting structure in FY 2007/08 based on Vote Functions. A Vote Function represents a set of services or outputs which a spending institution is responsible for. This reform was augmented with the implementation of the Output-Based Budgeting (OBB) in FY 2009/10 as a means of shifting the emphasis of budgeting and reporting away from being activity to output focused.

8.12.2 Constraints of the Performance of the Accountability Sector

- i) Slow enactment of Accountability legislations.
- ii) Low level of adherence to service delivery standards and compliance to the rules and regulations.
- iii) Lack of integrity in use of government resources.
- iv) Weak capacity for inspection and monitoring by Accountability institutions.
- v) Delayed discussion and adoption of Accountability reports and implementation of recommendations.
- vi) Inadequate public participation and involvement in promoting ethical behaviour.

8.12.3 Objectives, Strategies and Interventions

818. Objective 1 - Enhance the principle of value for money in management of public funds.

Strategy 1: Ensure efficient use of Government resources for better service delivery.

Intervention Description

- i) Establish and enforce Value for Money performance standards.
- ii) Train relevant officers in Value for Money monitoring and evaluation functions.

Strategy 2: Ensure effectiveness and impact of accountability policy and action.

Intervention Description

- i) Review and harmonize accountability legislation.
- ii) Establish regular assessment mechanisms to track compliance levels.
- iii) Strengthen inter-agency coordination within the accountability sector through the Sector Secretariat.

Strategy 3: Strengthen the sector to ensure efficiency and effectiveness in the implementation of a broad accountability agenda.

Intervention Description

- i) Institutionalise periodic sector reviews.
- ii) Establish and operationalise basket fund arrangements for the sector.
- iii) Establish an Accountability Sector Management Information System.
- iv) Identify and coordinate sector studies to support policy development and implementation.

Strategy 4: Establish sector-wide professional standards and develop capacity building programs.

Intervention Description

- i) Develop a Sector Training Policy.
- ii) Develop sector training programs in relevant skills including investigation, VFM auditing, financial planning and sector strategic planning.

819. Objective 2 - Strengthen the demand side of accountability for service delivery

Strategy 1: Promote public demand for accountability.

Intervention Description

- i) Develop standards for service delivery.
- ii) Undertake periodic reviews and implement improvement measures of service delivery.
- iii) Develop and implement an Information, Education and Communication (IEC) strategy.
- iv) Establish experimental social accountability projects to enable communities and Government monitor social programmes.
- v) Create and maintain a forum to enable stakeholders to review program management and provide feedback.

820. Objective 3 - Foster compliance with accountability policies, service delivery standards and regulations for better governance.

Strategy 1: Improve performance of sector institutions.

Intervention Description

- i) Institute administrative measures and reforms to enhance efficiency and increase citizen's trust.
- ii) Increase the number of audits, investigations and prosecutions.

- iii) Sensitize public workers on integrity issues and create awareness about corruption.
- iv) Reward exemplary public workers and punish deviant ones to encourage compliance.
- v) Complete audits, investigations and prosecutions.
- vi) Enhance institutional capacity to carry out audits, investigations and prosecutions.

821. Objective 4 - Promote research and usage of sector information to improve public awareness.

Strategy 1: Promote informed decision making and usage of data.

Intervention Description

- i) Develop an Accountability Sector Strategic Plan.
- ii) Prepare monitoring reports on the trends of sector performance and citizen's satisfaction.

822. Objective 5 – Enhance the contribution of the Accountability Sector to economic growth and development.

Strategy 1: Improve welfare of citizenry.

Intervention Description

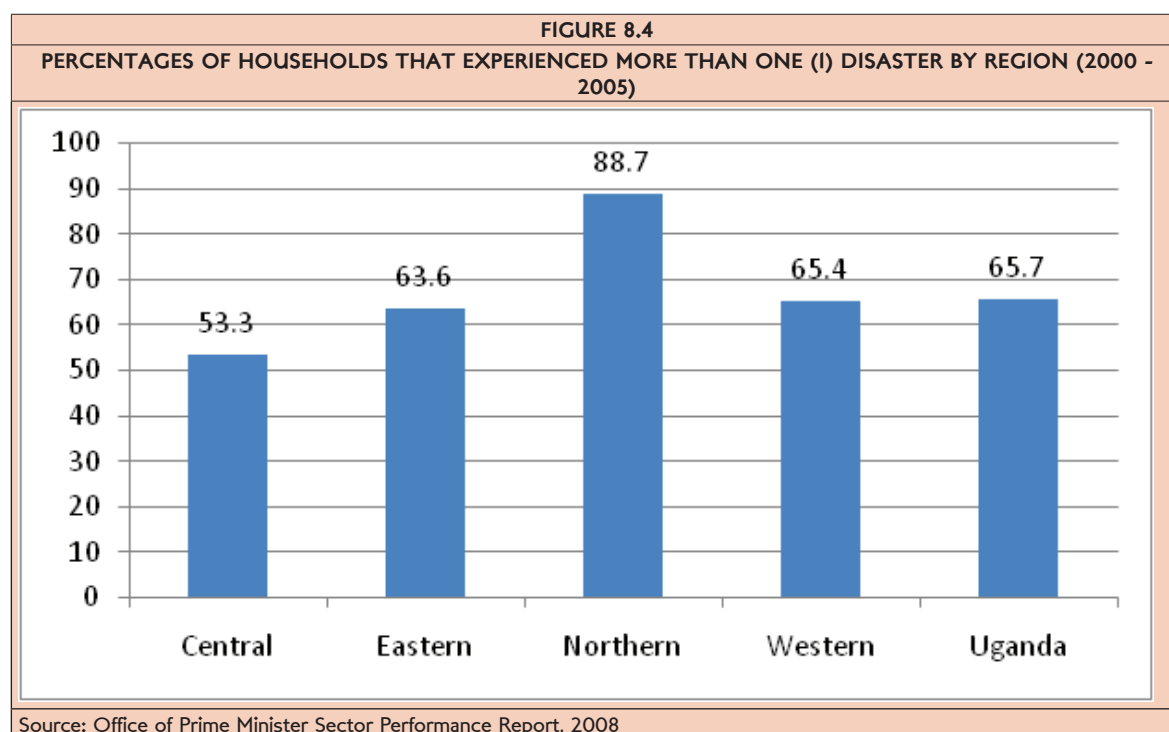
- i) Promote microfinance programmes aimed at poverty reduction.
- ii) Emphasize efficient allocation of resources to avoid waste, maintain macroeconomic stability, and carry out policy research and development.
- iii) Improve measures for resource mobilization.

8.13 DISASTER MANAGEMENT

8.13.1 Situational Analysis

823. Disasters refer to events or a series of events that give rise to casualties, damages to or loss of property, infrastructure, essential services or means of livelihood on a scale that is beyond the normal capacity of the affected communities to cope unaided. The most frequent disasters in Uganda include: displacement of persons, famine, earthquakes, epidemics, livestock and crop diseases, floods and landslides, and technological accidents among others.

824. Between 2000 and 2005, approximately 65.7 per cent of households country wide experienced at least one type of disaster (UNHS 2005/06). Figure 8.4 shows the prevalence of disasters by region. The Northern region was the most affected mainly due to the civil strife.



825. The major human-induced disaster in Uganda is internal and regional conflicts resulting in massive displacement of persons, social disintegration, loss of lives and destruction of property. These conflicts are rooted in several factors including: poor governance, lack of dialogue, external influence, poverty, mistrust, increased numbers of small arms and cattle rustling. Northern Uganda has been the most affected in the last two decades.

826. Cases of drought have re-occured in the cattle-corridor districts of Gulu, Apac, Lira, Moroto, Kotido, Soroti, Kumi, Mbarara and Ntungamo. Severe cases of drought were recorded in 1998, 1999, 2002 and 2005, affecting approximately 655,000 people. Floods have mainly occurred in Teso, Tororo and West Nile Sub-regions. This may be partly attributed to human-induced contributory causes such as land degradation, and deforestation of catchment areas. In 1997 alone, 100,000 people were affected by the epidemics. This can be worsened by the absence of early warning system.

827. Some of the disasters in Uganda are linked to climate change. Climate change results in increased intensity, frequency and variability in the patterns of hazards such as floods and droughts.

828. In response to growing risks associated with disasters, Government has made the following efforts to reduce vulnerability due to natural and human-induced hazards: a policy on IDPs was developed and operationalised, an inter agency forum for peace building and conflict resolution was established, standardization of information on humanitarian issues was carried out, settlement of Internally Displaced Persons (IDPs) in camps during the war and their resettlement after peace returned to Northern Uganda, integration of disaster management in National and Local Government plans, establishment of seven regional disaster coordination offices. The Government is developing a National Policy for Disaster Risk Reduction and working on a Program of Action for Implementation of the Policy. The policy aims at reducing the potential impacts of disasters.

8.13.2 Constraints to the Performance of Disaster Management Sector

- i) Inadequate policy and legal framework for disaster preparedness and management.
- ii) Poor early warning systems largely due to inadequate meteorological services in the country.
- iii) Limited resources to provide relief and rehabilitation assistance to disaster-affected people.
- iv) Inadequate data especially on costs and implications of disasters.
- v) Inadequate capacity for mainstreaming disaster risk reduction at National and Local Government/community levels.

8.13.3 Objectives, Strategies and Interventions

829. Objective 1 - Reduce the social, economic and environmental impacts of disasters on people and the economy.

Strategy 1: Develop an appropriate policy, legal and regulatory framework for handling national disasters.

Intervention Description

- i) Develop and implement the national policy for disaster and risk reduction.
- ii) Develop and operationalise a legal framework for smooth implementation of the national disaster and risk reduction policy.
- iii) Develop and operationalise a coordination and monitoring framework.

Strategy 2: Enhance capacity of Government, Private Sector and Civil Society's for disaster preparedness and management.

Intervention Description

- i) Develop capacity of MDAs, Local Governments, Private Sector and Civil Society in disaster risk reduction.
- ii) Establish early warning systems in all sectors of the economy.
- iii) Strengthen the national agency responsible for Meteorological services.
- iv) Develop community based hazard mapping of disaster risks through identification and assessment of community based disaster risks.

Strategy 3: Ensure rehabilitation and long term welfare of disaster affected communities.

Intervention Description

- i) Implement resettlement programmes for disaster-affected persons.
- ii) Provide food and other relief items to disaster victims.
- iii) Rehabilitate road and other physical infrastructure affected by disasters.
- iv) Support income generating activities for disaster-affected communities.

830. Objective 2 - Reduce natural and eliminate human-induced disaster risks.

Strategy 1: Ensure sustainable financing of national response to natural and human-induced disasters.

Intervention Description

- i) Finalize the establishment of and implement the National Contingency Fund.
- ii) Establish a National Disaster Training Institute.

Strategy 2: Develop a quick response mechanism to disasters.

Intervention Description

- i) Establish a National Emergency Coordination and Operations Centre (NECOC).
- ii) Equip and staff NECOC.

831. Objective 3 - Promote and uphold the rights of refugees.

Strategy 1: Support refugees attain durable solutions.

Intervention Description

- i) Maintain refugee resettlement schemes.
- ii) Establish and implement income generating programmes to promote self reliance of refugees.
- iii) Promote repatriation of refugees.
- iv) Facilitate repatriation of refugees to a third country.

8.14 SUB-NATIONAL DEVELOPMENT

8.14.1 Situational analysis

832. In 1993, Uganda adopted the decentralization policy as an instrument to deliver sub-national development, with the aim of bringing services closer to the people. Decentralization envisioned good governance, democratic participation and control of decision making by local communities. Under this policy, the following functions were devolved to local governments: planning, budgeting, administration, fiscal management and control, and administration of justice in local council courts¹¹⁷

833. The Local Governments function through a unified system of elected authorities at various levels ranging from village to city/ district level. The responsibility of local planning, budgeting and implementation is primarily at the district/municipality and sub county/town council. The number of districts with approved three-year development plans increased from 3 in 1997 to all the 80 districts in 2009.

834. Local Governments are frontline service delivery units for decentralised services. As result of decentralization, there has been an improvement in service delivery in the areas of education, primary health care, water and sanitation, roads and agriculture extension. It improved participation of the communities in political governance and administration of their areas as well as in the planning process of service delivery. In pursuance of quick justice to the population, local council courts were created from LCI to LCIII. This has made access to justice cheaper and faster.

835. The quest for bringing services nearer to the people has raised pressure for creation of more districts leading to continuous splitting of existing ones. The consequence has been increased public administration expenditure. For example, the number of districts increased from 56 in 2002 to 80 districts in 2008, representing a 43 per cent growth in a period of 6 years (Figure 8.5). The status of Local Government administrative structures by 2008 is indicated Table 8.7.

¹¹⁷ Justice dispensed local government and administrative structures right from the villages/cells to the higher local governments.

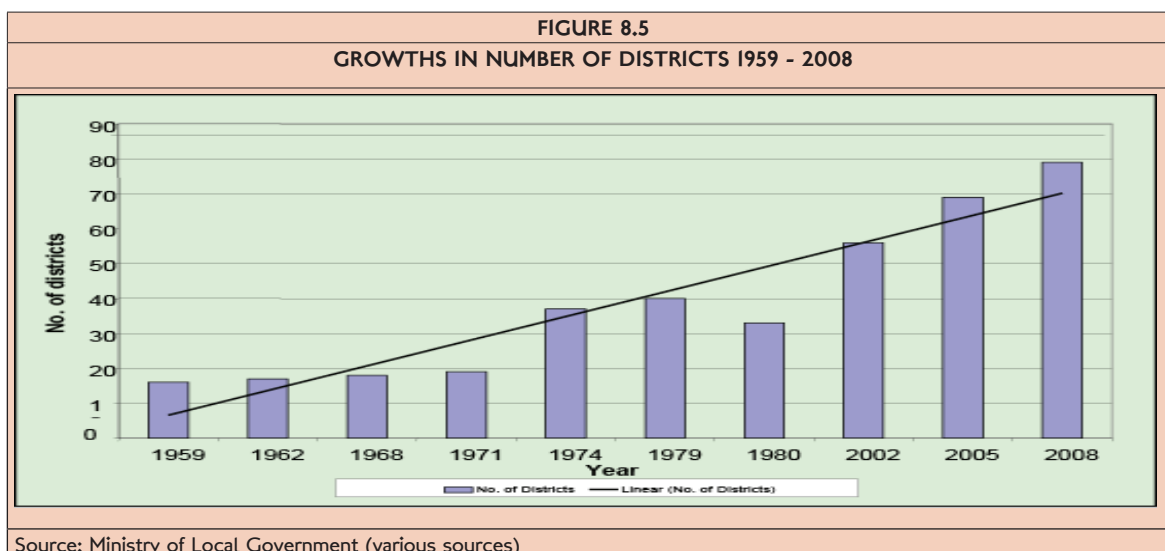


TABLE 8.7
STATUS OF UGANDA'S LOCAL GOVERNMENT ADMINISTRATIVE STRUCTURES AS OF JUNE 2009

Serial No.	Jurisdiction level	Number
1.	Districts	80
2.	City Council	1
3.	Municipal Councils	13
4.	Counties	151
5.	City Divisions	5
6.	Municipal Divisions	37
7.	Sub Counties	874
8.	Town Councils	96
9.	Parishes/wards	5,225
10.	Villages/cells	45,000

Source: National Assessment Synthesis Report, 2009

836. There has been progress in institutional and human resource capacities in the Local Governments. Under LGDP, the Government designed and implemented a capacity building programme for local Governments which has led to improvement in service delivery. However, there are still gaps in the staffing levels (at 65 per cent) which affect service delivery. The most affected sectors include health, agriculture and engineering which have failed to attract, deploy, and retain skilled personnel.

837. In spite of the introduction of equalization grants to bring disadvantaged local governments to the level of service delivery comparable to the rest of the country, regional imbalances still exist. This is partly demonstrated by disparities in poverty levels and social development indicators. While nationally, the population below the poverty line is 31 per cent, the poverty incidence is highest in the Northern region at 66 per cent, followed by the Eastern at 46.8 per cent, Western at 34.4 per cent, and Central at 27.1 per cent. The high incidence of poverty in the north is attributed to the insurgence which disrupted the economic activities in the North and Eastern parts of the Country.

838. Gender inequalities are more pronounced in the post-conflict areas of the North than in the rest of the country. Displacement and resettlement have left many women without any access to land. Conflict has brought about a breakdown in traditional household roles whereby women have had to become primary breadwinners although they lack the necessary skills. Many women and children are severely traumatised from the effects of conflict. Disruption of social services has led to worse social outcomes, less than national averages, in literacy, malnutrition, maternal mortality, fertility, and SGBV among others.

839. Local Governments (LGs) are funded through Central Government grant transfers, local revenue and borrowing. In addition, many LGs access donations from development partners. The Constitution of the Republic of Uganda provides for three categories of grants namely; unconditional, conditional and equalisation. The Constitution also gives powers to Local Governments to collect some tax and non tax revenues. All these sources are operational although at different levels of contribution to LGs budgets. LGs have powers to collect property tax, but few collect it effectively and it is significant only in urban areas. Various local fees, licenses and other minor revenues are collected.

840. The unconditional grants are at the discretion of LGs but the largest percentage is used for payment of salaries. The conditional grants are earmarked for specific development and recurrent activities of national importance, whereas the equalization grants are extended to new LGs and those that are disadvantaged.

841. The multiplicity of fund transfer mechanisms is a growing concern in Local Governments. Many of these mechanisms were not well adapted to the decentralized framework which resulted into management and reporting challenges. In addition, there was concern about the different design and conditionalities of the different grants.

842. To address these challenges, Government introduced the Fiscal Decentralisation Strategy (FDS) that allows LGs some flexibility and or discretion to reallocate resources between and within sectors during planning and budgeting process. While a lot has been achieved since the FDS was introduced, it is not fully embraced. Most LG budgets still comprise of more than 80 per cent of conditional grants.

843. To address regional and district imbalances, a number of affirmative action plans have been implemented at sub national level with some degree of success. They include: Northern Uganda Rehabilitation Programme (NUREP) I & II and Northern Uganda Social Action Fund (NUSAF); Karamoja Integrated Disarmament and Development Programme (KIDDP); and extension of equalization grants to address the imbalances between districts. Government has developed and is implementing the Peace Recovery and Development Plan (PRDP) for Northern and Eastern Uganda. The Luwero-Rwenzori Development Plan (LRDP) is also being developed.

844. The PRDP will consolidate the achievements attained by the previous affirmative action programmes in the region and enable systematic rehabilitation and long term recovery of the post-conflict northern part of the country. This will reopen the area to meaningful production as well as reinstating democratic governance in the area. There is critical need to see that PRDP has a strong gender focus.

8.14.2 Constraints to the Performance of Sub – National Development

- i) Weak and conflicting policy, legal and regulatory framework.
- ii) Inadequate human capacity in Local Governments to undertake the devolved functions especially at the sub-county level.
- iii) Institutional and structural challenges which limit service delivery capacity.
- iv) Weak private sector capacity to deliver contracted public services in Local Governments especially in rural areas.
- v) Low local revenue mobilization capacity which makes LGs unable to effectively deliver and rely heavily on Central Government Transfers.
- vi) Limited flexibility in the use of conditional grants from the Central Government which inhibits LGs' autonomy and ability to respond to area specific development and emerging needs.
- vii) Disparities in unit cost for service delivery: The unit cost of service delivery for various Local Governments has not been established and the national minimum standards are yet to be determined by the respective sectors, thus making it difficult to determine the minimum level of funding required.
- viii) Limited Vertical and horizontal Coordination within and across sectors is a big constraint for effective implementation of programmes and activities across Government.

8.14.3 Objectives, Strategies and Interventions

845. Objective 1 - Enhance democratic and political governance.

Strategy 1: Harmonise Local Government policies, laws and regulations with those at the national level.

Intervention Description

- i) Harmonise relevant sectoral policies.
- ii) Harmonise the LG Act and related sectoral laws such as the NEMA Act, NFA Act, Town and Country Planning Act, 1964 to avoid overlaps and ambiguity.
- iii) Harmonise the Local Government Act with the NPA Act and Budget Act to streamline planning and budgeting.
- iv) Formulate and implement the relevant regulations to operationalise the respective Acts.

Strategy 2: Streamline the mandates and functions between Parliamentary Accounts Committee and the Local Government Public Accounts Committee.

Intervention Description

- i) Review the mandates and functions of the Public Accounts Committee of Parliament and the Local Government Public Accounts Committee to avoid overlaps and duplication.

Strategy 3: Review the LG by-laws and ordinances.

Intervention Description

- i) Review and enforce By-laws and ordinances on health to ensure good hygiene and sanitation practices.
- ii) Review By-laws and ordinances on education to compel parents to send children to school.
- iii) Empower the local government enforcement agencies through improved facilitation.
- iv) Develop a mechanism to promote collaboration and cooperation between political and technical leaders in enforcement of regulations.

846. Objective 2 - Ensure efficient and effective administration.

Strategy 1: Strengthen human resource capacity.

Intervention Description

- i) Ensure Local Governments have sufficient human resources to deliver their mandates through filling vacant positions at sub-county and district levels. Priority will be on filling vacant positions of health workers, engineers, agriculture extension workers, community development officers and parish chiefs.
- ii) Support Local Governments to develop sustainable human resource capacity through retraining and motivating LG personnel.
- iii) Design and implement a special capacity building programme for the private sector players in the Local Governments especially contractors and other service providers.
- iv) Design and implement special incentive packages to attract and retain skilled personnel in key sectors especially in hard to reach and stay areas.

Strategy 2: Strengthen LG institutions and systems.

Intervention Description

- i) Provide institutional support in form of modern equipment (computers, ICT materials, internet connectivity, software, M&E tools and data banks, among others)
- ii) Review systems, processes and procedures for improved efficiency and effectiveness.
- iii) Strengthen the planning, budgeting and M&E functions of Local Governments to enable efficient coordination of the planning process and information sharing regarding problem identification, analysis, and prioritization and budgeting. The district planning units will be upgraded to departments and more resources allocated to the planning function.

- iv) Strengthen the LG data and information systems including revitalization of the birth and death registration system.
- v) Review the allocation formula for grants to LGs to make it more responsive to area specific challenges and cross-cutting issues such as HIV/AIDS, poverty and regional and gender inequalities.
- vi) Develop and implement guidelines to ensure equitable allocation of public resources within the districts.

Strategy 3: Enhance revenue mobilization and management.

Intervention Description

- i) Enforce timely accountability of funds released to Local Governments.
- ii) Ensure timely release of LG grants by the Central Government.
- iii) Optimize revenue collections from existing sources by strengthening the capacity of all stakeholders involved in revenue mobilization, collection, inspection and management.
- iv) Encourage alternative sources of funding such as municipal bonds and other forms of PPPs.
- v) Operationalise the Local Government (Rating) Act, 2005 to broaden local revenue sources.
- vi) Fully implement the FDS.

847. Objective 3: Support affirmative action for post conflict and marginalized areas.

Strategy 1: Ensure stabilization in order to consolidate peace and lay foundation for recovery and development in Northern Uganda through implementation of PRDP.

Intervention Description

- i) Consolidate State authority by creating an enabling environment for stabilizing the political, economic and social conditions in the region. This will be achieved through facilitation of peace agreements initiatives, implementation of police enhancement programme; judicial services enhancement program; Local Government enhancement programme; and implementation of the Rationalization of Auxiliary forces programmes.
- ii) Re-build and empower communities to participate in the recovery, resettlement and reintegration processes in a manner that leads to improvement in their livelihoods. This will be achieved through implementing a programme for providing emergency assistance to IDPs; implementing the IDP return/ resettlement programme; and the community empowerment and recovery programmes (health, education, water and livelihood support).
- iii) Revitalize the local economy through promotion of both subsistence and commercialized economic activity within the region. To this effect,

the production and marketing enhancement programme focusing on agriculture, livestock and fisheries will be a priority. In addition, infrastructure rehabilitation and urban improvement, and environment, land and natural resources management will be key interventions.

- iv) Intensify peace building and reconciliation to address the social challenges in the region that have arisen as a result of fractured social relationships. Key interventions will include: Public Information Education Communication (IEC) and counselling; and Amnesty, Demobilization and Re-Integration of Ex-Combatants (ADRP).
- v) Ensure gender responsiveness in the implementation of PRDP by focusing on quality and access to maternal reproductive and sexual reproductive services, capacity building to women entrepreneurship, support women in agricultural production and marketing as well as support to trauma and domestic violence victims.

Strategy 2: Focus on the implementation of the Karamoja Integrated Disarmament and Development Programme (KIDDP).

Intervention Description

- i) Provide and ensure adequate security for the people of Karamoja. This will entail undertaking strategic deployment of the Uganda People's Defense Forces (UPDF) to effectively check the international trafficking of small arms and ammunition into Karamoja, as well as protect the people of Karamoja and their property. Key interventions under this are; collaboration between the UPDF and the local communities and other stakeholders in order to foster peace building; ensure that all illegally held guns in Karamoja are removed through the disarmament exercise; provide an enabling environment for safeguarding peoples' basic human rights as well as civil, political, economic and cultural rights during and after disarmament; facilitate joint cross border disarmament interventions to support peace building; establish and operationalise collection procedures, record keeping, custody and public destruction of weapons collected during disarmament in accordance with international policy and best practice; and operationalise a Conflict Early Warning mechanism.
- ii) Establish law and order in Karamoja through strengthening institutions. Planned key interventions are: enhancing the capacity of the state to restore justice, law and order; strengthening the capacity of Local Governments and councils to undertake service delivery and enhance governance; and facilitate the cross border movement of people and goods, including livestock.
- iii) Support the provision and delivery of basic social services to the people of Karamoja. Support for education in Karamoja to break recruitment of young boys into warrior hood and encourage girls to stay in school will be key in the plan period. In addition, provision and reconstruction of social and physical infrastructure that stimulate economic activity and facilitate governance in the region will be undertaken.

- iv) Support the development of alternative means of livelihood for the people of Karamoja through: empowering the Karimojong people to harness the potential of their natural resources and support economic diversification to reduce reliance on livestock as a means of living; promote sustainable utilization of Gum Arabica and related dry land products for improved livelihood and biodiversity conservation; secure the land rights of communities in order to encourage sustainable utilisation of natural resources; support interventions to improve the viability of pastoralism in Karamoja; facilitate the resettlement and rehabilitation of people affected by natural disasters and armed conflicts.
- v) Undertake stakeholder mobilization, sensitization and education in Karamoja. Planned interventions are: involving all stakeholders in community sensitisation, education and mobilisation, as well as in the planning and execution of voluntary disarmament programs; encourage and support initiatives that will promote peaceful resolution of conflicts; undertake peace education and other peace activities in the communities; create an enabling environment for women, youth and the elite Karimojong to effectively participate in and influence all disarmament activities.
- vi) Enhance the coordination, monitoring and evaluation of KIDDP through coordination and harmonization of existing peace building initiatives by all the different stakeholders; continuous progress monitoring of KIDDP results and outputs; assessment of KIDDP implementation to determine outcomes and impacts from interventions undertaken; strengthening of capacity for coordination, monitoring and evaluation.
- vii) Mobilise resources for the necessary support services and logistical infrastructure for disarmament to succeed. Gender integration in disarmament and development will be undertaken as cross cutting issues.

Strategy 3: Finalize and implement the Luwero-Rwenzori Development Plan (LRDP) as an integrated affirmative and recovery plan for the 29 districts that were affected by insurgency.

Intervention Description

The LRDP will mainly have two broad interventions which will re-enforce one another. The Community sub-project component and the sectoral interventions component.

- i) Implementation of the community sub-project. Proposed interventions include: Strengthening Social mobilization and empowerment to identify and implement project interventions and innovations that address both direct and indirect effects of the war; strengthening social organizations including the Luwero Triangle War Veterans Association (LTWVA); Low-cost housing scheme; promoting increased production and productivity using the model farmers approach; support value addition and agro-processing; promote marketing through

- cooperatives and develop marketing infrastructure; provide water for production mainly through construction of mini irrigation schemes and promotion of rain water harvesting technology; rehabilitation of the coffee industry; mechanization of agriculture through use of PPP.
- ii) Implementation of sectoral interventions component. This will entail construction, rehabilitation and opening up of District and community access roads; expansion of provision of water for domestic use both in rural and urban areas; ensure environmental protection and management; Installation of step down transformers in 40 per cent of RGC with electricity transmission lines to support small scale industrialization as well as agro processing enterprises, biogas development, popularization of solar power; other social services like education and health will be scaled up.

Strategy 4: Provide support, under the broader PRDP framework, to household income enhancement initiatives of the poor and improve public infrastructure, access and utilisation of basic services in underserved communities through implementation of the Second Northern Uganda Social Action Fund (NUSAF2)

Intervention Description

NUSAF2 will have three broad interventions/components – the Livelihood Investment Support, the Community Infrastructure Rehabilitation, and the Institutional Development.

- i) Implement the Livelihood Investment Support component. This will entail implementing the Public Works Programme to enable beneficiaries access temporary employment and incomes through labour intensive work; and provision of small structures such as installation of culverts, single span bridge, valley tanks, small valley dams, drainage channels, and community roads. The Household Income Support Programme will also be implemented to increase productive assets and increase income of the poor and vulnerable households.
- ii) Implement the Community Infrastructure Rehabilitation component to improve access to basic socio- economic services. This will involve rehabilitation and improvement of existing community infrastructure such as schools, water points, skills training centres, teachers houses, classrooms, sanitation facilities, solar lighting systems, among others.
- iii) Implement the Institutional Development component. This will involve facilitating Office of the Prime Minister, districts, sub counties and communities to support smooth implementation of NUSAF2. Support will also be extended to the Inspectorate of Government to enable it fight corruption and improve transparency and accountability in northern Uganda.

848. Objective 4 - Promote Local Economic Development (LED).

Strategy 1: Create conducive environment for local investments.

Intervention Description

- i) Increase Government presence in mobilization of people for development.
- ii) Support formulation and implementation of LED based plans.
- iii) Develop processes that advance the competitive advantage of localities through reduction of obstacles to business expansion and creation.
- iv) Develop entrepreneur skills for SMEs.
- v) Promote micro finance institutions for LED promotion. Government will support Hogs in establishing micro finance systems for LED supported SMEs .
- vi) Establish local business centres.

849. Objective 5 - Enhance good governance.

Strategy 1: Promote community participation.

Intervention Description

- i) Develop mechanisms for participatory planning and budgeting that will empower the local communities to effectively participate in the planning, designing, implementation and M&E of development programs which impact on them.
- ii) Support the benchmarking of community driven development initiatives that have demonstrated how rural communities can lift themselves out of poverty in a sustainable manner. Lessons from initiatives like Epicentre strategy of the Hunger Project- Uganda, Model homes and Model villages, Millennium Village programme among others will be adopted in the design of community programmes.

Strategy 2: Improve information flow and social accountability.

Intervention Description

- i) Develop and implement a civic education strategy and programme to sensitize citizens on their rights and obligations
- ii) Enhance local communication and information flow. Government will scale up use of notice boards at District, ULG, LLGs, parish headquarters, villages and other public places like churches, schools, and mosques among others, as one channel through which critical information can flow at the local level.
- iii) Support Local Government associations to operationalise the charter on accountability and ethical code of conduct.
- iv) Mainstream the National Anti Corruption Strategy in LG operations

8.15 EAC INTEGRATION

8.15.1 Situational Analysis

850. The East African Community (EAC) comprises five Partner States of Kenya, Uganda, Tanzania, Rwanda and Burundi. The integration agenda is guided by the Treaty which elaborates the integration process through phases of a Customs Union, Common Market, Monetary Union, and finally a Political Federation.

851. The key milestones in the implementation of the EAC cooperation and integration agenda have been attained. Currently, the integration is at the stage of implementing the Customs Union that became effective 2005. The Common Market is expected to be operational effective 1st July 2010 and Monetary Union by 2012.

852. Under the Customs Union, progress has been attained in progressive reduction of internal tariffs as agreed. The tariff on goods originating from Kenya has substantially reduced by 10 per cent in 2005 and it is expected to be zero per cent from January 2010. As required by the CU protocol, Uganda has recorded progress in elimination of Non- Tariff Barriers (NTBs).

853. There has been capacity strengthening of institutions involved in managing progress of Customs Union implementation. Awareness and sensitization about the Customs Union has been carried to the business community and general public with varying success. In coordinating its trade relations with foreign countries, EAC Partner States have initialled a Framework Economic Partnership Agreement (FEPA) covering Trade in Goods/Market Access, Development Cooperation, and Fisheries. The essence of initialling the FEPA was to strengthen EAC market access on the EU market.

854. The implementation of the Customs Union has, however underperformed in some areas. These include Non-Tariff Barriers (NTBs) that are persistent to intra-EAC regional trade. The problem is also compounded by surfacing of new NTBs. Furthermore, a single customs collection at the first point of entry is yet to be realized.

855. Under the Common Market, progress has been made in the negotiation of common Market Protocol which was signed in November 2009. The preliminary work on harmonization of labour policies has been undertaken. In addition, an EAC manpower survey was commissioned to establish the manpower status. Harmonization of investment incentives in the region is also underway and macro-economic convergence criterion is also being discussed.

856. However, the implementation of the Common Market is still challenged by: non-uniform issuance of national Identity cards (IDs); use of the East African passport has not been internalized; harmonization of academic and professional qualifications is not yet realized; rationalization of East African land policies is still a challenge; lack of ownership of the strategy for management of distribution of costs and benefits of the EA Common Market; the need to share sovereignty at regional level for purposes of policy harmonization, common planning, and taxation; and trade imbalances and disparities in levels of development.

857. Under the monetary union, some ground has been covered in harmonizing

monetary and fiscal policy within the Community and achieving convergence in economic and financial structures. The Monetary Affairs Committee was created, constituted by members from national central banks. The Monetary Affairs Committee has developed a criteria and set targets for achieving macroeconomic convergence.

858. The monetary union however still faces challenges of: full integration of banking and financial systems, regulations, laws and procedures; need for integration of payments systems; liberalizing capital market in economies where capital controls still persists; harmonizing statistical framework used in convergence criteria across countries; and need to deal with money laundering and other cyber related crimes in the financial sector.

859. Under a political federation, Partners States envisage harmonisation of foreign policies (foreign policy coordination), a common regional strategy for peace and security, regional defence pact, and approximation of the national laws in the EAC context. Cooperation in the legal and judicial affairs will further enhance the integration of EAC. A single political authority (policy centre) will deepen integration further by enhancing the effectiveness and sustainability of the customs union and common market operations, that is to say it further strengthens and consolidates the economic benefits economic and social integration that would have been achieved in the other stages of the integration process.

860. In this regard, a wide range of regional initiatives have been implemented in the preparation for the political federation and others are still on-going. To this extent, EAC, is already implementing programmes or has established organs and institutions such as the East Africa Legislative Assembly, East African Court of Justice, the defence Liaison office, coordination of foreign policy and coordination of monetary and fiscal policies which relate more to a higher stage of integration, that is to say political federation, than the current stage reached in in the integration process.

861. During the 11th Ordinary summit of Heads of State held on 20th November 2009, the summit :-

- Directed the Council of Minister to develop a continuous sensitization programme for continuous and in-depth sensitisation including initiatives to promote mutual trust, confidence building, an East African identify and solidarity among the citizens about EAC integration.
- Directed the council to constitute a team of experts to undertake detailed studies on the concerns and challenges identified on political federation with a view to proposing ways of addressing them.
- Directed council to develop terms of reference for the above committee of experts and to provide a timeline of six months within which to submit reports.

8.15.2 Constraints to the Performance of EAC Sector

862. A number of factors constrain Partner States and Uganda in particular in attainment of the final stage of integration (political federation) as well as effective implementation of interim stages. These are discussed in the subsequent paragraphs following a stage by stage approach.

Constraints to EAC Customs Union

- i) Fear of loss of revenue by Partner States whose economies heavily rely on trade taxes.
- ii) Multiple membership of EAC Partner States to RECs – continued subscription of partner states to REC other than EAC such as COMESA and SADC.
- iii) Persistency of Non- Tariff Barriers
- iv) Poor economic infrastructure

Constraints to Common Market

- i) Fragmentation of economies of EAC Partner States – this is reflected in lack of harmonization especially in relation to land policies, wages, accreditation of qualifications and financial systems.
- ii) Trade imbalances and disparities in levels of development.
- iii) Poor state of regional infrastructure and interconnectivity – in particular reference to energy, transport and communication.
- iv) Language barrier is constraining mobility of persons and intra trade. Part of the challenge is low usage of Swahili in Uganda.

Constraints to Monetary Union

- i) Financial systems are at different levels of development – there are economies where the financial sector is highly liberalized and others where controls still exist.

Constraints to Political Federation

- i) Heterogeneity of political systems – different partner states subscribe to different political systems and are at different levels of democracy.
- ii) Different policies, laws, regulations and service delivery standards. There are disparities in policies, laws and regulations and service delivery standards among partner states.
- iii) Inadequate coordination, monitoring and evaluation mechanisms on implementation of EAC regional integration decisions, policies and programmes.
- iv) Limited involvement of the people of East Africa in the political federation arrangements.
- v) Lack of a common language for the people of East Africa.

8.15.3 Objectives, Strategies and Interventions

863. Objective 1 - Enhance competitiveness of Uganda's goods and services in the EAC market.

Strategy 1: Improve the quality of goods and services produced in the country.

Intervention Description

- i) Enforce quality standards and strengthening capacity of the private sector to compete favourably in the EAC market.
- ii) Conduct studies in the real and service sector to reveal areas of comparative advantages.

Strategy 2: Address the supply side constraints.

Intervention Description

- i) Identify and support production in areas where the country has comparative advantage.
- ii) Develop infrastructure such as power, transport and ICT to modern standards to reduce the cost of doing business.

Strategy 3: Adequately prepare Ugandan labour force to seize opportunities availed by EAC integration.

Intervention Description

- i) Provide quality education and relevant skills to enable Ugandans compete favourably in the EAC.
- ii) Conduct labour force survey to improve access to reliable labour information.
- iii) Identify and address bottlenecks to labour mobility.
- iv) Promote teaching and use of Kiswahili as a means of communication to enable Ugandans freely interact and transact business within the region.

864. Objective 2 - Promote harmony in the policy, legal and implementation frameworks to enhance Uganda's integration with member states.

Strategy 1: Observe the agreed timeframe and commitments for full implementation of the Customs Union.

Intervention Description

- i) Harmonise tariffs as agreed by EAC countries.
- i) Remove Non Tariff Barriers (NTBs) and establish one-stop border post.
- ii) Harmonize and implement regional customs procedures and macroeconomic policy convergence to ensure single policy regimes (trade, tax).

Strategy 2: Observe the agreed timeframe and commitments for establishment of EAC common market for trade creation and expansion of economic base.

Intervention Description

- i) Issue and operationalise use of National IDs as a means of establishing rights of establishment and residence.

Strategy 3: Observe the agreed timeframe and commitments for the establishment of the EAC Monetary Union.

Intervention Description

- i) Work on policies through the Central Bank to ensure establishment of a single currency.
- ii) Work with MFPED and BOU to ensure convergence of monetary instruments including interest rates.

Strategy 4: Observe the agreed timeframe and commitments for the establishment of the EAC Political Federation.

Intervention Description

- i) Promote cooperation in security and peace.
- ii) Put in place and implement a protocol on good governance.
- iii) Harmonize social and cultural dispensations.

Strategy 5: Ensure that Uganda's mandatory contributions to the EAC are met in time.

Intervention Description

- i) Ensure that statutory budgetary allocations are met.
- ii) Cooperate on strategic issues such as combating of anti-money laundering and sound management of chemicals.
- iii) Establish and operationalise common standards bureaus.
- iv) Ensure compliance with global partnership including WTO, Belgian Programme of Action etc.

865. Objective 3 - Promote awareness of EAC integration among the population.

Strategy 1: Design and implement an IEC Strategy that targets a broad spectrum of Uganda's population.

Intervention Description

- i) Design and implement programmes for strengthening Uganda's private sector.
- ii) Promote EAC cooperation and integration affairs and ensure it is prioritised in the national development agenda.

866. Objective 4 - Strengthen MEACA to provide strategic leadership, guidance and support for EAC integration.

Strategy 1: Staffing of MEACA to her optimum capacity and ensure continuous capacity building of staff

Intervention Description

- i) Adequately equip and facilitate MEACA.
- ii) Strengthen the capacity of MEACA.
- iii) Put in place a requisite legislation to enable MEACA enforce compliance by MDAs.
- iv) Conduct regular review of EAC cooperation and integration agenda.
- v) Implement EAC core projects and programmes.

8.16 PUBLIC ADMINISTRATION

8.16.1 Situation Analysis

867. Public administration comprises the following functional areas: facilitating the presidency in fulfilling its constitutional mandate; promoting and managing international relations and commercial diplomacy; strengthening policy development and management across government; and managing elections.

868. The National Constitution was promulgated in 1995 and amended following the collection of views by the Constitutional Review Commission. Other key elements underpinning democratic governance achievements include liberalization of the media, supporting independence of the different arms of Government and improving Accountability in the Government Institutions by appointing the Judicial Commissions of Inquiry, strengthening the Inspectorate of Government and establishment of Uganda Human Rights Commission among others.

869. A major shift in Uganda's recent political landscape was the change from the Movement system to multi-party system of democracy. The key issues of reform that remain outstanding include, among others, electoral reforms; political parties, donors and democratic agenda in Uganda; state institutions and democracy; the armed organs and their relationship in a multiparty dispensation, local governance, foreign policy and democracy.

870. The Uganda Human Rights Commission (UHRC) was established as the principal institution for promoting human rights. The core functions of the UHRC include ensuring compliance with international treaties and popularizing the Constitution at national and lower levels. Over the last 12 years, the UHRC has investigated complaints and provided redress.

871. A decentralized system based on the philosophy of popular participation was established. The thrust of Uganda's decentralization system was to devolve powers with a view to improve public service delivery and increase popular participation. Such devolved powers were categorized into: political, financial and administrative powers. The main challenge of the decentralization policy is the inability of Local Governments to raise local revenues.

872. Citizen participation in the implementation and development of national policies has improved the sustainability of Government projects/programmes. Furthermore, the number of demonstration programmes has been implemented to enhance mobilization and participation and improve the living conditions of the communities in the rural areas. Some of these include; The Katine Community Partnership Project and The Integrated Community Program in Soroti district, The Presidential Model Villages, the Ruhiira Millennium Village in Isingiro district, One Village One Product (OVOP) in Soroti, Masaka and Bushenyi districts, and The Hunger Project- implementing the Epicentre strategy. National development through the policy of Commercial diplomacy and promotion of investment has led to attraction of a high number of investors into the country.

873. Government has registered success in regional integration and peace building. The Government continues to promote regional stability through peace initiatives and the adoption of a non-confrontational foreign policy while protecting Uganda's national territorial integrity. One such outcome is the significant progress towards realisation of the East African federation.

8.16.2 Constraints to the Performance of the Public Administration Sector

- i) Unclear distinction between the functions of public sector management and public administration.
- ii) Weaknesses in the electoral system.
- iii) Inadequate funding for the sector largely due to competing priorities for the local revenue.
- iv) Limited capabilities for sound policy analysis.

8.16.3 Objectives, Strategies and Interventions

874. Objective 1 - Deepening democracy.

Strategy 1: Strengthen citizens' participation in political and economic governance.

Intervention Description

- i) Expedite amendment of electoral laws.
- ii) Conduct the adult suffrage elections at national and Local Government level.
- iii) Strengthen institutional capacity of the Electoral Commission.
- iv) Improve the quality of the voters' register.

Strategy 2: Strengthen institutional and regulatory framework for political party activities.

Intervention Description

- i) Review the existing legal mechanism and implement necessary legal reforms.
- ii) Conduct National political dialogues.
- iii) Establish an Institutional framework for party activities.

- iv) Develop and implement the consultation code.
- v) Institutionalise the political parties' code of conduct.

Strategy 3: Clarify the role of donors in Uganda's democratic agenda.

Intervention Description

- i) Develop and implement a framework for donor participation in the democratic process.
- ii) Conduct periodic Government-donor dialogues.
- iii) Develop a donor engagement strategy.

Strategy 4: Enhance collaboration among the Executive, Legislature and Judiciary.

Intervention Description

- i) Strengthen coordination mechanisms among the Executive, Legislature and Judiciary.
- ii) Conduct the annual Government review.

Strategy 5: Enhance Government engagement with civil society organizations and, the private sector including the media.

Intervention Description

- i) Strengthen the framework for promoting partnership between Government and the media.
- ii) Conduct the annual Presidential Investors' Round Table.
- iii) Develop Government Information communication strategy.

875. Objective 2 - Enhance effectiveness of the three arms of Government.

Strategy 1: Strengthen the collaborative mechanisms for improvement of accountability and transparency in Government.

Intervention Description

- i) Review the existing accountability mechanisms in the three arms of government.
- ii) Reform the accountability mechanism.
- iii) Establish structures for faster judicial processes and audit trails.

Strategy 2: Strengthen the capacity for policy development.

Intervention Description

- i) Build capacity for policy analysis.
- ii) Strengthen the cabinet secretariat to effectively execute its mandate.
- iii) Develop and implement a cabinet decision tracking system.

- iv) Develop Government Policy Information Management System.
- v) Enhance skills and expertise for policy management.

Strategy 3: Strengthen the implementation system of Government.

Intervention Description

- i) Review the structure of the civil service to enhance service delivery.
- ii) Strengthen National Honours and Awards system, to include civil servants.
- iii) Review the performance mechanisms in Government and institute a contract based performance system.
- iv) Strengthen joint monitoring within Central and Local Governments.
- v) Promote and strengthen public-private partnership for better delivery of services.
- vi) Build capacity for modern management in Government.
- vii) Develop policy on Government office accommodation.

Strategy 4: Create minimum capacities for new administrative jurisdictions.

Intervention Description

- i) Provide for staff housing and equipment.
- ii) Develop policy on minimum tools and equipment for new jurisdictions.

Strategy 5: Support the Presidency.

Intervention Description

- i) Support the Presidency.

876. Objective 3 – Strengthen mobilization for national development.

Strategy 1: Empower the citizenry, especially the poor, to know their rights and duties.

Intervention Description

- i) Popularize the Constitution at grass root, national and international levels.
- ii) Translate the Constitution into local languages and disseminate.
- iii) Publish and disseminate the popular versions of the Constitutions.
- iv) Promote and nurture patriotism.
- v) Propagate national values and common good.
- vi) Enact a law to operationalise Article 8A(1) of the Constitution.

Strategy 2: Mobilize the population for involvement in the democratic process and development.

Intervention Description

- i) Proactively engage the media.
- ii) Undertake mass sensitization on key Government policies and programmes.
- iii) Retool and equip offices of Resident District Commissioners.
- iv) Develop Government media strategy.
- v) Intensify civic education.

877. Objective 4 - Address strategic issues of national interest.

Strategy 1: Ensure national territorial integrity and security for persons and property.

Intervention Description

- i) Strengthen the National Security Council.

Strategy 2: Provide leadership for self sustaining economic growth and development for socio-economic transformation.

Intervention Description

- i) Provide support to Presidential initiatives.
- ii) Promote sustainable economic exploitation of oil and other strategic natural resources.

Strategy 3: Strengthen the foreign relations for national security and development.

Intervention Description

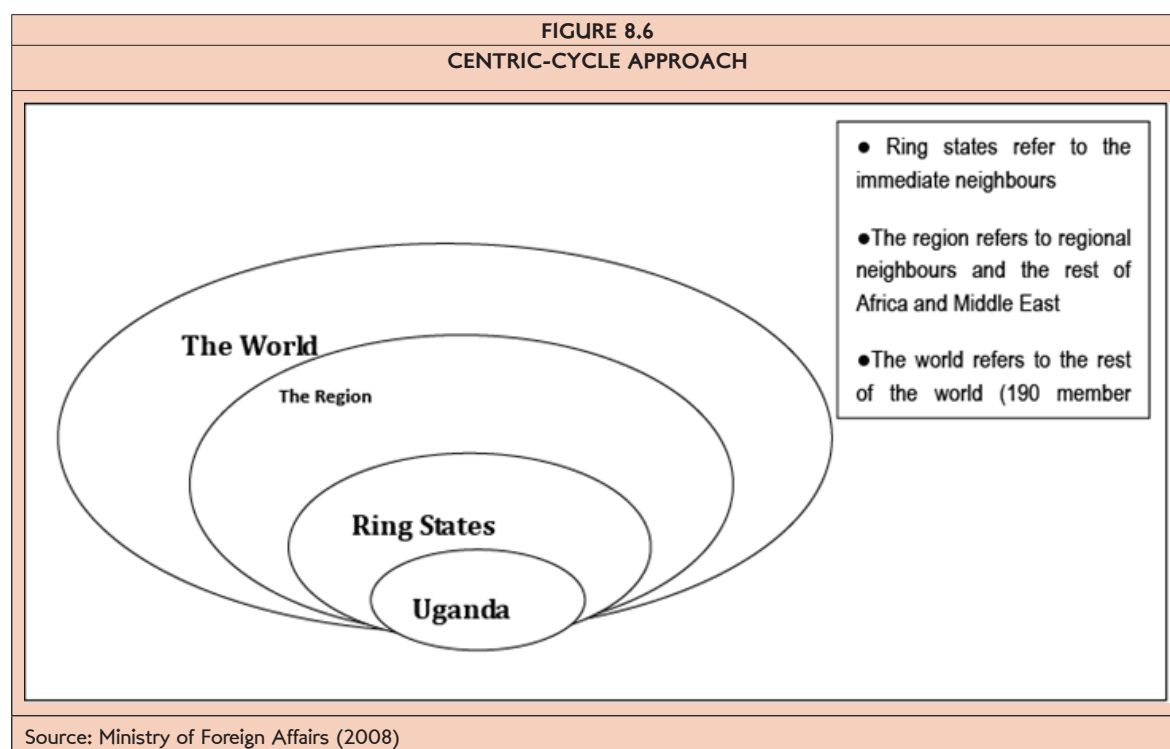
- i) Support the Presidential initiative on regional integration.
- ii) Fast track the East African political federation.
- iii) Support regional cooperation frameworks.
- iv) Support international cooperation frameworks and treaties.

8.17 REGIONAL AND INTERNATIONAL COOPERATION

8.17.1 Situation Analysis

878. To harness the benefits from regional and international cooperation and promote Uganda's interest abroad, Uganda's foreign policy has been designed around three main areas: (i) peace and security; (ii) regional cooperation and trade; (iii) tourism, investment and resource mobilization. This is achieved through Regional and International Cooperation, and Protocol Consular and Diaspora Services.

879. The Policy follows a centric – cycle approach in its international operational system, which defines the priority in cooperation and collaboration with other countries/states as outlined in Figure 8.6. It prioritises collaboration and cooperation with its immediate neighbours (Ring States), followed by regional partners and then the rest of the world.



880. From 2006 to date, there have been a number of successes/achievements at regional and International levels. The implementation of the pact on peace and security in the Great Lakes region enabled the cooperation of the Governments of Uganda, Democratic Republic of Congo (DRC) and Southern Sudan to reduce security threats in the region.

881. The establishment of a mechanism to enhance confidence, share intelligence and design common strategies against shared threats among Burundi, Rwanda, Uganda and DRC by agreeing to collectively address the problem of negative forces as a common security threat under the Tripartite Plus Joint Commission yielded tangible benefits.

882. The country continues to participate in peace keeping missions. It has contributed troops to the AU Peace Mission in Somalia (AMISOM). The Uganda Chapter of the African Peer Review Mechanism (APRM) National Commission under NEPAD was launched. The sector has successfully lobbied to host the AU Summit in 2010 and played a key role in enabling the International Conference on the Great Lakes Region (ICGLR) achieve confidence building in the following areas: Good neighbourliness; Regional Cooperation; Economic Integration; Sustainable peace and development.

883. At International level, the country has successfully lobbied for Uganda's Non-Permanent Membership at the United Nations Security Council; successfully lobbied and hosted the SMART Partnership in August 2009; Strengthened relations with South Eastern Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC), and the Americas and the Caribbean, that brought benefits in the areas of, market share of Uganda's products, financial resources for identified programs and training for Ugandans in various fields.

884. In the Americas, the negotiations that ushered access to American market for Ugandan products under the AGOA initiative and direct foreign investments in various identified sectors was done. The cooperation with Canada in sugar production, mineral, and oil and gas exploration has been initiated.

885. In Europe, the relations have been strengthened leading to Everything But Arms (EBA) arrangement and direct foreign investments in agreed projects. Uganda signed a five year financial protocol for the 10th European Development Fund (10th EDF) within the framework of the Cotonou Partnership Agreement.

886. The country's multilateral cooperation has involved provision of technical personnel in Darfur, Liberia, East Timor, and Southern Sudan under the United Nations. The funding under the Commonwealth Fund for Technical Cooperation (CFTC) in the areas of scholarships and training has been mobilized from which the Commonwealth Youth Program (CYP) in Northern Uganda has benefited.

887. In the next 5 years, the foreign policy of Uganda shall be based on the principles of: (a) promotion of the national interest of Uganda; (b) respect for international law and treaty obligations; (c) peaceful co-existence and non-alignment; (d) settlement of international disputes by peaceful means; (e) opposition to all forms of domination, racism and other forms of oppression and exploitation; (f) Uganda shall actively participate in international and regional organisations that stand for peace and for the well-being and progress of humanity; (g) the State shall promote regional and Pan-African cultural, economic and political co-operation and integration.

8.17.2 Constraints to the Performance of Regional and International Development Sector

- i) Insufficient staffing and structure at both Missions abroad and Ministry Headquarters.
- ii) Inadequate skills and training to handle specific issues in the international community.
- iii) Weak mechanisms and systems for communication and information sharing especially between missions abroad and the Ministry Headquarters.
- iv) Inadequate marketing strategy to portray a positive image of the country, both in the domestic and the external arena.
- v) Ever changing Foreign Policy environment at global level coupled with weak and sticky response associated with limited resources.
- vi) Limited regional and international coverage to tap existing opportunities.
- vii) The limited number of foreign missions does not enable effective coverage of all strategic and critical locations.
- viii) Poor coordination between the Ministry and other line ministries and Government institutions.

8.17.3 Objectives, Strategies and Interventions

888. Objective 1 - Ensure cordial bilateral and multilateral relationship at both regional and international levels.

Strategy 1: Initiate and coordinate implementation of foreign policy decisions relating to regional and international cooperation and development.

Intervention Description

- i) Review Uganda's Foreign Policy to meet the emerging regional and international challenges.
- ii) Identify and emulate best practices through consultative and participatory meetings and workshops.
- iii) Carry out field visits and research with the aim of identifying issues for coordination, harmonization and implementation at regional, international and global levels.

Strategy 2: Initiate, promote and coordinate bilateral, regional and multilateral cooperation.

Intervention Description

- i) Identify key and relevant issues for negotiations in all areas earmarked for cooperation.
- ii) Develop and operationalise co-operation frameworks in order to facilitate networking with all other key stake holders.
- iii) Ensure domestication of regional and international agreements and treaties by liaising with all the relevant MDAs.

Strategy 3: Conclude bilateral, regional, and multilateral treaties and agreements between Uganda and other countries, multilateral and international organizations.

Intervention Description

- i) Liaise with relevant MDAs to ensure their compliance with the obligations under the respective agreements and treaties.
- ii) Develop and operationalise a monitoring and evaluation framework for implementation of regional and international agreements and treaties.
- iii) Sign appropriate legal frameworks for implementation of the provisions of the agreements and treaties.
- iv) Enhance sensitization and awareness campaigns through promoting proactive and positive propaganda campaign and outreach efforts.

Strategy 4: Enhance the capacity of the Ministry of Foreign Affairs to forecast and respond to emerging regional, international and global challenges.

Intervention Description

- i) Recruit and train staff in specialized skills relevant to foreseeing, analysing, forecasting and responding to emerging challenges.
- ii) Provide state of the art equipment, machinery and facilities for handling the emerging challenges.

Strategy 5: Promote participation of the various stakeholders, particularly the Private Sector, Civil Society and general public in regional and international cooperation.

Intervention Description

- i) Raise awareness on Uganda's Foreign Policy goals and objectives amongst all stakeholders.
- ii) Enhance information management, sharing and dissemination.

889. Objective 2 - Mobilize external resources for national development programs.

Strategy 1: Network with and lobby foreign countries to attract development partners.

Intervention Description

- i) Identify potential development partners and areas of mutual interest through lobbying and advocacy.
- ii) Initiate and coordinate dialogue between relevant MDAs and potential development partners through intensified networking with all other key stakeholders.
- iii) Negotiate appropriate legal frameworks for implementation of provisions within the agreements for external support.

890. Objective 3 - Provide relevant and adequate infrastructure for Missions abroad in order to improve service delivery and the image of Uganda.

Strategy 1: Ensure that infrastructure and service delivery standards are commensurate with the highest standards obtained in the respective locations.

Intervention Description

- i) Carry out needs assessment in Missions abroad to identify the infrastructure gaps.
- ii) Renovate and maintain missions abroad.
- iii) Enhance network and communication with Missions abroad.

891. Objective 4 - Establish Missions in strategic locations abroad.

Strategy 1: Identify locations of strategic importance in accordance with the national foreign policy objectives under the principle of comparative advantage.

Intervention Description

- i) Establish an inventory of the opportunities available and key players to enable setting up Missions in locations of strategic importance.
- ii) Open new missions abroad.
- iii) Facilitate missions abroad to network with partners.
- iv) Establish a framework for supporting Ugandans and partners abroad in relevant areas.

892. Objective 5 - Acquire, develop and manage Uganda's properties abroad.

Strategy 1: Develop institutional and legal framework for acquisition, development and management of properties.

Intervention Description

- i) Develop a policy for acquisition, development and management of properties abroad.
- ii) Mobilize and allocate funds for acquisition and/or development of properties abroad.

893. Objective 6 - Ensure that Missions accredited to Uganda are adequately and effectively provided with the necessary services.

Strategy 1: Administer requisite privileges and immunities for Missions accredited to Uganda.

Intervention Description

- i) Identify requisite services in accordance with Ministry of Foreign Affairs Client Charter.
- ii) Publicize Client Charter to missions accredited to Uganda.
- iii) Review the Client Charter of the Ministry to accommodate the prevailing international best practices.
- iv) Develop and operationalise guidelines for provision of protocol and hospitality services to the Missions accredited to Uganda.

CHAPTER 9

SUMMARY OF KEY SECTORAL PROGRAMMES/PROJECTS

9.1 SECTORAL PROGRAMMES/PROJECTS

894. Table 9.1 shows some of the projects that sectors are expected to carry out during the NDP period.

TABLE 9.1 SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
Sector: Agriculture									
Subsector: Agriculture Development									
Improving agricultural technology Development	38,061.42	41,512.36	44,247.12	43,524.30	45,004.70	212,349.89		151,693.11	364,043
Controlling diseases, pests and Vectors	29,478.47	30,847.70	29,645.03	31,812.16	35,000.09	156,783.45		111,318.55	268,102
Better delivery of advisory services and improved technology	137,150.35	143,698.40	148,894.13	146,967.13	186,116.11	762,826.12		538,466.88	1,301,293
Restoring Agricultural Production in northern Uganda	6,356.15	9,324.65	14,852.82	14,968.11	17,625.60	63,127.34		44,684.66	107,812
Accelerate support to strategic selected crop enterprises	73,696.18	72,074.07	68,882.97	69,417.63	81,742.31	365,813.16		259,186.84	625,000
Increase access and availability of farm inputs	29,478.47	30,847.70	31,545.65	34,015.75	42,859.13	168,746.70		118,790.30	287,537
Enhance productivity of land	14,548.21	14,228	13,598.05	13,703.60	17,444.46	73,522.32		51,857.68	125,380
Promote Labour saving technologies and mechanization	19,986.40	20,914.74	21,387.89	23,062.76	29,058.41	114,410.20	11,348.15	69,191.65	194,950
Subsector: Water for Production									
Construction of Five Irrigation Systems	8,902.50	8,706.55	8,321.06	8,385.65	9,874.47	44,190.23		31,309.77	75,500
Establish Micro Irrigation Schemes At Community Level	4,126.99	4,036.15	3,857.45	3,887.39	4,577.57	20,485.54		14,514.46	35,000
Rehabilitate 5 Irrigation Schemes	4,716.56	4,612.74	4,408.51	4,442.73	5,231.51	23,412.04		16,587.96	40,000
Construct 15 Dams	10,612.25	10,378.67	9,919.15	9,996.14	11,770.89	52,677.09		37,322.91	90,000
Construct 135 Valley Tanks	5,306.12	5,189.33	4,959.57	4,998.07	5,885.45	26,338.55		18,661.45	45,000
25 Water Supply Systems to Rural Areas	1,473.92	1,441.48	1,377.66	1,388.35	1,634.85	7,316.26		5,183.74	12,500
Construct 3 Bulk Water Supply Systems		10,378.67	9,919.15		11,770.89	32,068.71		21,931.29	54,000
Sector: Energy and Mineral Development									
Subsector: Mining									
Construction of Three Geothermal Power Plants at Katwe, Buranga And Kibiro in Kasese, Bundibugyo And Hoima Districts Respectively	3,511	6,704.94	38,087.70	294,682.32	676,682.45	1,019,668.41	980,000	23,096.83	2,022,765.23

TABLE 9.I									
SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
Construction of 40 Seismic Vaults and Sensors & A National Laboratory For Earthquake Research And Upgrading The National Data Centre (NDC) at Entebbe	1,984.48	243.82	90,987.29	121,543.47	22,774.05	237,533.10		46,466.90	284,000
Geological, Geochemical and Geophysical surveys	206.08	164.58	204.04	233.74	304.41	1,112.84		237.16	1,350
Subsector: Oil & Gas									
Refinery Development	3,053.04	121.91	634,946.18	1,038,833.09	1,127,428.27	2,804,382.49		240,017.51	3,044,400
Construct the Inter-State Distribution Pipeline				216,423.56	281,857.07	498,280.63	2,500,000	1,719.37	3,000,000
Jinja Petroleum Reserve Re-Stocked	39,689.53					39,689.53		12,310.47	52,000
Stock Nakasongola Petroleum Reserves	45,795.61	45,105.97	33,251.17			124,152.75		53,847.25	178,000
Construct Gulu Petroleum Reserves		36,572.41	30,228.34	17,313.88	112,742.83	196,857.46		35,885.37	232,742.83
Oil Exploration and Database Management	282.41	233.42	298.95	352.73	473.16	1,640.67		335	1,975.67
Subsector: Energy									
Completion of Bujagali HEP Project	73,574.41	215.05	251.5	17.31	22.55	74,080.82		23,039.71	97,120.53
Construction of Karuma HEP Project	33,239.75	471,784.10	482,897.66	376,577	536,655.85	1,901,154.36		887,395.34	2,788,549.70
Construction of Isimba HEP Project	5,342.82	42,667.81	113,356.26	129,854.14	95,831.40	387,052.43		132,947.57	520,000
Construct Ayago Project HEP Project				1,731.39	3,382.28	5,113.67	2,794,886		2,800,123
Construct Ariang HPP							1,600,000		
Construct Solar Thermal Power Plants							1,800,000		
Construct Geo-Thermal Power Plants							800,000		
Construct Biomass Cogeneration Plants							400,000		
Construct various mini hydropower plants							750,000		
Rural Electrification	97,729.36	72,393.87	91,263.12	106,307.25	140,703.05	508,396.65		106,778.35	615,175
Substations and transmissions projects	184,693.69	254,153.88	504,843.43	841,021.96	396,584.17	2,181,297.12		468,942.88	2,650,240
Construct Muzizi, Yeriya/Makoma And Kakaka Mini-Hydro Power Projects	961.71	121,908.04	60,456.67			183,326.42		97,933.58	281,260
Construction of Thermal plants to use Uganda oil resources	38.16					38.16	4,194,961		4,200,123
Sector: Works and Transport									
Subsector: Transport									
Upgrade 1100km of National Roads From Gravel To Bitumen	590,669.79	585,408.80	634,407.50	495,495.59	603,018.62	2,909,000.29			2,909,000.29
Reconstruct 1200km of Paved National Roads	438,176.61	300,615.33	261,226.62	305,225.28	270,152.34	1,575,396.17			1,575,396.17

TABLE 9.1									
SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
Dualling of 150 Km		98,886.62	196,410.99	297,297.35	120,603.72	713,198.69			713,198.69
Upgrade 9,000 District Roads to National Roads	96,514.67	128,552.61	157,128.79	158,558.59	192,965.96	733,720.62			733,720.62
Five Ferries Procured and Operationalised	6,756.03	6,922.06	6,874.38	6,936.94	8,442.26	35,931.67			35,931.67
Upgrade Strategic Roads for Tourism, Mining, Oil and Gas and Industry	73,351.15	75,153.83	74,636.18	75,315.33	91,658.83	390,115.32			390,115.32
Rehabilitate and Maintain District, Urban and Community access Roads	164,074.94	168,305.03	166,949.34	168,666.70	205,026.33	873,022.34			873,022.34
Improve Transport Infrastructure, Connectivity, Transport Systems And Safety for Greater Metropolitan Kampala	58,487.89	88,009.09	87,206.48	88,198.21	107,096.11	428,997.78			428,997.78
Rehabilitate the Existing Railway Lines	55,013.36	187,884.58	186,590.44	430,090.17	48,241.49	907,820.04		3,179.96	911,000
Construct the Standard Rail Gauge From Malaba To Kampala	48,257.34	148,329.93	196,410.99	198,198.23	241,207.45	832,403.94	467,596.06		1,300,000
Upgrade Entebbe Airport to Class A	27,024.11	16,415.18	16,498.52	11,891.89	14,472.45	86,302.15			86,302.15
Upgrade The Airdromes to Entry-Exit Ports	25,865.93	33,621.45	22,587.26	24,378.38	29,668.52	136,121.55			136,121.55
Improve Water Transport of Lake Victoria	11,581.76	23,337.24	17,873.40	6,540.54	7,959.85	67,292.79		62	67,354.79
Sector: Information and Communication Technology									
Subsector: Information & Communication Technology									
National fibre optic roll-out Project	11,025.57	11,635.86	10,582.22	11,873.39	16,824	61,941.04		18,058.96	80,000
Information Technology (IT) Business Parks construction Project	3,445.49	7,272.41	13,227.78	14,841.73	2,103	40,890.41		16,109.59	57,000
Subsector: Broadcasting									
Digitization of Television and Radio Broadcasting project	2,067.30	2,181.72	1,449.76			5,698.78		2,493.22	8,192
Sector: Tourism, Trade and Industry									
Subsector: Manufacturing									
Construction of Four Jua-Kali Industrial Parks in Uganda, One Per Region	5,899.17	4,916.42	5,333.88	8,496.21	10,796.40	35,442.07		157.93	35,600
Construction and Development of Phosphate Industry in Tororo	42,136.96	56,187.64	38,099.12			136,423.72		463,576.28	600,000
Development and Production of Iron Ore ingots	42,136.96	49,164.18	60,958.60	93,109.11	118,316.68	363,685.53		836,314.47	1,200,000
One Village One Product Programme	294.96	351.17	380.99	581.93	739.48	2,348.53		25,001.47	27,350
Construction of a Jua kali Common Facility centre	2,106.85	1,755.86	1,904.96	2,909.66	3,697.40	12,374.72		125.28	12,500
Subsector: Tourism									
Tourism Development and Marketing Program	3,632.21	3,246.59	3,026.98	5,030.80	6,466.75	21,403.32		9,935	31,338.32

TABLE 9.I									
SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
Develop Tourism support infrastructure	1,769.75	3,301.02	3,428.92	2,094.95	2,662.13	13,256.78	2,400	14,196.80	29,853.58
Strengthening, retooling and upgrade of the Uganda Wildlife Training Institute	84.27	210.7	228.59	349.16		872.73		1,127.27	2,000
Upgrade of Hotel Tourism Training Institute (HTTI) to University College	927.01	772.58	838.18	1,280.25	1,626.85	5,444.88		55.12	5,500
Expansion and modernization of the National Museum and establishment of interpretation centres and archaeological sites		351.17				351.17		3,148.83	3,500
Revival of the Uganda Institute of Ecology	168.55	140.47	152.4	232.77	295.79	989.98		1,210.02	2,200
Mitigating Human-Wildlife Conflicts	1,137.70	1,439.81	1,333.47	232.77	295.79	4,439.54		11,110.46	15,550
Subsector: Trade Development									
Enhancement of Market Access and Promotion of Value-Added Exports	1,552.33	1,262.11	1,299.94	2,288.16	2,855.87	9,258.41		207.29	9,465.70
Strengthening the Delivery of Commercial Extension Services									
Establishment of a National Export Development Centre (NEDEC)	252.82	210.7	228.59	465.55	591.58	1,749.25		5.01	1,754.26
Sector: Education									
Subsector: Primary Education									
Emergency Construction and Rehabilitation of Primary Schools	184,164.94	192,109.55	191,729.05	194,032.24	237,469.92	999,505.71		17,634.29	1,017,140
World Food Programme Karamoja	92.34	100.14	103.69	109.56	139.67	545.4		7.6	553
Subsector: Secondary Education									
Development of Secondary Education	110,392.40	112,566.58	112,130.62	113,897.55	140,525.83	589,512.98		10,428.08	599,941.06
Secondary Science and Mathematics	2,123.80	2,255.49	2,293.36	2,365.96	2,953.76	11,992.37		190.63	12,183
ADB IV Education Project	2,389.62	2,566.51	2,647.16	3,165.24	5,389.35	16,157.88			16,157.88
Development of Primary and Secondary Teacher's Colleges	4,621.35	4,897.65	4,577.51	4,767.93	6,275.57	25,140.01		386.02	25,526.03
Subsector: BTVET									
Support To UPPET	3,093.36	3,250.19	3,268.96	3,335.95	4,119.24	17,067.71		288.29	17,356
Development of TVET, P7 Enrolling Institutions and UVOF	46.17	50.07	51.97	54.67	69.59	272.46		3.83	276.29
Development of BIVET	9,326.26	10,590.79	10,968.17	11,515.28	14,056.70	56,457.20		853.8	57,311
Sector: Health									
Subsector: Health & Nutrition									
All levels of the health system carrying out their core and basic functions	104,921.72	114,620.52	121,109.94	129,869.35	162,824.59	633,346.12		316,673.06	950,019.18

TABLE 9.1									
SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
Build a harmonised and national health information system	124,907.80	136,454.09	144,179.65	154,607.60	193,840.34	753,989.49		376,994.75	1,130,984.24
Strengthen human resources planning	114,371.17	124,943.47	132,017.34	141,565.64	177,488.89	690,386.51		345,193.25	1,035,579.76
Review curricular and training strategies for workers	193.64	211.54	223.52	239.69	300.51	1,168.90		584.45	1,753.35
Increase motivation, productivity, performance and integrity of health resources	110,138.57	120,319.61	127,131.70	136,326.64	170,920.46	664,836.97		332,418.49	997,255.46
Ensure availability and affordability of medicines	151,443	165,442.16	174,808.93	187,452.17	235,019.45	914,165.71		457,082.85	1,371,248.56
MOBilize sufficient financial resources to fund the health sector programmes	3,158.92	3,450.92	3,646.30	3,910.02	4,902.22	19,068.38		9,534.19	28,602.57
Provide integrated, promotive, preventive, curative, and rehabilitative services	119,700.10	130,764.99	138,168.46	148,161.65	185,758.68	722,553.89		361,276.94	1,083,830.83
Improve access to quality hospital services	207,552.07	226,737.87	239,575	256,902.52	322,093.30	1,252,860.76		626,430.38	1,879,291.14
Provide and maintain functional and efficient health infrastructure	72,723.91	79,446.40	83,944.38	90,015.75	112,857.87	438,988.31		219,494.16	658,482.47
support maternal and child nutrition initiatives	32,241.48	35,221.84	37,215.98	39,907.66	50,034.51	194,621.48		97,310.74	291,932.22
Strengthen mechanisms for control and prevention of micro-nutrient deficiencies	7,832.71	8,556.75	9,041.20	9,695.12	12,155.32	47,281.10		23,640.55	70,921.65
Build community and institutional capacity for management of malnutrition	9,090.49	9,930.80	10,493.05	11,251.97	14,107.23	54,873.54		27,436.77	82,310.31
Strengthen health research and its application	2,910.33	3,179.36	3,359.36	3,602.33	4,516.45	17,567.84		8,783.92	26,351.76
Sector: Water and Environment									
Subsector: Forestry									
Community Tree Planting Program	12,605.87	12,793.51	12,274.40	12,527.60	15,198.58	65,399.96	12,484	4,008,004.75	4,085,888.71
Subsector: Water & Sanitation									
Rural Water Supply Projects (2850 springs, 5723 shallow wells, 6062 boreholes, GFS taps 3303, 184 RGCs and 298 Valley tanks)	91,101	110,778.05	125,901.37	128,939.82	156,034.49	612,754.72	20,821		633,575.72
Urban Water Supply Projects	104,768.27	114,573.95	118,194.93	128,954.27	166,927.19	633,418.61			633,418.61
Extend Water Supply to Greater Kampala Areas	23,094.73	18,016.79	14,530.06	14,426.01	29,107.62	99,175.21	97,634		196,809.21
Sector: Social Development									
Subsector: Labour & Employment									
Externalisation of Labour Programme	21,076.76	19,463.85	19,810.86	18,993.65	26,912.77	106,257.89		3,812.01	110,069.90

TABLE 9.I									
SECTOR PROGRAMMES/PROJECTS									
Project	Year 1	Year 2	Year 3	Year 4	Year 5	GOU Budget	Off Budget	Unfunded	Total
National Non-Formal Skills Development Programme	22,697.48	24,283.51	27,272.95	29,012.42	33,778.81	137,045.17		5,054.83	142,100
A Decent work Country Programme	17,765.24	16,493.21	17,821.08	16,942.34	24,039.01	93,060.87		3,311.20	96,372.07
Strengthen the Industrial Court	43.38	9.07	9.66	9.27	13.13	84.51		3.3	87.81
Institutionalised Entrepreneurship Development Training Programme	2,987.70	12,963.80	7,851.87	7,565.81	9,079.23	40,448.40		1,609.59	42,057.99
Subsector: Social Development									
National Training Programme on National Core Ethical Values and Family Values	2,668.46	3,084.10	3,462.87	2,872.21	4,091.62	16,179.26		585.81	16,765.08
Culture for Development Programme	532.06	869.29	2,134.10	2,046.06	2,899.14	8,480.65		262.26	8,742.91
National Social Protection Programme	10,189.03	9,213.53	9,986.53	9,865.67	13,825.84	53,080.61	13,420	2,101.84	68,602.45
National Women Economic Empowerment Programme	409.27	377.95	402.66	386.05	547.01	2,122.94		75.61	2,198.55
Gender Based Violence Programme	3,307.75	3,156.67	3,443.55	3,378.71	4,896.81	18,183.48		634.68	18,818.16
National Functional Adult Literacy Programme	5,964.75	6,195.41	7,669.86	8,287.72	12,498.03	40,615.77		1,322.65	41,938.42
Community Mobilisation and Empowerment Programme	22,149.05	26,188.39	32,252.25	31,149.59	44,317.45	156,056.74		5,353.36	161,410.10
Operationalise the CIS in the Districts	406	474.71	616.07	697.21	1,138.87	3,332.85		101.3	3,434.16
Sector: Accountability									
Subsector: Science & Technology									
Program for extension of the fibre optic cable network to electrical load centres	4,371.18	4,982.83	5,380.07	4,662.84	3,146.60	22,543.52		31,456.48	54,000
Construction and Development of 4 Regional Science Parks and Technology Incubation Centres (SPTIC)	10,490.84	9,965.66	12,415.56	15,542.79	13,485.44	61,900.28		12,099.72	74,000
	4,322,472	5,347,854	6,638,279	8,049,053	8,628,580	32,986,241	16,445,551	12,341,165	61,772,958

PART 4:
MONITORING
AND EVALUATION,
AND
IMPLEMENTATION
STRATEGY

CHAPTER 10

STRATEGY FOR MONITORING AND EVALUATION

10.1 INTRODUCTION

895. This section provides an overview of the measurements, analysis and reporting needed to monitor and evaluate the NDP. The detailed Monitoring and Evaluation (M&E) strategy, including the Results and M&E Framework, the plan for data collection, analysis and storage; reporting flows and formats; the plan for communication of the NDP results and review; the capacity building plan as well as the implementation schedule are presented separately as Addendum I to the NDP.

896. The strategy outlines the macro and sector level indicators which will be applied to measure implementation performance and results achievement over the plan period. It will be the basis for generating information on key milestones; progress of policy and initiatives; implementation; assessment of immediate results (evaluation) and long term effects (impact assessment). All these constitute critical elements for the transformational initiatives in the NDP as well as facilitating evidence-based decision making processes.

10.2 STATUS OF M&E IN THE PUBLIC SECTOR

897. The current national M&E arrangements are weak and comprise only a few functional systems at sector level. They are characterised by fragmentation; duplication; weak co-ordination; lack of a clear results chain; poor definitions, tracking and reporting of outcomes and results; use of different formats and approaches with no common guidelines and standards; lack of national ownership; inadequate feedback and sharing of results across Government and other stakeholders; poor use of the data generated; problems related to capacity and resourcing; and are donor driven.

898. The existing M&E strategies conceived to enhance governance and public service delivery have not yet fully led to the development and institutionalization of the necessary monitoring and evaluation function in the public sector. This has led to over reliance on national surveys and censuses by Uganda Bureau of Statistics (UBOS) as the main source of reliable data for national sectors and Local Governments.

899. This strategy aims at establishing a system that is robust, comprehensive, fully integrated, harmonized and well coordinated to monitor the implementation of national development initiatives as well as evaluating their impact. In particular, it is intended to strengthen implementation monitoring and evaluation (including impact assessment) during the implementation of the NDP.

10.3 POLICY FRAMEWORK

900. The M&E strategy is underpinned by the current macro-economic policy framework which prioritizes efficiency and effectiveness in service delivery to achieve results as well as transparency and accountability in the use of available resources. These policies include, among others, Results Oriented Management (ROM); Output Based Budgeting (OBB); performance contracts for Permanent Secretaries/Accounting Officers and the adoption of Budget Framework Papers (BFP) and Ministerial Policy Statements (MPSs) which oblige all sectors to clearly articulate objectives, targets, outputs and outcomes.

901. This strategy is based on principles intended to institutionalize the use of M&E as a tool for better public sector management, transparency and accountability so as to support the overall strategic direction of the NDP and achievement of results. The underpinning principles include: i) simplicity, ii) flexibility iii) progressiveness (i.e. building on existing systems and processes), iv) harmonization; v) alignment; vi) enhanced ownership by MDAs, LGs, the Private Sector, CSOs and stakeholders.

10.4 OBJECTIVES OF THE M&E STRATEGY

902. The specific objectives of the M&E strategy are to:

- i) Constitute a robust, Government-wide management tool for tracking progress and demonstrating results of the NDP over the medium term;
- ii) Coordinate and facilitate the MDAs, LGs and other stakeholders to regularly and systematically track progress of the implementation of priority initiatives of the NDP; Assess performance in accordance with the agreed objectives and performance indicators to support management for results (*i.e. evidence-based decision making*), compliance with Government policies (*accountability*) and constructive engagement with stakeholders (*policy dialogue*);
- iii) Provide an **“Early Warning system”** for potentially problematic areas or processes of NDP implementation that may need urgent corrective action;
- iv) Institutionalize and harmonise the use of M&E information in policy formulation, planning and budgeting in the public sector
- v) Provide sustained technical backstopping and training for M&E;
- vi) Establish appropriate infrastructure for an effective national M&E system; and,
- vii) Facilitate continuous learning by MDAs, LGs and other actors during the implementation of NDP.

10.5 SCOPE

903. Operationally, the scope of this strategy will cover all aspects of the NDP, including: i) implementation (*i.e. inputs, activities and outputs*); ii) results (i.e. outcomes); iii) relevance of programmes and activities; iv) efficiency (i.e. optimal use of resources); v) effectiveness; and vi) assessment of the impact of NDP results and their sustainability.

10.6 MONITORING AND EVALUATION ARRANGEMENTS

10.6.1 Approach

904. A well coordinated government-wide M&E system for effective tracking, evaluation and feedback on NDP implementation and results will be established. This implies that MDAs, LGs, CSOs and other stakeholders will be involved directly or indirectly in the M&E activities. Consequently, a participatory approach that entails the involvement of all key actors and primary stakeholders will be adopted. This will enable all key actors to fully internalize and own the system as well as use the results to inform their actions.

10.6.2 Institutional Framework

905. Operationalisation of the M&E strategy will involve institutions at various levels of government as outlined below.

- a) National Planning Forum:** The forum will regularly assess the NDP performance and will be chaired by H.E. the President. It will comprise Ministers, PSs, and Private Sector Representatives. The forum will be serviced by NPA as its Secretariat, in collaboration with OPM.
- b) Sector Level:** This level includes all MDAs, Development Partners, (i.e. Donors, international development agencies), Private Sector, and NGOs.
- c) Local Government level:** This level includes Districts, Sub-counties, City Council, Division Councils, Municipal Councils, Municipal Division Councils, Town Councils, Private Sector, and district based NGOs.
- d) Community level:** This level includes the LCIII Councils (sub-county level), parishes, village councils, private sector, NGOs and CBOs.
- e) Households:** This level includes individual citizens who are the primary beneficiaries of the NDP investment activities.

10.6.3 Roles and Responsibilities

906. In order to avoid over-laps, role conflicts, and uncertainty in the monitoring and evaluation function during the implementation of the NDP, roles and responsibilities of key actors are specified below.

National Level/Central Government Actors

907. The President: The President will have overall oversight responsibility for the implementation and management of the NDP and, therefore, this monitoring and evaluation strategy.

908. The Office of the Prime Minister (OPM): In accordance with its mandate as Head of Government business, the Office of the Prime Minister will be responsible for monitoring Government performance and six-monthly reporting to Cabinet on Government's performance. This performance reporting will be based on the quarterly submissions of all sectors to OPM on progress against key actions, and outputs towards outcomes.

909. The NPA: It will be responsible for establishing the results framework for the NDP, and for ensuring that relevant institutions of Government (and relevant non-state actors) develop results indicators that are consistent with the NDP. NPA will also be responsible for producing an overall annual national development report, capturing progress and issues pertaining to the strategic components of the National Development Plan.

910. MoFPED: It will be responsible for resource mobilization, formulation of national budgets, and disbursement of NDP budgetary resources, financial accountability, and budget monitoring and reporting.

911. MoPS: It will be responsible for provision of human resources required to operationalise the strategy. This will include recruitment of M&E specialists, as well as statisticians where they are lacking. It will also entail review and capacitating existing M&E sections/units across the public sector to ensure sufficient capacity for formative implementation monitoring and assessment of results by OPM, MDAs and LGs.

912. Other MDAs: Other MDAs will be centres for performance monitoring as well as reporting on progress against BFPs and MPSs, including against the targets and actions set out in the National Development Plan. They will also be the direct consumers of the outputs and outcomes of this M&E strategy. The focus of the MDAs' M&E activities will be on service delivery, compliance with national standards, outputs and outcomes.

913. Development Partners: The development partners (i.e. Donors, International Development Agencies, NGOs/CSOs, among others) will support the M&E strategy by providing financial and technical assistance; for the operationalisation and maintenance of the M&E strategy; participation in the refinement of indicators, tools and processes; and participation in the implementation of M&E activities, integration of development partners' monitoring frameworks into Government systems, capacity building for M&E, and use of M&E products.

914. Private sector: The role of the private sector in the implementation of this M&E strategy will mainly involve their contribution in the development of and adherence to the necessary codes and standards. Research activities by academic institutions that are related to the M&E discipline will also contribute in this regard.

915. UBOS: The role of UBOS will be to provide core statistics that are critical for the monitoring and evaluation of NDP actions and results. These statistics will be generated through regular national surveys and censuses.

916. Local Governments (Districts): LGs will be responsible for monitoring frontline service delivery and accountability for results. They will also be responsible for reporting on progress of implementation and achievement of planned outputs. This involves reporting on the process of implementation focusing on implementation bottlenecks/constraints.

917. Community Level Actors: These comprise local councils III (sub-counties), community based NGOs, Administrative units at parish level, and village councils. Their role is to provide information on; i) delivery of various services, ii) transparency and accountability of resources accorded; and iii) challenges and gaps experienced in delivery of various services. They will also validate outcomes of implementation of the NDP in their respective areas.

918. Households Actors: These comprise individual citizens and constitute the primary beneficiaries of the NDP strategies and initiatives. The role of the citizens within the M&E strategy is to provide information on NDP implementation and delivery of target outputs as well as validate results thereof. In addition, the citizens are expected to use the M&E results to demand for better service delivery and accountability mainly through the Sub-county “barazas” recently established under OPM.

10.6.4 Progress Reporting, Reviews and Communication of Results

919. Reporting will be a shared responsibility of NPA, OPM, MFPED, MDAs and LGs.

920. Strategic Performance Reporting (outputs-outcomes). All Sector Working Groups will report quarterly to OPM on key expenditures, actions, outputs and progress towards outcomes (where outcome data becomes available). This will result in the production of a National Government Performance Report every six months. This report will be quality assured by the TICC, and the performance information presented, discussed and decisions taken by the ICSC and PCC and on the Cabinet. The six-month report will be produced in February/March each year, the annual report in October/November.

921. Budget Performance Reporting (outputs and expenditures). All MDAs and Local Governments will report quarterly to MoFPED against approved work plans. This will result in the production of a six-monthly budget performance report. This report will be presented jointly with the OPM report to ensure complete coverage of financial and physical performance issues.

Annual Sector Performance Reports

922. Currently, less than one third of sectors produce an annual performance report. It is critical that all sectors produce an annual performance report, outlining their performance, the challenges and the proposed mitigation measures. The performance report will be based on guidelines emphasizing the need to assess the logical relationships in the Sector Plan, and not focusing solely on activities, outputs or a simple aggregation of MDA reports. The guidelines will be developed following this strategy, and will seek to ensure that quality criteria are met and that the data can be compared across sectors. The report will be produced by August of the following Financial Year, and will be a key input to the joint sector review that should also take place in the same month. OPM will reprimand sectors that do not submit the reports in time.

National Performance Reports by NPA, OPM and MoFPED

923. Annual performance reports will be produced. These reports will include:

- Annual National Development Report (NPA)
- Annual Strategic Performance of Government – Output to Outcome (led by OPM)
- Annual Fiscal Performance – Output to Input and Expenditures (led by MoFPED)
- Annual State of the Economy - BOU

924. The annual performance reports of OPM will be submitted to PCC and to Parliament for scrutiny. They will be produced by 31 October each year, and thus will also feed into preparations for the following year's budget. To achieve this, all sector performance reviews will be done by August of each year.

925. The National Development Report will be presented to the National Planning Forum chaired by H.E. the President.

Annual Joint Sector Reviews

926. Annual joint reviews will take place for all sectors in August/ September of each year. The reviews will be based on the findings of the annual sector performance report. In order to promote horizontal accountability, the participation of representatives from private sector, CSO and Citizenry will be emphasized.

National Planning Forums

927. Regular forums to assess the NDP progress will be conducted. While the annual joint sector reviews will focus on the sector specific issues, the National Planning Forums will seek to address cross-cutting and underlying performance challenges, which are raised both from the sector reviews and the national performance reports (budget and overall performance).

Mid-term NDP Review

928. A mid-term review of the NDP will be conducted two-and-a-half years into the Plan's implementation. This review will be led by the National Planning Authority and will address performance against the intended objectives and key outputs. It will recommend any changes required to achieve the objectives and targets.

Final NDP Evaluation

929. A final evaluation of the NDP will be conducted after four-and-a-half years of the Plan's implementation. The evaluation will be led by the National Planning Authority in collaboration with the Office of the Prime Minister. The underlying principle of the evaluation process will be to ensure independence and objectivity. The evaluation will assess the overall effectiveness of the NDP against its objectives and targets, and where possible, it will look at impacts (albeit short-term). The purpose of conducting the evaluation prior to the conclusion of the NDP is to generate lessons and recommendations to inform the next NDP.

10.7 PRE-CONDITIONS FOR THE M&E STRATEGY

930. The success of this M&E strategy will depend on the following factors:

- i) Strong political will and commitment to transparency, accountability and results;
- ii) A coherent performance and results matrix for the NDP which defines intended results (*outcomes*) of interventions (*inputs-strategies-outputs*) for the NDP;
- iii) A paradigm shift and willingness to embrace change among MDAs, LGs, Development Partners and other stakeholders in the pursuit of results;
- iv) Rationalization/alignment of roles and responsibilities among stakeholders particularly MDAs and LGs;
- v) Establishment of a strong incentive system for compliance with the M&E strategy requirements, linked to performance contracts of Permanent Secretaries and Chief Administrative Officers
- vi) Dedicated resources for monitoring through the budget, and the establishment of an evaluation fund to finance key policy and programme evaluations.

10.8 POLICY IMPLICATIONS

931. The operationalisation of the proposed strategy has the following policy implications:

- i) Rationalization of the M&E function across government
- ii) Refinement of existing monitoring and management information systems to ensure that they provide a harmonized, objective, and rational basis for effective tracking, evaluating and feedback on NDP actions and results;
- iii) Gradually establish functional M&E units in MDAs and LGs staffed with M&E specialists, statisticians and economists; beginning with Ministry of Public Service designating a specific officer within the existing planning units in each MDA and LG to handle M&E
- iv) Provide a dedicated vote function for M&E across government.

10.9 RESULTS FRAMEWORK AND M&E PLAN

932. The results framework for the Plan has been developed and presented as Addendum I to the NDP. The framework contains key intended results (outputs and outcomes) of the strategies and key performance indicators. The M&E plan contains the full list of indicators, data collection methods, timetables and responsibilities. The M&E plan also contains an evaluation plan detailing specific policy and programme evaluations to be conducted during the life of this NDP. The schedule of national surveys, as key sources of information, to be conducted in the five years is also included.

11.1 INTRODUCTION

933. The purpose of this implementation strategy is to enhance operationalization of the National Development Plan (NDP). It provides an over-view on how the NDP objectives and the overall NDP theme will be achieved by outlining what will be done, by whom, when, and how. It thus serves as a check list that will be regularly updated, monitored and progress on it shared among the stakeholders. The strategy will also help to coordinate and guide the implementation actions, support coordinated and collaborated efforts, minimise duplication and promote synergies (details in Addendum II).

934. In addition, the strategy will facilitate addressing of key issues identified by the NDP, including gaps in service delivery; and elaborate in detail the agreed courses of action. In so doing, the strategy will be a critical integral part of the routine reference for stakeholders to ensure that policies and programs are implemented correctly, that standards and goals are met, that lessons learned are rapidly turned into operational and policy improvements, and that all outputs and outcomes are based on timely and relevant strategic information. In particular, the strategy is a deliberate effort to avoid proliferation of parallel systems and divergent work-plans and initiatives in order to foster sustained pursuance of the strategic direction towards achievement of the agreed NDP objectives and overall theme.

11.2 SITUATION ANALYSIS

935. The implementation of public policies, programmes and projects is largely through defined Government structures and systems. This was enhanced with the introduction of the decentralization policy in 1993 and restructuring of MDAs in 1998. With the advent of the PEAP, Government approved a more comprehensive institutional framework for coordinating the implementation of Government policies and programmes.

936. At the top of implementation coordination, the Prime Minister chairs the Policy Coordination Committee (PCC), a sub-committee of Cabinet that is required to meet quarterly to review progress on implementation across Government. The PCC is also required to review new and obsolete policies and plans to ensure that they are consistent with the current Government direction and mechanisms.

937. The second tier is the Implementation Coordination Steering Committee (ICSC) of Permanent Secretaries, under the Chair of the Head of Public Service/ Secretary to Cabinet, which meets once in two months. The ICSC is responsible for ensuring effective implementation of decisions made by the Cabinet and PCC.

938. The third tier is the Technical Implementation Coordination Committee (TICC) of Directors and Commissioners from all MDAs, and includes representation from NGOs, private sector and Development Partners, under the Chair of the Permanent Secretary, OPM. The TICC is responsible for coordination of implementation of actions that come from the ICSC, conducting relevant analysis on key constraints, and monitoring the performance of Government.

939. The fourth tier is the Sector Working Groups (SWGs) to which all MDAs belong. Currently, there are sixteen SWGs across Government. These are chaired by the lead institutions in the respective sectors.

940. This four-tier coordination arrangement is already in place, and functioning to a certain degree.

941. The above arrangements are supported by the National Integrated Monitoring and Evaluation Strategy (NIMES) coordinated by the Office of the Prime Minister, which was developed to enhance coordination, monitoring and evaluation to ensure effective implementation in Government. NIMES is also aimed at encouraging, facilitating and promulgating the use of monitoring and evaluation information, as well as improving harmonization of information flows for evidence-based and result-oriented decision making.

942. However, despite the existing initiatives, additional structural and systemic changes are required at both central and LG levels to ensure effective and efficient achievement of intended results.

943. The independent PEAP evaluation partly attributed the PEAP failures to implementation weaknesses including:

- Disjointed policy and program implementation,
- Resource wastage, duplication of efforts, and poor accountability,
- Ineffective delivery of services,
- Lack of direct linkage between planning, budgeting and prioritization of programs,
- Inadequate supervision, monitoring and information sharing,
- Weak information management and control systems,
- Weak, costly and inappropriate procurement systems, and
- Inadequate capacity coupled with poor definition of roles and responsibilities.

944. In addition, both political and technical supervision and monitoring of implementation in LGs have significantly been constrained by lack of funding.

11.3 PRE-REQUISITES FOR NDP IMPLEMENTATION

945. Successful implementation of the NDP will require the following:

- i) Ownership of the Plan by all
- ii) Political Will at the national and LG levels
- iii) Sustained annual and quarterly planning, and commitment of resources

- iv) Increased private sector capacity
- v) Behaviour change, patriotism and progressive reduction of corruption
- vi) Effective monitoring and evaluation to support implementation

11.4 INSTITUTIONAL ARRANGEMENTS, STRUCTURES AND SYSTEMS FOR NDP IMPLEMENTATION

946. The implementation of the NDP will be done under the existing central and LG structures. The roles of these stakeholders will vary depending on their mandates and functions. The implementation strategy, however, envisages changes in the institutions, structures, systems, procedures and regulations to improve efficiency and effectiveness in the implementation of the NDP.

947. The implementation of the NDP is a shared responsibility of the public sector, the private sector and other non-state actors. The key public sector actors include: H.E the President, Ministers, Permanent Secretaries, Heads of autonomous and semi-autonomous departments and agencies, Chief Administrative Officers (CAOs)/ Town Clerks and the Sub-county Chiefs.

948. NDP implementation and management will be under the overall leadership of H.E the President. The President will be represented at all levels of implementation in line with the existing institutional arrangements.

949. A Forum will be inaugurated in the first year of implementation of the NDP to regularly review progress on the NDP. This Forum will be chaired by H.E the President and will be serviced by NPA as the Secretariat. It will comprise Ministers, Permanent Secretaries, Heads of Government departments and agencies, and private sector and CSO representatives.

950. During implementation of the NDP, the current location and reporting arrangements of the NPA will be reviewed to bring it under the direct supervision of H.E. the President.

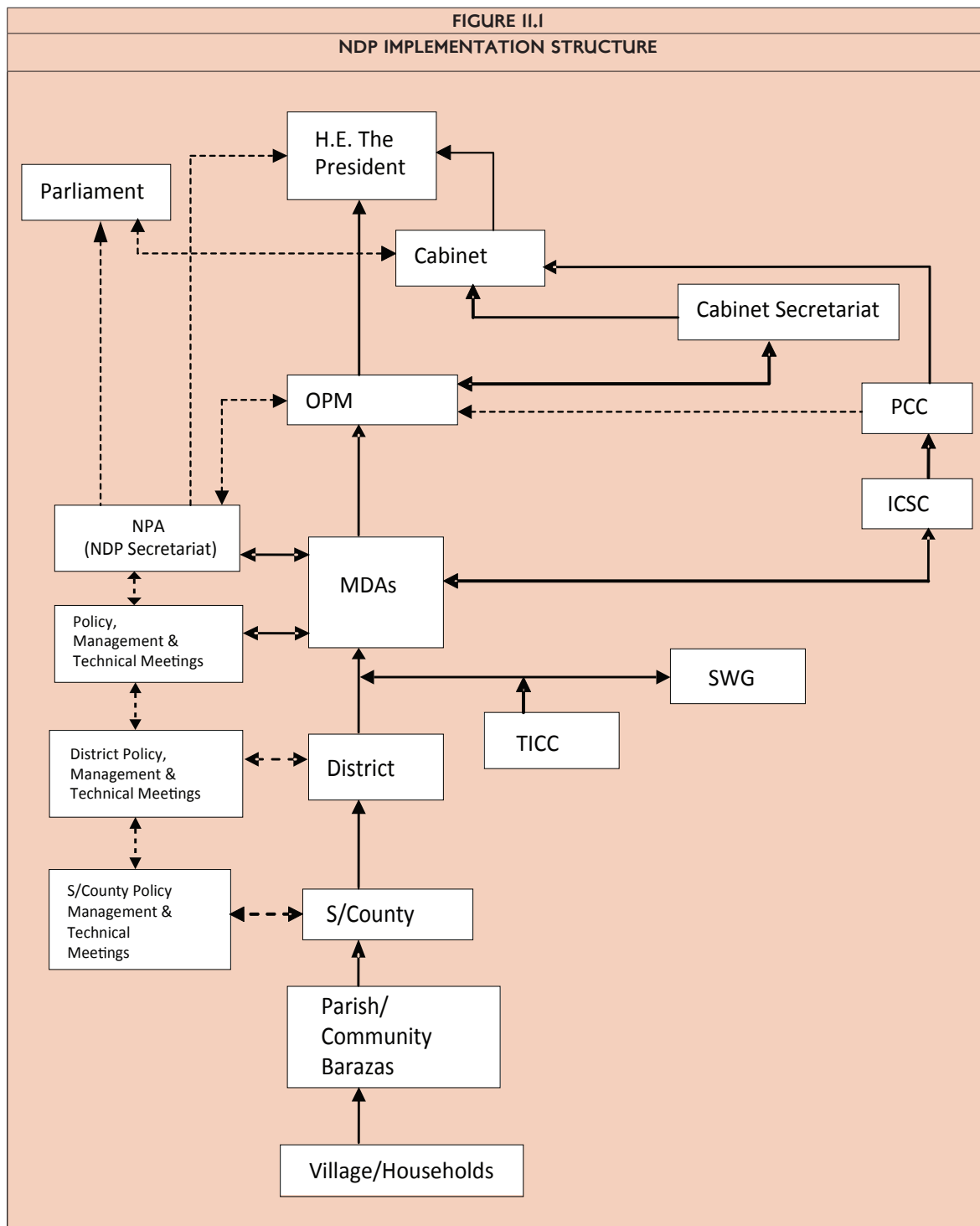
951. To ensure political ownership and leadership of the NDP implementation, the functioning of the Cabinet Secretariat will be strengthened to be an effective monitor for Cabinet.

952. Parliament, through its oversight, legislative and appropriation functions, will ensure effective NDP implementation.

953. The Permanent Secretaries will have the responsibility for overall coordination and implementation at the sectoral level, while the Ministry of Local Government in liaison with line ministries, will coordinate implementation of the Plan by the Local Governments. In order to strengthen the service delivery systems, institutional and individual performance contracts will be tied to the achievement of NDP outputs and outcomes.

954. To strengthen supervision of the NDP implementation, technical, management and policy meetings will be held regularly at different levels under the chair of their respective Managers, Permanent Secretaries and Ministers. Similarly, technical, management and policy meetings will be regularly held at LG levels.

955. The organisational structure for implementation of the NDP is indicated in Figure 11.1.



11.5 COORDINATION OF NDP IMPLEMENTATION

956. The Office of the Prime Minister (OPM) will be responsible for coordinating implementation of the NDP across MDAs. It will be strengthened to enhance effective coordination of implementation of the NDP through recruitment, training and re-tooling. Studies will be undertaken to enable OPM put in place and implement remedial sanctions for poor performance by MDAs and LGs.

957. Overall, the OPM will be the main channel for the flow of public sector information and reports from MDAs. The NPA will receive MDAs' quarterly, half annual and annual reports on the progress of implementation of the NDP through the OPM.

958. Specifically, the responsibility of coordination of implementation will entail the following:

- Ensuring that the policies, priorities and strategies identified in the NDP are implemented by relevant public institutions;
- Ensuring coherence of various national and sectoral policies that affect implementation;
- Ensuring that a sound regulatory framework for effective coordination of implementation is in place and adhered to;
- Establishing a mechanism for coordination of inter and intra-sectoral linkages in implementing the different projects and programs under the NDP;
- Ensuring that the institutions required to deliver the NDP have the requisite capacity and the institutional arrangements are operating effectively; and,
- The OPM will further ensure that all unproductive activities that constrain the performance of MDAs are dealt with. This includes overlapping mandates, duplication of roles, low institutional productivity, irrelevant activities, and misuse of resources, among others.

959. The PCC, ICSC, TICC and SWGs will be strengthened to enhance coordination. In particular, the SWGs will be strengthened through:

- Ensuring regular and full attendance at the respective levels.
- Ensuring that they meet at least quarterly to review progress against sector targets, provide timely performance and financial accountability reports to OPM and MOFPED, respectively, and follow-up on decisions made in previous meetings.
- Ensuring significant private sector representation on the committees.
- Ensuring that the district technical committees regularly meet to discuss plans, forward to Councils for approval and subsequently submit to sectors for integration.
- Ensuring that all these committees have sufficient budget to carry out their activities.

960. Implementation and management at sectoral level will be a joint responsibility of MDAs and LGs. The implementation roles of MDAs will be as defined in the Law. The MDAs will be in charge of:

- i) Overall thematic area strategies;
- ii) Policy formulation;
- iii) Resource mobilization;
- iv) Setting standards;
- v) Oversight management of implementation of thematic areas;
- vi) Formative monitoring and evaluation; and
- vii) Accountability of resources accorded to the thematic areas.

961. LGs will take charge of frontline service delivery and operational management. The political and technical inspection, supervision and monitoring roles of the districts, Municipal Councils and LLGs will be revitalized to improve service delivery. This will be achieved by empowering districts through capacity building, retooling and providing other necessary facilitation.

962. For implementation to be consistent with NDP objectives, strategies and interventions, NPA in collaboration with OPM and MFPED will put in place a system to quality assure the following key instruments;

- i) Ministerial Policy Statements,
- ii) Sector Master / Strategic Plans,
- iii) National Programmes/ Project Documents,
- iv) Local Government Plans,
- v) Annual Plans and Budgets.

11.6 PROJECT SELECTION, DESIGN AND IMPLEMENTATION

963. This will be guided by objectives, priorities and strategies within the NDP and will be in compliance with the existing and new laws and regulations that govern both central and Local Government service delivery and development. Project selection and implementation will also be required to take full account of regional balancing, affirmative action for under-developed regions and gender, environmental sustainability, and development of the rural economy.

964. The NDP outlines the priority projects and programs for implementation during the Plan period in the respective sector thematic areas. The thrust of the implementation will be based on priority areas highlighted in the NDP.

11.7 RESOURCE MOBILIZATION AND DISBURSEMENT

965. Government resources will be committed to the implementation of the NDP. Mobilization and disbursement of resources for implementation of the NDP will be the responsibility of MoFPED, within the framework of existing relevant laws. The LGs will also be required to mobilize local resources and expend them as per the Local Government Act, 1997 and the Local Government finance and accounting regulations.

966. Local Government Finance Commission (LGFC), in consultation with NPA, will undertake review of the allocations formulae for disbursement of resources, taking into consideration service delivery needs, equity principle and balanced regional development.

967. In addition, PPPs and other initiatives will be encouraged for mobilization of resources to complement funding of projects and programs outlined within the NDP macroeconomic framework.

11.8 ACCOUNTABILITY

968. Checking on the proper use of public resources will be the responsibility of the Auditor General. The Accounting Officers appointed by the Permanent Secretary/ Secretary to the Treasury will be accountable for the resources advanced to various MDAs. The Chief Administrative Officers will ensure acceptable accountability for the resources advanced to the various Local Governments.

969. Successful implementation of the NDP will require building a public service that is accountable, responsive, service-oriented and free of corruption as a foundation for good governance. Supporting legislation and regulations will be instituted to clarify rights and duties of Accounting Officers and create a strong integrity framework, highlighting performance contracts and defining the performance standards for the NDP implementation.

970. Accountability mechanisms such as oversight institutions and internal controls, the quality of governance and service delivery will be enhanced by focusing on bottom up structures of participation, information flow and, responsibility for implementation. Stakeholder community level consultations will be conducted to generate information about resource utilization. Transparency, information sharing and dissemination through the media and other publications will be vital for fostering accountability in public service. In addition, the IGG's Office, the Anti-Corruption Court and Criminal Investigation Department of Police, will be strengthened through recruitment, training and retooling, to expeditiously handle cases of corruption.

971. Governance and efficiency in service delivery will also be enhanced through further devolution of decision-making and resource management authority to LG level.

972. MoFPED (Treasury) and Ministry of Local Government will study and recommend strategies and measures for enhancing institutional accountability and control systems within MDAs and LGs for effective implementation of the NDP.

973. Specific actions for enhancing accountability will be undertaken. These include;

- i) Instituting bottom up and results-based accountability approaches,
- ii) Conducting Public Expenditure Tracking Surveys,
- iii) Timely preparation and submission of quarterly and annual budget performance reports by MDAs and LGs,
- iv) Conducting accountability forums at the community level ('Barazas'),
- v) Increasing information dissemination on public resources.

11.9 CAPACITY BUILDING

974. Capacity building, in terms of training and equipping personnel will be a pre-requisite for successful implementation of the NDP. A needs assessment will be carried out to establish the implementation capacity gaps in MDAs. Findings and data from the EAC National Manpower Surveys to be conducted during the Plan period will be used to inform implementation capacity building plans at all levels, including LGs.

975. MDAs will be responsible for capacity building for implementation of their thematic area programs/activities through the programs and interventions identified in the NDP.

976. Overall, national human resource development and capacity building will be strengthened through a centralized coordination mechanism at the NPA.

977. In the short run, the capacity gaps for emerging or unique skills will be filled through Technical Assistance.

11.10 LINKAGE BETWEEN PLANNING AND IMPLEMENTATION

978. The implementation of the NDP will require the formulation of 10-year Master Plans, 5-year Strategic Plans, and Annual Plans and Budgets by the MDAs and LGs to actualize the priorities set out in the NDP.

979. MDA and LG structures and procedures will provide the mechanism for NDP process implementation planning and review of results.

980. The Forum, chaired by H.E the President, will be responsible for review of progress of the NDP implementation. The recommendations from the Forum will be used to make necessary adjustments during subsequent implementation of activities.

981. The NPA will be responsible for the mid-term review of the NDP after two and a half years. The lessons learned, the findings highlighted during the review and the emerging issues, will be disseminated to inform planning of implementation at all levels in the remaining two and a half years.

982. To address issues such as participation, collective decision making, ownership, inclusiveness, and ensure that the key players (public sector, private sector, civil society and Academia) are actively involved in the process of planning, the following will be done:

- a) Strengthen inter and intra sectoral planning mechanisms; the sector working groups will lead the respective sector planning
- b) Build strong value chains for particular sub-sectors, products and services by involving the key stakeholders in the planning process
- c) Establish linkages between the producers of knowledge, labour, industry and public sector through planning
- d) Strengthen the planning capacity of Local Governments and MDAs
- e) Undertake strategic benchmarking for global competitiveness and alignment to enhance efficiency and effectiveness
- f) Establish the necessary capability for scanning the global environment and outlook. The findings under this initiative will be incorporated in the national development agenda.
- g) Strengthen national capability in economy-wide modeling and forecasting
- h) Integrate regional and continental initiatives in the development plan, and
- i) Integrate the ruling party manifesto and other political programmes in the National Development Plan.

11.11 LINKING THE NDP TO ANNUAL BUDGETS

983. NPA will ensure that the key principle in the design and implementation of this NDP is the realisation of the need for holistic funding of interventions pertinent to realizing specific objectives. This calls for a multi-sectoral approach in the formulation of budgets linked to interventions to achieve the specific objectives. In light of this, consultations and consensus in the budget process needs to go beyond the Sector Working Groups to the higher level coordinating organ that will ensure that this multi-sectoral approach has been catered for by the respective sector budgets. It is through this process that the synergies envisaged in the “egg concept” will be realised.

984. In revising the MTEF, formulating the annual budget, and in making policy and funding changes within the year, the Government will assess the proposed policies, expenditure and interventions in the context of the NDP and will ensure that:

- Funding is aligned to priorities in the NDP and the interventions are adequate to support realization of specific objectives
- Adequate funding is provided to support performance in the selected programs
- Account is taken of the MTEF shares for sectors in the NDP
- Interventions are designed to remove barriers to growth and business including the binding constraints identified in the NDP, and to improving productivity in the private and public sectors, and in the provision of public services

- Funding is aligned to the expected levels of outputs so that a fair view of the expected performance is provided in the output budget
- The Government will provide incentives for delivery of the required outputs and other interventions by Government entities by adequately monitoring performance and following up issues with performance.

985. As part of the process of operationalising the NDP, Government will explain how its proposed MTEF and annual budgets reflect the NDP. This will also apply to the different annual performance reports prepared by Government including Ministerial Policy Statements, the annual sector review reports and the annual budget performance reports.

986. It will subsequently be necessary to put in place a mechanism for fair estimates of the interventions to facilitate derivation of the Government MTEF with its key components. Planning ought to sufficiently provide the instruments for budgeting. Structural, policy, legal and regulatory frameworks will be strengthened for the realization of this objective over the Plan period.

11.12 MODALITIES OF IMPLEMENTATION

987. The modalities to implement the NDP will be in accordance with the existing legal and policy frameworks and will include:

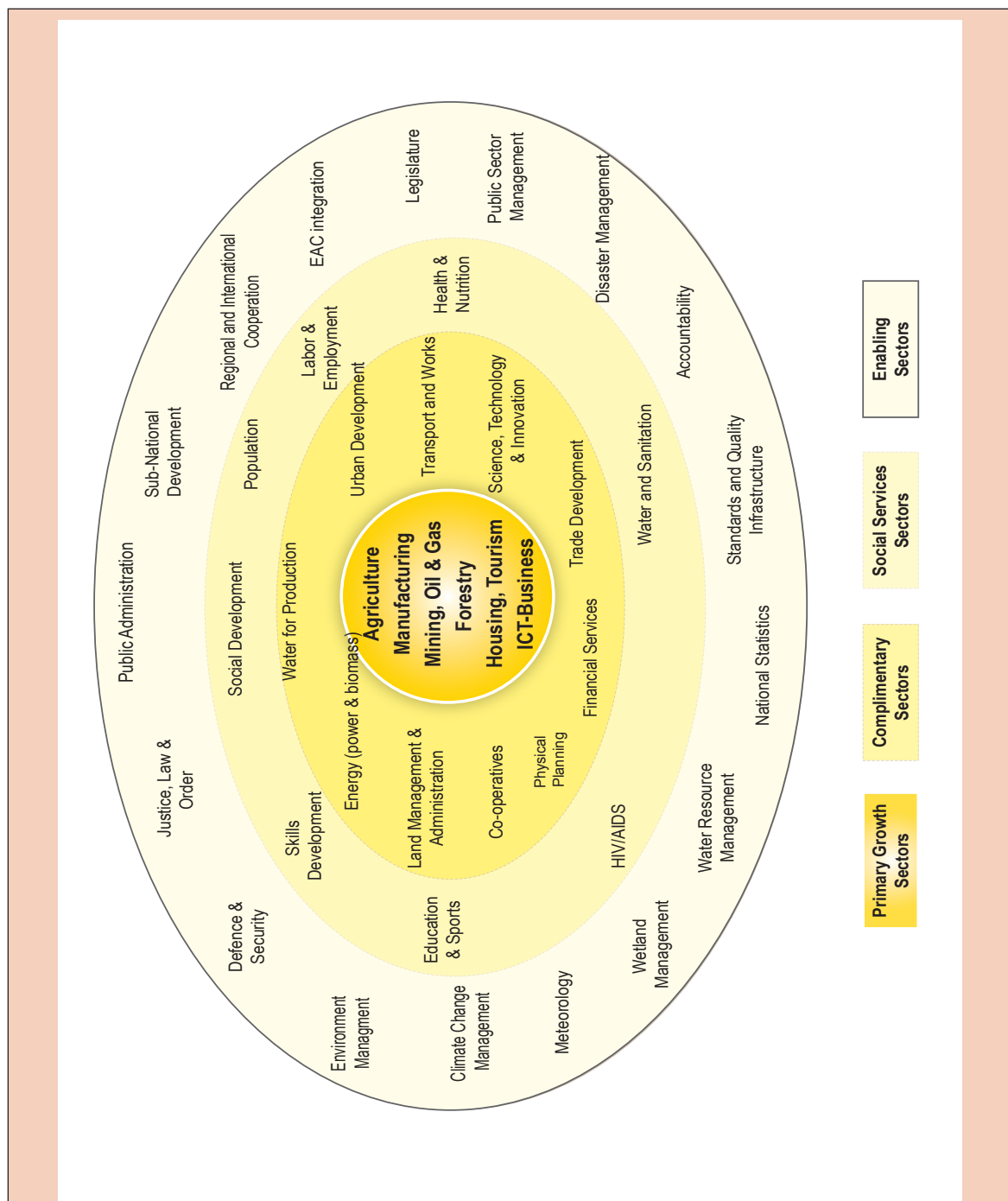
- Public Financing and Investment
- Public-Private Partnerships (PPPs)
- Private enterprises
- Non-profit organizations initiatives

11.13 COST IMPLEMENTATION MATRIX

988. A costed interventions matrix relates objectives, strategies, interventions, target outputs, estimated costs and the responsibility centre. The matrix has been derived from sector plans and information provided by MDAs. It has been used, along with other information, to derive the proposed spending levels in the MTEF over the period of the NDP. The MTEF allocations over the Plan period will be based on the estimates indicated in this matrix. It is intended to be a guide for the revisions of the MTEF and the formulation of the annual budgets, recognising that changes will occur across the five year period (Annex I).

ANNEXES

ANNEX II: THE CONCEPTUAL FRAMEWORK, “THE EGG ANALOGY”



ANNEX III: REFERENCES

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