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 PROSPERITY FOR SOCIO-ECONOMIC TRANSFORMATION

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FOREWORD

(BY H.E.)
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<td>Uganda Garment Industry Ltd.</td>
</tr>
<tr>
<td>UHRC</td>
<td>Uganda Human Rights Commission</td>
</tr>
<tr>
<td>UHSBS</td>
<td>Uganda HIV/AIDS Sero-Behaviour Survey</td>
</tr>
<tr>
<td>UIA</td>
<td>Uganda Investment Authority</td>
</tr>
<tr>
<td>UIE</td>
<td>Uganda Institute of Ecology</td>
</tr>
<tr>
<td>UIRI</td>
<td>Uganda Industrial Research Institute</td>
</tr>
<tr>
<td>UJTC</td>
<td>Uganda Junior Technical Certificate</td>
</tr>
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<td>ULGA</td>
<td>Uganda Local Government’s Association</td>
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<td>Uganda National Bureau of Standards</td>
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<td>UNCSST</td>
<td>Uganda National Council of Science and Technology</td>
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<td>United Nations Development Programme</td>
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<td>Uganda National Household Survey</td>
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<td>UPDF</td>
<td>Uganda People’s Defence Forces</td>
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<td>Universal Primary Education</td>
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<td>UPPET</td>
<td>Universal Post Primary Education and Training</td>
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<td>URC</td>
<td>Uganda Railways Corporation</td>
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<td>USE</td>
<td>Universal Secondary Education</td>
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<td>UTC</td>
<td>Uganda Technical College</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>UVQF/A</td>
<td>Uganda Vocational Qualifications Framework/Authority</td>
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<td>World Bank</td>
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<td>WfAP</td>
<td>Water for Agricultural Production</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Tourism and Travel Council</td>
</tr>
<tr>
<td>ZARDIs</td>
<td>Zonal Agricultural Research Development Institutes</td>
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</tbody>
</table>
PART 1: OVERVIEW
1.0 INTRODUCTION

1.1 BACKGROUND

1. The National Development Plan articulates Uganda’s development status, challenges and opportunities, as well as the strategic direction, development priorities and implementation strategies within the 30-year National Vision Framework. This National Development Plan (NDP) [2010/11 – 2014/15] is the first of the six (6) five-year National Development Plans prepared to implement Uganda’s National Vision of transforming Uganda from a peasant society to a modern and prosperous country. The Theme of the NDP over the five year period is “Growth, Employment and Prosperity for Socio-Economic Transformation.”

2. A transformed Ugandan society will be a complete change from a predominantly peasant-based economy to a just, peaceful and prosperous middle-income country with a per capita income of at least US$1,000\(^1\). This will be supported by the environment necessary for sustainable development while making continuous improvements to the social and economic conditions. In addition to the higher per capita income, the transformation will also be demonstrated by substantially improved social indicators. These improvements will reflect the structural and socio-economic transformation that is the basis of the NDP.

3. The Ugandan economy has experienced varying growth rates over the years. From independence in 1962 up to 1971, the GDP grew by an average of 6 per cent per annum. However, between 1971 and 1979, the GDP declined by 25 per cent due to the unstable political situation and economic mismanagement. From the 1981 to 1983, Uganda experienced GDP growth of 5.5 per cent but recorded negative growth rates in 1984 and 1986. During the period 1987 and 1996, GDP grew at an average of 6.5 percent translating to 3.4 per cent 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 PEAP period, with an average rate of growth in GDP of 7.2% between 1997/98-2000/01\(^2\). The growth rate slowed to 6.8 per cent between 2000/01 to 2003/4, increasing to 8 per cent over the period 2004/05- 2007/08.

4. The GDP growth rates in recent years have contributed to a 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.

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\(^1\) Per capita income range for middle income countries is US$976 – 11,905
\(^2\) GDP at factor cost using 2002 market prices
5. In spite of this economic performance, the country continues to face challenges in sustaining high levels of economic growth. There are structural features in the economy that need to be addressed to accelerate growth. These include:

- Slower growth than desirable growth in the agricultural and industrial sectors;
- Exports that are dominated by traditional agricultural products with minimal value addition, implying that the rapidly growing new sectors are not contributing significantly to exports and therefore not outwardly oriented;
- New sectors that are not absorbing the rapidly growing labour; and
- Capital markets that are not raising and allocating domestic capital.

6. The next challenges for the economy are very different from the challenges that have been overcome. To attain a relatively higher per-capita income level in the face of a rapidly rising population requires a massive increase in human skill and its redeployment into modern export-oriented goods and services and the private sector. The development strategies will need to encourage growth in export-oriented industries with the private sector playing a pivotal role. In pursuing this, there are considerable barriers to growth that will have to be addressed, accompanied by policies to reduce poverty and raise the quality of life. This will occur in an environment of rising expectations associated with the discovery of oil and gas reserves.

7. A combination of a high dependency level in the population and a large share of the labour force being in subsistence agriculture, presents considerable challenges to the achievement of development goals, including the reduction of poverty and improvements in health, education, housing, productive employment, gender equity and conservation of the environment. While there have been gains in reducing poverty and improving access to education, there are opportunities to improve services and outcomes in education, health, and in justice, law and order in relation to the protection of human and property rights. Particular emphasis is placed on the promotion of gender equality in peace building, post conflict resolution and addressing gender based violence. The NDP proposes changes to achieve gains in these areas of social development, as well as strategies to mitigate the consequences of the considerable pressures emerging on the environment.

8. The NDP places a strong emphasis on removing barriers to growth and lifting the performance of the government in its policy, planning, monitoring, regulatory and service delivery roles.

1.2 CONTEXT OF THE PLAN

9. A review of the development progress of many economies over the past few decades reveals that countries have achieved growth 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 needs.

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conditions and the removal of binding constraints to economic growth. A key recommendation of the Barcelona Consensus was that since no single set of policies can guarantee growth, a priority for developing countries searching for an effective development strategy should be to identify the most binding constraints to growth and to remove them through appropriate microeconomic and macroeconomic policies. Prioritizing the constraints and targeting the most binding ones is important, as their removal would potentially have a significant positive impact.

10. Countries have different mixes of economic issues in relation to government and market failure which they address through various market and government responses. 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 quasi-market approach to development was a key feature of Uganda’s economic development from 1962 to 1971. This was interrupted in the 1970s and replaced by the Structural Adjustment Program (SAP) and Plan in the 1980s and early 1990s. Between 1997 and 2008, the Poverty Eradication Action Plans (PEAP) was the overarching planning framework for the country.

12. To learn from the experiences of the PEAP, an evaluation was undertaken. The results of the PEAP evaluation indicate that the PEAP had many good features but there were aspects that could have functioned better. To build from the PEAP, the NDP has incorporated the lessons with the following differences in approach:

i) While the PEAP stressed poverty eradication and prioritized social services, the NDP maintains the poverty eradication vision, but with an 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 political leadership, used to capture the public imagination and commitment to 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.

iii) The NDP is designed to be the Government’s only national strategic plan consistent with the fiscal strategy of the Government. It will provide a guide for the allocation of resources through the Medium Term Expenditure Framework.

1.3 THE THRUST OF THE NDP

13. Over the next five years, the NDP will guide decision making and the

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4 Forum for international speakers to discuss economic and related policies, 2004
implementation in government, including the annual budget process, and the prioritization and direction of government actions. It will also be an anchor for the plans and actions of ministries, departments and agencies (MDAs), local governments (LGs), various interest groups (civil society and the private sector) and individuals, as well as serving as a tool for mobilizing external resources.

14. The NDP is shaped by the vision of country transformed from a peasant society to a modern and prosperous country in thirty years and its theme is “Growth, Employment and Prosperity for Socio-Economic Transformation.” After considering the extensive contributions and analysis in the process of formulating the NDP, the government has developed principles for the plan and eight objectives, as set out in figure 1.1. In addition, the binding constraints on economic and social development have been identified and are summarized in Figure 1.1.

Figure 1.1: Vision, Objectives, Principles and Strategies to Unlock Binding Constraints

<table>
<thead>
<tr>
<th>VISION: A TRANSFORMED UGANDAN SOCIETY FROM A PEASANT TO A MODERN AND PROSPEROUS COUNTRY WITHIN 30 YEARS</th>
<th>THEME: GROWTH, EMPLOYMENT AND PROSPERITY FOR SOCIO-ECONOMIC TRANSFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>Increasing household incomes and promoting equity</td>
</tr>
<tr>
<td></td>
<td>Enhancing the availability and quality of gainful employment</td>
</tr>
<tr>
<td></td>
<td>Improving stock and quality of economic infrastructure</td>
</tr>
<tr>
<td></td>
<td>Increasing access to quality social services</td>
</tr>
<tr>
<td></td>
<td>Promoting science, technology, innovation and ICT to enhance competitiveness</td>
</tr>
<tr>
<td></td>
<td>Enhancing human capital development</td>
</tr>
<tr>
<td></td>
<td>Strengthening good governance, defence and security</td>
</tr>
<tr>
<td></td>
<td>Promoting sustainable population and use of the environment and natural resources</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principles of the NDP</th>
<th>Ownership by stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political will to implement the plan</td>
<td></td>
</tr>
<tr>
<td>Good governance</td>
<td></td>
</tr>
<tr>
<td>Resource availability including improving efficiency and effectiveness</td>
<td></td>
</tr>
<tr>
<td>Balanced development and equity</td>
<td></td>
</tr>
<tr>
<td>Behaviour change</td>
<td></td>
</tr>
<tr>
<td>Linking with national planning process by government agencies</td>
<td></td>
</tr>
<tr>
<td>Effective implementation, monitoring and evaluation</td>
<td></td>
</tr>
<tr>
<td>Sustainable development</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unlocking the binding constraints</th>
<th>Improving public sector management and administration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improving public sector resource mobilisation and promoting financial sector development</td>
</tr>
<tr>
<td></td>
<td>Human resource development</td>
</tr>
<tr>
<td></td>
<td>Infrastructure development</td>
</tr>
<tr>
<td></td>
<td>Transforming attitudes, mind-set, cultural practices, perceptions and gender inequality</td>
</tr>
<tr>
<td></td>
<td>Promoting science, technology and innovation</td>
</tr>
<tr>
<td></td>
<td>Facilitating availability of and access to critical inputs</td>
</tr>
</tbody>
</table>

Source: NPA

15. The objectives and planning principles of the NDP, as well as the focus on the strategies to unlocking the binding constraints are at the heart of this Plan. To support this, shifts in the shares of the budget for each sector for the NDP period have been proposed consistent with the need to address the binding constraints and accelerate growth and development.

16. Taking account of macroeconomic trends and available information, the average nominal GDP growth rate over the NDP period is projected to be on average 7.2 per cent. With this GDP growth and the population growth, nominal per capita income is projected to increase from US$506 in 2008/09 to around US$900 by 2014/2015. During the same period, the number of people living below the poverty line is expected to decline from 31 per cent in 2005/06 to around 24.5 per cent in 2014/15, an improvement over the MDG
The target of 28 per cent by 2015.

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

18. The NDP follow-up processes will entail monitoring progress in economic, social and other areas to provide a comprehensive assessment of the country’s socio-economic performance. To ensure ownership of the plan and to support the realization of its objectives, the preparation of the NDP was an iterative, consultative, and participatory process. It involved bottom-up and top–down approaches to ensure adequate participation at the national and local government levels and by non state actors including civil society groups and the private sector. The NDP will be reviewed after two and half years of implementation.

1.4 THE STRUCTURE OF THE NDP

19. In this plan, the economy is grouped into four sectors: primary growth sectors, complementary sectors, social sectors and enabling sectors. The primary growth sectors constitute those sectors and sub-sectors that directly produce goods and services. The complementary sectors comprise of all sectors that provide institutional and infrastructural support to primary growth and other sectors. The social sectors comprise of those sectors and sub-sectors that provide services required to maintain a healthy and quality population and human resources for effective engagement in profitable economic activities. The 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 concept of an “egg” is aimed at harnessing inter-sectoral linkages, functional relationship and synergies among economic sectors which of the past have received insufficient attention (refer to annex 1).

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 and the thrust and the structure of the Plan. Part I also covers the situation analysis at a macro-level in which the overall performance of the economy, including that of the private sector and the civil society is followed by an analysis of the binding constraints to economic growth and development to provide a basis for the strategies to unlock these constraints. Part II presents the strategic direction of the plan and development objectives. This is followed by the NDP strategies. As part of the strategies to unlock the binding constraints, flagship projects have been proposed in Part II. Part III presents sectoral situational analysis, objectives, strategies and interventions. Part IV deals with the implementation strategy and institutional arrangements, including the approach to monitoring and evaluation.
2.0 SITUATION ANALYSIS

21. Post-independent Uganda has gone through periods of political stability and relatively satisfactory economic progress, as well as periods of political turmoil and economic slowdown. During these periods, economic progress has also been hampered by binding constraints. This chapter provides a review of the Uganda’s current economic situation and where it has been since independence in 1962 under seven categories namely: overall macroeconomic performance, primary growth sectors performance, complementary sectors performance, social sectors performance, enabling sectors performance, the private sector and civil society perspectives, and the binding constraints that have slowed down progress, especially over the last few years.

2.1 MACROECONOMIC PERFORMANCE

2.1.1 Overall Macroeconomic Performance

22. Uganda’s economy performed remarkably well from independence to 1970 and since the return to political stability in 1986. Between 1962 and 1970, the country experienced relative political stability and satisfactory economic progress. Inflation was maintained at an average of 3 per cent per annum, real GDP grew by 5.2\(^5\) per cent per annum, 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 the domestic savings rate averaged 15 per cent of GDP, which could finance a reasonable level of investment. During this period the growth in exports averaged 5 per cent 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. There was decline in exports by -8.5 per annum and imports declined at the rate of -9.8 per cent. The decline in export revenue also impacted on the balance of payments and external debt.

24. The growth of GDP was restored between 1981 and 1983, registering an average GDP growth of 5.6 per cent. However, the civil strife and political instability especially in the central part of the country negated the achievements made and negative GDP growth rates were recorded during the period between 1984 and 1986. Inflation declined from 111 per cent to 25 per cent. The overall budget deficit reduced from 2.8 per cent of the GDP in 1981 to 0.6 per cent in 1983 but rose to 119 per cent of GDP in 1984.

25. In 1987, the government launched a minimum Economic Programme 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 to 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 of 6.5 per cent translating to 3.4 per cent 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. The fiscal deficit increased from 4.1 per cent in 1987 to 14.2 per cent in 1993 before subsequently reducing to 7.9 per cent of GDP in 1996.

26. Over the period 1997/98 to 2000/01 GDP growth averaged 7.2 per cent; between 2000/01 and 2003/4 it averaged 6.8 per cent and between 2004/05 and 2007/2008, it was 8 per cent. The GDP growth declined in 2008/9 to 6.7 per cent and it is projected to decline further to 6.4 per cent in 2009/10. The fiscal deficits stood at -10.2 per cent and -7.9 per cent during 2000/01 to 2003/04 and 2004/05 to 2007/2008 respectively. Inflation rate was kept at single digits for most of these periods; foreign reserves covered 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 2000/01 to 20.6 per cent in 2006/07. Public investment by the government averaged 5.1 per cent over the same period but was more or less stagnant over the last decade. Further, the investment pattern for recent years shows rising private construction especially of buildings, modestly increasing machinery and equipment investment, and low public construction. This indicates issues with low capital investment in industries and services and possible issues for labour productivity as a result.

28. The global downturn is expected to negatively influence investments through reduced private remittances, foreign direct investment, and loans. FDI has dropped from 5.3 per cent of GDP in 2007/08 to 4.6 per cent GDP in 2008/09 and is projected to drop further in 2009/10. The effects on aid could also be negative, depending on the economic position and policies of donors, and the Government’s strategy on aid.

29. Uganda’s trade deficit has been widening despite improvements in the composition and value of exports. The trade deficit as percentage of GDP declined from -12.9 per cent for the period 2000/01 to 2003/4 to -13.5 for the period 2004/5 to 2007/8. The balance of payments has also been unfavourable with a deteriorating trend in recent years. These results could be partly due to possible lower demand for Uganda’s exports in advanced economies, although this is partly being compensated for by increased regional exports due mainly to demand for primary products from the region, compared to other parts of the world that demand technically advanced exports. Table 2.1 indicates that regional trade is taking an increasing share of Uganda’s exports, while the Middle East is emerging as a major export destination. The European Union accounts for around one quarter of the exports.
Table 2.1: Percentage Share in Total Exports by Region of Destination

<table>
<thead>
<tr>
<th>Region</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMESA</td>
<td>27.7</td>
<td>26.8</td>
<td>30.7</td>
<td>29.5</td>
<td>37.9</td>
</tr>
<tr>
<td>Other Africa</td>
<td>8.6</td>
<td>5.7</td>
<td>4.8</td>
<td>3.9</td>
<td>6.6</td>
</tr>
<tr>
<td>European Union</td>
<td>26.3</td>
<td>27.3</td>
<td>31.1</td>
<td>27.4</td>
<td>24.3</td>
</tr>
<tr>
<td>Other Europe</td>
<td>14.8</td>
<td>17.1</td>
<td>10.1</td>
<td>5.1</td>
<td>6.8</td>
</tr>
<tr>
<td>North America</td>
<td>2.7</td>
<td>2.9</td>
<td>2.3</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Middle East</td>
<td>3.5</td>
<td>5.6</td>
<td>10.8</td>
<td>20.6</td>
<td>14.3</td>
</tr>
<tr>
<td>Asia</td>
<td>9.3</td>
<td>8.9</td>
<td>7.5</td>
<td>7.8</td>
<td>5.4</td>
</tr>
<tr>
<td>South America</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>0.4</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
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<td>6.6</td>
<td>5.7</td>
<td>2.5</td>
<td>3.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract (various)

30. Whereas the imports are becoming more technically advanced, the exports are still largely primary commodities, indicating that the consumption demand patterns within the country are changing faster than the transformation in the techniques of production of the country’s exports. This contrasts to some East Asian economies where development was export led. Uganda’s growing service and manufacturing sectors will need to be more export orientated.

31. The growth of the GDP has been accompanied by significant 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 marked growth in 2004/05, converging with the share of agriculture to GDP in 2008/09 at about 25 per cent.

Figure 2.1: Sectoral Contribution to GDP (percent): 2000/01 – 2008/09

Source: Uganda Bureau of Statistics database
32. Serious imbalances have developed in the structure of the economy and the labour force. The emerging modern sectors are increasing as a share of the economy, but their share of the labour force is falling. For example, the proportion of persons engaged in the agriculture sector has increased from 65.5 per cent in 2002/03 to 73.9 per cent in 2005/6 while the share of agriculture GDP has been declining. The percentage of labour force employed in manufacturing decreased from 6.8 per cent to 4.2 per cent and the percentage of the labour force employed in the service sector decreased from 26.8 per cent to 20.7 per cent whereas the proportion of the shares of these sectors in GDP had been rising. 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; the absorption of surplus labour into subsistence agriculture; and the effects of capital intensive methods being used in some sectors although this is not likely to be a major factor given the low levels of investment in equipment. These trends contribute to low productivity in agriculture which undermines the growth potential of the economy and contributes to issues related to food security.

33. As the GDP growth rate increased with the return to peace in most parts of the country in 1986, the 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 the 1970 levels in 2003 even in the face of the rapidly increasing population.

**Figure 2.2: GDP per Capita and Population**

![Graph showing GDP per capita and population](image)

Population figures (’000s) are on the left axis while the real GDP per capita are on the right axis.
Source: Uganda Bureau of Statistics

34. The generally good economic growth during past periods has contributed to reductions in the levels of poverty. In 1992/93, 56 per cent of the population was below...
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 2.3). This relates to the insecurity experienced in the
region for over the past 20 years.

Figure 2.3: Poverty at Sub-Country Level

35. Inequality in consumption is high in Uganda by African standards. As well as the
regional disparities noted in Table 2.2 below, there is 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 1992-2006 indicates relatively
constant rural inequality, but a decline in urban inequality. Inequality between regions
widened slightly.

Table 2.2: Inequality Gini for Uganda

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>1992/93</th>
<th>1999/00*</th>
<th>2002/03</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>0.37</td>
<td>0.40</td>
<td>0.43</td>
<td>0.41</td>
</tr>
<tr>
<td>Urban</td>
<td>0.33</td>
<td>0.33</td>
<td>0.36</td>
<td>0.36</td>
</tr>
<tr>
<td>Rural</td>
<td>0.40</td>
<td>0.43</td>
<td>0.48</td>
<td>0.43</td>
</tr>
<tr>
<td>Central</td>
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<td>0.42</td>
<td>0.46</td>
<td>0.42</td>
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<tr>
<td>Eastern</td>
<td>0.33</td>
<td>0.35</td>
<td>0.36</td>
<td>0.35</td>
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<tr>
<td>Northern</td>
<td>0.34</td>
<td>0.34</td>
<td>0.35</td>
<td>0.33</td>
</tr>
<tr>
<td>Western</td>
<td>0.32</td>
<td>0.32</td>
<td>0.36</td>
<td>0.34</td>
</tr>
</tbody>
</table>

Source: Comprehensive UNHS 2005/06 and World Bank calculations. 1999/00 data exclude four districts.
2.1.2 Primary Growth Sectors’ Performance

36. The performance of the primary growth sectors has been at different levels. Table 2.3 presents the share of primary growth sectors in GDP at current prices. Added value agriculture and industry need to become engines of growth but the agriculture sector has been declining in its rate of growth and its share of GDP and the industry sector has not been expanding to a notable degree. While there has been growth in hotels, restaurants, tourism, and communications, these are not yet significant sectors.

37. The share of agriculture to 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 decline in the share of agriculture in GDP represents a significant structural transformation in the economy which could be a positive development if it related to the movement to value added industries and high end services but this is unlikely to be the case. However, the decline in the share of agriculture in the GDP has been characterized by recent poor growth in this sector and the continued dominance of production and export of primary commodities.

Table 2.3: Share of some of the Primary Growth Sectors in GDP and Growth Performance

<table>
<thead>
<tr>
<th>Primary Growth Sectors</th>
<th>Percentage share in GDP (Current prices) (per cent)</th>
<th>Growth performance (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>51.1</td>
<td>33.1</td>
</tr>
<tr>
<td>Forestry</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Hotels and restaurant (Tourism)</td>
<td>1.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Mining</td>
<td>0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Post and Telecommunications (ICT)</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Construction</td>
<td>4.1</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract (various)

38. Between 1988 and 1997, agriculture grew at average 3.9 per cent and 5.4 per cent between 1998 and 2002. However, from 2004 to 2008, the performance of the sector deteriorated markedly to average growth of 1.1 per cent, recording negative growth of -1.8 per cent in 2006. This performance raises issues of productivity in agricultural sector and the need for radical strategies to improve the productivity levels and modernize the sector. The employment patterns have also been changing but not in positive way that indicates transformation in the economic structure. The percentage of people in Agricultures increased from 66.4 per cent in 2002/3 to 75.1 per cent to 2005/6.

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6 Primary growth sectors include Agriculture, Forestry, Manufacturing, Mining, ICT, Oil and Gas, Tourism and Construction.
39. The share of forestry sector to 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 the 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 4.7 per cent and 7 per cent between 1998 and 2002. From 2004 to 2008, the performance of the sector grew by 3.9 per cent, a trend that needs reversing. This trend may be 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.

40. The share of manufacturing sector to 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, 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 percentage of people employed in manufacturing sector decreased from 0.29 per cent to 0.14 per cent between 2002/3 and 2005/6.

41. The share of tourism to GDP measured by the share of hotels and restaurants to 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 and 3.8 per cent between 1998 and 2002, increasing to 12.5 per cent between 2004 and 2008.

42. The share of mining to 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 and 8 per cent per cent between 1998 and 2002. From 2004 to 2008, the performance of the sector on average grew by 13 per cent per cent. The percentage of people in mining nearly remained constant growing by 0.07 per cent from 0.93 per cent in 2002/2 to 1.0 per cent in 2005/6.

43. The share of ICT to 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 number of telephone lines and cellular subscriber per 100 of the population rising from 0.24 and 0.02 in 1996 to 0.56 and 27.68 in 2008. 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.

44. The share of construction to GDP 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 housing 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 percentage of people in construction remained nearly the same from 0.08 per cent in 2002/3 to 0.07 per cent in 2005/6.
45. Oil and gas sector is relatively new but with large potential. It is estimated that the oil reserves in the country is at 2 billion barrels. To exploit these resources, large investments will be required for further exploration, development and extraction of oil.

### 2.1.3 Complementary Sectors Performance

46. Table 2.4 shows the share of some of the complementary sectors in GDP and growth performance. Over the last 20 years, the share of the transport sector in GDP has been intermittent without a clear growth trend. It was 3.0 per cent in 1988, 3.9 per cent in 1997, 3.2 per cent in 2004 and 3.4 per cent in 2008. Overall, the share of the sector in GDP has been about constant. Between 1988 and 1997, transport grew at 9.3 per cent and 5.3 per cent between 1998 and 2002. The performance of the sector was 9.6 per cent between 2004 and 2008. While the performance of the sector improved between 2004 and 2008 compared to 1998 - 2002, its share in GDP has been around 3 per cent. The percentage of people employed in transport sector decreased from 2.84 per cent to 1.61 per cent between 2002/3 and 2005/6. The moderate performance in the transport sector is characterized by only 4 per cent of the road network being paved, one international airport with limited flights, and only 26 per cent of the railway network functioning with limited haulage. The water transport has no ferry wagon.

#### Table 2.4: Share of some of the complementary sectors in GDP and growth performance

<table>
<thead>
<tr>
<th>Complementary Sectors</th>
<th>Percentage share in GDP (Current prices) (per cent)</th>
<th>Growth performance (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>3.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Energy and Water</td>
<td>0.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Trade</td>
<td>14.7</td>
<td>10.0</td>
</tr>
<tr>
<td>Financial Services</td>
<td>-</td>
<td>2.3</td>
</tr>
</tbody>
</table>

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

47. In 1988, the share of energy and water in GDP was 0.6 per cent, increasing to 1.3 per cent in 1997 further rising to 3.5 per cent in 2004 and 4.1 per cent in 2008. Between 1988 and 1997, energy and water sector grew at 7.6 per cent and 6.2 per cent between 1998 and 2002. The performance of the sector was about 2 per cent between 2004 and 2008 which reflects a significant decline. The percentage of people in the energy sector declined from 6.5 per cent to 4.2 per cent between 2002/3 and 2005/6. 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.

48. The share of trade in GDP was 14.7 per cent in 1988, but falling to 10 per cent in

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**Notes:**

7 Complementary sectors include Transport, Energy, Land Management and Administration, Physical Planning, Urban Development, Trade Development, Financial Services, Cooperatives, Science and Technology and Water for Production.
1997, rising to 12 per cent in 2002, 12.7 per cent in 2004 and 14.3 per cent in 2008. Between 1988 and 1997, trade grew at 7.6 per cent and 6.5 per cent, on average, between 1998 and 2002. The performance of the sector was 10.3 per cent between 2004 and 2008. The percentage of people employed in trade increased moderately from 1.35 per cent in 2002/3 to 1.39 per cent in 2005/6.

49. The share of the Financial Services in the GDP has not been captured until 1997 which underlines the role the financial services are currently playing in the economy’s development. In 2004, the share of financial services was 2.8 per cent, increasing to 3.2 per cent in 2008. The sector growth in 2007 was -3.9 per cent, but improving in 2008 to 11.1 per cent. The percentage of people employed in financial intermediation decreased from 2.11 per cent to 1.98 per cent between 2002/3 and 2005/6.

50. 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 percentage of GDP is 0.1 per cent; Total Achievement Index (TAI)\(^8\) is 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.

51. While Land Management and Administration, Physical Planning and Urban Development are not directly reflected in the 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 percent, increasing to 12 in 2002 and it’s estimated at 15 percent in 2009\(^10\). Urban population growth rate is 5.9 percent annually. The increasing levels of urbanization in Uganda and congestion in Kampala city creates considerable pressures on housing, transport, water, health, education, social welfare, and employment\(^11\) which need to be addressed through systematic physical and infrastructural planning.

2.1.4 Social Sectors Performance\(^12\)

52. The social sectors are critical to supporting growth in key sectors and also in their own right, as key contributors to the quality of life of citizens. The population level and growth has a powerful impact on the achievement of social goals. Uganda has a fast

\(^8\) 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 scientist and engineers per million populations, number of patent applications and per cent of exports with high technology content to total manufacturing exports.

\(^10\) UBOS Statistical abstract 2009
\(^11\) MFPED 2008.
growing population which has expanded from 9.5 million in 1969 to 24.2 million in 2002 and was estimated to be 29.6 million in 2008. At 3.2 per cent growth rate per annum (1991-2002), Uganda’s population is projected to reach 38 million in 2015. The high fertility rate coupled with the young population means that the population will continue rising even if fertility declined (Figure 2.4). Nearly half of the population is below the age of 15 years and the population structure is estimated to remain youthful. Uganda has one of the highest dependency ratios in the world (1.5) and this ratio is expected to rise under the current population growth trends.

53. The causes of high fertility include a low level 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 they reach 19 years of age\textsuperscript{13}. Other causes include the prevailing cultural and religious beliefs and preferences for large families as the source of sustenance at the old age.

Figure 2.4: Population Distribution by Age

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{population_pyramid.png}
\caption{UGANDA POPULATION PYRAMID 2009}
\end{figure}

54. There is a high growth rate in the unskilled labour force of 3.7 per cent per annum which is not meeting the demand for skilled workers and contributes to high levels of unemployment and under-employment. Public sector employment has not grown much and can only absorb low numbers. Agriculture is absorbing the bulk of the labour force which was estimated at 75.1 per cent of the labour force in 2005/6

\textsuperscript{13} UBOS (2006) Uganda Demographic and Health Survey 2006
Table 2.5 gives the share of education and health in GDP between 1988 and 2008 and performance. In 1988, the share of education sector to GDP was 2.8 per cent and that of health sector was four times (0.6 per cent). The share of education in GDP increased appreciably in 2004 but reduced to 5.5 per cent in 2008. Similarly, the share of health in GDP increased from 0.9 per cent in 1988 to 1.9 per cent in 1997, falling to 1.1 per cent in 2008. Similar trend is depicted with regard to growth performance. While education sector grew by about 5 per cent between 1988 and 2002, between 2007 and 2008, the performance was particularly bad, posting 1.5 per cent and -2.4 per cent in 2007 and 2008 respectively. In the health sector, the performance was negative in 2007 and marginally improving in 2008 to 1.6 per cent. The percentage of people in the health sector moderately decreased from 2.79 per cent to 2.66 per cent while in education the percentages were 0.8 per cent to 0.68 per cent in 2002/3 in 2005/6 respectively.

Table 2.5: Share of some of the Social Sectors in GDP and Growth Performance

<table>
<thead>
<tr>
<th>Social Sectors</th>
<th>Percentage share in GDP (Current prices) (per cent)</th>
<th>Growth performance (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>2.8</td>
<td>4.7</td>
</tr>
<tr>
<td>Health</td>
<td>0.9</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract (various)

Uganda has made notable progress in increasing literacy and access to primary school education with an increase 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 adult literacy rate was 69 per cent in 2005/6. (UBOS, UDHS 2005/6). The introduction of Universal Secondary Education (USE) in 2007 was designed to improve access to secondary education, but the quality of education needs improvement.

In spite of improved performance, Uganda’s ability to reach the level of development indicated by the millennium development goals (MDGs) in respect of educational and health status is not as fast as desired. Table 2.6 sets out the results from the 2007 MDG report. 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.

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, below the minimum requirement of 40 per cent required for rapid and accelerated economic growth and effective contribution in the global knowledge based economy.
Table 2.6: Progress on MDGs by 2005/06

<table>
<thead>
<tr>
<th>Goal/ Indicator</th>
<th>Progress (2005/6)</th>
<th>Target (2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 2: Achieve Universal Primary Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net enrolment ratio in primary Education</td>
<td>84</td>
<td>100</td>
</tr>
<tr>
<td><strong>Goal 4: Reduce Child Mortality Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under –Five Mortality (per 100,000 live births)</td>
<td>137</td>
<td>56</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>76</td>
<td>31</td>
</tr>
<tr>
<td>Proportion of I year old children immunized against measles</td>
<td>68.1</td>
<td>90.0</td>
</tr>
<tr>
<td><strong>Goal 5: Improve Maternal Health</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternal Mortality ratio (per 100,000 live births)</td>
<td>435</td>
<td>131</td>
</tr>
<tr>
<td>Proportion of births attended by skilled health personnel</td>
<td>41.1</td>
<td>90</td>
</tr>
<tr>
<td><strong>Goal 6: Combat HIV/AIDS, malaria and other diseases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condom use a lat higher risk sex among 15-24 year olds</td>
<td>52.9</td>
<td></td>
</tr>
<tr>
<td>Contraceptive prevalence rate among women 15-49 years</td>
<td>23.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract 2009

59. The current state of Uganda’s health outcomes is mixed as measured by five core indicators set out in Table 2.7 below. While the trend in all the five 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.

Table 2.7: UDHS Health-related Outcomes by 2005/6

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1995</th>
<th>2001</th>
<th>2005/6</th>
<th>MDG Target 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant Mortality Rate (per 100,000 live births)</td>
<td>85</td>
<td>89</td>
<td>76</td>
<td>31</td>
</tr>
<tr>
<td>Under 5 Mortality Rate</td>
<td>156</td>
<td>158</td>
<td>137</td>
<td>56</td>
</tr>
<tr>
<td>Maternal Mortality Ratio (per 100,000 live births)</td>
<td>527</td>
<td>505</td>
<td>435</td>
<td>131</td>
</tr>
<tr>
<td>Total Fertility Rate</td>
<td>6.9</td>
<td>6.9</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Contraceptive Prevalence Rate per cent</td>
<td>15.4</td>
<td>18.6</td>
<td>23.6</td>
<td></td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract 2009

60. Uganda’s Human Development Index (HDI) score, which considers life expectancy, literacy, and education enrolment rates, improved from 0.272 in 1995 to 0.581\(^{14}\) in 2006 and further to 0.505 in 2007. This compared favourably with the 2007 average for the East African region of 0.477 and the Sub-Saharan Africa average of 0.619, but it compared poorly with the average for middle-income countries. The HDI score resulted in a rank of 154th out of 179 countries, downgrading Uganda from the medium human development category of countries to the low human development category.

2.1.5 Enabling Sectors Performance

61. The defence and security sector was for a long time characterized by lack of strategic leadership, an ethical code, and effective 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

\(^{14}\) UNDP (2007: 46), Uganda Human Development Report
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.

62. Uganda’s relations with her neighbours have greatly improved. This limits the possibility of the re-occurrence of inter-state conflicts and reduces the likelihood of further disagreements over border points with the Democratic Republic of Congo (DRC) and the Government of South Sudan (GOSS), which have always been resolved peacefully through established diplomatic channels. Peace and stability has been restored throughout the country, including in Northern Uganda where armed conflict had persisted for over 20 years.

63. 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 has exercised its constitutional mandate and established 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.

64. 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 a mature 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 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.

65. 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 sixties 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. 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.

66. The progress made both in public administration and public sector management is
being hampered by corruption at various levels of government. There is need to address this important agenda 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 (Zambia 99, Malawi 89, Tanzania 126, Rwanda 89, Swaziland 79, South Africa 56, and Botswana 37).

67. 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 NGO’s, and community groups which play a vital role in representing views and experiences of public service beneficiaries and holding public officials accountable.

68. The legal, policy and regulatory framework that guide 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.

69. 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 66Km$^3$ per year corresponding to 2200m$^3$ per capita per year. While this is meeting the current needs of the country, it is estimated that by 2017 Uganda will be water stressed country.

70. There are serious challenges in reversing the reduction in the habitant cover which decreased from 95% in 1980 to 85% in 2000. Associated with this, the native species have been declining with the population index decreasing from about 60% in 1980 to 40% 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 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% in 1980 to about 85% in 2005. The ecological footprint has decreased from 2 in 1980 to 1.6 in 2005 and the bio-capacity has decreased
Cross-Cutting Gender Issues

71. The Government of Uganda is committed to gender equality and the empowerment of women to promote socio-economic transformation. Uganda is a signatory to various international commitments, including the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), the Beijing Platform of Action, and the Millennium Development Goals. These and other commitments are domesticated through Uganda’s Constitution, which guarantees equality between women and men, and includes affirmative action measures to increase women’s role in decision making and participation in the development process. The Uganda Gender Policy provides a framework for gender responsive development. These policies and frameworks have resulted in some modest success. For example, affirmative action has lead to an increase in the percentage of female Members of Parliament from 18% in 1995 to 29% in 2009. However, despite this progress, critical gender inequalities remain, the outcomes of which contribute towards stalling progress on many MDGs and overall national development. Many of these gender inequalities are magnified in post-conflict areas of the North.

72. Although there has been a decline in the maternal mortality ratio from 505/100,000 live births in 2002/03 to 435/100,000 in 2006 (UDHS2006), 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. Uganda’s high fertility rate is partly explained by early marriages and unwanted pregnancies amongst girls; 25% of adolescent girls are pregnant before they reach 19, which is the highest rate of adolescent pregnancy in Sub-Saharan Africa and accounts for 46% of all maternal deaths. Only 18% of married women use a modern method of family planning (UDHS 2006). The HIV prevalence rate is higher for women, at 7.5%, than it is for men, at 5% (UHSBS 2004/5). 21% of married women say they cannot refuse sex, while 46% of married women say they cannot ask their husbands to use a condom (UDHS 2006).

73. Levels of sexual and gender based violence are unacceptably high in Uganda; 40% of women compared to 11% of men have ever experienced sexual violence (UDHS 2006). Access to justice for victims of violence is extremely weak, as are prevention and treatment services.

74. Retention rates in education is low and lower for girls; 53% of boys and 42% of girls completed primary school in 2006; it is unlikely that Uganda will achieve the MDG target of 100% primary school enrolment by 2015. Even fewer girls are enrolled at secondary level; just one third of girls who enrolled in primary are still in school at age 18, compared to half of boys (UDHS 2006).

75. Women have limited access to economic opportunities, primarily because they lack
the assets and resources necessary such as land, capital, market information and relevant skills, and because they are marginalised in decision making over resource use. For example, although women comprise an estimated 70% of those working in agriculture, they experience unequal access to, and control over, important productive resources, thus limiting their ability to move beyond subsistence agriculture. A recent MOFPED report calculated that if you increase the productivity of crops that are ‘women intensive’ in labour by 2%, you will increase GDP by 0.4%, and that if every year there is an increase in women’s accessibility to land by 5%, agriculture production would be boosted by 0.3% every year.

76. In other areas of trade and industry there is a sizeable untapped potential for women to be more successful in business through improved access to resources such as credit, training and markets. In wage employment, women are concentrated in the lowest paying sector, which is linked to their lower education levels; 50% of employed women work in the three lowest paying sectors, compared to 33% of men (2002/02 and 2005/06 NHS). A recent MOFPED report shows that if the number of skilled women in the labour force is increased by 5% every year, national output would be increased by 0.3%.

77. Despite affirmative action measures to improve women’s participation in government, this has not yet translated into increased political advocacy for women’s rights, for example around property or sexual and reproductive rights. At the household level, women’s participation in decision making is also limited; only 51% of women reported participating in making major household purchases, and overall men believed that a husband should play the major role in making most household decisions (UDHS 2006).

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. 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. The private sector recorded the growth of 60 per cent between 2001 and 2007. The rapid growth in the number of firms has been concentrated in small firms with low value addition, whereas firms with high value added per employee are the larger firms. 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 currently employ over 1.5 million people of the total non-farm workforce.

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16 Effective Gender Mainstreaming: Modelling the Contributions of Reduced Gender Inequality to GDP Growth Prospects in Uganda, May 2009
17 Private Sector Platform for Action, May 2009
Retail, restaurants and education account for 60 per cent of total employment in new firms. This suggests that the rapid growth in enterprises is focused on low-value services for the domestic consumers 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, South Africa 45) indicating better investment and business environments in those countries in relation to the competitiveness of aspects of the economy. 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. These are key sectors that need to perform well to support the primary growth sectors. In Figure 2.5 below Uganda is shown in blue and the peer group of factor driven economies is shown in black. There is a positive deviation from this group with regard to Uganda’s macroeconomic stability, financial market sophistication and labour market efficiency.

Figure 2.5: Comparison of Uganda’s Competitive Position to Peer Group

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18 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.

19 World Competitiveness Index (score of 1 is low and 7 is high).
82. The international “Doing Business Survey 2010” 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 2.6 from the World Competitiveness Survey 2009 shows, these impediments and others are affecting the competitiveness of the economy, with the main issues being access to finance, corruption, infrastructure, tax rates, work ethics, and government bureaucracy.

![Figure 2.6: Significant Problems Impeding Competitiveness 2009](image)

83. The government has been considering the barriers to investment through the Competitiveness and Investment Climate Strategy. The Third National Competitiveness Forum noted similar issues to the ones identified in Figure 2.6 above, as well as a broader range of issues that included: the potential effects of the financial crisis in many countries and the world economic downturn reducing FDI and remittances; high transport costs; lack of a policy framework for private-public partnerships; poor urban planning; and limited market size. Similar problems were identified in a survey of small and medium enterprises.

2.1.7 Civil Society

84. The civil society is comprised of non-governmental organisations (NGOs) and non-

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21 MFPED, “Enhancing Competitiveness of Micro, Small and Medium Enterprise,” Discussion Paper 15, July 2008. Issues included the availability of electricity, access to affordable financing, quality of transportation, access to telecommunications, and poor access to business information, finances, land, technology and a skilled labour force. Corporate governance and entrepreneurship skills were noted as areas for development.
profit associational entities including faith based organizations, trade unions, community based organizations, professional associations and interest groups. When examining the structure of Uganda’s civil society, a mixed picture emerges. On the one hand, citizen participation in CSOs appears to be very extensive. To a great extent this is because rural life, in this largely agrarian country, is often accompanied by membership in various forms of community and other mutual help groups, which are socially inclusive, and to which faith-linked organizations can be added. Most of the CSOs often appear to be donor-dependent. It is a somewhat fragmented and competitive sector governed by suspicion, and where accountability to donors tends to take precedence over accountability to the local population. Nevertheless, there is evidence that it is gradually changing, for example, through networks, and by self regulation.

85. The 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 for the CSOs to be contracted for service delivery. NGOs must now temper their accountability role and may even adopt more business-like attitudes, which are both positive and negative. Less important presently is the relationship with the private sector. CSOs do not feel especially concerned with this relationship, since they currently do not benefit much from the private sector funding, except in a few high-profile cases.

86. Despite the important role that civil society has and can play in the development process, a number of factors directly and indirectly militate 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.

87. 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. Further, there is little empirical information available or known about what NGOs do, where they do it and the impact of their activities. Because of this, the outcome of their work is not meaningfully captured in development statistics.

2.2 NATIONAL BINDING CONSTRAINTS

88. A key recommendation of the Barcelona Consensus is that, since no single set of policies could guarantee growth, priority for developing countries searching for an effective development strategy should be to identify the most binding constraints to growth and remove them through appropriate microeconomic and macroeconomic policies. In line with this recommendation, a systematic methodology for undertaking country diagnosis and identifying binding constraints to growth was used in course of the NDP preparation process. It is important that these constraints are removed or effectively
minimized to stimulate growth and productivity in private sector and to improve performance in the public sectors. These constraints are presented below and the strategies to unlock them are presented in section sub section 3.2

2.2.1 Constraint 1: Weak Public Sector Management and Administration

89. 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 institutions, 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 bureaucracy. This weak public sector management has led to low absorption of public funds.

90. The citizenry in general is not yet empowered to engage effectively in demanding better performance from government institutions in meeting 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.

91. There is limited range of formal standards relating to the quality of goods and services.. There are 1204 Ugandan standards which is an extremely low number compared to Kenya which has up to 8000 standards. Only 203 firms are certified by UNBS and only 86 are certified by ISO out of the registered 25,000 firms

92. There are many areas where citizens are pressing government for better performance given that the poverty level was at 31 per cent in 2005/6 and inequity is evident in the Gini-coefficient data. Progress towards the MDG goals is not as fast as desirable, with poor outcomes for health in particular. There are gaps in social protection. As of March 2007, the pension scheme covered only 44,000 public servants and 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 cared for.

93. The management and administration of land in Uganda is still a challenge. The complex and multiple land tenure systems have severely limited land use planning and utilization. Presently only 10 per cent of the total land area is titled. A number of recent land disputes have been associated with overlapping land rights.

94. The management of the environment is not effective and remains relegated to few institutions. Over 7 per cent of the original wetland area has been reclaimed by 2005. The forest cover declined from 24 per cent in 1990 to 18 per cent in 2005. The habitant cover has 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

95. In the public sector, despite concern about inefficiencies in the use of public funds, the majority of ministries, departments and agencies (MDAs) usually cite funding as a key constraint for effective performance of public institutions and 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 was on average about 13 percent of the GDP which is low compared to Kenya at about 25 per cent of the GDP and Tanzania at about 16%. While it is projected to grow over the NDP period, the government has to rely on external financing for much of the budget expenditures. In this situation it will be constrained to some extent in its ability to match expenditure to priorities in a timely way.

96. In the private sector, availability of and access to financial services is a constraint. Non-availability of financial services is manifested in form of a lack of sufficient financial services infrastructure across the country to deliver appropriate financial services. For instance, only 23 districts in Uganda have commercial banks. The number of bank accounts in the country is about five (5) million. This represents a 16 per cent penetration. This 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 in the capital markets in Uganda, whereas the Nairobi stock exchange in Kenya has 46 listed firms.

97. The nominal lending interest rates of banks range from 17 per cent to 23 per cent which is high and unless the rates of return on investments are higher than these rates, these high interest rates will discourage 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. 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.

2.2.3 Constraint 3: Inadequate Quantity and quality of Human Resource

98. Human resources are the people that staff and operate an organization. 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. The constraint is evident in the limited availability of skilled labour and the high number of vacant posts. The lack of skilled human resources is associated with quality issues in the education system, including low school completion rates, limited capacity in the training institutions, and the brain drain from the country. The health aspects are crucial in raising quality population and avoidance of brain hunger. Lack of adequate manpower planning in key areas of the economy has contributed to the deficit in human resources with this planning being difficult to do due to poor data and a lack of a proactive approach to workforce problems by key institutions.
99. The health sector experiences considerable workforce issues. For example, in 2004 the ratio of doctors to the population in Uganda was 1:12,500 which is significantly lower compared to Kenya at 1:7100, Cuba at 1:169 in 2002 and Malaysia at 1: 1430 in 2000. The ratio of nurses to the population in Uganda in 2004 was 1:1634, compared with 1:877 in Kenya, 1:740 in Malaysian 2000\textsuperscript{22} 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 also poor with regard to the low levels of qualified people in other professions.

100. The development of human resource is further encumbered low service delivery standards in health and education sector. For national referral hospitals the ratio is 1:30,000,000 whereas the standard should be 1:10,000,000. The health centre I, the ratio is 1:187,500 whereas the desired should be 1:100,000. For health centre III, the ratio is 1:84,507 whereas the optimum should be 1:20,000. For education sector, at primary level, the class room pupil ratio is 1:68 where as the target is 1:53. For secondary school level the student classroom ratio is 1:60 whereas the target is 1:35.

\subsection{2.2.4 Constraint 4: Inadequate Infrastructure}

101. Physical infrastructure plays a major role in the movement of goods and services as well as factor inputs from places of supply to places of demand or where value is added. Inadequate physical infrastructure constrains production in many sectors of the economy. In the transport sector, only 4 per cent of the total road network is paved and yet it carries 96.4 per cent of the total cargo freight while the rail network carries only 3.5 per cent of the freight. 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 by rail increasing the cost of doing business. Only 26 per cent of the railway network in the Uganda is functional. 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 an implicit tax on exports of over 25 per cent (and up to 50 per cent on air freight).

102. In the power sector, only 11 per cent of the population has access to electricity in comparison to 15 percent in Kenya and 98 per cent in Malaysia. The power consumption stands at 60 kWh per capita compared to Kenya at 140 kWh per capita and Malaysia at 3,200 kWh per capita. The low level of consumption is partly explained by the high power tariff which is the second highest in world after Sweden. The Tanzania Electricity consumer pays USD 8cents per kWh; Kenyan consumer pays 13 cents kWh, while Uganda consumer pays 22 cents per kWh.

103. The internet infrastructure is also still limited with most concentration placed in the capital, Kampala. The price of the Internet in Uganda is still very high for everyday users at 14 cents per minute limiting Internet use and growth compared to Malaysia at 0.155 cents per minute.

\textsuperscript{22} World Health Report 2006
The consumptive use of water for production 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 approximately 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 that stands at 96 percent and 100 per cent respectively. This means that over 30 per cent of the population has no access to a safe water supply.

### 2.2.5 Constraint 5: Gender Issues, Cultural Practices, Attitudes and Perceptions

105. Certain elements in Uganda’s traditions, culture and religious norms are not compatible with modern approaches in society and have therefore, limited economic growth and structural transformation. Some of these exclude women or give preferences to men in access to and control of capital assets, resulting in gender inequalities and reduced economic activity among women. Prominent areas where women are highly marginalized include: access to education and skills development, land, social capital, financial capital, employment, political representation and inheritance rights.

106. There is discrimination against women in Uganda through 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 national level it restricts women’s role in political participation which in turn leads to a poor legal framework and weak policies in place to 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 land, education and inheritance rights. The culture of marriages amongst adolescent girls encourages early pregnancies and is partly responsible for the country’s high maternal mortality ratio and high fertility rate. At all levels, the culture of turning a blind eye towards violence against women, women themselves have even been found to condone violence against them (UDHS 2006), must also be reversed in order to unlock critical barriers towards women’s empowerment.

107. 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 at 0.9 in 2006, large family size, female genital mutilation, inheritance which favours mainly the male gender and lack of ethics, integrity, patriotism and a tolerance for corruption.

108. Negative attitudes and perceptions influence the use and appreciation of natural resources, adoption of science and technology, and use of ICT. Low use of contraceptive among the population. HIV/AIDS due to availability of ARVs had led to negative behaviour resulting in increased HIV prevalence rates. In addition negative attitudes towards immunization still persist, contributing to lower coverage percentage which stands at only about 46 per cent.
2.2.6 Constraint 6: Low Application of Science and Technology and Innovations

109. Science, Technology and Innovation (STI) plays a vital role in generating growth and socio-economic transformation. The low level of total factor productivity experienced in Uganda is in part a result of the limited application of STI in the production processes and service delivery mechanisms. The constraint manifests in terms of poor quality of products and services; the technology component of exports as evidenced in the percentage of manufactured exports to primary exports which is low at 4.2 per cent in 2008/9; and low numbers of R&D personnel with 1.0 R&D personnel per 1000 labour force which is lower than OECD countries that range from 5-18 R&D personnel 1,000 labour force. Technology achievement index (TAI) 23 is 0.24 compared 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 (2005/6). In 2001, Uganda published only 91 articles in respected journals compared about 10,000 in Israel. In the area of innovations, only 3 patent applications are submitted per year compared to Malaysia that has over 6000 patents per year. The ratio of arts graduates to science graduates is 1:5 whereas in Malaysia it is 1:1.5.

2.2.7 Constraint 7: Inadequate Supply of Production Inputs

110. 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. Some of these inputs are in serious short supply or are very expensive, thereby curtailing their widespread use. The fertilizer use in Uganda is at 1kg/hectare having increased from 0.37kg hectares in 2000 compared to 6kg/ hectares in Tanzania, 16kg/ hectares in Malawi, and 31.3 Kg/ hectare in Kenya. This is partly attributed to high cost which has almost tripled from $252 per ton in January 2007 to $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.

111. Other inputs are in short supply or are very expensive. 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.

23 TAI>5 leaders, TAI 0.35-0.49 Potential leaders, TAI -2.-0.34 Dynamic adapters.
PART 2: STRATEGIC DIRECTION AND THE NDP STRATEGY
3.1 VISION

112. The vision for Uganda over the next 30 years is to be “A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years” with the following elements:

a) **Independent and sovereign:** In 30 years’ time, Ugandans want a country that is both independent and sovereign, a country free to govern itself and having complete power with freedom from political control by other countries and with the citizens determining their political destiny.

b) **Democratic and law abiding:** 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) **Stable and peaceful:** An important pre-requisite for the development of any country is peace, stability and social cohesion in an environment of democracy and political and social tolerance. Ugandans aspire to live peacefully with other countries and in harmony with their social cultural and ethnic diversity.

d) **Knowledge based, informed and skilled:** Knowledge, information and skills are a prerequisite for a modern society. Uganda aspires to equip the population with the relevant knowledge, information and skills to enable them improve the quality of life, respond to the development challenges and to compete nationally 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. An economy will be developed that that is sustainable and free from donor dependence.

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 the East Africa, regional and other international markets. In addition, Uganda will embrace being a member of a strong African Defence Mechanism.

113. The above elements are attributes within the context of the vision of a transformed Ugandan society from a predominantly peasant-based economy to a just, peaceful and prosperous middle-income country with per capita income of at least USD 1,000 within 30 years

114. The Vision will be realised through the implementation of three Ten-Year National
Development Plans, six Five-Year National Development Plans, Sector Master Plans, Five Annual Plans and Budgets for each 5-Year Development Plans, and effective implementation and monitoring mechanisms across political, economic, social and cultural targets. This will include ensuring that the NDP is taken into account when revising the MTEF on a rolling basis and during the formulation of the annual budgets each year.

3.2 THE NDP THEME AND OBJECTIVES

115. The Theme of the NDP is “Growth, Employment and Prosperity for Socio-Economic Transformation.” Each of the elements of this Theme provides an overall thrust as to what Uganda wants achieved during the NDP period.

116. World-wide the size of economies is measured by the size of their wealth, commonly by referring to the Gross Domestic Product (GDP). It is the goal of every economy to increase its GDP in a 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. That is, increasing the GDP while improving the socio-economic indicators such as the number of people living below 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 adequate gainful jobs are created in tandem with the growing labour force, so as to lead to prosperity for socio-economic transformation which should in turn feed into additional growth and gainful employment creation. Policies also need to be targeted at the welfare of people unable to work who lack basic resources.

117. To achieve the NDP Theme, eight objectives have been formulated as follows:

(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: Increased income per capita; Increased income distribution; Increased employment; Enhanced skills development and Increased agricultural production and productivity

(b) **Enhancing the availability and quality of gainful employment:** The attainment of this objective will be assessed based; Increased employment opportunities; Increased hi-tech and other professional employment; Increased earnings; Increased industrial production and productivity

(c) **Improving stock and quality of economic infrastructure.** This objective has two aspects: the quantity and quality aspects. Its attainment will be assessed be Increased access and consumption of electricity; Increased quantity and quality road network; Increased functionality railway network; Increased access to telecommunication services; Increased access to public mass transport; Increased access to affordable banking services and credit
(d) **Increasing access to quality social services.** Ultimately fruits of development are indicated by the social status of the population. Common measures of this objective are: literacy levels; life expectancy at birth; infant mortality rate; maternal mortality rate; safe water coverage ratio; sanitation levels and incident 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 percentage of exports high technology content to the total exports, Strengthened institutional capacity and status for science and technology ; Increased capacity for R&D and Innovation; Increased capacity, access and use of ICT ; 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; Increased proportion of regional and international students trained

(g) **Strengthening good governance, defence and security:** There are limited indicators for this objective. In this NDP, this objective will be assessed based Improved socio-economic governance; Improved economic governance and management; Improved corporate governance; Improved democracy and political governance; Improved security

(h) **Promoting sustainable population and use of the environment and natural resources.** To assess the attainment of this, the following will be measured: Improved population health status; Improved human settlement and urbanization; Degraded ecosystems restored; Improved management of environmental resources

### 3.3 PRINCIPLES OF THE PLAN

#### 3.3.1 Ownership

118. 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

119. The National Development Plan requires strong backing from the political leadership at all levels in the same way as the vision from which it is derived requires it.
3.3.3 **Good Governance**

120. Good governance is the positive exercise of authority. It is characterized by citizen transformation and participation in governance, control of corruption, political stability, and 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**

121. It will be extremely important to ensure the availability of resources for implementing the plan 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 and Equity**

122. The economy’s overall growth and development needs to be balanced with a view to mitigating against external shocks including adverse effects on the output from the dominant sectors. While recognising that the economy will reflect Uganda’s comparative advantage, the NDP will encourage the development of sectors with potential comparative advantage rather than relying only on the current sectors. In this way the country’s targeted growth will not hinge on one or two sectors, but many sectors will have the potential to contribute to growth. With the discovery of petroleum, the country will need to guard against getting trapped into the Dutch disease syndrome with adverse effects on the exchange rate and consequent problems for domestic industries to develop their export potential.  

123. The second dimension of balanced development is linked to ensuring that all regions of the country benefit from the lift in the national economy from using national resources, better infrastructure and other development projects, and higher investments levels in order to fight poverty, promote social equity and harmony. The plan follows various international conventions and resolutions to 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. The gender and disability based inequalities limits economic growth exacerbates poverty and compromises human dignity.

3.3.6 **Behaviour Change**

124. Behaviour change is needed in many public and private sector groups as well as many citizens, and this is crucial for rapid economic growth and transformation. The

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24 This condition arises when foreign currency inflows cause an increase in the affected country's currency. This has two main effects for the country with Dutch disease: 1. A decrease in the price competitiveness, and thus the exports, of its manufactured goods; and 2. an increase in imports.
people will need to adopt a new attitude to public property, assets, amenities and the environment and be patriotic to their country. They must 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. Indifference is counterproductive and will undermine the potential of the plan to support the social and economic transformation being sought. Ugandans must start appreciating hard work, discipline and patriotism.

3.3.7 **Linkage with the National Planning Process**

125. The road to transformation will require careful planning and commitment of resources. The NDP is expected to be the all encompassing plan for the next five years. All ministries, departments and autonomous and semi-autonomous entities need to align their development priorities with the NDP.

3.3.8 **Sustainable and Equitable Development**

126. Sustainable development is about using resources to meet human needs irrespective of gender differences 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, and this has resulted into global warming and other adverse environmental conditions. Less focus on gender inequalities has also often promoted discrimination against the female sex. The implementation of NDP should ensure sustainable and equitable development.

127. While balancing wealth creation with poverty reduction, the design and implementation of the NDP will also emphasize 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 shall be promoted. As part of implementing sustainable development, every person should 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**

128. 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 while effective monitoring and evaluation will provide relevant information which will be used to fine-tune, re-orient, or otherwise alter the proposed initiatives. Effective M&E is key to measuring and reporting progress toward the stated planned objectives and related targets. For this reason it will be important to put in place an efficient and effective implementation, monitoring and evaluation mechanism.
4.1 STRATEGY CONTEXT

129. The recent decline in the GDP growth rates and the discovery of oil in the country among other factors requires adjustment to the existing policies, strategies and programmes as well as the adoption of new approaches to growth and social transformation. Uganda’s vision of a transformed society from a peasant to a modern and prosperous country within 30 years provides an overall development framework for the NDP. The NDP objectives have been designed to incrementally attain this vision.

130. Policies and strategies will be focused towards achieving accelerated and sustainable growth in the priority areas, creation of gainful employment and prosperity for socio-economic transformation. Increasing incomes beyond the subsistence level and stimulating growth requires the sustained orientation of Government expenditures and interventions towards the effective resolution of the binding constraints in public sector management and administration, funding and financial services, human resource development and infrastructure improvement. Attention to these areas will have a direct bearing on the efficiency and effectiveness of service delivery, increasing productivity, and improving household incomes and overall economic development.

131. The private sector will remain the engine of growth and development, but government, in addition to undertaking the facilitating role through the provision of a conducive institutional framework, will also actively promote and encourage public-private sector partnerships. Furthermore, the government will continue to pursue outwardly-oriented policies by encouraging foreign investments and exports with high value added contents, as well as pursuing sound macroeconomic policy and management.

132. The NDP priority areas will be the strategies to unlock the binding constraints which include; improving public sector management and administration; improving public funding and financial services; increasing the quantity and improving the quality of human resources; increasing stock and improving the quality of physical infrastructure; transformation of attitudes, mindset, cultural practices and perception and promoting gender equality; promoting science and technology and facilitating availability and access to critical production inputs.

133. In coming up with appropriate policy and strategy prescriptions for achieving the objectives of the plan, the binding constraints faced by economy have been analyzed. These constraints are detailed at the sector level and outlined at the national level in Chapter 2 above. The strategies to unlock them are set out below.
4.2 UNLOCKING THE BINDING CONSTRAINTS

4.2.1 Improving Public Sector Management and Administration

134. Institutional efficiency and effectiveness is important in service delivery. Improvement in public sector management and administration will address weak policy, legal and regulatory framework; weak institutions, structures and systems; poor governance; deterioration of environment and lack of mitigation measures for the climate change effects; limited scale and scope of social protection; inadequate codes and standards; inadequate management and administration of land; and inadequate data and information.

135. 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 include the following (see Table 4.1):

Table 4.1: Strategies for Improving Public Sector Management and Administration

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ensuring that the NDP is the basis for policy making in government to ensure alignment of all specific sector policies to the relevant national policies.</td>
<td>Parliament, Cabinet and MDAs</td>
</tr>
<tr>
<td>2</td>
<td>Reviewing the current policy framework to provide a basis for streamlining institutional mandates and improving institutional interfaces.</td>
<td>PSM</td>
</tr>
<tr>
<td>3</td>
<td>Ensuring that the current ongoing reforms are expedited and are in line with the NDP recommendations.</td>
<td>MDAs</td>
</tr>
<tr>
<td>4</td>
<td>Rationalizing the function of policy coordination in government 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 designed and developed.</td>
<td>Cabinet, PSM</td>
</tr>
<tr>
<td>5</td>
<td>Review of the process of making laws with a view to strengthening the role of sectors to be responsible for ensuring consistent legal framework in and across sectors. Ensuring that laws are preceded by policies. The legal counsels should be stationed at sector level.</td>
<td>PSM</td>
</tr>
<tr>
<td>6</td>
<td>Strengthening policy making and planning in the MDAs/LGs, including involving public servants in policy initiation and formulation.</td>
<td>PSM, MDAs</td>
</tr>
<tr>
<td>7</td>
<td>Putting in place a framework for involvement of the private sector and civil society in public policy making and planning. Ensuring policies are based on sound research, analysis and evaluation</td>
<td>PSM</td>
</tr>
<tr>
<td>8</td>
<td>Rationalise and strengthening the regulatory function of government. The office of Prime Minister will be strengthened to coordinate Government regulations.</td>
<td>PSM, MDAs</td>
</tr>
<tr>
<td>9</td>
<td>Put in place new and strengthen the existing regulation agencies within government. This is urgent in sectors of Agriculture, health, education, transport and works, water and sanitation and oil and gas industry.</td>
<td>PSM, MDAs</td>
</tr>
<tr>
<td>10</td>
<td>Review the framework for rationalisation and oversight of the privatised institutions. Review the PERT statute.</td>
<td>PSM</td>
</tr>
<tr>
<td>11</td>
<td>Instituting institutional performance contracts at MDA and Local Government levels.</td>
<td>PSM</td>
</tr>
<tr>
<td>12</td>
<td>Reviewing the functions of the Ministry of Public Service to deal with policy of human resource planning, 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.</td>
<td>Cabinet, PSM</td>
</tr>
</tbody>
</table>
4.2.2 Increasing public sector financing and improving financial services

136. This constraint has two dimensions: a public sector dimension and a private sector dimension.

Public Sector Financing

137. 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: Strategies for Increasing Public Sector Funding

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ensuring clear framework for determining government priorities;</td>
<td>NPA</td>
</tr>
<tr>
<td>2</td>
<td>Increasing revenues to fund the government priorities.</td>
<td>MFPED</td>
</tr>
<tr>
<td>3</td>
<td>Developing an efficiency framework for public sector functions for saving public resources.</td>
<td>MFPED.</td>
</tr>
<tr>
<td>4</td>
<td>Strengthening public - private sector partnerships.</td>
<td>MFPED</td>
</tr>
<tr>
<td>5</td>
<td>Recapitalizing the Uganda Development Corporation (UDC) and Uganda Development Bank (UDB) and strengthening the agricultural credit facility.</td>
<td>BOU</td>
</tr>
</tbody>
</table>

Private sector finance

138. 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 on the consolidation and strategic positioning of the financial sector in a globalized and liberalized environment while also ensuring the expanded outreach of the financial sector within the economy. The financial sector will 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;(see Table 4.2B):

Table 4.2B: Strategies for Improving Financial Services

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maintaining financial and macroeconomic stability by ensuring low inflation rate and competitive exchange rates as well as maintaining strict measures for strong and sound financial institutions;</td>
<td>BOU</td>
</tr>
<tr>
<td>2</td>
<td>Strengthening money markets through promotion of product development and innovations so as to put more financial instruments into the market;</td>
<td>Financial Sector</td>
</tr>
<tr>
<td>3</td>
<td>Strengthening capital markets and promoting and encouraging product development through issuance of bonds such as sovereign, infrastructure and municipal bonds;</td>
<td>Financial Sector</td>
</tr>
<tr>
<td>4</td>
<td>Increasing investor base by liberalizing the National Social Security Fund (NSSF), encouraging retail investments, and promoting of collective investment schemes.</td>
<td>MFPED</td>
</tr>
<tr>
<td>5</td>
<td>Improving the financial infrastructure through enactment of a law for establishing a super regulator; improving payment systems; and promoting inter-connectivity and inter-banking.</td>
<td>BOU</td>
</tr>
<tr>
<td>6</td>
<td>Improving intermediation in the financial sector through putting in place</td>
<td>Financial</td>
</tr>
</tbody>
</table>
measures that reduce interest spread and minimizing investments in monetary policy management instruments.

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>To assist the microfinance sector in rural and urban areas by supporting establishment, strengthening, expansion and consolidation of microfinance institutions, including SACCOs.</td>
<td>MFPED</td>
</tr>
<tr>
<td>8</td>
<td>Improving information dissemination to enhance consumer education and promoting consumer education through financial literacy and protection.</td>
<td>Financial Sector</td>
</tr>
</tbody>
</table>

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

139. 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. Critical in this process will be productivity enhancement. This should contribute to the enhancement of productivity in many sectors of the economy. In this regard, the strategies presented in Table 4.3 will be pursued:

**Table 4.3: Strategies for Increasing the Quantity and Strengthening the Quality of Human Resource**

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Revitalizing and strengthening national manpower planning and development.</td>
<td>NPA</td>
</tr>
<tr>
<td>2</td>
<td>Removing the principle of “permanent and pensionable” policy for all public servants and change to contract based performance contracts.</td>
<td>PSM</td>
</tr>
<tr>
<td>3</td>
<td>Redesigning the curricula to suit the demand side of human resource requirements and integrating entrepreneurship, innovation and creativity in the whole education system.</td>
<td>MOES</td>
</tr>
<tr>
<td>4</td>
<td>Fully establishing vocational and technical training to complement the formal education.</td>
<td>MOES, MGLSD, NPA</td>
</tr>
<tr>
<td>5</td>
<td>Designing and implementing skills development programmes to focus on the development of middle level technicians as well as those outside the educational systems.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>6</td>
<td>Strengthening and improving the quality of Universal Primary Education (UPE), Universal Secondary Education (USE) and tertiary education and inculcate good morals, ethics, patriotism and values among teachers and learners. This includes breaking down the barriers to access for girls.</td>
<td>MOES</td>
</tr>
<tr>
<td>7</td>
<td>Implementing 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.</td>
<td>MOES</td>
</tr>
<tr>
<td>8</td>
<td>Establishing soft skills training centre which will provide compulsory training in specialized skills for both the public and private sector including certification.</td>
<td>MOPS</td>
</tr>
<tr>
<td>9</td>
<td>Strengthening the professional bodies to enhance professionalism in human resources for both private and public sectors and fully involving professional bodies and private sector in setting the curricula and quality assurance.</td>
<td>OPM</td>
</tr>
<tr>
<td>10</td>
<td>Promoting and supporting accreditation and certification.</td>
<td>OPM</td>
</tr>
</tbody>
</table>
4.2.4 Increasing stock and improving quality of public physical infrastructure

140. In the public physical infrastructure sector, the strategies to increase the stock and improve the quality of public physical infrastructure will include the following (see Table 4.4):

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improving the stock and quality of road infrastructure, including connectivity and safety within Greater Kampala metropolitan and tourism areas.</td>
<td>MoWT</td>
</tr>
<tr>
<td>2</td>
<td>Improving rail transport and haulage to connect Uganda to the sea ports and lower cost of transportation.</td>
<td>MoWT</td>
</tr>
<tr>
<td>3</td>
<td>Improve the water transport infrastructure and services; and air transport infrastructures and services.</td>
<td>MoWT</td>
</tr>
<tr>
<td>4</td>
<td>Establishing a mechanism to certify all public and private interventions to follow up approved physical plans.</td>
<td>MLHUD</td>
</tr>
<tr>
<td>5</td>
<td>Promoting and encouraging construction of more hotels and restaurants in tourism areas.</td>
<td>MTTI</td>
</tr>
<tr>
<td>6</td>
<td>Constructing and maintaining agriculture infrastructure including Silos, warehouses, abattoirs.</td>
<td>MAAIF, MTTI</td>
</tr>
<tr>
<td>7</td>
<td>Expanding the ICT infrastructure to cover major urban centers of the country.</td>
<td>ICT sector</td>
</tr>
<tr>
<td>8</td>
<td>Improving the power generation capacity.</td>
<td>Energy Sector</td>
</tr>
<tr>
<td>9</td>
<td>Expanding the Grid and improving the transmission and distribution infrastructure.</td>
<td>Energy Sector</td>
</tr>
<tr>
<td>10</td>
<td>Constructing oil refinery and pipelines for evacuation of oil from the production places.</td>
<td>Energy Sector</td>
</tr>
<tr>
<td>11</td>
<td>Constructing oil pipeline from Eldoret through Kampala to Kigali for downstream activities.</td>
<td>Energy Sector</td>
</tr>
<tr>
<td>12</td>
<td>Increasing and promoting the provision of safe water supply and sanitation as well as good sanitation and hygiene practices.</td>
<td>Energy Sector</td>
</tr>
</tbody>
</table>

4.2.5 Transformation of Attitudes, Mind-set, Cultural practices, Perceptions and Promoting of Gender Equality

141. Economic development and urbanization will have implications on the nation’s social and cultural practices and behaviour. Gender based inequality limits economic growth as do poor attitudes towards work. Appropriate strategies need to be implemented to ensure that the society’s positive values are enhanced and the negative ones mitigated. In the same vein, efforts should be made to ensure that growth and social progress are not marred by negative social practices and a poor value system. The broad strategy will be the development of an action plan for addressing issues of attitudes, mind-set and negative cultural practices as well as gender inequalities. This will be done through the following (See Table 4.5):
Table 4.5: Strategies for Transformation of Attitudes, Mind-set, Cultural practices, Perceptions and Promoting of Gender Equality

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Developing, adopting and inculcating a set of national ethical values in line with the national vision while mitigating and reducing the negative cultural values and practices. Patriotism is priority.</td>
<td>Presidents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>office/ MGLSD</td>
</tr>
<tr>
<td>2</td>
<td>Transform the mindset of the population using the epi-centre strategy with a holistic approach.</td>
<td>MGLSD,NPA</td>
</tr>
<tr>
<td>3</td>
<td>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.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>4</td>
<td>Civil education and community mobilization to transform the mindset from poverty to productivity.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>5</td>
<td>Harnessing and blending indigenous knowledge with scientific knowledge.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>6</td>
<td>Promoting cultural and ethnic diversity.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>7</td>
<td>Building capacity for mainstreaming gender issues in development plans at both central and local government levels.</td>
<td>MDAs</td>
</tr>
<tr>
<td>8</td>
<td>Promoting equal access to education and other productive, human and social capital assets.</td>
<td>MOEs</td>
</tr>
<tr>
<td>9</td>
<td>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.</td>
<td>MGLSD</td>
</tr>
<tr>
<td>10</td>
<td>Promoting affirmative action in all political, economic and social spheres.</td>
<td>MGLSD</td>
</tr>
</tbody>
</table>

4.2.6 Promoting Science, Technology and Innovation (STI)

142. 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 (see Table 4.6):

Table 4.6: Strategies for Promoting Science, Technology and Innovation (STI)

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Providing incentives for pursuing science profession by designing and implementing affirmative action in schools to promote the uptake of science subjects.</td>
<td>MOES, NHCS</td>
</tr>
<tr>
<td>2</td>
<td>Providing an enabling environment for teaching science subjects in schools, tertiary institutions and universities by, for example, constructing laboratories and providing chemicals.</td>
<td>MOES</td>
</tr>
<tr>
<td>3</td>
<td>Promoting value addition in production and service delivery as well innovations through adoption and adaptation.</td>
<td>MTTI</td>
</tr>
<tr>
<td>4</td>
<td>Establishing technology incubation centers in various parts of the regions to enable effective Research and Development.</td>
<td>MTTI</td>
</tr>
</tbody>
</table>
4.2.7 Facilitating Availability and Access to Critical Production Inputs

143. 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 all the way through the value chain. To address the constraint of the inadequate supply of inputs, the strategies will include the following (see Table 4.7):

Table 4.7: Strategies for Facilitating Availability and Access to Critical Production Inputs

<table>
<thead>
<tr>
<th>NO</th>
<th>STRATEGIES</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishing the phosphate factory in Tororo to produce fertilizers as inputs to agriculture industry.</td>
<td>Agriculture Sector</td>
</tr>
<tr>
<td>2</td>
<td>Establish and exploit iron ore and process it to various ingots for manufacturing.</td>
<td>Energy</td>
</tr>
<tr>
<td>3</td>
<td>Constructing 5 big irrigation schemes and micro level schemes at parish level</td>
<td>Agriculture Sector</td>
</tr>
<tr>
<td>4</td>
<td>Using Public-Private Partnership to increase inputs of locally manufactured inputs like cement, lime, pesticides and herbicides.</td>
<td>MTTI</td>
</tr>
<tr>
<td>5</td>
<td>Increasing availability to high yielding seed varieties and promoting mechanization of agriculture.</td>
<td>Agriculture Sectors</td>
</tr>
<tr>
<td>6</td>
<td>Providing credit guarantees to private investors to facilitate them to import high cost technology equipment for agriculture and construction.</td>
<td>Agriculture and MTTI, MFPED</td>
</tr>
<tr>
<td>7</td>
<td>Supporting the establishment and sustainability of small and medium enterprise which provide production inputs.</td>
<td>MTTI</td>
</tr>
<tr>
<td>8</td>
<td>Increasing access to credit through means such as mortgage and other credit facilities for imported and locally manufactured goods.</td>
<td>MLHUD</td>
</tr>
</tbody>
</table>

4.3 INVESTMENT PRIORITIES, TARGETS AND FLAGSHIP PROJECTS

144. Section 2.2 discusses seven identified binding constraints that have limited growth in the economy. In order to give impulse to unlocking the constraints, priority areas for interventions including investment have been identified and important national flagship projects have been selected for implementation.

4.3.1 Investment Priorities and Targets

4.3.1.1 Improving the Quantity and strengthening the Quality of Human resource:

145. Human Resource Development: 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. 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 will be trained in the key sectors including Oil and gas.

146. For the soft skills aspects, the national values will be agreed and promoted in all schools and public services. A soft skills school will be established to inculcate moral and values to all public and private sector employees. In addition the education curriculum will include the moral and value aspects. All this is aimed at improving the quality of human resource

147. For the health sector, emphasis will be placed on both preventive and non prevention health care. Synergies and linkages with other sectors like education, social development, water and sanitation and Agriculture are emphasized with the aim of cooperating to reduce the preventable diseases. Efforts will 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

148. The NDP period also envisage an improvement in the efficiency of use of resources in these two 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.

4.3.1.2 Increasing the Stock and Improving the Quality of Public Physical Infrastructure:

149. During this plan, the oil and gas infrastructure will be prioritized. 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 crude oil from the Albertine Graben area to Mombasa. 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 more than 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 and to put strategies in place to reduce exposure to the Dutch disease effect.

150. Energy infrastructure. For industrialization and value-addition to take effect, access to power is critical and the power tariff must be affordable. During the period of this plan, the power generation potential and access to electricity will increase. Two (2) hydro-electric power dams; Karuma (500-700MW) and Ayago (550-650MW). Studies for Isimba (100MW) will commence. The rural electrification coverage is expected to increase from 6% to 10% and the power losses will reduce from 40% to 16%.

151. Improving the transportation network. In line with the transport Master Plan
and other government commitments, 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. The rehabilitation, reconstruction and upgrading of the national roads will continue. A total of 1100km will be upgraded 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); Undertake periodic maintenance on 4,500 km each year; and place 21,513 km under routine maintenance (iii) Improve 1,000 km of Community access roads each year to access level 2. The transport infrastructure in Greater Metropolitan Kampala will be improved. The connectivity and safety also will be a priority. Dual carriage ways, single carriage ways, railway crossing will be constructed. In addition the Kampala Rapid Bus Transport System (RBTS) will be implemented. The air transport infrastructure will be improved by increasing the entry-exit ports and the infrastructure at Entebbe Airport. Water transport on Lake Victoria will be improved by constructing the piers and landing bays.

152. ICT infrastructure. The ICT infrastructure will also be improved. The national fibre optic cable will be extended to cover most of the districts. The emphasis will be on business process outsourcing (BPO) services where the information technology business parks will be constructed and promoted. The e-government services will be promoted and e-procurement introduced and operationalised.

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

4.3.1.3 Promoting Science, Technology and Innovation:

154. 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 incubation centres 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 change 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 graduates to arts graduates from 1:5 to 1:3 by 2015. The practical skills in the formal education area are prerequisite 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:

155. 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 flagship 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 in this plan. The extension services will also be strengthened to support the farmers.

156. Increasing Access to Water for Production. With the effects of the climate changes 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 in the cattle corridor from the current 36% to 50% and those outside the cattle corridor from 21% to 30%, and (iii) Increasing water supply systems for rural industries to facilitate agro-processing and other industrial activities.

157. 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 forecast. This is a major input to agricultural production, air transport, the defence sector and other sectors of the economy.

158. Inputs to the Manufacturing Sector. The contribution of the manufacturing sector to the economy remains dismal which has limited the structural transformation of the economy. In addition to government’s efforts to reduce the cost of manufacturing through investment in energy and transport, efforts will be made to reduce the cost of inputs especially cement and lime. Efforts will be directed to development of the iron ore industry to provide ingots for the steel industry through public private partnerships.

4.3.2 National Flagship Projects

159. Specific interventions through flagship projects will be used to augment other interventions geared to unlocking the binding constraints. These flagship projects are given in Table 4.8.
<table>
<thead>
<tr>
<th>Strategy to Unlock Binding Constraints</th>
<th>Flagship Project</th>
<th>Costs in UGX billions</th>
<th>Total for NDP period</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the quality of Human resource</td>
<td>National Skills Programme (MGLSD, Employment)</td>
<td>23.7</td>
<td>25.7</td>
<td>28.7</td>
</tr>
<tr>
<td></td>
<td>Constructing a standard rail gauge system from Malaba to Kampala</td>
<td>50.0</td>
<td>150.0</td>
<td>200.0</td>
</tr>
<tr>
<td></td>
<td>Rehabilitating the existing railway lines</td>
<td>57.0</td>
<td>190.0</td>
<td>190.0</td>
</tr>
<tr>
<td></td>
<td>Development of Greater Metropolitan Kampala and implement the Kampala rapid transport systems</td>
<td>66.0</td>
<td>89.0</td>
<td>88.0</td>
</tr>
<tr>
<td></td>
<td>Improve Water Transport of Lake Victoria</td>
<td>12.0</td>
<td>24.0</td>
<td>18.0</td>
</tr>
<tr>
<td>Increasing stock and improving quality of public physical infrastructure</td>
<td>Construction of Karuma Hydropower Plant and transmission infrastructures</td>
<td>43.5</td>
<td>255.5</td>
<td>576.0</td>
</tr>
<tr>
<td></td>
<td>Construction of Ayago HEP and transmission infrastructure</td>
<td>10.0</td>
<td>60.0</td>
<td>200.0</td>
</tr>
<tr>
<td></td>
<td>Construction of Isimba HEP and its transmission infrastructure</td>
<td>9.0</td>
<td>50.0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Developing the Oil and gas refinery</td>
<td>-</td>
<td>-</td>
<td>800.0</td>
</tr>
<tr>
<td></td>
<td>Construction of oil and gas pipeline</td>
<td>-</td>
<td>-</td>
<td>250.0</td>
</tr>
<tr>
<td></td>
<td>Construction and development of ICT business parks</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Promotion of Science, Technology and Innovation (STI)</td>
<td>Construction and development of 4 regional incubation centres</td>
<td>12.0</td>
<td>12.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>
160. Most of the flagship projects will be done through Public Private Partnership with varying levels of involvement. The construction of standards 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 disburse funds for implementation. The studies for all the three dams have already commenced. To quicken the process of implementation, most of the infrastructure projects will be turnkey projects, BOOT or BOT where appropriate. This will significantly reduce the time of implementation. However it should be noted that the more the private sector is involved the higher the tariff subsequently limiting use of the generated power. This is because of the high rate of return on investment from private sector investments. The balance should be struck on what level of investment is favourable for the long term power usage and tariff to avoid heavy subsidises on power tariffs in future.

4.4 MACROECONOMIC STRATEGY

4.4.1 Introduction

161. 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 sectors that are considered as priorities.

162. A balance between macroeconomic stability, sustenance/acceleration of economic growth and continued progress towards the achievement of set social development goals will be achieved. Without abandoning the poverty eradication vision, the NDP re-orient 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.

163. 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 financing
strategy, Government will continue to depend on external resources in the short to medium term, but plans 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

164. To achieve the NDP objectives, the fiscal strategy for the NDP aims at ensuring that there is continued progress towards achieving the NDP targets while balancing wealth creation and poverty reduction for socio-economic transformation. This approach will taking the following steps:

- Curtailing growth in recurrent spending in non-productive activities such in duplicated roles of monitoring and evaluation with the savings made used for more investments in the NDP priority sectors; and
- Prudent widening and management of the fiscal deficits.

165. 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 Ug Shs 54 trillions. Table 4.9 provides 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 4.9: Expenditure Framework under the NDP 2010/11-2014/15 (Percent of Total Spending)

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 - Agriculture</td>
<td>6.6%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>4.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>09 - Water and Environment</td>
<td>4.6%</td>
<td>4.4%</td>
<td>4.0%</td>
<td>3.8%</td>
<td>4.1%</td>
</tr>
<tr>
<td>06 - Tourism, Trade and Industry</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>03 - Energy and Mineral Development</td>
<td>6.7%</td>
<td>11.8%</td>
<td>19.9%</td>
<td>25.9%</td>
<td>24.7%</td>
</tr>
<tr>
<td>05 - Information and Communication Technology</td>
<td>0.8%</td>
<td>0.9%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>02 - Lands, Housing and Urban Development</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>04 - Works and Transport</td>
<td>23.6%</td>
<td>23.7%</td>
<td>22.3%</td>
<td>21.3%</td>
<td>17.5%</td>
</tr>
<tr>
<td>14 - Accountability</td>
<td>4.1%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.9%</td>
</tr>
<tr>
<td>10 - Social Development</td>
<td>1.6%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.4%</td>
</tr>
<tr>
<td>08 - Health</td>
<td>14.5%</td>
<td>13.6%</td>
<td>12.5%</td>
<td>11.6%</td>
<td>12.8%</td>
</tr>
<tr>
<td>07 - Education</td>
<td>14.6%</td>
<td>13.1%</td>
<td>11.4%</td>
<td>10.1%</td>
<td>11.0%</td>
</tr>
<tr>
<td>11 - Security</td>
<td>6.20%</td>
<td>6.1%</td>
<td>5.6%</td>
<td>5.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>13 - Public Sector Management</td>
<td>7.0%</td>
<td>6.2%</td>
<td>5.3%</td>
<td>4.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>12 - Justice, Law and Order</td>
<td>3.7%</td>
<td>3.3%</td>
<td>2.9%</td>
<td>2.8%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>
166. All sector expenditures are increasing in nominal numbers but the percentages 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.

167. Public expenditure will increase from 18 percent of GDP in 2009/10 to an average of 19.6 percent of GDP during the planning period. The NDP is targeted deficit of 5.5 percent of GDP over the planning period, with some fiscal consolidation over the planning period to meet the EAC monetary convergence criterion. The targeted spending accommodates the investment requirements of the country (Table 4.10). The NDP implementation is back-loaded to accommodate the absorptive capacity challenges and taking into account the required financing of the plan.

168. It’s also envisaged that spending on unproductive activities over the planning period will be reduced and reallocated to productive sectors especially agriculture, infrastructure and energy. With some of the binding constraints being unlocked particularly on the efficiency of institutions and the legal and regulatory environment, the NDP expects to benefit from some efficiency gains on the use of public resources, thereby having an impact on growth.

Table 4.10: Selected Macroeconomic and Financial Indicators, 2009/10-2014/15

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<tbody>
<tr>
<td>Real Sector</td>
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<tr>
<td>Annual GDP Growth rates (factor cost)</td>
<td>6.8%</td>
<td>8.0%</td>
<td>6.7%</td>
<td>6.4%</td>
<td>6.6%</td>
<td>7.0%</td>
<td>7.2%</td>
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<td>7.5%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Private investment % GDP</td>
<td>14.5%</td>
<td>17.1%</td>
<td>17.6%</td>
<td>16.5%</td>
<td>16.9%</td>
<td>17.4%</td>
<td>18.1%</td>
<td>18.2%</td>
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<td>18.3%</td>
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<tr>
<td>Public investment % GDP</td>
<td>5.4%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>7.3%</td>
<td>8.0%</td>
<td>8.8%</td>
<td>8.9%</td>
<td>9.2%</td>
<td>10.0%</td>
<td>10.0%</td>
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<td>10.0%</td>
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<tr>
<td>Private consumption % GDP</td>
<td>66.9%</td>
<td>76.9%</td>
<td>78.4%</td>
<td>77.5%</td>
<td>76.4%</td>
<td>75.3%</td>
<td>74.1%</td>
<td>73.4%</td>
<td>73.9%</td>
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<td>73.9%</td>
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<tr>
<td>Public consumption % GDP</td>
<td>13.8%</td>
<td>9.1%</td>
<td>8.9%</td>
<td>10.1%</td>
<td>9.9%</td>
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<td>9.5%</td>
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<tr>
<td>Domestic savings % GDP</td>
<td>7.8%</td>
<td>8.8%</td>
<td>12.5%</td>
<td>13.6%</td>
<td>13.5%</td>
<td>14.8%</td>
<td>16.0%</td>
<td>17.0%</td>
<td>17.7%</td>
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<td>Fiscal Sector</td>
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<tr>
<td>Government domestic revenue %</td>
<td>11.2%</td>
<td>13.3%</td>
<td>12.5%</td>
<td>12.8%</td>
<td>13.1%</td>
<td>13.6%</td>
<td>14.1%</td>
<td>14.6%</td>
<td>15.1%</td>
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</tr>
<tr>
<td>GDP</td>
<td>21.4%</td>
<td>21.2%</td>
<td>16.9%</td>
<td>17.8%</td>
<td>19.2%</td>
<td>19.8%</td>
<td>19.8%</td>
<td>19.8%</td>
<td>19.4%</td>
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<td></td>
</tr>
<tr>
<td>Government Expenditure % GDP</td>
<td>-</td>
<td>10.2%</td>
<td>-7.9%</td>
<td>-4.4%</td>
<td>-5.0%</td>
<td>-6.1%</td>
<td>-6.2%</td>
<td>-5.7%</td>
<td>-5.2%</td>
<td>-4.3%</td>
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</tr>
<tr>
<td>Fiscal deficit, exclg grants % GDP</td>
<td>0.9%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.0%</td>
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<tr>
<td>Domestic interest payments % GDP</td>
<td>0.2%</td>
<td>0.8%</td>
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<tr>
<td>Domestic borrowing % GDP</td>
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</table>

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<thead>
<tr>
<th>Fiscal deficit , exclg grants % GDP</th>
<th>0.9%</th>
<th>1.0%</th>
<th>1.1%</th>
<th>1.1%</th>
<th>1.0%</th>
<th>1.0%</th>
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</thead>
<tbody>
<tr>
<td>Domestic interest payments % GDP</td>
<td>0.2%</td>
<td>0.8%</td>
<td></td>
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<tr>
<td>Domestic borrowing % GDP</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External Sector</th>
<th>11.8%</th>
<th>15.2%</th>
<th>24.7%</th>
<th>25.6%</th>
<th>26.1%</th>
<th>26.3%</th>
<th>26.4%</th>
<th>26.6%</th>
<th>27.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports &amp; NFS (% GDP)</td>
<td>24.6%</td>
<td>28.7%</td>
<td>35.5%</td>
<td>35.8%</td>
<td>36.7%</td>
<td>37.4%</td>
<td>37.8%</td>
<td>38.0%</td>
<td>38.2%</td>
</tr>
<tr>
<td>Imports _ G &amp; SVs(% GDP)</td>
<td>12.9%</td>
<td>13.5%</td>
<td>10.8%</td>
<td>10.2%</td>
<td>10.6%</td>
<td>11.1%</td>
<td>11.5%</td>
<td>11.4%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Trade deficit (% GDP)</td>
<td>60.5%</td>
<td>29.6%</td>
<td>12.4%</td>
<td>15.5%</td>
<td>13.6%</td>
<td>14.1%</td>
<td>14.5%</td>
<td>14.8%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Debt stock/GDP</td>
<td>11.0%</td>
<td>8.6%</td>
<td>4.4%</td>
<td>5.2%</td>
<td>5.4%</td>
<td>5.6%</td>
<td>5.1%</td>
<td>4.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Net donor aid % GDP</td>
<td>3.3%</td>
<td>7.4%</td>
<td>11.1%</td>
<td>7.9%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Reserves in months of imports of gds &amp; svcs</td>
<td>5.9</td>
<td>5.6</td>
<td>4.7</td>
<td>4.9</td>
<td>5.1</td>
<td>5.2</td>
<td>5.3</td>
<td>5.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Average Real Interest Rate on government securities</td>
<td>10.1%</td>
<td>2.6%</td>
<td>5.7%</td>
<td>7.8%</td>
<td>5.6%</td>
<td>4.6%</td>
<td>5.8%</td>
<td>5.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Average Nominal Interest Rate on government securities</td>
<td>13.4%</td>
<td>10.0%</td>
<td>16.8%</td>
<td>15.7%</td>
<td>10.6%</td>
<td>9.6%</td>
<td>10.8%</td>
<td>10.7%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Private sector credit (% GDP)</td>
<td>6.4%</td>
<td>8.3%</td>
<td>14.7%</td>
<td>12.0%</td>
<td>12.7%</td>
<td>13.4%</td>
<td>14.0%</td>
<td>14.4%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Private sector credit growth</td>
<td>14.5%</td>
<td>22.0%</td>
<td>52.8%</td>
<td>21.3%</td>
<td>16.4%</td>
<td>16.6%</td>
<td>16.4%</td>
<td>14.6%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Money (M3) % GDP</td>
<td>17.5%</td>
<td>17.4%</td>
<td>20.4%</td>
<td>21.1%</td>
<td>22.4%</td>
<td>23.6%</td>
<td>24.9%</td>
<td>26.1%</td>
<td>27.3%</td>
</tr>
<tr>
<td>Base Money % GDP</td>
<td>5.4%</td>
<td>5.7%</td>
<td>6.2%</td>
<td>6.8%</td>
<td>7.2%</td>
<td>7.6%</td>
<td>8.0%</td>
<td>8.4%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Net liquidity for sterilization/base money</td>
<td>64.0%</td>
<td>44.0%</td>
<td>...</td>
<td>65.3%</td>
<td>39.2%</td>
<td>41.4%</td>
<td>45.9%</td>
<td>51.7%</td>
<td>53.2%</td>
</tr>
</tbody>
</table>

Source: NPA, 2009

169. The increase in public investments targeted to the core areas of intervention will have a large impact on growth of all sectors. Overall growth rate would be raised to an average of 7.2 percent during the planning period (Table 4.11). This growth would largely emanate from the agricultural and industrial sectors. The agricultural sector will grow by 5.6 percent higher than the amount realized during the past five years. This would have a significant impact on raising incomes of the 70 percent of the population.
engaged in the sector.

Table 4.11: Sectoral Growth Rates under the NDP (2010/11-2014/2015)

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall GDP</td>
<td>6.7</td>
<td>7.0</td>
<td>7.2</td>
<td>7.4</td>
<td>7.5</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5.7</td>
<td>5.8</td>
<td>5.4</td>
<td>5.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cereals</td>
<td>4.3</td>
<td>4.5</td>
<td>4.1</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Root Crops</td>
<td>5.8</td>
<td>6.0</td>
<td>5.6</td>
<td>5.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Pulses</td>
<td>4.5</td>
<td>4.7</td>
<td>4.4</td>
<td>4.6</td>
<td>4.9</td>
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<tr>
<td>Matooke</td>
<td>5.9</td>
<td>6.1</td>
<td>5.7</td>
<td>5.9</td>
<td>6.0</td>
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<td>Horticulture</td>
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<td>6.5</td>
<td>6.1</td>
<td>6.2</td>
<td>6.4</td>
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<tr>
<td>Export Crops</td>
<td>4.8</td>
<td>5.0</td>
<td>4.5</td>
<td>4.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Livestock</td>
<td>5.4</td>
<td>5.6</td>
<td>5.2</td>
<td>5.4</td>
<td>5.5</td>
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<tr>
<td>Of which</td>
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<td>Of which</td>
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<td>6.4</td>
<td>6.6</td>
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<td>24.4</td>
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<td>19.3</td>
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<td>3.6</td>
<td>2.9</td>
<td>2.2</td>
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<td>6.1</td>
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<td>Real estate</td>
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<td>6.9</td>
<td>6.9</td>
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<td>7.1</td>
<td>7.2</td>
<td>7.3</td>
</tr>
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<td>Public</td>
<td>2.2</td>
<td>2.2</td>
<td>2.1</td>
<td>2.2</td>
<td>2.3</td>
</tr>
</tbody>
</table>
170. The growth in the agricultural sector would 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 planning 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 2010-2014. Growth in services will partly be driven by the public investments targeted to the energy, transport and tourism industry.

171. Increasing the growth rate of sectors to a higher level would have an impact on the balance of payments as well. With an increase in processed goods and value addition to Uganda’s agricultural commodities, Uganda’s exports will increase from 24.7 percent to 27 percent of GDP over the NDP period. The switch in government expenditure toward investment which is more import-intensive is expected to result in an expansion of the trade balance deficit due to increasing imports, to support faster growth in infrastructure investments which will increase from 10.8 to 11.2 percent of GDP.

172. Regarding the MDGs, continued progress is expected towards the achievement of key social development goals. However compared to the existing 2015 targets (see Table 4.12). 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 percent by the end of the NDP period in 2014/15 (compared to the MDG target of 28 percent 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.

Table 4.12: Poverty and Social Sector Indicators and Targets

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>NDP 2010/2011-2014/2015</th>
<th>MDG Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount poverty rate, %</td>
<td>33.8</td>
<td>38.8</td>
<td>31.1</td>
</tr>
<tr>
<td>Primary school completion rate, %</td>
<td>64.4</td>
<td>69</td>
<td>73.9</td>
</tr>
<tr>
<td>Gross completion rate (GCR), %</td>
<td>22.4</td>
<td>37.9</td>
<td>74.3</td>
</tr>
<tr>
<td>Net completion rate, %</td>
<td>43.9</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Under-five mortality rate / 1000</td>
<td>152</td>
<td>137</td>
<td>120.1</td>
</tr>
<tr>
<td>Access to safe water, %</td>
<td>57</td>
<td>67.9</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: UBOS & NPA

173. Unemployment has stayed high, as the number of jobs generated has not been adequate to absorb the rising labour force. Unemployment and 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 job created will reach 2.7 million, averaging 550,000 new jobs each year.

174. Regarding other macroeconomic implications, the assumptions made are reflected in the macroeconomic variables shown in the Table 4.10. These include the policy targets for inflation of 5 percent, reserves in months of imports (5 months), nominal and real interest rates and monetary growth as percent of GDP. Whereas net liquidity for sterilization increases in line with the increased government expenditures, its level in comparison to the base money desired target is not larger than it was during the PEAP periods.

175. 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 as projected in the NDP. 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, our debt sustainability ratios show that our 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 4.13).

Table 4.13: Sustainability Benchmarks (Thresholds) compared to Projected Debt Sustainability Ratios

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<tr>
<td>EXTERNAL DEBT</td>
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<tr>
<td>Solvency Ratios (%)</td>
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<td></td>
<td></td>
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<tr>
<td>NPV/GDP (%)</td>
<td>50</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>NPV/XGS (%)</td>
<td>150</td>
<td>99</td>
<td>94</td>
<td>104</td>
<td>110</td>
<td>116</td>
<td>122</td>
<td>128</td>
<td>134</td>
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<td>NPV/DBR (%)</td>
<td>300</td>
<td>131</td>
<td>121</td>
<td>135</td>
<td>142</td>
<td>150</td>
<td>158</td>
<td>167</td>
<td>176</td>
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<tr>
<td>Liquidity Ratios (%)</td>
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<tr>
<td>TDS/XGS (%)</td>
<td>25</td>
<td>22.0</td>
<td>1.60</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>TDS/DBR (%)</td>
<td>35</td>
<td>3.20</td>
<td>2.30</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

Source: External Debt Unit, Macroeconomic Policy Department, Ministry of Finance, Planning and Economic Development

176. 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 borrowing 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.

4.5 FINANCING STRATEGY

4.5.1 Tax and Non-Tax Revenue

177. Over the NDP period, the expenditure is projected to average 19.6 percent of GDP during the planning period, an increase of 2 per cent from 2009/10 levels. Financing this

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25 As highlighted in Uganda’s Debt Strategy, 2007
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, structure of taxation; and extensive re-organization of the institutions that administer the taxes in the country for improved tax collection efficiency and compliance. It is projected that the domestic revenue collections will increase by 0.5% per year over the NDP period.

178. More specifically, the main focus in raising tax revenues will be to ensure continued stability of the tax system and improvement in the collections from other revenue sources, especially Non-Tax Revenue (NTR) presently contributing about 1% of total domestic revenues. To raise additional revenue from NTR, all its rates will be reviewed. Government will also make modest adjustments in tax rates and/or propose new tax rates and streamline existing exemptions and tax incentive policies. But the pressure to fundamentally adjust the tax system will have to be resisted. For example, there has been pressure to raise the “Pay As You Earn” (PAYE) threshold which would mean loss of revenue from PAYE. Similarly, there has been pressure to provide more tax incentives which would also adversely affect tax revenue. Further improvements will be made in tax administration to enhance compliance rate and focus on the retail sales end of Value Added Tax (VAT).

179. 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.

180. 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

181. 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 in order to create the necessary fiscal space to allow increased resource allocation especially in priority areas. This will be realized through, among others, strengthening the link between public spending and outputs/results; strengthening regulations and compliance; ensuring increased human resource productivity; reviewing the existing Public-Private Sector Partnerships agreements; reducing bureaucracy and power and water losses; eradicating corruption; and reducing duplication of functions (“unproductive” activities) through institutional restructuring and coordination.

182. Further measures to improve factor productivity will include ensuring that expenditure releases 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. Furthermore the absorptive capacity of the energy and road sector will be enhanced by operationalising the road and energy funds for implementation of heavy investments without interruptions of lack of funds.

4.5.3 Public-Private Sector Partnerships

183. International experience suggests that co-operation between the public and the 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 private sector party.

184. 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 huge financial resource outlay.

4.5.4 Grants and Concessionary Loans

185. Given the level of 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, the 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 concessionary loans.

186. 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**

187. 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 facilitate issuance of sovereign bonds, infrastructure bonds and municipal 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 liberalize the pension sector to improve the efficiency and soundness of the sector, but also to find ways and means of getting funds raised in form of pension funds to be traded in the capital markets.

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

4.6.1 **The Role of Government**

**General**

188. 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.

189. This NDP re-emphasises the importance of public goods, such as agricultural extension, while exploring the option of public funding for private sector provision of these goods in a number of areas.

190. 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**

191. 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
192. There a large number of 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.

193. There is consensus about the efficiency of some of them, existing substantial gap between their remuneration and that of the public service, and the amount of revenue that is effectively hypothecated by being assigned to these agencies. There is also some 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 with a view to correcting these contradictions and enhancing efficiency.

4.6.2 The Private Sector (National and International)
194. The private sector, including the many small-scale farming households, is responsible for the majority of the productive investment. It is the 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 approach, 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
195. 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.

196. Civil society has made a substantial input into the policies proposed in this NDP, and even to the structure of the document.
4.6.4 Development Partners

197. Development partners continue to play a major part in financing public expenditure in Uganda. In accordance with the aid policy spelt out in section 5.7 of this plan, the development partners are encouraged to support Government programmes through budget support rather through programmes and projects. With the introduction of sectoral ceiling for the development budget including donor projects, both sectoral ministries and development partners need to understand 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.

198. Some development partners provide support direct to NGOs and to some districts outside the central government budget. The amounts are not currently integrated into the national resource envelope, but information is collected on them. While the amounts may not be currently large enough to have substantial macroeconomic effects, steps will be taken integrate all aid support in the public sector budget.

4.7 AID POLICY

199. External assistance continues to constitute an important part of budget financing for Uganda. Thus a policy framework on how development assistance will be delivered and utilized forms an integral part of this NDP.

200. The Government’s position on the aid relationship was set out in 2003 in the “Partnership Principles between the Government of Uganda and its Development Partners.” The principles pre-date, but are highly consistent with Aid Effectiveness agreed by international community in 2005 and re-affirmed in the Accra Agenda for Action in September, 2008. The only exception is in the area of “mutual accountability” agreed by all signatories to the Paris Declaration.

201. During the NDP period, the Government will continue to build on the firm foundation of the Partnership Principles by adding further clarity to its policies, management and practices.

202. The central issues of aid policy facing the Government are concerned with:

- Increasing the predictability of both commitments and the disbursements of official development assistance;
- The better alignment of ODA with the priorities described in the National Development Plan;
- The better integration of external financial flows into the Government’s procedures for planning, budgeting, monitoring, audit and accountability;
- The influence of the exchange rates of unexpected aid inflows; and
- The reduction of the high transaction cost associated with external financing.

203. The Government will develop a more contractual framework for aid by entering into a joint Memorandum of Understanding to translate the Partnership Principles into
practice during the period of the plan so that it forms part of a mutual accountability framework for monitoring compliance with the Partnership Principles.

204. General Budget support is the Government’s preferred mode of financing, though other forms of support are accepted and mechanisms will be set up to ensure that all aid is in line with the NDP priorities. The Government’s ranking of donor support modalities, in descending order of preference, is as follows:

- General budget support;
- Budget support earmarked to the Poverty Action Fund;
- Sector budget support; and
- Project aid.

205. The Government therefore welcomes the Joint Budget Support Operation (JBSO) and encourages donors to join. This arrangement will provide a long-term transparent and predictable framework for providing budget support. It will harmonize performance assessments and align budget support decisions to the national budget process to improve impact of public spending, while maintaining macro-economic stability and supporting economic growth.
PART 3: SECTORAL SITUATION ANALYSIS, OBJECTIVES AND INTERVENTIONS
5.0 PRIMARY GROWTH SECTORS

5.1 AGRICULTURE DEVELOPMENT

5.1.1 Situational Analysis

206. Agriculture is a core sector of Uganda’s economic growth, food security, income enhancement and employment. Although the sector’s share in total Gross Domestic Product (GDP) has declined from 50% in early 1990s to 23.7 percent in 2008/09 (UBOS, 2008), on account of faster growth in trade in services and industrial sectors, agriculture remains the most important sector, because the majority of Ugandans derive their livelihoods from it. Of the 5.13 million households in Uganda in 2002, 75 percent were engaged in agriculture, and 68 percent of all households derived their livelihoods from subsistence agriculture. Further the 2005/06 Uganda National Household Survey estimated that there were 4.2 million agriculture households, constituting 78 per cent of all household in the country (UBOS, 207).

207. Despite the importance of agriculture to the economy, its performance has not been impressive since 1997. Statistics by UBOS (208) show that agriculture sector growth has since 2000/01 been declining. This decline has been experienced in the crops, livestock as well as the fisheries sub-sectors as shown in Table 5.1.

Table 5.1: Growth Rates and Shares in GDP

<table>
<thead>
<tr>
<th>Sector and sub-sector Growth Rates</th>
<th>2003/4</th>
<th>2004/5</th>
<th>2005/6</th>
<th>2006/07</th>
<th>2007/08</th>
</tr>
</thead>
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<tr>
<td>Agriculture</td>
<td>1.6</td>
<td>2</td>
<td>0.5</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Cash crops</td>
<td>7.3</td>
<td>-5.5</td>
<td>-10.6</td>
<td>5.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Food crops</td>
<td>-1.5</td>
<td>-0.2</td>
<td>-0.1</td>
<td>-0.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Livestock</td>
<td>4.7</td>
<td>3</td>
<td>1.6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Fisheries</td>
<td>9.6</td>
<td>13.5</td>
<td>5.6</td>
<td>-3</td>
<td>-12.4</td>
</tr>
<tr>
<td>Industry</td>
<td>8</td>
<td>11.6</td>
<td>14.7</td>
<td>9.9</td>
<td>6.4</td>
</tr>
<tr>
<td>Services</td>
<td>7.9</td>
<td>6.2</td>
<td>12.2</td>
<td>8.8</td>
<td>13</td>
</tr>
</tbody>
</table>


208. The declining performance of the agriculture sector is also attributed to the decline and characteristic fluctuations of prices of agricultural products. The coffee prices have, for example, been on a declining trend from US$ 1.5/Kg in 1999/2000 to US$ 0.5/Kg in 2002/03. Other traditional cash crops that have followed similar trend are tobacco and cotton. As a result, cotton production in Uganda reduced by two-thirds from 31,652
tonnes to 9,977 tonnes during the same period. Figure 5.1 shows that growth rate of agricultural GDP at factor cost at constant prices has been fluctuating for much of the period from 1981 to 2005.

Figure 5.1: Growth Rate of Agricultural GDP at Factor Cost at Constant (1997/98) Prices

Further analysis indicates that the overall growth in both monetary and non-monetary agriculture production has been on a downward trend in the recent past as shown in Figure 5.2 below.
210. The food Security situation since 1992 has also been unsatisfactory. 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 to 1,971 in 2005. Although the trend is positive, the average intake is still less than the WHO recommended daily intake of 2,300.

211. However, poverty overall decreased from 44.4 per cent of the population in 1997 to 31.1 percent in 2005/06 (UBOS, 2003 and 2007). This happened despite the modest growth rates in agriculture over years and coupled with the large proportion of the population depending on agriculture. The real cause for this state of affairs is not yet analysed but available statistics show that rural poverty is declining while the performance of agriculture, which employs the majority of the population is declining.

212. **Crop sub-sector:** Crops grown in Uganda include coffee, tea, cotton, tobacco, sugarcane, cocoa, wheat, oil palm, maize, bananas, sweet potatoes, cassava, millet, sweet potatoes, barley, sorghum, oil seeds (sunflower, and Sissim) and horticultural products (cut-flowers, vegetables, fruits and spices). Flowers have so far emerged as a major foreign export earner and a source of income to communities due to significant investments in flower farms, increased access to European markets and improved air transport for perishable goods (Waggastff 2007). 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 production dropped. Increase in production of some crops came through area expansion as well as through improvement in yields during the
same period. In some crops however, there was noticeable decreases in production. The results of the EMU (2007) study show 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 with Uganda’s population growth rate of 3.2 percent per annum, this will only limit area expansion for agriculture (World Bank, 2006).

213. The EMU (2007) study further indicates that the observed production patterns for area expansion, and labour and land productivity were attributed to weather changes (mainly drought); crop pests and soil management; epidemics and also possibilities of changes in domestic and international commodity prices. The observed increases in crop production and yield were attributed to land saving technologies (seeds, fertilizers and better agronomic practices) and area expansion while the decreases are attributed to drought and epidemics on some crops.

214. Other reasons for the decrease in crop production include limited extension services and the declining prices. The National Service Delivery 2008 established that overall, only about 14% of the households had been visited by an extension worker within 12 months before the survey. The main constraints identified by the extension workers in reaching the farmers were; lack of transport/equipment, inadequate funding and negative attitudes of farmers towards change in farming practices.

215. 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% of the total. However, only about 58% 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

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Cultivable land (Ha)</th>
<th>Total Cultivated land (Ha)</th>
<th>Percentage Cultivated</th>
<th>Total Cultivated land (Ha)</th>
<th>Percentage Cultivated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>1116000</td>
<td>650000</td>
<td>58.2</td>
<td>556000</td>
<td>49.9</td>
</tr>
<tr>
<td>Eastern</td>
<td>1222000</td>
<td>47000</td>
<td>61.1</td>
<td>605000</td>
<td>49.5</td>
</tr>
<tr>
<td>Northern</td>
<td>894000</td>
<td>401000</td>
<td>44.9</td>
<td>444000</td>
<td>49.7</td>
</tr>
<tr>
<td>Western</td>
<td>1186000</td>
<td>764000</td>
<td>64.4</td>
<td>573000</td>
<td>48.3</td>
</tr>
<tr>
<td>Total</td>
<td>4420000</td>
<td>2563000</td>
<td>58</td>
<td>2180000</td>
<td>49.3</td>
</tr>
</tbody>
</table>

Source: MFPED Agricultural sector investments and institutional performance, 2008

216. Livestock sub-sector: the Livestock Census (UBOS 2008) indicated that the national cattle herd in is estimated at 11.4 million (a rise from 5.8 million in 1999), 12.5 million goats, 3.4 million sheep, 3.2 million pigs and 37.4 million poultry birds.

26 with exception of some regions whose acreage for crop production decreased
27 Country Economic Memorandum; World Bank (2007)
217. Recent studies by MAAIF (2007) indicate 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 percent (see Figure 5.3), resulting in an increase of average domestic milk consumption from 20.1 kg 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, and policy and institutional reforms including the privatisation of the Dairy Corporation Limited in August 2006 practice better pasture and farm management practices. The beef industry is still not well developed.

**Figure 5.3: Trends in Milk Production**

[Graph showing trends in milk production from 1995 to 2006]

Source: FAOSTAT

218. 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% 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>
<thead>
<tr>
<th>Type of livestock</th>
<th>Uganda</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Western</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exotic Cattle</td>
<td>1,216,615</td>
<td>197,646</td>
<td>151,316</td>
<td>22,471</td>
<td>890,182</td>
</tr>
<tr>
<td>Goats</td>
<td>318,475</td>
<td>41,865</td>
<td>55,124</td>
<td>13,415</td>
<td>208,071</td>
</tr>
<tr>
<td>Sheep</td>
<td>20,902</td>
<td>5,385</td>
<td>15,517</td>
<td>1,397,944</td>
<td></td>
</tr>
<tr>
<td>Local Cattle</td>
<td>6,279,268</td>
<td>1,976,322</td>
<td>1,606,339</td>
<td>1,298,663</td>
<td>1,397,944</td>
</tr>
<tr>
<td>Goats</td>
<td>7,755,893</td>
<td>2,199,491</td>
<td>1,647,491</td>
<td>2,166,811</td>
<td>2,721,643</td>
</tr>
<tr>
<td>Sheep</td>
<td>1,193,469</td>
<td>160,925</td>
<td>144,749</td>
<td>378,313</td>
<td></td>
</tr>
<tr>
<td>Pigs</td>
<td>2,354,007</td>
<td>835,374</td>
<td>386,721</td>
<td>994,857</td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td>19,929,413</td>
<td>5,337,117</td>
<td>7,346,290</td>
<td>3,705,741</td>
<td>3,539,965</td>
</tr>
</tbody>
</table>

Source: MFPED, Agricultural sector investments and institutional performance, 2008

219. At the regional level, western Uganda accounts for 30% of the total cattle herd as well as 73% of the total exotic herd. With regard to goats, only 4% of the estimated 8 million goat population is of the hybrid nature. Western Uganda accounts for 45% of the goat population and 66% 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, between them accounting for 85% of the national population. At 37% share, Eastern region takes the largest share of the estimated national poultry population. Overall, the relatively higher asset stock in western Uganda partly explains the lower poverty incidence in this region.

220. Export of livestock products in Uganda is limited to raw and semi-processed hides and skins (Table 5.3). 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.

221. Constraints to growth in livestock sector are mainly related to diseases, lack of good breeds and lack of good and quality pastures and feeds for livestock.

Fisheries sub-sector

222. Fish exports are one of the top foreign exchange earners. The exports have increased from 4,751 tons in 1991 to 31,681 tons in 2007 with highest being in 2005 where 39,201 tons were exported valued at US$ 143 million (UBOS, 2008) but the trend is changing due to declining catches. A survey of the informal fish trade by UBOS and BoU (2007) indicate that fish worth US$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 informal traded goods from Uganda in that year. The average growth rate in fish exports is an impressive 48% 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

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

223. 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 over 150,000 tonnes in the 1980’s to less than 60,000 tonnes in 2007. Beyond the biological factors, the causes for the decline in catches include use of illegal fishing gears and fishing in breeding areas. Current trends in catches are not likely to sustain the growth rates. Earnings from fish exports are projected to fall to US$85 million in 2008 from US$ US$124.7 million in 2007 and US$145.8 million in 2006. Because of the dwindling catches eight of the 18 fish processing factories have been closed and others are threatening to close. Table 5.4 shows the fish catch trends by water body:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Victoria</td>
<td>106</td>
<td>107</td>
<td>105</td>
<td>104</td>
<td>133</td>
<td>132</td>
<td>136</td>
<td>175.3</td>
<td>253.3</td>
<td>253.3</td>
<td>215.9</td>
<td>223.1</td>
</tr>
<tr>
<td>Lake Albert</td>
<td>22</td>
<td>19</td>
<td>19</td>
<td>29</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19.5</td>
<td>56.4</td>
<td>56.4</td>
<td>56.4</td>
<td>56.4</td>
</tr>
<tr>
<td>Lake Kyoga</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32.9</td>
<td>68.5</td>
<td>68.4</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>L. Edward George &amp; Kazinga Channel</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5.9</td>
<td>9.6</td>
<td>9.6</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Other waters</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>8.3</td>
<td>40.6</td>
<td>24.1</td>
<td>21.1</td>
<td>21.0</td>
</tr>
<tr>
<td>Total</td>
<td>222</td>
<td>219</td>
<td>217</td>
<td>230</td>
<td>220</td>
<td>221</td>
<td>222</td>
<td>247.5</td>
<td>434.8</td>
<td>416.8</td>
<td>367.2</td>
<td>374.3</td>
</tr>
<tr>
<td>Growth Rate%</td>
<td>4.2</td>
<td>-1.4</td>
<td>-0.9</td>
<td>6</td>
<td>-4.3</td>
<td>0.5</td>
<td>0.5</td>
<td>11.7</td>
<td>75.4</td>
<td>-4.1</td>
<td>-12</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract: UBOS 2009

224. Despite enormous benefits and potentials within the fisheries sub-sector, it faces specific problems, particularly related to resource depletion caused by overfishing of stocks, non-compliance with regulations and inadequate control of catches. The sub-sector is characterized by illegal transportation of fish to some factories and in the neighbouring countries (estimated at US$ 33 million in 2006). This will require strong interventions to reverse the declining trends and harness the existing potentials through raising production from fish farms, cages and stocking of small water bodies including dams. Other constraints relate to maintaining high quality and safety standards especially if the export growth is to be sustained. 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.

225. **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, and as such has 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), whose implementation mandates spread across 13 ministries and agencies.

226. However, a PMA evaluation in 2005, found that the concept was still valid, but implementation of the framework was a challenge. Right from the start of implementation, Government and development partners provided financial support and institutional development to only two of the PMA pillars: agricultural research and technology development (NARO or NARs in general); and national agricultural advisory services (NAADS). The other five pillars did not receive adequate attention and overtime gaps for their non-implementation started emerging.

227. The need to fill the gaps in PMA implementation led to emergence of an alternative thinking about agricultural and rural development. Thus in 2005, the Rural Development Strategy (RDS) was formulated, with the overall objective of raising household incomes, like the PMA, but proposing a more focused approach to supporting farmers through input provision and formation of cooperative societies. The focus of RDS was the sub county and this led to the development of the Sub-County Development Model. 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 is to improve lives of all Ugandans in all aspects – higher incomes, improved access to services in a peaceful and democratically governed country.

228. In 2006, the Development Strategy and Investment Plan (DSIP) was developed as 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. The DSIP drew from the PMA the priority areas in which public sector action was required in the medium term to support the modernization of agriculture especially those that fell within the mandate of MAAIF and its agencies. It is these priority areas that informed the DSIP investment areas and have been the basis for the Ministry’s planning and budgeting exercises in recent years. 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.

229. The strategy expired in June 2008 and a second DSIP for agriculture is now under preparation. The revised DSIP will provide a detailed and costed plan for implementation of priorities outlined in this NDP section.
5.1.2 Constraints for Agricultural Development

230. The constraints to the agriculture development include:

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 efficient 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 generally provide for facilities to support agricultural investment because of the enormous risks involved. Insurance against crop failure is lacking.

iii) **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.

iv) **Weak institutions and structures**: Efficient and effective institutions and structure is a cornerstone for agriculture development. 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.

v) **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.

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 and 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** that 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, quality specifications).
x) **Land tenure and access to farmland:** Uganda’s divergent system of land tenure and overlapping land rights have impacted negatively to 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) **High cost and limited availability of improved farm inputs** (hybrid seeds, fertilizers, pastures and veterinary costs, exotic animals, irrigation equipment, tractors, post harvest technology, herbicides etc).

xii) **Standards, food safety and quality assurance infrastructure** are still generally weak and need to be strengthened to facilitate marketing of agricultural products.

xiii) **Inadequate Meteorological services:** Inadequacies in providing early warning information related to changes in rainfall patterns to farmers.

xiv) **Weak farmer organisation** in production, processing and marketing

xv) **Inadequate pest and disease control:** Pests and diseases have remained a big threat for increasing agricultural output and productivity. The economy of wide local areas has 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; and many other diseases.

xvii) **Inadequate production and post-harvest facilities:** These include farm level storage, cold stores, modern abattoirs, holding grounds, fish fry centers and fish handling facilities landing sites.

xviii) **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. All these are still in short supply despite the existence of the NAADS program.

xix) **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

231. **Objective 1** - Ensure household and national food security and nutrition

   **Strategy 1:** construction of appropriate storage infrastructure
Intervention Description
i) facilitate construction of appropriate storage infrastructure
ii) Support development of a well coordinated system for collecting and disseminating information on food security and nutrition to households and communities

232. **Objective 2** - Enhancing production and productivity

**Strategy 1:** Improving agricultural technology development

**Intervention Description**

i) Generate technologies, practices and strategies, addressing stakeholders’ demands and responding to market opportunities

ii) Establish efficient and effective delivery and uptake of technology and knowledge established within the innovation system

iii) Support sustainable land management research through priority/targeted areas (i.e. climate change, land resources up-dates, land suitability mapping, dry land products, etc)

(iv) Strengthen functioning of the National Agricultural Research System (NARS)

(v) Scale up research efforts in public institutions on improved farm inputs and appropriate technologies

**Strategy 2:** Better delivery of advisory services and improved technology

**Intervention Description**

(i) Increase Farmers’ Participation in technology development

(ii) Technology dissemination and adoption

(iii) Quality advisory services and information reliably and effectively provided to farmers including those involved in organic farming

(iv) Formal mechanisms for joint operation between NARO and NAADS established at various Levels

(v) Linkages between all researchers, extension workers and farmers strengthened to enhance relevance, tracking and feedback on generated technologies

(vi) Formulate an environmental and social Management Framework

(vii) Provide appropriate and timely advisory services and support to farmers involved in organic farming

(viii) Support in-service training of agriculture extension agents to provide knowledge and skills to farmers including those involved in organic agriculture.

**Strategy 3:** Controlling diseases, pests and vectors

**Intervention Description**
i) Control of crop diseases and pests
ii) Control of livestock diseases and vectors
iii) Provide infrastructure such as mobile plant clinics and veterinary laboratories for control and diagnosis
iv) Control of diseases and pests in the fisheries Sector
v) Continuously create awareness amongst farmers, LGs, NGOs and the public on monitoring, control and surveillance of diseases, pests, residues, vectors and regulations

**Strategy 4:** Enhanced productivity of land through sustainable use and management of soil and water resources

**Intervention Description**

i) Integrate SLM priority interventions in the District Development Plans (DDPs) and budgets of selected Districts in the cattle corridor.

ii) SLM priority interventions identified and implemented by local communities in two target Districts.

iii) The UNCCD/NAP Focal Point Office and the Inter-ministerial Committee on SLM capacitated to manage SLM Country Programmes.

iv) Promote good farming systems for Sustainable Land Management (SLM) in all agricultural development activities.

**Strategy 5:** Increase supply of water for agricultural production

**Intervention Description**

i) Increase current acreage under irrigation to provide water for Crops.

ii) Enhance use of rain water for increased crop and livestock production.

iii) Increase the percentage of livestock provided with water in the cattle and non-cattle corridors.

iv) Provide water for Aquaculture.

**Strategy 6:** promote labour saving technologies and mechanisation

**Intervention Description**

i) Developing the incentive framework for promotion of labour saving technologies;

ii) Developing and promoting animal traction technologies;

iii) Developing and promoting appropriate mechanisation technologies;

iv) Building capacity for promoting appropriate farm structures as well as testing, adaptation, demonstration and promotion of associated farm equipment;

v) Rehabilitating appropriate agricultural mechanisation workshops;

vi) Re-instating small-scale mechanisation support units.

**Strategy 7:** Improved access to high quality inputs, planting and stocking materials
**Intervention Description**

i) Clarify the policy environment on input supply and use and, where appropriate, formulating clear policies and strategies for inputs.

ii) Improve the investment environment for input supply.

iii) Build and strengthening institutions involved in input supply.

iv) Raise awareness among farmers on the value of adopting high quality inputs

v) Strengthen national capacity for animal breeding.

vi) Promote the apiculture and sericulture industries

vii) Support provision of improved farm inputs and equipment

viii) Enhance access to high quality inputs and extension services especially to women farmers

**Strategy 8: Improved agricultural livelihoods in Northern Uganda**

**Intervention Description**

i) Increased agricultural production and productivity

ii) Increased availability of inputs

iii) Improved farmer knowledge and skills

iv) Agro-processing promoted

v) Improved availability of finance

vi) Improved access to markets

vii) Strengthened district production departments

**Strategy 9: Accelerated production of selected strategic Enterprises**

**Intervention Description**

i) Implement agricultural zoning

ii) Provide subsidies to strategic enterprises

233. **Objective 3 - Improve access to and sustainability of markets**

**Strategy 1: Increase participation of the private sector in value addition activities and investments**

**Intervention Description**

i) Higher level farmer organizations strengthened to enhance farmer participation in market development activities

ii) ‘Farming as a business’ approach promoted through careful enterprise selection and development and improved market linkages

iii) Linkages made between farmers and production support services (including financial services and capacity development)

iv) Value addition and agro processing promoted as a means to increasing earnings

v) Farmers’ access to markets improved on the basis of market research and better market information

vi) The tax regime for agro processing and storage reviewed and appropriate policies and laws put in place to assist the agro-processing sector
vii) Research conducted on post harvest food technologies, to cover food processing, storage and utilisation

**Strategy 2:** Increased numbers of functioning and sustainable farmers’ organizations involved in collective marketing

**Intervention Description**

i) Promoting farmer institutional capacity development

ii) Supporting farmers’ (and Farmer Organization’s) planning processes

iii) Training farmers’ groups and fora in visioning and enterprise selection

iv) Group mobilization to prepare for delivery of agricultural extension

v) Higher level farmer organizations strengthened to enhance farmer participation in market development activities

**Strategy 3:** Improve infrastructure to facilitate agricultural production and marketing

**Intervention Description**

i) Improve community access road network

ii) Rehabilitate, open and maintain district roads

iii) Develop and facilitate additional investment in market infrastructure (markets, slaughter houses, abattoirs)

**Strategy 4:** Promotion of agricultural exports diversification and improve quality and quantity

**Intervention Description**

i) Enhance agricultural exports and investment promotion

ii) Promote and invest in the development of domestic, regional and international markets for organic products at various value chains

iii) Develop a clear policy and regulatory framework for facilitating penetration of organic niche markets

234. **Objective 4** - Strengthen the sector policy formulation, regulatory and institutional framework to facilitate agricultural development

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

**Intervention Description**

i) Review and harmonize all obsolete laws, rules, and legislations

ii) Educate farmers and agro-exporters about quality assurance standards

iii) Train food inspectors in legislation, policy, modern inspection systems and quality management systems.

iv) Crop laws, regulations, standards and guidelines enforced along the entire value chain
v) Livestock laws, regulations, standards and guidelines enforced along the entire value chain  
vi) Fisheries laws, regulations, standards and guidelines enforced along the entire value chain  
vii) Establish a central SPS Authority with overall responsibility for all technical activities  
viii) Build and strengthen PPP and its quality assurance  

**Strategy 2:** Enhance sector policy formulation and planning and coordination  

**Intervention Description**  
i) Define the roles among public institutions involved in quality assurance  
ii) Strengthen intra and inter-sectoral policy and technical coordination  
iii) Public Financial Management performance improved  
iv) Policies, strategies and plans reviewed/formulated  
v) Sector database continuously updated  
vi) Farm Enterprise Profitability Assessments Made  
vii) National Sector Policies/Strategies harmonised with regional/International Policies  
viii) MAAIF and LG programmes monitored  
ix) Food and nutrition security status assessed  
x) Cross-cutting issues mainstreamed  

**Strategy 3:** Establishment of Climate Change Planning Capacity  

**Intervention Description**  
i) Identification of Climate Impacts, Vulnerabilities and Coping Measures  
ii) Improved Climate Forecasts  
iii) Integration of Climate Risk Management in “Agri-Business” Strategies  
iv) District Production Offices Strengthened to Integrate Climate Change Issues into Planning  

235. **Objective 5** - Enhance institutional development in the sector  

**Strategy 1:** MAAIF and related public agricultural agencies strengthened, appropriately configured and equipped for purpose  

**Intervention Description**  
i) Locate and rent interim building  
ii) Undertake limited customising and redesign to fit the particular needs of the staff to be moved.  
iii) Equip the building (to include computer networks)  
iv) Find new building (purchase or build).  

**Strategy 2:** Productivity of agricultural sector personnel increased  

**Intervention Description**
i) Capacities of sector personnel enhanced  
ii) Communication systems improved  
iii) Sector personnel effectively tooled and equipped

5.2 FORESTRY SECTOR

5.2.1 Situational Analysis

236. 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 by 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 population. Between 1990 and 2005 alone, a total of 1,329,570 ha (27 per cent of the original forest cover) was lost. The breakdown of the forest cover affected by type is summarized in Table 5.5 below. The most affected districts in this regard in magnitude of percentage loss include Mayuge (100 per cent), Wakiso (86.7 per cent), Mubende (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

<table>
<thead>
<tr>
<th>Forest Type</th>
<th>Area 2005 (Ha.)</th>
<th>Area 1990 (Ha.)</th>
<th>Change (Ha)</th>
<th>Annual change (Ha)</th>
<th>Percentage change</th>
<th>Percentage annual change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad leaved</td>
<td>14,786</td>
<td>18,682</td>
<td>(3,896)</td>
<td>(260)</td>
<td>(21)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Conifer</td>
<td>18,741</td>
<td>16,384</td>
<td>2,357</td>
<td>157</td>
<td>14</td>
<td>1.0</td>
</tr>
<tr>
<td>TMF well stocked</td>
<td>600,957</td>
<td>651,110</td>
<td>(50,154)</td>
<td>(3,344)</td>
<td>(8)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>TMF low stocked</td>
<td>191,694</td>
<td>273,061</td>
<td>(81,367)</td>
<td>(5,424)</td>
<td>(30)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Woodland</td>
<td>2,777,998</td>
<td>3,974,508</td>
<td>(1,196,510)</td>
<td>(79,767)</td>
<td>(30)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Total Forest cover</td>
<td>3,604,176</td>
<td>4,933,746</td>
<td>(1,329,570)</td>
<td>(88,638)</td>
<td>(27)</td>
<td>(1.8)</td>
</tr>
</tbody>
</table>


237. In terms of forest management, there are 698 (1,266,000 ha) 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 1000 hectares. Of the total gazetted forest reserves, 506 are central forest reserves and 192 Local forest reserves. 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).

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and this reduced to 1.3 million hectares (42 per cent) in 2008 despite the efforts by NFA to plant 35,000 hectares within the Protected Areas. Most of private investment in gazetted reserves are small to medium scale tree growers (up to 500 hectares). They have planted 15,104 hectares in CFRs since 2002, which is 69 per cent of the total planted area over the same period.

238. Besides the publicly managed forest reserves, there is a growing number of privately owned commercial forests. In 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.

239. 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. Local private contribution has amounted to Ushs 90 billion over the period 2002 – 2008 (See figure 5.4).

Figure 5.4: Trends in Investments in Forest Management, 2003/04 – 2007/08

Biomass Energy
240. 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 2007\(^{30}\). In addition, the national consumption of firewood was estimated at 32.8 million cubic meters of woody biomass energy annually\(^{31}\). The National Biomass Study (2003) indicates that 73 per cent of all districts in Uganda are experiencing a deficit.

\(^{30}\) National Biomass study, 2007
\(^{31}\) Uganda Bureau of statistics, 2008
of accessible woody biomass for fuel wood. 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 districts, households members travel more than 4 Km to collect firewood and this is done largely by women and children.

241. 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 90,000 m³ between FY 1997/8- 2004/05 (NFA Records, 2006). Round wood[^32] harvest increased from 215,723 (2003) to 258,522 (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 5.5. This has important implications for the forestry industry in Uganda.

![Figure 5.5: External Trades in Forestry Products, 2003 - 2007](image)


### 5.2.2 Constraints to Forestry Development

242. The following are the main constraints to 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 which are unaffordable by majority of the population;

[^32]: Roundwood is inclusive of logs for production of sawn timber & veneer, construction and transmission poles, and fuelwood.
Pressure on forest resource from other economic activities like agriculture, urbanization and mining leading to deforestation. The pressure is as a result of the growing population and the inability by the industrial and services sectors to absorb labour from rural areas;

Lack of implementation of the land use policy to mitigate the encroachment on forest land and inadequate physical planning has resulted in improper land usage;

Inconsistency in the legal, policy and weak institutional arrangement for management of the entire forestry resources in the country. Over 60 per cent of the forest cover is in privately owned land;

Limited appreciation and awareness on forestry as a source of income leading to low investment by private actors. Some are concerned about the long gestation period from planting to harvesting and the investment needed to sustain the plantations during this period;

Limited public financial investment in the sector. The sector is almost entirely dependant on donor and private investment living a huge gap for public sector support to generate a reasonable supply of tree cover in order to reduce on the current deficit;

Limited access to inputs especially seedlings, pesticides, herbicides. These are costly and unavailable to rural producers;

Enforcement in the forestry sector due to institutional capacity weaknesses external interference; and

Limited extension services to support private sector players who are the majority in the sector.

5.2.3 Objectives, Strategies and Interventions

Objective 1 - Restore Forest Cover from 3,604,176 hectares as of 2005 to 4,933,746 hectares (1990 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 grasslands. The intervention will involve stabilization of private sector licensing systems in forest reserves.

ii) Establish and maintain forest plantations. This intervention, involves additional forest plantations will be established and maintained by government institutions.

Strategy 2: 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. This involves adoption of appropriate physical planning.

**Strategy 3:** Promotion of 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.

**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 the farmers in agro-forestry systems. This will lead to increase tree density at household level (land boundaries, inter-cropping, windbreaks, compounds, etc)

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.

**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:** Strengthening 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 will be recruited, trained and equipped to effectively undertake forestry protection and surveillance.

244. **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) Protect forest reserves against illegal activities. This will include National Parks and Wildlife Reserves. In particular effort will be given to reducing forest crime such as illegal logging and encroachment.

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

**Strategy 1: Speed up implementation of the Rural Electrification Programme**

**Intervention Description**

i) Extend National Power Grid to at least one Rural Growth Centre per sub-county. The intervention will increase the new number of sub-counties with one or more rural growth centres accessing the power grid.

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

**Intervention Description**

i) Introduce import, VAT and other tax exemptions, 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 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: Investment in the promotion of Research and Development for alternative energy sources**
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 for 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: Regulating forestry activity on private land in line with the land use policy
Intervention Description
i) Regulating of forest harvesting activities in fragile ecosystems. Legal guidelines and standards will be developed and enforced

ii) Prescribing and enforcing forestry regulations. Forestry regulations in support of the National Forestry and Tree Planting Act, 2003 will be developed and gazetted.

iii) Complete and implement the Land use policy

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

Strategy 1: Promote forest habitat-based livelihoods and products (e.g. Apiculture, natural medicines, etc)

Intervention Description
i) Sensitization of communities on the potential economic benefits of forest habitat-based enterprises and products. Monthly, quarterly and annual sensitization programs 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.
**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 scope of support to 'Jua kali' 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. Establishment and strengthening of forest holder cooperatives and private companies will be supported.

### 5.3 TOURISM

#### 5.3.1 Situational Analysis

247. This section focuses on tourism development, conservation of wildlife resources and 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 National Tourism Policy 2003. The Tourism Act 2008, Uganda Wildlife Act 2000, Game (Preservation and Control) Act Cap 198 of 2000 and the Historical Monuments Act 1967 offer the legal framework that governs the development and regulation of the tourism industry. However, the 1967 Historical Monuments Act and its 1977 Amendment are weak and outdated.

248. **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 (US$1,161.0 million) in 2008 compared to 10.8 per cent (US$3,463.6 million) for Kenya. Real GDP growth for 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) in 2008. According to UBOS, hotels and restaurants subsector has shown a strong growth in their contribution to employment from 13,898 jobs in 2001/02 to 32,796 jobs in 2006/07. 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 the employment in the sector. The number of tourists coming to Uganda increased from 512,000 in 2004 to 844,000 in 2008, reflecting an increase of 65 per cent as shown in Table 5.6. By comparison, the total international tourist arrivals in Kenya in 2007 were 1,816,800.
Table 5.6: Tourism Basic Indicators 2004-2008

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

Source: UBOS Statistical Abstract, 2009

249. Most tourist arrivals in 2008 came 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. 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 is increasing steadily from US$ 321million in 2004 to US$ 590 million in 2008, an average annual increase of 22 per cent over the last three years. 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.

250. **Tourism Product Analysis**: Uganda’s current tourist product is 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:

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

252. **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, partly attributed to ineffective 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.

253. **Faith-Based Tourism**: Worldwide, religious capitals have developed and supported the growth of tourism notably Mecca, Israel and Rome. In the same breath different destinations have been shaped by religion from the Buddhist temples in Asia, apparition sites of the Virgin Mary to the current spread of Pentecostal 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, protestant, Bahai, Pentecost and Islamic faith. It must be noted however that 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.

254. **Community and Development Tourism**: This category involves tourists who wish to experience the way of life of the communities living in the various points of interest. In the case of development motivated tourists, these are 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, 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.

255. **Meetings, Incentives, Conferences and Events (MICE)**: The MICE industry includes conference organizers, event managers, weddings, 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 Tourism Development

256. The national constraints to tourism development are:

i) Inadequate public and private institutional capacity to initiate meaningful tourism development. The tourism public sector is characterized by weak institutional capacity (manpower, coordination and other related weaknesses). The private sector on the other hand is fragmented, small and lacks sufficient public sector support.

ii) Under funding: Tourism promotion is costly yet the sector experiences serious shortages in resource allocation to effectively compete with other tourist destinations.

iii) Lack of adequate human resources particularly in tourism promotion, hotels and restaurants, tours and travel, leisure and hospitality.
iv) 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. However, there is a huge national and regional potential which can be harnessed for posterity.

v) 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.

vi) Inadequate research and development of the tangible and intangible heritage: poor documentation and inadequate policy frameworks to conserve Uganda’s cultural heritage which is presently threatened to extinction.

vii) 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.

viii) Inadequate data and information on the tourism sector: Research on emerging trends, markets and consumer surveys as well as regular statistical information are required to inform decision makers, investors and tourists.

5.3.3 Objectives, Strategies and Interventions

257. The objectives, strategies and interventions for the NDP period are given below:

258. **Objective 1** - Develop and review all policies, legal and regulatory frameworks for the sector

**Strategy 1:** Review the tourism policy

**Intervention Description**

i) Review the Tourism Policy

ii) Review the Tourism Master plan

iii) Review the Uganda Wildlife Policy

iv) Formulate Museum 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) Put in place 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
**Objective 2** - Increase the contribution of tourism to GDP and employment

**Strategy 1:** Operationalize the Tourism Development Levy and Fund

**Intervention Description**

i) Develop and disseminate guidelines for collection of the levy

ii) 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 Meetings Incentives, Conferences and Events (MICE) strategy

**Intervention Description**

i) Establish a functional MICE Bureau/centre and marketing strategy.

ii) Build capacity of the MICE Industry.

**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) Put in place 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 existing tourism source markets. This will require negotiating favorable terms with the source markets and concluding Memoranda of Understanding (MoU).

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 (4) four other ecological zones.
ii) Habituate and avail new gorilla, chimpanzee and monkey groups for tourism.
iii) Re-introduce chimpanzees and rhinos into wildlife. Chimpanzees from Ngamba and Rhinos will be re-introduced into the wildlife.
iv) Develop the souvenir art and craft industry through support of art and craft groups with necessary equipment and training.
v) Develop cultural centers through provision of concept and infrastructure support to cultural establishments.
vi) Develop water based tourism resources through provision of concept and infrastructure support to water based tourism resources.
vii) Develop / strengthen 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, mining, hydropower, oil and gas development activities in wildlife conservation areas.

**Strategy 8: Support development of tourism enterprises**

**Intervention Description**

i) Research and package new tourism enterprise opportunities. A national tourism investment plan will be developed and implemented.
ii) Enhance capacity of tourism sector SMEs, including putting in place a seed capitalization fund and information centers 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, culture, arts and craft enterprises.
iii) Develop the Uganda hotel and Tourism training institute into a fully fledged University college.

**Strategy 10: Develop tourism support infrastructure**

**Intervention Description**
i) Develop and implement a framework to facilitate development of convenient tourist stop-overs along major highways and tourist circuits

ii) Construct a tourism house to accommodate tourism sector institutions

iii) Identify critical transport networks leading to protected areas and other tourist sites for development. This will require prioritizing more tourism roads by Uganda National Roads Authority.

iv) Construct ranger outposts 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, walkways 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 (UWEC, Botanical gardens, Lutembe beach, Ngamba Island, UWEC). This will include development of 2 landing sites, 3 boats, migratory birds’ observatory at Lutembe beach and UWEC floating restaurant.

xi) Upgrade UWEC by constructing the education and information complex at UWEC; increasing the animal exhibits and recreational facilities; and stone paving the trail and road network

xii) Establish satellite Wildlife Education Centers for the four (4) regions of Uganda

xiii) Construct a dining hall, dormitory, 10 staff houses and museum block at the Uganda Wildlife Training Institute (UWTI) and retool the Institute

xiv) Upgrade HTTI to University College status: Renovate available rooms; redesign conference room, bars and restaurants; construct new hotel wing, library and cold room; and retool the Institute

xv) 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.

xvi) Establish interpretation centers at 10 cultural and archaeological sites

xvii) 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 tourism, wildlife conservation and Museums and Monuments matters
iii) Support the development of the 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 and conduct tourism specific studies on trends, inventory and problem analysis
- ii) Collect new museum materials such as ethnographic and others

**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 resident 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) Electric fencing of 118 km boundaries of lake Mburo to address problem animal issues 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 meetings

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

**Intervention Description**
i) Develop and implementation of a national safety and security plan for tourists and tourism resources. This will include putting in place SWIFT equipments and rations, and a trained and equipped tourism Police.

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

260. Uganda is endowed with a variety of mineral deposits. The Map below (see Figure 5.6) indicates the occurrence and distribution, of minerals in Uganda.

Figure 5.6: Occurrence and distribution of minerals in Uganda

261. 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 earner, contributing one-third of the total export 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 90s until recently when deliberate attempts were made to rejuvenate the sector performance.

262. Over the past six years, the Government has implemented a comprehensive mineral sector reform programme aiming at harmonizing the legal, policy and institutional framework within the sector and enhancing sector contribution to GDP, foreign exchange and employment. Largely, as result of this program, the sector has been able to achieve the following:
- New investors have been licensed in the sector - the number of licenses granted rose from 91 in 2003 to 517 in 2008.
- Production volumes and exports have gone up (see Table 5.7 and 5.8 below)

### Table 5.7: Mineral Productions - Volume and Values 2004-2007

<table>
<thead>
<tr>
<th>Mineral Type</th>
<th>Production Volume in Tones</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tr>
<td>Limestone</td>
<td></td>
<td>428,775.90</td>
<td>540,755.60</td>
<td>425,610.70</td>
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<td>138,932.70</td>
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<td>2,574.00</td>
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<td>459.00</td>
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<tr>
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<td>Gypsum</td>
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<td>181.20</td>
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<td>121.20</td>
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<tr>
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<td>-</td>
<td>-</td>
<td>46.00</td>
<td>38.00</td>
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<tr>
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<td>79.90</td>
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<td>-</td>
<td>208.50</td>
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<td>Syenitic aggregates</td>
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<td>-</td>
<td>4,519.00</td>
<td>6,080.00</td>
<td>8,994.20</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>567,366.78</td>
<td>4,827.6</td>
<td>6,174.8</td>
<td>17,620.3</td>
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### Table 5.8: Mineral Exports from 2004-2007

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Value UGX Millions</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<td>0.00</td>
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<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<td>0.01</td>
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<td>63.15</td>
</tr>
<tr>
<td>Diamond</td>
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<td>Tin</td>
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<td>0.01</td>
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<td>Sapphire</td>
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<td>0.00</td>
<td>0.00</td>
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<table>
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<tr>
<td>Total</td>
<td>181.49</td>
<td>173.04</td>
<td>218,347.00</td>
<td>316,646.72</td>
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</tbody>
</table>

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

**Employment**

263. In the 1970s, minerals provided employment for 8,000. Currently more than 130,000 Ugandans work as Artisan 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, equipment supply etc. 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 further 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**

264. Most mining in Uganda is 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 in Kasese.

265. 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. The figure is expected to double.

**5.4.2 Constraints to Mineral Development**

i) Inadequate infrastructure in particular transport and power: Minerals in Uganda are scattered all over the country. The exploitation of minerals in some parts of the country is constrained by lack of power. This problem is exacerbated by inadequate transport infrastructure to effectively and efficiently transport mineral ores to factories and processed mineral products to the market.

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 of mining activities in Uganda especially those carried out by local investors and artisans use primitive
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 especially specialized areas such as geoscientist. At the ministry level, there is a high turnover of professional personnel such as geoscientists.

v) Inadequate basic geological data for mineral exploitation and land-use planning

5.4.3 Objectives, Strategies and Interventions

266. For the next five years, the key objectives, Strategies and Interventions for the sector will include the following;

267. **Objective 1** - Promote and empower artisanal and small scale miners.

*Strategy 1:* Put in place a clear set of laws and regulations that protect and benefit miners, communities and the environment

**Intervention Description**

i) Prevent illegal cross-border trade in minerals by putting up an effective border security system

ii) Encourage artisanal small-scale miners to legalize their businesses

*Strategy 2:* Enhance institutional collaboration and partnership in the mining sector

**Intervention Description**

i) Establish joint venture partnerships between Government and the private 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 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

268. 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) Effectively disseminate Mining information through Publications, workshops and conference presentations

269. 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) Government direct-sponsorship of training courses in geology, mining, mineral processing, geo-information management & analytical chemistry
iii) Bilateral cooperation through exchange and fellowship programmes.
iv) Provision of incentives to mining industries to employ, train and retain local manpower

**Strategy 2:** Produce general interest publications about mining

**Intervention Description**
- i) Procure Manuals in lay terms about mining and mineral occurrences

**Strategy 3:** Offer Extension services

**Intervention Description**
- ii) Construct new and refurbish old zonal offices for bringing government assistance closer to mining communities

270. **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 of mining practices to international best practice - e.g. EITI
- ii) Strengthen the capacity of Labour Inspection Division to monitor labour standards and practices in mining operations
- iii) Strengthen linkages and cooperation with CSOs to enhance monitoring of child labour and other HR abuses in mining operations

**Strategy 3:** Ensure the institution and enforcement of OHS policies and respect of Human Rights in all mining operations

**Interventions Description:**
- i) Strengthen the capacity of the Labour Inspection Division through recruitment, training and facilitating of Labour inspectors.
- 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

**Intervention Description**
- i) Train communities on social issues like social conflict, justice, human rights, gender issues, health and safety, child labour
271. **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

**Interventions 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) Training of Uganda scientists in different ways of data acquisition and processing

272. **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

**Interventions 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

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

**Strategy 1:** Explore and develop the geothermal energy resources

**Interventions Description:**
- i) Carry out Geological and geophysical surveys.
- ii) Collect baseline data for environmental impact assessment.
- iii) Train Ugandans 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

274. 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.

275. Within the national context, major developments in downstream 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 its terms of trade, government is keen to capitalize on this discovery.

276. Over the period 1997-2008, a total of private capital worth USD 500m has been invested in these upstream operations. In support of exploration activities government has invested in infrastructure support for exploration including upgrading of roads connecting to exploration sites. In addition, Government undertook various assessments to ensure compliance with international best practice in the exploration process. These 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 a 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.

277. In terms of potential capacity, reserves are currently estimated at 2 billion barrels of oil equivalent\textsuperscript{33} (BOE) as of June 2009\textsuperscript{34}, with most of it concentrated in the Albertine Graben region\textsuperscript{35} in an area of about 23000km\textsuperscript{2}. However, oil reserves are likely to increase since exploration is still on-going.

278. With 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 US$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.

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\textsuperscript{33} This is a combined amount of oil and gas in place
\textsuperscript{34} Budget Speech 2009
\textsuperscript{35} Albert region stretches from Arua to Kanungu
5.5.2 Constraints to Sector Performance

279. Major constraints to sector performance to the realization of the nation’s potential of the oil and gas industry include:

i) Inadequate human resource capacity in terms of numbers and skills; this is expounded by the absence of adequate specialized training institutions within the country, and the length of time it takes to train. In addition, there is a high loss of public staff to the private sector rendering the public sector weak and ineffective in its functions.

ii) Limited bulk transportation means due to the dilapidated rail system and over reliance on a single transport route. About 95 per cent of Uganda’s petroleum imports are routed through Kenya with only 5 per cent coming through Tanzania. This poses a major disruption risk to supply flows.

iii) Insufficient legal, policy and institutional framework: The changing oil and gas industry requires regular update of the legal, policy and institutional framework to support the private sector operations. The regulation of the sector is paramount.

5.5.3 Objectives, Strategies and Interventions

280. The oil and gas sector objectives, strategies and interventions are clustered into upstream, midstream and downstream below.

281. **Objective 1** - To 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:** Continue exploration of oil and gas in the Albertine and other basins outside the Graben

   **Intervention Description**
   
   i) Carry out continuous geological and geophysical mapping. A national oil and gas database will be established, indicating the oil and gas equivalent estimates
   
   ii) License competent oil companies for exploration and development of oil and gas
   
   iii) Provide gravel roads to facilitate access to exploration areas

282. **Objective 2** - To carry out commercial production of oil and gas by 2010 and necessary infrastructure to support the development and production

   **Strategy 1:** Put in place an oil and gas refinery

   **Intervention Description**
   
   i) Complete feasibility studies for the oil and gas refinery, establishing the capacity, type, location and process of the refinery
   
   ii) Construct paved roads to the refinery
iii) Put in place the required equipment and technologies for the refinery with capacity to refine a number of petroleum products

iv) Construct appropriate pipelines to planned destinations

v) Extend the grid and construct power systems such as substations for the refinery.

vi) Develop water supply systems for the refinery

vii) Construct processing plant and treatment facilities at the refinery, including ensuring compliance of the waste to international standards

viii) Health safety environment and quality (HSQE) in refineries, pipelines, chemical plants and gas conversion plants.

283. **Objective 3** - Ensure that the oil and gas resources in the country provide maximum optimal benefits to the country and region

**Strategy 1:** Develop the petroleum utilisation plan

**Intervention Description**

i) Study on the exportation and transportation options for the refined products

ii) Study on the exportation options/potential of refined products

iii) Study of potential export products

iv) Study gas requirement for the existing energy based industries e.g. Cement, Steel, fertilizer, etc

v) Study gas investments infrastructure requirements

vi) Study on gas conversion and processing

vii) Develop a gas and oil monitoring and evaluation system for the midstream facilities

viii) Develop standards for midstream facilities

ix) Develop a tariff methodology and third party access procedures for capacity utilisation of midstream facilities

x) Develop a licensing framework for midstream facilities

xi) Study pricing of refined products, electricity tariff and power production from crude oil, refined products and gas

xii) Regulate the development, installation and maintenance of midstream facilities.

284. **Objective 4** - Build human resource capacity for oil and gas exploration, production, processing and marketing at all levels covering artisans, 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) Certify the professionals in the sector to maintain quality and standards

iii) Train professionals in petroleum fields at Masters Level.

iv) Train staff in petroleum standards, chemistry, engineering and management
v) Facilitate and equip the petroleum down stream training department

285. **Objective 5** – Regional cooperation of development of refineries and other midstream infrastructure to achieve regional security of energy supply

*Strategy 1*: Develop a regional agreement on the development of midstream infrastructure

**Intervention Description**

i) Put in place a regional agreement on development of infrastructure
ii) Develop a regional agreement on purchase and utilization of Ugandan oil and gas products by regional countries
iii) Develop regional supply systems for oil and gas resources, including the inter-state pipelines to distribute petroleum products, inter-state rail connections to high market areas and development of harbours along the inland lakes/ports

286. **Objective 6** - Provide sufficient legal, policy and institutional framework to support private sector participation in the sector

*Strategy 1*: Strengthen the policy, regulatory & 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.
iii) Set up appropriate institutions for oil and gas sector
iv) Put in place sufficient regulations to guide private sector operations and revenue management
v) Develop standards for midstream facilities
vi) Develop a tariff methodology and third party access procedures for capacity utilisation of midstream facilities
vii) Develop a licensing framework for midstream facilities
viii) Put in place sufficient regulations to guide private sector operations and revenue management.

287. **Objective 7** - To ensure sufficient stock of petroleum products on the market all the time

*Strategy 1*: Increase on the petroleum reserves to meet at least six months requirements

**Intervention Description**

i) Increase the capacity of government reservoirs to store a buffer of six months storage.
ii) Regulate private players and ensure sufficient oil and gas buffer stocks
iii) Increase rail haulage of petroleum products. Wagon ferries will be increased to connect to Kisumu and Mwanza ports. The wagons will improve shipment of petroleum products into the country, especially in the short-medium term before construction of the pipeline.

iv) Repair the rail network from Malaba to Kampala to carry more tonnage of wagons transporting petroleum products by rail.

**Strategy 2:** Diversify the mode of transportation of petroleum products to the country

**Intervention Description**
- i) Procure wagon ferries to connect to Kisumu and Mwanza port
- ii) Repair the rail network from Malaba to Kampala
- iii) Extend the petroleum products pipeline from Eldoret/Kenya to Kampala

**Strategy 3:** 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

288. **Objective 8** - Build capacity for oil and gas downstream transportation, marketing and storage

**Strategy 1:** Build capacity for policy, regulation and management of the downstream petroleum sub-sector

**Intervention Description**
- i) Train staff in downstream petroleum standards, chemistry, engineering, regulation and management
- ii) Facilitate and equip the downstream petroleum sub-sector
5.6 MANUFACTURING

5.6.1 Situational Analysis

289. The industrial sector comprises of manufacturing, mining and quarrying, construction, and utilities sub-sectors, whose industries are categorized into formal and informal. This section focuses on the manufacturing sub-sector.

290. Since 1981, the role of industry in Uganda’s economic growth and development remains dismal as overall growth of incomes contributed by this sector have been sluggish. This problem has not been helped by the fact that agriculture, as a major source of industrial raw materials, has not provided the desired stimulus as it has not been growing fast enough. The country is still dependent on imported industrial and intermediate raw materials as well as investment and final consumer goods.

291. Table 5.9 below illustrates that Uganda’s industrial value added was US$2.9 billion in 2007 compared US$3.8 billion, US$78.4 billion and US$89.1 billion for Kenya, South Africa and Malaysia respectively. In addition, employment in the industrial sector as a percentage of total employment for Uganda was only 7.6 per cent in 2007 as compared to 24.5 per cent and 30 per cent in South Africa and Malaysia respectively.

Table 5.9: Industry Data Comparison

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year</th>
<th>Uganda</th>
<th>Kenya</th>
<th>S. Africa</th>
<th>Malaysia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry, value added (current USD $bn)</td>
<td></td>
<td>2.9</td>
<td>3.8</td>
<td>78.4</td>
<td>89.1</td>
</tr>
<tr>
<td>Industry, value added (annual % growth)</td>
<td></td>
<td>8.0</td>
<td>7.0</td>
<td>4.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Industry, value added (% of GDP)</td>
<td></td>
<td>25.9</td>
<td>17.9</td>
<td>31.3</td>
<td>47.7</td>
</tr>
<tr>
<td>Employment in industry (% of total employment)</td>
<td>2003</td>
<td>7.6</td>
<td>n/a</td>
<td>24.5</td>
<td>30.1</td>
</tr>
<tr>
<td>Electricity production (kWh billions)</td>
<td>2006</td>
<td>n/a</td>
<td>6.5</td>
<td>251.9</td>
<td>91.6</td>
</tr>
</tbody>
</table>

Source: World Bank Database 2008

292. Despite its small size, the industrial sector has experienced steady growth over the PEAP period at an average percentage change of 7 per cent during PEAP 2 (2000/01 – 2003/05) and 10.6 per cent during PEAP 3 (2004/05 -2007/08). Its contribution to real GDP averaged 24.6 per cent during PEAP2, higher than the agriculture sector’s GDP contribution of 19.2 per cent. This is, however, lower than 49 per cent that was registered in the services sector during the same period. The growth in industry however, has not substantially affected the number of people still employed in Agriculture (remaining at 70 per cent of total national employment).

293. The gains in shares by the industry sector are mainly driven by the growth in construction sub-sector (see Table 5.10). As described in the background chapter, Gross Capital Formation (investment) increased steadily as a proportion of GDP over most of the PEAP period. This spurred economic growth although this achievement remained very low by international standards.

36 Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs
Table 5.10: Percentage Share of Industry to Total GDP at constant (2002) prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining &amp; Quarrying</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.0</td>
<td>7.2</td>
<td>6.9</td>
<td>6.8</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Formal</td>
<td>5.0</td>
<td>5.2</td>
<td>5.1</td>
<td>4.9</td>
<td>4.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Informal</td>
<td>2.0</td>
<td>1.9</td>
<td>1.9</td>
<td>1.9</td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Electricity &amp; Water</td>
<td>3.5</td>
<td>3.5</td>
<td>3.1</td>
<td>2.9</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Construction</td>
<td>12.0</td>
<td>14.0</td>
<td>14.4</td>
<td>15.1</td>
<td>15.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Total</td>
<td>22.8</td>
<td>24.0</td>
<td>24.8</td>
<td>25.3</td>
<td>24.5</td>
<td>24.4</td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract 2009

294. 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 goods. Such processing takes place at or near the sources of supply of these raw materials. 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. 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 account for over 90 per cent of the manufacturing sub-sector with 39 per cent of these in agro-based industries.

295. The UBOS Business Register Survey of 2007 listed 3280 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 (See Table 5.11 below)

Table 5.11: Regional distributions of manufacturing businesses

<table>
<thead>
<tr>
<th>Industry</th>
<th>Kampala</th>
<th>Central</th>
<th>East</th>
<th>North</th>
<th>West</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing of Meat, Fish and Diary Products</td>
<td>23</td>
<td>19</td>
<td>18</td>
<td>13</td>
<td>19</td>
<td>92</td>
</tr>
<tr>
<td>Coffee Processing</td>
<td>21</td>
<td>4</td>
<td>33</td>
<td>1</td>
<td>36</td>
<td>185</td>
</tr>
<tr>
<td>Grain Milling</td>
<td>190</td>
<td>98</td>
<td>193</td>
<td>39</td>
<td>79</td>
<td>599</td>
</tr>
<tr>
<td>Tea Processing</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>23</td>
<td>38</td>
</tr>
<tr>
<td>Bakery and Manufacture of Other Food Products</td>
<td>93</td>
<td>45</td>
<td>25</td>
<td>8</td>
<td>32</td>
<td>203</td>
</tr>
<tr>
<td>Manufacture of Beverages and Tobacco</td>
<td>51</td>
<td>12</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>83</td>
</tr>
<tr>
<td>Manufacture of Textiles and Leather Products</td>
<td>80</td>
<td>33</td>
<td>47</td>
<td>26</td>
<td>34</td>
<td>220</td>
</tr>
<tr>
<td>Sawmilling, Printing and Publishing</td>
<td>275</td>
<td>35</td>
<td>26</td>
<td>19</td>
<td>30</td>
<td>385</td>
</tr>
<tr>
<td>Chemicals and Chemical Products</td>
<td>66</td>
<td>8</td>
<td>7</td>
<td>-</td>
<td>2</td>
<td>83</td>
</tr>
<tr>
<td>Manufacture of Plastics</td>
<td>60</td>
<td>37</td>
<td>47</td>
<td>2</td>
<td>32</td>
<td>178</td>
</tr>
<tr>
<td>Manufacture of Metal Products</td>
<td>263</td>
<td>79</td>
<td>55</td>
<td>32</td>
<td>55</td>
<td>484</td>
</tr>
<tr>
<td>Manufacture of Furniture and Other Manufacturing</td>
<td>250</td>
<td>151</td>
<td>137</td>
<td>51</td>
<td>141</td>
<td>730</td>
</tr>
<tr>
<td>Total</td>
<td>1,374</td>
<td>619</td>
<td>601</td>
<td>199</td>
<td>148</td>
<td>3,280</td>
</tr>
</tbody>
</table>

Source: UBOS Business Register 2007

296. A regional distribution of business by employment size band shows that 48 per cent of businesses were those employing 5 to 9 persons and out of these 39 per cent were located in Kampala. The highest percentage of employees, 20 per cent, was engaged in
the tea processing sub sector. Coffee processing and chemical products sub sector had each less than 5 per cent of total persons employed. The manufacturing sector employed nearly 72,200 persons in 2006/07 with 79 per cent being male compared to only 21 per cent female (see Table 5.12).

Table 5.12: Employments by Sex in the Manufacturing Sector

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

Source: UBOS Business Register 2007

297. A comparison of employment figures by industry showed that in all manufacturing sub sectors male employees dominated businesses engaged in furniture making employing 91 per cent male compared to only 9 per cent female. Similarly, those engaged in manufacture of metal products employed 89 per cent male. The highest proportion of female was found in the textile sub sector with 37 per cent of total employment.

298. Businesses employing more than 5 persons accounted for 99 per cent of the total employment in the sector. Businesses employing 100 or more persons had 52 per cent of the total number of employees while businesses employing between 5 and 9 persons had sixteen per cent of total employment. Among the businesses employing 100 or more persons, the tea processing sector employed the highest proportion of 37 per cent. On average a business in manufacturing sector employed 22 persons. Businesses employing 100 or more persons on average employed 328 persons compared to only 3 persons employed in the businesses employing between 1 and 4 persons as shown in Figure 5.7 below:
299. 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.

300. 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. It should however be noted that the law does not impose the requirement of an investment license to local investors. The ratio of Ugandans involved in local investment activities could therefore be higher (See Figure 5.8).

Figure 5.8: Sources of Investments in Uganda 00-06

Source: UIA report 2008

The Doing Business Environment
301. In a bid to enhance the competitiveness of the Ugandan economy, the government
sought to intervene in three output areas, namely; (a) competitiveness of the key productive sectors (including industry), (b) improving the investment climate, and (c) improving the business climate for micro-small and medium enterprises. The Doing Business survey 2009 ranked Uganda 111 out of 181 economies in terms of the ease of doing business. A set of regulations affecting 10 stages of a business’ life were measured and revealed that doing business in Uganda was still such a big hustle. Details of findings are as follows (See Table 5.13).

Table 5.13: Uganda’s ranking In Doing Business 2009

<table>
<thead>
<tr>
<th>Doing Business 2009</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Doing Business</td>
<td>111</td>
</tr>
<tr>
<td>Starting a Business</td>
<td>129</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>81</td>
</tr>
<tr>
<td>Employing Workers</td>
<td>11</td>
</tr>
<tr>
<td>Registering Property</td>
<td>167</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>109</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>126</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>70</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>145</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>117</td>
</tr>
<tr>
<td>Closing a Business</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: Doing Business survey 2009

302. The Doing Business Indicators for Uganda all point to the fact that there is still a lot more that needs to be done to raise the competitiveness profile of Uganda’s economy for new investment. The easier it is to do business the easier it becomes to attract more investors. Uganda’s ranking in starting a business has only been getting worse from 118 in 2008 to 129 out of 181 countries in 2009.

303. The creation of enabling business operating environment will enable industries to focus on business activities and enhance their level of operating efficiency and productivity. Major areas of business operating environment concern include: Government delivery system; Regulatory regime; Quality and pricing of utilities; Trend in oil prices; other costs and macroeconomic stability

5.6.2 Constraints to Manufacturing

304. The constraints fall into two broad categories: (a) those related to economic environment, and (b) those found at firm level.

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. The institutions include those that train people in basic skills in industry; research and development institutions that perform the thinking and provide innovative ideas; testing and quality control laboratories; industrial estates development; standards organizations; financial institutions that provide different forms of financial support (venture capital, working capital, equipment leasing, export credit, capital
markets etc). Many of these institutions are thin on the ground and their impact on industrial development and competitiveness is minimal.

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 skill 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. Part of the problem is attributed to the lack of a national manpower and skills development strategy to prepare the work force for the demands of the twenty-first industrial development.

iv) Inadequate physical infrastructure: The competitiveness of industry depends on the adequacy and reliability of the services of infrastructure – roads, rail, power and water supply, telecommunications, etc. Poor infrastructure renders the industrial sector 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, adopt and develop technology. Uganda will continue to suffer from a severe shortage of exportable (quality) products unless the country implements measures leading to greater diffusion of Research and Development (R&D) and technology in all productive sectors of the economy. There is a lack of a comprehensive Research and Technology Policy, as well as human and financial resources, expertise and capacity to build a strong indigenous technology foundation. 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: Uganda’s STI infrastructure currently stands at 27 universities, 33 science-related vocational and technical institutes, 20 active R&D institutes, 5 private laboratories (UNCST, 2008). Overall, this infrastructure is inadequate to meet the needs of STI-driven development. Government expenditure on science and technology remains low although it rose from UShs.49.2 billion in 2002/03 to Shs.77.1 billion in 2005/06. Government also created an STI Innovation Fund in 2003/04 to support and facilitate local innovations. Donor funding of science and technology currently stands at 27 per cent (UNCST, 2008). The innovation capability of Ugandan firms is also still low.

vii) Lack of serviced industrial Parks: Uganda has until recently been lagging behind in this area with factories mushrooming in all sorts of locations. 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

305. **Objective 1** - To promote the development of value addition Industries especially the agro-industries

*Strategy 1:* Enhance value addition to primary products.

**Intervention Description**

i) Support relevant government & private sector institutions to cast, fabricate and source small and medium scale machinery and spares

ii) Implement the national initiative called "One Village One Product (OVOP) programme" in regions/districts/sub-counties producing specific products

iii) Promote and support the establishment of specific processing industries for agro-processing primary products at sub-county, district or regional level (grain milling, beef & diary, edible oil, tea, fish, citrus & pineapples)

*Strategy 2:* Infrastructural support to the agro-processing industries

**Intervention Description**

i) Extend the power grid to the rural industries

ii) Develop the quality road network leading to the industries and connecting key rural industries

iii) Provide water for production through the piped water supply systems connecting to agro-processing industries

306. **Objective 2** - Develop industrial clusters for increased competitiveness

*Strategy 1:* Promote and strengthen industrial clusters.

**Intervention Description**

i) Support development of the small and medium level Metallurgical industry such as the production of steel ingot, the main intermediate material for steel industry (for fabrication and production of spare parts)

ii) Support the development of building and construction industry by providing incentives to the private investors to construct local factories for cement and lime

iii) Support the development of textiles, clothing and garment industries by providing incentives and enabling policy framework such as credit guarantees. These will increase in the quantities and quality of textiles, clothes and garments locally produced
iv) Support development of leather & leather products industries by developing leather policy and provision of credit guarantees to investors

v) Support sustainable use of local raw materials for paper and packaging industries such as silica sand and feldspar manufactured used for glass products as well as increased use of local materials for paper & plastic

vi) Support development of fertilizers, chemicals and pharmaceutical industries.

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

**Intervention Description**

i) Provide entrepreneurial and technological skills development such as On-job training scholarships extended to SME proprietors and workers and through regional incubation centers established under the auspices of MTTI

ii) Improve SMEs access to investment finance through credit guarantees by establishing a scheme/fund

307. **Objective 3** - Enhance physical infrastructure development to promote industrial growth.

308. **Strategy 1:** Develop industrial support infrastructure

**Intervention Description**

i) Develop transport infrastructure for industrial development. This will involve developing rail network connecting industries to distribution centres constructed, rehabilitated & maintained, rehabilitate Ports of Port-Bell, Jinja & Butiaba and rehabilitate the two Ugandan wagon ferries and replace MV Kabalega

ii) Extend the power grid to all industrial zones and reduce the power tariffs

iii) Extent water for production to key industrial zones

iv) Provide ICT infrastructure to facilitate business, research & development. This should be reliable & high speed internet connectivity in all industrial areas.

**Strategy 2:** Develop skills of Jua Kali artisans to enhance their competitiveness.

**Intervention Description**

i) Establish Jua Kali common facilities centre and support Jua Kali exhibitions

309. **Objective 4** - Enhance Industrial Research and Development

**Strategy 1:** Promote innovation in industrial applications

**Intervention Description**

i) Extend support to specific research institutions to develop industrial technology prototypes. This will involve scaling up research funding to UIRI and other research institutions and universities
ii) Establish an institutional mechanism for linking researchers, innovators and venture capitalist to industry

iii) Strengthening the legal framework associated with intellectual property rights. This will include developing relevant laws and existing frameworks updated

iv) Development of biomass energy technology and establish biomass energy digesters to utilize municipal and household solid wastes for use by local communities

5.7 INFORMATION COMMUNICATIONS TECHNOLOGY

5.7.1 Situational Analysis

310. Uganda’s ICT sector has been considerably liberalized from a few state monopolies to several private providers. Currently, the sector is composed of the following sub-sectors: Telecommunications, Postal Services, Broadcasting Infrastructure, Information Technology and Library and Information services. The past and current development of the sector, as well as future projections is outlined in the subsequent sections following a sub sector by sub sector approach.

311. In Uganda, just like many other countries of the world, 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 2000.

312. During the period of state monopoly, performance of the ICT sector was weak. In 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.

313. 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 and as indicated in the Figure 5.9 below, the subscriptions have continued to grow reaching 160,000 subscribers in 2008. The average annual growth rate for the mobile subscriber base between 2005- 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.
314. 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 1000 inhabitants in 1996 to 1 one phone per 1000 inhabitants as shown in Figure 5.10.

315. Similarly, positive growth in postal services has been reported under postal services. Figure 5.11 below indicates the trends in the volume of letters posted and received.
The liberalization of the national ICT sector has led to increased private investment into 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 the Figure 5.12 below, between 2005 and 2008, the communications sector alone managed to raise annual average investment from USD 78 million recorded in 2004 up to USD 90 million in 2008 with an estimated USD 150 million investment in 2007 alone.

Figure 5.12: Trends in Sector Investment in the Last 5 Years

The growth in investment has consequently resulted into growth in revenues and increased contribution to GDP as shown in Figure 5.13 below.

Figure 5.13: Volumes of Letters posted and received (Domestic and International excluding official letters)

Source: Ministry of ICT Annual report 2008
318. 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. 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 ICT Sector Performance

319. The sector is faced with the following main constraints

**Telecommunications Sub-Sector**

i) Infrastructure gaps in the delivery of broadband.

ii) Complete dependence on satellite bandwidth for the provision of internet services.

iii) High costs of Internet services.

iv) Limited access to the electricity grid in some parts of the country.

v) High usage taxes in the telephony sub-sector;

vi) General low income levels especially in the rural areas;

vii) Low ICT integration in government processes 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 of society.

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 etc) 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 absence of 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) The Sub-sector is currently facing the following constraints and challenges.
ii) Preparation and implementation of a comprehensive national plan on migration from Analogue to Digital terrestrial broadcasting which innately include, among others, orientation of broadcasters and the public to change from analogue to terrestrial broadcasting in line with internationally agreed switchover date of June 2015.
iii) There is inadequate legal and regulatory framework. The current legal and regulatory framework does not take cognizance of the emerging global trends such as convergence of technologies, digitization and international best practices in merging broadcasting and communications sector.
iv) There is limited access to broadcasting infrastructure across the country. In fact 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.
v) Convergence in ICT has led to utilization of 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.
vi) The broadcasting sub-sector lacks harmonized policies and laws in various channels of communications in order to create a single national framework under which the sub-sector can operate;
vii) There is 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 across the whole country.
viii) Lack of control over fees charged and services provided by Pay Television stations and hence leaving such service 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 for the sector. The funding from central government to the public libraries managed by the local governments has stayed stagnant over the past six years. In addition only 14 out of the 23 public libraries get this funding.

iv) Initial exclusion of library staff from the local governments’ structure which led to declining service and in some cases closure of the libraries in the district.

v) Low levels of both basic literacy and information literacy among the population. The literacy level in Uganda is 68 per cent and even those who can read and write are largely unaware of the need to seek for information to 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 product mix of postal services to meet customer needs and make the services affordable to all consumers.

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) Inadequate investments in key postal technology such as mail processing and tracking technology, computerized systems, procedures and equipment.

vii) Un-structured assessment of the sub-sector needs and carry out specialized training and apprenticeships to enhance the required capacity.

viii) Inadequate legal and regulatory framework to address postal specific issues.

ix) Inadequate institutional framework for the implementation of the postal sub-sector obligations.

5.7.3 Objectives, Strategies and Interventions

320. **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 fiber optic cables to cover all districts.

ii) Construction of Information Technology (IT) Business Parks.

iii) Extend the fiber optic cable network to electrical load centers.

iv) Support Public Private Partnership (PPP) arrangements to extend fiber optic cable to production centers and institutions.

321. **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 Law.
ii) Popularize Tele-Business Information Centers and Payphone services.
iii) Increase the computerization of service delivery functions in government.
iv) Development of 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) Accreditation of ICT courses and training institutions.
iii) Incorporation of ICT into education curricula.

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

Intervention Description
Make operational cyber laws to facilitate e-commerce.

Strategy 4: Promotion of ICT as a business

Intervention Description
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.
iv) Postal automation.
v) Creation of a National Address Management System.

5.8 HOUSING DEVELOPMENT

5.8.1 Situational Analysis

322. Housing is essential for the well being of humankind and for economic purposes to generate income. For the well being of human kind, Government’s main goal is to ensure 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.
In 2005, 78 per cent of households lived in owner occupied dwellings (UNHS2005/6) while 16 per cent in rented units as indicated in Table 5.14 below. However, in Kampala 64 per cent households occupy rented structures whereas only 28 per cent live in owner-occupied dwellings. This is attributed to 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 households reside in dwellings roofed with iron sheets while 38 per cent in grass thatched structures. Construction materials indicate the durability of a dwelling unit and denote the economic status of the household. The distribution of the household by construction materials by region is indicated in Table 5.14 and Table 5.15 below.

Table 5.14: Sector Contributions to GDP

<table>
<thead>
<tr>
<th>Type of Tenure</th>
<th>Kampala</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Western</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner occupied</td>
<td>27.8</td>
<td>69.4</td>
<td>86.5</td>
<td>89.3</td>
<td>85.1</td>
<td>78.3</td>
</tr>
<tr>
<td>Rented</td>
<td>64.4</td>
<td>20.8</td>
<td>9.2</td>
<td>4.8</td>
<td>10</td>
<td>15.3</td>
</tr>
<tr>
<td>Free</td>
<td>7.9</td>
<td>9.7</td>
<td>4.2</td>
<td>5.7</td>
<td>5</td>
<td>6.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: UNHS 2005/06

Table 5.15: Distribution of Households by Type of Construction Materials and Residence (Percentage)

<table>
<thead>
<tr>
<th>Material used</th>
<th>2002/03 Rural</th>
<th>2002/03 Urban</th>
<th>2005/06 Rural</th>
<th>2005/06 Urban</th>
<th>2005/06 Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roof</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron sheets</td>
<td>58.6</td>
<td>86.4</td>
<td>63.3</td>
<td>55.9</td>
<td>82.7</td>
</tr>
<tr>
<td>thatched</td>
<td>40.9</td>
<td>8.2</td>
<td>35.4</td>
<td>43.2</td>
<td>14.2</td>
</tr>
<tr>
<td>other roof</td>
<td>0.5</td>
<td>5.5</td>
<td>1.3</td>
<td>0.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Wall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brick</td>
<td>45.3</td>
<td>77.4</td>
<td>50.7</td>
<td>48</td>
<td>79.2</td>
</tr>
<tr>
<td>Mud and poles</td>
<td>51.7</td>
<td>17.3</td>
<td>45.8</td>
<td>47.2</td>
<td>17.2</td>
</tr>
<tr>
<td>Other wall</td>
<td>3.1</td>
<td>5.3</td>
<td>3.5</td>
<td>4.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Floor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earth</td>
<td>83.1</td>
<td>27.2</td>
<td>73.5</td>
<td>82.8</td>
<td>29.6</td>
</tr>
<tr>
<td>Cement</td>
<td>15.2</td>
<td>66.9</td>
<td>24</td>
<td>16.5</td>
<td>68.6</td>
</tr>
<tr>
<td>Others floor</td>
<td>2</td>
<td>5.9</td>
<td>2.5</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

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

The Table 5.16 below 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 5.16: Distribution of dwelling Types (Percentage)

<table>
<thead>
<tr>
<th>Type</th>
<th>Kampala</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Western</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>31.2</td>
<td>73.8</td>
<td>57.4</td>
<td>27.8</td>
<td>84.2</td>
<td>60.5</td>
</tr>
<tr>
<td>Huts</td>
<td>0</td>
<td>2.7</td>
<td>30.7</td>
<td>67.7</td>
<td>3.4</td>
<td>22</td>
</tr>
<tr>
<td>Tenants</td>
<td>64.3</td>
<td>22.2</td>
<td>10</td>
<td>2.7</td>
<td>9.2</td>
<td>15.2</td>
</tr>
<tr>
<td>Others</td>
<td>4.5</td>
<td>1.3</td>
<td>1.9</td>
<td>1.7</td>
<td>3.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

325. The Uganda National Household survey 2005/6 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 (see Table 5:17).

Table 5.17: Distribution of Household by No. of rooms used for sleeping and Average Number of people per room by Region (Percentage)

<table>
<thead>
<tr>
<th>Number of Rooms</th>
<th>Kampala</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Western</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>73.6</td>
<td>50.9</td>
<td>58.1</td>
<td>80.1</td>
<td>36.5</td>
<td>56.3</td>
</tr>
<tr>
<td>Two</td>
<td>13.0</td>
<td>24.4</td>
<td>20.7</td>
<td>13.2</td>
<td>30.1</td>
<td>22.0</td>
</tr>
<tr>
<td>More Than One</td>
<td>13.5</td>
<td>24.7</td>
<td>21.2</td>
<td>6.8</td>
<td>33.4</td>
<td>21.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Average No. of People per room</td>
<td>3.1</td>
<td>3.1</td>
<td>3.7</td>
<td>4.0</td>
<td>2.9</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Source: UNHS 2005/06

326. 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 housing units. According to UBOS 2006, the urban areas have a total housing stock of 700,000 housing units with a backlog of 153,000 housing unit compared to the rural areas with a stock of 4,580,000 housing units and backlog of 458,000 housing units. The housing status by dwellings type, occupancy, and tenure is given in the Table 5.18 below.

Table 5.18: Basic Indicators of Settlements in Uganda (Percentage of total Dwellings)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year 2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>Dwelling Types</td>
<td></td>
</tr>
<tr>
<td>Detached house</td>
<td>31.1</td>
</tr>
<tr>
<td>Semi-detached house/flat</td>
<td>18.4</td>
</tr>
<tr>
<td>Tenements/ Muzigo</td>
<td>46.9</td>
</tr>
<tr>
<td>Others</td>
<td>3.5</td>
</tr>
<tr>
<td>Occupancy Tenure</td>
<td></td>
</tr>
<tr>
<td>Owned</td>
<td>29.9</td>
</tr>
<tr>
<td>Rental</td>
<td>57.0</td>
</tr>
<tr>
<td>Status of Dwelling</td>
<td></td>
</tr>
<tr>
<td>Temporary</td>
<td>26.0</td>
</tr>
<tr>
<td>Semi-permanent</td>
<td>14.3</td>
</tr>
<tr>
<td>Permanent</td>
<td>59.7</td>
</tr>
<tr>
<td>Housing Backlog</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: UNHS 2005/06

327. The Real Estate\(^{37}\) 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. The growth in the sector is attributed to rapid population growth,

\(^{37}\) Real estate activities include rental and owner occupied outputs
increase in disposal income, increase in foreign direct investment and economic growth. The relationship between GDP and growth in real estate business is illustrated in Table 5.19 below.

Table 5.19: Contribution of Real Estate in GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GDP at Market prices (Ushs. Billions)</td>
<td>13,467</td>
<td>14,814</td>
<td>15,859</td>
<td>17,156</td>
<td>18,582</td>
</tr>
<tr>
<td>Real Estate (Ushs. Billions)</td>
<td>1,071</td>
<td>1,130</td>
<td>1,193</td>
<td>1,261</td>
<td>1,332</td>
</tr>
<tr>
<td>Real Estate share in GDP %</td>
<td>8.0</td>
<td>7.6</td>
<td>7.5</td>
<td>7.4</td>
<td>7.2</td>
</tr>
<tr>
<td>Growth Rate %</td>
<td>--</td>
<td>5.5</td>
<td>5.6</td>
<td>5.7</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Source: UBOS Statistical Abstract, 2009

328. Most houses are owned by men, although family houses are by law considered matrimonial property. This partly due to the disparity in the incomes by Men and Women.

329. Access to mortgage finance is still very limited on account of limited collateral to present to the lending institutions. Figure 5.14 below shows the patterns of ownership of 93,146 registered land titles mortgaged during the period 1980 to 2002 in Uganda.

Figure 5.14: Ownership of Mortgage Titles in Uganda


5.8.2 Constraints to Housing Sector

i) The Legal and Policy framework is outdated and do not adequately address current challenges. The existing laws and policies include the National Housing Policy (1992), the Town and Country Planning Act (1964), the Public health Act and the Land Act.

ii) The lack of Access to and 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) The is a shortage of Skilled Manpower especially skills such as architects, quantity surveyors, civil engineers, are only confined to Kampala and a few major towns; they are in addition quite expensive and unaffordable to the majority of Ugandans.

iv) High cost of building materials (cement, steel, timber, iron sheets) limits the sector growth. The cost comparison for a 50 Kg bag of cement is US$15 in Uganda and US$4 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

330. The objectives, strategies and interventions to be undertaken in the next five years include;

331. **Objective 1** - Put in place a policy and regulatory framework that will enhance development of the housing sector for the next ten years (2010 - 2020)

   **Strategy 1:** Implement a comprehensive national housing policy, national housing law and a 10 year investment plan

   **Intervention Description**
   
   i) Develop and implement a national housing policy by end of 2010. To strengthen ownership of this policy and ensure smooth implementation, a multi diplomacy taskforce will be put in place and national consultations with stakeholders will be undertaken before the policy is approved.

   ii) Streamline other relevant regulatory framework impeding improvements in quality and quantity housing infrastructure. In particularly the development and operationalisation of the estates management policy will be a key priority and guidelines to this effect will be developed and disseminated.

   iii) Develop and implement the landlord tenants Bill. It is expected that this Bill will be tabled to Parliament by end of 2010 and subsequently its operationalization will commence.

   iv) Develop and implement the building control Bill to facilitate the promotion of safety in the housing sector. Guidelines will be drafted to operationalise the bill by 2011.

   v) Implement the condominium property law. To this effect, 10 sensitization meetings every quarter of the year will be held and dissemination of copies to the public will be a key priority. In addition, national review of the law will be undertaken.

332. **Objective 2** - Enhance the accessibility to all housing related inputs to further housing development

   **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, training institutions, Ministry of works and transport and Ministry of lands housing and urban development.
ii) Hold annual exhibitions, undertake demonstration of housing, produce an annual report on housing material and undertake research in building materials

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

*Strategy 1:* Develop education information and communication materials to sensitize the public

**Intervention Description**
- i) Maintain an expanded up to date data base on all housing related issues and produce annual reports on the status of housing.
- ii) Develop IEC materials to sensitize the public
- iii) Construct 10 demonstration houses per year
- iv) Monitor private sector construction. Quarterly housing bulletin and reports on housing will be produced annually.

*Strategy 2:* Initiate 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. To this effect, a settlement pattern proposal will be developed by end of 2011, settlement patterns demonstrated and information disseminated to the public.

334. **Objective 4** - Prevention of slum development and undertake adequate upgrading of the existing ones

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

**Intervention Description**
- i) Upgrade all slums in the country and develop slum profiles. During the first year of the plan, implementation of Kasoli slum upgrading scheme will commence and there after upgrade 3 Slums each year.
- ii) Undertake land banking through purchase of land from owners.
- iii) Initiate the development of urban Fund to fund capital developments
- iv) Develop infrastructures in slums. In each quarter of the year, infrastructure such as roads, water and electricity supply will be provided in 3 slums.
v) Undertake site and service schemes. For the five year period, the sector will undertake five site and service schemes in 5 new towns annually.

335. **Objective 5** - Promote and ensure the availability and accessibility of affordable housing finance for all

**Strategy 1:** Mobilize long-term affordable housing finance

**Intervention Description**

i) Support initiatives of financial institutions to mobilize long-term finance for housing. A proposal will be developed and ensure its approval by end of 2010

ii) Develop initiatives towards lowering the interest rates.

iii) Promote formation and development of housing cooperatives and pro-housing saving groups to avail funds for housing. Through mobilization, education and sensitization of local governments, it is expected that 10 cooperatives will be established every year.

iv) Encourage mortgage banks to develop low-income mortgages. A proposal on provision of low mortgages will be developed and implemented by end of 2010

v) Develop mechanisms for mobilizing pension schemes and insurance deposits among others.

vi) Implement the Public servants loan scheme to facilitate acquisition or construction of houses by public servants. It is expected that 500 loans will be disbursed to public servants in the initial year and a total of 5000 loans in 5 year period.

336. **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 of the activities of professionals on a quarterly basis and hold regular annual meetings for professional bodies.

ii) Supervise public buildings construction and maintenance and produce quarterly bulletin to educate and update the public on construction.

iii) Generate proto-type plans for public consumption. During the plan period, it is expected that fifty proto-type plans will be produced every quarter.

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 local governments through ensuring that all districts are well staffed and housing department functioning.
**Strategy 1: Provide technical support to earthquake and other disaster prone areas**

**Intervention Description**

i) Develop appropriate construction technologies to withstand different types of disaster.

ii) Undertake demonstration housing in disaster prone areas and disseminate research findings. To this effect, five demonstration houses in each disaster prone area will be constructed and three sensitization seminars held quarterly.

iii) Train a total of twenty trainers each quarter of the year in earthquake resistant building technologies.

iv) Support IDP resettlement housing scheme by designing and implementing house development programs.

v) Support Prime Minister's office and local governments with training, supervision and monitoring resettlement program.

vi) Carry out demonstration of resettlement appropriate technology in construction
6.0 COMPLEMENTARY SECTORS

6.1 SCIENCE AND TECHNOLOGY

6.1.1 Situational Analysis

337. 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 centers 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 institutions.

338. Globally, country efforts in this direction are measured against indicators such as: research per workforce, R&D personnel per labour force, expenditure on STI as percentage of GDP, number of publication in scientific journals, number of scientific patents per year, per cent of exports with high technology content to total manufacturing exports and composite index, and the technology achievement index.

339. There is 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 personnel 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.

340. The share of expenditure on R&D as a percentage GDP is 0.3 per cent compared to the African Union target of 1 per cent. This is low especially since nearly all of it is from government.

341. 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 are submitted in any given year by 2004. In addition, 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 Technology Achievement Index (TAI$^{39}$), Uganda is ranked in the dynamic adopter category with TAI

$^{38}$ researchers, technicians and other S&T support staff

$^{39}$ 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.
of 0.24\textsuperscript{40}. However, in order to improve her competitiveness, the country should advance its technological levels to at least 0.35 in the next five years.

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

343. With respect to innovation, only 57 per cent\textsuperscript{41} of firms were found to have introduced at least a new product or service or improved on an existing one in the market over the last five years. Most of the products/processes were from firms engaged in agriculture and agro-processing.

344. 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 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; formulation of the National Science, Technology and Innovation (STI) Policy (2009) in an effort to integrate STI in the national socio-economic development process.

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

### 6.1.2 Constraints to Science and Technology, Innovation Performance

i) Inadequate focus on Research and Development by both private and public actors.

ii) Inadequate financing for Research and Development and STI 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 young researchers and innovators.

vii) Slow adoption of new technologies due to ignorance and apathy.

viii) Lack of incentives to promote private research.

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

\textsuperscript{40} UNDP human development report 2001.

\textsuperscript{41} 2005
6.1.3 Objectives, Strategies and Interventions

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

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

Intervention Description
i) Establish Science and Technology (S&T) training centres in the informal and formal 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 technology incubation Centers. Four (4) incubation 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 contribution in R& D. The support will aim at increasing the number of R & D products from the private sector.
iv) 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/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. 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 private sector.

Intervention Description
i) 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

ii) Design and implement early tailor-made STI outreach programmes for households and communities. The outreach programmes will target gender balance and different age groups.

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

*Strategy 1:* Strengthen the 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 private sector/industry. Technology platforms in form of exhibitions, think tanks and other information sharing platforms will be operationalised.

348. **Objective 3:** Strengthen the policy, legal and institutional framework to support STI development

*Strategy 1:* Implement the National Science, Technology and Innovation Policy

**Intervention Description**

i) Disseminate and implement the National Science, Technology and Innovation Policy

ii) Review policies and laws necessary for STI development. The policies and laws to be reviewed include; the National Biotechnology and Bio-safety Policy; the Research Registration and Clearance Policy; the Agricultural Research Policy and Act; the Copyright Law and Patents Act; and the National Science, Technology and Innovation (STI) Policy.

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

**Intervention Description**

i) Establish a Ministry of Science and Technology

ii) Establish and effectively enforce an information system of codes and standards.

iii) Strengthen the certification and accreditation capabilities for services, products and companies
iv) Establish a framework for new and emerging issues in STI
v) Establish the national science and technology fund

6.2 TRANSPORT SECTOR

6.2.1 Situational Analysis

349. 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 freight and passengers in Uganda move by road. Roads carry an estimated 5500 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 means the road accounts for 96.5 per cent of the freight cargo whereas the rail accounts for 3.5 per cent. This in contrast to India and China where the rail freight cargo accounts for over 90 per cent of the cargo. On average 95 per cent of the total goods cargo in the country is transported by road and passenger traffic, 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. Interventions in the transport sector are articulated in the National Transport Master Plan 2008-2023

350. Road Transport: The total national road network is estimated to be 78,100 Km. Of these 20,800Km are national Roads, 17,500 Km District Roads, 4,800 Km Urban Roads and 35,000 Km. are Community access Roads. As of 2008, only 15 per cent (3,050Km) of the national roads was paved having increased from 2,650 km in 2003 and 2,200 km in 1996. All district and community access roads are not paved while a few urban roads are paved. Dual carriageways account for only 20 km, mainly urban areas of Kampala and Jinja. It is worth noting that the community road network coverage is proxy indicator of improvement of access to social services.

351. The total annual flow of motorized traffic on national roads in 2003 was computed to be 3,756 million vehicles-kilometers, 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 traffic. 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 totaling 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.

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32 Based on the AASHTO international standards
Another important measure of road traffic is the growth rate in vehicle population. The average annual growth rates over ten years (1997-2007) were 7.3 per cent per annum 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 rates of increase for all these vehicle types were 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 full ten years. The growth of around 8 per cent annually 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 movement increased from 3000 to 5,500 million tonne-Kms between the years 2003-2008.

An equally significant development within the roads sub-sector over the last decade or so has been the increase in the unit cost of paved road construction. The cost of building a Km of gravel road to bitumen standard has risen from USD 300,000 – USD 400,000 in 2000 to USD 700,000 – USD 900,000 in 2009. This represents a three fold increase within ten year period. On the other hand, the growth rate in public financing for road construction and maintenance was more or less stagnant at USD 250 m - USD 300 m and only increased to USD 500 m between 2008-2009.

There have also been a number of significant reforms in the sub-sector in the recent past. Most notable among these has been the separation of roles and responsibilities with respect to policy formulation, road development and maintenance, regulation and financing. This has resulted in creation of Uganda National Roads Authority (UNRA), responsible for development and maintenance of national roads and Road Fund which serves as a pool for road maintenance funds. Other interventions in the pipeline include the establishment of the autonomous Metropolitan Area Transport Authority (MATA) and a Multi Sectoral Transport Regulatory Authority (MTRA).

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) and 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.

In a bid to address some of the above challenges, government concession operations and maintenance of the functional rail system to Rift Valley Railways (RVR) for 25 years.

Assuming freight movement by truck is 80% of total annual freight movement.
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 surged downwards. The volume of cargo in 2005 was 185.6 mnt-kms rapidly but has since reduced to 128 mnt-kms in 2007.44

357. Despite the above issues, the assets portfolio under URC remains strong. The corporation still has significant chunks of prime land, mechanical workshops, goods and passenger shades as well as container terminals that are of good value. 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.

358. Another critical developments in the rail industry within the African context, is 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; reduce the transit time of enroute goods and passengers. Accordingly Uganda will need to upgrade and standardize its rail system from the current 1,0m gauge to 1.435mm.

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

360. Over the period 1997-2007, total passenger and cargo traffic increased by 102 per cent and 137 per cent respectively.45 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 trend from 2002-2007 at an average of 15.9 per cent per annum. In contrast, domestic traffic had a positive trend from1997 to 2003, before steadily declining at an average annual rate of 12.5 per cent to its lowest level during the ten year period (1997-2007).

361. In terms of air transport infrastructure, Entebbe International Airport is currently the only functional exit point. Other five upcountry airports have been designated as exit points but only Gulu has a paved runway of 3100 metres. There are 60 licensed airfields with 30 currently in use and 19 have regular services.

362. Marine Transport: 18 per cent of Uganda’s surface area consists of lake, river or swamp. 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

44 National Transport Master Plan 2008-2023
45 The total traffic was at 841,000 and cargo traffic 64,400 tonnes
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 of Albert Nile.

363. None of the Uganda URC Wagon ferries are functional following the sinking of MV Kabalega and 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.

364. 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.

365. 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.

6.2.2 Constraints to Sector Performance

i) Inadequate supply and high cost of construction materials which increases the unit cost of construction.

ii) Large capital investment requirements limiting investment in rail, marine and air transport.

iii) Weak legal and regulatory framework, absence and compliance to standards and codes resulting in shoddy work.

iv) Limited financing options such as infrastructure bonds.

v) Weak local private sector players (contractors, transporters, consultants) with inadequate technical and financial capacity which limits participation in 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 e.g. materials engineer, traffic engineers, geo-engineers, surveyors etc.

viii) Inappropriate Institutional set-up that does not separate the roles of policy formulation, planning, implementation and regulation. This limits strategic oversight, checks and balances and concentration on one role at the expense of others.

ix) Inadequate physical planning which leads to land encumbrances, 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 and crowds out local private actors.

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

366. **Objective 1** - Improve the stock and quality of road infrastructure, transport and traffic management

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

**Intervention Description**

i) Increase the percentage level of the paved national roads from 15 per cent (3050km) to 21 per cent (4105km) by 2015.

ii) Reconstruct some specific sections of national roads

iii) Rehabilitate section of the national roads

iv) 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 road standards.

ii) Procure and operationalise additional 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.

ii) Construct and maintain strategic roads leading to major mining areas.

iii) Construct and maintain strategic roads leading to major oil and gas exploitation areas.

iv) Construct and maintain strategic roads leading to major rural and urban 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 road: 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 2.
367. 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**
1. Improve the road infrastructure and increase connectivity.

**Strategy 2:** Modernize the public transport system.

**Intervention Description**
1. Implement the Kampala Rapid Bus Transport System (RBTS).

368. 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 commence the construction of the standard gauge rail.

**Intervention Description**
1. Reconstruct Kampala – Kasese railway line.
3. Procure additional passenger and cargo locomotives.
4. Construct a standard gauge rail system connecting Kampala to Malaba with future connectivity to other parts of the country.
5. Overhaul and revitalize the operations of the national rail system to increase haulage on the existing rail system.

369. 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**
1. Upgrade Entebbe airport to class A standards.
2. Complete the on-going upgrade of Arua airfield and Upgrade Kasese, Soroti, Pakuba and Kidepo airfields to become international airports.
3. Modernize and expand the meteorological services' infrastructure.
4. Revise existing PPP arrangements to allow on top of air Uganda, other players on regional flight routes to and from Entebbe.
5. Enter into joint ventures between government and private actors to increase the domestic flights to various parts of the country.
6. Acquire land and gazette the future airfields.

370. Objective 5 - Increase the volume of passenger and cargo traffic by marine transport
**Strategy 1:** Increase on the navigable routes and improve marine transport infrastructure

**Intervention Description**

i) Conduct hydrographic surveys to map navigable routes on Lake Victoria.

ii) Rehabilitate the two Ugandan wagon ferries and replace MV Kabalega.

iii) Rehabilitate port infrastructure at Port-Bell, Jinja and Butiaba.

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

**Strategy 1:** Strengthen the policy, legal and regulatory framework

**Intervention Description**

i) Formulate and implement a National Transport Policy

ii) Review the procurement process for public works with a view to shortening the period and making the process cheaper.

iii) Expedite the formulation of national PPP policy to allow more private investment in the 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 and acquire land titles for transport projects in future to avoid large amount of compensations.

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.
6.3 ENERGY SECTOR

6.3.1 Situational Analysis

372. Limited access and use of energy significantly slows down economic and social-transformation. The current pattern of national energy exploitation and consumption reflects 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 is woody biomass energy, which is consumed in the form of charcoal and firewood. This exploitation pattern is not sustainable.

373. In term of energy consumption pattern, 70.3 per cent of total energy is accounted for by residential related activities. 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 wood biomass energy. Compared with the pattern in middle income countries among which Uganda aspires to be, these indicators remain far below the average.

374. The above exploitation pattern is not sustainable because it is heavily reliant on non-renewable sources of energy. The major renewable source of energy currently in use is hydropower. Production is both by public and private actors from both large and small hydropower plants.

375. Uganda has an estimated overall electrical power potential of over 5,300MW, comprising of 2200 potential from hydropower, 1650 MW from biomass, 200MW from solar power, 450MW from geothermal and 800MW from peat (MEMD 2007). The current installed power generation potential is 416MW. This includes 300MW from Nalubaale (180MW) and Kiira (120MW). The thermal generation is contributing 100MW from Namanve and Mutundwe thermal plants. 16MW are from Mini-Hydropower plants. However, the current hydropower generation is between 140-180MW despite the installed capacity. Among the major factors behind the shortfall are prolonged drought and low water levels on Lake Victoria. Installed capacity is expected to rise to about 600 megawatts in 2011 with the full commissioning of the 3rd large hydropower plant currently under construction\(^{46}\) and various mini hydropower plants\(^{47}\). To meet the current deficit in hydropower generation, there is an installed capacity of 100 megawatts of thermal power\(^{48}\). Besides the shortfall in power generation, the sector is also faced with system losses of about 40 per cent. These are technical and commercial\(^{49}\) in nature with

\(^{46}\) 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).

\(^{47}\) Mini plants include isingiro-9MW, Bugoye, 10MW, Buseruka (10MW), Waki 5.5 MW, Ishasha 5.5 MW, and Nyamabuye and Nego at 3 and 10MW respectively.

\(^{48}\) Three thermal power stations each producing 50MW are located at Kiira, Mutundwe and Namanve.

\(^{49}\) Define commercial loss needed.
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.

376. Accordingly, Government is undertaking a number of energy saving measures. These include energy audits to establish areas of improvements in energy use\textsuperscript{50}. The measure is expected to reduce energy demand by 20MW.

377. 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. The commercial consumers decreased from 23,231 in 2004 to 20,484 in 2008. The industrial consumers decreased from 733 in 2004 to 159 in 2008.

378. With regard to hydropower consumption, the pattern 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. Access to hydropower 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 high power tariffs despite a government subsidy of Ushs 92 billion per year. In addition to local consumption, Uganda also exports grid power as a source of foreign exchange earnings with 10.1 MW and 6 MW destined for Tanzania and Kenya respectively.

\textbf{6.3.2 Constraints to Energy Sector Performance}

i) Low lake water levels, arising from failure to manage 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 enforcement, short sighted and uncoordinated institutional planning, and limited human resource capacity in energy sector.

v) Weak private sector which is playing an increasing role in the energy sector.

vi) High investment capital and limited financing options for energy projects.

vii) Poor regulation of public-private partnerships.

viii) Lack of implementation of national land use policy that has led haphazard land utilisation including rapid destruction of tree cover.

ix) High power losses (commercial and technical losses) that restricts the sector performance.

x) High tariffs that restrict the use of power for heating and other purposes.

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\textsuperscript{50} A number of public institutions which include 21 referral hospitals, 120 schools and colleges, 10 industries, 20 public buildings, police barracks, 6 universities and NWSC facilities have been audited.
xi) Limited power generation, transmission and distribution network which limits access to power.

6.3.3 Objectives, Strategies and Interventions

379. **Objective 1** - Increase power generation capacity to reach 780-820 MW from the current 280-330 MW. The projected demand is expected to reach 1520 MW by 2015

*Strategy 1:* Increase power generation capacity from 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. More so, during the plan period, Construction of Karuma, Isimba and Ayago hydropower plant will also be done. This will increase generation capacity to 500-700 MW, 100 MW, and 550-650 MW respectively.

*Strategy 2:* Develop small hydro power resources

**Intervention Description**

i) Construct Muzizi, Yeriya/Makoma and Kakaka mini hydro power projects. This will increase generation capacity by 38 MW.

380. **Objective 2** - Increase rural electrification from 6 per cent to 10 per cent

*Strategy 1:* Increase rural electricity access from 6 per cent to 10 per cent

**Intervention Description**

i) Extend the grid to District Headquarters; maximize connection of major economic centres and social service facilities and Implement community schemes. During the plan period, subsidy will be given to Independent Power Producers operating the mini grids.

381. **Objective 3** - Promote Energy Efficiency

*Strategy 1:* Increase efficiency in the delivery of power by reducing power losses from 40 per cent to 16 per cent.

**Intervention Description**

i) Reduce commercial power losses through measures including prepaid meters, increased monitoring among others. This is expected to reduce technical power losses mainly through revamping the transmission system.

ii) Acquire the necessary information and data to attract and facilitate private sector participation and capital inflow. To this end, a review of policy, legal and institutional framework to attract more private investment into the power sector will be carried out. This will among others, improve
coordination of institutional planning to incorporate key sectors affected and those that contribute to the energy sector.

382. **Objective 4 - Disseminate, Regulate and Monitor Energy Policies/Plans**

*Strategy 1: Develop new policies*

**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). During the plan period, attention will also be given to the formulation of National PPP policy to allow more private investment in the energy sector.

383. **Objective 5 - Promote Renewable Energy**

*Strategy 2: Promote and facilitate the use of Renewable Energy Technologies (Biomass, solar, gasification technologies, stoves) at household and institution level.*

**Intervention Description**

i) Develop Institutional framework for gasification technology. This will involve installation of Demonstration Gasifiers in forest management areas and Provision of subsidies for Solar PV systems.

384. **Objective 6 - Promote and regulate peaceful application of atomic energy.**

*Strategy 3: Carry out specialized training of human resource in nuclear energy.*

**Intervention Description**

i) Train technical officers especially in power generation from nuclear energy. This will however require authorization of atomic energy practices with proper monitoring. Once officers are trained, a new structure will be put in place. All other established posts will also be filled and offices equipped as well.
6.4 WATER FOR PRODUCTION

6.4.1 Situational Analysis

385. 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 provide to stimulate production activity, 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.

386. 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 this steady supply of water in the case of crop, livestock and fish farming (or rearing) respectively. 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.

387. Crop irrigation: currently there are a number of public, private and public-private owned irrigation schemes covering a total of 14,418ha. This represents 3.6 per cent of national total Irrigation potential of 400,000ha. The current output per year has decreased in the past eight years mainly due to deterioration of the infrastructure.

388. Livestock farming: With 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 that has led to cattle rustling. A total of 7 no. Dams have been constructed in this region over the period 1997 – 2009 namely Kailong dam in Kotido, Kawomeri dam and Kulodwong dam in Abim, Kobebe dam and Arechet dam in Moroto, Longoromit dam in Kaabong. Others include Kakinga dam in Sembabule Mabira in Mbarara, Kigabaga in Kiruhura, leye in Apac, Kodhukul dam in Kumi.

389. In addition, a number of valley tanks have been constructed in various areas within districts. These are annexed with status. These dams and tanks are used to provide water to about 1,000,000 no of livestock. This is approximately 68 per cent of the total number of livestock in the cattle corridor and 28 per cent in non cattle corridor.

390. Fish rearing: Government has provided minimal infrastructural support for fish farming which is still in infancy stages.

391. Industrial processing and wildlife conservation: It is worth noting that 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 Water for Production Performance

i) Majority of farmers can not afford operation and maintenance costs for irrigation
ii) Limited implementation of zoning, specialisation and large scale commercial production
iii) Limited Investment Financing from both private and public sectors
iv) Lack of collaborative and coordination mechanisms in planning, infrastructural development and financing between public and private sector institutions.

6.4.3 Objectives, Strategies and Interventions

392. **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 infrastructure for the irrigation schemes.

**Strategy 2:** Promote micro-level irrigation

**Intervention Description**

i) Establish model micro-level irrigation schemes at Sub-county level. For the plan period, government will establish a total of one hundred model irrigation schemes mainly focusing on crop farming.

ii) Promote small holder investment in micro-level irrigation schemes. This will require facilitation of farmers to access micro-finance for small holder investment in micro-level irrigation schemes.

**Strategy 3:** Promote appropriate technology for household level irrigation.

**Intervention Description**

i) Promote R & D and support application of appropriate technology on pilot basis. Funding for R&D and piloting of appropriate technology will be provided.

ii) Dissemination of appropriate technologies by use of a designed dissemination strategy and effective Community mobilization.

**Strategy 4:** Build capacity of the private sector players to construct and maintain 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) Promote PPP in the construction of irrigation schemes by designing and operationalizing a PPP framework for construction of irrigation schemes.

**Strategy 5:** Rehabilitate existing irrigation schemes.

**Intervention Description**

i) Rehabilitate and maintain the functionality of 5 existing irrigation schemes of Kibimba, Doho, Mubuku, Olweny and Agoro.

393. **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

**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.

iii) Appropriately equip a total of 150 valley dams and tanks to facilitate easy livestock watering.

iv) Build capacity through training of at least 150 private sector players to construct and maintain valley dams and tanks.

v) Develop and implement management Systems for water for Production equipment.

394. **Objective 3** - To strengthen management of Water Catchments areas around Water for production facilities

**Strategy 1:** Manage water resource at catchment areas

**Intervention Description**

i) Gazette water catchment areas

ii) Enforce water catchment areas laws and regulations

iii) Plant appropriate tree species 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.

395. **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 principal of regional balance.

396. **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.
6.5 LAND MANAGEMENT AND ADMINISTRATION

6.5.1 Situational Analysis

397. Uganda covers a total surface area of approximately 241,038 square kilometers of which 818.2 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 evenly distributed 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. Land ownership comprises four different forms of tenure, namely; customary tenure, freehold, leasehold and mailo.

398. 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 the 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 institutions by the colonial masters before independence in 1962. Leasehold has, since Independence, 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. Mailo land is today treated more or less as freehold land tenure. The land Act allows a system of multiple land tenure. (See Table 6.1 below)

Table 6.1: Distribution of Land Tenure Systems, 2002/03 (Percentage)

<table>
<thead>
<tr>
<th>System of Tenure</th>
<th>Uganda</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Western</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered freehold mailo</td>
<td>7.8</td>
<td>8.9</td>
<td>7.8</td>
<td>1.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Unregistered freehold mailo</td>
<td>35.7</td>
<td>78.3</td>
<td>11.9</td>
<td>6.6</td>
<td>33.6</td>
</tr>
<tr>
<td>Leasehold</td>
<td>15.9</td>
<td>12.3</td>
<td>26.4</td>
<td>15.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Customary</td>
<td>40.6</td>
<td>0.4</td>
<td>53.7</td>
<td>76.1</td>
<td>46.6</td>
</tr>
</tbody>
</table>

Source: Calculations from the 2002/03 UNHS Community survey

399. These various systems of land ownership complicate access to land especially for those that may want to use it as a factor of production. The majorities of land owners, in rural areas, have focused more on land as their fundamental source of livelihood; and have not thought of any other alternative sources to enhance their well being. They have continued to practice primitive and peasantry methods of production utilizing very small proportions of their land holdings. Land ownership is part of their cultural tradition and do not seem to care about how much returns it generates to them other than being a source of food supply.

400. These problems are further compounded by the fact that 95 per cent of land owners do not have land titles to guarantee their security of tenure and to access loan able funds. The problem of accessing land titles is aggravated by many factors: bureaucracy, manual operations, corruption, low level of funding to the sector, legal and regulatory constraints, religious organizations, educational institutions and other big corporate bodies.
attitude, culture, squatters, historical issues, shortage of relevant skills such as land surveying and many other related problems.

401. In Uganda, the gender structure of land rights varies across the country. About 30 per cent males and 70 per cent females are employed in agriculture. However, in terms of ownership, 86 per cent of the registered land is owned by men and a corresponding 16 per cent owned by women. Women suffer discrimination in matters relating to land ownership arising mainly out of cultural norms. Women’s land rights tend to be limited to access, while men are more inclined to enjoy ownership rights. World Bank recommended that Uganda would gain as much as 2 per cent of GDP growth per year if females had access to and control of productive assets and resources.\(^\text{52}\)

402. The supply of land is fixed but Uganda’s population continues to grow at an astronomical rate of 3.2 per cent per annum. The current population estimated at 30.7 million in 2009 is expected to double in about 22 years (UBOS, 2002) thus aggravating land distribution problems. Table 6.2 shows how the population density has been increasing between different populations’ censuses. Important to note is the high rate of growth in the population density between different decades.

Table 6.2: Uganda’s Population Density

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population (Millions)</td>
<td>5.0</td>
<td>6.5</td>
<td>9.5</td>
<td>12.6</td>
<td>16.7</td>
<td>24.2</td>
</tr>
<tr>
<td>Population Density (km²)</td>
<td>25</td>
<td>33</td>
<td>48</td>
<td>64</td>
<td>85</td>
<td>124</td>
</tr>
</tbody>
</table>

Source: UBOS Database 2004

403. 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 and many other problems.

404. The number of districts has 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, increased border disputes and consequently the demand for survey works. The trends in the outcomes of the Lands Administration and Management sector are summarized in Table 6.3.

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\(^{52}\) World Bank ( 2002 May ) gender and Growth Assessment for Uganda – A gender Perspective on legal and Administrative Barriers to Investment
Table 6.3: Trends in Outcomes in the Lands Administration and Management Sub-Sector

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% of International Boundaries Demarcated</td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>70</td>
</tr>
<tr>
<td>Certificates of Land Titles Issued</td>
<td>Mailo (15,544)</td>
<td>Mailo (16,000)</td>
<td>Mailo (7500)</td>
<td>Mailo (12000)</td>
<td>Mailo (50000)</td>
</tr>
<tr>
<td></td>
<td>Leasehold (4,804)</td>
<td>Leasehold (3,000)</td>
<td>Leasehold (4500)</td>
<td>Leasehold (5000)</td>
<td>Leasehold (60000)</td>
</tr>
<tr>
<td></td>
<td>Freehold (565)</td>
<td>Freehold (1,800)</td>
<td>Freehold (3000)</td>
<td>Freehold (8000)</td>
<td>Freehold (150000)</td>
</tr>
<tr>
<td>Rehabilitation and Computerization of Land Registry</td>
<td>Mailo (83,174)</td>
<td>Mailo (124,382)</td>
<td>Mailo (139,459)</td>
<td>Mailo (185,000)</td>
<td>Mailo (250,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Leasehold (80,000)</td>
<td>Leasehold (200,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Freehold (80,000)</td>
<td>Freehold (80,000)</td>
</tr>
<tr>
<td>LIS Coverage of Districts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Digital Mapping Data Bases Produced</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>15</td>
<td>35</td>
</tr>
<tr>
<td>District Thematic Maps Produced</td>
<td>27</td>
<td>54</td>
<td>64</td>
<td>70</td>
<td>82</td>
</tr>
<tr>
<td>No. of Plots Adjudicated, Demarcated and Surveyed Systematically</td>
<td>2450</td>
<td>785</td>
<td>657</td>
<td>750</td>
<td>400,000</td>
</tr>
<tr>
<td>Cadastral Surveys Approved</td>
<td>3300</td>
<td>2000</td>
<td>2500</td>
<td>3500</td>
<td>10,000</td>
</tr>
<tr>
<td>Deed Plans for Titling Produced</td>
<td>1620</td>
<td>7200</td>
<td>4200</td>
<td>8000</td>
<td>260,000</td>
</tr>
<tr>
<td>Districts Rendered Technical Support</td>
<td>5</td>
<td>12</td>
<td>10</td>
<td>25</td>
<td>80</td>
</tr>
<tr>
<td>Training and Technical Capacity Undertaken</td>
<td>45</td>
<td>60</td>
<td>62</td>
<td>120</td>
<td>350</td>
</tr>
<tr>
<td>% Completion of Rehabilitation of Geodetic Network</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Number of Area Land Committees Trained</td>
<td>15</td>
<td>30</td>
<td>16</td>
<td>30</td>
<td>80</td>
</tr>
<tr>
<td>Number of District Land Boards Provided Technical Support</td>
<td>18</td>
<td>25</td>
<td>37</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>Number of Land Related Laws Reviewed and Submitted to Cabinet</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Ministry of Lands, Housing and Urban Development

6.5.2 Constraints to Land Management

i) The absence of a National Land Policy that would guide in reviewing existing laws on land administration and management. For instance, although the 1995 Constitution and the 1998 Land Act provide for basic tenets of land policy, several provisions are obsolete and do not conform to sections of other laws that have been enacted in the recent past.
ii) Inadequate supply of skilled and experienced professionals in the sector. This includes professions such as 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 for lack of standards and a central line of command and control at the national level. Poor enforcement of land use regulations remains a challenge partly because of unnecessary interference.

iv) Obsolete equipment for survey works, mapping, physical planning and land registration and information management.

v) The low level of awareness on land issues, including land rights and / or obligations and 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. Today there are over 100 urban centres with no specific maps to guide their planning.

vii) Bureaucratic procedures in accessing land titles, a process that breeds corruption, delays and high transaction costs.

viii) The existing land law vests land ownership in the hands of 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

405. **Objective 1** - Create an inclusive and pro-poor policy and legal framework for the land sector

**Strategy 1:** Completing National Land Policy formulation process

**Intervention Description**

i) Final Feedback Consultations, National Land Conference and Final Drafting of the National Land Policy will be done involving a range of stakeholders including Special Interest Groups. The documented Consultation Reports and National Land Conference report will be a basis for consensus building so as to facilitate adoption and approval of the final draft Policy by Cabinet.

ii) Develop and implement the National Land Policy. Dissemination of the policy will involve public awareness through media, talk shows, Posters,
booklets, flyers, abridged NLP and related printed materials for dissemination of the NLP

**Strategy 2:** Review of relevant pieces of legislation

**Intervention Description**

i) Review of existing laws, drafting of new laws, drafting of regulations and guidelines; these will be done through various consultative processes with stakeholders. Specifically, there will be new laws on LIS, Government Land and Estate Agency. It is also expected that during this plan period, the contentious land amendment bill will be enacted.

**Strategy 3:** Formulating and Implementing a National Resettlement Policy

**Intervention Description**

i) Develop Issues Paper on the National Resettlement Policy (NRP) through Stakeholder Consultation. This is expected to inform Drafting of the National Resettlement Policy (NRP); which will entirely be done through Stakeholder Consultations. The policy will lay down the eligibility criteria for resettlement and guidelines for resettlement.

**Strategy 4:** Formulating and Implementation of the Government Land Management Policy

**Intervention Description**

i) Development of an Issues Paper and Drafting of the 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. This policy once formulated, will greatly enhance governance and collection of land taxes.

**Strategy 5:** A redistributive land reform program - an improved Land Fund program

**Intervention Description**

i) Development of a redistributive land reform program for comprehensive operationalization of the land fund. The land fund is presented largely as an intervention to address historical injustices. A redistributive land program which is an improved land fund program will specifically focus on poverty eradication.

406. **Objective 2** - Establish and maintain transparent, accountable and easily accessible institutions and systems for decentralized delivery of land services

**Strategy 1:** Strengthening 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. This will create sound coordination mechanism for land administration and management at Central, District and Lower Government levels

**Strategy 2: Strengthening Land Dispute Resolution Institutions**

**Intervention Description**

i) Develop and implement a strategy for alternative land dispute resolution

ii) Put in place a transparent, just and easily accessible legal, institutional and financial framework for alternative land dispute resolution.

**Strategy 3: Resolving Land Conflicts in Northern Uganda and other parts of the country**

**Intervention Description**

i) Develop and implement a conflict resolution programme for land dispute resolution in Northern Uganda

**Strategy 4: Strengthen Land Sensitization secretariat at central Government level**

**Intervention Description**

i) Put in place a sound coordination mechanism for provision of public information on land rights. This will be done in all the institutions responsible for land management and administration both at central and local Government level.

**Strategy 5: Surveying of both International and District Boundaries**

**Intervention Description**

i) Initiate and conduct Joint Technical and Boundary Commission dialogue for international boundaries and technical/administrative forum for District Boundaries which will be achieved through Joint Technical and Boundary Commission Reports for international boundaries Joint technical/administrative Reports for District Boundaries

**Strategy 6: Systematic Adjudication, Demarcation, Survey and Certification/Registration of land**

**Intervention Description**

i) Carry out a comprehensive assessment of the pilot Systematic Demarcation programme and develop a strategy for rolling out the program. In this regard, assessment report of the pilot Systematic Demarcation programme and a Strategy for Rolling out the Systematic Demarcation programme will be produced.
407. **Objective 3** - Increase the stock and quality of human resources for the sector for effective delivery of land services in the country

*Strategy 1:* Training technical staff of various institutions responsible for delivery of land services

**Intervention Description**

i) Review and implement the Training and Capacity Building Program for various central and Local Government level institutions responsible for delivery of land services.

*Strategy 2:* Strengthening Technical Services at District level

**Intervention Description**

i) Review and implement the Training and Capacity Building Program for decentralized delivery of land services. In particular, focus will be on District Land Boards, District Land Offices, Area Land Committees and Recorders. Where staff are lacking, recruitment will be done to ensure that each and every district has at least two professionals to handle land matters.

408. **Objective 4** - Increase the level of awareness on land issues

*Strategy 1:* Create awareness on land issues

**Intervention Description**

i) Review and implement information, education and communication (IEC) strategy to promote awareness on land issues. This is expected to change the negative perceptions and attitudes on land.

409. **Objective 5** - Develop the requisite infrastructure for effective and efficient delivery of land services

*Strategy 1:* Completion of 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-establishment of the Hydrographic Survey Capacity

**Intervention Description**

i) Develop and implement a program for delivery of Hydrographic Surveys. The focus will be on rehabilitation and reorganization of the geodetic and survey data. This will involve putting up purpose built facilities with
functional designs to meet the requirements of modern survey and mapping survey delivery systems.

**Strategy 3:** Putting up of 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.

410. **Objective 6** - Increase availability, accessibility, affordability, and use of land information for planning and implementing development programmes

**Strategy 1:** Improve Land Information and Data

**Intervention Description**

i) Review and implement the Digital Mapping Programme. This will require design and implementation of a strategy for upgrading and modernizing Mapping capacity to support national development. Key on this strategy will be updating of base maps and the National Atlas which is critical for all forms of planning but most importantly physical planning which the country is desirous to aggressively undertake during the plan period.

**Strategy 2:** Establish and operationalise the Land Information Management System (LIS)

**Intervention Description**

i) Roll out and establish a transparent, decentralized, efficient and affordable GIS based National Land Information System. The results of this will be poverty reduction through improved security of tenure. The system will enable capture, management and analysis of geographically referenced land related data in order to produce information for decision making in land administration and management. 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

411. Uganda has 112 gazetted towns\(^{53}\) of which 93 per cent have up-to-date structure plans (see Table 6.4). However, a big number of these towns have not translated the bulk of their Structure Plans into implementable detailed plans. In addition, Uganda lacks a coherent rural land use plan. The country therefore, continues to experience haphazard developments in all urban and rural areas.

- Planning of the first batch of forty out of one hundred forty three Town Boards has commenced.

<table>
<thead>
<tr>
<th>Table 6.4: Status of Physical Planning of Uganda’s Towns</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>No. of gazetted towns</td>
</tr>
<tr>
<td>No with up-to-date structure plans</td>
</tr>
<tr>
<td>No Requiring Updating of existing Plan</td>
</tr>
<tr>
<td>No without any comprehensive structure plan</td>
</tr>
<tr>
<td>% of towns with up-to-date structure plans</td>
</tr>
</tbody>
</table>

Source: Ministry of Lands, Housing & Urban Development

- The process of reviewing the Kampala Structure Plan (1994) and preparing the Greater Kampala Metropolitan Area Physical development Plan is 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/urban physical planner except Kampala City Council. None of the Local Governments has adequate facilities and budget to oversee, monitor and evaluate the implementation of the available plans hence the uncontrolled developments seen in most parts of the country.

- Many fragile ecosystems have been and continue to be tampered with, all 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 others, are daily being developed outside of the management principles of such fragile areas.

- The National Land Use Policy was launched in 2008. The overall purpose of this policy is to achieve sustainable land utilisation in the country, including settlement, conservation, agriculture, and other economic activities. Policy dissemination and implementation however, have not been undertaken and as such the country continues to experience unplanned and uncontrolled land use development.

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53 These include all towns, cities and municipalities except town boards
The Physical Planning Bill has been laid before Parliament. Once passed, it will address issues of obsolescence of the current law and will put all spatial developments into the required state of orderliness.

6.6.2 Constraints to Physical Planning

i) Obsolete 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. The land tenure systems embedded in the law is another area of contention as far as physical planning in the country is concerned. The question of land availability under the present land tenure system leaves a lot to be desired. All these have not only made it difficult to enforce development control but also led to a number of physical development plans remaining either on drawing boards or in shelves.

ii) Inadequate coordination between the various institutions and offices that are involved in Physical Planning. This problem is eminent especially between Urban Local Governments and District Local Governments, and the Ministry responsible for physical planning and Local Government respectively. A clear manifestation of this scenario, is the fact that the Town and Country Planning Board which is the supreme body governing activities of physical planning in this country continues to face hurdles with some Local Governments which by law are planning committees/agents of the Board. The latter in most cases are not willing to implement decisions of the Board on ground that they are equally independent and therefore should not be directed by another institution on matters concerning physical planning.

iii) Inadequate financial resources: formulation of physical development plans require substantial amount of resources. Plan implementation too, involves huge sums of money in compensating land owners of areas designated for public facilities such as roads, public open spaces, public health facilities to mention but a few.

iv) Inadequate human resources: to formulate and implement physical development plans, transform and disseminate physical planning techniques to all local governments from analogue to digital technology requires trained personnel.

v) Negative attitude and perceptions: There is inadequate goodwill on the part of most Local Governments to ensure well planned developments. Many local political leaders seem not to appreciate the need for physical planning and therefore, the required prioritization in terms of funding and implementation.

vi) Lack of up-to-date planning information, including topographic maps, cadastre information and land tenure maps.

vii) Outdated planning Standards: these include the absence of planning guidelines and regulations.
6.6.3 Objectives, Strategies and Interventions

412. 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, education, health & other institutions, etc)

Strategy 1: Implement the new physical planning law

Intervention Description
i) Develop and disseminate comprehensive physical planning regulations
ii) Formulate and disseminate comprehensive physical planning guidelines and standards.
iii) Carry out regular supervision, monitoring and inspection of local governments and urban council planning & plan implementation operations to ensure compliance.
iv) Publish a biannual state of physical planning report. This will be facilitated by establishment and dissemination of a comprehensive state of physical planning reporting mechanism.

413. Objective 2 - Put in place a national spatial development backbone to support orderly and sustainable urbanization, industrialization, services and infrastructural development.

Strategy 2: Formulate and implement national and regional physical development plans

Intervention Description
i) Develop a draft national physical development plan. This will be done by use of consultancy services.
ii) Develop draft regional physical development plans. These plans will also be formulated by use of consultancy services.
iii) Hold public consultations on the draft national and regional physical development Plans to develop final national and regional physical development plans.
iv) Implement the national and regional physical development plans. To ensure effective adherence to the plans, dissemination, sensitization and monitoring will form part of the routine activities.
v) Support local governments physical planning and plan implementation through provision of resources. Conditional grants for Physical Planning will be disbursed to all district urban local governments and guidelines for grant disbursement & utilisation will be developed.

414. Objective 4 - Improve capacity and efficiency for physical planning at all levels

Strategy 1: Establish a land use (Physical Planning) data base & computerize physical planning operations at all levels.

Intervention Description
i) Raise the profile of physical planning at the local government level by establishing an appropriate institutional structure. In this regard, an average of three officers per district and urban local government will be recruited and trained.

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 at the directorate of Physical Planning to adequately back up land use data depository 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. An active collaboration mechanism with security and law and order agencies on spatial data will be established.

415. **Objective 5** - Facilitate gender balanced public participation and disability responsive physical planning to increase the appreciation of physical planning among the population

**Strategy 1:** 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. It is expected that a new physical planning process will be ready by end of 2011

iii) Select and plan five model towns country wide using the newly developed participatory planning process. Physical plans for the selected model towns will be expected to be completed by end of 2012

iv) Measure and document economic benefits from planned developments in the five towns & else where. A monitoring report will be published by end of 2014.

416. **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 and constitute a physical planning taskforce to prepare and launch by end of 2011.
ii) Develop and implement physical development plans for the Greater Kampala Metropolitan Area (GKMA) and establish a planning and development management framework to oversee planning and physical plan implementation within the metropolitan area. It is expected that the GKMA physical plan will be launched by end 2013.

iii) Develop and implement physical development plans for highly mineralized areas and establish a physical planning taskforce to implement the plans. During the plan period, physical development plans for two areas will be prepared and launched by end of 2014.

iv) Prepare and implement model land use plans for northern Uganda, (preferably at sub county level) and establish a physical planning taskforce that region to ensure that the plans are ready for implementation by end of 2013.

6.7 URBAN DEVELOPMENT

6.7.1 Situational Analysis

417. In Urbanization, 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 (Long 1998). There is substantial evidence that urban agglomeration improves productivity and promotes economic growth.

418. Urban areas are usually more dynamic and represent growing centers of industry, financial services, trade, education and other services. Urban people enjoy better incomes, a higher life expectancy and tend to maintain smaller families (Brookfield and Byron 1993, Bilsborrow 1998). As they grow, urban areas become centers 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 the formation of ghettos.

419. Table 6.5 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. Neighbouring Kenya and Tanzania are 20 per cent and 22 per cent urbanized respectively. The plan will support efforts intended to raise the level of urbanization in Uganda by supporting the creation of new Urban Centres and enhancing the status of the existing ones.

54 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 6.5: Trends in Urban Population in Uganda 1980 – 2002

<table>
<thead>
<tr>
<th>Census Year</th>
<th>Urban Population (Millions)</th>
<th>Total Population (Millions)</th>
<th>per cent of Population in Urban Areas</th>
<th>Urban Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0.84</td>
<td>12.6</td>
<td>6.7</td>
<td>-</td>
</tr>
<tr>
<td>1991</td>
<td>1.65</td>
<td>16.7</td>
<td>9.9</td>
<td>6.1</td>
</tr>
<tr>
<td>2002</td>
<td>3.00</td>
<td>24.2</td>
<td>12.3</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Source: The 2002 Population and Housing Census, UBOS

420. 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 center, followed by Gulu municipality with a population of only 0.1 million (UBOS 2002).

421. The emerging rapid increase in the urban population not matched with growth and development in basic physical infrastructure, housing, social amenities, management and skills has led to overcrowding, traffic congestion, growth of slums and informal settlements, dilapidated housing and poor sanitation.

422. Most urban dwellers do not have any stable source of income. The biggest numbers of people only survive in slums leading vulnerable lives. Urban income-poverty headcount just like in rural areas fell from 28 per cent in 1992/93 to 10 per cent in 1999/2000, then rose to 12 per cent in 2002/03 and again to 14 per cent in 2005/06 as shown in Table 6.6

Table 6.6: Poverty and Inequality by Spatial Subgroup, 1992 to 2003

<table>
<thead>
<tr>
<th>Level</th>
<th>Poverty Headcount</th>
<th>Gini Index of Inequality</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>55.7 45 33.8 37.7 31.1</td>
<td>0.36 0.35 0.4 0.43 0.408</td>
</tr>
<tr>
<td>Rural</td>
<td>59.7 49.2 37.4 41.7 34.2</td>
<td>0.33 0.31 0.33 0.36 0.363</td>
</tr>
<tr>
<td>Urban</td>
<td>27.8 16.7 9.6 12.2 13.7</td>
<td>0.4 0.35 0.43 0.48 0.432</td>
</tr>
</tbody>
</table>


423. Although poverty in Uganda remains predominantly a rural phenomenon, urban centers are not exceptions. In 2005/06, rural poverty again declined to 34 per cent, then went up in urban areas (14 per cent), indicating that the improvements in income poverty were rural driven.

424. The quality of the urban environment is being degraded due to proliferation of informal settlements and slums; poor housing construction, increasing number of vehicles, industrial emissions/ effluent, deforestation and uncontrolled soil erosion, among others.

### 6.7.2 Constraints to Urban Development

i) **Absence of a comprehensive National Urban Policy.** Uganda does not have a national urban policy to guide the urbanization process, ensure orderly development and enhance urban management. Consequently, urbanization is taking place organically.
ii) **Obsolete laws:** The Town and Country Planning Act of 1964 which is the principle legislation governing physical planning for orderly urban development is obsolete. There are also other provisions within other laws that require revision.

iii) **Weak Institution.** The absence of detailed physical development plans for most of the urban centres.

iv) **Inadequate funds and equipment** needed to effectively address the challenges of urban development and management.

v) **Inadequate human capacity** (at both national and local level) in terms of the professionals and skilled personnel.

vi) **Multiple Land Tenure Systems** and Rights that constrain the preparation and implementation of agreed physical plans.

### 6.7.3 Objectives, Strategies and Interventions

425. **Objective 1** - To create an inclusive policy and regulatory Framework for the urban sector

**Strategy 1:** Put in place, review and harmonize national urban development policy framework, standards and regulations

**Intervention Description**

i) Formulate and implement the National Urban Policy to guide urban planning and development.

ii) Develop and implement a strategic Urban Development Plan

iii) Review and revise urban development legislation, and regulations to make them more appropriate for urban development.

iv) Put in place appropriate urban development standards and guidelines. In this regard, the standards and guidelines will be reviewed and developed to make them appropriate in guiding orderly urban development.

v) Put in place an appropriate urban pollution & solid waste management policy, law & regulations. The existing policies, laws and regulations will be reviewed, implemented and enforced during the plan period.

426. **Objective 2** - To ensure planned, well managed, better quality, efficient, progressive and sustainable urban centres in Uganda

**Strategy 1:** Strengthen urban management institutions and human resource capacity.

**Intervention Description**

i) Recruit, train and retrain urban development technical personnel at the National level and Local government level.

ii) Strengthen urban management institutions, including equipping them with modern office facilities.

iii) Establish a national Urban Research Institute

iv) Develop and implement E-governance to facilitate efficient and effective urban development and management.
v) Strengthen the urban monitoring system using national urban indicators by creating and maintaining urban indicators database for all urban centres in Uganda. In addition, a report on the annual state of the urban sector and urban indicators Database will be produced and disseminated to key stakeholders.

**Strategy 2:** Launch a national urban campaign to increase public awareness on urban development and management in Uganda

**Intervention Description**

i) Develop and implement public awareness programmes on sustainable urban development and management. A variety of tools will be employed including publicity materials on urban development and management, radio programmes, developed and disseminated to the public.

ii) Develop and implement annual national campaign programmes to create public awareness on quality and sustainable urban development and management.

427. **Objective 3** - To improve the urban environment and urban heritage

**Strategy 1:** Put in place urban beautification and landscaping plans

**Intervention Description**

i) Develop and implement urban beautification and landscape plans for the different urban centres.

ii) Enhance Disaster Planning & Management in urban areas through development and implementation of urban disaster management plans.

iii) Promote urban greening by development and implementation of tree planting plans.

iv) Develop, restore and preserve urban heritage. This will be facilitated through gazetting urban heritage sites.

428. **Objective 4** - To develop and strengthen a competitive urban economy.

**Strategy 1:** Put in place urban redevelopment, renewal, revitalization strategy

**Intervention Description**

i) Develop and implement urban redevelopment, Renewal, Revitalization Strategy

ii) Establish, develop and gazette 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 PPP

**Strategy 2:** Develop business associations and put in place an urban Local Economic Development (LED) Programme
Intervention Description
i) Develop business associations/cooperatives /SACCOs
ii) Formulate and implement an urban local economic development programme in all Local governments.

429. **Objective 5** - To develop an efficient integrated urban infrastructure to support physical urban development

**Strategy 1:** Develop and implement the Strategic urban infrastructure investment plan

Intervention Description
i) Develop a strategic urban infrastructure investment plan. This will be implemented through establishment of an urban development fund to provide grants for urban infrastructure development and maintenance.
ii) Formulate and implement a national integrated urban transport policy.
iii) Develop and implement an urban transport master plan
iv) Develop and implement an urban drainage management strategy
v) Increase street coverage of lighting in urban areas by installation of street lights in urban areas.

**Strategy 2:** Increase sewer coverage and sewerage treatment capacity in urban areas

Intervention Description
i) Construct sewerage treatment plants and expand the sewer network coverage in urban areas

430. **Objective 6** - To transform slums and informal settlements

**Strategy 1:** Develop a strategy for transformation of slums and informal settlements

Intervention Description
i) Develop and implement a programme for transformation of settlements for the urban poor, transform slums and informal settlements.
ii) Implement mixed development programmes to transform slums through PPP

431. **Objective 7** - To increase availability and access of 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.
ii) Launch and ensure implementation of site and service schemes in urban areas

6.8 TRADE DEVELOPMENT

6.8.1 Situational Analysis

432. Trade development is concerned with the creation and diversification of markets, development and stability of productive capacities, harmonization of the tariff regime, reduction of trade barriers, and diversification of exports and expansion of 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.

433. Uganda’s trade sector is characterized by growth in both exports and imports, with the latter growing faster than the former. However, exports have managed to grow by 2.5 per cent, 3.5 per cent, 14.2 per cent, 22.4 per cent, 24.1 per cent and 18.4 per cent in 2001, 2002, 2003, 2004, 2005 and 2006 respectively. In 2008/09, Uganda’s merchandise exports peaked at US $2.8 billion, having increased from US $2.6 billion in the 2007/08 financial year, and a meager US $372 million in 1986, an increment of 653 per cent over the period (UBOS, 2008).

434. Overall imports have been increasing faster than exports resulting into a wider trade balance (Figure 6.1). Figure 6.1 also reveals that the economy has been experiencing a growing balance of trade deficit since 2001. The imports by region of origin are shown in Figure 6.2.

Figure 6.1: Value of Exports, Imports and Trade Balance (1997-2007)

The Government has since 1986 undertaken deliberate economic reform programs, including trade liberalization and diversification of exports. The result of these measures has been expansion in exports and a widening of the export base, with non-traditional export products (exports other than coffee, tea, cotton and tobacco) playing a more prominent role in terms of export earnings. For example, 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 (Refer to Table 6.7). This implies that Uganda’s economy is largely shielded from the effects of volatility in international prices of coffee and cotton that has lately been experienced, and any regional adverse global economic situations. This is because the diversity of exports has come with diversity in export destinations.

Table 6.7: Compositions of exports by value (Percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Exports</td>
<td>65.9</td>
<td>71.3</td>
<td>52.6</td>
<td>38.3</td>
<td>39.1</td>
<td>37.3</td>
<td>36.8</td>
<td>32.9</td>
<td>29.9</td>
<td>29.9</td>
</tr>
<tr>
<td>Non-Traditional Exports</td>
<td>34.1</td>
<td>28.7</td>
<td>47.4</td>
<td>61.7</td>
<td>60.9</td>
<td>62.7</td>
<td>63.2</td>
<td>67.1</td>
<td>70.1</td>
<td>70.1</td>
</tr>
</tbody>
</table>

The contribution of the services sector has been increasing, overtaking agriculture as the leading contributor to GDP in 2002 (see Table 6.8).

55 Fish and fish products, flowers, fruits and vegetables, cereals and manufactures
Table 6.8: Contributions to GDP at Factor Cost 1997/98 Prices

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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>50</td>
<td>49</td>
<td>48</td>
<td>47</td>
<td>45</td>
<td>43</td>
<td>41</td>
<td>42</td>
<td>41</td>
<td>41</td>
<td>40</td>
<td>39</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>37</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>39</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>41</td>
<td>42</td>
<td>43</td>
<td>45</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

Source: UBOS Database

437. The growth in the services sector has benefited largely from significant increases in transport and communication, tourism and remittances by Ugandans abroad (Table 6.9).

Table 6.9: Remittances, US$ m, 2000-2007

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ m</td>
<td>238</td>
<td>342</td>
<td>421</td>
<td>306</td>
<td>371</td>
<td>423</td>
<td>814</td>
<td>856</td>
</tr>
</tbody>
</table>

Source: Migration and Remittances Fact Book, WB

438. 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. The comparable figures for South Africa are 0.5 per cent and 0.4 per cent respectively.

439. From 2006, COMESA became the country’s main export destination (Figure 6.3), with the EU drifting into second position. This attests the importance of regional integration, and the important complementary role played by international markets (See Table 6.10 and 6.11)

Figure 6.3: Exports by Region of Destination (US$ Million): 1997-2007

Table 6.10: Percentage Share in Total Exports by Region of Destination

<table>
<thead>
<tr>
<th>Region</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMESA</td>
<td>27.7</td>
<td>26.8</td>
<td>30.7</td>
<td>29.5</td>
<td>37.9</td>
</tr>
<tr>
<td>Other Africa</td>
<td>8.6</td>
<td>5.7</td>
<td>4.8</td>
<td>3.9</td>
<td>6.6</td>
</tr>
<tr>
<td>European Union</td>
<td>26.3</td>
<td>27.3</td>
<td>31.1</td>
<td>27.4</td>
<td>24.3</td>
</tr>
<tr>
<td>Other Europe</td>
<td>14.8</td>
<td>17.1</td>
<td>10.1</td>
<td>5.1</td>
<td>6.8</td>
</tr>
<tr>
<td>North America</td>
<td>2.7</td>
<td>2.9</td>
<td>2.3</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Middle East</td>
<td>3.5</td>
<td>5.6</td>
<td>10.8</td>
<td>20.6</td>
<td>14.3</td>
</tr>
<tr>
<td>Asia</td>
<td>9.3</td>
<td>8.9</td>
<td>7.5</td>
<td>7.8</td>
<td>5.4</td>
</tr>
<tr>
<td>South America</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>0.4</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Unknown</td>
<td>6.6</td>
<td>5.7</td>
<td>2.5</td>
<td>3.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>


Table 6.11: Exports to EAC Member States ('000 US$), 2003-2007

<table>
<thead>
<tr>
<th>Member State</th>
<th>2003</th>
<th>2007</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>10,076</td>
<td>42,719</td>
<td>324</td>
</tr>
<tr>
<td>Kenya</td>
<td>78,432</td>
<td>118,191</td>
<td>51</td>
</tr>
<tr>
<td>Rwanda</td>
<td>20,803</td>
<td>83,309</td>
<td>300</td>
</tr>
<tr>
<td>Tanzania</td>
<td>5,832</td>
<td>46,416</td>
<td>696</td>
</tr>
<tr>
<td>Total Earnings</td>
<td>115,143</td>
<td>292,642</td>
<td>154</td>
</tr>
<tr>
<td>As a % share of total exports</td>
<td>21.6</td>
<td>21.9</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: UBOS (Various) Statistical Abstracts

6.8.2 Constraints to Trade Development

440. The constraints faced by the sector are categorized as endogenous and exogenous:

i) Weak policy, legal and institutional framework and systems: There are two critical policies lacking namely; private-public partnerships (PPP) and micro Small and medium enterprise (MSME) policy. There still exist obsolete laws in this sector. There is need therefore to establish or amend some commercial laws and regulatory frameworks to govern trade. There is absence of trade/market opportunity response strategies such as lack of deliberate efforts to link the productive and trade sectors.

ii) Existence of Non-Tariff Barriers (NTBs) to trade both in the regional and international markets.

iii) High cost and limited access to business finance: First, there is generally a high cost of finance coupled with limited accessibility and a poor borrowing culture. Second, 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. Third, 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. This sector is also crippled with high cost of fuel in the country.

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). The poor state of infrastructure constrains access to product markets which has led to low productivity, high production and distribution costs; and uncompetitive products and services. The road networks are constrained in a few urban areas, with limited feeder roads in regions with resources endowment. This has resulted into agglomeration of industries in urban areas with good road networks thus further creating disparities in regional industrial development. In addition, Uganda has the highest energy tariff at shillings 420 per unit in the East African region.

vi) Inadequate quality infrastructure (metrology, sanitary, and physco-sanitary and quality assurance). The problem further manifests in terms the absence of certain commodity/service standards, non-compliance to established standards and lack of awareness and enforcement.

vii) Inadequate data and information about the sector. Consequently performance is difficult to interpret while planning and policy making become difficult.

6.8.3 Objectives, Strategies and Interventions

Objective 1 - Improve the ‘doing business’ environment through, inter-alia, an efficient, modern, dynamic and business friendly legal and regulatory framework

Strategy 1: Establish and or amendment (as appropriate) the required commercial laws and the regulatory frameworks

Interventions Description
i) Develop and/or amend the required commercial laws and the regulatory frameworks
ii) Formulate and implement the Public Private Partnership (PPP) Policy
iii) Enhance access to business finance and reducing the cost of borrowing

Strategy 2: Promote policy synergies between the production and trade sectors

Intervention Description
i) 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.
ii) Formulate and implement the Micro, Small and Medium Enterprises (MSMEs) Policy
iii) Enhance access to business finance and reduce the cost of borrowing

Objective 2 - Nurture the private sector with a view to improve its competitiveness in the domestic, regional and other international markets. During the plan period, Government will implement the following strategies and interventions:

Strategy 1: Develop and strengthen production of data and information. The target is to have at least 20 regional trade information centres established by 2014. This will be achieved through;
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 all businesses are registered

Strategy 2: Implement measures for human resource development

Intervention Description
i) This will involve equipping the private sector with entrepreneurial development skills (trainer of entrepreneurs trained, entrepreneurs trained and export entrepreneurs trained)
ii) Work with relevant institutions and private sector to integrate into the curriculum business skills development that enhances labour productivity. This will involve establishing the Trade policy, Law and Business in 2 universities, establishing the export Development Centre and enforce regulations

Strategy 3: Increase awareness on available financing options and standards by implementing the following strategies:

Intervention Description
i) Develop appropriate incentives to encourage the private sector to take responsibility for capacity development
ii) Enlighten the business community on the various trade financing options
iii) Awareness creation and sensitization on the standards and quality issues by the private sector to comply
iv) Ensure that goods and services produced, and/or put on the market meet the required standards

443. Objective 3 - Negotiate better market access for Ugandan goods and services

Strategy 1: Develop human capacity to negotiate better market access terms for goods and services. This will be achieved through the following interventions:

Intervention Description
i) Strengthen and increase the capacity of the National Trade Negotiations Team (NTNT) and associated processes such as briefing and de-briefing of stakeholders through the IITC
ii) Conduct studies to inform the negotiation processes
iii) Train the private sector in trade policy and negotiations issues so as to enhance their participation in consultations
iv) Hold regular consultations with the private sector on negotiations issues
v) Recruit and post Trade Officers to key international markets for Uganda
444. **Objective 4** - Increase market access for Uganda’s products and services in international markets. Measures to be pursued will result in having effective products and services brands as follows:

**Strategy 1:** Enhance branding of products and services

**Intervention Description**

i) Develop an effective branding programme for products and services brands  
ii) Strengthen the Non-Tarrif Barriers (NTBs) monitoring and removal mechanism  
iii) Develop and implement market access response strategies  
iv) Formulate and implement coherent National Standards and SPS Policies

**Strategy 2:** Strengthen the related institutions to support trade

**Intervention Description**

i) Strengthen the trade related institutions and 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 (Amended UNBS Act and provide commercial extension services)  
iv) Implement the National Exports Strategy (NES)  
v) Establish Export Processing Zones (EPZs)

445.

446. **Objective 5** - To improve the stock and quality of trade infrastructure

**Strategy 1:** Develop trade infrastructure. This involves opening up the following routes:

**Intervention Description**

i) Strengthen the southern route (Port bell to Dares 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  
v) Construct the Nimule rail line

**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
Objective 6 - 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 measures at the Local Government level
- ii) Coordinate the trade Sector Working Group and the productive Sector Working Groups;
- iii) Harmonize local taxation and licensing policies and practices with national development priorities for efficient flow of domestic trade

Objective 7 - To 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
- 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**

449. Uganda’s financial infrastructure and services sector has been evolving over the years. The sector has historically been dominated by financial institutions, in particular commercial banks. Today 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 concentrated in the four largest banks.

450. The government has also been a key player in the commercial banking sub-sector with majority stake in two leading commercial institutions – the Uganda Commercial Bank and Cooperative bank. 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 of banking sector is vested to the Central Bank (BoU). There has also been a big increase in the number of players.

451. The face of Uganda’s financial sector changed tremendously in the mid 1990s, when new services were introduced notably the capital markets. The leasing and
mortgage sub sector has also become pertinent player in the market. The Capital Market Authority Act established the Capital Market in 1995 to oversee the securities and stock market activities.

452. The financial institutions currently operating in Uganda can be broadly categorized into Banking and Non-Banking institutions. The banking institutions comprise the Central Bank (Bank of Uganda) and Commercial Banks while non-banking institutions comprises of 6 institutions, namely: credit institutions (both deposit taking and non-deposit taking institutions), pension institutions, insurance companies, development banks, foreign exchange bureaus and Savings and credit cooperatives (SACCOs).

453. A number of prudential and institution reforms have been implemented in the financial sector with remarkable success. The privatization of UCB was concluded in 2002 improving efficiency, 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 Microfinance Deposit-Taking Institutions Act (MDI) 2003, has improved regulation of activities for the Tier 1 to Tier 3 microfinance.

454. There has been restoration of the integrity of and confidence in banking sectors leading to resurging positive performance. The financial institutions’ strength is manifested by capital adequacy and falling Non-Performing Loan (NPL) ratios. The NPL ratio has dropped to 3 per cent at end 2006 during the financial stress of 1998 - 1999. This has boosted the safety of the depositors’ funds.

455. The moratorium that was imposed on the establishment of new banks was lifted in 2007, leading to licensing of four new commercial banks. 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 the international markets.

456. Over the last decade, Uganda’s financial sector though still small has continued to grow into a sound and vibrant sector. The growth is attributed to a number of factors; key among them are improvement of supervisory function of the central bank, strengthening of the regulatory framework and privatization of Uganda Commercial Bank (UCB). This growth is reflected in a number of banking activities and monetary indicators. They include:

Money and Banking

457. Over the past decade, the money and banking indicators of Uganda’s financial

---

56 Between 1998 and 1999, the banking sector suffered financial distress leading to closure of four commercial banks.
57 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.
sector development including base money, money supply (M2 and M3) have recorded impressive performance as indicated in Table 6.12 below.

Table 6.12: Performance of money and banking indicators 1997-2007

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Base Money (Billion Shilling s)</th>
<th>M2 (Billion Shilling s)</th>
<th>M3 (Billion Shilling s)</th>
<th>M2 growth (% p.a)</th>
<th>M3 growth (% p.a)</th>
<th>Growth in money demand (p.a %)</th>
<th>Curren cy in circulat ion/ (Billion Shs)</th>
<th>Private sector demand deposits (Billion Shs)</th>
<th>Time &amp; saving Deposits (Billion Shs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>378.57</td>
<td>873.05</td>
<td>1,019.96</td>
<td>23.74</td>
<td>26.07</td>
<td>24.66</td>
<td>25.07</td>
<td>263.92</td>
<td>220.81</td>
</tr>
<tr>
<td>1998/99</td>
<td>460.52</td>
<td>952.73</td>
<td>1,160.54</td>
<td>9.13</td>
<td>13.77</td>
<td>3.81</td>
<td>30.30</td>
<td>324.90</td>
<td>308.60</td>
</tr>
<tr>
<td>1999/00</td>
<td>509.19</td>
<td>1,036.33</td>
<td>1,347.17</td>
<td>8.80</td>
<td>16.10</td>
<td>6.91</td>
<td>32.53</td>
<td>360.09</td>
<td>296.88</td>
</tr>
<tr>
<td>2000/01</td>
<td>559.61</td>
<td>1,193.44</td>
<td>1,583.68</td>
<td>15.20</td>
<td>17.60</td>
<td>9.30</td>
<td>28.83</td>
<td>413.05</td>
<td>316.61</td>
</tr>
<tr>
<td>2001/02</td>
<td>661.64</td>
<td>1,490.59</td>
<td>1,925.40</td>
<td>24.90</td>
<td>21.60</td>
<td>...</td>
<td>30.77</td>
<td>392.90</td>
<td>344.29</td>
</tr>
<tr>
<td>2002/03</td>
<td>696.13</td>
<td>1,749.19</td>
<td>2,373.38</td>
<td>17.35</td>
<td>23.27</td>
<td>...</td>
<td>40.72</td>
<td>617.49</td>
<td>460.06</td>
</tr>
<tr>
<td>2003/04</td>
<td>867.09</td>
<td>1,924.88</td>
<td>2,587.26</td>
<td>10.04</td>
<td>9.01</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>2004/05</td>
<td>928.33</td>
<td>2,157.86</td>
<td>2,811.11</td>
<td>12.10</td>
<td>8.65</td>
<td>...</td>
<td>76.00</td>
<td>803.98</td>
<td>589.59</td>
</tr>
<tr>
<td>2005/06</td>
<td>1,100.17</td>
<td>2,520.18</td>
<td>3,271.60</td>
<td>-1.75</td>
<td>0.77</td>
<td>...</td>
<td>93.52</td>
<td>860.15</td>
<td>690.68</td>
</tr>
<tr>
<td>2006/07</td>
<td>1,360.13</td>
<td>2,993.90</td>
<td>3,842.02</td>
<td>16.72</td>
<td>17.44</td>
<td>...</td>
<td>92.84</td>
<td>961.53</td>
<td>857.31</td>
</tr>
<tr>
<td>2007/08</td>
<td>1,614.49</td>
<td>3,894.52</td>
<td>5,037.01</td>
<td>30.08</td>
<td>31.10</td>
<td>...</td>
<td>117.49</td>
<td>1,127.96</td>
<td>1,002.33</td>
</tr>
</tbody>
</table>


The growth in base money has been largely on account of increased net foreign assets of the monetary authority. The growth in money supply (M3) has been largely due to increment in currency in circulation, private sector’s demand, and time and savings deposits. All these variables, have exhibited good performance, as illustrated by the Figure 6.4 below:

Figure 6.4: Growths in M2 Components 1994 - 2008

Source: BOU Annual Report 2008, Commercial Bank Activities
Net domestic Assets and Net foreign Assets – the net domestic assets of the banking system with government has continued to indicate a saving especially in regard to central government. For example, in 2007/08 the banking system’s net claims on central government increased by 30.1 per cent representing saving positions as witnessed in 2006/07. The banking system’s claims on the private sector grew by 56.1 per cent from the growth rate of 22.9 percent in 2006/07 implying increased credit to private sector largely on account of increased number of banks (See Table 6.13 and Figure 6.5 below).

Table 6.13: Growth in net domestic & foreign assets and banking systems claim to private sector and foreign reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Net domestic assets (Billion Shs)</th>
<th>Net foreign assets (Billion Shillings)</th>
<th>Banking systems claim to private Sector (Billion Shs)</th>
<th>Banking systems claim to on Central Government Net (Billion Shs)</th>
<th>Banking systems claim to on Parastatal s (Billion Shs)</th>
<th>Banking systems claim on Local Governm ent (Billion Shs)</th>
<th>Net Domestic Credit (Billion Shs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>352.5</td>
<td>-148.5</td>
<td>212.17</td>
<td>-10.12</td>
<td>0.00</td>
<td>0.00</td>
<td>34.0</td>
</tr>
<tr>
<td>1995</td>
<td>316.7</td>
<td>-38.5</td>
<td>257.74</td>
<td>-44.87</td>
<td>0.00</td>
<td>0.00</td>
<td>-24.3</td>
</tr>
<tr>
<td>1996</td>
<td>209.1</td>
<td>72.2</td>
<td>344.82</td>
<td>-7.25</td>
<td>0.00</td>
<td>0.00</td>
<td>-31.5</td>
</tr>
<tr>
<td>1997</td>
<td>93.9</td>
<td>231.7</td>
<td>353.06</td>
<td>84.39</td>
<td>0.00</td>
<td>0.00</td>
<td>-118.7</td>
</tr>
<tr>
<td>1998</td>
<td>-81.3</td>
<td>452.0</td>
<td>431.83</td>
<td>120.59</td>
<td>0.00</td>
<td>0.00</td>
<td>-221.6</td>
</tr>
<tr>
<td>1999</td>
<td>-195.3</td>
<td>585.0</td>
<td>546.34</td>
<td>97.08</td>
<td>20.20</td>
<td>1.09</td>
<td>-197.0</td>
</tr>
<tr>
<td>2000</td>
<td>-162.4</td>
<td>614.8</td>
<td>580.41</td>
<td>169.36</td>
<td>12.39</td>
<td>1.02</td>
<td>249.2</td>
</tr>
<tr>
<td>2001</td>
<td>-296.6</td>
<td>792.3</td>
<td>634.93</td>
<td>257.66</td>
<td>6.02</td>
<td>0.98</td>
<td>207.2</td>
</tr>
<tr>
<td>2002</td>
<td>-501.4</td>
<td>1,090.6</td>
<td>661.66</td>
<td>469.37</td>
<td>2.86</td>
<td>0.79</td>
<td>16.7</td>
</tr>
<tr>
<td>2003</td>
<td>-904.9</td>
<td>1,500.5</td>
<td>848.60</td>
<td>585.18</td>
<td>2.55</td>
<td>0.59</td>
<td>-190.8</td>
</tr>
<tr>
<td>2004</td>
<td>-899.2</td>
<td>1,680.5</td>
<td>986.03</td>
<td>557.82</td>
<td>11.69</td>
<td>0.36</td>
<td>-463.8</td>
</tr>
<tr>
<td>2005</td>
<td>-1,209.2</td>
<td>2,050.8</td>
<td>1,130.12</td>
<td>657.10</td>
<td>6.77</td>
<td>0.03</td>
<td>-812.0</td>
</tr>
<tr>
<td>2006</td>
<td>-1,648.4</td>
<td>2,614.0</td>
<td>1,43.69</td>
<td>878.51</td>
<td>18.56</td>
<td>0.10</td>
<td>-969.6</td>
</tr>
<tr>
<td>2007</td>
<td>-2,084.2</td>
<td>3,330.9</td>
<td>1,792.47</td>
<td>981.10</td>
<td>30.43</td>
<td>0.35</td>
<td>-688.0</td>
</tr>
<tr>
<td>2008</td>
<td>-2,841.4</td>
<td>4,355.9</td>
<td>2,774.49</td>
<td>1,357.07</td>
<td>25.52</td>
<td>0.09</td>
<td>-302.8</td>
</tr>
</tbody>
</table>

Source: Bank of Uganda (Annual Report Year Ended 30 June 2008), Monetary Authority Balance Sheet
However, foreign reserves have recorded unstable performance over the last decade, giving an overall downward trend. The Figure 6.6 below indicates that Uganda’s foreign reserves declined sharply between 1995 and 2000 and since then there has been an upward trend though still unstable.

Figure 6.6: Percentage Annual Growth in Net Foreign Reserves

Financial Depth

461. Overall Uganda’s financial depth as measured by (1) the ratio of currency in circulation to GDP (2) the ratio of currency in circulation to broad money (M2), (3) financial savings (composes of total time and saving deposits plus certificates of deposits as ratio of M2), and (4) Ratio of broad money (M3) to GDP has continued to show impressive performance.

462. Commercial Bank’s Activities

463. Commercial bank’s activities as measured by the asset holdings, outstanding loans and advances to private sector, as well as commercial banks liabilities have indicated positive growth over the past 5-10 years. The 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, however, is as provided in Table 6.14 below:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding loans and advances to the private sector (Ushs. bn.)</td>
<td>829.57</td>
<td>1,017.84</td>
<td>1,335.87</td>
<td>2,075.28</td>
</tr>
<tr>
<td>Commercial bank’s liabilities</td>
<td>810.69</td>
<td>972.38</td>
<td>1,293.29</td>
<td>2,049.72</td>
</tr>
</tbody>
</table>


464. 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.

465. The Uganda Capital Markets Authority (CMA) within its first 10 years of existence (1997-2007) has recorded some positive results. There are nine (9) companies listed on the stock exchange, 3 cross border listings, 18 government bonds and 5 corporate bonds have been issued, two of which have been redeemed, market capitalization increased by over 7000% to Ushs 4.6 Trillion from Ushs 62 billion in 2000.

466. Other progresses include passing of the Collective Investment Schemes Act in 2003, twenty (20) Licensees in 2007 up from 9 in 1997; and a number of laws and regulations have been formulated to improve the regulatory oversight of CMA such as Capital Markets (Insider Dealing) Regulations; the Capital Markets (Asset Backed Securities) Regulations; and the Capital Markets (Mergers and Acquisition) Regulations, among others. The new products have been introduced to the market: government bonds, corporate bonds, Equity, and Collective Investment Schemes. The future supply of products on the exchange 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.
467. **Uganda’s leasing and mortgage sub sector is underdeveloped but with high potential.** Lease penetration\(^{58}\) in Uganda is less than 1 per cent compared to 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 a limited participation of commercial banks in the leasing industry.

468. **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 1000 people and this number has kept fluctuating since 1997 as indicated in the Table below. 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 (See Table 6.15 below).

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Insurance Companies</th>
<th>No. of people employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>26</td>
<td>676</td>
</tr>
<tr>
<td>1998</td>
<td>19</td>
<td>653</td>
</tr>
<tr>
<td>1999</td>
<td>19</td>
<td>592</td>
</tr>
<tr>
<td>2000</td>
<td>19</td>
<td>549</td>
</tr>
<tr>
<td>2001</td>
<td>17</td>
<td>431</td>
</tr>
<tr>
<td>2002</td>
<td>18</td>
<td>555</td>
</tr>
<tr>
<td>2003</td>
<td>19</td>
<td>487</td>
</tr>
<tr>
<td>2004</td>
<td>20</td>
<td>487</td>
</tr>
<tr>
<td>2005</td>
<td>19</td>
<td>553</td>
</tr>
<tr>
<td>2006</td>
<td>19</td>
<td>563</td>
</tr>
<tr>
<td>2007</td>
<td>20</td>
<td>598</td>
</tr>
<tr>
<td>2008</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

Source: Uganda Insurance Commission Annual Insurance Market Reports

469. As required by the Insurance Statute of 1996, most insurance companies have raised their capitalization though there a few yet to hit the Ushs 1billion target for the year 2006.

470. **Microfinance Sector:** There are over 1340 Microfinance institutions (MFIs) in Uganda. Less than 10 institutions have so far been licensed under the Micro Finance Deposit Taking Institutions Act (MDI) 2003.

471. A number of programmes/projects providing support from government and other development partners such as GoU/IFAD/EU-funded Microfinance Outreach Plan (MOP), Microfinance Support Centre Ltd (MSCL) funded by ADB, and Support to Feasible Financial Institutions and Capacity Building Efforts (SUFFICE) programmes financed by GoU/EU. These programmes provide loans and matching grants to MFIs for expansion of financial services.

472. **Pension Sector:** Uganda’s Pension sector is monopolized by one single scheme – the National Social Security Fund (NSSF). The introduction of alternative schemes like

\(^{58}\) Lease penetration is leasing shares as part of all the varied means of equipment acquisition
Health Social Insurance Scheme is still at policy formulation level.

473. 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.

7.9.2 Constraints to Financial Sector Performance

474. The financial sector is faced by a number of constraints, which constrain its development. These include:

i) High risk borrowers contributing to high interest rates.
ii) Narrow range of assets acceptable as collateral.
iii) High interest 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 the case for leasing and mortgage sector.
vi) Limited insurance options.
vii) Underdeveloped capital markets and limited financing options.
viii) Absence of long and medium 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.
xi) Weak enforcement of contracts that might limit growth of the financial sector

7.9.3 Objectives, Strategies and Interventions

475. **Objective 1** - Promoting a vibrant, sound and stable financial system

*Strategy 1:* Reviewing and strengthening policies, laws and prudential regulations

**Interventions**

i) Government will review policies governing various segments of the financial sector and ensure their harmonization within the framework of the East African Community (EAC) integration.

ii) Enact missing laws and regulations for regulating financial sector especially those specific sub sectors such as leasing/mortgage.

*Strategy 2:* Strengthening financial system supervision

**Intervention**

i) Government will strengthen the central bank to carry out its supervisory roles
ii) In addition, the government will introduce a super regulator to oversee activities of all financial institutions

iii) Compliance with regulatory requirements will be enforced through stringent measures on capital adequacy.

**Strategy 3: Improving systemic liquidity management**

**Interventions**

i) Government through the central bank will enforce compliance with regulatory requirements

ii) It will also support commercial courts in resolution of financial sector disputes

**Strategy 4: Human resource development**

**Interventions**

i) Support Institute of Bankers

ii) Encourage financial institutions to continuously train staff

iii) Benchmark courses delivered by Institute of Bankers

476. **Objective 2 - Enhancing Financial System Efficiency and Outreach**

**Strategy 1: Promoting competition and prudence in the sector**

**Interventions**

i) Continue the policy of licensing new financial institutions

ii) Publish interest rates and other fees/ commissions charged by financial institutions

iii) Design and implement incentives to encourage and promote establishment of a bank or bank branch in all the districts and an MFI in every sub-county

iv) Implement CBR

**Strategy 2: Promoting establishment of specialized financial institutions such as an agricultural development finance institution**

**Intervention**

i) Establish and capitalize agricultural development bank

**Strategy 3: Promoting and supporting expansion of rural branch networks of banks and rural financial institutions such as SACCOs**

**Interventions**

i) Provide logistical and technical support to SACCOs

ii) Develop tax relief and incentive schemes to rural banking institutions

**Strategy 4: Encourage inter bank connectivity**
**Intervention**

i) Improve access to broadband width and other ICT infrastructure

**Strategy 5**: Strengthening anti-money laundering efforts

**Interventions**

i) Strengthen regional and international collaboration and partnerships in crime management
ii) Review and enacting of cyber laws

477. **Objective 3** - Increase access to affordable term finance

**Strategy 1**: Developing and promoting term financing

**Interventions**

i) Recapitalization of UDB and open regional branches
ii) Issue of innovative bonds such as municipal bonds

**Strategy 2**: Developing capital markets

**Interventions**

i) Harmonization of Capital markets policies and regulations within the EAC and promoting cross listing
ii) Introduce long term bond-yield curve

478. **Objective 4** - Increase access to affordable financial services especially in rural areas

**Strategy 1**: Encourage and support product innovations

**Interventions**

i) Design and implement programs and projects to support research in product innovation
ii) Encourage and support establishment of agricultural bank
iii) Promoting agricultural based insurance policy. Government will expand and scale up the agricultural guarantee scheme.

**Strategy 2**: Modernize the land and company registries

**Intervention**

i) Computerize land and company registration

479. **Objective 5** - Continue improvement and modernization of payment and settlement system

**Strategy 1**: Advocate for modernization of systems to enhance both regulatory and operational efficiency
Intervention
i) Expand access to RTGS for payments and link CDS to RTGS
ii) Advocate for the development of relevant risk management systems for monitoring and managing risks in financial markets
iii) Integrate bank retail payment systems with non-bank

480. **Objective 6** - Promote savings mobilization

*Strategy 1:* Promoting savings schemes and pension funds

Intervention
i) Encourage and support collective investment schemes
ii) Support training of funds managers and investment advisors
iii) Design policy, laws and regulatory framework for the pension and insurance sector
iv) Support product innovation and development

*Strategy 2: Promote culture of savings mobilization*

Intervention
i) Design and implement awareness programs and projects for savings mobilization
ii) Promote SACCOs

6.10 COOPERATIVES

6.10.1 Situational Analysis

481. 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.

482. 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).

483. 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 societies\textsuperscript{59} and 1 apex\textsuperscript{60}- the Uganda Co-operative Alliance Ltd. Of the total registered co-operative societies, 83 per cent are on permanent registration while 17 per cent are registered on probation.

484. The 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)\textsuperscript{61}.

485. The cooperative movement in Uganda boomed in the 1960s and 1970s. Most of the Uganda’s export commodities were traded through the cooperative chain.

486. However, the period 1992 through 2006 exhibited a continuous decline of co-operative commodity marketing, for instance, of the total coffee exports (130,068 tons) in 1992/93, co-operatives accounted for 22 per cent (28,585 tons). 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 meager 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 increased from 14 per cent (18,459 tons) to a massive 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.

487. 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 savings of over 100 billion shillings, total shareholding of over 23 billion shillings and loans of 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 the government intervention of building a strong savings and investment culture especially in rural areas.

488. There are some concerns that negatively impact on the performance of the cooperatives. These include:

- Competition with private entrepreneurs: Cooperatives face competition with private entrepreneurs and this presents a challenge for them to get started.
- 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.

\textsuperscript{59} 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.

\textsuperscript{60} The Registrar of Co-operative Societies, (February 2009) Register of Societies

\textsuperscript{61} Consumer, housing, transport, health and rural electrification co-operatives
• 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 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 Cooperatives Sector

i) Inadequate legal and regulatory framework: The current co-operative Act, 1991 and 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 tones. Of these, only 3 per cent meet the standards for agricultural marketing while 8 per cent require minor repairs while the 89 per cent require major refurbishment.

iv) Low savings by members constraining the ability of cooperatives to invest. This is partly due to high poverty levels and 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 to form cooperatives

6.10.3 Objectives, Strategies and Interventions

489. Objective 1 - Promote good governance of the co-operative movement

Strategy 1: Strengthen the policy and legal framework of cooperative societies.

Interventions Description

i) Finalize the formulation of the National Co-operative Development Policy and implementation strategy to empower cooperative and guide the implementers.
ii) Review the Co-operative Societies Act 1991 and the Co-operative Societies Regulations 1992. It is expected that in the plan period, an Amended Co-operative Societies Act (Cap. 112 Laws of Uganda), the Co-operative Societies Regulations 1992 and model bye laws will be in place.

iii) Popularize, disseminate and implement the policy and the laws among the various stakeholders.

490. **Objective 2** - Enhance the capacity of the co-operatives to compete in domestic, regional and international markets

**Strategy 1:** Increase productive capacity and productivity of the Members of the Cooperative Movement.

**Interventions Description**

i) Support farmers to select profitable enterprises 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. 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, based on products.

v) Support research and development in cooperatives by conducting studies in cooperatives and on different products.

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. During the plan period, the college will be upgraded to university College.

iii) Review the current co-operative curriculum and develop an appropriate one in collaboration with the Ministry of Education and Sports.

**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 the society level a round the whole country.

iii) Promote and support the Uganda Commodity Exchange (UCE) and Warehouse Receipt System (WRS) to increase cooperative trade through WRS and UCE.

iv) Establish collaborations between regional and international co-operative movement 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 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 the co-operatives.

**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 Ministry and Local Government levels through recruitment, training and equipping.

ii) Promote partnerships and linkages through developing and operationalizing a framework for linking co-operatives to industries for industrial inputs; academia, markets, research and development institutions.

iii) Establish and strengthen cooperatives information systems by facilitating co-operatives to develop management and market information systems for decision making, planning and marketing.

iv) Develop and standardize management and operational information systems for SACCOS.

491. **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.
7.0 SOCIAL SECTORS

7.1 POPULATION

7.1.1 Situational Analysis

492. Population size and growth: The 2002 Uganda Population and Housing Census results indicate that over the period 1991 to 2002, the country’s population growth rate was 3.2 per cent per annum. It is estimated that the population increased at an average of 3.4 per cent to reach 30.7 million in 2009 and is projected to increase to 37.9 million in 2015 (See Table 7.1). This trend suggests that the population could double to nearly 61 million in about 22 years (UBOS, 2002). More than half of Uganda’s population (51 per cent) is females. The general population is increasingly becoming younger with a proportion of children (under 18 years) having increased from 51 per cent in 1969 to 56 per cent in 2002 more than half of Uganda’s population is below the age 14 years. The proportion of the elderly persons (60 years and above) on the other hand has decreased from 5.9 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/square km in 1980 to 85 persons/square km in 1991 to 123 persons/square km in 2002. This has also increased the dependency ratio to 110 per cent in 2000 and is projected to increase to 111 per cent by 2015.


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<td>Sex ratio</td>
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<td>94.55</td>
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185
Fertility: The Total Fertility Rate (TFR) has remained high over the last three decades at an average of 7 children per woman. This is mainly due to cultural and religious beliefs and preferences for large families as the source of sustenance and form of social security. The low contraceptive rate estimated at 23 per cent exacerbates high fertility. For example, in 2008, there was a high un-met need of 41 per cent family planning among 3 million married women in reproductive years. The un-met need is projected to be 3.4 million by 2015. The total demand (including women currently using family planning) is projected to be 5.4 women in 2015. The low contraceptive use among adolescents has fuelled fertility with 25 per cent of young people becoming pregnant by the age of 19 years (UBOS, 2006).

Mortality: The infant mortality rate has declined from 122 to 75 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 period (UDHS, 2006). These indicators could be further made better with higher levels of immunization currently at 63 per cent. The maternal mortality ratio as of 2006 was 435 deaths per 100,000 live births. The over-all 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. The improved mortality indicators are a result of improved social service delivery and declining poverty levels.

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

The ranking of this sector’s constraints are consistent with the national binding constraints:

i) Low levels of education and lack of skills which are mainly a result of high drop out rates especially among girls in both primary and secondary schools which in turn lead to teenage pregnancies and early marriages.

ii) Some cultural and religious beliefs do not believe in family planning practices and therefore limit some groups to use family planning services.

iii) Low level 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 at old age due to absence of 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.

7.1.3 Objectives, Strategies and Interventions

497. **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. To this effect, tools, guidelines, and manuals will be developed.

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.

498. **Objective 2** - Promote improvement of 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 the national 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) Carry out and disseminate Uganda demographic health surveys (UDHS), Population Census, and producing annual health management information system (HMIS) reports.

**Strategy 2:** Advocate for affordability, availability and accessibility of quality health services.
**Intervention Description**

i) Promote the strengthening and expansion of a functional referral system. This will require strengthening the HMIS and disseminating UDHS results.

ii) Advocate for development and appropriate deployment of skilled human resource for reproductive health through dissemination of UDHS, Population Census and HMIS reports.

iii) Advocate for reproductive health (RH) commodity security. In this regard, HMIS reports, LMIS reports and Ministry of health sector reports will be produced and disseminated.

iv) Promote the strengthening of youth-friendly sexual and reproductive health services. This will include advocating for institutionalized youth friendly services.

v) Advocate for linking of reproductive health and HIV/AIDS programmes. To facilitate this, advocacy for increased budgetary allocation for RH will also be intensified.

vi) Advocate for reproductive health rights including gender based violence (GBV).

vii) Equip the referral system with communication, ambulances, basic medical equipment and personnel and develop appropriate guidelines.

viii) Revise, disseminate and enforce public health and environment standards for communities and households. Community and household guidelines for public health and environment sanitation and copies of standards will be developed.

499. **Objective 3** - Enhance Competitive skills building and human capital development.

**Strategy 1:** Ensure that established population groups are functional, competitive skills enhanced 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 sector plan reviewed.

ii) Promote increased enrolment and retention of girls and boys at all levels of education including technical and vocational training. In addition, advocacy for making vocational training more practical and relevant through redesigning the curriculum will be undertaken.

iii) Improve functional adult literacy programmes especially for the rural poor through redesigning the FAL curriculum.

iv) Promote the revision of the education curriculum to focus on entrepreneurship and competitive skills development at all levels.

v) Promote a work ethic and culture that encourages every person to contribute positively to the socio-economic development of the country.

500. **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, demand appropriate sources of clean energy while conserving water and soils.

**Intervention Description**

i) Review and develop 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) Revitalizing 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 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.

501. **Objective 5** - Promote positive health seeking behavior.

**Strategy 1:** Ensure that communities and individuals utilize available health services and adhere to good sanitation practices.

**Intervention Description**

i) Encourage male involvement in reproductive health.

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 health and rights.

iv) Advocate for strengthening health education, proper hygiene, safe water and proper sanitation practices at the household level.

502. **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 and promote provision of family planning information and increased utilization of family planning.

ii) Promote efficient commodity security logistics.

503. **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.

504. **Objective 8** - Mobilize Resources For The 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 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.


**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

506. According to the UNHS 2005/06, the total labour force in Uganda was estimated at 10.9 million persons. This is projected to reach 19 million persons by 2015. The labour force participation rate was 82 per cent with more males than females. The combined unemployment and underemployment rates account for 14 per cent of the labour force.

507. In 2002, out of 12 million Ugandans in working age group, only 6.4 million were actively working. Nearly 85 per cent were actively working in rural areas. The labour market will therefore have to absorb about 8.2 million people in 2015 requiring creation of about 390,000 jobs annually to satisfy the young labour force coming from population growth only. Moreover, 50 per cent of the economically active youth are not engaged in income generating employment (paid employment or self-employment). Six per cent of these 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). According to UBOS 2002, the overall unemployment rate\(^{62}\) was 5 per cent in 2002 with urban unemployment rate standing at 10 per cent. It is worth noting that the proportion of the permanently employed to the total labor force was 4.8 per cent in 2002/03 and reduced to 4.6 per cent in 2005/06.

508. In addition, subsistence agriculture remained a major sector of employment increasing from 66 per cent in 2002/03 to 73 per cent in 2005/06 (2006 UNHS). Between 2002 and 2005, the percentage of self-employed 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 6 per cent for the last 10 years, the average rate of population growth remains high at 3.2 per cent per annum. Yet in 2008/09, the agricultural sector that employs around 22 million people grew at an estimated 2.6 per cent (UBOS 2009).

509. While agriculture accounts for over 73 per cent of the total employment of Uganda’s population, 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. Soil fertility depletion in Uganda is among the highest rates in Sub Sahara Africa. Average annual rate of total depletion of 70 kilograms of nitrogen, phosphorus, and potassium per hectare is reported. The agriculture sector therefore requires a strong stimulus if it is to absorb the increasingly large number of the population. Alternatively, other sectors of the economy (industry and services) will have to expand significantly in order to create opportunities for labour migrating from the agricultural sector.

\(^{62}\) 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.
510. The industrial sector which is the immediate alternative employer is still equally under developed as Uganda’s export goods are made up of over 95 per cent primary agricultural commodities. Uganda’s industrial sector is largely informal characterized by production of poor quality goods, gross deficiencies in technology and lack of indigenous capacity, lukewarm attention given to research, development and innovation, the general 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.

511. 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. The WB/UMACIS survey (2003) reported that about 24.7 per cent of workers surveyed reported having been ill within the previous 30 days.

512. 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.

7.2.2 Constraints to Quality Employment

513. The constraints to quality employment in Uganda include the following:

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, professional qualifications. This factor is basically responsible for some employers’ general preference for expatriate personnel to many locally trained Ugandans.

ii) Inadequate attention to workers training and retraining: including the neglect of farmers in our general training policies and programmes, with the result that farm inputs like fertilizers and seedlings are generally mishandled.

iii) Poor Environmental management: Poor physical planning and land use lead to environmental degradation, and consequently climatic change and weather variability which have been a major threat on agriculture and forestry.

iv) Low levels of income and savings and inadequate financial intermediation to enable potential entrepreneurs to start new enterprises or expand existing ones.

v) 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.
vi) 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.

vii) Use of low and inefficient technology, obsolete machinery, equipment and tools: Despite the existence of technologies elsewhere in the world, Uganda’s economic sectors continue to experience major deficiencies in terms technology use and advancement. Consequently, most enterprises cannot survive in an increasingly competitive global economy. Most of the machinery used in factories is obsolete and repairs are difficult because their models have since been discarded. In the case of agriculture, implements are essentially traditional hoes instead of tractors which would raise the income to farmers.

viii) Non-conducive work environment such as unhygienic, hazardous work environment and risky to peoples lives.

ix) Weak labour market information system to facilitate efficient planning for the labour force.

7.2.3 Objectives, Strategies and Interventions

514. **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.

515. **Objective 2** - Raise the supply of resilient SMEs and reduce the high failure rate.

**Strategy 1:** Promote institutionalized entrepreneurship development training.

**Intervention Description**

i) Provide entrepreneurship training for youth and women. Areas of focus will include business planning, expanding business programmes, competing through quality, accounting and book keeping among others.

ii) Provide regular business health checks and report performance of SMEs. In addition, business counselling will be provided to SMEs.
**Strategy 2:** Promote Start-ups and youth entrepreneurship products to include graduate empowerment.

**Intervention Description**

i) Establish enterprise start-up business clinics.

ii) Develop techno-entrepreneurs park and SME business incubation programme.

iii) Provide young enterprise seed capital. A mechanism to provide seed capital will be put in place and operationalized.

iv) Provide new enterprise of the year awards. A mechanism of awards will be developed and operationalized.

**Strategy 3:** Promote value-chain development products covering farming as business for market access.

**Intervention Description**

i) Promote cluster development.

ii) Promote corporate governance of a community owned economic cluster to increase corporate participation.

**Strategy 4:** Increase access to finance products.

**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 JVs businesses.

516. **Objective 3** - Increase protection of workers through improved compliance with labour standards.

**Strategy 1:** Institutional capacity building.

**Intervention Description**

i) Recruit labour officers at the central and local government level and train labour inspectors.

ii) Strengthen labour administration and compliance to labour standards through implementation of a decent work country programme.

517. **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

518. The Education & Sports Sector in Uganda comprises government and private formal as well as non-formal educational institutions spanning all educational levels including 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.

519. 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. In addition, it has significant externalities that among others include improved family health, nutrition, and reduced fertility rates.

520. Factors affecting Education and Sports service delivery: 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.

521. The current budgetary allocation levels are inadequate for the required expansion of service delivery in the sector to meet the projected social demand over the next decade. Budgetary Allocations to the Education and Sports Sector as a proportion of total GoU expenditure in the past decade have progressively declined from the all time high 24 per cent (FY 2001/02) to 17.3 per cent (FY 2009/10).

522. 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 majority of these were located in urban areas. The Gross Enrolment Ratio (GER) has increased by 70 per cent between 2002 and 2008 (EMIS, 2008). However, many children remain excluded considering the number of children below five years who were 6.5 million in 2008.

523. Primary education caters for 6-12 year olds. It is provided through a network of 19,142 public and private primary schools scattered across the country of these, 73.8 per cent were public primary schools in 2008 (EMIS, 2008). Figure 7.1 shows primary schools by ownership.
The number of government primary schools increased from 12,500 in 2000 to 15,962 in 2008 and the pupil classroom ratio improved from 108:1 to 70:1. The introduction of UPE in 1997 significantly increased access to primary education as total enrolment tripled from about 2.7 million in 1996 to the present 7.96 million in 2008. This has raised the Gross Enrolment Ratio (GER)\(^6\) to 128 per cent in 2000 (132 per cent, boys, 124 per cent, girls), to 115.7 per cent in 2008 (118.8 per cent for boys, 112.5 per cent for girls). A significant number of new teachers have also been recruited and trained. The number of qualified teachers has more than doubled from 74,000 (1995) to 150,000 (2008) (including teachers in government aided, private and community schools). This has decreased the proportion of untrained teachers from 28 per cent to 11 per cent in the same period. Figure 7.2 indicates trends in primary school enrolment (2000 – 2008).

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. However, the completion rate dropped for various reasons from 88.3 per cent in 2000 to 51 per cent in 2008 (see Figure 7.3).

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\(^6\) 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).
526. Upon the implementation of UPE, there was massive recruitment of teachers to cater for the increased enrolment. The Pupil Teacher Ratio (PTR) has reduced from 60:1 (2000) to 45:1 (2007) but has reverted back to 56:1. (2008). Figure 7.4 shows trends in PTR and PCR.

**Figure 7.4: Trends in Pupil Teacher Ratio (PTR) and Pupil Classroom Ratio (PCR)**

527. There has been an increase in classrooms constructed leading to an improved Pupil Classroom Ratio (PCR) of 108:1 (2000) to 78:1 (2008). 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
528. **Secondary Education:** Secondary education is provided through a network of schools totaling to 2,908 in the country owned by government (31.4 per cent), the private sector (57.3 per cent) and the community (11.3 per cent). 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 1,088,744 students in 2008, with girls constituting 46 per cent of total enrolment. Figure 7.5 shows trends in Secondary School Enrollment 2000-2008.

Figure 7.5: Trends in Secondary School Enrolment- 2000-2008

[Graph showing trends in secondary school enrolment from 2000 to 2008.]

Source: EMIS, 2008

529. This improved the GER to 27.6 per cent in 2008; the NER to 23.5 per cent in 2008 and the Gross Intake Rate (GIR) for S1 to 33.3 per cent. The improvement of the GIR increased the proportion of S1 in the total enrolment to 29 per cent.

530. 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 Figure 7.6 below.

Figure 7.6: Transition Rates to S1

[Graph showing transition rates from P.7 to S.1 for boys and girls from 2000 to 2008.]

Source: EMIS, 2007
531. The same trend is observed in the transition rates from S.4 to S.5 between 2005 (43 per cent) and 2008 (49.5 per cent). However, the number of classrooms constructed for secondary schools has increased from approximately 15,000 in 2005 to about 30,000 in 2008.

532. 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.

533. The secondary curriculum is also with a blotted number of 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.

534. Figure 7.7 shows that the secondary school student teacher ratio has declined from 18:1 (2000) to 19:1(2007) while the Student Classroom Ratio has improved from 54:1 (2000) to 46:1 (2007).

Figure 7.7: Trends in Student Classroom Ratio and Student Teacher Ratio

![Graph showing trends in Student Classroom Ratio and Student Teacher Ratio](image)

Source: EMIS, 2008

535. 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.

536. **Business, Technical, Vocational Education and Training (BTVET):** BTVET is an overlapping three-tier system; comprising of 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 of 144 (17 per cent) public institutions, about 600 (81 per cent) private training service providers and 17 (2 per cent) apprenticeships and enterprise-based training programmes. Figure 7.8 shows Post Primary Institutions by type.
Between 2006 and 2008 enrolment in BTVET increased by 46 per cent from 25,682 (25 per cent, female and 75 per cent, male) to 47,298 (39 per cent female and 61 per cent, male) respectively. This is attributed to the implementation of 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.

To adequately contribute to development, the BTVET sub-sector should have an enrolment ratio of at least 30 per cent of post primary enrolment.

Higher Education: Higher Education is the heart of education, but is also 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.

During this plan, 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/export 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.

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-packed lecture rooms, dilapidated old infrastructures, meager education facilities, and inability to attract the best academic and administrative staff and unimpressive 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, the 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 number of private fee paying students in public universities was 80.2 per cent (9592) as opposed to 19.8 per cent (11786) 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.

542. Despite the rush to attain university education, student enrolment in science and technology at 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.

543. **Teacher Education:** This constitutes Primary 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 159,516 in 2008 while in secondary sub-sector there were total of 31,368 teachers in 2008.

544. The shortage of teachers has led to prioritizing the implementation of policy of a 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.

545. **Physical Education and Sports:** contributes to national development through promotion of fitness, teamwork, discipline, patriotism and social harmony. It is also a profession in its own right 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.

546. Since 2007, the Physical Education and Sports 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 the total number of equipment available include 1,143 football, 673 netballs, 41 rackets and a mixture of 688 others. The total number of facilities includes 1,059 fields, 476 courts, 35 swimming pools and a mixture of 465 others. In the secondary sub-sector, the total number of equipment available includes 3,836 footballs, 2,399 netballs, 148 rackets and a mixture of 5,609 others while the total number of facilities includes 1,285 courts, 12 swimming pools and 386 other facilities.

547. **Special Needs Education (SNE):** It is estimated that 10 per cent of the 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, 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.

548. **Gender:** disparity in terms of low participation by girls in education activities is characterized of Uganda’s formal education system right from its inception. All key indicators on girls’ education suggest that girls are not at parity with boys in terms of enrolment particularly at Post Primary Education and Training levels, retention, grade promotion and learning achievement, especially in the rural and remote areas of the country. The literacy rates for girls at P.3 and P.6 levels have been improving (see Figure 7.9).
On the other hand, numeracy rates for girls in P.3 and P.6 have also been improving (see Figure 7.10).

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.

In the primary sub-sector the total number of qualified teachers in 2008 was 159,516 (male 60.2 per cent, female 39.8 per cent). The number of qualified female teachers is still very low (see Figure 7.11)
In the secondary sub-sector the total number of qualified teachers in 2008 was 57,158 (male 75 per cent, female 24.9 per cent). The female rate of participation as teachers in secondary education is still very low (see Figure 7.12).

7.3.2 Constraints to Education and Sports

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 sub-sector.

ii) Inadequate funding/ budgetary resources to meet current and emerging priorities: Public funding to higher education has also been declining overtime, (i.e. government contribution of $2,532 in 1970 to $ 639 in 1985 per student and allocation of less than 15 per cent of the sector budget). A lot of pressure is being put on the existing old facilities in public universities resulting into poor quality of service delivery.

iii) Incessant 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. The attitudes, cultural and religious beliefs, backward perceptions among others 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 education for marginalized groups including children with disabilities and those in post conflict situations.

v) Inadequate physical infrastructure (scholastic materials, classroom blocks, water and power supply)

vi) Insecurity

7.3.3 Objectives, Strategies and Interventions

Primary Education

553. Objective 1 - Increase access and equity of primary education.

Strategy 1: Lower costs of education to families.

Intervention Description
i) Government will continue with the implementation of compulsory universal primary education (UPE) which provides capitation grants to cover school costs. This is expected to lead to an increment in enrolment levels of both girls and boys.

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 and materials for children with disabilities.

Strategy 2: Support programs targeted at disadvantaged children and youth.

Intervention Description
i) Collaborate with NGOs to implement special projects for disadvantaged and marginalized groups and integrating NGO staff into the establishment of districts and providing corresponding wage bills.

ii) Recruit and train more special needs education (SNE) teachers to build capacity for provision of special needs education 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 increase their level of retention in those areas.

Strategy 3: Lower social-cultural barriers to girls' attendance 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

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 especially areas and those with special needs requirements.

554. Objective 2 - To improve quality and relevance of primary education.

Strategy 1: Enhance instructional quality so as 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, P2 and 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 crowded than upper primary classes

iv) Adopt 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) Continue with 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.

vii) Design curricula, instruction methods and materials appropriate for pupils in conflict areas and adequately orient on their delivery and use.
**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 emergent 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) Provide relevant equipment, furniture, and other supplies to PTCs.

vii) Improve the management of PTC and the conditions of service for primary teachers, including the introduction of a 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 aged above six years.

iii) Integrate remedial programs into P1 and PTE curricula to target children that enroll in P1 with little or no exposure to reading, pre-reading materials and other readiness skills.

**555. Objective 3 - To 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) Rigorously implement the customized performance targets scheme for head teachers 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) Enforce the policy of automatic promotion to minimize repetition especially at P6

iv) Implement customized performance targets and instituting a reward system to encourage performance of districts and schools

v) Involve districts in annual sector reviews (ASRs) to review annual progress and agree on performance targets

vi) Formulate relevant sectoral policies and ensure that the existing legal framework reflects the sectors strategic direction

vii) Conduct research in topical areas and disseminate results to inform policy and decision making

viii) Pilot priority initiatives that hold promise for the sub-sector

ix) Strengthen EMIS to collect, analyze, and report data on schools in a timely manner for use in planning and decision making

x) 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

xi) 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**

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**
Develop and maintain a coherent and feasible system of standards and performance monitoring for efficiency and effectiveness

**Secondary Education**

556. **Objective 1** - To increase access and equity to secondary education

**Strategy 1:** Lower costs of education to families

**Intervention Description**
Continue with implementation of the universal secondary education program

**Strategy 2:** Expand, equip, and improve secondary school facilities

**Intervention Description**

i) Construct “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.

**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.
Objective 2 - To improve quality of secondary education

**Strategy 1:** Strengthen the teaching force

**Intervention Description**

i) Improve the teacher training (pre-service & 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 enroll for special needs education.

ii) Establish TDMS for secondary 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**

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

Objective 3 - To improve effectiveness and efficiency of secondary education

**Strategy 1:** Give highest 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) Drastically reduce students’ course load 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 standard minimum class size and rationalizing teacher work loads
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

**Strategy 3: Reconfigure the 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**

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).

**BTVET**

559. **Objective 1 - To increase access and equity of BTVET**

**Strategy 1: Expand and improve BTVET facilities**

**Intervention Description**

i) Construct and rehabilitate infrastructure in existing BTVET institutions
ii) Furnish existing institutions with the required equipment, furniture and other supplies
iii) Modularize BTVET courses to optimize use of training facilities
iv) Provide matching grants to deserving private providers of BTVET
**Strategy 2:** Improve equity in the participation of girls and needy students

**Intervention Description**

i) Target grants to BTVET 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 BTVET sub sector to reduce the costs of educating children with special needs

560. **Objective 2** - To improve quality and relevance of BTVET

**Strategy 3:** Re-configure 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) Enforce training providers (both public and private).  
iv) Ensure that 10 per cent of primary seven completers and 30 per cent of Post ‘O’ level 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 4:** Strengthening 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 5:** Strengthening intra and inter-sectoral linkages

**Intervention Description**

i) Design and implement collaborative mechanisms among MDAs in the provision of BTVET  
ii) Improve articulation between BTVET and other levels of education with a view to ensure opportunities continuity
**Strategy 6:** 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**

561. **Objective 1** - To increase equitable access to Higher Education

**Strategy 1:** Lower costs of education to families

**Intervention Description**
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

**Strategy 3:** Establish a liberalized financing mechanism and diversify the resource base

**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

**Strategy 4:** Reform and improve curricula and instruction in priority disciplines

**Intervention Description**
- i) Review the higher education curricula to link them more close 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

562. **Objective 2** - To 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 the 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.

**Cross-Cutting Issues**

**Physical Education & Sports**

563. **Objective 1** - To improve access to physical education and sports in the country;

**Strategy 1:** Expand physical education and sports (PES) facilities

**Intervention Description**

i) Finalize the medium term capacity building plan
ii) Disseminate the physical education and sports policy. This is expected to ensure national dissemination of the PES 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:** Support national sports federations and associations

**Intervention Description**

i) Support construction of facilities aimed at increasing the number of facilities for sports.
ii) Mainstreaming of 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.
**Strategy 3:** Establish a national recognition and reward scheme for elite sports persons. This is expected into result to an operational recognition and reward system for athletes.

**Interventions Description**

i) Provision of bursary/scholarships to elite athletes. An operational reward scheme is expected to be put in place.

ii) Provision of 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.

**Strategy 5:** Introduce a pension scheme for nationally acclaimed elite sports persons

**Intervention Description**

Create and operationalise a contributory fund for retiring athletes

**HIV and AIDS**

564. **Objective 1** - To Combat HIV and AIDS in the Education Sector

**Strategy 1:** Capacity building for HIV and AIDS

**Intervention Description**

i) Strengthening sector policy framework for HIV and AIDS. This is expected to improve the sector response to HIV and AIDS

ii) Training and mentoring on relevant HIV and AIDS competencies such as Life skills, care and support. This is expected to improve the sector performance on HIV/AIDS care and support.

iii) Review and formulate a new sector strategic plan on HIV and AIDS and put in place a monitoring and evaluation system.

iv) Provide technical backup to support schools/institutions to enhance institutional capacity.

v) Formulation of IEC strategy and build capacity for its implementation.

vi) Mainstream HIV and AIDS education in the school curriculum.

**Strategy 2:** Advocacy and prevention education

**Intervention Description**

i) Sensitization and distribution of IEC materials. This is expected to raise the level of awareness

ii) Encourage research in institutions to enhance knowledge creation

iii) Promote music dance and drama (MDD) in schools and institutions to raise awareness about HIV/AIDS and media campaigns.
**Strategy 3: Treatment and care**

**Intervention Description**

i) Liaison with service providers for anti-retroviral treatment and provision of ARVs.

ii) Ensure the provision of food and nutrition in schools/institutions for HIV and AIDS learners and teachers. This is expected to increase the health and life expectancy of HIV and AIDS learners and teachers.

iii) Provide spiritual and physical support in schools/institutions. This is expected to improve performance and retention of HIV and AIDS learners and teachers.

iv) Distribute and promote use of condoms in schools/institutions. This is expected to reduce infection rates in schools and institutions.

v) Provide educational support and skills training to orphans and vulnerable children (OVCs).

**Quality and Standards (Quality Assurance)**

565. **Objective 1** - To enhance quality and standards (quality assurance)

**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) Instituting 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**

566. **Objective 1** - To adopt Information and Communication Technology in the delivery of Education and Sports services

**Strategy 1:** Strengthen the use of ICT in the Ministry of education headquarters

**Intervention Description**

i) Upgrading ICT infrastructure to match the expanded needs of the sector and the 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. This is expected to enhance output delivery.

iii) Improve the integrity of the LAN to enhance its dependability and reliance as a tool for accessing and storage of information. This is expected to improve sector EMIS.

iv) Enhance training of staff in the use of the LAN (i.e. intranet, internet, email) to enhance productivity. This is expected to improve sector service delivery.

**Strategy 2:** Integration of ICT in various curricula

**Intervention Description**

i) Review of 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**

567. **Objective 1** - To enhance environmental awareness in the Education and Sports Service delivery

**Strategy 1:** Integrate environmental concerns to education and sports programs

**Intervention Description**

i) Mainstream environmental issues to various curricula at all levels of the education systems. This is expected to enhance environmental management in schools and institutions.

ii) Formulating sector specific policy and implementation guidelines.

iii) Strengthen coordination and networking on environment issues at the Moses headquarters.
**Strategy 2:** Support Information Education Communication (IEC) activities on environment:

**Intervention Description**

i) Support production of brochures flyers, kits and distribute them 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)**

568. **Objective 1** - To enhance equitable access to education and sports at all levels

**Strategy 1:** Policy development and Review

**Intervention Description**

i) Appraisal of the current policy framework in order to recommend necessary solutions to challenges. This is expected to institute relevant and operational policy framework

ii) Formulate new policies as well as plans and guidelines for their operationalization.

**Strategy 2:** Advocacy and Awareness creation

**Intervention Description**

i) Develop an advocacy strategy for SNE

ii) Sensitize stakeholders to enhance stakeholder participation.

iii) Production and distribution of copies of approved policies.

**Strategy 3:** Capacity building for SNE

**Intervention Description**

i) Reviewing of the various curricula to integrate SNE issues.

ii) Enhanced training of SNE teachers, head teacher and the community (pre-service and in-service).

iii) Community (pre-service and in-service). This is expected to result into community interest and participation.

**Gender Mainstreaming**

569. **Objective 1** - To enhance gender equity in education and sports at all levels

**Strategy 1:** Raising gender awareness

**Intervention Description**

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. This is expected to result into improved understanding and appreciation of gender issues in education.

Skills Development

Non-Formal BTVET

570. **Objective 1** - To 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 centers in Communities. This is expected to expand training opportunities for BTVET training.

*Strategy 3:* Support companies and individual that offer Industrial training and BTVET Non-formal training to increase the capacity of technicians and craftsmen.

**Intervention Description**

Support companies and individuals involved in non formal BTVET

*Strategy 4:* Improve equity in the participation of girls and needy students

**Intervention Description**

Increasing girls’ participation in Non-Formal BTVET to raise female technicians and artisans

*Strategy 5:* Developing 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 to improve the teaching and learning processes in BTVET institutions.

iii) Instructors / Providers of Non-Formal BTVET trained or retrained.

*Strategy 6:* Strengthening the teaching and Assessment

**Intervention Description**

i) Strengthen the UVQF for better and standardized assessment and awards.

ii) Standardize BTVET Occupational Profiles.
**Strategy 7:** Partnerships between the Ministry and other agencies in service delivery and capacity building

**Intervention Description**
Enhance public private partnership. This is expected to improve service delivery and expand opportunities.

**Strategy 9:** Strengthening intra and inter-sectoral linkages to enhance sectoral synergies.

**Intervention Description**
Capacity building for private providers and non-formal educators

**Strategy 10:** Adopting efficiency measures to deliver BTVET programs

**Intervention Description**

i) Strengthening the Uganda Private Providers of Technical and Vocational Education and Training (UGAPRIV) for better monitoring and profiling of competencies.

ii) Inspecting activities of the Non-Formal BTVET.

iii) Carrying out quarterly sensitization campaigns to create awareness and positive attitudes among the population.

### 7.4 SKILLS DEVELOPMENT

#### 7.4.1 Situational Analysis

**571. 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 currently caters for diverse individuals (irrespective of age, education level and social economic status etc) who demand and are able to pay for it.

**572. 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 wide number of centers and places of learning including work places.

**573. Skills Development Institutions:** 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. Private training providers are registered with UGPRWI but 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.

574. **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 (i.e. 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 Moses increased from 450 (2006) to 600 (2008), while public owned institutions also grew from 103 in 2000 to 137 in 2008 (see Figure 7.13).

![Figure 7.13: Public Formal Skills Development Institutions by Ownership](image)

Source: EMIS, 2008

575. Table 7.2 below shows the areas of focus in the formal skills development institutions.

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Courses</th>
<th>Target Group</th>
</tr>
</thead>
</table>
| Technical schools, Farm School, 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 | Post ‘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 | ‘A’ level completers  
Technical Institute Completer – Holder of a Technical – Craft Certificate |
<table>
<thead>
<tr>
<th>Institution</th>
<th>Courses</th>
<th>Target Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda Colleges of Commerce</td>
<td>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</td>
<td>A’ level completers</td>
</tr>
<tr>
<td>Meteorological Institute</td>
<td>Diploma in Meteorology, Certificate in Meteorology, Certificate in Agro – Meteorology, Certificate in Instruments and Weather Observation.</td>
<td>‘A’ level completers</td>
</tr>
<tr>
<td>Survey and physical planning</td>
<td>Certificate in Surveying, Certificate in Physical Planning</td>
<td>‘O’ level completers</td>
</tr>
<tr>
<td>Para Medical or Health Training Institutions</td>
<td>Enrolled Comprehensive Nursing, Registered Comprehensive Nursing, Registered Nursing, Registered Midwifery Nursing and Allied Professionals, Anesthesia, Ear, Nose, and Throat Skills, Mental Health, Medical Lab. Technology, Clinical Medicine, Bio-Chemistry, Micro-Biology, Lab Techniques, Pharmacy Technicians</td>
<td>‘O’ and ‘A’ level completers</td>
</tr>
<tr>
<td>Private Companies</td>
<td>Refresher courses i.e. management, computer, administration</td>
<td>Public formal training institutions</td>
</tr>
</tbody>
</table>

576. **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.

577. **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 minimum of two years. The training conditions vary a lot from one institution to another.

578. 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.

579. **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).

580. 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.

581. Intake capacity in formal skills development institutions varies from one institution to the other. Whereas public formal skills 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.

582. In terms of enrolment, Public formal skills development Component experienced an increase in enrolment of 71 per cent (i.e. 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.

583. With regard to graduation, a total of 16,203 students graduated from the formal skills development component in 2007. Out of this 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.
584. The total number of class rooms and workshops in formal skills development institutions has increased. By 2005 formal skills development component had 597 classrooms and 54 workshops, the number of classroom increased by 16 per cent (100) in 2008 and workshops stock also increased by 29 per cent (i.e. 54 in 2005 to 70 in 2008). The trend in the increase in classroom stock is expected to continue since more resources are being allocated to the sub sector.

585. The trends also indicate increased availability of instructors for Public Skills Development institutions as indicated in Figure7.15. There is however, a wide gender gap of 79 per cent in the number of instructor’s recruited in Skills Development system. The instructor development programme needs to be well instituted and developed at all levels to meet National demand.

Figure7.15: Trends in Number of Instructors in Public Formal Skills Development Institutions by Gender 2001-2008

586. 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 qualifications framework coordinated under Uganda Association of Private Vocational Institutions (UGAPRIV), fully transforming DIT into a National vocational assessment body replacing UNEB in technical exams, transfer of directorate of industrial training (DIT) as well as departmental training institutions to MoES, integrating the non-formal training programme in the BTVET system.

587. Quality assurance reforms: By early 1990’s, 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.

588. Improved coordination of private training providers: To allow for easy coordination, an organization for private providers UGAPRIVI was established to coordinates all registered private providers. Most of the formal skills development institutions that were formally under other Ministries were brought under 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 2008 ACT.

7.4.2 Constraints to Skills Development

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 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 manpower 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) 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 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. BTVET path
should not be a dead end and more University programmes for technicians have
to be opened.

xvi) Instructors and teachers in private institutions 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 VTI, more comprehensive instructor training institutes
have to be opened to cover all parts of the country.

7.4.3 Objectives, Strategies and Interventions

589. 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 Uganda vocational qualifications
framework/Authority (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) Enforce 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 the visibility and funding.

iii) Redesign to make BTVET programmes more relevant to target groups.

590. **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 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 five Tucks 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.

591. **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 technical / administrative staff with needed resources and tools.

**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**

592. Uganda has registered progress in providing health services and improving the health of its population although still falling short of the required goal targets. For instance, maternal mortality ratio reduced from 527 (2001) to 435 (2006) per 100,000 live births compared to the national target of 354 (2008) and MDG of 127 (2015). Uganda’s Total Fertility Rate also remains high at 6.7 (See Table 7.3).
Table 7.3: UDHS Health-Related Outcomes 1995, 2001 and 2006

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant Mortality Rate (per 1000 live births)</td>
<td>81</td>
<td>88</td>
<td>76</td>
<td>68</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Under 5 Mortality Rate (per 1000 live births)</td>
<td>156</td>
<td>152</td>
<td>137</td>
<td></td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Maternal Mortality Ratio (per 100,000 live births)</td>
<td>527</td>
<td>505</td>
<td>435</td>
<td>354</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>Total Fertility Rate</td>
<td>6.9</td>
<td>6.9</td>
<td>6.5</td>
<td>5.4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Contraceptive Prevalence Rate %</td>
<td>15.4</td>
<td>18.6</td>
<td>23.6</td>
<td>40</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Ministry of Health [Uganda], 2008)

593. The performance of the health sector under the PEAP was monitored through eight indicators, as illustrated in Table 7.4. New outpatient attendance improved from 60 per cent in financial year 2001/02 to 80 per cent in FY 2007/08. Similarly, deliveries in health facilities increased from 23 per cent in FY 2001/02 to 40 per cent in 2007/08.

Table 7.4: Trends in Health Performance Indicators (2000/01 – 2007/08)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>00/01</th>
<th>01/02</th>
<th>02/03</th>
<th>03/04</th>
<th>04/05</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
<th>08/09</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPD Utilization %</td>
<td>0.43</td>
<td>0.60</td>
<td>0.72</td>
<td>0.79</td>
<td>0.90</td>
<td>0.90</td>
<td>0.90</td>
<td>0.8</td>
<td>0.8</td>
<td>1.5</td>
</tr>
<tr>
<td>DPT 3/ Pentavalent vaccine coverage %</td>
<td>48</td>
<td>63</td>
<td>84</td>
<td>83</td>
<td>89</td>
<td>90</td>
<td>82</td>
<td>85</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Deliveries in health facilities %</td>
<td>22.6</td>
<td>19</td>
<td>20</td>
<td>24</td>
<td>38</td>
<td>29</td>
<td>32</td>
<td>40</td>
<td>34</td>
<td>40</td>
</tr>
<tr>
<td>Proportion of qualified workers</td>
<td>40</td>
<td>42</td>
<td>56</td>
<td>68</td>
<td>68</td>
<td>75</td>
<td>38.4</td>
<td>38.4</td>
<td>56</td>
<td>85*</td>
</tr>
<tr>
<td>HIV – Prevalence %</td>
<td>6.1</td>
<td>6.5</td>
<td>6.2</td>
<td>-</td>
<td>6.1</td>
<td>-</td>
<td>6.4</td>
<td>7.0</td>
<td>6-7</td>
<td>6-7</td>
</tr>
<tr>
<td>HCs without medicine (stock-outs) %</td>
<td>N/A</td>
<td>N/A</td>
<td>33</td>
<td>40</td>
<td>35</td>
<td>27</td>
<td>35</td>
<td>28</td>
<td>26</td>
<td>65</td>
</tr>
<tr>
<td>Household latrine coverage %</td>
<td>N/A</td>
<td>N/A</td>
<td>56</td>
<td>59</td>
<td>57</td>
<td>58</td>
<td>58.5</td>
<td>63</td>
<td>67.4</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Ministry of Health, Annual Health Sector Performance Report, FY 2007/8

594. While the target was achieved, the number of required staff at each level was revised up, which reduced the estimate to below 30 per cent and it has since increased to the current level of 38 per cent.

595. The progress was a result of the removal of user fees, strengthening of IEC campaigns, increased financing, opening up of new health facilities, improvements in management and availability of inputs, among other factors.

596. Communicable diseases account for over 75 per cent of the disease burden in Uganda, yet they are largely preventable. Non-communicable diseases such as diabetes, cancer and obesity are increasing among the affluent population. Nutrition has been a key

64 Infant Mortality Rate 75(76) & Total Fertility Rate 6.5 (6.7) indicated in the Table differ from UDHS 2006 published figures (shown here in brackets), because of adjustments to use only data from comparable survey areas
factor in both communicable and non-communicable diseases.

597. 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 (see Table 7.5 below). However, the sector has challenges where a number of these health facilities are neither manned with the right cadre of health workers nor equipped.

Table 7.5: Health Facilities (2004 - 2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
<td>GOVT</td>
<td>NGO</td>
</tr>
<tr>
<td>Hospitals</td>
<td>55</td>
<td>42</td>
</tr>
<tr>
<td>Health centre IV</td>
<td>151</td>
<td>12</td>
</tr>
<tr>
<td>Health centre III</td>
<td>718</td>
<td>164</td>
</tr>
<tr>
<td>Health centre II</td>
<td>1055</td>
<td>388</td>
</tr>
<tr>
<td>Total</td>
<td>1979</td>
<td>606</td>
</tr>
</tbody>
</table>

Source: Ministry of Health, Infrastructure Division, 2004 and 2006

598. The minimum health service delivery standards towards achievement of overall and specific objectives are given in the Table 7.6 below.

Table 7.6: Minimum Health Service Delivery Standards

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Minimum Health Service delivery standard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Health Centre Population Ratio</td>
</tr>
<tr>
<td>1. National Referral Hospital</td>
<td>1: 10,000,000</td>
</tr>
<tr>
<td>2. Regional Referral Hospital</td>
<td>1: 3,000,000 or 1 per region</td>
</tr>
<tr>
<td>3. District Hospital</td>
<td>1: 500,000 or 1 per district</td>
</tr>
<tr>
<td>4. Health Centre IV</td>
<td>1: 100,000 or 1 per County</td>
</tr>
<tr>
<td>5. Health Centre III</td>
<td>1: 20,000 or 1 per sub-county</td>
</tr>
<tr>
<td>6. Health Centre II</td>
<td>1: 5,000 or 1 per parish</td>
</tr>
<tr>
<td>7. Health Centre I/ Village Health Team</td>
<td>1: 1,000 or 1 per village</td>
</tr>
</tbody>
</table>

Source: Ministry of Health, HSIMS-2009

599. Funding a basic package of services in developing countries was estimated at US$30-$40 per capita in 1994. In Uganda, the current level of public funding (excluding off-budget) is US$ 10.4 per capita in 2008/09 which is still below the estimated requirements. It should be noted that a significant portion of the health sector has not been adequately funded.

600. A review of the financial support to the health sector shows an increasing trend over the past decade as indicated in Table 7.7 below.
Gender and Health

601. The Millennium Development Goal number three affirms the achievement of reducing by three quarters the maternal mortality ratio and achieving universal reproductive health for all women \((UNDP, 2007)\). The limited access to health services affects women disproportionately compared to men because of their reproductive and care giving roles. According to the UDHS 2006, despite the slight improvement in percentage of mothers delivering in government and PNFP health units from 38 per cent in 2001 to 41.1 per cent in 2006, the maternal mortality levels remains high. Uganda has one of the highest adolescent pregnancy rates in the world and the highest in Sub-Saharan Africa. In the conflict areas of the Northern and parts of Eastern Uganda, incidences of early pregnancies are very high at 43.1 per cent and 31.1 per cent respectively. Early marriages and limited access to sexual and reproductive health information are some of the factors contributing to the high pregnancy rates among adolescents.

602. HIV prevalence amongst women is 7.5 per cent compared to 5 per cent among men \((UHSBS 2004/5)\). According to the UDHS of 2006, 21 per cent of married women say they cannot refuse sex, while 46 per cent of married women 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. Despite high levels of awareness, modern contraceptive use is low. Only 18 per cent of married women use a modern method of family planning \((UDHS 2006)\). Key factors limiting use are low education amongst women, and the practice of not discussing family planning with spouses.

603. Limited male involvement in seeking health services including reproductive health and VCT, compromises their health. In addition men are less involved in health care provision, resulting in greater burden of care giving on women. Negative cultural practices are among the under lying causes of poor health seeking behaviour.
7.5.2 Constraints in Health and Nutrition Sector

The delivery of health services to the population in Uganda still faces major challenges. Table 8.6 illustrates that the health sector does not meet most of the best practice minimum standards. This is because of the following constraints:

i) **Policy, legal and regulatory framework:** 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 Uganda National Health Research 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.

ii) **Institution and structures:** Absence of multi-sectoral collaboration on Health has constrained this sector. 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 and others. In addition, inadequacies in the supply chain between the National Medical Stores and the health facilities have often resulted into shortage of medicines, health supplies and equipment.

iii) **Under funding:** Only 26 per cent of the health facilities have five tracer medicines and supplies\(^65\). This is largely on account of problems associated with inadequate funding. Current per capita expenditure on essential medicines is only US$0.87 against an estimated requirement of US$2.4 per capita (excluding Art’s, ACT’s ITNs and the heptavalent vaccine). The expansion of infrastructure 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.

iv) **Shortage and retention of health workers:** There is global demand for health workers. This has meant that health workers trained in Uganda can easily move to other countries. Consequently, the sector has experienced unprecedented problems related to labour migration and retention of professional workers since the Government has been unable to pay more attractive packages. In addition, the number of health workers is inadequate and inequitably distributed to allow for 24 hour shifts at health facilities. There is a staffing deficit of 44 per cent on average across all staff categories although it’s more acute among senior cadres (senior consultants, consultants and medical officers special grade), MOH, MOH.

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\(^65\) The tracer medicines and supplies are: (1st -line antimalarials /Fansidar, Depo Provera (injectable contraceptive), ORS, measles vaccine, cotrimoxazole)
2008. There is also the problem of limited capacity to generate specialized medical personnel such as cardiologists, paediatricians, psychiatrists and others.

v) **Efficiency in the sector:** The efficiency with which resources are mobilized, allocated and used is less than optimal (Merotto, 2008). There are for instance problems associated with the 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 US$468,000 had expired at the National Medical Stores on account of poor stock management. In addition the sector continues to experience problems of labour productivity. For example, it is estimated that 47 per cent of the health workers in health facilities are absent at any one time representing a loss of about 29 billion shillings annually (Björkman & Svensson, ; Merotto, 2008).

vi) **Inadequate health infrastructure and equipment:** Despite the expanding health infrastructure over the past decade, several health facilities continue to experience problems associated with shortage of qualified health workers and equipment. Less than one-quarter of health facilities have all essential equipment and supplies for basic antenatal care. Only one-third of facilities offering delivery services have basic equipment and supplies for conducting normal deliveries (MOH 2008). In addition, old health facilities are in dire need for renovation and uplifting. Staff housing, which is one of the incentives to attract and retain health workers, is missing or inadequate in several health facilities.

### 7.5.3 Objectives, Strategies and Interventions

605. **Objective 1** Ensure Universal access to a quality Uganda National Minimum health care package (UNMHC).

**Strategy 1:** Increase access to the UNMHC

<table>
<thead>
<tr>
<th>Intervention Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Recruit, deploy, motivate, and retain health workers</td>
</tr>
<tr>
<td>ii) Improve functionality of HC</td>
</tr>
<tr>
<td>iii) Provide subsidies to the PNFP facilities</td>
</tr>
<tr>
<td>iv) Provision of Immunization &amp; vaccines logistics</td>
</tr>
<tr>
<td>v) Extension Blood transfusion services to all Health facilities</td>
</tr>
<tr>
<td>vi) Improve service delivery in general (District) Hospitals</td>
</tr>
<tr>
<td>vii) Provision of regional referral hospital services</td>
</tr>
<tr>
<td>viii) Provision of Tertiary Mental Health Services</td>
</tr>
<tr>
<td>ix) Providing super specialized health services at national referral hospitals.</td>
</tr>
<tr>
<td>x) Provision of assistive devises for the Disabled</td>
</tr>
</tbody>
</table>

606. **Objective 2 - Strengthening Health Systems**
**Strategy 1:** Ensure Equitable Distribution of Functional & Accessible Health Infrastructure

**Intervention Description**

i) Provision of Housing, Sanitation Facilities and equipment for Health Centers  
ii) Rehabilitation and modernization of Regional Referral Hospitals  
iii) Rehabilitation & Equipping of Mulago Hospitals  
iv) Rehabilitation & Equipping of Butabika Hospitals  
v) Strengthening Reproductive and Mental Health Services  
vi) Rehabilitation and modernization of General Hospitals  
vii) Purchase & Installation of Blood Transfusion equipment  
viii) Enhanced Health System Capacity  
ix) Procurement of modern equipment for Mulago Hospital.  
x) Computerizing Patient Records & evidence based decisions  
xii) Providing Logistics for M&E of Health Worker recruitment  
xii) Enhancing prevention & management of NCDs  
xiii) Developing Infrastructure for inter district use  
xiv) Enforce affirmative action for disadvantaged areas & groups  
xv) Procurement of medical Equipment  
xvi) Rehabilitation of Health Facilities in Eastern Region  
xvii) Strengthening institutional Capacity at MoH

607. **Objective 3** - Improving specific Programmes of National Interest

**Strategy 1:** Improve Reproductive Health, Child Health, and Nutritional status and prevent Non-communicable diseases

**Intervention Description**

i) Strengthening; prevention & control of HIV/AIDS, Malaria & Tuberculosis  
ii) Improving access to reproductive health services in HC III & HC IVs

**Strategy 2:** Enhancing Sector Coordination & Stewardship

**Intervention Description**

i) Provision of Shared National services & Sector Coordination  
ii) Monitoring Professional Ethics  
iii) Implementation of PPPH  
iv) Recruitment of Health Workers for Central Government  
v) Infrastructure & Logistics for monitoring Professional ethics  
vii) Capitalization of SHI  
viii) Strengthening Inter-sectoral Coordination of HIV/AIDS activities

**Strategy 3:** Provision of Specialized Rehabilitative & Curative Services

**Intervention Description**
i) Provision of Tertiary Mental Health Services  
ii) Providing specialized Health Services  
iii) Provision of assistive devises for the Disabled  

**Strategy 4: Management of Disasters & Emergencies**

**Intervention Description**  
i) Improving management of Public Health emergencies

### 7.6 HIV/AIDS

#### 7.6.1 Situational Analysis

608. Over the past two decades Uganda registered tremendous achievements in the fight against HIV/AIDS. It has succeeded to bring down HIV/AIDS prevalence from a peak of 18 per cent in 1992 to 6.1 per cent in 2002\(^66\). Access to ART has improved over the years. For example in 2009 a total 141,416 (43 per cent) were receiving ART out of about 330,000 people living with HIV/AIDS who need treatment. There has also been increased access to HIV/AIDS related information, condoms and social support.

609. Despite the above developments, HIV/AIDS epidemic in Uganda remains a major development challenge. It has disproportionately affected all sectors of development, continues to burden the country’s health and social system and undermines the Country’s capacity to reduce poverty and income inequalities.

610. 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 to lead to a fall in GDP growth. It is estimated that GDP will fall from a projected 6.5 per cent a 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 AIDS (MoFPED, 2008 - macroeconomic impact of HIV/AIDS analysis study, phase II). 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.

611. The social impact of HIV/AIDS is also alarming - by December 2005, a total of 915,400 people were living with HIV and AIDS of whom 530,932 were women and 109,000 were children under 15 years (Hladik et. al., 2008\(^i\)). 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 HIV/AIDS epidemic is estimated to be over 500,000 children. The rate of new infections in the general population is still high. There were a total of 135,300 people newly infected with HIV in 2005.

\(^66\) The prevalence has, however stagnated at 6.4 per cent between 2002 and 2009.
612. In addition to the above socio-economic impacts of HIV/AIDS, there are emerging challenges with the epidemic. They include:

i) The epidemic is changing the pattern – concentration of the new infections is shifting from young population (19-24) population to older age groups (34-39 years).

ii) The number of new infections continues to significantly outstrip the pace of scale up 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.

iii) Slow progress in behavioural change and at times, retrogression in behavioural change. There is a concern about recent complacence, as evidenced raise in new infections.

iv) 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.

v) 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 source of financing. This further aggravated by high levels of off-budget resources.

613. The macro-analysis study (MFPED, 2008) reveals that HIV/AIDS raises 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 form sector to sector with greatest vulnerability being in education, health, social work, agriculture and public administration.

7.6.2 Constraints to HIV/AIDS Prevention

i) Weak policy, legal and regulatory framework: HIV activities are poorly coordinated at local government and lower levels. There is also weak mainstreaming of HIV/AIDS into sectoral and local government development plans. This is exacerbated by the poor policy framework such as lack of the HIV/AIDS bill and HIV/AIDS policy as well as other related sectoral policies

ii) Limited human resource capacity in both skills and numbers to deliver the HIV/AIDS national response. HIV/AIDS negatively impacts on the productivity of the workforce. HIV prevalence among the employed ranges from 6.9 per cent to 10.3 per cent which is above the national average. It is therefore estimated that Uganda will lose 8.5 per cent of its labour force due to AIDS by 2025.

iii) Under-funding and vulnerability due to over dependency on external funding sources (up to 85 per cent). Most of HIV programmes are donor funded which makes then very unpredictable. The resources are poorly coordinated and unsustainable as off-budget investments leading to inappropriate use or mismatch or resource allocation. This has led to limited supply and availability
of HIV/AIDS vaccine in the country with about 300,000 children and adults in need of ARVs and upsurge of opportunistic infections.

iv) 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 to their negative behaviours with hope of living longer and healthier.

v) Growing HIV/AIDS contributory factors such as poverty, insecurity and lack of social support mechanisms. The highest burden of HIV is among women (prevalence at 7.5 per cent compared to men at 5 per cent-UDHS,2004/5), increased number of orphans and vulnerable children due to HIV/AIDS where 13.8 per cent of all children have lost one or both parents and 45.7 per cent of all orphans are due to HIV/AIDS. There were high prevalence rates of about 12 per cent in conflict affected areas of northern Uganda.

vi) Religious beliefs towards reproductive health use in family planning among certain religions and prevention measures promoting abstinence and faithfulness strategies ignoring use of condoms.

vii) Gender, social and cultural practices: while the majority of women are less likely to engage in risky sexual behaviour they have less individual choice in sexual relationships and lack the necessary knowledge to protect themselves. According to UDHS 2006, 21 per cent of married women said they could not refuse sex while 46 per cent of married women said they could not ask their husbands to use a condom. Young women and girls are also vulnerable to infection especially those affected by conflict and violence.

### 7.6.3 Objectives, Strategies and Interventions


#### Strategy 1: Strengthen the Policy, Legal, Social and Community framework

**Intervention Description**

i) Government will finalize and ratify the National HIV/AIDS Policy and enact the HIV/AIDS Bill into a law that will ensure proper operationalization of the policy.

ii) 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. They include agriculture, education and health.

iii) Review and scale up social protection interventions targeting people living with HIV/AIDS (PHAs), OVCs and other vulnerable groups affected by HIV/AIDS. Government will ensure that appropriate social protection packages are designed and administered to the right beneficiaries. In this regard, a credible and comprehensive beneficiary database will be established.

#### Strategy 2: Strengthen institutional coordination
**Intervention Description**

i) Functionality of the National and decentralized coordination structures to be enhanced by ensuring that the relevant committees are filled facilitated and empowered for regular business.

ii) A comprehensive National HIV/AIDS M&E frame work for proper monitoring and reporting will be established and operationalised

iii) A partnership framework to guide private sector participation in delivery of HIV/AIDS services will be put in place

iv) Put in place measures to mainstream HIV/AIDS in planning and budgeting processes at National and LG levels. The measures will include: disseminating HIV/AIDS budgeting guidelines and designing HIV/AIDS planning guidelines

615. **Objective 2** - Reduce the incidence rate 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 population that need it. Access to ART will be ensured irrespective of age groups, gender and regional locations.

ii) Requisite infrastructure will be put in place for equitable and timely access to HIV and 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.

616. **Objective 3** - Enhance livelihoods and economic empowerment of affected communities and households

**Strategy 1:** Increase support to income generating activities for the 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

617. The supply of water for domestic use is classified into Rural and Urban Water Supply. The main goal of government is to achieve sustainable provision of safe water within easy reach and 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**

618. As can be seen from Table 7.8 and Figure 7.16 average Rural Water access as of FY 2008/9 was 63 per cent and has been the same for the previous 3 years. There rate of increase in safe water access was more 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 2004/5 to 69 per cent in FY 2008/9.

Despite the above achievements in rural water access, there remains a great disparity in districts specific coverage’s 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 is below 39 per cent. There is equal disparity in functionality of water facilities across districts. In all these areas, which are water stressed, effective water coverage can be increased only with use of higher per capita cost technologies.
**Figure 7.16: Trend of Rural Water Coverage**

![Trend of Rural Water Coverage](source)

**Table 7.8: Sector Performance Indicators**

<table>
<thead>
<tr>
<th>Sector measurement Indicator</th>
<th>Achievement</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access (%)</td>
<td>Rural</td>
<td>61.3</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>-</td>
</tr>
<tr>
<td>2. Functionality( % )</td>
<td>Rural</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Small Towns</td>
<td>n/a</td>
</tr>
<tr>
<td>3. Per Capita Investment Cost (US$)</td>
<td>Rural</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Small Towns</td>
<td>72</td>
</tr>
<tr>
<td>4. Sanitation %</td>
<td>Rural HHs</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Urban HHs</td>
<td>n/a</td>
</tr>
<tr>
<td>5. Water Quality (%)</td>
<td>Protected</td>
<td>e. coli</td>
</tr>
<tr>
<td></td>
<td>Treated</td>
<td>e. coli</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. coli</td>
</tr>
<tr>
<td>Wastewater</td>
<td>BOD</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Phosphorus</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TSS</td>
<td>n/a</td>
</tr>
<tr>
<td>6. Equity</td>
<td>HH</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>School</td>
<td>n/a</td>
</tr>
<tr>
<td>7. Hand washing</td>
<td>Committees</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Boards</td>
<td>n/a</td>
</tr>
<tr>
<td>8. Management</td>
<td>Rural</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: MWE Sector Performance Report 2008
Urban Water Supply

619. Urban water supply is further classified into large towns (23) and small towns (160). The large towns are served by 18 schemes and managed by National Water and Sewerage Corporation (NWSC). The small towns are managed under Directorate of Water Development (DWD). As of FY 2008/9 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. 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 36\textsuperscript{67} per cent (See Table 7.9 below).

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Coverage (Water)</td>
<td>60</td>
<td>63</td>
<td>65</td>
<td>68</td>
<td>70</td>
<td>71</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: MWLE Sector Performance report 2008

620. The unaccounted for water is estimated at 40 per cent for NWSC and lesser for other small towns at 24 per cent. This is higher in comparison with international water supply systems which have reduced it to 18 per cent.

621. While government will endeavor to attend to all the issues pertinent to water for domestic use, its main focus during this NDP period will be to increase access to safe water, increase functionality of water supply systems, reduce investment per capita and increase safe sanitation levels. The Table 7.10 below shows the projected targets for these indicators by rural and urban divide.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Current Situation</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Access</td>
<td>Rural</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>60%</td>
</tr>
<tr>
<td>ii) Functionality</td>
<td>Rural</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td>Urban Towns</td>
<td>87%</td>
</tr>
<tr>
<td>iii) Investment</td>
<td>Rural</td>
<td>$38</td>
</tr>
<tr>
<td></td>
<td>Urban Towns</td>
<td>$58</td>
</tr>
<tr>
<td>iv) Sanitation</td>
<td>Rural HHs</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>Urban HHs</td>
<td>No data</td>
</tr>
</tbody>
</table>


7.7.2 Constraints to Safe Water Supply and Sanitation Sector

i) Unplanned Settlement Patterns leads to difficulties in supply of water and sewerage services

ii) Lack of clear separation of institutional roles of planning, policy, implementation, operation and maintenance: this limits strategic oversight, checks and balances and concentration on one role at the expense of others.

\textsuperscript{67} Towns below 36 per cent coverage have no functional piped water supply systems
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) especially the technical and financial capacity to participate in service delivery

v) Weak Water Resources Management leading to underutilization and dormancy of water supply systems.

vi) Insufficient funding to meet the high population demands and limited financing options such as infrastructure bonds.

vii) Sparse Distribution of Water Resources leading to high investment costs.

viii) High energy costs and limited grid power network leading to high tariffs.

ix) Low household income to pay for the services.

7.7.3 Objectives, Strategies and Interventions

622. **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. The measure will be the number of new people served.

ii) Construct safe water supply systems in the rural areas to increase number of piped water supply systems. The measure will be the number of new people served. The central government will concentrated on construction of piped water supply systems in water stressed areas and large piped water supply systems that are trans-district in nature or cover large rural areas.

**Strategy 2:** Improve functionality of water supply systems

**Intervention Description**

i) Strengthen community based management systems to manage the water supply systems. Functional water committees and boards will be mechanisms to strengthen water supply systems.

ii) Improve the spares parts supply chain through public private partnership arrangements to increase accessibility to spare parts of point water sources. The target is to have spare parts store in each district

iii) Mobilize and increase equal participation of Men and Women in the management of Water systems. The equal representation of committees ensures equal participation.

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

623. **Objective 2** - Increase access to safe water supply in urban areas from 70 per cent
in 2008 to 100 per cent in 2015.

**Strategy 3:** Construct, maintain and operate piped water supply systems in urban areas

**Intervention Description**

i) Construct new safe water supply systems in the urban areas including all town councils. The number of water supply systems and number of people served will be used to measure performance.

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 GKMA to cover more areas especially in urban areas.

**Strategy 4:** Reduce unaccounted for water from 47 per cent to 18 per cent in NWSC systems in Greater Kampala Metropolitan Area (GKMA)

**Intervention Description**

i) Revamp the transmission and distribution systems in the GKMA and Support the operation and maintenance of the NWSC water supply system to increase accessibility to safe water supply systems. This is expected to reduce unaccounted for water (water losses) in the system and increase functionality

624. **Objective 3** - Increase access to improved sanitation in rural and urban areas from 69 per cent and 77 per cent to 80 per cent and 100 per cent respectively

**Strategy 1:** Promote good sanitation and hygiene practices in households, communities and rural growth centres.

**Intervention Description**

i) Revitalize and strengthen health inspection function across districts and sub-counties. This is expected to increase the number of households with sanitation facilities.

ii) Mobilize and sensitize households on good sanitation and hygiene practices

iii) Increase the stock and distribution of public sanitation facilities in rural growth centres. This will raise the stock and spatial distribution of public sanitation facilities

iv) Modernize solid waste management and treatment in the rural growth centres and fish landing sites. This will increase the number of sites with solid wastewater disposal and prevent point water pollution.

v) Increase sanitation facilities in schools and promote hygiene education to prevent sanitation related diseases in the primary schools. Emphasis will be put on the pupil: stance ratio and ensuring that each school has hand-washing facilities and a dumping ground.
vi) Condition the provision of the water supply systems in any community to availability of sanitation facilities in all households and public sanitation facilities.

**Strategy 2:** Promote good sanitation and increase sewerage systems to cover urban areas

**Intervention Description**

i) Intensify sewerage connections in towns with piped water supply systems.

ii) Implement the Kampala Sanitation Master Plan. This will involve construction and operationalisation of new treatment systems.

625. **Objective 3** - 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. The policy will help to align the sector activities and implement coherent government policies.

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. In this regard it will be essential to strengthen the technical and logistical capacity of the unit.

**Strategy 2:** Strengthen the institutional structures and systems for delivery of water and sanitation activities.

**Intervention Description**

i) Separate the institutional roles of policy and planning, from those of implementation and those of regulation. This will involve creation of separate agencies for regulation of both urban and rural water and another agency for water infrastructure development

ii) Streamline the institutional roles and responsibility for sanitation, management and inspection. This will involve rationalising the roles and responsibilities appropriately.

iii) Provide specific technical training for technical personnel in water supply and sanitation programmes. Emphasis will be on acquiring higher education training in specialized fields.

**Strategy 3:** Enhance the involvement of private sector players in water infrastructure financing, development and provision of water services
Intervention Description
i) The sector will come up with Private partnership policy to guide the involvement of private sector in water sector activities.

ii) Diversify financing options of water infrastructure development. The sector will initiate the use of infrastructure bonds and municipal bonds for water infrastructure development.

iii) Provide short term and long term training for private sector players in technical and entrepreneurship areas to develop their capacities in service delivery within the sector. In addition regular training course and certification for sector player in this area will be undertaken.

iv) The sector will support the establishment of a construction bank to provide flexible credit lines to contractors, operators and consultants.

v) Strengthen the contractors association to regulate the performance of contractors and have representation on sector working groups. This will help to bring private sector agenda and issues in the sector working groups and policy committees. Certification of private players will be essential.

vi) Establish a robust monitoring and evaluation system to enforce compliance to established codes and standards. This will raise the level of compliance.

vii) Ensure implementation of Engineers Act and other Regulation Acts to enhance regulation within the sector.

viii) Strengthen the coordination of sector activities and strengthen the Management Information Systems. In addition annual sector reviews and evaluations will be carried out.

7.8 SOCIAL DEVELOPMENT SECTOR

7.8.1 Situational Analysis

626. 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 the constitutional limits. Both government and the citizenry therefore need to play their respective roles and responsibilities in a manner that allows for society to realize its aspirations.

627. 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 is for many African countries, the state must make efforts in reducing the 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 endeavors. 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.

Social Protection
628. Social Protection entails all public and private interventions that address vulnerabilities associated with being or becoming poor. Social protection is a public investment in the human capital that facilitates risk taking endeavors and also enables the poor to prevent, cope with and mitigate risks. These interventions currently include: providing social assistance to the chronically poor, promoting equal opportunities, operation of social security schemes, provision of care for orphans and other vulnerable children (OVC), provision of special needs education and training, community based rehabilitation services for PWDs, promoting labour standards and occupational safety, provision of social security for public sector and formal private sector employees, provision of pension for public sector employees and relief services to disaster victims.

629. The need for social protection is motivated by two factors which include poverty and vulnerability. While poverty 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.

630. For over a decade, Government has implemented a wide range of programmes to improve the socio-economic conditions of the population and achieved some good 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. 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.

631. 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), human induced disasters. 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

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68 The Uganda National Household Survey (UNHS) Report, 2005/06
69 Northern Uganda, 2000-05; Western Uganda, 1998; Karamoja 2000-05
make more people 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.

632. The population is dominated by children below 15 years of age who constitute 50.7 per cent of the people of Uganda, out of whom 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 age. Out of these, children above 14 years and the youth comprise 27.0 per cent of the population. 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 persons. 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. About 7 per cent of the population or 1.9 million people in Uganda have disabilities out of these, 47.6 per cent have permanent disabilities.

633. The burden of caring for OVC continues to be overwhelming. Out of an estimated 16.8 million children, 7.5 million or 46 per cent are experiencing child poverty. The majority of households taking care of OVC are headed by widows, who are either a surviving parent or grandparent. 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 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.

634. 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 (who are often fellow children).

635. 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 institutions run by government, a

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70 The 2002 Uganda Population and Housing Census
71 Uganda House Hold Survey Report, 2005
72 The institutions include Naguru remand home, Naguru reception centre, kampilingisa
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.

636. 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 are not catered for by these institutions but it is hard to determine the exact number due to lack of a clear mechanism of data collection and analysis.

637. With respect to promotion and protection of workers’ rights, 2,696 complaints were registered. A breakdown of these by category shows that 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 cases, Government implemented a number of measures including the enactment of a new Labour Law, 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.

638. In terms of provision of social security, there are two major services: The civil servants and UPDF pensions’ scheme 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 1967-2003. In addition, Government is designing other social security schemes which include the private health insurance scheme and private provident funds. These are however to a limited extent.

Community Mobilization and Empowerment

639. One of the major factors which have hindered the poor from harnessing available opportunities for getting out of poverty is ignorance and lack of knowledge. 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 of the 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 who nearly 2.9 million are women and 1.6 million are men, potentially requiring functional literacy skills.

73 The Uganda Participatory Poverty Assessment (UPPA) Report, December 2002
640. The functional adult literacy (FAL) programme was designed to empower illiterate adults to participate effectively in public as well as community initiatives. As of 2007, a total of 1.2 million people had benefited from the FAL programme. To compliment this programme, information services have been provided in form of libraries and tele-centres. As of 2007, a total of 6 public libraries, 22 community libraries and 6 tele-centres were put in place.

641. 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 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, and facilitate community participatory planning to ensure that government programmes respond to community needs, prepare sub-county development plans; and maintain Community Information System (CIS) in all aspects including birth and death registration, adult literacy rates and income generating activities.

642. To-date 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 meager resources allocated to CDOs are reflected in the limited community capacity to demand for services and a slow progress in the socio-economic indicators across sectors.

Human Rights and Gender Equality
643. 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 cent of the population, it is important that they have equal access to resources and opportunities if the country is to realize 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 agenda in a bid to integrate gender issues in development plans and programmes.

644. With all these efforts, there have been some good achievements in attaining gender equality and women empowerment. Primary school enrolment for females rose 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 rose from 23.9 per cent in 1990 to 49.6 per cent in

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74 UNHS 2005/6
2006. In terms of political representation at parliament level, the percentage of women rose 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.

645. Further more women continue to face constraints related to access and control of resources like land. As of 2009, only 20 per cent of registered land is owned by Women. The proportion of the women population reporting that they have experienced gender-based violence still remains unacceptably high. As of 2006, 68 per cent of the women had reported violence of this nature as compared to 20 per cent of the male population. 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.

646. Research has confirmed that gender-based inequality limits economic growth and exacerbates poverty. It is thus essential to invest in initiatives that promote both men and women’s productive capacity. 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 (MFPED, 2008).

647. 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 favor of marginalized groups and eliminate all forms of discrimination in access to social services, employment opportunities and governance structures.

**Culture and Family Affairs**

648. 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 heritage consisting of monuments or architecture, visual arts and handicrafts, cultural sites, manuscripts, cultural industries, linguistics and literary and other objects of artistic and historical interest; and the intangible heritage comprising of 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.

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75 MLHUD 2009
76 UDHS 2006
649. The period 2000 to date has witnessed an improvement in the performance of the Culture sub-sector. The Uganda National Culture Policy was approved in 2006. Government support towards 11 recognized Traditional Leaders in 2005 was initiated. The laws were realigned to new policy shifts; the Traditional Rulers Restitution of Assets and Properties Act (Cap 247), the Copyright Law 1957 repealed, now the Copyright and Neighbouring Rights Act 2006 to provide for increased benefits from intellectual property. 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 trade in goods and services, Uganda in 2002 exported core cultural goods worth US $ 206,800 (UNESCO institute of Statistics, UN COM trade, DESA/UNSD, 2002). These include heritage goods, books, newspapers and periodicals, other printed matter, recorded media, visual arts and audio visual that contributed volume of trade in GDP.

650. The family is the basic unit of society and a source of social capital and 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 and high unemployment among others and exposure to powerful multi-cultural activities which has led to diminishing extended family support systems.

7.8.2 Constraints to Social Development Sector

i) Inadequate institutional capacity for effective community mobilization and empowerment.

ii) Conflict in norms, values and beliefs, which limit cohesion and slow down development.

iii) Lack of a coherent community mobilization policy and inadequate resources to implement the community mobilisation and empowerment strategy.

iv) Increasing number of vulnerable persons attributed to HIV/AIDS, disasters, chronic poverty and limited social protection.

v) Absence of a successor family support system due to shifting socio-economic structure limiting socio-protection.

vi) Gender inequality which leads to unequal distribution of resources, opportunities and violation of human rights including harmful practices.

vii) Lack of a national value system which limits unity, spirit of patriotism, lack of national identity, poor attitudes towards work, ethics and integrity.

viii) Lack of statistical information on contribution of Culture to development.
7.8.3 Objectives, Strategies and Interventions

651. The Objectives, strategies and interventions in the NDP will include;

652. **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 and implement a policy on a national value system. It is expected that once these values have been agreed on by all stakeholders, they will be passed into law, disseminated to all citizenry and operationalized.

iii) Develop and implement a national training programme focusing on the national core ethical values including change of the mindset and other soft skills. To facilitate this initiative, specialized training institutions at national and regional levels will be established.

iv) In addition to the above, government will forge partnerships with religious bodies to promote national value systems and family values through various programmes.

v) Strongly promote and train in the use of Kiswahili as a national language to foster unity and position Ugandans for regional integration. To effectively promote this, government will integrate Kiswahili in skills development programmes, establish the Kiswahili Council, and integrate Kiswahili into the formal education system and non-formal adult literacy programmes.

653. **Objective 2** - Promote Uganda's positive cultural values, norms and practices and discourage the negative practices

*Strategy 1:* Intensify the promotion of Uganda's visual arts both locally and internationally

**Intervention Description**

i) Establish cultural centres at regional level and use them to promote Uganda’s positive cultural attributes. In addition, government will re-develop the national theatre to international standards.

ii) Promote and develop the local film industry to international standards and support them to enable the consumption of their products internationally. In addition, other cultural industries will be developed.
iii) Support the participation of cultural groups in regional and international cultural events. This will facilitate their accreditation internationally.
iv) Provide financial and technical support to traditional/cultural institutions to effectively play their role in enhancing positive culture values and national values.
v) Develop and promote indigenous knowledge through documentation of content of local knowledge, blending indigenous technology with scientific technology, recognizing and supporting Local artisans
vi) Formulate and implement the copy right law and other laws to protect and promote culture.

**Strategy 2**: Ensure that the family Unit is strengthened

**Intervention Description**

i) Develop and implement a programme to strengthen the family unit as a basis for quality human development.

ii) Develop appropriate family courses on marriage and parenting

iii) Sensitization drive sensitize communities on family values and the importance of the family unit and their vital role in development

654. **Objective 3** - Expand social protection measures to protect people from becoming vulnerable and reduce vulnerability to enhance the productivity of the human capital.

**Strategy 1**: Harmonize the provision of social protection measures in the country

**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) 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. In this regard a separate regulatory agency will be established and its functionality strengthened.

iv) Establish a data management system for the different categories of vulnerable groups and workers in the formal and informal sector.

**Strategy 2**: Diversify and provide comprehensive social protection for the different categories of the population.

**Intervention Description**

i) Establish and support both private and public health insurance schemes. This is expected to increase the number of private health insurance schemes and also establish a public health insurance scheme.

ii) Develop and implement social transfer programmes. During the plan period, government will focus on implementation of cash transfer programmes to the elderly, persons with disability and the poorest quartile of the
population. In addition, cash for work programmes will also be designed and implemented especially for the vulnerable youth.

iii) Strengthen institutional rehabilitation services for children with disabilities and children in conflict with the law. Rehabilitation institutions will be refurbished and capacity increased. In addition, judicial and counselling services for children in conflict with the law will be strengthened.

iv) Support comprehensive community response programmes for vulnerable groups (OVCs, widows, old persons and ethnic minorities) through partnerships with civil society organizations.

v) Provide entrepreneurial, employable and adolescent life skills to the youth outside school and provide them with start up kits.

vi) Expand community based rehabilitation services for older persons, people with disabilities (PWDs) and children with special needs to all districts in the country.

vii) Provide social protection for abused and neglected children and babies who are in need of care and protection. To facilitate this, a collaboration mechanism will be designed between government and the civil society organizations.

655. **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 to facilitate the integration of gender needs in policy, development programmes and projects.

ii) Increase women participation in business. Government will design and implement tailor made programmes to enhance entrepreneurial and business skills among women.

iii) Invest in Labour saving technologies, affordable energy sources and ensure access to productive resources in order to respond to the diverse livelihood needs of women.

iv) Create effective linkages with the government sectors, Local Government, the private sector, Civil Society and other partners to promote gender equality and women empowerment.

**Strategy 2:** Reduce gender based violence and promote women’s rights

**Intervention Description**

i) Reduce incidences of gender based violence among men and women. This will be done through sensitization and awareness programmes and putting 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.

656. **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 to ensure affirmative action is implemented by the various sectors to enable vulnerable groups effectively participate in the development process.

iii) Strengthen technical capacity in disability mainstreaming and policy analysis to facilitate the integration of disability needs in policy, development programmes and projects and in infrastructure designs to facilitate accessibility by all.

iv) Empower marginalised and vulnerable groups to effectively participate in development initiatives.

657. **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 adult literacy programmes (FAL) to reach all villages in the country to increase adult enrolment and training.

ii) Expand the provision of library and information services through construction and furbishing of 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 to build human resource capacity for community mobilization.

ii) Implement the community mobilization and empowerment strategy and rationalize the role of community mobilization to the social development sector to avoid duplication among sectors and fatigue to the communities.
**Strategy 3:** Promote the establishment and operationalization of the community information system (CIS)

**Intervention Description**

i) Promote the establishment and operationalization of the community information system at sub-county level. This will be done through continuous training in data collection, processing and usage of CIS at the central and local government level.

ii) Roll out the community information system to cover all the sub-counties in the country

658. **Objective 7** - To strengthen the institutional capacity for better coordination of the Social development sector and effective service delivery

**Strategy 1:** Build human resource capacity and strengthen logistical support.

**Intervention Description**

i) Strengthen the human resource base at the MGLSD by filling the staff establishment at the head office and in institutions for children, persons with disability and youth skills training centres.

ii) Strengthen the technical capacity of staff at the centre, local government level and other social development institutions and key civil society organizations. This will be done through provision of short and long term courses and seminars.

iii) Strengthen the social development sector management information systems and harmonize and maintain the system.

iv) Implement the social development sector plan for statistics development

v) Strengthen the social development sector monitoring and evaluation system through regular monitoring and evaluation of activities implemented by the sector.

vi) Support autonomous institutions to execute their mandates and complement the ministry and local governments in implementing programmes. This will be achieved through subventions to national and district councils established by Acts of Parliament.
8.1 LEGISLATURE

8.1.1 Situational Analysis

659. Article 77 of the 1995 Constitution establishes the Parliament of the Republic of Uganda 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.
- Parliament shall protect this Constitution and promote the democratic governance of Uganda.

660. 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, Leader of Opposition, the Minister of Finance, Planning and Economic Development, and four Commissioners elected among the Members of Parliament. It makes policies for the smooth running of the institution and ensures that (i) Attendance and participation of MPs in Plenary and Committee Sittings are 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.

661. 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 are the responsibility of the Executive branch of State, except in the rare cases whereby 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 than stipulated in the Rules of Procedure of Parliament. Two main factors stand out as contributors to delays of bills in Parliament. These are: (i) lack of advocacy and prior consultation of Members by stakeholders (Ministries, CSOs, academia, private sector, etc) which would provide explanations, data and information for Members of Parliament 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 Assent copies.
There are some concerns raised on the performance of Uganda’s legislative systems, which include:

- The size of Parliament – the number of legislators that stand at 333 MPs is considered to be high and a huge claim on national budget.
- Prolonged and protracted process of developing, debating and enacting new laws.
- Performance of legislators – there are concerns about lack of full and active participation of some legislators in the House and development activities of their constituencies.
- Lack of quorum in plenary and committee meetings.

8.1.2 Constraints to Legislature

i) Lengthy legislative procedures.
ii) Inadequate support capacity to the legislature.
iii) Inadequate space in the Parliamentary Chamber, committee rooms and Lack of offices for Members.

8.1.3 Objectives, Strategies and Interventions

663. Objective 1 - Legislative Agenda- To ensure effective legislation

**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, development 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 Information, Technology and Communication (ICT) infrastructure. These interventions are aimed at building the institutional capacity of Parliament.

**Strategy 2:** Promote research, informed and knowledge based debate in Parliament.

**Intervention Description**

i) Equip the library with more literature resources

ii) Electronically link the library to other libraries

iii) Best practices exposure for legislators, particularly the heads of committees

**Strategy 3:** Increase advocacy and strengthen institutional relations amongst stakeholders involved in the legislative process.

**Intervention Description**

i) Promote regular consultative meetings with state and non-state actors. Legislators will participate in meetings for sharing research designs and findings, and policy formulation.
**Strategy 4:** Provide adequate space in the chamber, in offices and Committees

**Intervention Description**

i) Construct and equip new Parliament chamber, committee rooms and office

**Strategy 5:** Enforce the mandatory 45 days when bills must stay with committees

**Intervention Description**

i) Introduce sanctions to non attendance of 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.

664. **Objective 2** - Representative Role: To enhance effective representation of people’s views in legislation and policy making

**Strategy 1:** Empower citizens to demand MPs to attend Parliamentary sessions and committee meetings

**Intervention Description**

i) Facilitate CSOs to conduct 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.

665. **Objective 3** - Oversight Function: To strengthen effective oversight 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 economy

**Intervention Description**

i) Facilitate 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) Facilitate of Parliament to monitor disbursement 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) Facilitation of Parliament to assess performance of the entire economy

8.2 JUSTICE, LAW AND ORDER

8.2.1 Situational Analysis

666. The administration of Justice, Law and Order is an instrument for realization of growth and socio-economic development. An effective legal environment fosters to individual and national productivity, mitigates social inequity and political instability, and the country’s International Competitiveness Index. 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 promoting security of property, v) enhancing JLOS contribution to economic development and vi) building institutional capacity to enhance service delivery.

Rule of Law and Due Process

667. Government accorded priority to improving the quality of laws, ensuring user access and participation in both the law reform process and updating legislation. The Justice, Law and Order Sector 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 justice legislative frameworks, by amending a number of key laws, while others await proceedings of Parliament or decisions in Cabinet.

Status of Human Rights in the Administration of Justice

668. Government efforts to foster a human rights culture across all JLOS institutions have led to improvements in the overall human rights situation in the country. JLOS has constructed and renovated Police barracks, Prisons to improve the welfare of users. Through training, awareness creation, partnerships with Local Governments and development partners; and the involvement of Non State Actors including the civil society organizations and the Private Sector, the Sector has registered reductions in

77 Examples of bills enacted into law in FY 08/09 include the Law Revision (Fines and Financial Amounts in Criminal Matters) Act 2008, the Trial on Indictment Amendment Act, and The Arbitration and Conciliation (Amendment) Act No. 3/2008. Also enacted were, The Trade Secrets Protection Bill and the Hire Purchase Bill.

78 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

79 See annual reports of the Uganda Human Rights Commission
incidences of specific human rights violations in its places of detention; improved levels of rights awareness among the general public and sought to introduce the rights based approach as a basis for service delivery. Despite the improvement in the application of rights based approach, key challenges to the Sector include 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% and JLOS efforts to increase holding capacity continue to be outmatched by the numbers as demonstrated in Table 8.1 below;

Table 8.1: Status of Prisoner versus Physical Carrying Capacity in the Uganda Prison Service

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Approved Capacity</th>
<th>Excess</th>
<th>No. of times exceeding Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>17,523</td>
<td>8,530</td>
<td>8,993</td>
<td>2.1</td>
</tr>
<tr>
<td>2007</td>
<td>19,149</td>
<td>9,428</td>
<td>9,721</td>
<td>2.0</td>
</tr>
</tbody>
</table>


Duty to Promote Access to Justice for all

669. To support and enhance access to justice for all especially the poor and the marginalized groups, the Justice, Law and Order Sector embarked on reforms to tackle and remove impediments to access to justice. A growing caseload, physical distance to service institutions, technical barriers and gender/poverty/vulnerability related barriers continue to be the major barriers to access to justice particularly for the poor and marginalized groups.

670. 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 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 backlog is approximately 40,046 cases across the four focus areas of land, family, criminal and commercial justice. Refer to Table 8.2 below.

Table 8.2: Status of Case Backlog in the Courts of Law in Uganda

<table>
<thead>
<tr>
<th>Court</th>
<th>B/F</th>
<th>Filed</th>
<th>Total</th>
<th>Completed</th>
<th>Pending</th>
<th>% disposal</th>
<th>% backlog of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supreme Court</td>
<td>68</td>
<td>46</td>
<td>114</td>
<td>53</td>
<td>61</td>
<td>46.4%</td>
<td>10.2</td>
</tr>
<tr>
<td>Court of Appeal</td>
<td>929</td>
<td>201</td>
<td>1130</td>
<td>95</td>
<td>1,035</td>
<td>8.4%</td>
<td>-11.4</td>
</tr>
<tr>
<td>High Court</td>
<td>27,760</td>
<td>10,041</td>
<td>37,801</td>
<td>8,031</td>
<td>27,614</td>
<td>21.2%</td>
<td>-7.1</td>
</tr>
<tr>
<td>Chief Magistrates Court</td>
<td>34620</td>
<td>39132</td>
<td>73752</td>
<td>29957</td>
<td>50314</td>
<td>40.6%</td>
<td>-26.5</td>
</tr>
<tr>
<td>Grade I Courts</td>
<td>15129</td>
<td>26989</td>
<td>42118</td>
<td>24445</td>
<td>17673</td>
<td>58%</td>
<td>-16.8</td>
</tr>
<tr>
<td>Grade II Courts</td>
<td>4704</td>
<td>9107</td>
<td>13811</td>
<td>8535</td>
<td>5276</td>
<td>61.7%</td>
<td>-12.1</td>
</tr>
<tr>
<td>Overall Totals</td>
<td>83,210</td>
<td>85,516</td>
<td>168,726</td>
<td>71,116</td>
<td>101,973</td>
<td>42.1%</td>
<td>-17.2</td>
</tr>
</tbody>
</table>


671. In addition, the Uganda Police Force recorded over 40,000 cases pending

80 Including torture and compliance with the minimum standard rules for the treatment of prisoners.
81 Defined as any matter that has clocked two years from the date of filing.
investigation. The oversight bodies too for instance 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. Service institutions including the issuance of passports, work permits and related services, registration of businesses are also riddled with delay in service delivery which bears a direct impact on the cost of doing business in the country and ultimately the country competitiveness for local and foreign direct investment.

672. The Sector continues to strive for gender responsiveness through law reform in compliance with national, regional and international obligations. Law and policy reform efforts include the prioritization of the Domestic Relations; Gender Based Violence laws; steps to ensure that constitutional reforms protect the fundamental freedoms and rights including property, reproductive health, economic and social rights; a National Gender Based Violence Plan of Action; and increasing country compliance with the obligations under international and regional\(^{82}\)treaties.

**Crime Reduction, Safety of the Person and Security of Property**

673. The Government of Uganda recognizes that safety of person and security of property are crucial for economic growth and development. The Justice, Law and Order Sector registered progress in tackling the increasing crime rate, fire incidents, proliferation of small arms and illegal entrants. In the wake of lawlessness and inadequate protection from theft, violence and other acts of predation, markets cannot develop and property rights are least effective. 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 incidence\(^{83}\) of crime over the last ten years is evidently on the rise as is demonstrated below.

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\(^{82}\) treaties including the African Protocol on the Rights of Women  
\(^{83}\) The total number of crimes reported per population of interest over a given period of time in a defined area (territory/country
According to the crime report, the crime rate 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.

In addition the nature of emerging crimes that threaten and accentuate vulnerability include the ritual murders of children; gender based violence- increasing trends in gender based violence continue to negatively affect women productivity; 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.

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 an inadequate legal framework; inadequate collaboration with local governments and the health and Education sectors among others.

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84 World Bank (May 2005) Gender and Growth Assessment for Uganda- A Gender Perspective on Legal and Administrative Barriers to Investment Pg Vi
85 19 boys and 6 girls
In 2008, 112 guns were recovered from criminals during operations. This represents a minute fraction of the number of illicit arms in our communities. The Sector presently faces challenges arising from poor enforcement of laws on firearms; absence of a central registry for small arms and an inadequate evidence base on arms distribution and supply. In addition the lack of a national identification system and the slow progress towards national and alien identification bears an impact on the employment rates, and places huge demands on social services like health; education and water.

JLOS Contribution to Economic Development

The Justice, Law and Order Sector has made positive strides in supporting the economic justice system; improvements in Non-Tax Revenue Management and meeting the demands of Regional Integration. 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 High Court. The Commercial Division is now operating in its own premises which are more users’ friendly, bears its Client’s Charter, involves Private sector organizations in the activities of the Court through Users Committees and ensures participation in the Investor’s Round Table discussions. To meet the regional integration demands, efforts are directed to harmonization and domestication of treaties, sensitization of the public on rights duties and procedural arrangements, alternative dispute resolution continue to make demands of Sector resources.

JLOS contribution to economic development is also partly achieved through non tax revenue (NTR) collection, which is a contribution to the Country’s Resource Envelope. In 2007/2008, the sector collected NTR amounting to about UGX 25,519,199,403. The Directorate of Citizenship and Immigration Services alone collected up to 18billion.

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 have been attained. As of mid 2008 up to 12 judges were recruited, making the total number of Judges to 35. This represents 70% of the high court capacity and is anticipated to positively impact on case back log. 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 upping the strength to 3,371. This translated into a caseload of 69 cases per detective. The Directorate currently operates at 18% of the optimal staffing strength (See Table 8.3 below).

<p>| Table 8.3: The Staffing Positions in Selected JLOS Institutions |
|------------------|------------------|------------------|------------------|</p>
<table>
<thead>
<tr>
<th>Institution</th>
<th>Staffing Complement</th>
<th>Optimum Staff Load</th>
<th>Gap/ Issues</th>
</tr>
</thead>
</table>

88 This sets out the lead times for the different processes and procedures followed by the Court/ Court users.
### Police

<table>
<thead>
<tr>
<th>General Police</th>
<th>Ratio Police: population is 1:1136</th>
<th>1: 500</th>
<th>Annual recruitment of Police to close the gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>CID</td>
<td>Ratio of CID to cases is 1:69</td>
<td>Ratio of 1:12 cases</td>
<td>Current workload officer ratio has been brought down from 1:98 through recruitment of more officers. Total number now stands at 3,371 officers</td>
</tr>
</tbody>
</table>

### CID

<table>
<thead>
<tr>
<th>State Attorneys</th>
<th>154</th>
<th>230</th>
<th>Annual recruitment of State Attorneys to replace State and Police Prosecutors</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Prosecutors</td>
<td>150</td>
<td>180</td>
<td>State and Police Prosecutors</td>
</tr>
</tbody>
</table>

### Judiciary

<table>
<thead>
<tr>
<th>Supreme Court</th>
<th>5</th>
<th>7</th>
<th>Judges have retired and should be replaced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court of Appeal</td>
<td>8</td>
<td>15</td>
<td>The no. of Judges should be increased to cater for higher numbers of constitutional cases filed</td>
</tr>
<tr>
<td>High Court</td>
<td>35</td>
<td>50</td>
<td>The current no. of judges includes those who are currently serving on Commissions</td>
</tr>
<tr>
<td>Chief Magistrates</td>
<td>32</td>
<td>38</td>
<td>No. has been enhanced but it’s not clear if its adequate to handle the increased no. of cases due to jurisdiction reforms</td>
</tr>
<tr>
<td>Grade I</td>
<td>100</td>
<td>150</td>
<td>The no. of GI magistrates should be increased to cater for the reduction of GII magistrates under the Professionalization of the Bench programme</td>
</tr>
<tr>
<td>Grade II</td>
<td>115</td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>

### Prisons

<table>
<thead>
<tr>
<th>Prisons Warders</th>
<th>6,500</th>
<th>9,500</th>
<th>Current ratio of warders to prisoners is 1:5 against an optimum of 1:3. Prisons continue to recruit staff annually</th>
</tr>
</thead>
</table>

Source: JLOS Case Backlog Reduction Strategy 2009-2011

### 8.2.2 Constraints to Justice Law and Order Delivery in Uganda

i) Inadequate resources to the Sector both financial and human contributing to institutional inefficiencies.

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 to case disposal across the justice system.

v) Slow legislative process due to capacity constraints at all levels.

vi) Limited coordination between the users of the services of JLOS and the Sector institutions.

vii) Long physical distance to service institutions and technical barriers related to gender and disability.

viii) Poor welfare particularly in Police and prisons.

ix) Poor state of infrastructure in Police and prisons.

x) Inadequate reformatory institutions for special interest groups e.g. juveniles and large numbers of pre-trial detainees awaiting trial for extended periods.

xi) Lack of affirmative action to facilitate equal access to justice to vulnerable groups including the poor, women, workers and children.

xii) Limited public understanding of citizens’ rights under the law.

xiii) Undue interference in the judicial system.
8.2.3 Objectives, Strategies and Interventions

Objective 1 - Promoting the Rule of Law and Due Process

Strategy 1: Undertaking law reform

Intervention Description
i) Support comprehensive and demand driven law reforms to enhance access to justice and equality before the law and enhance access to updated laws and case precedents: During the plan period, there will be continuous law revision, enactment and publication to support the legislative process. To support this initiative, Development of capacity will be critical.

ii) Formulate and implement in a participatory manner a National policy on SALW. In addition, implement anti-corruption strategy.
**Strategy 2:** Fostering independence of the judicial process.

**Intervention Description**

i) Strengthen the Judicial Service Commission and other oversight bodies and institutions. This will entail strengthening the law reporting function, enhancing the capacity of judicial officers and the legal professionals through continuous training professional development, advocating for improvement of working conditions of personnel working in the JLOS Institutions, working with the public, Civil Society and the Uganda Law Society to strengthen, protect and address threats to the independence of judicial process.

ii) Improve the environment and procedure for execution of court decisions through vigilant supervision of court bailiffs; developing standards for efficient and effective administration of justice; mainstreaming gender and human rights standards in the administration of justice; developing internal capacity to enforce regulations and lead awareness enhancement initiatives for the public sector on government liability and its implications for national development.

iii) Enhance transparency, accountability and ethics across JLOS Institutions in accordance with the National anti corruption strategy and the JLOS anti corruption strategy.

iv) Create more awareness on the value of administration of justice in the country. During the plan period, JLOS will continue lobbying for pay reform; strengthen institutional disciplinary mechanisms; develop procedural manuals; develop performance standards with set targets; promote the use of client charters and user guides at institutional and sector levels to enhance staff accountability.

**Strategy 3:** Fostering a culture of human rights observance across JLOS Institutions

**Intervention Description**

i) Inculcate human rights principles and practice at institutional and sectoral levels through integration of human rights principles in institutional induction, training programmes and operational procedures; implementation of a change management strategy and human development plan.; promotion of rights based approach to service delivery within all JLOS institutions and development of national capacities including state and non state actors to apply the human rights based approach to service programming and delivery.

ii) Reduce the incidence of specific human rights violations through conducting a baseline on types/occurrence of specific human rights violations in institutions and implementation measures to realize minimum standards in conditions in detention facilities and across JLOS Institutions. Additional detention centres will as well be constructed.

iii) Engage Civil Society Organizations and the Private Sector through Working Groups, User committees and pilot demonstration projects to promote the
rights of victims and accused persons; institutionalize complaints mechanisms and develop systems of strengthening institutional and individual accountability.

682. **Objective 2** - Strengthen good governance.

**Strategy 1:** Fostering a human rights culture across JLOS Institutions.

**Intervention Description**

i) Enhance human rights awareness and practice at institutional and Sectoral levels. This is expected to reduce the incidence of human rights violations. Both the Civil Society Organizations and the private sector will have to play effective roles.

ii) Develop national capacities of State and non State actors in applying rights based approach to service programming and delivery. Measures to realize minimum standards in conditions in detention facilities and across JLOS Institutions will be implemented. Also during the plan period, additional detention centres will be constructed.

iii) Promote the rights of victims and accused persons and institutionalize complaints mechanisms and develop systems of strengthening institutional and individual accountability.

683. **Objective 3** - Improve human security.

**Strategy 1:** Reducing the incidence of crime and promoting safety of persons and security of property:

**Intervention Description**

i) Establish a national policy for crime prevention; strengthen the juvenile justice system; strengthen capacity of safety and security related agencies and focus on transitional justice, amnesty and the mobilization and reintegration of ex-combatants in accordance with the law. In addition, emphasis will be put on conflict assessment, conflict resolution and disaster management especially in conflict affected areas of northern Uganda, and Karamoja. The JLOS regulatory and oversight role over operations of non governmental Organizations will be strengthened.

ii) Strengthen the capacity of safety and security related agencies through restructuring and training; to this end, re- equipping and re-tooling these agencies will be done. In addition, identification and implementation of specific measures to boost the focus on rehabilitation of offenders including juveniles to reduce the levels of recidivism in the country will be paramount.
Strategy 2: Enhancing access to justice for all especially for the poor and marginalized groups:

Intervention Description

i) Ensure more rationalized physical access and availability of JLOS institutions at administrative level and based on demographic factors, in a phased manner countrywide

ii) Minimize Financial Bottlenecks hampering access to justice. In this regard, implementation of a national enabling framework for the provision of legal aid particularly for the poorest and most vulnerable members of society will be supported. These include public defender system, conducting a feasibility study into government provision of legal aid civil cases, and enhancing the role of Civil Society Organizations.

iii) Promote Alternative dispute resolution and innovative approaches to enhancing justice. This include improvement of the statutory criminal poor person defence system through monitoring compliance with standards of legal aid service provision and the pro-bono scheme; de-regulate judicial and other procedures like registration of services, bail and develop, implement and integrate innovative pilots and low cost models of legal aid.

iv) Expand the use of ADR mechanisms across the reforms with emphasis on the post –conflict areas. Particularly, interest will be on the development and implementation of regulatory framework and standards for ADR; train sector staff and enhance awareness of the public and users on benefits of ADR;

v) Support the National Community Service Programme; strengthen capacity and role of Local Council Courts and develop a national framework for the practice of informal, customary system of justice to ensure conformity with human rights standards including; gender equality upholds the rule of law and complements the formal justice sector.

vi) Implement the case backlog strategy, adopting alternative means of dispute resolution and strengthening legal aid provision. The protection of vulnerable groups and emphasis on gender justice and equality within the judicial system will be emphasized.

8.3 NATIONAL DEFENCE AND SECURITY

8.3.1 Situational Analysis

684. 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.
The defence and security sector was for a long time characterized by lack of strategic leadership and road map, ethical Code, effective 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 a bill in 1987 which defined the roles and powers of the security agencies was enacted. This subjected them to Parliamentary oversight, making them accountable and properly regulated.

With scaling down of the insurgency in the 1990s, emphasis was put on restructuring and building the national defence and security. Between 1993 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, National Defence Review (NDR) was undertaken resulting in the Security Framework Paper, Defence Policy, the White Paper on Defence Transformation, the Strategic and Corporate Plans and the Roles and Responsibility Schedules.

The defence and security sector has continued to deliver the security for the people and their property which has significantly contributed to stable socio-economic environment. Key among these was 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.

The sector continues to cooperate with civil authority in many areas of which some include emergency situations, internal security and in cases of disasters. The army has actively engaged in disaster management to assist civilians in parts of the country that suffered consequences of floods. Furthermore, the army has participated in the distribution and provision of basic amenities such as food, water, medical care especially to the internally displaced people and in case of disease outbreaks.

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 Arrow boys support to rout the insurgency in the country. Furthermore the sector has continued to support the building of national unity and inculcation of patriotism through training of civilians at National Leadership Institute (NALI)-Kyankwanzi and Oliver Tambo School of Political Education- Kaweweta.

The sector has contributed to fostering regional and international cooperation through engaging in Peace Support Operations (PSO) under various auspices of regional and international bodies. These include in Liberia, Somalia and Sudan.
The sector has continued to enhance its capabilities through engaging in productive activities. The Luwero industries have over the years produced various products in addition to the support it renders to the force in terms of vehicle repair and refurbishment. 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.

8.3.2 Constraints to Defence and Security Sector Performance

i) Personnel welfare in terms of housing, medical care, salaries and other basic needs.
ii) Limited social security that limits the exit from army.
iii) Inadequate operational capabilities to enable the sector effectively play its constitutional role of national Defence and security.
iv) Political and military instabilities in the region which pose a challenge to the sector. The unpredictable and protracted nature of these threats has a significant impact on its meagre resources.
v) Limited policy and legal framework concerning on important issues like Gender and health that have led to sex and gender based violence and increasing HIV/AIDS infections.
vi) Inadequate administrative and training infrastructure.

8.3.3 Objectives, Strategies and Interventions

692. Objective 1 - Enhance sector capabilities

**Strategy 1:** Enhance human resource development

**Intervention Description**

i) General Recruitment and Training. The interventions will involve recruitment and training of soldiers according to capacity enhancement and attrition plans.
ii) Focused skills development. Specialized skills will be developed within the military forces to enhance capabilities both in core defence and R&D areas.
iii) Support services training. Training of administration and other support personnel will be provided
iv) Fostering better work culture, ethics, attitudes, etiquettes, ethics and integrity. This will be undertaken through training and sensitization to be included in the local defence and security training programs.

**Strategy 2:** Re-organization and restructuring.

**Intervention Description**

i) Review structures. The defence security structures will be reviewed to enhance efficiency as part of the sector modernization program.
ii) Clarify roles and responsibilities and deploy staff, as part of the re-organization and restructuring program.
iii) Strengthen management structures. Programs will be implemented to build capacity for management staff within the sector.

**Strategy 3: Procure and Maintain Equipment**

**Intervention Description**

i) Acquire and maintain Equipment. The intervention will cover appropriate equipment acquisition

ii) Logistical support

**Strategy 4: Defence Alliances**

**Intervention Description**

i) Negotiate and operationalise MOUs, Protocols and Treaties. The sector will play a more active role together with other stakeholder Ministries, Departments and Agencies in negotiating MoUs, Protocols and Treaties to enhance inter and intra-sectoral linkages in government.

ii) Carry out joint Research and Development at both national and regional levels.

**Strategy 5: Defence Diplomacy.**

**Intervention Description**

i) Train and deploy carrier Defence Attache's to facilitate carrying out of multiple tasks.

**Strategy 6: Strategic partnerships with the public.**

**Intervention Description**

i) Identify and develop a framework for areas requiring public private partnership (PPP). Areas for PPP within the sector will be identified and frameworks developed implementing them.

ii) Identify and commit resources for PPP arrangements, as required by the frameworks.

**Strategy 7: Building a reserve force.**

**Intervention Description**

i) Recruit, train and re-train reserve force members. Recruitment and training of reserve force members will make it possible to implement rationalization of the active force. A re-training plan for reserve forces will also be developed and implemented
Objective 2 - Provide and ensure internal security

Strategy 1: Internal Policing

Intervention Description
i) Strengthen maintenance of law and order operations. Support will continue to be provided for operations for maintenance of law and order by the Police Force.
ii) Recruit and train more policemen. More Policemen will be recruited and trained to enhance capacity to better than the current General Police ratio of 1:1,136 over the Plan period.
iii) Equip Police units. Various Police units will be equipped to effectively carry out the force’s functions.

Strategy 2: Strengthening early warning mechanisms.

Intervention Description
i) Gather, analyze and disseminate information. Early warning mechanisms will be supported to fully functional levels.

Strategy 3: Joint border security coordination

Intervention Description
i) Hold Joint border meetings. Joint border coordination will be undertaken through meetings and agreements on various issues.
ii) Carry out border surveillance will be carried out and regular reports supplied.

Strategy 4: Stop proliferation of small arms and light weapons

Intervention Description
i) Mobilization, sensitization against and disarmament of illegally held SALW. This will be undertaken through meetings, workshops and community visits.

Objective 3 - Develop infrastructure

Strategy 1: Develop the Engineers’ Corps

Intervention Description
ii) Targeted recruitment and training of professionals. Specialized professionals will be recruited, trained and retained for infrastructure development.
iii) Equipment for Engineers’ Corps will be acquired to establish capacity of Engineers’ Corps to handle infrastructure development within the sector.
iv) Develop policy, legal and regulatory frameworks to guide support to National infrastructure development. The policy, legal and regulatory
frameworks will be developed to guide the sector’s participation in national infrastructure development

**Strategy 2: Improve Office Accommodation**

**Intervention Description**
- i) Construct new Ministry of Defence Headquarters. The new sector headquarters will be constructed and made operational during the period.
- ii) Construct and relocate Air force headquarters. The Air force headquarters will be re-located and made operational during the period.
- iii) Renovate/ construct Division, Brigade and battalion headquarters. Construction/renovation of Brigade and Battalion headquarters will be continue to be undertaken during the period.
- iv) Complete Police headquarters. The new Police headquarters will be expanded and made fully operational during the period.
- v) Renovate / construct District Police headquarters. Police headquarters of some new districts will be constructed; while a number of old ones will be renovated.
- vi) Construct Police Barracks. Identified Police barracks will be constructed and made operational.

**Strategy 3: Improve Social Services infrastructure**

**Intervention Description**
- i) Construct Military Referral Hospital. The Military Referral Hospital will be constructed and made operational during the NDP period.
- ii) Construct/ Upgrade Division and brigade Health centres.
- iii) Renovate/ construct UPDF training schools and colleges.
- iv) Renovate/ construct Police training schools and colleges.

695. **Objective 4 - Innovation, Research and Development**

**Strategy 1: Strengthening Research and Development.**

**Intervention Description**
- i) Targeted recruitment and training of professionals. Professionals in will be identified, recruited and trained to undertake research and development within the sector.
- ii) Equip and provide raw materials for R&D and incubation and production centres. Raw materials and equipment for R&D and incubation and production centres will be provided and utilized.
- iii) Support technology transfer. A technology transfer program will be developed and supported.
- iv) Provide incentives for talented human resource. A framework will be developed and implemented for compensation and harnessing talented and unique professions within the sector and through inter-sectoral collaboration.
Objective 5 - Improve staff welfare

**Strategy 1:** Rationalization of wages and salaries

*Intervention Description*

i) Institute salary, wages and salary review

**Strategy 2:** Improve working environment.

*Intervention Description*

i) Providing transport and necessary equipment

**Strategy 3:** Improve pension and gratuity management.

*Intervention Description*

i) Pension and gratuity arrears will be cleared. A social security framework for the sector will be develop and instituted.

**Strategy 4:** Improve provision of health services.

*Intervention Description*

i) A framework will be put in place to ensure supply and efficient utilization of equipment and materials for health centres utilized

**Strategy 5:** Improve SACCOs and Defence shops

*Intervention Description*

i) Stock and make operational defence shops

ii) Increase capitalization to SACCOs

iii) Provide Technical Assistance to SACCOs in the sector

8.4 ENVIRONMENT

8.4.1 Situational Analysis

697. Natural environmental resources play a pivotal role in the realization of sustainable development. The environment sector contributes to the productivity of other sectors especially agriculture, industry, fisheries by providing natural assets from a sustainable natural resource base. It also reduces the cost of public expenditure for provision of services by the different sectors e.g. over 90 per cent of the disease burden in Uganda, such as malaria, cholera, and diarrhea, is environmental health related. In 1998, the environment sector is estimated to have contributed 54.4 per cent of total GDP; including 32 per cent of monetary and 84 per cent of non-monetary GDP (Moyini and Muramira, 2001.)

698. The current state of 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.
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 growth
leading to their unsustainable use. The states of various elements described above are
detailed in their respective chapters.

699. 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
species (NEMA, 2006), 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.

700. This rich biodiversity offers a comparative advantage to diversify export trade and
contribute to 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. There are a range of biodiversity based products and
services in Uganda and these includes the 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.

701. Conservation and sustainable use of biodiversity faces challenges such as high
population and economic growth rates, habitat conversion, pollution, and proliferation
invasive alien species. The greatest loss of biodiversity is largely on private land.

702. Invasive alien species which are non-indigenous species introduced in the country
are bringing 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.

703. Other impacts arise from the use of genetically modified organisms for example
bio-fuels. They have a potential to offer solutions to energy scarcity and energy
insecurities facing Uganda and other developing countries. However, in pursing the
benefits of bio-fuels the risks of invasion by introduced plant species have 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.

704. Though the production of chemicals in Uganda is still minimal, thousands of tones
of chemicals (petroleum products, agricultural chemicals, cosmetics, drugs, chemicals
embedded in electronic gadgets, etc) are imported into the country every year for use in
the various sectors. These can be detrimental to environment if not properly managed.

705. 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.

706. The level of compliance is still very low despite the existence of elaborate environmental laws, regulations and standards. The environmental mainstreaming measures in the Ministries, Departments, Agencies (MDA) and local governments are weak partly due to capacity and funding.

707. It is good to note that civil society organizations are becoming more vigilant with regard to issues of environment and rural development. We expect to see more participation of CSOs, the press, and CBOs in holding environment and climate change managers accountable for their actions.

8.4.2 Constraints to Environmental Sector Performance

   i) Poor compliance to environmental laws and regulations.
   ii) Undue interference in compliance to environmental laws.
   iii) Lack of appreciation of the contribution of environmental management to economic development.
   iv) Lack of practical knowledge of environmental laws within law enforcement agencies (Police, prosecutors, magistrates, prison officers), to handle environmental offences.
   v) Unavailability of relevant information in a timely manner and in formats that can readily be used by investors, planners and decision makers. Including investment maps.
   vi) Limited institutional capacity of NEMA, DESS and local governments to execute their roles.
   vii) Limited networking, collaboration and coordination among the national and international communities for information sharing, financial leverage.
   viii) Inadequate funding.
   ix) Weak regulation and control of counterfeits and other non-environmentally friendly goods.
8.4.3 Objectives, Strategies and Interventions

708. **Objective 1** - To restore environmental degraded ecosystems (wetlands, forests, range lands and catchments) to appropriate levels

**Strategy 1:** Restore the forest cover to 1990 level.

**Intervention Description**

i) Carry out re-a forestation and forestation on both public and private land.

ii) Increase involvement 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) Increase private investment in forestry through promotion of commercial tree planting on private land, promoting agro-forestry and promotion of the use of trees to demarcate boundaries of land holdings.

**Strategy 2:** Restore the wetland system.

**Intervention Description**

i) Gazette the wetlands to increase acreage of wetland restored

ii) Implement catchments base management to restore the rangelands and catchments. This will require increase in number of catchment based organizations functioning.

iii) Monitor and inspect restoration of ecosystems (forests, wetlands, rangelands, 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)

709. **Objective 2** - To ensure sustainable management of environmental resources and avoid degradation

**Strategy 1:** Integrate environmental concerns in all development initiatives.

**Intervention Description**

i) Mainstream environmental concerns in all policies and plans. To ensure that this is adequately done, capacity building for the key stakeholders and officers charged with this role both in the private and public sector will be undertaken on an annual basis.
ii) Sectoral specific guidelines, policies, plans, programmes and legal frameworks for mainstreaming environment will be reviewed and updated.

**Strategy 2: Strengthen the policy, legal and institutional framework to support environmental management.**

**Intervention Description**

i) Strengthen institutional capacity for trans-boundary management of environment. In the plan period, agreements, networks, partnerships and initiatives will be put in place.

ii) Community training and awareness programmes will be designed and implemented. In addition, community initiatives for environmental protection will be supported.

iii) Regular monitoring of the implementation of trans-boundary initiatives will be undertaken.

iv) Strengthen the institutional capacity of NEMA, DESS and Local governments to enable them to execute their roles effectively. In this regard, staffing and skills development in the institutions, re-tooling and equipping and research and development will be priority.

v) Enhance institutional collaboration between key actors for example UNBS, URA and NEMA to assist in regulating counterfeits and other non-environmental friendly products. To this effect, institutional mechanisms will be established and measures put in place to prevent environmentally un-friendly products from entering the country.

**Strategy 3: Develop national, regional and international partnerships and networks to enhance trans-boundary environmental management.**

**Intervention Description**

i) Establish international partnerships for monitoring environmental and spill over effects.

ii) Ensure the domestication and implementation of international and regional protocols concerning environment. To effectively implement this, a coordination secretariat for MEAs will be established and MEAs implementation financially and technically supported.

**Strategy 4: Increase public awareness and environmental education.**

**Intervention Description**

i) Develop and implement programmes aimed at creating awareness on contribution of healthy environment to national development. Public awareness campaigns will be implemented through media and talk shows.

ii) Strengthen environment education in the education system through reviewing the curriculum.

iii) Support implementation of innovative environmentally friendly initiatives that include; energy efficient technologies, environmentally sound waste
managers, innovative community-based environmental management schemes, cleaner production practices, modern incineration facilities for hazardous wastes, establishment of energy from human waste in public institutions (schools, prisons, and Police and army barracks).

**Strategy 5:** Enforce compliance to environmental laws and regulations.

**Intervention Description**

i) Strengthen mechanisms for screening public interventions and enforcement for environmental compliance. Strategic environment assessment for policies, programmes and plans will be conducted 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 to regulations through licensing, carrying out inspections and audits for compliance.

iv) Advocate and support training of magistrates, lawyers, Police and other law enforcement agencies in environment-related aspects.

v) Put in place a specific policy for monitoring environment affairs and establish and operationalize an environmental Police unit.

**Strategy 6:** Increase and enhance access to environmental information for investment and environmental management.

**Intervention Description**

i) Establish and maintain functionality of a national environment database.

ii) Put in place institutional mechanisms for collecting, analyzing and disseminating environmental data and information. Continuous collection, analysis and dissemination of environmental data and information and compilation of SOER, DSOER and Environmental atlas will be key inputs to this process.

710. Objective 3 - Identify and address new and emerging environmental issues and opportunities

**Strategy 1:** Electronic and other hazardous waste management

**Intervention Description**

i) Develop a policy on e-waste management and other hazardous wastes

ii) Develop national action plan for management of e-waste and develop guidelines, regulations, and standards.

iii) Establish regional collection centres.

**Strategy 2:** Sustainable management of Oil and Gas resources

**Intervention Description**

i) Strategic Environment Assessment (SEA) for the Albertine Graben
ii) Capacity building in managing related environmental challenges
iii) Compile environmental databases and publish environment atlas

Strategy 3: Sound 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 sectoral guidelines for SMC
v) Raise awareness about usefulness of chemicals and associated human and environmental threats.

8.5 CLIMATE CHANGE

8.5.1 Situation Analysis

711. The economic and social development of Uganda largely depends on exploitation of its natural resources, including climate. However, the increasing degradation of these natural 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.

712. Climate change models for Uganda\textsuperscript{89} point to an increase in temperature of between 0.7°C and 1.5°C by the 2020s. The models predict a likely increase in the variability of rainfall with most areas probably getting higher rainfall. These changes will have an impact on agricultural production which presently accounts for more than 70 per cent of Gross Domestic Product (GDP). Coffee production is often cited as one of the most vulnerable sectors. Under certain scenarios the entire coffee production which presently generates 40 per cent of export revenue and contributes 3 per cent to GDP might be wiped out in less than 100 years.

713. The predicted changes are also likely to have an impact on the life span and durability of infrastructure such as roads as well as an impact on the energy sector especially as a large proportion of Uganda’s clean energy requirements are met by hydroelectricity. Although the predicted climate change is not as damaging and extreme as many countries, Uganda is judged\textsuperscript{90} to be amongst the most vulnerable and least climate resilient due to poverty and low income diversity.

\textsuperscript{89} IPCC 2000
\textsuperscript{90} CIGI 2007
714. Uganda is a Party to the United Nations Framework Convention on Climate Change (UNFCCC, adopted in 1993) and the Kyoto Protocol (KP, took force in February 2006) which 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 on climate change. These treaties have been ratified but not yet domesticated. A recent study\(^9\) recommends that a statutory order is used to fast track the insertion of these treaties into local legislation. Studies 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.

715. In 2007 a National Adaptation Plan of Action (NAPA) was launched with support from Global Environment fund (GEF) which presents a list of 9 priority projects with a cost of approximately USD 40 million. Very little progress has been made in implementing the NAPA due to lack of funds and lack of capacity to prepare detailed proposals and mobilize funding.

### 8.5.2 Constraints to Climate Change Action

1. 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.
2. Lack of centralized awareness about challenges and benefits of climate change and climate variability as well as adaptation measures.
3. Lack of guidelines for mainstreaming climate change into all development planning.
4. Lack of adequate policy interface with climate change.
5. Conceptualization of the importance of weather and climate information by strategic planners is insufficient and yet climate change significantly negates economic development.
6. Still weak coordination mechanisms for synergistic action

### 8.5.3 Objectives, Strategies and Interventions

716. **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 in general.

**Strategy 1:** Address legal and institutional Frameworks necessary for the implementation of the UNFCCC

**Intervention Description**

1. Domesticate the UNFCCC and its related protocols with force of law in Uganda
2. Strengthen the Climate Change Unit and streamline roles and linkages with other stakeholders.

\(^9\) Danida 2008, p12
iii) Undertake sectoral studies and identify their role in climate change action
iv) Develop national climate change policy to provide a conducive policy and regulated framework in place

717. **Objective 2** - Ensure climate proofed development planning

**Strategy 1:** Re-define climate change as a development issue.

**Intervention Description**

i) Increase public awareness and climate change education at all levels for all stakeholders to stimulate sectoral action and public-private partnerships.

ii) Implementation of the NAPAs with a focus on building community and ecosystems’ resilience to adverse impacts of climate change.

iii) Capacity building through institutional and manpower development

iv) Strengthening weather and climate monitoring for improved data generation.

v) Quality data for climate change research and early warning products

vi) Climate Change research (Adaptation and mitigation) and technology development.

vii) Developing mainstreaming guidelines, with a strategy to climate proof development initiatives.

**8.6 WATER RESOURCE MANAGEMENT**

**8.6.1 Situational Analysis**

718. The need for equitable use, integrated and sustainable management of the water resources of Uganda 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.

719. Uganda’s fresh water resources comprise of rivers, lakes, wetlands, and ground water found in aquifers underground and direct rainfall. The lakes, rivers and wetlands cover about 18% of her total surface area. The internal surface water resources are estimated at 39 cubic kilometers per year (km$^3$/year) while ground water resources are estimated at 29km$^3$/yr. However because some water comes from outside Uganda, the total internal renewable water resources (IRWR) is estimated at 39km$^3$/yr. The external renewable water resources are estimated at 27km$^3$/yr with 25km$^3$/yr as inflow from Lake Victoria and 2km$^3$/yr from the Democratic Republic of Congo. The total renewable freshwater resources in Uganda are estimated at 66 km$^3$/yr. Due to a rapidly increasing population, the volume of water per capita has been decreasing, reducing from 2,800 cubic meters (m$^3$) in 2002 to 2200m$^3$ in 2008. However, the spatial and temporal
variability often renders many parts of the country water stressed over long periods of the year which pose a big challenge to water resource utilisation and management.

720. Uganda currently has capacity to utilize only 1 per cent of the current renewable freshwater for consumptive uses. Even of the 1 per cent of this, 51 per cent is used for domestic water supply. The average consumptive use per capita is at 21 m$^3$/yr in 2008 compared to 12 m$^3$/yr in 2002. This level of water use is considered sub-optimal even in comparison with the neighbors and the world as indicated in Table 8.4 below.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Year</th>
<th>Annual Water Withdraw (Units 1x10^6 m$^3$)</th>
<th>Total Withdrawal</th>
<th>% of TRWR Withdrawal per capita (m$^3$/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
<td>Domestic % of total</td>
<td>Industrial % of total</td>
<td>Total volume</td>
</tr>
<tr>
<td>Uganda</td>
<td>2002</td>
<td>120</td>
<td>134</td>
<td>45</td>
</tr>
<tr>
<td>Uganda</td>
<td>2008</td>
<td>259</td>
<td>328</td>
<td>51</td>
</tr>
<tr>
<td>Kenya</td>
<td>2003</td>
<td>2,165</td>
<td>470</td>
<td>17</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2002</td>
<td>4,632</td>
<td>527</td>
<td>10</td>
</tr>
<tr>
<td>Africa</td>
<td>2002</td>
<td>182,349</td>
<td>21,462</td>
<td>10</td>
</tr>
<tr>
<td>World</td>
<td>2002</td>
<td>2,661,000</td>
<td>380,000</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: FAO 2005

721. 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 the 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 Billions was experienced. It is estimated that the country spends UGX 92 Billion annually on thermal generation as a result of the reduction in hydropower generation capacity at Jinja.

722. 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. In the past droughts, floods, landslides, windstorms and hailstorms, which contribute to over 70% of the natural disasters, annually destroy an average of 800,000 hectares of crops, making economic losses in excess of 120 billion shillings.

723. To increase and sustain these social-economic benefits, there has to be effective and efficient management of the country’s water resources. The challenge towards achieving this is that it 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.
724. Trans-boundary water resources management: This has two major on-going initiatives. They include the Lake Victoria Basin Commission (LVBC) that involves EAC\textsuperscript{92} 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”.

725. Water Quality Management: This is paramount to sustain 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 wastewater discharge into the water bodies from industries and municipal waste water. The largest quantity of this wastewater discharge is sewage from Kampala. Currently the compliance of the discharge into the lake to waste water discharge standards is estimated at only 40 per cent.

726. Water Resources Planning and Regulation: This includes developing plans for integrated use of water resources, allocating the water to meet the various uses and regulating the use of the water in line with the Water Act and National Water Policy. Regulation is done through use of water permits for controlling water abstraction, use and wastewater discharge. The total number of permits issued since 1998 is 681 out of the estimated 1,049 eligible permits. In other words only 65% of eligible permit holders actually have permits. Furthermore, due to limited institutional capacity, only 102 (14.9 per cent) were monitored for compliance in FY 2006/7, increasing to 188 (27.6 per cent) in FY2007/8. Overall compliance within the water permits was 40% in 2008 and has increased to 55 per cent in 2009. Compliance is lowest in wastewater discharges because of high cost of investment, coupled with high technical knowledge requirements.

727. 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. This provides information on available water resources for supporting various investments activities. The current network consists of only 80 hydrological stations (71 river stations, 9 lake levels) out of the required 120 gauging stations. This represents 75 per cent of the required network. To date, only 33 districts out of 80 districts have been mapped. A comprehensive database is operational. Most of these stations are still read manually. Despite having this in place, efforts are needed to improve on the connectivity, automation and real time data acquisition.

728. Catchments Based Water Resources Management: Catchment based water resources management involves decentralizing the management of water resources to

\textsuperscript{92} EAC: East African Community
catchments and districts and involving all key stakeholders in the management and development of water resources. 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. Piloting 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 successful.

8.6.2 Constraints to Water Resources Management

i) Institutional capacity especially limited skilled personnel to negotiate trans-boundary issues, regulate the use and pollution of water resources and implement catchment-based water resources management.

ii) Weak level of autonomy to facilitate regulation of water resources.

iii) Undue interference in the management of water resources especially on regulatory aspects.

iv) Lack of water resources data and information which limits analysis, negotiation on trans-boundary issues, proper management of the resources and community participation.

v) Nearly all the water resources are trans-boundary therefore exploitation is constrained by regional and international agreements and protocols.

vi) Weak enforcement of the laws and regulations related to conservation of 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) Lack of implementation of land use policy.

8.6.3 Objectives, Strategies and Interventions

729. Objective 1 - To 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 to enhance their capacity and give Uganda a competitive advantage in sharing of water resources with member countries.

ii) Enhance technical and financial capacity of the Water Policy Committee to effectively provide strategic guidance on management and development of water resources. The Committee will be supported to fully function.

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) Raising awareness, capacity and confidence building on 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 them and other trans-boundary initiatives, with the domestic laws and policies.

730. **Objective 2** - To ensure the sustainable utilisation of the water resources in order to maximize the benefits for the present and future generation

*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. This is expected to improve the water network.

ii) Continuously collect data, process and analyze data sets and timely disseminate it to the relevant stakeholders.

iii) Provide sufficient security for the water instruments to ensure that the monitoring stations are well secured.

iv) Train personnel to effectively analyze data and information.

*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 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:* Cost effective planning and development of water resources

**Intervention Description**

i) Assessing national and regional water resources quantity and quality through preparation of key reports such as Hydrological yearbook and ground and surface water maps to guide planning and development activities. In addition, the assessments are expected to guide and support investment opportunities in water resources.
**Strategy 4:** Strengthen national data and information management services for water resources management and development

**Intervention Description**
- i) Establish and maintain integrated MIS system for water resources management. The implementing agency will have to ensure that the system is functional all year round.
- ii) Procure a tool-box of useful analytical tools including 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 districts)

**Intervention Description**
- i) Support the establishment and functionality of four water management zones.
- ii) Establish and support the functionality of catchments based management organizations. Catchment’s communities will be supported to establish 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 the 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 to determine the quality of water. To this effect, water analysis reports will be produced annually and actions taken to either improve the quality or maintain the status quo if positive.

**Strategy 7:** Improve regulation and management procedures of large and small hydraulic works

**Intervention Description**
- i) Develop and operationalize 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. Dam safety monitoring reports will be prepared and issued out annually.
- 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 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 wastewater discharges.
ii) Improve compliance monitoring and enforcement of water laws and permit conditions. The percentage level of compliance to the permit conditions will be strictly monitored.
iii) Strengthen stakeholder participation in enforcement of water permit conditions

731. Objective 3 - To 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) Promoted water use in various sectors to increase the per capita withdraw target from the current 21m3 per year to 200m3 per year. This will be facilitated by the preparation of catchment integrated water resources management plans and encourage sustainable utilisation of water resources.

8.7 METEOROLOGY SECTOR

8.7.1 Situational Analysis

732. 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.

733. Meteorological services provide real time, short time, seasonal and long term forecasts and essential parameters that are critical for civil aviation and air defense purposes, planning and management of agricultural production, water resources use, solar energy use, research, disaster and rescue operations, transport, trade and tourism and for monitoring and management of environmental related diseases. The parameters provided are essential in the design, construction and management of the physical
infrastructure. Furthermore the information helps to understand the climate change and its impact on socio-economic development.

734. Currently, the short time prediction accuracy ranges from 40% -50% while the long-term prediction is in the range of 70-80%. The real time prediction is only limited to Entebbe airport for aviation purposes. The accuracy is limited due to the state of instrumentation used for observation.

735. With the current instrumentation, only ground observations are being carried though insufficiently. Atmospheric parameters are not being observed save for satellite observation. On the whole, only 17% of the required instrumentation is available to capture the required weather and climate data and information. Furthermore the equipment and tools are obsolete, not automated and outdated.

736. Out of the 9 types of meteorological stations\(^93\) required, only 6 are available for use. The missing types include upper air, radar and pilot balloon stations. This limits the quality and quantity of meteorological information captured and subsequently the meteorological products availed for socio-economic planning and management.

737. Under the various types, there are a number of 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. Currently, out of 20 agro-meteorological zones, only 4 have observation stations; out of 110 climatologically zones, only 18 have observation stations; out of 20 hydro-meteorological only 2 have stations; Out of 16 synoptic zones, only 12 have stations; out of 600 rainfall zones, only 65 have stations; and out of 4 satellite zones only one station is available.

738. 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 agreements\(^94\) 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 % of the required information and data is availed mainly due to obsolete, insufficient and inadequate meteorological infrastructure.

\(^93\) These types include; Agro-meteorological, Climatologically, Hydro-meteorological, Synoptic, Rainfall, satellite, upper air, radar and pilot balloon stations.

\(^94\) World Meteorological Convention, the International Civil Aviation Convention, the United Nations Convention on climate change, the Kyoto protocol and desertification convention.
8.7.2 Constraints to Meteorology Sector Performance

i) Obsolete and inadequate equipment which limits the data collection and analysis and provision of meteorological services.

ii) Acute shortage of skilled human resources.

iii) Weak institutional set-up; the nature and magnitude of meteorological services require autonomy.

iv) No legal and policy framework to guide the provision of services.

v) Inadequate funding for sector activities.

vi) Lack of appreciation and use of meteorological services by other sectors of the economy like Agriculture, transport etc.

8.7.3 Objectives, Strategies and Interventions

739. 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. In this regard, old meteorological equipments will be updated and more new modern ones procured and installed. 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 which include Air transport, defence and security, Agriculture, health, industry, construction, water resources management and others.

**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

ii) Design and disseminate sector specific meteorological application products.

**Strategy 3:** Create awareness on meteorological services

**Intervention Description**

i) Develop and implement awareness programmes on the importance and use of meteorological services. This is expected to increase the level of access and application of meteorological services by private and public sector.

**Strategy 4:** Strengthen the policy, legal and institutional framework for meteorological services
Intervention Description
i) Formulate and implement a meteorological policy.
ii) Formulate and implement meteorological Act and subsequent regulations.
iii) Creating a separate agency to manage meteorological services.

8.8 WETLAND MANAGEMENT

8.8.1 Situational Analysis

740. 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; 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.

741. The above functions make wetlands an important part of national development through support to tourism especially bird watching, fisheries industry through providing conducive breeding grounds, water supply through provision of buffering capacity of fresh water and treatment of the urban waste waters, 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.

742. The wetlands in Uganda cover almost 30,105 square kilometers, or about 13% 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 altitude from 1,134m at Lake Victoria to over 400m in the Rwenzori Mountains.

743. These wetlands hold enormous amounts of freshwater reserve estimated at 20 cubic kilometers. They are habitant to not less than 210 bird species, ranging from the Shoebill and African Skimmer to the endemic Fox’s Weaver. More to the above are four Papyrus endemics; the Papyrus Gonolek, Papyrus Canary, White-winged Warbler and Papyrus Yellow warbler. And a White winged Black Tern roost of 2-3 million birds in the Entebbe area (Lutembe bay). In addition, the provide sanctuary for the reptiles and other mammals that are essential for tourism and biodiversity.

744. They provide fish sanctuary and breeding places for many types of fish in Uganda. The mud fish, lung fish, tilapia, Nile perch all breed in wetlands. The fish industry has
been has contributed over USD $ 117 millions in export revenue in 2007 down from USD $ 142.69 the previous years.

745. It is estimated that the purification function of 5 square kilometer of Nakivubo wetland in Kampala is estimated at US $ 1.3 millions per year (Emerton et al 1999); while over 5 million people directly depend on wetlands for water supply calculated at commercial price in rural areas to be 50 billion UGX year (WSSP 2001 -2010) Papyrus harvesting and mat making in rural wetlands in eastern Uganda contribute to US$ 200 per year per family (IUCN 2005). It is also recognized that wetlands contribute to human welfare by providing a course of goods that support subsistence income generation estimated at 11.4 million USD (22.8 bn UGX) per annum for rural households (Moyini and Murarmira 2001). 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. Wetlands also provide a potential for eco-tourism which contributes to the tourism sector – second forex earner

746. Despite the importance of the wetlands, they continue to disappear at alarming rates, mainly attributed to their direct consumptive use value. By 2000, an estimate 2, 376, square kilometers 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 valley bottoms are used for small holder paddy rice production. This represents almost 2% of the total wetland areas. The figure is estimated to be higher due to increased population and development pressure on wetlands.

747. 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 Wetland Management

748. The underlying constraints to wetland management are as follows:

i) **Lack of a sector specific law and weak penalties** in the existing laws. Despite the existence of various wetland management policies and laws, contradictions and tensions still exist where policy and legislation affecting wetlands are concerned. For example, the National Environment Act (Cap 153) and Local Government Act (1997), in relation to the ambiguity surrounding the concept of Government or Local Government holding wetlands *‘in trust for the people’*, and confusion over the rights and obligations of ownership on the one hand and
management on the other. It also needs to be recognized that since 1995, new legislation affecting land tenure and use has been gazetted but still needs to be understood and appreciated by all levels of society.

ii) **Weak structures and mechanisms** for enforcing laws and regulations concerning wetlands, exacerbated by the surface area covered by wetlands plus the length of wetland edges.

iii) **Limited funding**: this has led to inability to effectively address wetland management issues across the country “on the spot”.

iv) **Inadequate specialized skills and equipment** – such as specialized skills in viable alternative wetland management practices.

v) **Inadequate research and data** on key components of wetlands such as hydrology and soils.

vi) **Political interferences** in the management of wetlands: this has led to rapid wetland exploitation and reclamation at highest rate with no clear governance especially in regard to construction of structures along the wetland reserves. Changing political interests have promoted developments unfortunately sometimes at the expense of conservation.

vii) **Failure to implement the land use policy**: this would guide largely different uses of land and physical planning for proper and orderly development. Consequently, this has led to poor physical planning and enforcement of sustainable wetland management practices.

viii) **Undervaluing** of wetland products and services.

ix) **Poor marketing strategies** for wetland products which makes them less competitive on the local and international markets.

x) **Lack of appreciation of the value of wetland as a resource**: Despite great advances over the last ten years, particularly through the compilation of inventories, there are still gaps in the knowledge and understanding of wetlands - their nature and extent, their functions and values. This is made worse by a weak wetlands Research and Development Strategy.

### 8.8.3 Objectives, Strategies and Interventions

749. **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 the wetlands

**Intervention Description**

i) Strengthen national data and information for wetland management - update district wetland inventories every 2 years. This will involve production of wetland maps which is expected to provide information on biodiversity and socio-economic characteristics.

ii) Increased awareness and political support for wetland management. Enforcement of relevant laws and or regulations pertaining to wetlands has been an uphill task. The consequences of which have been destruction of these valuable resources. For wetlands to be protected in the country, increased awareness creation with strong political support will be vital.
**Strategy 2:** Enhance the ecological value of wetlands

**Intervention Description**

i) Assess and document the ecological and socio-economic values of wetlands. Where as wetlands are important resources for development, this has not been adequately made known to many Ugandans and the consequences of which have been destruction of the former by the latter. Reversing this trend therefore call for assessment and documentation of all wetland values.

**Strategy 3:** Ensure sustainable use of wetlands for economic purposes

**Intervention Description**

i) Develop innovative approaches to wetland management through Research and Development. To operationalize this initiative, a National Wetlands Research Strategy will be developed. Key on the strategy will entail establishing and equipping a national wetlands research centre that is mandated to undertake socio-economic and wetland valuation studies in critical and vital wetlands.

ii) Strengthen collaboration with tourism, agriculture, water supply and fisheries sectors. This will involve harmonization of relevant Sectoral policies so as to streamline mechanisms for collaboration among the different sectors that are relevant to wetlands.

iii) Enhance community involvement in wetland management through various Community initiatives. Critical for the success of this will be the development and dissemination of wetland resource user guidelines.

**Strategy 4:** Appropriate policy, legal and institutional frameworks put in place and maintained

**Intervention Description**

i) Enhance capacity of the concerned institutions through recruitment of sufficient staff, and acquisition of equipment and tools. National Wetlands Resources Management Act in place. The Local Government capacity will also be strengthened. Regional Technical Support Units will as well be equipped.

ii) Institute mechanisms to enforce the National Wetlands Act. As part of this intervention, Policing force will be established to enforce the National Wetlands Resources Act and regulations.

iii) Harmonize structure, procedures and systems for Wetlands Management with water resources management especially the decentralization roles. This will act as a platform for collaboration between the two sectors and the end product is expected to be better management of wetlands resources for development.
iv) Zoning wetlands area. Here, effort will be put in place to ensure that all physical development plans meet the wetlands zoning requirements. It is envisaged that once the physical planning bill is enacted, both urban and rural areas wetlands will be zoned through proper physical planning. This will necessitate strengthening close collaboration with other relevant institutions that include Ministry of Lands, Housing and Urban Development, and Ministry of Local Government.

v) Support community initiatives that promote wise use of wetlands. This will also entail training community groups on wetlands management which is expected to upscale the profile of wetlands in the tourism sector development strategy.

vi) Market centres for wetland established countrywide. Carrying out Market surveys and adding value to wetland products will be critical for the sustainable existence of market centres wetlands.

vii) Harmonize the National Wetlands Policy with the National Environment Act, Land Act and the Local Government Act. The contradictions in the relevant policies and laws that are closely related to wetlands have made enforcement difficult. Wetland policy harmonized with relevant sectoral policies

viii) Establish wetland based domestic carbon credit trade mechanism/schemes.

Strategy 5: Restore degraded wetlands

Intervention Description
i) Rehabilitate and restore degraded wetlands. Key on this intervention will be the Development and implementation of Framework Management Plans that include Inter-district collaboration in wetland management and Community based wetland management plans.

ii) Identify and gazette Ramsar sites and wetland reserves. This is key in the Promotion of Trans boundary cooperation for sustainable management of wetlands.

iii) Ratify and harmonize Conventions, protocols, agreements and other transboundary wetland initiatives. The product of this harmonization will be establishment of Regional Wetlands Centre of excellence.

iv) Establish wetland education and information centers. These will act as demonstration centres. In addition, wetland issues/topics will be included in the education curriculum in Schools.

8.9 DEVELOPMENT OF NATIONAL STATISTICS

8.9.1 Situation Analysis

750. 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 academia and research activities. Michael Scholar rightly observes that good statistics are absolutely vital to
sensible, sound economic management, to good social policy and are as necessary to the nation as sound money and clean water.

751. Official statistics infrastructure and activities were largely non-existent till the colonial period (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 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).

752. 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.

753. 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 the 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.

754. 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 applied statisticians, 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 just to mention a few.

8.9.2 Constraints to the National Statistical Development

755. The key constraints to the development of the country’s statistics are given below.

i) **Limited capacity of MDAs and LGs to implement the PNSD.** This is attributed to poor staffing and facilitation as well 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 NSSS

iii) **Education and training system does not adequately cater for Statistics**

iv) 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.

v) **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.

vi) **Limited use and appreciation of statistics for policy design, formulation and development debates**

vii) 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

756. **Objective 1** - Improve the availability and quality of sector statistics

**Strategy 1:** Operationalize the plan for national statistical development (PNSD)

**Intervention Description**

i) Strengthen capacity within ministries, departments and Agencies (MDAs) and local governments 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.
757. **Objective 2** - Strengthen institutional capacity of the Uganda bureau of statistics (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 UBOS Act 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

758. **Objective 3** - Strengthen LGs for data generation and dissemination

**Strategy 1:** Develop LG institutional capacity for generation and use of statistics

**Intervention Description**

i) Develop 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 over 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

759. **Objective 4** - Reinstitute training and capacity to train and retain statisticians at graduate level in key relevant areas / fields

**Strategy 1:** Avail short- to medium-term 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 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

### 8.10 STANDARDS AND QUALITY INFRASTRUCTURE

#### 8.10.1 Situational Analysis

760. Economic success of Uganda depends upon a sound standards and quality infrastructure. A national, standards and quality infrastructure comprise of human and physical infrastructure that support 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.

761. 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 the economic activities. Standardization and conformity assessment activities (inspection, certification, laboratory testing and accreditation) in Uganda are carried out by both the public and private sectors.

762. In the public sector, 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 or other aims, including protection of public health or ensuring sustainability of the environment. Furthermore under the Local Government Act, Local Authorities have both legislative and executive powers and may implement standards and technical regulations. This has not only resulted in creation of institutions with overlapping mandates, but also some conflicting ones. These fragmented efforts and lack of coordination mechanisms among the various standards enforcement institutions and a weak private sector has weakened the regulation.

763. There are inadequate Uganda standards for the entire range of products and services. Currently there are 1204 Uganda standards of which 39.9% are engineering
standards, 34.9% are Food and agriculture standards, 18.8% are chemical standards and 6.5% are management standards. This is extremely low compared to other countries like Kenya that have tune of 8000 Kenya standards.

764. The capacities of UNBS and other public sector administrators and regulators are weak and require strengthening. 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, 86 companies certified against ISO standards on quality and environment. The physical infrastructure is limited with only one laboratory equipped and located in Kampala.

765. Low levels of public awareness of role of standards and quality in the competitiveness of local products and consumer protection. Consumers are not able to understand the importance standards play in consumer protection.

766. Uganda is a member of World Trade Organization (WTO) and is therefore, obligated to fulfill 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 with them new challenges such as the need to base its own technical regulations on international standards. Uganda does not have voting right to influence final international standards set by ISO due to lack of funds to pay full membership fee. 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.

8.10.2 Constraints to improved standards and quality infrastructure

767. There are a number of constraints affecting standards and standards implementation and enforcement. These include:

i) Lack of national policy on standardization.
ii) Obsolete laws and regulations that do not provide deterrent measures for violation. Many of the laws came in effect before the advent of liberalization and globalization and need review/update to address current best practices.
iii) Low levels of public awareness of the role standards and quality play in the competitiveness of local products and for 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 assessment procedures; due to high costs of compliance for inspection, testing and certification.
v) Weak standards and quality infrastructure to support the growing economy (imports and local production of goods and services)
vii) Inadequate and poorly facilitated staff to undertake rapid standardization within Uganda. The 1000 Uganda standards are inadequate for the entire range of products and services.
vii) Low levels of public awareness of role of standards and quality in the competitiveness of local products and consumer protection. Consumers are not able to understand the importance standards play in consumer protection.

viii) 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

768. The following objectives will be addressed in the NDP for standards and quality infrastructure.

769. **Objective 1** - To strengthen and promote the use of standards and quality infrastructure so as 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) in line with national objectives, interests and priorities.

**Intervention Description**

i) Strengthen the institutional capacity of service providers concerning standards development, conformity assessment and metrology; including increase in staff numbers and logistical support to cover all districts of Uganda. This will include ensuring that Uganda’s commodities and services meet the required safety and quality standards. Furthermore there will be increased participation in regional and international standardization

**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 the business in Uganda, international best practices and market requirement. This will increase Uganda’s industry competitiveness through establishment of an enabling policy and legal framework that promotes development and the dissemination of new technology and swift and effective innovation.

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. This will lead to improved investment, including by the private sector, in the standardization sub sector through establishment of an enabling policy and legal framework and enhancement of public private partnerships
iii) Develop and implement mechanisms to enhance the use of standardization in public procurement. This will lead to Uganda standards used as reference in bidding documents.

iv) Establish and implement a National Regulatory Mechanism consistent with the WTO TBT and SPS Agreements. A specific a national regulatory office established.

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. This will enhance voluntary compliance to standards and self regulation.

**Strategy 3:** Set up a national conformity assessment regime that provides confidence in the national capacity and competences in line with market requirements

**Intervention Description**

i) Establish a national accreditation system to provide credibility to and international recognition of conformity assessment services in Uganda. A national accreditation body will be established.

ii) Establish a national inspection and certification system to demonstrate conformance of products and services to standards and regulations. A national inspection and certification system will be put in place.

iii) Establish a scientifically rigorous internationally recognized (accredited) testing laboratory network to provide testing for products in line with established standards and regulations in priority sectors of national economy. The International requirements and guidelines for testing and metrology laboratories adopted and implemented.

iv) Establish and maintain a national metrology and calibration system to support businesses. This will help the traceability of national measurement system to international standards maintained.

**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-duplicate 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 to 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. The system to ensure sustainability inspection and enforcement/compliance with market requirements established.

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 at all levels of the Ugandan economy as a tool for improving competitiveness of the Ugandan industry and consumer protection.

**Intervention Description**

i) Enhance awareness and 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. This increased level of awareness in industry will enhance standards implementation.

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 instituted in the school system.

iv) Raise the level of awareness in government of 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) Establishing a clear coordination and collaboration mechanism of standardization stakeholders, with defined mandates and responsibilities for the different actors which promote harmonization of objectives and programmes among the stakeholders. This will lead to improved collaboration and coordination with stakeholders (including industry, government departments, development partners and civil society) to participate actively in standards development and implementation.

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 so as to enhance the quality and competitiveness of Ugandan products.

**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 model to attract increased funding from various sources (in the public, private and development partners) to support the standardization process

**Intervention Description**

i) Develop flexible business models that secure sustainable funding for standardization; without jeopardizing the interests of any of the stakeholders.

ii) Enhance government 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 of participation of experts, funding of research, and sharing of information useful in defining and setting standards requirements. The policy should have for tax rebates and incentives for industry funding standardization activities

8.11 PUBLIC SECTOR MANAGEMENT

8.11.1 Situational Analysis

770. PSM is 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 policies, laws, regulations, standards and procedures for effective coordination and management public service delivery systems. PSM aims at ensuring that public services are accessible by the users in a timely and reliable manner, and they are affordable and of good quality. As a government 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 delivery as well as ensuring that these institutions conduct themselves in a manner that is accountable to the general public (value-for money). In nutshell, PSM embeds the following public functions; planning, policy coordination, institutional and human resource capacity building, resourcing, monitoring and evaluation at both national and local government levels.
The public sector management should help to understand the effectiveness of the public sector system in delivering the National Development Plan objectives. The examination should be with a view of understanding whether:

(a) The differentiation of public sector and public administration functions have been properly defined in the National Development Plan Implementation;
(b) The architecture and machinery of government is adequate for the State to carry out its defined tasks in the National Development Plan;
(c) The recruitment, incentive system and discipline of the public service such as to ensure good performance; and availability of tools for the public service to perform their tasks effectively.
(d) The effectiveness of coordination of the public sector institutions and implementation

**Differentiation between Public sector Management and overall public administration**

The public administration is higher level than public sector management. It is about politics and governance of the country in order to create public value. Public Sector management relates to the productivity management of public sector institutions; management of human, financial and other resources owned by the public sector; and the proper coordination of the machinery of Government to contribute to public value addition. The implication of the improper definition, and clarity in roles and responsibilities, and adherence to enforcing these definitions, roles and responsibilities has weakened Public sector management and service delivery in Uganda. Adherence to agreed policies by the public sector managers and frontline service delivery institutions is rendered difficult. Furthermore, most of the policies do not get the desired policy outcomes. The interface between the technical arm and political arm of public sector (at both the centre and Local Govt) is affected by the factor that there are limited mechanisms of transforming political directives into results evidenced implementable programmes. Often the technical arm is slow to adapt to dynamic political changes. Also sometimes political directives are contradictory to already set policy implementation frameworks. This scenario affects the service delivery process of government and is frustrating to the private sector and the citizenry expectations.

In 2006, multi-party elections were held for the first time, and the second version of the same elections will in 2011. The observed challenge in 2006, the NRM stood on a manifesto of wealth creation and “Prosperity for All”. Whilst the PEAP (technically developed through Public sector Management Processes) was seen as a successful means of mobilizing resources, it did not appear to be delivering results. This meant, therefore meant that the implementation of the PEAP 2004 had a lot of difficulties and the Government decided that when it ended in 2008, it would be replaced with a National Development Plan (NDP). This process has slowed down the process of service delivery.
The architect and machinery of Government

The architect of any systemic organization must be dynamic and purposely designed to be responsive to client demand. The level of dynamism and responsiveness of Uganda’s public sector institutions to market, citizenry demands and the external dynamics is very limited and often hinders performance. The level of response of public sector institutions to private sector is mainly challenged by the set up of the organization which dates back from colonial times and after independence days in the 1960s, where most of the economic activity was mainly conducted by Government. Some of the challenges are implicated below.

Due to the existing legal frameworks, the institutions that were privatised are under the oversight of Ministry of Finance, Planning and Economic Development, rather than the Ministries with the technical competence to monitor and oversee their technical performance. Some of the institutions such as UMEME and ESKOM should be under the Ministry of Energy for oversight; URC should be under the oversight of Ministry work Works and Transport; UDC should be under the oversight of the Ministry of Trade, Tourism and Industry; National Housing Corporation should under the Ministry of Lands, Housing and Urban Development; and so on, but all these are now under the technical supervision of the MFPED. There are 36 institutions in the category. This severely limits oversight and regulation functions. This has bloated the Mandate of the Ministry of Finance, Planning and Economic Development and at the same time weakened the Government oversight function over these institutions.

In some institutions, the mandate of development implementation is mixed up with the mandate of regulation. This scenario weakens the regulation function of government and also adversely affects the implementation of programmes, the performance of private sector and the citizenry. The fact that water resources management directorate who are supposed to regulate the use of water are in the same Ministry with water users (Directorate of Water Development) makes regulation impossible. The lack of regulation in the Water and transport sectors has led to absence of and non-compliance to standards and quality infrastructure. This in turn results in the delivery of services which does not meet the citizenry expectations. The weak and limited regulation of the electricity sector has led to high unit cost of power and is not supportive of private sector development. All these challenges are aggravated by the inability of the Uganda Bureau of Standards to play its role effectively.

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 and usually the latter has a lot of political influence over the former. For instance, the National Environmental Management Authority cannot effectively regulate Ministries because of its hierarchical location in Ministry of Water and Environment. This scenario applies to the Uganda Bureau of Standards.

In the public sector system, there exists an issue of conflicting, overlapping and duplicated mandates. Key in this is challenge among the coordinating institutions such as
the President’s office, Prime Minister’s office, Ministry of Finance, Planning and Economic Development, Ministry of Public Service, Ministry of Local government, and the National Planning Authority. The Office of the Prime Minister, whose key mandate is to coordinate Government policy implementation, is also overwhelmed with implementation of special programmes such as the PRDP, Disaster Management, Karamoja Development, etc. This scenario of conflicting, overlapping, duplicated mandates is not helpful to the implementation process of Government and only makes this office overwhelmed and ineffective in the execution of the national coordination function. The effectiveness of the National Planning Authority has been low because a lot of time is spent while negotiating its roles and mandates with either Office of the Prime Minister or MFPED.

One more example of duplication of mandates which affects service delivery is the issue of who manages extension service in agriculture. NAADS as a programme under MFPED provides extension service, and MAAIF also provides extension services. Each Ministry has a function of community mobilization and there is a Ministry specifically responsible for community mobilization. This has weakened the mobilisation component of government. Because some Government services are not adequately concentrated in one coordinating technical centres, they tend to be cost inefficient, wasteful, not relevant to the citizenry expectation, and non sustainable.

The key instrument for implementation of public policy and management of the budget is the sector working groups. The sectors were initiated after 1997 during the inception of the PEAP. The Sector Wide Approach was introduced to enhance coordination and collaboration amongst institutions but has not been fully operationalized in all sectors. Sector working groups are not institutionalized via a public policy or act; therefore there is a conflict between SWG and policy committees mainly at Ministry levels.

The bureaucracy and performance of public sector institutions impact heavily on the development and private sector institutions in Uganda. For example the time taken to process licences, land titles, utility, etc is too high and affects the private sector investments. The International doing business survey ranks Uganda 111th out of 181 countries on a wide range of indicators. This performance may be related to weak configuration of the public sectors institutions, weak oversight of these institutions and measurement criteria for their performance.

There are a number of reform programmes and strategies that have been supported. These include (a) Support local Governments in their budget process through enhanced budget flexibility and modalities to accessing funds. Continued engagement and negotiation between government and LGFC & ULGA led to establishment of a GT compensation fund and introduction of the local services tax; (b) A pay roll cleaning exercise was initiated and subsequent report published in addition to gaining approval of the public service pay policy by cabinet; (c) Continued implementation of the fast tracking of the East African Political Federation by putting in place avenues for the EAC customs union and establishment of the EAC common market; (d) The Peace Recovery and Development plan (PRDP) for Northern Uganda was launched; (e) Implementation of the
performance enhancement programmes such as OOB and ROM; (f) Institutional capacity strengthening programmes including e-government support by MoICT, capacity building programme at NPA and MoLG and institutional restructuring exercise by MoPS, among other; (g) The sector conducted final evaluation of the PEAP and is championing the production of the 5 year National Development Plan (NDP), as a successor strategy to the PEAP. The NDP will ensure that sectoral and local government actions are geared towards attainment of nationally identified and costed priorities.

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 is unlikely to succeed in strengthening the results orientation of the public service because it should have been sequenced after rather than before better compliance and control is established.

Institutionally, the location of M&E responsibilities in the OPM poses some challenges. The rationale for this allocation of roles lies in a Cabinet decision in August 2003 to approve a new institutional framework for coordinating the implementation of government policies and programme under the OPM, through a hierarchy of coordinating committees headed by a Cabinet Sub-Committee on Policy Coordination and supported by a secretariat in OPM. In this context, it was entirely logical for monitoring and evaluation to be linked to the function of coordinating implementation; the secretariat in OPM accordingly took on this responsibility from MoFPED.

It is, however, not so clear whether this resolves the challenges of performance management in the public sector. For instance, there is still considerable scope for improvement in reducing the multiple reporting channels. There is still some 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 burdens and de-motivation mainly at district level. The monitoring and supervision of local government by Ministries is uncoordinated, inefficient in its use of administrative resources and ineffective in examining linkages between policy areas.

Questions of institutional authority are also relevant to the matter of evaluation. The universal tendency to discuss “M&E” as a single entity obscures the fact that monitoring and evaluation requires very different skills, systems and capacity. Good flows of monitoring data from administrative sources and surveys—and arrangements for reviewing them - will provide essential information about the efficiency and effectiveness with which outputs are being delivered, and progress towards the achievement of outcome objectives. Yet only periodic summative evaluations are able to provide the kind of comprehensive assessment of the impact of policies and programmes on the problems they are aimed at, and reflection on the chains of cause and effect involved, from which policy makers can learn lessons about what really works. The development of evaluation capacity—to which little attention was paid under PMES—has been part of NIMES since its inception, and its structure includes an Evaluation Coordination Working Group.
Apart from delivering a successful PEAP Evaluation this working group has not been very effective in ensuring that the function of evaluation is consistent and coherent in Government. There is a dire need for summative evaluation in order to strengthen the accountability processes in the public sector.

In practice, however, relatively little progress has been made in this direction. This is because institutional power-struggles have prevented OPM from driving forward this part of the agenda, although lack of capacity may also have been a factor. Therefore, in order to enhance accountability for results, there is need for Government to set up an authoritative evaluation body independent of the executive machinery of government at national, sectoral or local level. Its mandate should be beyond challenge with institutional authority to conduct or commission a programme of evaluations, with which learning about the effectiveness of the component programmes of the National Development Plan will be made.

**The staffing and management of the public service**

The public service in Uganda is characterized with low remuneration and with a salary increment that ranges from 3.7% to 7.5% over a ten year period from 1998/99 to 2008/09. The work environment is ill-equipped and personnel are not adequately facilitated to perform. There is limited stability in structures because of changing priorities and restructuring processes often are never logically concluded due to limited funding. Additional MDAs and LGs have been created and often their mandates are not rationalized with already existing institutions, a phenomenon that can create duplication, inefficiency and wastage.

The level of public sector structures is very low; for example, the average implementation of Local Government structures is at 64% of the approved structure. The complexity is that there is increasing demand for public services such as Universal Primary Education (UPE), Universal Secondary Education (USE), Primary Health Care (PHC), and Police and Prisons services.

Local governments 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 the creation of viable sustainable local government structures.

Recruitment and selection in the public service suffers from long process of recruitment, problems of attraction and retention of personnel in the public service especially with respect to local governments. Performance gaps in some District Service Commissions (DSCs) also need to be addressed.

95 Source: Ministry of Public Service, Payroll Monitoring Unit, June 2008
The loss of skilled labour in the public sector has increasingly affected productivity. Findings of a survey conducted by the Ministry of Public Service in 2000 on trends and impacts of HIV/AIDS on public service show that 15.2 to 27.4 percent of the deaths of public officers between 1995 – 1999 were attributed to HIV/AIDS. The key challenges related to HIV/AIDS, currently being faced in the public sector include the following; (i) Lack of systematic way of accounting for the effect of HIV/AIDS on human resource capacity or prediction of future requirements as a result of the scourge; and (ii) absence of contingency measures to mitigate the impact of HIV/AIDS on human resource capacity.

**Coordination of public sector institutions**

From a systemic perspective co-ordination means that the parts of the Public sector system “work together more effectively, more smoothly or more harmoniously than if no coordination took place” (Metcalfe 1994: 278). A good policy framework can be used constructively to co-ordinate horizontally distributive elements of the science-technology- and innovation related functions of governments. There have been various joint efforts, led by the Office of the Prime Minister, to enhance policy coordination, however, there are various coordination challenges in Uganda include: a very bureaucratic and hierarchical system - with specialised departments that are directed towards concrete targets and having ambitiously defined limits of authority at the same time; incoherent performance systems; limited planning and adherence to the plans; power relations between the politicians and the technicians in the public sector; and unbalanced and incoherent funding mechanisms. Public sector decisions are almost always influenced by competition for funding and a lack of clear rationale for allocation of resources.

Policy innovation is multiple, more unclear, and tend to be reformulated all the time, even when the decisions have been made. There also exists slowness in coming up with new value adding policies. This is further complicated by very limited policy evaluation that takes place to enhance policy learning and innovation. The coordination challenges extend beyond the institutions with the public sector to affect other players such the private sector and non government actors.

771. The government having adopted the Sector-wide approach (Swap) to planning and policy making, and based on lessons learnt in pioneer sectors such as education, justice law and order (JLOS) and Environment and Natural Resources (ENR); the PSM sector was created in 2005, as part of this public service reform process. The overall purpose of PSM was facilitating coordination and efficiency of public sector institutions through joint planning and budgeting by PSM institutions. The objective was to enhance coherence in policy framework for public sector management functions of planning, policy formulation, and coordination of implementation, Monitoring and evaluation of government policies and programmes, and institutional and human capacity building.

**8.11.2 Constraints**

772. The above achievements, not withstanding the sector still faces a number of challenges. They include;
i) The above achievements, not withstanding the sector still faces a number of challenges. They include:

ii) Overlapping and duplicated Mandate: conflicting, overlapping and duplicated mandates still exist especially in regard to planning, coordination of implementation, monitoring and evaluation within the public sector management system. Key institutions affected include Office of the Prime Minister, Ministry of Public Service, Ministry of Local Government, and the National Planning Authority.

iii) Non compliance and lack of timeliness in reporting: enforcing compliance for regular reporting of public institutions is a key challenge constraining timely tracking of implementation of government programme and assessment of performance. In some instances, this is due to lack of incentives for timely reporting and/or penalties for non-compliance. The problem is also exacerbated by requirement for multiple reporting, which poses undue burden to the implementing agencies.

iv) Low motivation and inspiration of public servants: The public service in Uganda is characterized with low remuneration and with a salary increment that ranges from 3.7% to 7.5% over a ten year period from 1998/99 to 2008/09. However, these proposed pay reform incremental targets are still not met by MoFPED for example in FY 2008/9 there wasn’t any provision for salary increments. The work environment is ill-equipped and personnel are not adequately facilitated to perform.

v) Limited stability of service delivery structures: Of recent new MDAs have been created, however their mandates are not rationalized with already existing institutions, a phenomenon that can create duplication inefficiency and wastage. In addition, the quest for bringing services closer to the people has led to creation of new districts, which phenomenon has expanded the public expenditure and compromised delivery of certain services.

vi) Low levels of staffing of public sector and heavy workloads: understaffing of public management institutions is a key factor affecting service delivery. The problem manifests in the following: (i) unfilled established posts resulting from under-funding of manpower structures, (ii) high labour turnover, (iii) uncoordinated deployment and (iv) failure to report to new stations especially in hard to reach and hard to stay areas. This problem is aggravated by a protracted and centralized recruitment and selection process in public service.

vii) Low levels of productivity in public sector: this is largely due to low levels of facilitation (man/capital ratio), understaffing, poor work culture, and ill-health especially due to HIV/AIDS.

viii) Under functioning of existing planning, budgeting, policy coordination and monitoring and structures: While reforms have created new planning, budgeting, policy coordination and monitoring and evaluation structures, some structures are not backed up by the requisite legislation and they operate parallel with traditional government structures. Other institutions suffer from poor political support and are bogged down in institutional mandates.

ix) Weak regulatory framework and poor enforcement: there are number of Acts that are obsolete and some are missing altogether thus weakening the role of regulation.
The town and country planning Act of 1964 is outdated and needs reviewing. The Land Act is due for review.

x) Low responsiveness of Uganda’s public sector institutions to market and citizenry demands: The public service delivery structures and systems of government are bureaucratic and hierarchical and often times, they lack dynamics and innovation to respond to new demands of the enlightened public. In addition, they have failed to compete with the private service providers.

xi) Inadequate funding of the sectors largely due to inadequate local revenue mobilization by local Governments: This is responsible for low levels of staffing, low equipment and underperformance in physical service delivery.

xii) Declining share of local government service delivery funding in the national budget amidst increasing demand for the services

8.11.3 Objectives, Strategies and Interventions

773. Objective 1 - Strengthening the policy, legal and regulatory framework

**Strategy 1:** Strengthen the policy formulation and implementation.

**Intervention Description**

i) Ensure NDP is the basis of policy environment and all other polices emanate from it

ii) Rationalize the function of policy coordination in government with a view of strengthening the Cabinet Secretariat and ensure strengthening of policy environment

iii) Ensure the current reforms on going use are in line with NDP recommendations

iv) Review of the policy framework to ensure streamlining mandates

v) Ensure Civil servants are highly involved in formulation of public sector polices and provide evidence based policy agenda.

vi) Policy innovation is enhanced in public policy formulation policies

vii) Put in place framework for involvement of private sector/CSO in public policy organization/planning M&E

**Strategy 2:** Rationalize and strengthening the regulatory function of government

**Intervention Description**

i) Strengthen the Office of the Prime Minister to coordinate Government Regulation

ii) Rationalize the separate the roles of regulations from other roles of planning and policy, Implementation and operations. This is mainly in Ministry of Water and Environment, Ministry of Works and Transport, etc

iii) Rationalize the role of regulatory institutions like National Environment Management Authority and Uganda National Bureau of Standards to be located in Office of Prime Minister for ensure easy regulations and coordination.
iv) Review and strengthen the various sector policy and legal framework related to the functions of formulation, implementation and regulation in the Public sector.

v) Strategic framework to strengthen the regulatory function of Government

vi) Review the framework for rationalization and oversight of privatized institutions

vii) Framework for promoting PPPs & supporting the private sector role in PSM

viii) Strategy for Implementing of PPPs in key strategic sectors

**Strategy 3: Strengthening policy planning frameworks in Government**

**Intervention Description**

i) Review the national planning policy and legal framework to remove overlaps, duplication and empower NPA to coordinate planning effectively.

ii) Strengthen the National Planning Authority to it coordinate the national planning

iii) Strengthen planning units in the ministries, departments and Agencies and Local Governments

iv) Ensure the national vision will be translated into the long and medium term plans to ensure that the aspirations of the people of Uganda are realized.

v) Establish a system for reviewing the quality of draft planning documents, to ensure that they pass the minimum quality threshold based on the standards designed.

vi) The Sector working groups will lead the respective sector planning. The current sector working groups should include the other stakeholders to ensure that those affected and those who contribute to the deliver of services are part of the working groups. (Civil society and Private Sector)

vii) The MDAs will ensure that the institutional plans (annual or strategic) are consistent with the sectoral plans and national development plan.

viii) The LGs will ensure that the Local Government Development Plans are in line with the sectoral plans and National Development Plan.

**Strategy 4: Review the process of making laws in view of strengthening the role of sectors to be responsible for the legal framework**

**Intervention Description**

i) Strengthen the Law reform commission to ensure the speedy making of relevant Laws in Uganda

ii) Strengthen the sectors with relevant legal personnel to ensure their be responsible for their legal framework

iii) Ensure all relevant laws have polices and prerequisites to their approval. The Cabinet Secretariat will take responsibility.

774. **Objective 2** - Strengthen mechanism for interface between Public Sector Management and Public administration functions in support the NDP Objectives.
**Strategy 1:** Review and strengthen the definitions, roles and responsibilities of Public Sector Management and Public Administration

**Intervention Description**

i) Define clear mechanisms for interface (at Central & LG level) between PSM and PA functions. The Policy framework defining mechanisms for interface and segregation of roles and responsibilities between PSM and PA should be put in place.

ii) Strengthen the PA oversight in terms of policy formulation, implementation, monitoring and supervision over PSM. The Policy framework defining PA oversight function over PSM institutions should be instituted.

iii) Institute performance contracts with Public sector institutions involved in service delivery. A clear Policy framework for performance contracts for public sector institutions put in place and PSM Institutional performance contracts signed.

775. **Objective 3** - Review the architecture and organization public sector institutions to deliver the NDP Objectives and initiatives effectively and efficiently.

**Strategy 1:** Rationalize institutional Mandates

**Intervention Description**

i) Rationalize the OPM with a view of decongesting it in order for this Office to concentrate on Policy Implementation Coordination, and Monitoring and Evaluation

ii) Strengthen Cabinet Secretariat to lead policy formulation

iii) Strengthen the Ministry responsible for LG to deal with issues related to Karamoja affairs, Luwero triangle, northern and the local level "Bimeza"

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 ltd; the Ministry responsible for works and transport to deal with RAFU, NRSC, ERB, TLB and URC; Ministry responsible for tourism, trade and industry to deal with MTAC, UEPB, UIR, UNBS, UTB, UWA, WEC, IPS, KSW, SCoUL, UGMC; the Ministry responsible for tourism, trade and industry to deal with MTAC, UEPB, UIR, UNBS, UTB, UTB, UWA, WEC, IPS, KSW, SCoUL, UGMC

v) Decongest the ME&S with a view ensuring that all training institutions are back to the respective technical Ministries responsible for Health, Agriculture, Works, Environment, Lands, and Public Service.

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 broadcasting with a creating a portfolio under the Presidency responsible with "information and Broad casting".

viii) Strengthen the Ministry responsible for Labour and social protection to deal with National Social Security Fund and Pension issues

ix) Strengthen the Ministry responsible Gender to lead the issues related to NWC and NYC, and related issues Policy framework strengthening the Ministry responsible Gender to lead the issues related to NWC and NYC, and related issues

x) Strengthen the Ministry responsible for Social development to lead the issues related to the Public Libraries Board

xi) Review and rationalize the location of autonomous and semi-autonomous agencies with a view of appropriating them to parent ministries

xii) Review and standardize the basic tools and equipment for service delivery

xiii) Review and strengthen the institutional structures for service delivery

xiv) Review and integrate related activities and programmes

776. **Objective 4** - Increase efficiency and effectiveness in Public Service delivery

*Strategy 1*: Strengthen institutional capacity

**Intervention Description**

i) Review and streamline institutional mandates to address the issues of overlaps and duplication

ii) Review and streamline institutional mandates to address the issues of overlaps and duplication

iii) Payment of severance packages for redundancy arising from the restructuring.

iv) Carry out the inventory of equipment in PSM and implement a retooling program

*Strategy 2*: Strengthen human resource capacity

**Intervention Description**

i) Implement a program for filling up vacant positions especially in LGs in line with approved structure

ii) Continue implementing the pay reform program

iii) Continuous training and retraining of human resource in the Sector.

iv) Integrated personnel and payroll system (IPPS) implemented.

v) Recurrent wage bill costs met.

vi) Pension reforms implemented.

vii) Training and retraining of human resource in the Sector.

viii) Targeted capacity building initiatives implemented in areas that support transformation.

ix) Performance improvement initiatives undertaken.(workshops, study tours etc

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**Strategy 3: Rationalize service delivery**

**Interventions description**

i) Study to optimize the size of deliver services units such as LG Governments and executing agencies

ii) Institutionalize institutional performance contract mechanisms

iii) Deepen the current practice of hiring on contract to ensure that all the staff and management of Public service are on contracts employment terms. Remove the term “permanent and pension “in the Public service sphere.

iv) 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 fire

v) Rationalize the role of sector working groups in the coordination of service delivery

vi) Study and Review the legal frameworks and the standing orders with a view of strengthening modern PSM

vii) Rationalize the Public sector Monitoring, Supervision and oversight, and evaluation function

viii) Develop a policy framework for the Government performance measurement and management framework

ix) Policy framework for strengthening the performance management of the public sector institutions

x) Simplify the M&E function of Government; separate the Monitoring and supervision functions of Government from Evaluation function; build a strong Evaluation function independent of implementation.

xi) Framework to simplify the system of indicators for measuring government performance

**Strategy 4: Strengthen Service delivery systems and procedures**

**Intervention Description**

i) Streamline and harmonies service delivery systems- covering the entire program cycle. i.e. planning, implementation and M&E

ii) Implement a capacity building program for LGs in Planning, Policy and M&E

iii) Set up monitoring and inspection functions of PSM

iv) Design and implement performance contracts for Heads of Departments

**Strategy 5: 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) Implementation programs for the identification of new local revenue, e.g Municipal bonds
iii) Implement measures aimed at enhancing efficiency in local revenue mobilization and administration.

**Strategy 6:** Enhance value for money and downward accountability

**Intervention Description**

i) Enforce the leadership code and punish the corrupt elements in the Sector
ii) Conduct regular value for money audits and sector reviews
iii) Scale up community based monitoring of service delivery.
iv) Technical support offered to MDAs and LGs in development and implementation of client charters

**Strategy 7:** Strengthen coordination of the implementation of Government Policies and Programs

**Intervention Description**

i) Implement the recommendation of the PSM Study of Strengthening Coordination in information flow and sharing within the public sector
ii) Develop and implement the PSM Strategic Investment Plan(SIP)
iii) Development and implementation of the program that defines, build consensus, promotes and inculcates National Values.
iv) Finalize and disseminate the National Vision framework.

**Strategy 8:** Promote e-government to enhance efficiency in service delivery.

**Intervention Description**

i) Implement program for awareness creation and entrenching use and application of ICT in service delivery (e-government).
ii) Ensure that ICT backbone infrastructure and support services like power are extended to all Local Government Administration Centers.
iii) Develop and implement local content as a means of accelerating ICT application in service delivery

**Strategy 9:** Enhance strategic leadership in the EAC integration

**Intervention Description**

i) Implement measures for strengthening institutional capacity of MEACA for effective EAC agenda
ii) Design and implement EAC information Management and Reporting systems
iii) evaluate the NIMES framework with view of aligning it to the needs of monitoring NDP

777. **Objective 5** - Ensure that development planning, policy formulation and M&E
systems are harmonized at national and decentralized levels

**Strategy 1:** Harmonize existing legislations.

**Intervention Description**

**Strategy 2:** Harmonize existing Institutional mandates

**Intervention Description**
- i) Undertake review of the institutional mandates with a view of recommending measures for proper delineating of planning, budgeting, policy, coordination and M&E.
- ii) Complete institutional restructuring and reform

**Strategy 3:** Review of existing planning, policy coordination and M&E structures and system.

**Intervention Description**
- i) Finalization of the comprehensive national development planning framework.
- ii) Evaluate the NIMES framework with a view to aligning it to the needs of Monitoring of NDP
- iii) Review the coordination framework for policy implementation coordination with a view of making it more adaptable to the coordination of the NDP

**Objective 6** - Ensure the plight of special interest groups such as refugees and IDPs and people in areas of unique circumstances such as post conflict and disaster prone areas is promoted.

**Strategy 1:** Continue implementing the special programs for affirmative action

**Intervention Description**
- i) Implement the PRDP, NUSAF, Luwero Triangle Development Plan and KIDDP.
- ii) Mobilize and lobby for adequate resourcing of special programs to eliminate backlog claims
- iii) Implement the Disaster and Refugee policies

### 8.12 ACCOUNTABILITY SECTOR

#### 8.12.1 Situational Analysis

Accountability is a key element in delivering good governance. Accountability has moved from basic financial reporting to a much broader concept based on people’s rights
to a transparent and performing government and public service. 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- Inspectorate, 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 NGO’s, and community groups which play a vital role in representing views and experiences of public service beneficiaries and holding public officials accountable.

780. The Sector developed the “Accountability Sector Strategic and Investment Plan” (ASSIP) which supports achievement of key national policy priorities. Uganda’s national planning mechanism will provide the context and focus for sector plans and priorities and the ASSIP facilitates the incorporation of accountability issues into the broader national framework.


782. 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:

783. **Commitment Control System (CCS)** which was 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. CCS initially succeeded in reducing domestic arrears but was faced with inadequate planning, controls and recording by MDAs; and sometimes, resistance to the CCS discipline and/or deliberate concealment, inadequate budget provisions; delayed releases; and limited central supervision/control.

784. **Integrated Financial Management System (IFMS)** – government’s computerized budgeting and accounting system designed to help government plan and use its financial resources more efficiently and effectively. IFMS is meant to reduce lack of timely and accurate financial information and a backlog of un-reconciled accounts. IFMS currently incorporates about 70per cent of current expenditure and 30 of development budget. There is need to ensure the effectiveness of IFMS in achieving significant and consistent improvement in quality of accountability; and protecting the integrity of the system.
785. Fiscal Decentralization Strategy (FDS): This financial management system is intended to among others, strengthen decentralization, and reduce high transaction costs. 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.

786. Non – Tax Revenue (NTR): This reform program is intended to increase contribution of NTR to National Budget. The introduction of URA in NTR Collections in 2003 improved its management by minimizing leakages in collection and accountability.

787. Electronic Funds Transfer (EFT): With effect from 1st July 2007, all payments for central government transaction and payment above Ushs 20million for NGOs and private sector were required to use EFT. The benefits accrued from use of a fast, secure and timely funds transfer system derived from improved efficiency, security and savings. However, EFT introduces possibilities of cyber fraud and abuse of the system. There is need to ensure the system’s effectiveness, integrity and accountability and ensure speedy transactions through EFT.

788. Payroll Management - A payroll cleaning exercise was completed in the 2005/06 in which 229,901 records were identified for verification. Effective Payroll management requires maintaining the integrity of the payroll system and continued revalidation of the payroll

789. Audit and Oversight: The Office of the Auditor General (OAG) Reports to year end 30th June 2004, 2005 and 2006 recorded audit coverage as follows:

<table>
<thead>
<tr>
<th>Sector for Audit</th>
<th>Year</th>
<th>Audits Due</th>
<th>Audits Completed</th>
<th>Audits in progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government</td>
<td>2003/04</td>
<td>79</td>
<td>79</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td>83</td>
<td>83</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>2005/06</td>
<td>85</td>
<td>85</td>
<td>Complete</td>
</tr>
<tr>
<td>Statutory Corporations</td>
<td>2003/04</td>
<td>71</td>
<td>37</td>
<td>27 in process 7 outstanding</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td>71</td>
<td>51</td>
<td>15 in process 5 outstanding</td>
</tr>
<tr>
<td></td>
<td>2005/06</td>
<td>71</td>
<td>63</td>
<td>3 in process 5 outstanding</td>
</tr>
<tr>
<td>Projects</td>
<td>2003/04</td>
<td>98</td>
<td>97</td>
<td>1 outstanding</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td>91</td>
<td>70</td>
<td>19 in process 2 outstanding</td>
</tr>
<tr>
<td></td>
<td>2005/06</td>
<td>103</td>
<td>94</td>
<td>8 in process 1 outstanding</td>
</tr>
<tr>
<td>Higher Local Government</td>
<td>2003/04</td>
<td>134</td>
<td>56</td>
<td>30 outstanding</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td>135</td>
<td>134</td>
<td>1 outstanding</td>
</tr>
<tr>
<td></td>
<td>2005/06</td>
<td>163</td>
<td>73</td>
<td>74 in process 16 outstanding</td>
</tr>
<tr>
<td>Lower Local Government</td>
<td>2003/04</td>
<td>897</td>
<td>897</td>
<td>497 outstanding</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td>897</td>
<td>400</td>
<td>497 outstanding</td>
</tr>
</tbody>
</table>
790. The above Table 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 especially since about UShs980 billion$^{96}$ is channeled through local governments annually. A PPDA Procurement Integrity Survey$^{97}$ estimated identifiable losses of between UShs32-43 billion to corruption in the local government procurement systems alone.

**Managerial Accountability**

791. **Results Oriented Management (ROM)** – is aimed at enhancing public service performance and accountability. ROM entailed individual public service organizations setting performance targets to facilitate objective reporting of results, evaluation and accountability. ROM implementation began in 2000 after a pilot phase that was undertaken in 1997. Effective implementation of ROM requires cultivating and sustaining commitment and support of top political and technical leadership; empowering MDAs and local governments to implement ROM; integrating ROM within overall planning and budgeting; embedding ROM as an integrated performance and accountability system; ensuring that ROM strengthens the demand side of accountability and enhances client focus.

792. **Budget Policy** - Its functions involve coordination of all sector Budget Framework Papers into the overall National Budget Framework including sector policies and performance; preparing the Budget Speech for presentation to Parliament; preparing the annual Book of Estimates and Public Investment Plan; implementing the budget within established cash limits and ensuring timely monthly releases and monitoring and reviewing physical and budget performance. Management of the budget process has significant implications for accountability and presents many opportunities to make an impact on the quality of accountability.

### 8.12.2 Constraints of the Accountability Sector

1. Passing Accountability legislation by Parliament takes a very long time.
2. Low level of adherence to service delivery standards and compliance to the rules and regulations of the regulatory bodies. Service delivery charters were introduced in three districts in Uganda and they require monitoring to ensure compliance. There is need to roll out the use of public service charters in other districts and have an effective method of monitoring compliance and taking corrective action where necessary.
3. Dealing with inefficiency in use of public resources - Government spends a lot of resources on different programs but in some cases the value for money in outputs is not visible. Weak inspection and monitoring by government create

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$^{96}$ Ministry of Finance, Planning and Economic Development, Local Government Unit.
$^{97}$ Procurement Baseline Integrity Survey 2006. Public Procurement and Disposal of Public Assets Authority
opportunities for corrupt officials to divert resources. There is need to strengthen monitoring and to increase citizens’ awareness and capacity to demand for accountability and monitor program implementation. The number of Value for Money audits should also be increased through the external audit vote function and sanctions should be enforced.

iv) Sector institutions often make recommendations to improve accountability systems but many reports are never discussed or adopted by Parliament. In other cases reports are considered after a long time which compromises the advantage of taking timely corrective action.

v) Inadequate public participation and involvement in promoting ethical behaviour;

8.12.3 Objectives, Strategies and Interventions

793. **Objective 1** - Enhance value for money principle in the management of public funds.

**Strategy 1:** Efficient use of government resources for better service delivery

**Intervention Description**

i) Establish Value for Money performance indicators/standards to be observed by all stakeholders through well documented guidelines describing the Value for Money Standards that are to be streamlined across the PFM systems

ii) Train officers designing and implementing government programmes to strengthen usage of value for money monitoring and evaluation functions as key accountability tools. This will lead to increase in the number of quarterly M & E Reports reviewed to ensure adherence to the established value for money standards

**Strategy 2:** Strengthen the effectiveness and impact of accountability policy and action

**Intervention Description**

i) Review existing accountability legislation through harmonization of existing laws on accountability.

ii) Establish regular assessment mechanisms to track compliance levels. This will be achieved through compliance with standards of accountability

iii) Strengthen inter-agency coordination within the accountability sector through the Sector Secretariat. A strong cross-sectoral accountability action plan will be formulated to guide this initiative.

**Strategy 3:** Strengthen accountability Sector to efficiently and effectively pursue the implementation of a broad accountability agenda

**Intervention Description**

i) Sector wide Retreat to develop annual work plans and budgets based on ASSIP priorities will be developed.
ii) Establish and operationalize basket fund arrangements

iii) Identify key information needs of the sector and work with sector members to devise evidence based information gathering systems. The end product of this is expected to be Accountability information system.

iv) Identify and coordinate sector studies to support policy development and implementation. Both qualitative and quantitative Research reports will be produced for this purpose.

**Strategy 4:** Establish a sector-wide capacity building standards and programs

**Intervention Description**

i) Develop a sector Training Policy to guide training programs in investigation skills, VFM auditing and financial planning and sector strategic planning.

794. **Objective 2** - Strengthen public demand for accountability

**Strategy 1:** Promote the demand side of accountability for service delivery

**Intervention Description**

i) Develop service delivery standards guidelines

ii) Continuously review the status of service delivery and institute improvement measures. In this regard, Quarterly review reports will be produced.

iii) Develop and implement an IEC strategy.

iv) Establish experimental social accountability projects to enable communities and government to monitor social programmes

v) Create and maintain a forum to enable stakeholders to review program management and service delivery and provide feedback to the Accountability sector through a Stakeholders Forum.

795. **Objective 3** - Compliance to Accountability policies, Service Delivery standards and Regulations for better Governance

**Strategy 1:** Improved performance of sector institutions

**Intervention Description**

i) Introduce good administrative measures and reforms. This is expected to reduce unit cost operations and improve citizen’s satisfaction

ii) Increase the number of audits, investigations and prosecutions.

iii) Number of audits, investigations and prosecutions successfully completed

iv) Sensitize the staff on integrity issues and create awareness about fight against corruption. This is expected to reduce the number of corruption cases since more staff is expected to be sensitized on the dangers of corruption.

v) Reward good clients to encourage compliance. It is envisaged that the number of rewards given will improve performance of sector institutions
796. **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) Development of sector strategic plans. Number of statistical reports produced.

ii) Production of monitoring reports on the trends of economic development and citizen’s satisfaction. More so, studies will also be done all aimed at generating data for decision making.

797. **Objective 5** - Contribute to the enhancement of Economic Growth and Development

*Strategy 1:* Improved welfare of the people of Uganda through poverty reduction

**Intervention Description**

i) Promote microfinance programmes aimed at poverty reduction. In this regard, Research papers on methodologies for microfinance development will be prepared. This will further be supported by policy papers on the regulatory framework that provides standards and guidelines for microfinance development.

ii) Emphasize efficient allocation of resources to avoid waste and maintain macroeconomic stability, carry out policy research and development. Quality goods and services delivered to Ugandans at stable prices.

iii) Improved measures for resource mobilization. This will enhance financial resource capacity for national development.

*Strategy 2:* Improved welfare of the people of Uganda through increased foreign and local investments and private sector promotion.

**Intervention Description**

i) Establishment of industrial parks across the country. This will increase the number of jobs to Ugandans and goods/services produced.

### 8.13 DISASTER MANAGEMENT

#### 8.13.1 Situational Analysis

798. Disasters refer to events or a series of events that give rise to casualties or 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 frequently occurring disasters in Uganda include displacement of persons as a result of civil strife, famine as a result of drought, earthquakes, disease epidemics, livestock and crop disease, flooding and landslides as a result of heavy rains and injudicious environmental management, and technological accidents as a result of inadequate safety
procedures. The occurrence of different disasters has resulted in a number of socio-economic losses translated in terms of loss of lives, crops, infrastructure and property.

Over the past decade, Uganda has frequently been inflicted by natural and human-induced disasters as discussed below. Over the period 2000 to 2005, approximately 65.7 per cent of the total households’ country wide experienced at least one type of disaster (UNHS 2005/06). The Figure 8.2 below show the prevalence per region. The northern is the highest mainly due to the civil strife.

**Figure 8.2: Percentages of Households that experienced more than one (1) Disaster by Region (2000 - 2005)**

![Figure 8.2 Percentages of Households that experienced more than one (1) Disaster by Region (2000 - 2005)](source)

800. The major human-induced disaster in Uganda is refugees and internal displacement caused by internal and regional conflicts resulting in massive displacement of persons, social disintegration, and loss of life 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 with approximately 1.6 million people living in IDPs camps.

801. The Droughts have been recurrent in the cattle-corridor districts of Gulu, Apac, Lira, Moroto, Kotido, Soroti, Kumi, Mbarara and Ntungamo. The severe droughts were recorded in 1998, 1999, 2002 and 2005, affecting approximately 655,000 people. The 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 epidemics. This can be worse with limited early warning system for detection of epidemics.

802. Some of the disasters in Uganda are linked to climate change. Climate change processes result in increased intensity, frequency and variability in the patterns of hazards such as floods and droughts.
803. 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 IDP was developed and operationalised, an inter agency forum for peace building and conflict resolution was established, standardization of information on humanitarian issues carried out, settlement of IDPs in camps during the war and their resettlement to their homes after peace returned to Northern Uganda, integrating disaster management in national and local government plans, establishment of seven disaster coordination offices. The Department of Disaster Management in the Office of the Prime Minister is developing a National Policy for Disaster Risk Reduction and working on a Program of Action for Implementation of the Policy aimed at reducing the potential impacts of disasters before the event occurs.

8.13.2 Constraints to Disaster Management

i) Inadequate policy and legal framework for disaster preparedness and management.

ii) Poor early warning systems which make it difficult to plan for disasters. Part of this constraint is caused by limited metrological services in the country. Meteorological services provide real time, short time, seasonal and long term forecasts and essential parameters that are critical for planning and management of disasters and rescue operations.

iii) Limited resources to provide relief and rehabilitation assistance to disaster-affected people.

iv) Inadequate data especially on costs and implications of the disaster.

v) Inadequate capacity for mainstreaming disaster risk reduction at national and local government/community levels.

8.13.3 Objectives, Strategies and Interventions

804. **Objective 1** - Reduce the social, economic and environmental impacts of disasters on the people and economy

**Strategy 1**: Develop appropriate policy, legal and regulatory framework for handling national disasters

**Intervention Description**

i) Finalize the formulation and facilitate implementation of the national policy for disaster and risk reduction

ii) Develop and operationalise a legal framework for smooth implementation of the above policy

iii) Develop and operationalise a coordination and monitoring framework

**Strategy 2**: Enhance government, private sector and civil society’s capacity for disaster preparedness and management

**Intervention Description**
i) Develop capacity of the MDAs, local governments, private sector and civil society in disaster risk reduction through tooling, training and resource allocation

ii) Put in place early warning systems in all sectors of the economy

iii) Strengthen the department of Meteorology through increased funding, staffing and availability of up to date equipment

iv) Develop a community based hazard mapping of disaster risks through identification and assessment of community based disaster risks.

**Strategy 3:** Rehabilitate and ensure long term welfare of disaster affected communities

**Intervention Description**

   i) Implement resettlement programmes of disaster-affected persons such as displaced persons and refugees

   ii) Continue with the provision of relief food and non food items to disaster victims

   iii) Rehabilitate road infrastructure affected by disasters

   iv) Develop and implement income generating activities for disaster victims to enable them sustain their livelihoods

805. **Objective 2** - Reduce natural and eliminate human-induced disaster risks

**Strategy 1:** Ensure sustainable financing of the national response to natural and human-induced disasters

**Intervention Description**

   i) Finalize the establishment and implement the National Contingency Fund

**Strategy 2:** Develop a quick response mechanism to disasters

**Intervention Description**

   i) Establish a national emergency coordination and operations centre (NECOC). To this effect, a mechanism for emergency coordination and response will be put in place and operationalised. Adequate equipment and staffing will be provided to NECOC.

806. **Objective 3** - Promote and uphold the rights of refugees.

**Strategy 1:** Protect and provide for basic needs of refugees

**Intervention Description**

   i) Design and implement a programme to provide land and basic services to refugees

   ii) Design and implement income generating programmes to promote self reliance of refugees
**Strategy 2:** Help refugees attain durable solutions

**Intervention Description**

i) Promote repatriation of refugees  
ii) Promote resettlement of refugees to their countries

### 8.14 SUB-NATIONAL DEVELOPMENT

#### 8.14.1 Situational analysis

807. Planning has changed dramatically over time as development paradigms have shifted. The original focus on economy-oriented, technical, centralized planning has evolved into an activity that is generally broader in scope (focusing more on human development) more often process oriented (embedded more with political and institutional reforms) and often at least partially decentralized. There has been a great effort to move planning and services closer to citizens, both through the adoption of formal techniques and processes for sub-national government planning and through efforts to nurture civil society development. Rapid political, economic and technological changes have also fueled the trend to rely more heavily on sub-national governments and local communities.

808. Uganda adopted decentralization policy as an instrument to deliver sub-national development in 1993, with the aim of bringing services closer to the people. Decentralization envisioned good governance, democratic participation and control of decision making by the local people. The devolved functions included planning, budgeting, administration, fiscal management and control, and justice.

809. Sub-national governments function through a unified system of elected authorities at district level, which has primary local planning, budgeting and implementation responsibility and four elected lower levels of local councils four, three, two and one. Local governments have major responsibilities for infrastructure development, although exact functions depend to some extent on higher level/central government decisions, local capacity and rural versus urban location. They further have legal responsibility for health and education but many have been unable to deliver services adequately owing to capacity constraints.

810. The Country Review Mechanism observes that decentralization, in whatever form it is implemented can result in enhanced political legitimacy, democratization, economic efficiency, lean government and poverty reduction. Decentralization as a policy instrument to deliver sub-national development has largely been a success in Uganda. There has been an increase in service delivery in the areas of education, primary health care, water and sanitation, roads and agriculture extension. It has allowed improved participation of the locals in political governance and administration of their areas as well.

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98 Justice dispensed local government and administrative structures right from the villages/cells to the higher local governments.
as in the planning process of service delivery. In terms of planning, the number of districts with approved three-year development plans increased from three in 1997 to all districts in 2009.

811. In addition, access to justice has been made cheaper and faster through creation of local council courts that operate from LCI to LCIII. The Ministry of Local Government designed and implemented a capacity building programme for local Governments which led to improvement in institutional and human resource capacity in local governments.

812. The quest for bringing services nearer to the people has created pressure for creation of new districts leading to continuous splitting of existing administrative structures. The consequence has been increased public administration expenditure and creation of economically unviable sub-national entities. For example, the number of districts increased from 56 in 2002 to 80 districts in 2008, representing 43 per cent growth in a period of 6 years. As a result, the size and number of administrative structures at different jurisdiction levels has been changing. Growth has been more significant between 1980 and 2008 as indicated in the Figure 8.3 below. The table 8.6 below also indicates the statues of local government administrative structures.

**Figure 8.3: Growths in Number of Districts 1959 - 2008**

![Figure 8.3: Growths in Number of Districts 1959 - 2008](image)

**Table 8.6: Status of Uganda’s Local Government Administrative Structures as of June 2009**

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Jurisdiction level</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Districts</td>
<td>80</td>
</tr>
<tr>
<td>2.</td>
<td>City Council</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Municipal Councils</td>
<td>13</td>
</tr>
<tr>
<td>4.</td>
<td>Counties</td>
<td>151</td>
</tr>
<tr>
<td>5.</td>
<td>City Divisions</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Municipal Divisions</td>
<td>37</td>
</tr>
<tr>
<td>7.</td>
<td>Sub Counties</td>
<td>874</td>
</tr>
<tr>
<td>8.</td>
<td>Town Councils</td>
<td>96</td>
</tr>
<tr>
<td>9.</td>
<td>Parishes/wards</td>
<td>5,225</td>
</tr>
<tr>
<td>10.</td>
<td>Villages/cells</td>
<td>45,000</td>
</tr>
</tbody>
</table>

Source: National Assessment Synthesis Report, 2009

813. Although there has been general improvement in the local government capacities and staff sealing which stands at 65 per cent, serious capacity gaps to carry out some of the devolved functions still exist. This is exacerbated by failure to attract, deploy, and retain skilled personnel and professionals mainly in health, agriculture and engineering.
departments. Staffing of parish chiefs and community development officers is also still low across the country, yet these staff cadre are key in mobilisation of the population and implementation at the lower levels.

814. In spite of the establishment of equalization grants, regional imbalances have persisted. These are partly demonstrated by disparities in poverty levels and social development indicators. Based on these indicators, the Northern and Eastern part of the country are worse off when compared to the central and western Uganda.

815. According to the UBOS (2006), while the population below poverty line in the country is 31 per cent, in Northern Uganda it is 61 per cent. Similarly, mapping patterns of wellbeing in Uganda (UBOS 1992 &1999) revealed that there exists serious regional poverty head count index imbalances with the worst being northern region (74.8 per cent) followed by Eastern (63.7 per cent), western (55.5 per cent) and Central (54.2 per cent).

816. In terms of other social development indicators, according to WHO report 2005, the infant mortality rate (IMR) in Northern Uganda was between 40 and 45 per cent compared to the national average of 13.3 per cent. Maternal mortality rate (MMR) was at 650/100,000 live birth for northern Uganda compared to the national average of 480/100,000, child malnutrition (per cent of children under 5) staggered at above 30 per cent compared to 23 per cent nationally. In addition, the life expectancy at birth for northern Uganda stands at 44.3 compared to national average of 48 years.

817. In terms of financing, Local governments in Uganda are funded through central government grants, local revenues and borrowings. In addition, many local governments access donations from both local and foreign development partners. The Constitution of the Republic of Uganda provides for three categories of grants and their purposes. The three types of grants are the unconditional, conditional and equalisation. The Constitution also gives powers to local governments to collect some taxes and non tax revenues. These various sources of funding form the basis for the financing framework for local governments. All these sources are operational although at different levels of contribution to local government budgets. Local governments have access to the property tax, but few collect it effectively and it is significant only in large towns and the city. Various local fees, licenses and other minor revenues are collected and used.

818. The bulk of the unconditional grant is used for payment of salaries, the conditional grants are for both development and recurrent activities of national importance while the equalization grants are given to new local governments and those that are at an under developed stage as compared to others. The system is not fully implemented, but it already represents nearly 24 per cent of the national budget and nearly 80 per cent of local government revenues although less in urban municipalities. A separate transfer system is devoted to sub-national development expenditures and is directly linked to the local government planning process. Weak performances in local service delivery lead to the imposition of new conditions on local government use of central government transfers, reducing sub-national autonomy.

819. When government developed the PEAP in 1997, the poverty action fund (PAF) was
also created to facilitate its implementation with support from development partners. As a result of this fund, there was an extraordinary rate of growth in social sector expenditure, with expenditure on PAF programmes growing from 17 per cent to 34 per cent of the government budget. Due to Uganda’s decentralisation policy, this meant a rapid increase in resources flows to local governments, and a corresponding increase in primary service provision. As PAF expenditures were tied to the achievements of PEAP goal, the majority of the increase in transfer of resources was via an increasing number of sector conditional grants.

820. The growth in the number of conditional grants using different mechanisms of transfer of funds from central government and donors has been a matter of growing concern in both central and local governments. Many of these mechanisms are not well adapted to the decentralized framework, with local governments given little power over the allocation of resources, and little involvement of lower level local governments in the decision making. Problems have also been noted in the management and reporting. Line ministries were also faced with major problems in dealing with monthly and quarterly reporting from a growing number of conditional grants and a growing number of districts. In addition, there was concern about the different design and type of conditionalities under the MOLG local government development programmes (LGDP) and the PAF conditional grant conditionalities, and the bureaucratic load of multiple procedures and lines of reporting. Recently NUSAF and PRDP have also come on board.

821. In an effort to address the emerging challenges, government in 2002 approved the fiscal decentralisation strategy (FDS) whose objective was to strengthen the process of decentralisation in Uganda through increasing local government autonomy, widening local participation in decision making and streamlining of fiscal transfer modalities to local governments in order to increase the efficacy and effectiveness of local governments. The key principles promoted under FDS were increasing local government autonomy through application of flexibility during budget formulation; widen participation and decision making; harmonising central and local government budget process; streamlining grants release modality to iron out delays; improving financial management by reducing number of bank accounts, reporting and accountability; enhancing the coordination and harmonisation at the centre in dealing with local government issues; carrying out policy review to identify what part of national policies local governments are responsible for implementing through sector guidelines.

822. The implementation of FDS registered some successes especially in reducing the number of bank accounts from over 150 in some districts to about 20 well still above the 14 required, streamlining and harmonizing the budget process and to some extent development of grants allocation formulae. Negotiations between sector ministries managing conditional grants and local governments have been taking place to agree on conditions for implementing sector programmes. Guidelines on best practices in local revenues were developed and are in use, new sources of local revenues (local service tax and hotel tax) have recently been introduced to try and fill the gap created by abolition of graduated tax.

823. A number of affirmative action plans have been implemented at sub national level
with some level of success. They include Northern Uganda Rehabilitation Programme (NURP) I & II and Northern Uganda Social Action Fund (NUSAF); and Karamoja integrated disarmament and development programme (KIDDP), extension of Equalization Grants to assist underperforming districts to bring them to the level of service delivery comparable to the rest of the country. The Government has developed and is in the process of implementing the PRDP programme for the war-torn northern Uganda and the Luwero– Rwenzori Development Plan is also being developed.

824. 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. Thus reopening the area to meaning production as well as reinstating democratic governance in the area.

8.14.2 Constraints to Sub – National Performance

i) Inadequate human capacity in local governments to undertake the devolved functions especially at the sub-county level:

ii) Institutional and structural challenges which limit service delivery capacity.

iii) Weak private sector capacity in local government especially those in rural areas: most rural local governments have failed to attract private sector investments and businesses. With weak private sector, there are inefficiencies in services contracted out by local governments, limited public private partnership and slacken employment opportunities.

iv) Low local revenue mobilization capacity which makes them rely on Central Government Transfers.

v) The number of conditional grants has been increasing from 30 in FY 2003/04 to 37 in FY 2009/10. Local governments’ autonomy and participation in decision making is still very low with some sector ministries rejecting the idea of flexibility in budgeting for conditional grants.

vi) Disparities in unit cost for service delivery: The unit cost of service delivery under 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.

vii) Vertical and horizontal Coordination within and across sectors is a big constraint for effective implementation of programmes and activities across government. As pointed out by the PEAP evaluation (OPM, 2008) lack of coordination in implementation, monitoring and evaluation of activities was a major reason for non realization of PEAP targets.

8.14.3 Objectives, Strategies and Interventions

825. **Objective 1** - Enhance democratic and political governance at Sub National level

**Strategy 1:** Alignment of local government laws and regulations with national policies, legal and regulatory framework

**Intervention Description**
i) Government will harmonize the legal and regulatory framework at local government level by re-aligning the LG Act with Sectoral Acts such as NEMA Act, NFA Act, Town and Country Planning Act-1964, etc… to avoid overlaps and ambiguity
ii) Re-align the Local Government Act with the NPA Act, Budget Act to streamline planning and budgeting

**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 Parliamentary Accounts Committee 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 By-laws and Ordinances on health to enforce 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 enforcement agencies to enforce the regulations through adequate facilitation
iv) Develop mechanism to promote collaboration and cooperation between political and technical leaders in enforcement of regulations

826. **Objective 2 - Ensure efficient and effective administration**

**Strategy 1: Strengthening human resource development**

**Intervention Description**

i) Ensure that local governments have sufficient human resources to deliver on their mandates through filling vacant positions at sub-county and district levels. Critical focus will be placed on filling 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 in order to retain them and improve on their efficiency. A capacity building programme will be designed and implemented with critical focus on upgrading of technical officers and acquisition of technical skills.
iii) A special capacity building programme will be designed and implemented for the private sector players in the local governments especially contractors, and other service providers.
iv) Government will design and implement special incentive packages to attract and retain skilled personnel in key sectors especially in hard to reach areas

**Strategy 2: Strengthening of LG institutions and systems**

**Intervention Description**

i) Government will provide institutional support in form of modern equipment (computers, ICT materials, internet connectivity, software, M&E tools, data banks etc)

ii) Review systems, processes and procedures for improved efficiency and effectiveness

iii) Government will strengthen the planning, budgeting and M&E functions for the 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 district

**Strategy 3: Enhancing Local Revenue Mobilization and Management**

**Intervention Description**

i) Enforce timely accountability of funds released to Local Governments

ii) Improve the 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 funding such as municipal bonds and other forms of PPPs as sources of funding for local government service delivery

827. **Objective 3:** Support affirmative action for post conflict and marginalized areas.

**Strategy 1:** Stabilization in order to consolidate peace and lay foundation for recovery and development in Northern Uganda through implementation of PRDP.

**Intervention Description**

i) Consolidation of 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-building and empowering of communities to be able 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) Revitalization of the economy through promotion of both subsistence and commercialized economic activity with in 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) 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 (IEC) and counseling; and amnesty, demobilization and re-integration of ex-combatants (ADRP)

**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 Defence 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) Establishing 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) Supporting 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) Supporting the development of alternative means of livelihood for the people of Karamoja. Planned interventions are: 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) Undertaking 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; support and foment 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. Coordination and harmonization of existing peace building initiatives by all the different stakeholders will be done; continuous progress monitoring of KIDDP results and outputs; assessment of KIDDP implementation to determine outcomes and impacts from interventions undertaken; strengthen capacity for coordination, monitoring and evaluation.

vii) Resource mobilization for the necessary support services and logistical infrastructure for disarmament to succeed and Gender integration in disarmament and development will be the 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.

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; promote 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% 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.

828. **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 centers

829. **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 Epicenter 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, LLGs, Parish headquarters, villages and other public places like churches, schools, mosques etc as one channel through which Critical information can flow at the locality 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

830. Uganda is a member of the East African Community (EAC) comprising of 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.

831. 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 1\textsuperscript{st} January 2010 and Monetary Union by 2012.

832. Under Customs Union, Progress has been attained in progressive reduction of internal tariffs as agreed. The tariff on goods originating from Kenya has substantially reduced from 5 per cent in 2006 and it is expected to be zero per cent by January 2010 when Common Market is due. As required by the CU protocol, Uganda has recorded progress in elimination of Non-Tariff Barriers (NTBs).

833. There has been capacity strengthening of institutions involved in managing and monitoring progress of Customs Union implementation as well as awareness and sensitization has been carried out through dissemination of information about the Customs Union with varying success to the business community and general public. In coordinating its trade relations with foreign countries, EAC Partner States have initialed a Framework Economic Partnership Agreement (FEPA) covering Trade in Goods/Market Access, Development Cooperation, and Fisheries. The essence of initialing the FEPA was to safeguard our market access interest on the EU market.

834. The implementation of 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 the requirement for a single Customs collections point at first point of entry is yet to be realized.

835. Under common market, progress has been made in the Common Market Protocol and its annexes which were concluded and are scheduled to be signed in November 2009.
The preliminary work on harmonization of labour policies and legislations has been undertaken. In addition, an EAC manpower survey was commissioned to establish the manpower status. The harmonization of investment incentives has started macroeconomic convergence has been initiated.

836. However the Implementation of the Common Market is however still challenged in 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 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.

837. Under the Monetary Union, Substantial ground has already been covered in harmonizing monetary and fiscal policy within the East African Community (EAC) 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 criteria and set targets for achieving macroeconomic convergence.

838. The monetary union however still faces challenges of full integration of banking and financial systems, regulations, laws and procedures. The Need for integration of payments systems; Liberalizing capital market in economies where capital controls still persist; 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.

839. Under a political federation partner states envisage the establishment of common foreign and security policies, regional peace and security, regional defense pact and regional legal and judicial affairs. A federation by creating a single policy centre will deepen integration further by enhancing the effectiveness and sustainability of common market operations i.e. it further strengthens and consolidates the benefits of economic and social integration that would have been achieved in earlier stages. With efforts to fast-track the political federation, there has been some progress in this area. As the ultimate goal of integration, political federation will await accomplishment of many economic and social integration issues in other stages.

840. In this regard, some initiatives have been implemented in preparation for a political federation. These include operationalization of the East African Legislative Assembly (EALA). This will be the basis for creation of Regional Parliament with Regional Constituencies.
8.15.2 Constraints

841. A number of factors constraint partner states and Uganda in particular in attainment of goal 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.

**Constraints to Common Market**

i) Fragmentation of economies for 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 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.
8.15.3 Objectives, Strategies and Interventions

842. **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 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 advantages
- 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 the bottlenecks to labour mobility. The government will promote teaching and use of Kiswahili as a means of communication to enable Ugandans freely interact and transact business within the region.

843. **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 Customs Union

**Intervention Description**
- i) Remove Non Tariff barrier (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 etc)
**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 ID issued 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) Government through the central bank will work on policies ensuring establishment of a single currency
- ii) Government through the central bank will also 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) Government will promote cooperation in security and peace
- ii) Ensure that protocol on good governance is in place and operational
- 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) Common standards bureaus in place and functional
- iv) Ensure compliance with global partnership including WTO, Belgian Programme of Action etc

**Strategy 6:** To ensure Uganda's contribution is remitted to the EAC

**Intervention Description**
- i) Ensure that Uganda's EAC Contributions are budgeted for and met
- ii) Enhance active participation of public, private and civil society stakeholders in EAC integration
844. **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) Promotion of EAC cooperation and integration affairs and ensure it is prioritized in the national development agenda

845. **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) Physical capacity of MEACA strengthened
- 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) Implementation of EAC core projects and programmes
- vi) Infrastructure, environmental, common resources and other projects implementation

## 8.16 PUBLIC ADMINISTRATION

### 8.16.1 Situation Analysis

846. Public Administration refers to the strength or capability of the state to organize and manage. This capability to organize and manage depends: first, on the democratic political institutions that make the rule of law effective, human rights assured, and the government or administration legitimate. It depends; second, on the quality of its public policies, particularly of their economic and social policies, which lead to the achievement of such objectives at a more operational decision-making level; third on the quality of public sector manage and service delivery processes, as a mechanism for implementing the laws and policies. It is important that public administration essentially effective and efficient.

847. Democratic Political institutions in Uganda can be divided into five distinct phases: The first phase of 1962-1970, the second phase of 1971-1979, the third phase 1980-1985, the fourth period of 1986-2006, where NRM ruled under a movement system of governance. In 2004, a referendum on political parties/movement was held and citizens voted for a return to multi parties. Hence since 2006, multi party system of governance was adapted. However, the sudden shift from the Movement system to multi-party system
of governance, without even minimum preparation of the stakeholders, multiparty politics has unleashed on the population a couple of challenges relating to the management of political business in a multiparty setting both at central level and local level. This represents a need to align political and administrative structures at both central and local government levels.

848. The Uganda experience of democratic political institutions demonstrates that comprehensive and fundamental changes have been achieved although and more achievements are possible over. However, it is also recognized that the circumstances behind the reforms and achievement processes were specific to Uganda at a certain point in time. In addition to the poor economic situation in which Uganda found itself in, a number of contextual factors (political, constitutional and institutional), ought to be contextualized for successful public administration.

849. Due to infancy (since 2006), the multiparty democracy institutions need strengthening. The key issues of reform that ought to be tackled include among others: Electoral Reforms, Political Parties, Donors and Democratic Agenda in Uganda, State institutions and Democracy – Judiciary, Legislative, Executive, the armed organs and their relationship in a multiparty dispensation, Local Governance and Multi party democracy, Foreign Policy and Democracy, Civic Organizations, the Media, The role of the Movement Caucuses in influencing the democratic agenda, Multi-party funding in Uganda among others. The framework to provide opportunities for the citizens to participate in the political and economic governance;

850. Generally, respect for human rights in Uganda has been advanced significantly since the mid-1986. The Uganda Human Rights Commission (UHRC) was established as principal institution for the upholding, protecting and promoting human rights. One of the functions of the UHRC is to ensure compliance with international treaties. The other major function is to popularize the Constitution at national and lower levels and hence educate grassroots women on their rights. Over the last 12 years the UHRC has investigated complaints and provided redress on appropriate cases. Today, all complaints about violation of human rights can now be brought to the Commission except for cases that are before a competent court of law, or those that are time barred.

851. The struggle for rule of law has its roots in Democratic values, and respect for human rights. The rule of law in democratic societies is enshrined in the supreme law of the land—the national constitution. Uganda has gone through various constitution making processes aimed at guaranteeing human rights and rule of law. The National Constitutions was promulgated on 8th October, 1995. The rule of law in Uganda can be evaluated at three levels; (1) Independence of parliament. (2) The second is the provision for the Human Rights Commission and the office of the Inspector General of Government respectively (3) the other critical provision for the rule of law is the independence of the Judiciary. The Judges have security of tenure, and a well set out retirement age. In Uganda all these are functioning albeit with some challenges.

852. The legitimacy of any government is mainly changed by the governance and transparency. If elements within the state are perceived to be acting in ways that are
contrary to the rule of law, they undermine public confidence and political legitimacy. Governance and transparency are necessary to forge a social contract with the population, which is critical for the consolidation of peace and security. In 1986, the NRM established a decentralized system based on the philosophy of popular participation. Decentralization was seen as a key to solving several interrelated problems. Uganda’s decentralization system aimed at devolving powers and functions to the local governments. Such devolved powers were categorized into: political, financial and administrative powers. To date, decentralization is practiced to certain degree with the main challenge is that the Local Government are unable to raise their own revenues.

8.16.4 Constraints

i) Lack of clear definition between public sector management and public administration
ii) Lack of clear change from Movement system to Multi-Party system of governance.

8.16.3 Objectives, Strategies and Interventions

853. Objective 1: Deepening democracy

Strategy 1: Provide a framework of opportunities for the citizens to participate in the political and economic governance

Intervention Description
i) To conduct adult suffrage elections at national and local government levels improved. The output will be timely electoral activities conducted
ii) Timely Enactment and Amendment of electoral laws.
iii) Institutional Capacity Building of the Electoral Commission. This will include National Identity Cards, Decentralization of Administration of Elections to Regions, Secure Tenure of Office of Members of the Electoral Commission, Professional Staff Training, Institutional Capacity Building (Construction of Office Accommodation) and Staff remuneration improved
iv) Improve the quality of the voters’ register. This will include updated national voters’ register with biometric data and customized biometric system procured
v) Strengthen framework for political party activities. This will include institutionalize the Political Parties Code of Conduct, comprehensive Political Parties Code of Conduct and Promotional activities carried out.

Strategy 2: Public participation in the policy making process

Intervention Description
i) Develop and implement consultation code.
   Consultation code developed and implemented
   Government communication strategy developed

Strategy 3: Strengthening institutional framework for political party activities

Intervention Description
i) Review existing legal mechanism and implement legal reforms.
   National political dialogue conducted
   Institutional framework for party activities established

**Strategy 4:** Clarifying the role of donors in the democratic agenda of Uganda

**Intervention Description**

i) Developing and implementing a framework for donor participation in the
democratization process.
   Annual government-donor dialogue convened.
   Donor engagement strategy developed

**Strategy 5:** Enhance collaboration between the arms of government

**Intervention Description**

i) Strengthening coordination mechanisms.
   Government coordination mechanism and strategy developed.
   Annual government review convention held.

**Strategy 6:** Enhance government engagement with civic organizations, the media and the private sector.

**Intervention Description**

i) Framework for promoting partnership established and Uganda media centre
   strengthened

ii) Implementation of the framework including the annual presidential round table
    organized

854. **Objective 2: Enhancing the effectiveness of government**

**Strategy 1:** Strengthen the collaborative mechanisms for improvement of accountability
in Government.

**Intervention Description**

i) Reviewing the existing accountability system.

ii) Reforming the accountability system

iii) Structures established for faster judicial processes and audit trails

**Strategy 2:** Strengthening capacity for policy development

i) Building capacity for policy analysis. The cabinet secretariat will be restructured

ii) Strengthening the cabinet function. The cabinet decision tracking system
    developed and implemented

iii) Implementing the government communication strategy. The government policy
    information management system (data bank) developed

iv) Consolidate policy information management systems. The skills and expertise for
    policy management enhanced.

**Strategy 3:** Strengthen the implementation system of government.

**Intervention Description**

i) Review the structure of the civil service to enhance service delivery.
   National Honors and Awards system strengthened
iii) Implementing reforms. Joint M&E framework strengthened within Central and with Local governments
iv) Promote and strengthen public-private partnership for better delivery of services. Information Management System capacity developed
v) Review the M&E framework of government. Capacity built for modern management in government

*Strategy 4:* Create minimum capacities for new administrative jurisdictions.

**Intervention Description**

i. Staffing, housing and equipment
   a. Policy developed on office accommodation in government.
   ii. Policy developed on minimum tools and equipment for new jurisdictions

855. **Objective 3: National Mobilization for Development**

*Strategy 1:* To strengthen the framework for empowering the public especially the poor to know their property, political and socio-economic rights

**Intervention Description**

i) Mass sensitization of public Popularize the constitution at National and international and lower levels through educating grassroots men, women and children on their rights.
   Constitution translated into local languages and popular versions published
   Patriotism building supported

*Strategy 2:* Mobilize the population for involvement in the democratic process and development.

**Intervention Description**

i) Proactive engagement of the media
   - Mass sensitization conducted on key government policies
   - Offices of Resident District Commissioners equipped and retooled
   - Government media strategy developed

856. **Objective 3: To address Strategic issues**

*Strategy 1:* Ensure national territorial integrity and security for persons and property

**Intervention Description**

i) Support to the national Security Council. The National Security Council strengthened

*Strategy 2:* Provide leadership for self-sustaining economic growth and development to ensure prosperity for all.

**Intervention Description**

i) Support to Presidential initiatives e.g. Presidential investors round table
   - Presidential initiatives supported
**Strategy 3:** Ensure sustainable economic exploitation of national oil and other strategic natural resources.

**Intervention Description**

i) Support the Presidential initiatives on economic exploitation of natural resources. The Public-Private Partnerships strengthened for investment in exploitation of natural resources. Technological capacity building supported.

**Strategy 4:** Strengthen the foreign relations for national security and development.

**Intervention Description**

i) Support the Presidential initiative on regional integration and fast tracking of the East African Community. Regional cooperation frameworks supported. International cooperation frameworks and treaties supported.

### 8.17 REGIONAL AND INTERNATIONAL DEVELOPMENT

#### 8.17.1 Situation Analysis

857. 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 of; peace and security; regional cooperation and trade; tourism, investment and resource mobilization. This is achieved through Regional and International Cooperation and Protocol Consular and Diaspora Services.

858. 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 8.4 below.

**Figure 8.4: Centric - Cycle Approach**

Source: Ministry of Foreign Affairs (2008)
It priorities collaboration and cooperation with its immediate neighbours (Ring States), followed by regional partners and then the rest of the world.

In the recent past 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, DR. Congo and Southern Sudan to work together under Operation Lightening Thunder to reduce LRA’s ability to wage war and abduct civilians in the three countries.

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.

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 neighborliness; Regional Cooperation; Economic Integration; Sustainable peace and development.

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) that brought benefits in the areas of: Americas and the Caribbean: market share of Uganda products, financial resources for identified programs and training for Ugandans in various fields.

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.

In Europe, the relations have been strengthened leading to 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 Continuo Partnership Agreement.

As far as multilateral cooperation is concerned, the country has provided 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.

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. (ii) Uganda shall actively participate in international and regional organisations that stand for peace and for the well-being and progress of humanity. (iii) The State shall promote regional and pan-African cultural, economic and political co-operation and integration.

8.17.2 Constraints

i) Inadequate staffing and structure at both Missions Abroad and Headquarters  
ii) Inadequate skills and training to handle specific issues in the international world.  
iii) Inadequate mechanism for information dissemination to all stakeholders especially between missions abroad and the Ministry Headquarters.  
iv) Inadequate Marketing strategy and publicity skills to portray positively the image of the Ministry and the country at large 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) Inadequate and poor system of communication and information sharing  
vii) Limited regional and international coverage to tap existing opportunities  
viii) The limited number of foreign missions does not enable effective coverage of all strategic and critical locations.  
ix) Poor coordination between the Ministry and other line ministries and government institutions
8.17.3 Objectives, Strategies & Interventions

For the next five years, the key objectives, Strategies and Interventions for the sector will include the following:

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 with a view to meeting the emerging regional, international and global 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 stakeholders
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 of implementation of regional and international agreements and treaties
iii) Sign appropriate legal frameworks for implementation of the provisions of the agreements and treaties
iv) Enhancing 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 foresee, analyze, forecast and respond to emerging regional, international and global challenges.

**Intervention Description**

i) Recruit staff and provide them with specialized training in foreseeing and forecasting, analyzing 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 affairs

**Intervention Description**

i) Carry out awareness and sensitization campaigns to ensure awareness of Uganda’s foreign policy goal and objectives amongst all stakeholders  
ii) Enhance information sharing through intensified information management, sharing and dissemination

870. **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 for support.  
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

871. **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 obtaining in the respective locations

**Intervention Description**

i) Carry out needs assessment in Missions Abroad to identify the infrastructure gaps and address them  
ii) Mobilize and allocate resources accordingly through lobbying and advocacy for funds and support  
iii) Enhance network and communication with missions abroad.
872. **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) Establishing an inventory of the opportunities available and key players for setting up missions in locations of strategic importance

ii) Mobilize necessary resources to operationalise our presence in the areas of strategic importance

iii) Intensify networking by ensuring awareness of Uganda’s foreign policy goal and objectives within foreign countries

iv) Establish a framework for supporting Ugandans and partners abroad in relevant areas.

873. **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 properties abroad

ii) Mobilize and allocate funds for acquisition and/or development of properties abroad

874. **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
9.0 SUMMARY OF SECTORAL PROGRAMMES, PROJECTS AND TARGETS

9.1 ORAL PROGRAMMES / PROJECTS

The following projects are some of the projects the sectors are expected to carry out during the NDP.

Table 9.1: Oral Programmes & Projects

<table>
<thead>
<tr>
<th>Sector / programmes / Projects</th>
<th>Estimates (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving agricultural technology Development</td>
<td>123,254.25</td>
</tr>
<tr>
<td>Controlling diseases, pests and Vectors</td>
<td>195,430</td>
</tr>
<tr>
<td>Better delivery of advisory services and improved technology</td>
<td>372,556.00</td>
</tr>
<tr>
<td>Promotion of &quot;farming as a business” to increase farming earnings and profitability</td>
<td>168,334.00</td>
</tr>
<tr>
<td>Agricultural fund established</td>
<td>150,000</td>
</tr>
<tr>
<td>Facilitate construction of appropriate storage infrastructure</td>
<td>123,850</td>
</tr>
<tr>
<td>Restoring Agricultural Production in northern Uganda</td>
<td>53,906</td>
</tr>
<tr>
<td>Accelerate support to strategic selected crop enterprises</td>
<td>180,000</td>
</tr>
<tr>
<td>Accelerate support to strategic selected animal enterprises</td>
<td>125,000</td>
</tr>
<tr>
<td>Increase access and availability of farm inputs</td>
<td>383,793</td>
</tr>
<tr>
<td>Enhance productivity of land</td>
<td>25,970</td>
</tr>
<tr>
<td>Improve capacity for quality assurance, and regulation for food and food product safety</td>
<td>75,000</td>
</tr>
<tr>
<td>Forestry Sector</td>
<td></td>
</tr>
<tr>
<td>Institute a Credit Transfer Scheme For Land Holding</td>
<td>25,000</td>
</tr>
<tr>
<td>Step Up The Supply Of Tree Seedlings To Farmers In Agro Forestry Systems</td>
<td>25,000</td>
</tr>
<tr>
<td>Support Private Initiatives In Production Of Tree Seedlings</td>
<td>12,500</td>
</tr>
<tr>
<td>Restore Degraded Landscapes In Key Areas</td>
<td>12,000</td>
</tr>
<tr>
<td>Invest in R&amp;D in Forestry Sector</td>
<td>7,000</td>
</tr>
<tr>
<td>Oil And Gas Sector</td>
<td></td>
</tr>
<tr>
<td>A Bankable Project For The Refinery</td>
<td>4,000</td>
</tr>
<tr>
<td>Refinery Engineering</td>
<td>40,000</td>
</tr>
<tr>
<td>A Well Designed and Least Cost Refinery Project</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Professional Training in Oil and Gas Sector</td>
<td>1,350,000</td>
</tr>
<tr>
<td>Construct the Inter-State Distribution Pipeline</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Pipeline from Eldoret Jinja Kampala</td>
<td>22,000</td>
</tr>
<tr>
<td>Jinja Petroleum Reserve Re-Stocked</td>
<td>52,000</td>
</tr>
<tr>
<td>Construction of Nakasongola Petroleum Reserves</td>
<td>90,000</td>
</tr>
<tr>
<td>Stock Nakasongola Petroleum Reserves</td>
<td>88,000</td>
</tr>
<tr>
<td>Construct Gulu Petroleum Reserves</td>
<td>120,000</td>
</tr>
<tr>
<td>Restock Petroleum Gulu Reserves</td>
<td>100,000</td>
</tr>
<tr>
<td>Project Description</td>
<td>Cost</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Staff Training in Petroleum Engineering</td>
<td>850</td>
</tr>
<tr>
<td>Equip Downstream Petroleum Department</td>
<td>7,500</td>
</tr>
<tr>
<td>Oil Exploration and Database Management</td>
<td>144,000</td>
</tr>
<tr>
<td><strong>Energy Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Completion of Bujagali HEP Project</td>
<td>97,120</td>
</tr>
<tr>
<td>Construction of Karuma HEP Project</td>
<td>2,800,000</td>
</tr>
<tr>
<td>Detailed study on Isimba HEP Project</td>
<td>709,000</td>
</tr>
<tr>
<td>Construction of Ayago Project HEP Project</td>
<td>2,710,000</td>
</tr>
<tr>
<td>Grid Extension to Production Centers And Districts</td>
<td>194,210</td>
</tr>
<tr>
<td>Implement Community Schemes</td>
<td>410,000</td>
</tr>
<tr>
<td>Support to Independent Power Producers With Mini-Grids</td>
<td>11,200</td>
</tr>
<tr>
<td>Atomic Energy, Energy Efficiency And Biomass Policy Implemented</td>
<td>12,680</td>
</tr>
<tr>
<td>Construct Muzizi, Yeriya/Makoma And Kakaka Mini-Hydro Power Projects</td>
<td>281,260</td>
</tr>
<tr>
<td>Support For Solar PV Systems</td>
<td>10,000</td>
</tr>
<tr>
<td>Professional Training in the Energy Sector</td>
<td>1,900</td>
</tr>
<tr>
<td>Acquire Relevant Tools For Energy Professionals</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Works and Transport</strong></td>
<td></td>
</tr>
<tr>
<td>Upgrade 1100km of National Roads From Gravel To Bitumen</td>
<td>2,850,000</td>
</tr>
<tr>
<td>Reconstruct 1200km of Paved National Roads</td>
<td>1,566,000</td>
</tr>
<tr>
<td>Dualling of 150 Km</td>
<td>700,000</td>
</tr>
<tr>
<td>Upgrade 9,000 District Roads to National Roads</td>
<td>710,000</td>
</tr>
<tr>
<td>Five Ferried Procured and Operationalised</td>
<td>35,000</td>
</tr>
<tr>
<td>Upgrade Strategic Roads for Tourism, Mining, Oil and Gas and Industry</td>
<td>380,000</td>
</tr>
<tr>
<td>Rehabilitate and Maintain District Roads</td>
<td>611,000</td>
</tr>
<tr>
<td>National Roads Maintenance</td>
<td>1,359,000</td>
</tr>
<tr>
<td>Rehabilitate and Maintain Least Cost Seal the Urban Roads</td>
<td>191,000</td>
</tr>
<tr>
<td>Maintain the Community Access Roads</td>
<td>48,000</td>
</tr>
<tr>
<td>Improve Transport Infrastructure, Connectivity And Safety for Greater Metropolitan Kampala</td>
<td>288,000</td>
</tr>
<tr>
<td>Implement Kampala Rapid Transport Systems</td>
<td>128,200</td>
</tr>
<tr>
<td>Rehabilitate the Existing Railway Lines</td>
<td>911,000</td>
</tr>
<tr>
<td>Construct the Standard Rail Gauge From Malaba To Kampala</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Upgrade Entebbe Airport to Class A</td>
<td>85,000</td>
</tr>
<tr>
<td>Upgrade The Airdromes to Entry-Exit Ports</td>
<td>87,000</td>
</tr>
<tr>
<td>Maintain, Construct and Upgrade Other Upcountry Airports</td>
<td>46,000</td>
</tr>
<tr>
<td>Increase Regional Flight Routes to and from Airport through PPP</td>
<td>35,000</td>
</tr>
<tr>
<td>Increase the Domestic Flight Routes through PPP</td>
<td>30,000</td>
</tr>
<tr>
<td>Construction of Ports And Piers</td>
<td>67,000</td>
</tr>
<tr>
<td>Axle Road Control</td>
<td>35,000</td>
</tr>
<tr>
<td>Road Safety</td>
<td>10,000</td>
</tr>
<tr>
<td>Enhancement of Transport Regulation</td>
<td>52,000</td>
</tr>
<tr>
<td>Strengthen Construction Standards and Regulation</td>
<td>158,000</td>
</tr>
<tr>
<td><strong>Water And Sanitation</strong></td>
<td></td>
</tr>
<tr>
<td>Rural Water Supply Projects (2850 springs, 5723 shallow wells, 6062 boreholes, GFS taps 3303, 184 RGCs and 298 Valley tanks)</td>
<td>574,595</td>
</tr>
<tr>
<td>Urban Water Supply Projects</td>
<td>627,524</td>
</tr>
<tr>
<td>Extend Water Supply to Greater Kampala Areas</td>
<td>97,634</td>
</tr>
<tr>
<td>Implement Kampala Sanitation Master Plan</td>
<td>213,682</td>
</tr>
<tr>
<td><strong>Water For Production</strong></td>
<td></td>
</tr>
<tr>
<td>Construction of Five Irrigation Systems</td>
<td>75,000</td>
</tr>
<tr>
<td>Establish Micro Irrigation Schemes At Community Level</td>
<td>30,000</td>
</tr>
<tr>
<td>Rehabilitate 5 Irrigation Schemes</td>
<td>40,000</td>
</tr>
<tr>
<td>Project Description</td>
<td>Cost</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Construct 15 Dams</td>
<td>90,000</td>
</tr>
<tr>
<td>Construct 135 Valley Tanks</td>
<td>45,000</td>
</tr>
<tr>
<td>Equip Dams And Tanks With Appropriate Abstraction Equipment</td>
<td>7,500</td>
</tr>
<tr>
<td>25 Water Supply Systems to Rural Areas</td>
<td>25,000</td>
</tr>
<tr>
<td>Construct 3 Bulk Water Supply Systems</td>
<td>54,000</td>
</tr>
<tr>
<td><strong>Trade Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Construction of Four Jua-Kali Industrial Parks in Uganda, One Per Region</td>
<td>13,240</td>
</tr>
<tr>
<td>Establishment of Technology Based Incubators in Research Institutes And Industrial Parks</td>
<td>6,700</td>
</tr>
<tr>
<td><strong>Mining Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Construction of Three Geothermal Power Plants at Katwe, Buranga And Kibiro in Kasese, Bundibugyo And Hoima Districts Respectively</td>
<td>1,160</td>
</tr>
<tr>
<td>Construct of 40 Seismic Vaults and Sensors &amp; A National Laboratory For Earthquake Research And Upgrading The National Data Centre (NDC) at Entebbe</td>
<td>220</td>
</tr>
<tr>
<td><strong>Social Development And Gender Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Provide Entrepreneurial, Employable and Adolescent Life Skills to the Youth Outside School and Provide them with Start Up Kits.</td>
<td>10,413.29</td>
</tr>
<tr>
<td>Refurbish Rehabilitation Institutions for Children with Disabilities and Children in Conflict With The Law</td>
<td>5,400.35</td>
</tr>
<tr>
<td>Design and Implement Tailor Made Programmes to Enhance Entrepreneurial And Business Skills Among Women</td>
<td>11,945.43</td>
</tr>
<tr>
<td>Expand the Functional Adult Literacy (FAL) Programme to Reach All Villages In The Country</td>
<td>42,215.050</td>
</tr>
<tr>
<td>Design and Implement Models for Model Villages, Parishes and Sub-Counties In Selected Districts</td>
<td>20,000.000</td>
</tr>
<tr>
<td><strong>Tourism Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Tourism Development and Marketing Program</td>
<td>93,076</td>
</tr>
<tr>
<td>Upgrade of tourism service centers and maintenance of protected areas Project.</td>
<td>30,075</td>
</tr>
<tr>
<td>Retooling and upgrade of the Uganda Wildlife Training Institute</td>
<td>12,865</td>
</tr>
<tr>
<td>Upgrade of Hotel Tourism Training Institute (HTTI) to University College</td>
<td>1,600</td>
</tr>
<tr>
<td>Expansion and modernization of the National Museum and establishment of interpretation centers and archaeological sites</td>
<td>7,500</td>
</tr>
<tr>
<td>Revival of the Uganda Institute of Ecology</td>
<td></td>
</tr>
<tr>
<td><strong>ICT Sector</strong></td>
<td></td>
</tr>
<tr>
<td>National fibre optic roll-out Project</td>
<td>80,000</td>
</tr>
<tr>
<td>Information Technology (IT) Business Parks construction Project</td>
<td>49,080</td>
</tr>
<tr>
<td>Program for extension of the fibre optic cable network to electrical load centers</td>
<td></td>
</tr>
<tr>
<td>Project for payment of Posta Uganda Arrears</td>
<td>7,900</td>
</tr>
<tr>
<td>Digitization of Television and Radio Broadcasting project</td>
<td></td>
</tr>
<tr>
<td>Science, Technology and Innovation</td>
<td></td>
</tr>
<tr>
<td>Program for construction of S&amp;T training centers for basic and vocational S&amp;T skills</td>
<td>54,000</td>
</tr>
<tr>
<td>Program for cconstruction incubation Centres</td>
<td>74,000</td>
</tr>
<tr>
<td>Program for infrastructural development in R&amp;D institutions</td>
<td>115,000</td>
</tr>
<tr>
<td>Program for construction of S&amp;T training centers for basic and vocational S&amp;T skills</td>
<td>54,000</td>
</tr>
<tr>
<td>The national science and technology fund Project</td>
<td></td>
</tr>
<tr>
<td><strong>Formal Education</strong></td>
<td></td>
</tr>
<tr>
<td>Basic Education Development (Pre-primary and primary education) Programme</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Education Planning Programme</td>
<td>39,560</td>
</tr>
<tr>
<td>Physical Education and Sports Programme</td>
<td>22,620</td>
</tr>
<tr>
<td>Higher Education Programme</td>
<td>144,230</td>
</tr>
<tr>
<td>Education Standards Programme</td>
<td>2,930</td>
</tr>
<tr>
<td>Teacher Education Programme</td>
<td>32,410</td>
</tr>
<tr>
<td>Private Secondary Schools Development Programme</td>
<td></td>
</tr>
<tr>
<td>Government Secondary Schools Development Programme</td>
<td></td>
</tr>
<tr>
<td>Guidance and counseling Programme</td>
<td>4,000</td>
</tr>
<tr>
<td>Special Needs Education Programme</td>
<td>2,500</td>
</tr>
<tr>
<td>Child Friendly Basic Education</td>
<td>1,770</td>
</tr>
<tr>
<td>Karamoja Schools Feeding Project (WFP)</td>
<td>Donor Funded</td>
</tr>
<tr>
<td>Emergence construction of Primary Schools Project</td>
<td>133,400</td>
</tr>
<tr>
<td>ADB III Post Primary Education and Training Project</td>
<td>269,370</td>
</tr>
<tr>
<td>Support to Universal Post Primary Education and Training (UPPET) (IDA) Project</td>
<td>400,000</td>
</tr>
<tr>
<td>Development of Secondary Education Project</td>
<td>95,000</td>
</tr>
</tbody>
</table>

### Skills Development

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills Development Programme</td>
<td>64,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental Training Institutions Development Programme</td>
<td>27,630</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Health Services Colleges Programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of BTVET Project</td>
<td>30,410</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of Technical, Vocational, Education and Training (TVET) for P7 Graduates Project</td>
<td>19,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation of National Health Training Colleges Project</td>
<td>38,680</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 9.2 THE KEY SECTORAL INDICATORS

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Table 9.2: Sectoral Targets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicators of change</td>
<td>Status</td>
<td>Target by 2014/15</td>
<td>Accountable institutions and VF's where relevant</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
<td>-------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Changes in Performance in Primary Growth Drivers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, fisheries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fertilizer use</td>
<td>1kg/hectare (2009)</td>
<td>6kg/ hectare</td>
<td></td>
</tr>
<tr>
<td>Irrigation</td>
<td>14,418 (2009)</td>
<td>22,000</td>
<td></td>
</tr>
<tr>
<td>Earnings from fish exports</td>
<td>US$124.4million (2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earning from Crop Exports</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Earnings from Animal products exports</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Real growth in agricultural output</td>
<td>0.7% (2007/80)</td>
<td>4% (2014/15)</td>
<td></td>
</tr>
<tr>
<td>On food security, the country’s caloric intake per person per day</td>
<td>1,971 (2005)</td>
<td>2,300 (recommended)</td>
<td></td>
</tr>
<tr>
<td><strong>Forestry</strong></td>
<td></td>
<td></td>
<td>MWE</td>
</tr>
<tr>
<td>Forest cover (% increase)</td>
<td>18% (2005/6)</td>
<td>24%</td>
<td>MWE</td>
</tr>
<tr>
<td><strong>Industry (Manufacturing)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Value added (current USD $bn)</td>
<td>2.9 (2007)</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td>Industry Value added (% of GDP)</td>
<td>25.9 (2007)</td>
<td>30.1</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>Employment in Industry (% of total employment)</td>
<td>0.14</td>
<td>0.5</td>
<td></td>
</tr>
</tbody>
</table>

### Information, Communication and Technology

<table>
<thead>
<tr>
<th>Sector Contribution of GDP</th>
<th>3.8 (2008)</th>
<th>6.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lines per inhabitants</td>
<td>21 per 100</td>
<td>35 per 1000</td>
</tr>
<tr>
<td>Internet usage and coverage</td>
<td>Not Known</td>
<td></td>
</tr>
</tbody>
</table>

### Housing

<table>
<thead>
<tr>
<th>National Housing backlog</th>
<th>612,000 (2006)</th>
<th>300,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Occupancy density</td>
<td>1.1</td>
<td>1</td>
</tr>
</tbody>
</table>

### Minerals

<table>
<thead>
<tr>
<th>Volume of Production (Tonnes)</th>
<th>17,620 (2007/8)</th>
<th>35.89</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of small scale miners and artisan</td>
<td>130,000 (2007/8)</td>
<td>300,000</td>
</tr>
<tr>
<td>Production of steel products</td>
<td>7,000 metric tones per annum</td>
<td>20,000 metric tones per annum</td>
</tr>
</tbody>
</table>

### Oil and Gas

<table>
<thead>
<tr>
<th>Estimated potential of Oil and gas reserves (barrels of oil equivalent)</th>
<th>2 Billion</th>
<th>Greater than 2 billion</th>
</tr>
</thead>
</table>

### Tourism

<table>
<thead>
<tr>
<th>Tourism Arrivals</th>
<th>844,000</th>
<th>2,500,000</th>
<th>MTTI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution of Travel &amp; Tourism to GDP</td>
<td>9.2% (2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP growth for Travel and Tourism sector</td>
<td>4.0% (2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to total employment</td>
<td>7.4% (200)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Changes in Performance in Complementary Drivers

<table>
<thead>
<tr>
<th>[list indicators for the change]</th>
<th></th>
</tr>
</thead>
</table>

### Science and Technology

<table>
<thead>
<tr>
<th>Ration of Science to Arts graduates</th>
<th>1:5</th>
<th>1:3</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D personnel per 1000 labour force</td>
<td>1 per 1000</td>
<td>3 per 1000</td>
</tr>
<tr>
<td>Hi-tech exports as percentage of total exports</td>
<td>4.2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

### Transport

<table>
<thead>
<tr>
<th>Paved Roads as % of national roads</th>
<th>15% (3050Km)</th>
<th>21% (4105 Km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>District roads in good conditions</td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Urban roads loosely paved</td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>Condition of the national roads</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>Railway systems (Functional)</td>
<td>25% (321Km)</td>
<td>80% (9985Km)</td>
</tr>
<tr>
<td>Entry-Exit Ports (airports)</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

**Energy**

<table>
<thead>
<tr>
<th>Generation Potential</th>
<th>461MW</th>
<th>1100-1300MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Electricity Coverage</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Rural electricity coverage</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Power losses</td>
<td>40%</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Water For Production**

<table>
<thead>
<tr>
<th>Areas under Irrigation</th>
<th>14,418 ha</th>
<th>22000 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply in Cattle Corridor</td>
<td>36%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Land Management and Administration**

| Titled Land                     | 10%       | 35%      |

**Physical Planning**

| No of city councils with update structural plans | 0% | 100% |
| No of municipalities, town councils, and gazetted towns with plans | 85%, 95% and 93% respectively | 100%, 100% and 100% respectively |
| No of gazetted urban centres with approved plans | 5% | 100% |

**Financial Sector**

| Government revenue (% of GDP) | 13.1% | 15.1% |
| Bank penetration (percentage of population with bank accounts) | 16% (2008) | 25% |
| Lease Penetration | 1% | 5% |
| Interest spread | 15% to 20 % | 12% to 15% |
| Number of districts with banks | 23 | 50 |
| Listings at capital markets (firms) | 11 | 25 |

**Changes in Performance in Social Services**

**Poverty levels**
<table>
<thead>
<tr>
<th>Poverty Levels</th>
<th>31% (2005/6)</th>
<th>24%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour and Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment and underemployment</td>
<td>29.2%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Health Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infant Mortality Rate (Per 1000 live births)</td>
<td>68</td>
<td>34</td>
</tr>
<tr>
<td>Under 5 mortality rates</td>
<td>137</td>
<td>68</td>
</tr>
<tr>
<td>Maternal Mortality rate (Per 100,000 Live Births)</td>
<td>354</td>
<td>127</td>
</tr>
<tr>
<td>Total fertility rate</td>
<td>6.9</td>
<td>5</td>
</tr>
<tr>
<td>OPD utilisation</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td>Proportion of qualified workers</td>
<td>79%</td>
<td>85%</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevalence rate of HIV/AIDS</td>
<td>6.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fertility rate</td>
<td>6.9</td>
<td>5</td>
</tr>
<tr>
<td>Contraceptive use</td>
<td>23%</td>
<td>45%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Enrolment ratio in Primary education</td>
<td>84.0% (2005/2006)</td>
<td>100.0%</td>
</tr>
<tr>
<td>Ratio of girls to boys in primary education</td>
<td>0.96 (2005/2006)</td>
<td>1.0</td>
</tr>
<tr>
<td>Ratio of literate women to men 15-24 years</td>
<td>0.92</td>
<td>1.0</td>
</tr>
<tr>
<td>Primary school Gross Completion Rate (GCR), %</td>
<td>37.9 (2005/2006)</td>
<td>89.2</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Water Coverage</td>
<td>63%</td>
<td>77%</td>
</tr>
<tr>
<td>Urban Water Coverage</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>Functionality of water supply systems</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>Sanitation coverage</td>
<td>59%</td>
<td>80%</td>
</tr>
<tr>
<td>Gender and Social Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolment of Girls in primary School</td>
<td>49.8 (2006)</td>
<td>50%</td>
</tr>
<tr>
<td>Retention of girls in primary school</td>
<td>42%</td>
<td>52%</td>
</tr>
<tr>
<td>Adult illiteracy (women and men)</td>
<td>30% and 23%</td>
<td>22% and 18%</td>
</tr>
<tr>
<td>Changes in Performance in Enabling Sectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Justice, Law and Order Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Value 1</td>
<td>Value 2</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>Ratio of Police to population</strong></td>
<td>1:136</td>
<td>1:850</td>
</tr>
<tr>
<td>(optimum is 1:500)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ratio of CID officers to cases</strong></td>
<td>1:69</td>
<td>1:35</td>
</tr>
<tr>
<td>(optimum is 1:12 cases)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High Court capacity</strong></td>
<td>70%</td>
<td>90%</td>
</tr>
<tr>
<td><strong>case % disposal</strong></td>
<td>42.10%</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Legislature</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills passed with in 45 days</td>
<td>Unknown</td>
<td>60%</td>
</tr>
<tr>
<td>(percentage of bills presented)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Compliance to Environmental standards</td>
<td>40%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Water Resources Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance of waste water discharge limits</td>
<td>40%</td>
<td>65%</td>
</tr>
<tr>
<td>Water Users with permits</td>
<td>65%</td>
<td>90%</td>
</tr>
<tr>
<td>Water Permit holders Compliant to permits</td>
<td>55%</td>
<td>80%</td>
</tr>
<tr>
<td>Consumptive use of water for production</td>
<td>21 cubic meters per capita (2009)</td>
<td>45 cubic meters per capita</td>
</tr>
<tr>
<td><strong>Wetland</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ramsar sites gazetted</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Un reclaimed wetland</td>
<td>93%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Meteorological services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term predication accuracy</td>
<td>40%-50%</td>
<td>80%-90%</td>
</tr>
<tr>
<td>Long term prediction accuracy</td>
<td>70%-80%</td>
<td>95%-100%</td>
</tr>
<tr>
<td>Meteorological products</td>
<td>30%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Standards and quality Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National standards</td>
<td>1204</td>
<td>3500</td>
</tr>
<tr>
<td>Firms certified by UNBS</td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>Number of Laboratories for standards</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>
PART 4: M&E AND IMPLEMENTATION STRATEGY
10.0 STRATEGY FOR MONITORING AND EVALUATION

10.1 INTRODUCTION

875. This M&E strategy for the National Development Plan (NDP 2010/11 – 2014/15) provides a detailed description of the measurements, analysis and reporting needed to monitor and evaluate the NDP implementation and achievement of results as articulated in the Results and M&E Framework. It also integrates 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 and budget.

876. The strategy describes how various indicators will be applied to measure implementation performance and results achievement over the planned 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.

10.2 STATUS OF MONITORING AND EVALUATION IN THE PUBLIC SECTOR

877. The current M&E arrangements are weak and are mainly sector-based. They are characterised by: fragmentation with duplication of efforts and poor co-ordination; lack of a clear results chain; poor definition, tracking and reporting of outcomes and results; use of different formats and approaches with no common guidelines and standards; lack of national ownership being largely donor driven; poor feedback and sharing of results across governments and other stakeholders; poor use of the data generated; and problems related to capacity and resourcing.

878. The monitoring and evaluation 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.

879. This strategy has been formulated to respond to the challenges faced by government-wide M&E system and aims to have a system that is fully integrated, harmonized and well coordinated to monitor the implementation of national development initiatives as well as evaluate 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

10.3.1 Policy Framework

880. 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 among others include Results Oriented Management (ROM); Output Based Budgeting (OBB); performance contracts for Ministry 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.

881. 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 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, NGOs and stakeholders.

10.4 OBJECTIVES OF THE M&E STRATEGY

882. The specific objectives of the M&E strategy are to:

i) Constitute a robust and 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 and 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 the use of M&E information in policy making and resource allocation;

v) Facilitate harmonized policy formulation, planning and budgeting in the public sector;

vi) Provide sustained technical backstopping and training for M&E;

vii) Establish appropriate infrastructure for an effective national M&E system at the NPA;

viii) Facilitate continuous learning by MDAs, LGs and other actors during the implementation of NDP (i.e. which strategies are working and which ones are not and the reasons why);
10.5 SCOPE

883. Operationally, the scope of this strategy will cover the aspects of NDP including i) implementation (i.e. inputs, activities and outputs); ii) results (i.e. outcomes and impacts); 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

884. A well coordinated government-wide (i.e. public sector) M&E system for effective tracking, evaluation and feedback on NDP implementation and results will be established. This implies that MDAs, LGs, NGOs 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 own actions and those of others.

10.6.2 Institutional Framework

885. This strategy constitutes the framework for establishment of a well coordinated government-wide (i.e. public sector) system for effective tracking, evaluation and feedback on NDP implementation and results. Its operationalization will involve institutions at the national/central government level; district level and the community level.

a) National/Central Government level
The national/central Government level include the Presidency, OPM, the NPA, MoFPED, MPS, and other MDAs, Development Partners (i.e. Donors, international Development Agencies and NGOs).

b) The Private sector
The private sector brings together all private partners in the development (i.e. investors, consultants etc).

c) District level
The local Government level brings together actors that include LGs (Districts, sub-counties, City Council, Division Council, Municipal Councils, Municipal Division Councils, Town Councils, Counties and district based NGOs).

d) Community level
The community level includes the LCIII Councils (sub-county level), parishes, village councils and Community Based Organizations (CBOs).

e) Households
The household level comprises of individual citizens who are the primary beneficiaries of the NDP investment activities.

10.6.3 Roles and Responsibilities

886. 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**

887. **The Presidency:** The Presidency will have overall oversight responsibility for the implementation and management of the NDP and therefore this monitoring and evaluation strategy.

888. **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 implementation monitoring (i.e. monitoring of NDP inputs, strategies, initiatives and outputs). This will involve all aspects of implementation monitoring including among others budget performance monitoring. It will also be responsible for reporting and feedback on implementation and outputs of NDP as well as the development and enforcement of the national monitoring and evaluation policy.

889. **The NPA:** NPA will be the secretariat for the putting this strategy into operation and reporting on NDP results. In playing this critical role, however, NPA will collaborate with the Office of the Prime Minister and MoFPED. NPA will put in place a framework for the development of a monitoring and evaluation system for the NDP secretariat.

890. **MoFPED:** Ministry of Finance, Planning and Economic Development (MoFPED) will be responsible for resource mobilization, formulation of national budgets, and disbursement of NDP budgetary resources, financial accountability and reporting.

891. **MoPS:** Ministry of Public service (MoPS) will be responsible for provision of human resources required to operationalise the strategy. This will include recruitment of M&E specialists (that are grossly lacking in many MDAs and LGs), 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.

892. **Other MDAs:** Other MDAs will be centers for formative monitoring and evaluation as well as performance reporting of activities of respective thematic areas/sectors of NDP within the framework established by OPM. 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.

893. **Development Partners:** The role of development partners (i.e. Donors, international Development Agencies, NGOs/CSO etc) will include provision of requisite funds and technical assistance for the operationalization 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, capacity building for M&E, and use of M&E outputs.

894. **Private sector:** The role of the private sector in the implementation of this M&E strategy will mainly involve provision of Technical Assistance in form of consultancy.
inputs for M&E; validation of M&E results and use of M&E outputs to improve their own performance.

895. **UBOS**: The role of UBOS will be to provide core statistics that are critical for the evaluation of NDP results. These statistics will be generated through regular national surveys and censuses.

896. **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

897. **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 the implementation of NDP in their respective areas.

898. **Households Actors**: These comprise individual citizenry 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 sub-county “barazas” recently established under OPM.

### 10.7 PRE-CONDITIONS FOR THE M&E STRATEGY

899. 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 *(to be designed through a robust NPA M&E Framework)*;
   
   v) Establishment of a strong incentive system for compliance with the M&E strategy requirements;
   
   vi) Dedicated resources.
10.8 POLICY IMPLICATIONS

900. The operationalization of the proposed strategy has the following policy implications:

i) Rationalization the M&E function of OPM, MDAs and LGs;

ii) Establishment of a unified, integrated, harmonized and well coordinated government-wide M&E and MIS systems for effective tracking, evaluating and feedback on NDP results;

iii) Establishment of functional M&E units in MDAs and LGs staffed with M&E specialists, statisticians and economists; and

iv) Review of the chart of accounts to include dedicated budget lines for M&E across government.
## 10.9 RESULTS FRAMEWORK

### NDP Development Objective 1: Increasing household incomes and promote equity

<table>
<thead>
<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Increased Income per Capita</td>
<td>a.1 GDP per capita</td>
<td>Measuring change in standard of living</td>
</tr>
<tr>
<td></td>
<td>a.2 Purchasing Power Parity</td>
<td></td>
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<td></td>
<td>a.3 Basic needs and quality of life indices</td>
<td></td>
</tr>
<tr>
<td>b) Increased Income Distribution</td>
<td>b.1 Number of persons below poverty line (By Region)</td>
<td>Measuring change in income distribution</td>
</tr>
<tr>
<td></td>
<td>b.2 Percentage poverty level</td>
<td></td>
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<td></td>
<td>b.3 Gender income distribution</td>
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<tr>
<td>c) Increased employment</td>
<td>c.1 Number of jobs created and filled</td>
<td>Measuring change in employment</td>
</tr>
<tr>
<td></td>
<td>c.2 Number of unemployed persons by sex</td>
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<td></td>
<td>c.3 Child labor (Percentage)</td>
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<td></td>
<td>c.4 Non-farm employment rate</td>
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<tr>
<td>d) Enhanced skills development</td>
<td>d.1 Participation rates in skills development programmes</td>
<td>Measuring change in professional career expansion</td>
</tr>
<tr>
<td></td>
<td>d.2 Proportion of persons employed in hi-tech and other professional careers</td>
<td></td>
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<tr>
<td>e) Increased Agricultural production and productivity</td>
<td>e.1 Proportions in productivity</td>
<td>Measuring change in agricultural production and productivity</td>
</tr>
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<td></td>
<td>e.2 Proportion of agricultural contribution to GDP</td>
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<td>e.3 Proportion of value addition at farm level</td>
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</table>

### NDP Development Objective 2: Enhancing the quality and availability of gainful employment
### NDP Development Outcomes

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<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
</tr>
</thead>
</table>
| a) Increased employment opportunities | a.1 Employment growth rate  
 a.2 Unemployment rate by sex  
 a.3 Child labor (Percentage)  
 a.4 Non-farm employment rate | Measuring change in employment creation |
| b) Increased hi-tech and other professional employment | b.1 Number of person employed in hi-tech and other professional jobs  
 b.2 Proportion of non-farm employment | Measuring change in growth of professionals in the economy |
| c) Increased Earnings | c.1 Average wage rate  
 c.2 Proportion of income tax to domestic revenue  
 c.3 Level of consumption | Measuring change in earnings |
| d) Increased industrial production and productivity | d.1 Number and size of industries established  
 d.2 Number and type of jobs created by the new industries  
 d.3 Number of persons employed by the new industries  
 d.4 Proportion of the contribution of the industrial sector to GDP  
 d.5 Number of investors and private FDI attracted | Measuring change in the growth of the industrial sector |

### NDP Development Objective 3: Improving the stock and quality of economic infrastructure

<table>
<thead>
<tr>
<th>NDP Development Objective 3: Improving the stock and quality of economic infrastructure</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
</tr>
</thead>
</table>
| a) Increased access to electricity | a.1 Consumption in KWh per capita  
 a2 Proportion of population connected to the national grid  
 a.3 Unit cost of electricity  
 a.4 Proportion of districts and sub-counties connected to the national grid | Measuring change in access to national grid |
| b) Increased quality road network | b.1 Number of kilometers of paved roads  
 b.2 Number of kilometers of well maintained district and community access roads  
 b.3 Number of kilometers of upgraded Kampala Metropolitan city roads | Measuring change in the quality of the road network |
| c) Increased quality railway network | c.1 Number of kilometers of rehabilitated rail line  
 c.2 Number of kilometers of standard gauge rail line constructed | Measuring change in the quality of the rail network |
<table>
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<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
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<tbody>
<tr>
<td>d) Increased access to telecommunication services</td>
<td>d.1 Percentage telecommunications services penetration</td>
<td>Measuring change in telecommunication services coverage and affordability</td>
</tr>
<tr>
<td></td>
<td>d.2 Unit cost</td>
<td></td>
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<tr>
<td>e) Increased access to public mass transport</td>
<td>e.1 Number of public mass transport vehicles</td>
<td>Measuring change in the quality of public mass transport (rail and road)</td>
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<tr>
<td></td>
<td>e.2 Number of major urban centers connected to the public mass transport network</td>
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<tr>
<td>f) Increased access to affordable banking services and credit</td>
<td>f.1 Number of districts with Bank services</td>
<td>Measuring change in development of the financial sector</td>
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<tr>
<td></td>
<td>f.2 Proportion of adult persons with Bank Accounts</td>
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<td></td>
<td>f.3 Proportion of persons accessing credit</td>
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<td></td>
<td>f.4 Cost of credit services (Interest rates)</td>
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<tr>
<td><strong>NDP Development Objective 4: Increasing access to quality social services</strong></td>
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<td></td>
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<tr>
<td>a) Increased access to health services</td>
<td>a.1 Proportion of expenditure on health</td>
<td>Measuring change in health care</td>
</tr>
<tr>
<td></td>
<td>a.2 Number of patients per doctor</td>
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<tr>
<td></td>
<td>a.3 Maternal mortality ratio</td>
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<tr>
<td></td>
<td>a.4 Child mortality ratio</td>
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<tr>
<td></td>
<td>a.5 Infant mortality ratio</td>
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<tr>
<td></td>
<td>a.6 HIV/AIDS prevalence rate</td>
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<tr>
<td></td>
<td>a.7 Life expectancy at birth</td>
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<tr>
<td>b) Increased access to quality education and sports services</td>
<td>b.1 Literacy and numeracy rate</td>
<td>Measuring change in access to quality education and sports</td>
</tr>
<tr>
<td></td>
<td>b.2 UPE and USE Gross/Net Enrollment Rate</td>
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<td></td>
<td>b.3 UPE, USE and University Completion Rate</td>
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<td></td>
<td>b.4 Pupil Classroom Ratio</td>
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<td></td>
<td>b.5 Pupil Teacher Ratio</td>
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<td>b.6 Transition Rates</td>
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<td></td>
<td>b.7 Pupil Textbook Ratio</td>
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<td></td>
<td>b.8 Stock of sports infrastructure in schools and tertiary institutions</td>
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<td></td>
<td>b.9 Number of sports personalities participating in international events</td>
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<tr>
<td>c) Improved access to safe drinking water sources and sanitation</td>
<td>c.1 Proportion of population accessing safe drinking water (Rural-1½ kilometers; Urban - 0.2 kilometers)</td>
<td>Measuring change in access to safe drinking water and sanitation services</td>
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</table>
### NDP Development Outcomes

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<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
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<tbody>
<tr>
<td></td>
<td>c.2 Proportion of population accessing sanitary services (100 percent for all households)</td>
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<tr>
<td></td>
<td>c.3 Proportion of schools with safe drinking water</td>
<td></td>
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<td></td>
<td>c.4 Ratio of pupils/students to latrine stances/toilet facilities</td>
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### NDP Development Objective 5: Promoting science; technology; innovation; and ICT to enhance competitiveness

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Increased hi-tech content in Exports</td>
<td>a.1 Proportion of hi-tech manufactured exports</td>
</tr>
<tr>
<td>b) Strengthened institutional capacity and status for science and technology</td>
<td>b.1 Ministry of Science and Technology in place and operational</td>
</tr>
<tr>
<td>c) Increased capacity for R&amp;D and Innovation</td>
<td>c.1 Number of Researchers</td>
</tr>
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<td></td>
<td>c.2 Number of researches and publications</td>
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<td></td>
<td>c.3 Number of patents registered</td>
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<td>c.4 Number of new technologies developed and adopted</td>
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<td></td>
<td>c.5 Number of regional and international collaborations in R&amp;D in place</td>
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<tr>
<td>d) Increased capacity, access and use of ICT</td>
<td>d.1 Number of districts connected to the national fibre optic loop</td>
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<td></td>
<td>d.2 Number of ICT incubation centers</td>
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<td></td>
<td>d.3 Proportion of ICT penetration</td>
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<td></td>
<td>d.4 Ratio of computers to population</td>
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<tr>
<td>e) Increased number of S&amp;T and ICT professionals</td>
<td>e.1 Proportion of students enrolled for science related subjects/courses</td>
</tr>
<tr>
<td></td>
<td>e.2 Proportion of science and technology and ICT professionals</td>
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### NDP Development Objective 6: Enhancing human capital development

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>a) Increased skilled manpower among nationals</td>
<td>a.1 Number of professionals in various disciplines</td>
</tr>
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<td></td>
<td>a.2 Proportion of nationals holding key professional jobs</td>
</tr>
<tr>
<td></td>
<td>a.3 Proportion of technicians within professions</td>
</tr>
<tr>
<td>b) Increased institutional capacity</td>
<td>b.1 Number of institutions strengthened to offer</td>
</tr>
</tbody>
</table>

Measuring change of hi-tech content in exports
Measuring change in status of S&T
Measuring change in R&D and Innovation
Measuring change in use of ICT
Measuring change in S&T and ICT professionals
Measuring change in skills development
Measuring change in institutional capacity
<table>
<thead>
<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
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</table>
| for relevant skills development | quality relevant skills development  
b.2 Number of persons enrolled |  |
| c) Increased proportion of regional and international students trained | c.1 Number of regional international students enrolled | Measuring change in international benchmarking of skills development |

**NDP Development Objective 7: Strengthening good governance, defense and security**

| a) Improved socio-economic governance | a.1 Level of compliance with international codes and standards  
a.2 Level of improvement in planning  
a.4 Number of policy options on reduction of aid dependency  
a.5 Level of collaboration between public and private actors in innovation and service delivery  
a.6 Level of transparency in public institutions  
a.7 Level of representation and participation of marginalized groups in development processes | Measuring change in specific socio-economic governance areas |
| b) Improved economic governance and management | b.1 Proportion of domestic revenue collected  
b.2 Level of accountability  
b.3 Level of empowerment of LGs in determining their fiscal affairs  
b.4 Population growth rate and level of gainful utilization of population bonus  
b.5 Level of catalytic private sector financing  
b.6 Level of corruption  
b.7 Level of implementation of regional and international protocols and standards | Measuring change in economic governance and management |
| c) Improved corporate governance | c.1 Number of informal and unregulated sector registered and regulated  
c.2 Level of transparency in awarding tax incentives  
c.3 Level of development of the formal sector  
c.4 Level of compliance with corporate governance laws and standards  
c.5 Level of corporate social responsibility  
c.6 Level of financial literacy  
c.7 Level of transparency in procurement procedures in the private sector | Measuring change in corporate management |
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<tr>
<th>NDP Development Outcomes</th>
<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
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<tbody>
<tr>
<td>d) Improved democracy and political governance</td>
<td>d.1 Number of democratic governance codes and standards signed, ratified, domesticated, popularized and implemented</td>
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<td>d.2 Number of Acts of international conventions identified and reflected in national laws</td>
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<tr>
<td>d.3 Level of support to the implementation of the land fund and land tribunals</td>
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<td>d.4 Number of PRDP programmes successfully implemented</td>
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<tr>
<td>d.5 Established Equal Opportunities Commission</td>
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<td>d.6 Established national code of ethics and values</td>
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<td>d.7 Amended media law in place to remove contractions and undue restrictions</td>
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<tr>
<td>d.8 Free and fair electoral process, with voters register cleaned and updated</td>
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<td>d.9 Code of conduct for political parties enacted</td>
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<td>d.10 Level of participation of women and vulnerable groups in decision making bodies</td>
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<td></td>
<td></td>
<td>Measuring change in democracy and political governance</td>
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<tr>
<td>e) Improved security</td>
<td>e.1 Level of core sector capabilities</td>
<td>Measuring change in security areas</td>
</tr>
<tr>
<td>e.2 Level of internal security</td>
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<td>e.3 Level of capacity built for infrastructure development</td>
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<td>e.4 Level of R&amp;D developed</td>
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NDP Development Objective 8: Promoting sustainable population and use of the environment and natural resources
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<th>NDP Outcome Indicators</th>
<th>Use of NDP Outcome Information</th>
</tr>
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<tbody>
<tr>
<td>a) Improved population health status</td>
<td>a.1 Number of skilled human resource for reproductive health a.2 Availability and access to quality health services a.3 Level of awareness about health services a.4 Threshold levels for service delivery</td>
<td>Measuring change in health status of the population</td>
</tr>
<tr>
<td>b) Improved human settlement and urbanization</td>
<td>b.1 Number of planned settlements and urban centers b.2 Proportion of population with land titles and other land security systems</td>
<td>Measuring change in human settlement</td>
</tr>
<tr>
<td>c) Degraded ecosystems restored</td>
<td>c.1 Level of forestation and re-forestation c.2 Number of wetlands gazetted and restored c.3 Number of public institutions involved in tree planting</td>
<td>Measuring change in restoration of the ecosystems</td>
</tr>
<tr>
<td>d) Improved management of environmental resources</td>
<td>d.1 Proportion of protected environment d.2 Level of institutional capacity for environmental management d.3 Level of pollution</td>
<td>Measuring change in environmental resource utilization</td>
</tr>
</tbody>
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### 10.10 ARRANGEMENTS FOR NDP RESULTS MONITORING

<table>
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<th>NDP Outcome Indicators</th>
<th>Target Values</th>
<th>Data Collection and Reporting</th>
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<td><strong>NDP Outcome Indicators</strong></td>
<td><strong>Baseline FY 2009/10</strong></td>
<td><strong>YR1</strong></td>
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**Remarks**
MTR¹ means Mid Term Review; EOP² means End of Plan
11.0 IMPLEMENTATION STRATEGY

11.1 INTRODUCTION

901. This implementation strategy shows how the objectives will be achieved. It outlines what will be done, by whom, when, and how. It will serve as a check list that will be regularly updated monitored and progress shared by the stakeholders. The implementation strategy will help to coordinate and guide these actions; support coordinated and collaborated activities in the NDP, avoid duplication of efforts and promote synergies between stakeholders in the NDP, address the gaps in services and key issues identified by NDP; and elaborate in detail the agreed courses of actions to achieve the strategic objectives of the NDP.

11.2 INSTITUTIONAL ARRANGEMENTS

902. The implementation of the NDP will be a shared responsibility of public sector, the private sector and other non-state actors. The key public sector actors will include Presidency, Cabinet Secretariat, OPM, NPA, MoFPED, MDAs, and LGs. The roles of these stakeholders will however vary depending on their mandates and functions.

903. NDP implementation and management will be under the overall leadership of the Presidency. The Presidency will head the national level committee that will assess the implementation of the NDP. This committee will sit annually in October of each year comprised of all Cabinet Ministers, Minister of State, Permanent Secretaries, heads of government parastatals and agencies. The Cabinet will be regularly updated on the progress on the NDP by the Cabinet Secretariat.

904. To respond to the weakness of collective decision making and oversight as identified in the PEAP evaluation, the functioning of the Cabinet Secretariat will be reviewed to ensure it is an effective watchdog for Cabinet on its ownership and leadership in the implementation of the NDP.

905. The Office of the Prime Minister (OPM) will be responsible for coordination of implementation of the NDP across Ministries, departments and Agencies.

906. The Permanent Secretaries will have the responsibility for oversight and coordination of implementation at the sectoral level, while the Ministry of Local government in liaison with line ministries will coordinate the implementation of the strategy by the Local Governments.

11.3 INSTITUTIONAL STRUCTURES AND SYSTEMS

907. This implementation strategy envisages changes in the institutions, structures, systems, procedures and regulations for implementation of initiatives and strategies during the strategy period as detailed in strategies to unlock constrain 1 and Public sector
management chapter 8. The summary in indicated below

i. Ensuring that the NDP is the basis for policy making in government to ensure alignment of all specific sector policies to the relevant national policies.

ii. Instituting institutional performance contracts at MDA and Local Government levels and framework for their assessment annually.

iii. Review the term “permanent and pension able” employ most government workers on individual performance contracts. This details reviewing the functions of the Ministry of Public Service to deal with policy of human resource planning, development management (HRPDM) in the public sector, PSC to regulate the HRPDM sector and MDAs/ LGs to carry out recruitment.

iv. Review and implement the improved pay and incentive systems of the public sector.

v. Review the framework for rationalization and oversight of the privatized institutions. Review the PERT statute. All parastatals be transferred to their parent ministries

vi. Rationalize and strengthening the regulatory function of government. The office of Prime Minister will be strengthened to coordinate Government regulation.

vii. Put in place new and strengthen the existing regulation agencies within government. This is urgent in sectors of Agriculture, health, education, transport and works, water and sanitation and oil and gas industry.

viii. Rationalizing the function of policy coordination in government with a view to strengthening the Cabinet Secretariat to foster and ensure coordination of the policy making process.

ix. Review of the process of making laws with a view to strengthening the role of sectors to be responsible for ensuring consistent legal framework in and across sectors. Ensuring that laws are preceded by policies. The legal counsels should be stationed at sector level.

x. Strengthening policy making and planning in the MDAs/LGs, including involving public servants in policy initiation and formulation.

xi. Institutionalize the framework for involvement of the private sector and civil society in public policy making and planning.

908. Effective implementation of these changes will lead to effective and efficient service delivery.

909. The implementation of the NDP will be done under the existing central and Local Government structures. The Central and Local Government Departments including autonomous agencies will be required to develop strategic plans, and Annual Plans and budgets to actualize the priorities set out in the NDP. The annual budgets will be based on the priorities set out in the NDP

910. In terms of oversight and proper coordination, the existing framework will be strengthened to implement the NDP. It has four tiers as follows:
At the top, the *Policy Coordination Committee (PCC)* – a sub-committee of Cabinet, under the Chair of the Prime Minister, meets quarterly to review progress. It will also review new and obsolete policies and plans to ensure that they are consistent with the direction and mechanisms outlined in the NDP.

The second tier down is the *Implementation Coordination Steering Committee (ICSC)* of Permanent Secretaries, under the Chair of the Head of Public Service, meets once in two months. The ICSC is responsible for ensuring effective implementation of decisions made by the Cabinet, PCC and NDP focusing on the implementation of major policies and plans, including the coordination of inter-sectoral actions and the integrated actions supported by Development Partners (including joint-budget support). Every second ICSC (i.e. every four months) includes high level representation from Development Partners.

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, Office of the Prime Minister. The TICC meets monthly. 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.

The fourth tier are the *Sector Working Groups (SWGs)* to which all MDAs belong. There are sixteen SWGs across Government, under the Chairs of the lead institutions in each sector (e.g. Attorney General for the Accountability Sector). The SWGs functions are to determine sector priorities outlined in annual Sector Budget Framework Papers, ensure alignment of annual Ministerial Policy Statements, implement sector and Ministerial annual work plans, integrate Local Government plans and actions where relevant, and monitor performance.

This four-tier coordination arrangement is already in place, and functioning. It needs to be strengthened through the following actions:

- Ensure the regular and full attendance at the respective levels.
- Strengthen sector working groups, ensuring that they are each meeting 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. The private sector representation on the committees should be significant.
- Ensure that the district technical committees regularly meet to discuss plans, forward to Councils for approval and subsequently submit to sectors for integration.
- Ensure that all these committee have sufficient budget to carry out their activities.
11.4 COORDINATION OF IMPLEMENTATION

912. In particular, the Office of the Prime Minister (OPM) will be responsible for coordination of implementation of the NDP across Ministries, departments and other public institutions. This responsibility will entail the following:

i) Ensuring that the policies, priorities and strategies identified in the NDP are implemented by relevant public institutions;

ii) Ensuring coherence of various national and sectoral policies that affect the implementation strategy:

iii) Ensuring and coordinate a sound regulatory framework to implement the strategy effectively is in place and properly adhered to;

iv) Establishing a mechanism for coordinating inter and intra-sectoral linkages in implementing the different projects and programs under the NDP;

v) Ensuring that the institutions required to deliver the strategy have the requisite capacity and the institutional arrangements are operating effectively; and,

vi) The OPM will further ensure that all unproductive activities that constrain the performance of MDA are dealt with. This includes overlapping mandates, duplication of roles, low institutional productivity, irrelevant activities, misuse of resources and other relevant weaknesses.

913. The sector implementation and management will be a joint responsibility of MDAs and LGs. The role of MDAs will continue to be defined in the Acts of Parliament and regulations in force in respective thematic areas. They will continue to be in charge of overall thematic area strategy, policy formulation, resource mobilization, setting standards, oversight management of implementation of thematic areas and formative monitoring and evaluation and accountability of resources accorded to the thematic areas. LGs will take charge of frontline service delivery and operational management.

914. The specific levels of service delivery and project implementation will include:

i) Central Government Ministries

ii) Semi-Autonomous Departments and Agencies

iii) Local Governments

iv) The Private Sector

915. Project selection, design and implementation will be guided by objectives priorities and strategies within the NDP and will be in compliance to 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, environmental sustainability, and development of the rural economy.

916. For implementation to be consistent with NDP objectives strategies and interventions, a NDP system will be put in place to quality assure the following key instruments; (i) ministerial policy statements, (ii) Sector strategic Plans, (iii) national programme/ project documents and (iv) Local Government Plans, (v)Annual Plans and
Budgets

**Resource mobilization and disbursement**

917. Resource mobilization and disbursement of financial resources expended will be the responsibility of MoFPED. The Local Governments will also be required to mobilize local resources and expend them as per the local government Act and the Local government finance and accounting regulations. The Local Government Finance Commission (LGFC) and MDAs jointly guide the process of resource mobilization and utilization in LGs.

**Accountability**

918. Checking on the proper use of public resources will be the responsibility of Auditor General. The accounting officers appointed by Permanent Secretary MFPED will be accountable for the resources advanced to various MDAs. The Chief Administrative Officers will be responsible will be acceptable for the resources advanced to the various Local Governments.

**Progress Reporting, reviews and Communication of Results**

919. Reporting will be a shared responsibility of NPA, OPM, MFPED, MDAs and LGs.

   i) OPM will be responsible for reporting on progress of implementation of NDP and achievements by MDAs and LGs to stakeholders;
   
   ii) MDAs and LGs will be responsible for thematic area periodic performance reporting to OPM and MFPED; and
   
   iii) NPA will have overall responsibility for reporting on the NDP performance and communication of results.

920. **Strategic Performance Reporting** (outputs-outcomes). All Sector Working Groups will report quarterly to OPM on key outcomes, outputs and expenditures. This will result in the production of a National Government Quarterly Performance Report. This will be a report is quality assured by the TICC, and the performance information presented, discussed and decisions taken by the ICSC and PCC by the middle of the following quarter (i.e. Q1 (July-Sept) in mid-November, Q2 (Oct-Dec) in mid-February, Q3 (Jan-Mar) in mid-May, and Q4 (as an annual report) in October.

921. **Budget Performance Reporting** (outputs and expenditures). All MDAs and Local Governments will report quarterly to MOFPED on all project and programme output indicators and associated expenditures. This will result in the production of a six-monthly budget performance report. This report will be combined with the OPM Quarterly Report to cover outcomes, outputs and expenditures and reviewed.

**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 against 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.

**Annual National Performance Reports jointly by NPA, OPM and MOFPED**

923. Annual performance reports will be produced. These reports will include:

1. Annual National Development Report (led by NPA)
2. Annual Strategic Performance of Government – Outcome to Output (led by OPM)
3. Annual Fiscal performance – Output to Input and Expenditures (led by MOFPED)
4. Annual state of the economy -BOU

924. The annual performance reports will be submitted to PCC and on 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.

**Annual Joint Sector Reviews**

925. Annual joint reviews will take place for all sectors in August 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.

**Annual National Development Review Conference**

926. An annual conference will take place to discuss the findings of the Annual National development Report. While the annual joint sector reviews will focus on the sector specific issues, the National development Review 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. The conference will be lead by NPA, OPM and MOFPED. The conference will be attended by Cabinet Ministers, Ministers of State, Permanent Secretaries, heads of agencies and parastatals and key private sector players. It will chaired by the Presidency.

**Mid-term NDP Review**

927. A mid-term review of the NDP will be conducted two-and-a-half years through the Plan’s implementation. This review will be led by the National Planning Authority and address performance to date against the intended objectives and key outputs. It will recommend any changes in course required to achieve the objectives and targets.

**Final NDP Evaluation**

928. 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
conjunction with the Office of the Prime Minister to ensure independence and objectivity of the study. The evaluation will assess the overall effectiveness of the NDP against its objectives and targets, where possible looks 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 Plan’s successor.

**Capacity Building**

929. It is a pre-requisite to have sufficient institutional capacity for effective implementation of the programmes. Capacity building will be a shared responsibility among OPM, NPA, MDAs and LGs. The Development Partners in line with NDP will assist in capacity building for various institutions. MDAs will be responsible for capacity building for implementation of their thematic area programmes/activities.

### 11.5 LINKING NDP TO THE ANNUAL BUDGETS

930. The NDP will become a critical part of the formal decision making processes on resources and government interventions. To support this, the following principles and processes will be applied by the Government in allocating resources.

**Principles**

1. 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 these
   - Adequate funding is provided to encourage better performance in the key selected sectors
   - 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, including in the provision of public services
   - Funding is aligned to the expected levels of outputs so 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.

**Processes and formal accountability documents**

1. In the budget documents the Government will explain how the proposed MTEF and budget complies with the requirements in 1 above.
2. In all proposals made during the year to change policy or funding the government will include an explanation of how the proposed budget complies with the requirements in 1 above.
3. In all briefing papers supporting proposals for laws and regulations or change to these, the government will certify compliance with 3 above or explain the reasons for variances from these.

4. The annual performance report on the budget will report on performance against the requirements in 1 above and state what will be done about significant performance issues.

5. An annual performance report on selected aspects of the NDP and a midterm comprehensive performance report will be produced by the National Planning Authority for the government, public and parliament. It will include progress on the priorities and key indicators set out in the next section. Where progress differs from what is expected, the Government will explain the causes and its intended actions to get back on track, or reasons for its proposals to change the priority or its measurement.

11.6 MODALITIES OF IMPLEMENTATION

931. The modalities to implement the strategy will be in accordance with the existing legal and policy frameworks and will include:

   i) Public Financing and Investment
   ii) Public-Private Partnerships (PPPs)
   iii) Private enterprises
   iv) Non-profit organizations initiatives

11.7 COSTED IMPLEMENTATION MATRIX

A costed interventions matrix has been formulated to provide indicative information on objectives, strategies, interventions, target outputs, estimated costs, the implementation schedule and the responsibility centre. This matrix has been derived from sector plans and information provided by MDAs. It has been used, along with other information, to help derive the proposed spending levels in the MTEF over the period of the NDP. It is intended to be a guide in future for the revisions of the MTEF and the formulation of the annual budget, recognising however, that changes will occur across the five year period.
Annex 1: The Egg Concept (Sectoral Linkages)

- Primary Growth Sectors
- Complimentary Sectors
- Social Services Sectors
- Enabling Sectors
13.0 REFERENCES


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xxxix) World Bank (May, 2002). Gender and Growth Assessment for Uganda – A gender Perspective on legal and Administrative Barriers to Investment