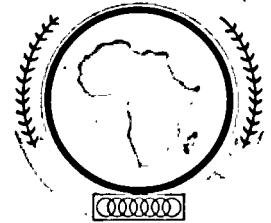




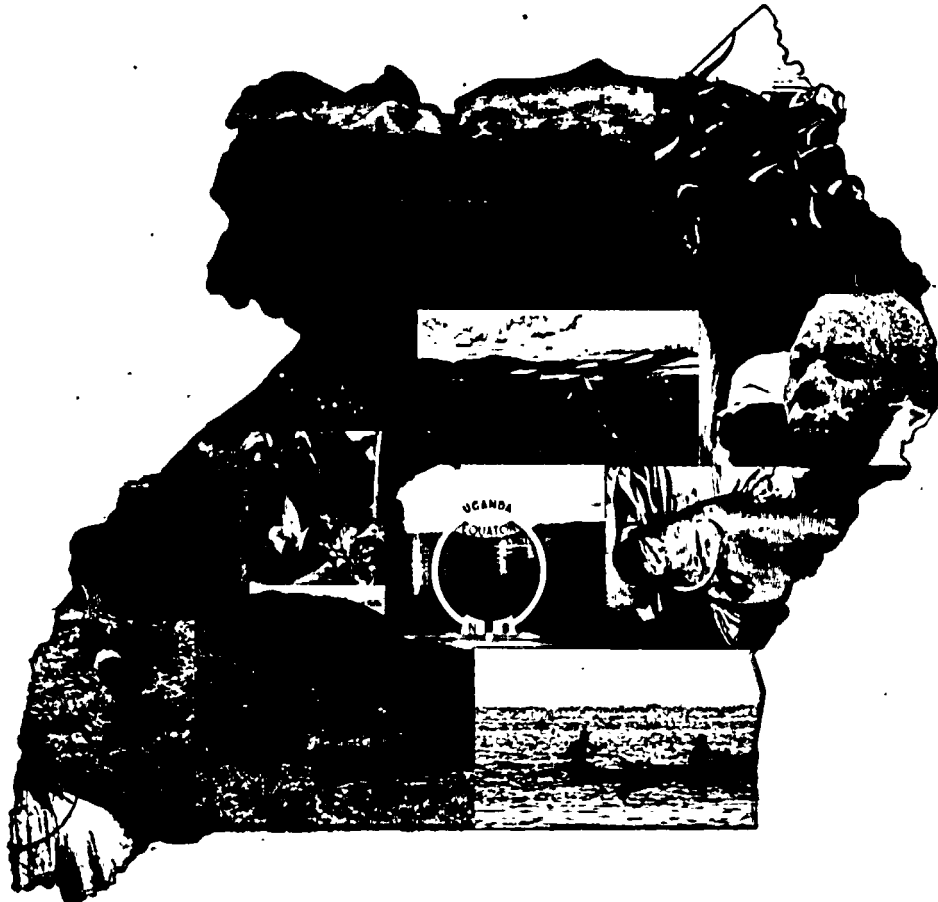
African Peer Review  
Mechanism



# APRM

## AFRICAN PEER REVIEW MECHANISM

# 1<sup>ST</sup> ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE APRM NATIONAL PROGRAMME OF ACTION 2008/09



July 2009



# MEMBERS OF THE NATIONAL GOVERNING COUNCIL



## **Bishop Zac Niringiye (Chairperson)**

Dr. D. Zac Niringiye is a Bishop in the Church of Uganda (Anglican) currently serving as the Assistant Bishop of the Diocese of Kampala. He holds a PhD in Theology and Mission History from Edinburgh University, a Masters degree in Theology from Wheaton College, USA and an honours Physics degree from Makerere University. He is a leader, with national and international acclaim in varying contexts and organisations, seating on many national and international organisations' boards

Among others, he served as the Vice Chairperson Uganda APRM National Commission tasked with leading the Country self-assessment of Uganda. He chairs the Task Force for Northern Uganda for the Uganda Joint Christian Council (an umbrella organization of the Roman Catholic, Church of Uganda and Orthodox Churches in Uganda – representing about 80% of Uganda) – an advocacy initiative for the humanitarian crisis in Northern Uganda and working for peaceful resolution to the conflict.

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Mr. Buchanayandi was a member of the Uganda APRM National Commission representing Parliament (Ruling party). He was a Farmer and an Agricultural Consultant, a Managing Director of the Uganda Coffee Development Authority and a General Manager of Kinyara Sugar Works. He also worked in the Ministry of Agriculture in various capacities including as a Director and Assistant Commissioner of Agriculture.

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Amb. Rossette Nyirinkindi Katungye is a Career Diplomat and an International Lawyer. Professionally, she has worked her way through the rank of Third Secretary to Ambassador at the Ministry of Foreign Affairs and is currently the Head of the African Union Department. She is a holder of a Master of Science degree, a Law degree, a Diploma in Legal Practice as well as a number of International Post Graduate Certificates in related fields and in French.

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### **Mr. Deogratias Rubumba Nkunzingoma**

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Mr. Max Ochai is a Principal Economist in the Economic Development Policy and Research Department of the Ministry of Finance, Planning and Economic Development. He is responsible for influencing allocation of available resources to strategic national, sectoral and sub-national development priority areas. He holds a Masters degree in Development Economics from the University of Manchester, United Kingdom, a Bachelors degree in Economics from Makerere University, and a Postgraduate Diploma in Modelling and Accounting for Sustainable Development from the Institute of Social Studies, The Hague, The Netherlands. He is a Fellow of the Macro-economic and Financial Management Institute of Eastern and Southern Africa, in the area of Macro-economic Management, with a speciality in Public Financial Management.

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Hon. Sebalu was a member of the Uganda APRM National Commission representing the East African Legislative Assembly. He was the Chairperson of the EAC Election observer Mission to Kenya in 2007 and a member of the EAC Election observer Mission to Rwanda in 2008. He was also a member of the Uganda National Consultative Committee for the fast tracking of the EA federation. He was a Member of the 7th Parliament of the Republic of Uganda representing Busiro East Constituency- Wakiso District and a Member of the Pan African Parliament representing Uganda. He also represented the Youth of Central Region in the Constituent Assembly.

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# ACKNOWLEDGMENT

The Uganda National Governing Council (NGC) is pleased to present the *First Annual Progress Report on the Implementation of the APRM National Programme of Action, 2008/09 Fiscal Year*. This report is the first in a series of Annual Progress Reports that track the implementation of the **Uganda APRM National Programme of Action (2008/9-2010/11)**.

The process of developing this progress report started in March 2009 and ended in June 2009. In preparation of this report, the NGC ensured that the various governance stakeholders were consulted and their input informed it. The APRM National Governing Council is indebted to several institutions and persons who contributed to this process.

We are very grateful to His Excellency, President Yoweri Kaguta Museveni for his unwavering political support for the APRM process in Uganda. Since the beginning of the process, he has given political direction and guidance to all processes of the APRM. We are also grateful to the former APRM National Focal Point Person, Hon. Fred Omach and current National Focal Point Person, Hon. Prof. Ephraim Kamuntu for their oversight role in the APRM process.

Our sincere gratitude goes to the Rt. Hon. Prime Minister of Uganda, Prof. Apollo Nsibambi, and the entire Cabinet for their guidance in preparing this report. Special thanks go to the 3<sup>rd</sup> Deputy Prime Minister Hon. Kirunda Kivejinja and the Cabinet Sub-committee, for meticulously reviewing this report and giving very insightful comments. We would also like to thank the Permanent Secretary/Secretary to the Treasury Mr. Chris Kassami and Head of Public Service/Secretary to the Cabinet Mr. John Mitala for ensuring that all Ministries, Departments and Agencies (MDAs) are supportive of this process. Thus, the NGC is appreciative of the input from MDAs.

We would also like to thank the National Planning Authority especially the Chairperson Dr. Kisariba Mugerwa, the Board and Management, for their logistical and administrative support to the National Governing Council. The coordination role played by the NEPAD/APRM Unit within NPA, was fundamental to the effective implementation of the Programme of Action and the preparation of this report.

The Consultants who worked on this report namely: Mr. Frank Emmanuel Muhereza (Lead Consultant), Dr. Robert Esuruku Senath (Democracy and Political Governance), Mr. Paul S. Kabasa (Economic Governance and Management), Mrs. Alison Dillon Kibirige (Corporate Governance), Ms. Elizabeth A. Eilor (Socio-Economic Development), and Mr. Joseph Enyimu, (Financial Analyst), are specially congratulated and thanked for their invaluable technical support in collecting and analysing data that has formed the basis for this report.

Appreciation is also extended to the various institutions and departments namely: Civil Service, Judiciary, Parliament, Local Governments, Private Sector, Civil Society Organisations and the Media for their support to the NGC. The NGC also acknowledges the support of Development Partners to the APRM process in Uganda, notably, UNDP, AFDB, GTZ, DFID and DANIDA. The NGC reserves special appreciation to all citizens of Uganda for embracing the APRM process and actively supporting the implementation of the Programme of Action. The fact that many women, men, girls and boys have boldly and candidly spoken about how Uganda is governed is an important indicator of their commitment to seeing this country improve where it may have challenges.

The staff at the APRM Secretariat namely: Ms. Silvia A. Ufoyuru, Mr. George Mutagubya, Ms. Vivien Kobusingye, Mr. Andrew Ssali and Mr. Fred Omara are specially thanked for their support to the consulting team and the NGC during the preparation of this report.

# ABBREVIATIONS/ACRONYMS

ACCA	Association of Chartered Certified Accountants
ADR	Alternative Dispute Resolution
AIDS	Acquired Immuno Deficiency Syndrome
AIMS	Alternative Investment Market Segment of the Uganda Securities Exchange
AMFIU	Association of Microfinance Institutions of Uganda
AML	Anti-Money Laundering
APR	African Peer Review
APRM	African Peer Review Mechanism
CADER	Centre for Arbitration and Dispute Resolution
CAO	Chief Administrative Officer
CDF	Constituency Development Fund
CFR	Central Forest Reserve
CICS	Competitiveness and Investment Climate Strategy
CMA	Capital Markets Authority
CRM	Country Review Mission
CRR	Country Review Report
CSAR	Country Self Assessment Report
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CSRFP	Civil Service Reform Programme
DED	Deutscher Entwicklungsdienst (German Development Services)
DEI	Directorate of Ethics and Integrity
DFID	Department for International Development
DMOT	Department of Multilateral Organisations and Treaties
DRB	Domestic Relations Bill
DRC	Democratic Republic of Congo
DSC	District Service Commission
DUCAR	District Urban and Community Access Roads
EAC	East African Community
EASRA	East African Securities Regulatory Authorities
EC	Electoral Commission
ECOSOCC	Economic, Social and Cultural Council
EITI	Extractive Industries and Transparency Initiative
EPZs	Export Promotion Zones
FAL	Functional Adult Literacy programme
Finlit	Finlit Foundation Uganda Limited
FMDP	Financial Markets Development Plan
FPC	First Parliamentary Council
FY	Financial year
GCGF	Global Corporate Governance Forum
GDP	Gross Domestic Product
GoU	Government of Uganda
HC	Health Centre
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immune Virus/Acquired Immuno-Deficiency Syndrome
ICCPR	International Covenant on Civil and Political Rights
ICGLR	International Conference on Great Lake Region
ICGU	Institute of Corporate Governance of Uganda
ICPAU	Institute of Certified Public Accountants of Uganda
ICSA	Institute of Chartered Secretaries and Administrators
ICT	Information Communication Technology
IDPs	Internally Displaced Persons
IGAD	Intergovernmental Authority on Development
IG	Inspectorate of Government
ILO	International Labour Organisation
IMF	International Monetary Fund
IOSCO	International Organisation of Securities Commissions
IPOs	Initial Public Offerings

ISO	International Organisation for Standards
JLOS	Justice Law and Order Sector
JSC	Judicial Service Commission
JSI	Judicial Studies Institute
KACITA	Kampala City Traders Association
KIDDP	Karamoja Integrated Disarmament and Development Programme
LC	Local Council
LG	Local Governments
LGFC	Local Government Finance Commission
LRA	Lord's Resistance Army
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industries and Fisheries
MDAs	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MDI	Micro Finance Deposit-Taking Institutions
MEMD	Ministry of Energy and Mineral Development
MFI	Micro Finance Institutions
MFPEd	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MoJCA	Ministry of Justice and Constitutional Affairs
MLHUD	Ministry of Lands, Housing and Urban Development
MMoU	Multilateral Memorandum of Understanding
MoD	Ministry of Defence
MoES	Ministry of Education and Sports
MoFA	Ministry of Foreign Affairs
MoIA	Ministry of Internal Affairs
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoU	Memorandum of Understanding
MP	Member of Parliament
MSCL	Micro Finance Support Centre Limited
MSMEs	Micro, Small and Medium Scale Enterprises
MTEF	Medium-Term Expenditure Framework
MTTI	Ministry of Tourism, Trade and Industry
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NEMA	National Environment Management Authority
NEPAD	New Partnership for Africa's Development.
NFA	National Forestry Authority
NGC	National Governing Council
NGO	Non-Governmental Organisation
NPA	National Planning Authority
NRA	National Resistance Army
NRM	National Resistance Movement
NSSF	National Social Security Fund
NUDIPU	National Union of Disabled Persons of Uganda
NURP	Northern Uganda Reconstruction Programme
NUSAF	Northern Uganda Social Action Fund
NWSC	National Water and Sewerage Corporation
NYC	National Youth Council
OAU	Organisation of African Unity
OVCs	Orphans and Vulnerable Children
PAC	Public Accounts Committee of Parliament
PEAP	Poverty Eradication Action Plan
PEI	Poverty Environment Initiative
PERDS	Public Enterprise Reform and Divestiture Secretariat
PFA	Prosperity For All
POA	Programme of Action
PPP	Public Private Partnerships
PRDP	Peace, Recovery and Development Programme
PSC	Public Service Commission
PSFU	Private Sector Foundation Uganda



PWDs	Persons with Disability
SACCO	Savings and Credit Cooperative Organisation
SDC	Securities Central Depository
SDP	Strengthening Decentralisation Programme
SMEs	Small and Medium Size Enterprises
SMP	Single-Member-Plurality
SQMT	Standardisation, Metrology, Quality Assurance and Testing
SWOT	Strengths, Weaknesses, Opportunities and Threats
TI	Transparency International
ToT	Training of Trainers
UBOS	Uganda Bureau of Statistics
UCE	Uganda Commodities Exchange
UCSCU	Uganda Cooperative Savings and Credit Union
UDB	Uganda Development Bank
UDC	Uganda Development Corporation
UDHS	Uganda Demographic Health Survey
UGAPRIVI	Uganda Association of Private Vocational Institutions
UGX	Uganda Shillings
UHRC	Uganda Human Rights Commission
UIA	Uganda Investment Authority
UIC	Uganda Insurance Commission
UK	United Kingdom
ULRC	Uganda Law Reform Commission
ULS	Uganda Law Society
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
UNCCI	Uganda National Chamber of Commerce and Industry
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNLF	Uganda National Liberation Front
UPE	Universal Primary Education
UPF	Uganda Police Force
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USA	United States of America
USD	United States Dollar
USE	Universal Secondary Education
USE	Uganda Securities Exchange
USSIA	Uganda Small Scale Industries Association
VAT	Value Added Tax
Y	Year

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# EXECUTIVE SUMMARY

## INTRODUCTION

This is an Executive Summary of a report of the 1st Annual Review of the implementation of Uganda's Africa Peer Review Mechanism (APRM) National Programme of Action. It was spearheaded by the Uganda APRM National Governing Council and it covers the period between 1st July 2008 and 30th June 2009. The Annual Progress Review report is part of the requirement for countries that have successfully been peer reviewed to present a report on the progress made in the implementation of the three-year APRM National Programme of Action.

The Executive Summary examines the main achievements registered during the implementation of the Programme of Action priorities, in responding to the recommendations of the Country Review Mission and the Annual Progress Review Panel contained in the Country Review Report. The Annual Progress Review process entailed an analysis of secondary data and information, as well as consultations with key informants in various Ministries, Departments and Agencies and non-state agencies that were responsible for the implementation of Programme of Action. The report has been reviewed and validated by Cabinet. It was also presented to a national workshop for validation by national level stakeholders on 18th June 2009.

## MAIN ACHIEVEMENTS

### *Principles Codes and Standards*

- i. Over the past years, Uganda has signed and ratified many of the relevant international and regional principles, codes and standards under the four thematic areas of the APRM. This is not only a good practice, but also an indication of the country's commitment to international standards and legal instruments.
- ii. Uganda enacted the Ratification of Treaties Act, No. 5 of 1998 (Cap. 207), which spells out the mechanism for domesticating Treaties and Conventions. The Government of Uganda had by then ratified most Treaties and Conventions. There was progress made with regard to the creation of an accessible database of signed, ratified, or domesticated standards and codes. The Ministry of Foreign Affairs (MoFA) on 18<sup>th</sup> June 2009 presented to Parliament a compendium of all Protocols and Treaties indicating the dates when they were entered into, signed, ratified, acceded and succeeded. This is part of a process of laying in the public domain protocols, conventions and treaties that Uganda has signed and ratified..
- iii. Progress has also been made with regard to capacity strengthening in the MoFA Department of Multilateral Organisations and Treaties. The Ministry of Public Service reviewed the structure of the MoFA and created a legal division. Consequently, the MoFA was embarking on a recruitment exercise to fill the identified posts in that division.

## *Democracy and Political Governance*

- i. Significant progress has been achieved in preventing and reducing intra-state conflicts. The efforts geared towards amending the 1998 Land Act and formulation of the National Land policy, especially enabling uninhibited and prolonged wide stakeholder consultations in both processes, has laid the basis for achieving consensus on these highly controversial issues.
- ii. Security has been restored in Northern Uganda, despite the failure by the LRA leader, Joseph Kony to sign the Final Peace Agreement in Juba on 10<sup>th</sup> April 2008. Government has also put in place the Peace, Recovery and Development Programme (PRDP) for Northern Uganda and the Karamoja Integrated Disarmament and Development Programme (KIDDP) for supporting the recovery and development of Northern Uganda and Karamoja respectively. Capacity strengthening of the Office of the Prime Minister to implement these programmes is commendable. The full-scale implementation of the PRDP will start in July 2009, as resources have been fully mobilised and provided. The implementation of the KIDDP has been on-going.
- iii. Significant progress has been achieved in preventing and reducing inter-state conflicts. Frameworks have been put in place to manage border disputes, which enabled potentially volatile situations with neighbouring countries to be harmoniously and amicably managed. This was with regard to the Rukwanzi Island in Lake Albert and Goli border strip in West Nile (on the border with DR Congo) and Migingo Island in Lake Victoria (bordering with Kenya)
- iv. The Government of Uganda also made commendable progress in putting in place a plethora of institutions and policies for building a firm foundation on which constitutional democracy is to be anchored. A Draft National Values Policy for building a value-based society in Uganda has been developed by the Directorate of Ethics and Integrity, although it has not yet been tabled before Parliament.
- v. Government has increased funding to the Electoral Commission and training for election officers to enhance the credibility of the electoral process and legitimacy of electoral outcomes. At the Uganda Human Rights Commission, the appointment of new members of the Commission will enable it register progress with regard to civic education in the coming year FY2009/10. The Judicial Service Commission, which is also constitutionally mandated to carry out civic education regarding law and administration of justice within the country under the Justice, Law and Order Sector has undertaken it. One of the roles of the newly established Ministry of Information and National Guidance is civic education. In view of that a framework is being established under the Ministry for undertaking civic education.
- vi. Commendable progress has been achieved with regard to promotion and protection of economic, social, cultural, civil and political rights as enshrined in all African and other international human rights instruments. The Ministry of Gender, Labour and Social Development has developed mechanisms to strengthen advocacy and sensitisation of the public on children's rights. To promote awareness of children's rights, the 'Day of the African Child' has been set aside for national celebration. A Bill seeking to amend the Children's Act has been presented before Parliament.

- vii. The most significant progress has been made with wide national stakeholder consultations to finalise the Domestic Relations Bill, which was split into two Bills; one catering for the concerns of Moslems (the Administration of Muslim Personal Law), and the other for concerns of the non-Moslems (the Marriage and Divorce Law). Progress has also been made with regard to finalising the revision of the Sexual Offences Bill as part of the review of the Penal Code Act. The Bill was also split into two: (i) the Domestic Violence Bill that was tabled in Parliament for 1<sup>st</sup> reading on 17<sup>th</sup> June 2009, and (ii) the Prevention of Trafficking in Persons Act, which was passed by Parliament on 2<sup>nd</sup> April 2008.
- viii. Progress has also been made with wider stakeholder consultations to finalise the Principles and Objectives of the proposed law on prohibition of Female Genital Mutilation. This has been forwarded to the First Parliamentary Counsel for drafting. Draft regulations to operationalise the Persons with Disability Act, 2006 and the draft Community Mobilisation and Empowerment Bill are being finalised. The Children's Act, Cap 59 of 1997 is being reviewed through wide stakeholder consultations to address the gaps identified over the period.
- ix. Further to this, progress has been registered through development of several policies to promote and protect human rights including the National Policy and the draft plan of Action for Older Persons, the draft National Employment Policy, and the draft National List of Hazardous Work for Children in Uganda. Uganda also ratified the Convention on the Rights of Persons with Disability on 25<sup>th</sup> September 2008 as a means to reaffirm its commitment to the promotion of the rights of the marginalised groups.
- x. The appointment of members of the Equal Opportunities Commission was in progress and proposed names of the members had been forwarded to H.E. the President for approval. In due course, he would sign their instruments of appointment.
- xi. Some progress has been made in upholding the principle of separation of powers between the key organs of the state. The legislature is administratively and functionally independent. The Parliamentary Commission has been significantly strengthened to enhance financial autonomy. Concerning the independence of the judiciary, government has made a commitment to institutionalise the independence of the judiciary. Courts of judicature have also been provided with requisite resources for the judiciary to carry out its mandate effectively.
- xii. Progress has also been achieved in the fight against corruption in the political sphere. An inter-agency forum against corruption has been formed and operationalised. The forum spearheaded the formulation of the National Anti Corruption Strategy, a framework designed to fight corruption and rebuild ethics and integrity in Uganda, and is also monitoring its implementation. Work to harmonise all laws, policies and institutions involved in the fight against corruption is ongoing. The Whistleblowers Bill of 2008 was tabled before Parliament for its first reading.
- xiii. The capacity of the Inspectorate of Government (IG) to implement the Leadership Code Act has been strengthened with training of IG staff in forensics investigative skills, among others. The Anti-corruption Court is now fully functional. In 2008, 10 corruption cases were

finalised by the IG, six convictions were secured while four were acquitted. Government has also announced the setting up of a judicial commission of inquiry into the Universal Primary Education (UPE) and the Universal Secondary Education (USE) national programmes.

#### *Economic Governance and Management*

- i. In this area, significant progress has been achieved in the promotion of sound economic management policies. These enabled Uganda's economy to register a robust real growth of 7.0 % in the FY 2008/09, compared to the average sub-Saharan growth rate of 2.4 %. This remarkable performance, which is an indication that Uganda's economy remains resilient, was inspite of the global financial and economic crises that have adversely affected several economies both in the developed and developing world. The high economic growth rates enabled significant gains to be made in socio-economic development in general and improvement of the welfare of much of the population in particular.
- ii. Progress has also been achieved in the development of national laws and policies as well as plans, strategies and programmes to uphold, domesticate and popularise international principles, codes and standards in economic governance and management. Relevant agreements, treaties and protocols have been signed, acceded to and ratified by the country.
- iii. In terms of building the capacity of government to monitor the volume of oil reserves and production on a 24-hour basis, an Oil and Gas Policy of February 2008 has been formulated. The drafting of a National Oil and Gas Law by the Ministry of Mineral and Energy Development has commenced with the formulation of the principles for the new petroleum exploration and production.
- iv. Government has carried out an assessment of the existing capacity within the Department of Petroleum Exploration and Production in the Ministry of Mineral and Energy. The staffing levels and technical competence requirements in the Department have been reviewed. More staff have been recruited.
- v. With regard to the need for Government to build capacity for the collection of oil revenue, the Government of Uganda, with support from the Government of Norway, was training officers at Masters Degree level in Norway, in Petroleum Economics.
- vi. To address the future manpower gaps, as more oil discoveries are made, government has finalised plans to establish (starting in July 2009) an Institute of Petroleum Engineering, affiliated to Makerere University. The Institute will offer a Diploma in Petroleum Engineering and is to be located at the Uganda Co-operative College, Kigumba in Masindi district. A public awareness campaign has been undertaken in the districts of the Albertine region.
- vii. To increase capacity within government to collect anticipated revenues from the oil industry, government has put in place mechanisms for the management of oil tax and non-tax revenue collection and administration. An Inter-Ministerial Taskforce on Oil and Gas, with representation from among others, Ministry of Mineral and Energy and Uganda Revenue Authority (URA), has been established in the Ministry of Finance, Planning and Economic Development. It is tasked to design a mechanism for resource monitoring and revenue



collection and administration. The capacity of URA is being strengthened through training.

- viii. In addition, income tax laws have been amended to incorporate taxation of Petroleum revenue. These proposed amendments have already been incorporated in the Finance Bill.
- ix. There have been significant increases in budgetary allocations to the agricultural sector particularly to the prioritised sub-sector of National Agricultural Advisory Services (NAADS). This will not only enhance further access to rural financing by farmers through Savings and Credit Co-operative Organisations (SACCOs) and Micro-Finance Institutions (MFIs), but also promote the development of extension services. The resulting productivity improvement will support the development of industries based on agro-processing and value-addition, which will lead to the structural transformation of the economy. Government has further boosted the opportunities for long-term financing of investments in agriculture and industry through the revamping and re-capitalisation of the Uganda Development Bank (UDB) and the revitalisation of Uganda Development Corporation (UDC).
- x. Government has continued to pursue the development strategy for transforming the economy by emphasising industrialisation focusing on developing a competitive, diversified economy that is private sector-led, mainly agricultural-based (involving value addition by processing agricultural products) and export-oriented. While full trade liberalisation and open market policies have been maintained, government has also promoted a policy of strategic intervention for accelerated industrialisation. This it had done mainly through the creation of an incentive structure that is directed at linking the industrialisation process with the country's resource base. One way this has been done has been through the establishment of Export Processing Zones (EPZs).
- xi. The Ministry of Finance, Planning and Economic Development has spearheaded the development of an Investment and Free Zones Bill, 2008, which seeks to better facilitate investment in Uganda, including the establishment of Export Processing Zones. The Bill is currently awaiting cabinet approval before being published in the gazette and presented to Parliament for the first reading. The Uganda Investment Authority (UIA) has spearheaded the establishment and development of Industrial Parks, which will comprise Free Trade Zones among other facilities. The allocation of fully serviced plots of land at the Namanve Industrial Park to interested investors with the minimum requirements has started. Plans are underway to develop a similar park at Luzira; and to establish at least one Industrial park in each region. These will create employment opportunities for Ugandans, especially the youth.
- xii. Government macroeconomic management and poverty reduction interventions have also focused on addressing poor transport infrastructure and inadequate electric (hydro and thermal) power supply which remains a key factor in the increases in the local cost of investments.
- xiii. Government has started implementing the 'Prosperity For All' (PFA) programme to achieve the National Vision of a *"transformed Ugandan society from a peasant to a modern and prosperous country within 30 years, where each household will be able to earn a minimum of UGX. 20 million per year, with the following elements: independent and sovereign; democratic*

*and law abiding; stable and peaceful; knowledge-based, informed and skilled; improved food security and nutrition; able to exploit and use its resources gainfully and sustainably; in a strong federated East Africa within an effective African Common market and a strong African defence mechanism".* This is a holistic and comprehensive programme of government that is targeting improving the well being of the population, including enhancing their ability to access credit for agricultural production. Government programmes such as NAADS have been restructured and refocused towards enhancing the objectives of the PFA programme.

- xiv. A Communications Strategy for the PFA programme was approved by Cabinet and is being implemented by leaders at all levels who have continued mobilising and sensitising the public about the PFA.
- xv. Government has also formulated a National Population Policy for Social Transformation (2008), to address issues of population control and planning. The policy is being implemented.
- xvi. Governments recently concluded the restructuring exercise of Local Governments. The recruitment of staff to fill identified vacancies would soon commence. In the year under review, to address the capacity limitations, Local Governments continued to benefit from a training programme intended to build capacity of Local Government staff in planning, budgeting, monitoring and evaluation of District activities, which was jointly developed by the Ministry of Finance, Planning and Economic Development and the Ministry of Local Government.
- xvii. Effective communication between the Central and the Local Governments and vice versa continued through sector reviews. However, communication challenges remained between Government and the general public.
- xviii. Progress has also been achieved towards regional economic integration. A number of border to border roads are being rehabilitated. Feasibility studies have been conducted for the revamping of the railway system. In an effort to promote regional transport routes, the procurement for the construction of one-stop border posts for Katuna, Mutukula, Malaba and Busia has progressed and is awaiting World Bank approval. The feasibility study for Kampala-Kasese Railway Line is underway during the financial year 2009/10.
- xix. Government has also made progress in the fight against corruption in public administration and the financial sector. Apart from adoption of an institutional collaborative approach in the fight against corruption, an Anti-corruption Court has been established as a Division of the High Court (in July 2008). Two of the planned four High Court Judges of the Anti-corruption Court have been appointed. Processes have been finalised for the appointment of two Chief Magistrates and four Grade I Magistrates to the Anti-corruption Court. The Magistrates are undergoing training before deployment. A Court Registrar has also been appointed. An Anti-Money Laundering Bill has been finalised and is currently under consideration by the Parliament.
- xx. Recommendations of the Anti-Corruption Commissions of Inquiry such as the April 2007 Justice Ogoola Commission of Inquiry into mismanagement of the Global Fund are being implemented. Some actions were referred to the Inspectorate of Government for investigation,

while others were referred to the Police for criminal prosecution and others to line Ministries for disciplinary action of culpable public officials. During the FY 2008/9, the anti-corruption court successfully prosecuted 2 cases and others are still before it.

- xxi. Significant progress has also been made with regard to the establishment and implementation of an East African Customs Union. Government has continued to negotiate with the East African Community member states on regional integration beyond the East African Community Customs Union, to include an East African Common Market and an East African Monetary Union

#### *Corporate Governance*

- i. While awareness of Corporate Governance in Uganda is still in its infancy, several policy and legislative changes have been made or proposed, or were in the process of being made, through which international standards and codes adopted by the country are to be incorporated into the national legal and regulatory framework.
- ii. The revision of several commercial laws and their enactment has been fast-tracked. Several amendments have been proposed to the Accountants' Act. These amendments will enable the Institute of Certified Public Accountants of Uganda (ICPAU), whose members and associates are recognised under the Companies Act Cap 86 as the sole auditors of company accounts, to become more effective in overseeing the accountancy profession and enforcing the requirements of professional discipline among all its members.
- iii. Relevant Bills necessary for establishing an effective legal, policy and regulatory, as well as supervisory framework for Tier 4 Micro Finance non-deposit taking Institutions such as SACCOs have been drafted. Regulations regarding the supervision of Tier 3 Micro Finance deposit-taking institutions are considered adequate.
- iv. Government has put in place various forms of incentives for encouraging regulated financial institutions to offer banking services to rural areas. A policy and legal framework for regulating the activities of Micro-finance institutions has been developed, and includes: The SACCOs Bill and the Micro-credit Bill. Resources have also been provided in the budget for supporting the formation of at least one SACCO in every sub-county and strengthening existing ones to provide training and other technical support. The Rural Financial Services Programme (RFSP) was redesigned to support SACCOs. The Uganda Cooperative Savings and Credit Union (UCSCU) supported the formation of 140 SACCOs and the development of 401 SACCOs in 541 sub-counties countrywide.
- v. Progress has also been made towards the creation of an enabling environment for the stock exchange to flourish. The Capital Markets Authority (CMA) has played a lead role in reviewing the CMA Act (Cap 84) to take into account developments since its enactment and to bring the legislation in line with international best practices. The revisions to the Act will make CMA compliant with the core principles of Securities Regulation prescribed by the International Organisation of Securities Commissions (IOSCO), a body that sets the international standards for the securities industry. This process laid the groundwork for the

automation of the securities exchange in Uganda, which is underway.

- vi. The CMA has carried out a self-assessment against the IOSCO principles for purposes of becoming a signatory to IOSCO Multilateral Memorandum of Understanding (MMoU) for co-operation and exchange of information.
- vii. The Securities Central Depositories (SCD) Act of 2009 has been enacted and became law on 20<sup>th</sup> February 2009. The SDC Act will facilitate the establishment, operation and regulation of securities central depositories. The Uganda Insurance Commission drafted amendments to the Insurance Act Cap 213, which provides for compliance with International Financial Reporting Standards (IFRS) and governance issues. The Amendment Bill has been submitted to the Ministry of Finance, Planning and Economic Development for certification and onward submission to Cabinet in June 2009.
- viii. The Ugandan Securities Exchange has re-launched its Alternative Investments Markets Segment aimed at high growth Small and Medium Enterprises and initiated a programme to identify and assist through training and capacity building Small and Medium Scale Enterprises for potential listing on this segment.
- ix. The Government also made progress in enhancing the capacity of regulatory, supervisory and enforcement bodies such as the National Environment Management Authority (NEMA) and the Uganda National Bureau of Standards (UNBS) to fulfil their respective mandates, especially in the areas of the environment and consumer protection. NEMA carried out sensitisation, education and awareness on environment management. It also carried out inspections and audits, where enforcement of compliance to environmental standards was undertaken. UNBS carried out sensitisation, education and awareness on standards, quality assurance, laboratory testing and metrology. It has developed guidelines and standards for Uganda titled: '*Guiding Policies and Principles for the Technical Work in the preparation of Uganda Standards*', which are supposed to be followed by all ministries, departments and agencies.
- x. Most of the institutions authorised to regulate entities or enforce standards under the various laws and regulations have been carrying out awareness programmes for the public and the business community. For example, UNBS and NEMA have been carrying out public awareness programmes in the print media as well as radio and television. The CMA has also been carrying out education programmes in schools and universities. Enterprise Uganda, the Institute of Corporate Governance of Uganda (ICGU) and the Institute of Chartered Secretaries and Administrators (ICSA) Uganda, have been involved in delivering training to the business community in corporate governance and business development skills.
- xi. In promoting an enabling environment and an effective regulatory framework for economic activities and business, 24 Bills have been fast-tracked by the Presidential Investment Roundtable and are at different stages of being enacted. Once enacted, these laws will greatly improve the business environment as well as Uganda's ranking in the World Bank Doing Business Report. By March 2009, the number of days for starting a business in Uganda had reduced from 28 working days in 2008 to 25 in 2009. The Competitiveness

and Investment Climate Strategy (CICS), which was formulated to monitor, coordinate and evaluate progress made in adoption of the identified priority laws for fast-tracking was also being implemented.

- xii. Significant progress has been registered in developing the stock exchange. Progress has also been achieved in increasing public awareness of the stock exchange. As part of the public education programme, the Capital Markets' Secondary Schools Challenge, which CMA initiated in 2003, continued in 2008/9.
- xiii. Progress has been achieved with regard to revitalising and strengthening the role of Uganda Development Bank. Government agreed to inject UGX20 billion in the Bank over the next five years. UGX5 billion was injected during the financial year 2008/09.
- xiv. A fully-fledged 'One-Stop Facility' continued operating at Uganda Investment Authority, and has been very useful in addressing investors' formalities. Officers from the Uganda Revenue Authority, Immigration Department and Uganda Registration Services Bureau are stationed at the facility.
- xv. Progress has been made in the restructuring of NAADS within the framework of the Plan for Modernisation of Agriculture (PMA) to support and strengthen the achievement of PFA objectives. The NAADS approach is focused on 'Strategic Enterprise Approach' to complement the farmer-driven participatory approach to enterprise development and the promotion of new technologies and the increase of farmers' access to information in order to transform Uganda's agricultural sector from mainly subsistence to market oriented farming.
- xvi. A number of business associations transited from the informal sector into fully registered companies and enabled businesses in the corporate sphere.

#### *Socio-Economic Development*

- i. Significant progress has been made to institutionalise within ministries, departments and agencies of the necessity for generation of gender disaggregated data and information. Several studies have been undertaken in the sectors to generate gender disaggregated data and information. Mechanisms have been devised for its use in informing the formulation, implementation and monitoring and evaluation of government programmes. Studies were undertaken to mainstream gender in key government policy frameworks such as the 2004 Poverty Eradication Action Plan; the PRDP for Northern Uganda; the KIDDP, PMA and NAADS.
- ii. The Ministry of Gender, Labour and Social Development (MGLSD), developed a gender policy as well as guidelines that have helped sectors to mainstream gender in their programmes, budgets and activities. The gender policy has also been reviewed to address the new changes in the policy reforms as well as challenges registered during the implementation of the APRM Programme of Action priority areas with specific focus on the Social Development Sector.
- iii. Some progress has been registered by government with regard to building capacity for institutionalising a culture of gender equity budgeting within the sectors, although there is

- a need to extend gender budgeting training to the local level. Civil Society Organisations have contributed significantly to achieving a strong national gender policy framework by generating information and advocating for more gender responsive legislation. Examples include: Advocacy around gender budgeting; the Land Act; electoral reforms; labour laws; the marriage and divorce laws; and continuing advocacy around the Domestic Relations Bill.
- iv. The capacity of the National Planning Authority (NPA) has been strengthened. Requisite staff have been recruited, and funding to the Authority increased. The NPA Board has also been revitalised. Progress has been achieved in strengthening the role of NPA in undertaking harmonised long-term development planning. The Uganda Law Reform Commission reviewed various legislations that inform the planning functions in government with a view to harmonising them. The legislation reviewed include: the 1995 Constitution of the Republic of Uganda; the NPA Act No. 15, 2002; the Local Governments Act, Cap 243; the Budget Act No. 6, 2001; and the Public Finance and Accountability Act, 2003. A Draft NPA Strategic Plan has been prepared to inform proposed restructuring of the Authority.
  - v. Government has also made progress with regard to increasing domestic revenue collection and administration during the year under review. The share of domestic resources generated in funding national development programmes grew from 64% in 2007/8 to 70% in 2008/9. Revenue collections in 2008/09 reached UGX. 3,698.6 billion, representing a 17.0% growth from 2007/08. Donor financing, provided as Budget support, reduced by UGX.70.4 billion (10%) to UGX.602.5 billion for FY2009/10. Similarly, project support is projected to decline by UGX.32 billion (2%) to UGX. 1,293.2 billion, which shows that Uganda's progress in revenue collection has steadily been on the rise.
  - vi. A new National Population Policy for Social Transformation and Sustainable Development (of 2008) has been developed. This policy has provided an opportunity for further consideration of the tenets of population and provisions to take account of the changing demographic, socio-economic and health environment and other emerging issues. The policy takes cognisance of new international and regional dispensations, agreements, conventions and covenants, which were not available at the time the original policy was adopted.
  - vii. The Education Act was enacted, making primary education universal and compulsory for all pupils aged six years and above. In several local governments, by-laws have been put in place to enforce compulsory primary education. Government has continued to construct new primary schools throughout the country to enhance access to primary education. Many of these schools received funds for procurement of furniture, equipment and instructional materials. The Ministry of Education and Sports has also introduced a double shift system in order to address the problem of student - teacher ratios.
  - viii. Uganda has made progress in construction of health facilities at sub-county level and improvement of facilities in health units throughout the country. The Health sector has continued to rehabilitate and improve health services across the country. Over the past year, government has invested in strengthening infrastructure across the country, including the rehabilitation of 10 Regional Referral hospitals, namely: Masaka, Lira, Soroti, Fort Portal, Jinja, Gulu, Hoima, Mbale, Mbarara, and Kabale.

- ix. Government has made proposals towards introducing alternative financing for enabling improved access to health care for the poor and the vulnerable and marginalised groups through the proposed National Health Insurance system. Ministry of Health (MoH) has finalised the drafting of the Uganda Social Health Insurance Bill. It will soon be tabled in Parliament for debate.
- x. The Tree Fund has been established as a means to promote tree planting in Uganda to ensure that fragile ecosystems like rivers, lakeshores and bare hills are protected. To ensure collective participation, national tree planting days are: 8th March (Women's Day); 21st March (World Forest Day); 1st May (Labour Day) and 12th August (Youth Day) every year. Through the Farm Income Enhancement and Forestry Conservation Project, Government is also planting trees in water catchment areas and degraded areas outside Central Forest Reserves. Government is also working with the private sector to plant trees, for example, through the Sawlog Project, among others.
- xi. Government has also invested significantly in the improvement of access to safe water sources. The %age of rural population with access to safe water in a reasonable range of 1km is estimated to have increased to 63% in the last year, while those within 1.5kms increased to 65%. While the urban water service coverage is currently at 77%, the household sanitation service coverage is estimated at 62%. Current rural water coverage is in line with the Millennium Development Goals.
- xii. Government has also made progress in increasing access to safe water in the urban areas. The construction of water works was completed in 17 towns including Yumbe, Soroti, Sironko, Kaberamaido, Iganga, Kigumba, Mityana, Mpigi, Nebbi, Pakwach, Apac, Ibanda, Natete, Rwerere, Kitwe, Rwentobo and Nyakagyeme. Piped water works were also completed in several Rural Growth Centres scattered all over the country.
- xiii. Progress has been achieved in enhancing urban water coverage by the National Water and Sewerage Corporation (NWSC). The Kampala to Entebbe water mains have been merged to cover the fast growing hinterland of the two urban centres. A total of 10,969 new water connections have been installed in other parts of the country as well as 166 new sewer connections. Furthermore, 52.7km of new mains have been laid while 0.42km new sewer extensions have been installed.
- xiv. Progress has also been made with regard to addressing youth unemployment and underemployment. The MGLSD created a programme for children and youth which is being piloted in 9 districts to build entrepreneurship skills and provide start up-funds for youth projects. The project is to be extended to cover about 40 districts.
- xv. The MGLSD continued facilitating the externalisation of labour services. Over 12,000 Ugandans got employment in Iraq, United Arab Emirates and Juba in Southern Sudan. The Ministry, through the Labour Market Information Project was also in the process of creating a Labour Market Information System.
- xvi. A draft Policy on Youth Employment was also in the offing for consideration and approval by Cabinet.

## CHALLENGES

### *Challenges associated with the implementation of the APRM Programme of Action*

#### **Principles, Codes and Standards**

- i. While many international codes and standards have been signed and ratified in the past, there were still some international standards and codes, instruments, protocols and conventions with a bearing on the protection and promotion of human rights that Uganda has not yet signed or ratified. These include: The Second Optional Protocol to the International Covenant on Civil and Political Rights (1989) abolishing the death penalty; the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (2002); the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (2003); African Union Non-Aggression and Common Defence Pact (2005). Others are the African Charter on Democracy, Elections and Governance (2007); Protocol of the Court of Justice of the African Union (2003); and African Union Convention for the Elimination of Mercenaries in Africa (1977).
- ii. Many of the international conventions, codes and standards that have been signed, ratified, domesticated and implemented have not been systematically disseminated to state and non-state stakeholders. Government has encountered challenges in awareness creation and popularisation of conventions, standards and codes.
- iii. After the conventions, codes and standards have been ratified, their dissemination and implementation is usually left to responsible parent ministries. To implement and initiate a process of integrating international conventions, standards and codes into policy legislation or specific actions, there have been calls for the Legal Division in the Department of Multilateral Organisations and Treaties in MoFA to be upgraded to a department. Guidelines are yet to be formulated for easy implementation of these conventions.
- iv. Government has made progress towards the domestication and adoption of International Labour Organisation (ILO) conventions, codes and standards. However, there have been challenges faced by the Ministry of Gender, Labour and Social Development in translating them into simple language for the ordinary person to comprehend.
- v. An inter-ministerial committee to work with the MoFA to monitor and ensure compliance has also not yet been set up. There have been delays in the recruitment of Desk Officers in all the relevant ministries, who will liaise with the lead agency to monitor and ensure compliance to standards and codes. Although there were seven major international codes and standards, which have been identified for domestication, government has made limited progress in this regard.

#### **Democracy and Political Governance**

- i. Although Government, in collaboration with its neighbours, has made significant efforts to re-demarcate the international borders, the process needs to bring on board regional and international commitment to enhance its credibility and for future reference in case of any



disagreements. There is no regional or Africa-wide institutional arrangement that is working with the border verification team.

- ii. 3.1.2 There have been challenges associated with the recruitment and retention of trained staff by ministries, departments and agencies responsible for implementation of the APRM priority actions, e.g. the Ministry of Energy and Mineral Development; Uganda Revenue Authority (URA); the Inspectorate of Government (IG); and the Legal Department of the MoFA.
- iii. 3.1.3 There is no mechanism yet to regulate intra as well as inter-party relations, discipline and conduct. The draft Code of Conduct for political parties is yet to be formulated. The Inter-Party platform provided for in the 1995 Constitution has not yet been established.
- iv. 3.1.4 There are several Programme of Action priority areas across all the four thematic areas that necessitated wide stakeholder consultations as well as dissemination to generate the required consensus and necessary buy-ins at different levels, such as the Amendment to the Land Act and the formulation of the National Land Policy, among others. There are currently no institutional mechanisms for providing the necessary space for consensus building on different policy matters as well as political issues, especially in the context of the nascent multi-party democracy. There are challenges with the flow of information that is necessary to facilitate the implementation of formulated policies.
- v. The APRM POA called for the review of the current First-Past-the-Post electoral model with a view to injecting the element of proportionality. There have been no consultations undertaken to review the current First-Past-the-Post electoral model.
- vi. Even when the social, economic and political rights are known, many of the stakeholders did not know how to achieve these rights. There has not been continuous, systematic public sensitisation undertaken nor has adequate support been provided to enable the full enjoyment of universally recognised freedoms and liberties by all citizens. Even when an enabling legal and policy environment is in place, significant challenges remain in realising universal human rights and freedoms, especially for children who continue to suffer heinous crimes. There are several laws for protection of the rights of children. However, there are widespread cases of violations of their rights, for example in form of child sacrifice, child labour and trafficking in children.
- vii. The APRM POA also called upon Government to develop a comprehensive Civic Education programme. The Africa Peer Review Panel of Eminent Persons recommended that Government conducts continuous and systematic civic education programmes to enhance the citizens' knowledge about their rights and empower them to hold both state and non-state actors accountable for actions that violate their rights. Among others, civic education is being conducted by the Uganda Human Rights Commission and the Judicial Service Commission. The Ministry of Information and National Guidance needs to take on its coordinating role in order to build a comprehensive national civic education programme.
- viii. While an Equal Opportunities Commission Act has been enacted, the Commission is yet to be fully operational.

## **Economic Governance and Management**

- i. The main challenge under the Economic Governance and Management thematic area has been the slow progress the country is making in transforming the structure of the economy, despite the high economic growth rates. Industry has not grown as fast, and as high as had been anticipated. Agriculture has not modernised quickly, and agricultural incomes have not grown as much as had been anticipated, thereby stifling the growth of markets for outputs from industries. Similarly, employment in industry and services as well as rural non-farm enterprises has also not expanded as much as had been anticipated.**
- ii. There have been challenges in building capacity within local governments to plan, finance and manage the delivery of services they are responsible for. This has led to calls for the review of the operationalisation of certain aspects of decentralisation, as local councils have become heavily dependent on central government grants. This has resulted in the disappearance of their relative administrative, political and financial autonomy. Government has already re-centralised the recruitment and appointment of the Chief Administrative Officers (CAOs), to address inherent weaknesses and contradictions that have emerged in decentralised governance.**
- iii. Whereas the legal, policy and administrative frameworks for public participation in monitoring and implementation of policies, plans and, programmes has been developed, implementation of programmes within the frameworks for increasing public participation continues to pose challenges especially for local level engagements.**
- iv. Despite government efforts to mobilise and empower communities to enable their enhanced participation and ownership of development programmes, the extent of ownership for effective economic governance and management at Local Government level is still weak. Government was facing several challenges in garnering ownership of plans and programmes at Local Government levels.**
- v. There have been challenges with regard to capacity of both local and central governments to plan and budget for, as well as manage and absorb public finances.**
- vi. The social, economic, political and other implications to the existing policy and legislative frameworks for deepening fiscal decentralisation is yet to be analysed in the context of the expansion of decentralised administrative structures. While the Country Review Report advised against the creation of more districts in Uganda to forestall growing public administration expenditure, there are new District Council resolutions, requesting Government to create 14 new districts in the next two financial years. The creation of administrative units brings services nearer to the people, increases downward accountability and enhances democratic governance. However, there are also challenges, with the major one being the need to balance the rising cost of Public Administration and effective delivery of services. There is need for Cabinet to carefully analyse the demand for the creation of new districts to assess their viability versus the need to bring services closer to the people.**
- vii. The implementation of the PFA Programme was officially launched on 8 October 2007. An *ex-ante* economic analysis of the feasibility of loans accessed through Savings and Credit**

Cooperatives and MFIs in the PFA Programme has not been conducted. There is need to effectively communicate the institutional arrangements for delivery and access to the PFA resources.

- viii. Despite the existence of a draft National Media and Communication strategy designed specifically to enhance the communication and dissemination to the public of major government policies and programmes, there are still challenges of communicating government policies and programmes to the public beyond Kampala city.
- ix. There is anxiety over the management of oil revenues. This is exacerbated by limited government structured knowledge and institutionalised fora for nation-wide public awareness and engagement in the debate on proposed legislation on Oil and Gas. A concrete strategy for continuous communication and information dissemination on the Oil and Gas policy as well as the proposed legislation is yet to be put in place.

### **Corporate Governance**

- i. Although there is increasing awareness about Corporate Governance, there are challenges faced in entrenching corporate governance practices in Uganda's corporate spheres.
- ii. Limited progress has been made in decentralising and automating of the companies' registry and storage system for company trademarks. As a result, the backlog in company registration has not been cleared. This process has been held back largely by the absence of counterpart funding from the Ministry of Finance, Planning and Economic Development. The operationalisation of the Centre for Arbitration and Dispute Resolution (CADER) was also waiting for counterpart funding from Ministry of Finance, Planning and Economic Development.
- iii. Government has provided inadequate incentives for small businesses to become formal enterprises. The funding made available for supporting training programmes for Small and Medium Enterprises (SMEs) in good economic governance and management principles, standards and codes, is also inadequate. There have been challenges in making funding available to the private sector to develop simplified corporate governance guidelines and simplified accounting standards for SMEs and informal sector businesses. As a result, the mainstreaming of good corporate governance principles has been undermined. This has consequently constrained efforts by government to increase domestic fiscal resources generated from the SMEs operating in the informal sector.
- iv. Most of the implementing agencies for APRM Programme of Action priorities under corporate governance thematic area are non-state. There are currently no mechanisms through which requests for funding can be channelled. There is also no state mechanism for coordinating priority corporate governance issues implemented by the private sector agencies.
- v. While an extensive policy and legal framework for regulating SACCOs and other non-deposit taking micro-finance institutions is in the offing, challenges are being encountered in enabling uninhibited access to credit like the high cost of the credit.

## **Socio-economic Development**

- i. Although there is remarkable progress in generating and management of gender disaggregated data and information, its use in planning and budget allocations at the centre and at Local Government levels is still inadequate.
- ii. While significant progress has been achieved with regard to ensuring universal and compulsory primary education through UPE, challenges have been encountered in ensuring quality of education. The quality of primary education is affected by a combination of factors such as: Absence of regular inspection; inadequate instructional materials; automatic promotion of pupils; high levels of absenteeism by teachers due to indiscipline; poor terms and conditions of service, among others.
- iii. Primary level completion rates have remained low. It is worse among girls due to among others, poor sanitation in schools, early marriages and the widespread preference for educating boys at the expense of girls. Completion rates were at 30% when APRM Country Self-Assessment process started in 2007 and had dropped to 25% in 2008.
- iv. The provision of basic health services is affected by absenteeism by staff and service providers, as well as poor terms and conditions of service which lead to low motivation of medical staff.
- v. The delivery of basic social services at Local Government levels is being impeded by inadequate capacity for the smooth and effective implementation of government programmes especially at sub-county level.
- vi. The MGLSD is currently the most congested of all the ministries in Uganda. It has different groups that are considered marginalised such as workers, youth, women, people with disabilities and the elderly. Yet the ministry receives very limited funding from the Ministry of Finance, Planning and Economic Development. When funding is disbursed, internal prioritisation in the Ministry leaves out some sectors.
- vii. There is a challenge of educating the population about their rights and obligations under existing labour legislations especially where workers are not formally organised into trade unions.
- viii. While the capacity of NPA has been strengthened, sufficient consensus needs to be generated to clarify further not only its Constitutional mandate vis-à-vis the Ministry of Finance, Planning and Economic Development, but also its location under the Finance Ministry. There are proposals to locate the Authority either in the President's Office or the Office of the Prime Minister.
- ix. While Government is making an effort to create opportunities for young people to find jobs, youth underemployment and unemployment continues to be a growing crisis for the country. The rate of job creation is not commensurate with the high rate of growth of the workforce. The Labour Market Conditions Report released by Uganda Bureau of Statistics (UBOS) in May 2009 showed that while 400,000 Ugandans, including 20,000 University graduates join the workforce yearly, only 18,000 jobs are created. The high unemployment

rates of especially the youth threaten Uganda's future economic development and security.

### *Challenges associated with the Programme of Action Progress implementation review process*

- i. Uganda was successfully peer-reviewed on 29th June 2008. The final Country Review Report was delivered to Uganda in February 2009, and the National Governing Council (NGC) was constituted in March 2009. The late release of the Country Review Report affected the capacity of NGC to monitor the implementation of the national Programme of Action. The delays in constituting and operationalising the NGC affected its ability to produce the first half yearly report on the implementation of the Programme of Action for submission to the Africa Peer Review Panel of Eminent Persons on schedule. It also subsequently affected the start of the annual review of implementation of the First Year Programme of Action priority actions.
- ii. The NGC has not been able to inform ministries, departments and agencies and other implementing agencies on the Programme of Action priority actions they are responsible for. The procurement of consultants for the annual progress review was delayed, which further affected the ability of the NGC to undertake nation-wide as well as regional consultations for validation of findings of the annual progress review.
- iii. There have been constraints associated with the inability of the NGC to have effective engagement with the Executive on the implementation of the Programme of Action (POA).
- iv. There are no mechanisms for non-state institutions that had lead roles in implementation of priority actions for accessing funding for implementation of POA actions.

## **RECOMMENDATIONS AND WAY FORWARD**

### *Principles, Codes and Standards*

- i. There are different processes of ratification of treaties which are embodied in the Ratification of Treaties Act. Once the compilation of treaties by Ministry of Foreign Affairs (MoFA) is completed, a process of ratification needs to be expedited, especially those that require only cabinet decisions. For those that require parliamentary approval, a plan for their approval process needs to be developed. Actions should also be initiated for those that require the MoFA to deposit the ratification instruments in order to domesticate them.
- ii. The restructuring of the Department of Multilateral Organisations and Treaties in MoFA needs to be expedited so as to quickly establish the Legal Department and build its capacity. This will enable it to effectively oversee the implementation of international conventions and initiate a process of integrating them into policy legislation or specific actions with guidelines put in place for easy implementation.
- iii. There is a need for the Government media to have a special programme on a particular day to popularise signed and ratified international conventions, treaties and agreements, as well as principles, standards and codes. They should also be translated into different local languages. This will enhance the creation of awareness to whoever is concerned.

### *Democracy and Political Governance*

- i. In order to consolidate the good relations with her neighbours, Uganda needs to continue with the survey of all the border points and have pillars and beacons installed. Efforts should be made to enlist the support of the African Union as well as the international community for future reference.
- ii. Parliament should be facilitated to support the development a code of conduct for political parties and establishment of an Inter-Party platform provided for in the 1995 Constitution to regulate intra as well as inter-party relations.
- iii. The revision of the laws for protecting the rights of children should be expedited (e.g. the process of reviewing the Children's Act to address the identified gaps in addressing children's rights). For those that have been revised, efforts should be geared at enhancing their implementation (e.g. the Trafficking in Persons Statute which was recently passed by Parliament). Efforts by Government to create awareness through sensitisation of the Public on child rights through special days like the Day of the African Child, the World day against child labour should be increased since such days provide an important avenue for promoting child rights. The media should continue to be facilitated to play a significant role in the awareness campaign.
- iv. The reference to enhancing citizens knowledge about their rights, freedoms and liberties needs to be re-enforced by ensuring that the citizens are sensitised about their duties and obligations as well as.
- v. There is need for Government to strengthen the linkages between the Uganda Human Rights Commission, which was mandated by law to conduct civic education, with the Ministry of Information and National Guidance.
- vi. Government should expedite the operationalisation of the Equal Opportunities Commission. Adequate resources should also be made available to operationalise it.

### *Economic Governance and Management*

- i. Access to information on government programmes is a fundamental pre-requisite for enhancing economic good governance and management. Opportunities for corruption and mismanagement or anxiety are usually rooted in the absence of avenues for accessing information. The government needs to improve on dissemination of key information on government policies and programmes to the citizens and stakeholders.
- ii. The capacity of both local and central governments to plan and budget for, as well as manage and absorb public finances needs to be strengthened through a deliberate government-initiated human resource training programme.
- iii. Local governments should be encouraged to take advantage of the constitutional provision (in article 199), for the secondment of staff from the centre to Local Governments to address their medium-term manpower constraints.
- iv. Government should expedite the enactment of the legislation on the National Oil and Gas.

This would lessen the anxiety surrounding the future management of the revenues therefrom and also provide the basis for joining the Extractive Industries Transparency Initiative as recommended by the Country Review Report.

- v. An evaluation of the outcomes and impact of the PFA Programme after five years of implementation should be included in subsequent planning reviews of the programme to making it possible for lessons to be drawn for the future.
- vi. Government should support the private sector and especially the SMEs in each district to establish strategic enterprises in every district, as part of the implementation of the PFA programme. This would enhance rural enterprise, create rural employment and increase household incomes, which would widen the local government tax base. This mandate should be given to the Uganda Development Corporation.
- vii. Inter-ministerial/department/agency linkages should be strengthened especially where government policy programmes require the input of different ministries, departments and agencies for meaningful outcomes and impacts to be realised.

#### *Corporate Governance*

- i. Due to the infancy of the Corporate Governance field in Uganda, significant support needs to be provided in the area of targeted training for businesses and individuals (both in the formal and informal sectors) on how to translate the concepts, specifically of corporate governance into practice.
- ii. Many of the interventions under the APRM POA within the corporate governance thematic area are being carried out by non-state organisations. The Ministry of Finance, Planning and Economic Development should develop a mechanism to coordinate applications by these organisations for funding from development partners. The proposed mechanism should have its home in the Ministry of Tourism, Trade and Industry.
- iii. A sudden transformation of small enterprises into formal enterprises may not be feasible given their nature. A systematic approach involving stakeholders such as the Ministry of Tourism, Trade and Industry, MGLSD, Small Scale Industries Association, the Private Sector Foundation Uganda and the Federation of Uganda Employers should be worked out to help the informal sector gradually become formal.
- iv. The process of establishing an authority to regulate public pensions, which is being handled by the Ministry of Public Service, should be expedited.
- v. Government should design a programme for public education and sensitisation on rights and obligations in the area of labour rights derived from international codes and standards that have been signed, ratified, domesticated and implemented.
- vi. Government should expedite the enactment of laws to regulate non-deposit taking micro-finance institutions such as the SACCOs.
- vii. The enactment of the Counterfeit Goods Bill 2008 should be expedited to enable UNBS fully carry out its role in enforcing standards.

- viii. For sustainable economic development, the Government of Uganda needs to encourage more businesses to move from the informal to the formal sector to ensure that the businesses themselves are sustainable, can generate sufficient income to support those involved in them and can pay taxes to assist in the development of the economy as a whole.
- ix. Support should be provided to create an efficient capital market to enable businesses access capital needed for growth and to attract investment.
- x. Government should carefully study proposals being made for the liberalisation of the pensions sector to draw lessons from other countries that liberalised it. The appointment of a Regulator for the pension sector should be expedited to encourage long-term savings among the Ugandan population.
- xi. The establishment of a regulator for public pensions was already being handled by the Ministry of Public Service. The enactment of the Ugandan Retirements Benefits Bill should be expedited so that an independent Pensions' Regulator can be appointed as soon as possible.

#### *Socio-Economic Development*

- i. Government should promote and support the implementation of Gender Budgeting by all ministries, departments and agencies
- ii. Cabinet should review the location of the NPA as well as strengthen the capacity of its staff to handle their functions effectively.
- iii. Government should investigate widespread concerns regarding the poor performance by the staff and service providers in the education and health sectors. The underlying causes of absenteeism and absconding should be thoroughly investigated.
- iv. Government should review the current ceiling on recruitment of primary school teachers and provide more resources for the construction of classrooms to reduce congestion and provide where they are lacking.
- v. Government should devise mechanisms for incentives to enhance the motivation of staff and service providers in the education and health sectors in order to ensure retention of those trained and improve quality of service delivery in the two sectors. In the education sector, incentives should also target luring teachers to the hard-to-live-in and the hard-to-reach areas.
- vi. Government policy on the retention in school of the girl child as stipulated in the Education Act of 2008 should be strictly enforced, through for example, instituting punitive measures against parents who marry off children below 18 years of age, and the men who marry them.
- vii. Government should, in collaboration with stakeholders, put in place mechanisms to address challenges of sexual violence including sexual harassment faced by girls in the school systems at UPE and USE levels. The Ministries of Education and Sports; Gender, Labour and Social Development; and Justice and Constitutional Affairs should put in place a law and policy on sexual harassment with punitive and compensatory measures that all schools



must adhere to. Implementation of the policy should also be linked to the existing policy and regulatory framework on sexual offences.

- viii. Government should expedite the Ratification of the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (The Maputo Protocol).
- ix. Government should ensure that the broader Rural Development Strategy does not dilute mandates of, and priorities already identified by, constituent sectors such as agriculture, transport, energy, education, health, trade and commerce, community development, etc. The Rural Development strategy should be used to promote coherence in sector strategies, synergy between sectors and rationalisation of resource allocation but implementation responsibility should remain with individual sectors working in rural development.
- x. In the implementation of the National Population Policy, government should set up frameworks to address the issues of teenage pregnancy and empowering women through affirmative action in education to enable girls remain in school longer beyond secondary and vocational levels. Government should also invest in the area of reproductive health.
- xi. Government should consider carefully the need to decongest the MGLSD taking into account the increased costs of public administration. In the meantime, Government could consider increasing the budget allocation to the ministry to enable it perform its functions.

# **CHAPTER ONE: OVERALL ASSESSMENT OF THE IMPLEMENTATION OF THE POA**

## **1.0 INTRODUCTION**

The Africa Peer Review Mechanism (APRM) is one of the hallmarks of the New Partnership for Africa's Development (NEPAD), a strategic framework for Africa's renewal. NEPAD was designed to address the current challenges facing the African continent, including: high poverty levels, under-development and continued marginalisation of Africa. The APRM is a flagship instrument for enhancing governance, which was voluntarily agreed to by the Member States of the African Union as an African self-monitoring mechanism. Uganda was one of the pioneer countries that acceded to the APRM at its inception in March 2003, following the 6<sup>th</sup> Summit of the Africa Union (AU) held in Abuja, Nigeria.

The mandate of the APRM is to ensure that policies and practices of participating states conform to the agreed political, economic and corporate governance values, principles, codes and standards in four thematic areas: (1) Democracy and Political Governance; (2) Economic Governance and Management; (3) Corporate Governance, and (4) Socio-economic Development. These are elaborated in the NEPAD Declaration of Democracy, Economic and Corporate Governance. The APRM is intended to deepen democratic practices, strengthen achievement, disseminate best practices, and rectify underlying deficiencies in governance and socio-economic development processes among AU member states.

The National Planning Authority (NPA), established by an Act of Parliament (Act No. 15 of 2002), in compliance with the provisions of Article 125 of the Constitution of the Republic of Uganda (1995), was in 2004 designated as the coordinating secretariat or National Focal Point for NEPAD/APRM in Uganda. The implementation of the APRM mechanism in Uganda began with the APRM MoU on the technical assessment and Country review which was signed in February 2005 between H.E. President Yoweri Kaguta Museveni and the Africa Peer Review Panel of Eminent Persons. The APRM Country Self Assessment Process was launched on 19 February 2007.

The Country Self-Assessment was conducted using a comprehensive approach, including a desk research, 200 expert panel interviews, 98 focus group discussions, and a national sample survey involving 1,588 households. In addition, wide-ranging consultations were carried out in all regions of Uganda, involving among other things, public hearings and submissions of memoranda from various interest groups for the validation of the Country Self-Assessment Report (CSAR). This led to the CSAR with a total of 307 recommendations addressing the gaps identified, on the basis of which the Draft APRM national Programme of Action of December 2007 was developed. It comprised prioritised actions based on some 200 selected recommendations, to avoid the national POA from being an overtly ambitious plan. The selected prioritised actions were adopted and costed for implementation in the first three years from 2008/2009 to 2010/2011.

The Draft CSAR and a draft POA were submitted in December 2007, leading to a Country Review Mission (CRM) for an external self-assessment of the CSAR, which was undertaken in February 2008 by a 14 member team representing 12 AU member states. The CRM team conducted wide consultations with stakeholders in Uganda, including the ministries, departments and agencies (MDAs) in the thematic clusters, and visited four regions to meet representatives of 81 districts and hold interactive sessions with them. The Panel of Africa Peer Review Eminent Persons CRM team that reviewed the Uganda APRM CSAR made an additional 156 recommendations, bringing the total to 463. The Government of Uganda formally made their response to the report of the APRM Country Review in their April 2008 response report. The draft APRM POA was revised to reflect the recommendations of the Uganda APRM CRM. This culminated in the Uganda APRM Country Review Report (CRR) Number 7 of January 2009, and the revised APRM 3-year USD4.9 billion national POA for the period 2008/2009 to 2010/2011.

The primary purpose of the POA was to guide and mobilise the country's efforts in implementing the necessary changes to improve its state of governance and socio-economic development. It was the key input delivered by the country into the peer review, and it, therefore, served to present and clarify the country's priorities. The POA was integrated in the national planning process, as required by the APRM Guidelines. The POA also informed the Good Governance Thematic Paper for the National Development Plan (NDP), in which government recognises good governance as one of the foundations for growth, employment and prosperity.

On the 29<sup>th</sup> June 2008, during the 9<sup>th</sup> Summit of the African Union Heads of State and Government, held at Sharm El Shiekh, Egypt and on the basis of the APRM CRR, Uganda was peer reviewed by an APRM Forum of participating Heads of State and Government. President Museveni made commitments to his peers to ensure the implementation of the POA. During the Sharm El Shiekh June 2008 peer review, H.E. President Museveni reiterated government's ownership of the three-year Uganda APRM POA and its implementation through the annual National Budget, with effect from 1<sup>st</sup> July 2008. Of the total cost of the three-year POA of USD 4.9 billion, Government of Uganda provided about USD 1 billion in the 2008/09 National Budget to initiate the implementation of the POA priority actions in year (Y)1. In accordance with the APRM Guidelines, H.E. President Museveni will present an annual Progress Report on the First Year of implementation of the POA to his peers on 30<sup>th</sup> June 2009.

This report is a presentation by the Uganda APRM National National Governing Council (NGC) of an analysis of the progress that Uganda made in the implementation of the priority actions of the national POA between 1<sup>st</sup> July 2008 and 30<sup>th</sup> June 2009.

# 1.1 INSTITUTIONAL ARRANGEMENT FOR IMPLEMENTATION OF THE POA

## 1.1.1 Mainstreaming of the POA into the National Planning Process

A working session to build consensus on strategies for integrating the POA into the NDP was organised by the National Planning Authority from 16<sup>th</sup> -17<sup>th</sup> September 2008. NPA also organised a two-day workshop that brought together some 100 key players drawn from all the relevant sectors, held from 1<sup>st</sup> - 2<sup>nd</sup> December 2008. With leadership from the NPA, the POA was integrated into the national planning processes, as required by the APRM Guidelines. The POA has informed the NDP Good Governance Thematic Paper and good governance shall be one of the foundations for growth, employment and prosperity during the NDP period. The POA was integrated in the National Budget 2008/9 to the tune of USD 1 billion. POA priority actions were funded through the annual budgets of MDAs under the Medium-Term Expenditure Framework.

The prioritised actions of the POA were costed in consultation with technical planning staff from the respective MDAs. The cost for implementation of the POA in the first three years was USD 4,857,102,574, broken down per thematic area as follows:

• Democracy and Political Governance	USD 107,930,205
• Economic Governance and Management	USD 389,506,686
• Corporate Governance	USD 107,930,205
• Socio-Economic Development	USD 4,035,295,788

During FY 2008/09, the Government earmarked UGX. 2,833.55 billion for implementation of the national APRM POA, slightly above the UGX. 2,391 billion that was planned. These funds were disbursed as follows:

1. The Democracy and Political Governance thematic area received UGX 942 billion, for the implementation of the Peace, Recovery and Development Programme (PRDP), strengthening the Judiciary and the Inspectorate of Government (IG) and implementing the policy of affirmative action. UGX. 280 billion was approved for the Justice/Law and Order Sector for strengthening the Judiciary and overall rule of law. In implementing the policy for affirmative action, the following allocations have been made: (i) UGX. 3.1 billion was allocated to addressing issues of vulnerable groups including; youth, women, and children with disabilities in the MGLSD; (ii) UGX. 417.03 billion was allocated to Universal Primary Education (UPE) Grants to Districts; and (iii) UGX. 165.80 billion allocated to secondary education specially focusing on Universal Secondary Education (USE).
2. The Economic Governance and Management thematic area received UGX. 1,307 billion for enhancing productivity in agriculture, industry and infrastructure (including roads and energy). A total of UGX. 223.22 billion was allocated to MDAs in agriculture while UGX. 1,083.73 billion was allocated to the works and transport sector.
3. The Corporate Governance thematic area received UGX. 13.3 billion for strengthening the

National Environment Management Authority (NEMA) and the Uganda National Bureau of Standards (UNBS). As planned in the POA, UGX. 5.45 billion was allocated to NEMA while UGX. 7.83 billion was allocated to UNBS.

4. The Socio-Economic Development thematic area received UGX. 129.1 billion to ensure recruitment and retention of qualified health workers and appropriate equipment in Health Centre II-IV. UGX. Another 129.08 billion was allocated for ensuring qualified health workers and equipping health centre II – IV. In addition, a total of UGX. 72.12 billion was allocated to District hospitals and non-governmental organisation (NGO) hospitals while UGX. 364.11 billion was allocated to general health.

### ***1.1.2 The National Governing Council***

The Uganda APRM NGC succeeded the Uganda APRM National Commission, which spearheaded the Country Self-Assessment process. The APRM National Focal Point who is the Minister of State for Finance, Planning and Economic Development in charge of Planning appointed the NGC in March 2008. The NGC is comprised of the following: Bishop Zac Niringiye (Chairperson); Solome N. Kimbugwe (Vice Chairperson); Richard Ssewakiryanga; Aliro Omara; Japheth Katto; Abas Agaba; Hon. Abia Christine; Ambassador Rosette Nyirinkindi-Katungye; Max Ochai; Hon. Tress Bucyanayandi; Deo Nkuzingoma; Dr. Sarah Ssewanyana; and Hon. Mike Sebalu. As part of its mandate, to provide leadership and policy direction to the monitoring and implementation of the three-year Uganda APRM POA, the NGC spearheaded the review of the implementation activities by MDAs in Y1. This provided a basis for producing this first Annual Progress report that was submitted to H.E. President Museveni.

In reviewing the implementation of the APRM national POA between 1<sup>st</sup> July 2008 and 30<sup>th</sup> June 2009, the NGC recruited (in April 2009) four Resident Consultants for each APRM thematic area and a Lead Consultant (in May 2009) to support the Council in integrating POA in the National Development Plan and in monitoring the implementation of the POA for FY 2008/9. The four Resident Consultants were: Dr. Robert Esuruku Senath (Democracy and Political Governance); Paul Shem Kabasa (Economic Governance and Management); Alison Dillon Kibirige (Corporate Governance); Elizabeth Eilor (Socio-Economic Development); and Frank Emmanuel Muhereza, as the Lead Consultant.

In addition to the tracking of the implementation of the POA action within MDAs and other implementing agencies, the NGC also tracked how much public resources were allocated to finance the implementation of the POA activities in 2008/9 Fiscal Year and over the medium-term. A Financial Consultant (Robert Enyimu) was recruited in May 2009.

To progressively monitor the work of the Resident Consultant, and provide quality Assurance, the NGC constituted itself into sub-committees around each of the four thematic areas. These four GC thematic sub-committees worked closely with the five consultants who were involved in the APRM Annual Progress Review process.

Each Resident Consultant produced a thematic report detailing progress made within the year under review. The Financial Consultant produced a report tracking public expenditure on POA priority actions. The Lead Consultant, apart from developing a methodology for guiding the Resident Consultants on collection and analysis of data and information of progress achieved, also produced a consolidated report for the NGC on the annual progress made in the implementation of the POA, which was presented to stakeholders for validation and subsequently to H.E. President Museveni for presentation to his peers at the APR Forum.

### ***1.1.3 Reviewing the progress made in the implementation of the POA***

After Uganda was successfully Peer Reviewed on 29<sup>th</sup> June 2008, making it the 7<sup>th</sup> Country to be peer reviewed under the APRM, a NGC was constituted, which set about monitoring the implementation of the APRM POA. Much of the analysis of progress is on activities whose implementation was planned for Y1. There were several POA actions whose implementation was spread over the entire three-year period. For some POA actions, implementation was intended to begin in Y2 and others in Y3. In capturing the implementation progress in Y1, efforts were made, to as far as possible, capture the implementation of those activities (whether Y2 or Y3) where progress will have commenced in Y1. Some of the actions planned for Y2 and Y3 were at their nascent stages of implementation and not much progress should be expected.

The APRM NGCI, in collaboration with the MFPED and the Resident Consultants identified the various agencies that were responsible for the implementation of the funded priority actions of the POA. Some of the POA priority actions were implemented by MDAs, while others were implemented by the private sector and non-governmental organisations. The POA priority activities incorporated under programmes and projects implemented by Government MDAs were identified and the progress in implementation of these activities was derived from performance reports and budget framework papers as well as ministerial policy statements.

## **1.2 METHODOLOGY FOR ANNUAL PROGRESS REVIEW**

### ***1.2.1 APRM Principles and Guidelines adopted***

The mandate of the APRM is to ensure that policies and practices of participating states conform to agreed political, economic and corporate governance values, principles, codes and standards contained in the Declaration of Democracy, Economic and Corporate Governance. In undertaking the annual review process, the NGC ensured adherence to the following key principles of APRM: national ownership and leadership; inclusiveness and broad-based participation; accountability; technical competence; credibility; and freedom from manipulation. To ensure that these principles are applied in practice, rules and procedures were developed to guide stakeholders in conducting review processes, including the APRM base documents (the guidelines for countries to prepare for and participate in the APRM, also known as the country guidelines) and the standard questionnaire for APRM assessment.

## **1.2.2 Data collection and analysis**

### **Secondary data**

Secondary data was derived from published and unpublished documents which included sectoral policy documents; relevant laws; national budget framework papers; national budget statements; extracts from Cabinet memos; Ministerial Policy Statements; Sectoral budget performance reports and sectoral annual performance review reports and programme documents. Budgetary allocations to the relevant votes and vote functions under the respective sectors within the national budget and Medium Term Expenditure Framework were also identified and analysed. As far as was possible, the indicative expenditures to POA priority actions were identified.

### **Primary data**

Primary data was collected from key informant interviews and consultations with various stakeholders from the implementing agencies (Government MDAs).

### **Financial analysis**

A financial consultant analysed the allocation of funds for POA priority actions to establish the amount of financial resources that the Central Government, MDAs and the Local Governments, particularly the districts, municipalities and city council were allocated for the implementation of the Uganda APRM POA in 2008/09 fiscal year. The consultant also identified all activities in the Uganda APRM POA to which public resources were not allocated in 2008/09 fiscal year and over the medium-term; and also estimated the cost of the unfunded priorities in the Uganda APRM POA over the period 2008/09 to 2010/11 fiscal years.

## **1.2.3 Validation processes**

This First Annual APRM POA Progress Review Report has been reviewed by Cabinet. It has also been presented to a national stakeholders' workshop for validation. The national workshop was attended by stakeholders who were consulted during the validation of the CSAR.



Also in attendance during the validation workshop were key informants from MDAs and other POA implementing agencies in the private sector who were interviewed during the assessment of progress made in the implementation of the POA.

*From Left to Right: Dr. Abel Rwandeire (Deputy Chairperson, NPA), Hon. Daudi Migereko (NRM Chief Whip), Mr. Aliro Omara (NGC Member), Hon. Ephraim Kamuntu (State Minister for Finance, Planning & Economic Development and APRM Focal Point) and Bishop Zac Niringiye (Chairperson, NGC)*





# **CHAPTER TWO: DEMOCRACY AND POLITICAL GOVERNANCE**

This chapter assesses the progress that was made in implementing the national Programme of Action (POA) priority actions under the Democracy and Political Governance thematic area. Focus in this thematic area was mainly on institutionalisation of constitutional democracy and promotion of good political governance.

## **2.1 PRINCIPLES, CODES AND STANDARDS**

### **Ratification of principles, codes and standards**

The POA called for the signing, ratification, accession to, domestication and popularisation of democratic principles, codes and standards. While the CRM found that the government of Uganda had adopted and ratified most of the relevant international and African codes and standards required by the APRM, it also observed that there were still a number of important instruments with a bearing on the protection and promotion of human rights that had not yet been signed or ratified. The APR Panel recommended that Uganda should undertake a comprehensive review of standards and codes identified for ratification and implementation. The country should also create an easily accessible database of signed, ratified or domesticated standards and codes with a view to their monitoring.

An inventory of all treaties Uganda has signed, ratified and acceded to has been prepared by the Ministry of Foreign Affairs (MoFA). The inventory showed the stages at which each of code and standard was in terms of ratification, accession, domestication and popularisation.

### **Domestication of the relevant Codes and Standards**

In the POA, Uganda was required to domesticate and popularise democratic principles, codes and standards that government had signed, ratified and acceded to. Uganda already has in place a Ratification of Treaties Act, No. 5 of 1998 (Cap. 207), which stipulates the procedures to be followed for signing and ratifying treaties. A number of treaties and protocols have been domesticated. There has been progress made with regards to the creation of an accessible database of signed, ratified, or domesticated standards and codes. The MoFA on 18<sup>th</sup> June 2009 presented to Parliament a compendium of all Protocols and Treaties indicating the dates when they were entered into, signed, ratified, acceded to and succeeded. This is part of a process of laying in the public domain protocols conventions and treaties that Uganda has signed and ratified. Many of them have not been systematically disseminated to state and non-state stakeholders. Many Ugandans were still unaware of many of the conventions that had been ratified or adopted since they had not been widely publicised to all stakeholders at all levels. Some of the ratified codes and standards have not been translated into policy, legislation or specific actions. To implement the remaining codes/standards, the MoFA has written a proposal to UNDP for funding to set up a depository for the codes and standards the country has signed, ratified and domesticated.

### **Codification of African values by the African Union:**

The POA called upon the government of Uganda to undertake a study to identify African values to be codified by the African Union. Due to inadequate resources and lack of capacity in MoFA during Y1, this study to identify the African values is expected to commence in Y2, when a draft convention will be prepared for submission to the African Union summit.

### **Strengthening the capacity of the Department of Multilateral Organisations and Treaties of MoFA**

The POA required the strengthening of the capacity of the Department of Multilateral Organisations and Treaties in the MoFA, which is the depository of all treaties in Uganda, and therefore the lead agency in their ratification. In the year under review, the inventory of all the standards and codes that the country has signed, ratified and/or domesticated was continuously updated. An inter-ministerial committee to work with the lead agency to monitor and ensure compliance has however not been set up. The human resource needs of MoFA were reviewed, and capacity is being strengthened. The Legal Affairs Division is being upgraded into a department. However, there have been delays in the recruitment of Desk Officers in the relevant ministries to liaise with the lead agency to monitor and ensure compliance with standards and codes.

### **International reporting on progress made in domesticating international conventions, standards and codes**

The CSAR identified the following seven major international conventions, protocols and pacts for signing, ratification, domestication and implementation:

- (i) Second Optional Protocol to the International Covenant on Civil and Political Rights (1989) abolishing the death penalty;
- (ii) Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (2002);
- (iii) Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (2003);
- (iv) African Union Non-Aggression and Common Defence Pact (2005);
- (v) African Charter on Democracy, Elections and Governance (2007);
- (vi) Protocol of the Court of Justice of the African Union (2003); and,
- (vii) African Union Convention for the Elimination of Mercenaries in Africa (1977).

While limited progress was achieved with regard to the ratification of these 7 major international conventions, protocols and pacts, some progress was achieved with regard to others. The Pact on Security, Stability and Development in the Great Lakes Region which led to the establishment of the International Conference of the Great Lakes Region (ICGLR) was ratified when the CRM was in the country in February 2008. The Protocol on the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (2003) has most of its provisions taken care of in the constitution. In addition, the draft Domestic Relations Bill, will take care of key stipulations of the Protocol. Following the ruling by the Constitutional Court in the Susan Kigula case stressing the equality of a woman and a man in marriage and at its dissolution, the Government is in the

process of drafting a law to give effect to the key aspects of the decision which will strengthen further the rights of women.

The CRM's consultative meetings with the MoFA revealed that the government had not yet signed or ratified the Second Optional Protocol to the International Covenant on Civil and Political Rights aimed at the abolition of the death penalty. The Supreme Court has instead ruled that the death penalty is constitutional, but has held that mandatory death sentences were unconstitutional. The Supreme Court also ruled that anyone sentenced to a death penalty, should be executed within three years or, the death sentence shall automatically be commuted into a life sentence without remission. The Attorney General has sought advice on the legal interpretation of a life sentence without remission, since according to the Prison Act of 2006, anyone sentenced to life imprisonment serves a 20 year-sentence. While no death sentence had been executed during the year under review, a total of 500 death sentences were commuted to life imprisonment.

While Parliament has directed that whatever protocols and treaties are ratified by the executive have to be presented to the Parliament, there are still challenges in the domestication of international conventions, standards and codes. The relevant government institutions and agencies responsible for domestication of international conventions, standards and codes are still capacity constrained in terms of both human and financial resources. The process of upgrading the legal affairs division in MoFA into a department is slow. Key staff are yet to be recruited, including designation of desk officers in relevant line ministries. Limited initiatives had been undertaken to create awareness and to popularise the international conventions, standards and codes.

## **2.2 OBJECTIVE 1: PREVENTING AND REDUCING INTRA AND INTER-STATE CONFLICTS**

### ***2.2.1 Amendment of the 1998 Land Act to resolve land disputes and conflicts***

Among the many causes of conflicts identified in the CSAR, the CRM singled out land disputes as the most common and most intractable, following public consultations in different parts of the country. The APR Panel recommended that Uganda should ensure that the amendment of the 1998 Land Act leads to amicable resolution of land disputes and conflicts. A Bill, the Land (amendment) Bill 2007, seeking to amend four sections of the land Act 1998 to stem the rampant eviction of tenants from land was gazetted on 28<sup>th</sup> December 2007, and presented to parliament for first reading and thereafter submitted for consideration to the Parliamentary Sessional Committee on Land and Physical Infrastructure.

The Land (amendment) Bill 2007 has attracted critical response from different categories of large land holding interest groups throughout the country, such as Buganda Kingdom and the mainstream Protestant and Catholic Churches. The Parliamentary Sessional Committee on Land and Physical Infrastructure carried out some consultations on the Draft Bill. There have also been limited consultations carried out by interest groups. Selective consultations have been

carried out by the Ministry of Land, Housing and Urban Development. (MLHUD).

Evictions of tenants from land continued during the year under review, and sometimes these evictions were carried out in execution of court orders. A Land Protection Police Unit was created and personnel trained to protect *bibanja* holders against illegal evictions. The Land Protection Police Unit, which was inaugurated in September 2006, was a busy unit of the Police in several districts of the country.

To bring effect to the proposed reforms in amending the 1998 Land Act, a number of amendments have also been proposed in other legislations, including the following: the Town and Country Planning Act, the Titles Registration Act, and the Survey Act. New legislations have also been proposed such as: the Physical Land Planning Bill, which is before the Parliament. The Mortgage Act has been passed by the Parliament. A Draft Land Commission Bill has also been prepared. A Land Use Policy is already in place. The Ministry has planned to develop a new law on the Government Land and Land information Systems. In spite of these measures there has been some opposition to the proposed amendments. There is also a call for better consultations to reach consensus on the Land Policy as well as a comprehensive legislation regulating land issues in the country.

### ***2.2.2 Establishment of the Land Fund***

The POA called upon government to provide adequate funding for implementation of the Land Fund. A land Fund is in place managed by the Uganda Land Commission. The Ministry of Lands, Housing and Urban Development is in the final stages of developing the Land Fund Regulations. In the FY 2008/09 the Ministry received UGX. 3.0 billion for the Land Fund which was utilised to address the land issues in Kibaale District. The money was loaned to the residents to purchase land on a 'willing-seller-willing-buyer' basis guided by the Draft Land Fund Regulations. The Ministry also intends to lobby the Cabinet and MFPED for additional funding for the Land Fund in addition to the UGX. 3.0 billion planned for the FY 2009/10. The Ministry has also planned to develop a new law on the Government Land and Land Information Systems. There is wide publicity about land issues in the media and 20 media supplements have been planned for the FY 2009/10.

### ***2.2.3 Operationalisation of district land tribunals***

The POA called upon government to provide adequate funding for the operationalisation of the Land Tribunals. Land Tribunals were provided for under the 1995 Constitution to handle land-related disputes. Land tribunals were operational between 2000 and 2006. When the contracts of chairpersons and members of District Land Tribunals expired in 2006, they were not renewed. To address the vacuum, the Chief Justice in the exercise of powers under Article 133 (1) (b) the Constitution of Uganda, issued Practice Directive No. 1 of 2006. This enabled Magistrates' Courts to exercise jurisdiction over land matters in accordance with Section 95(7) of the Land Act, until new Chairpersons and Members of District Land Tribunals are appointed or otherwise.

All District Land Tribunals were directed to hand over all pending cases to Chief Magistrates and Magistrates Grade I. By the time the CRM was carried out in 2007, land tribunals were not operational. The APR Panel recommended that Uganda should provide adequate resources to the land tribunals to ensure that they are able to carry out their constitutional mandate.

A Land Division was created at the High Court in Kampala in 2008. The Division is charged with the responsibility of supervising the work of Land Tribunals. The adjudication of all land related disputes falls under this Division. The land Division is established with three judges. A separate registry for the Division has been established. There is a Registrar for the Land Division who doubles as the Registrar of the Land Tribunals. A desk office has been established under the office of the Registrar to handle the activities of the District Land Tribunals. The Division has jurisdiction to entertain all actions arising out of or connected with any land transaction, including but not limited to: sale; purchase and transfer of real property; leasing and rental of real property; hypothecation and securitisation of land, other than as a mortgage involving a bank loan or credit facility; destruction or degradation of land; compensation paid for the compulsory acquisition of land; minerals and mineral rights; and environmental disputes or causes.

#### ***2.2.4 Implementation of Peace, Recovery and Development Plan (PRDP)***

The APR Panel recommended that Uganda should fully implement the PRDP for Northern Uganda over a three year period starting in 2008/9. Government launched the PRDP on 15<sup>th</sup> October 2007 as a framework for rebuilding the north and consolidating the peace achieved. The PRDP was officially inaugurated by H.E. President Museveni on 11<sup>th</sup> February 2008. However, due to the need to mobilise sufficient resources, establish an appropriate PRDP implementation framework, in order to especially measure results achieved, government deferred the implementation of the PRDP until July 2009, when full-scale implementation will commence.

The MFPED has made provisions in the budget estimates for FY 2009/10 to support the implementation of the PRDP. Sector ministries and districts developed work plans and procurement plans which will serve as a basis for release of the funds. The development of a results matrix that would be used by all stakeholders for monitoring the performance of the PRDP was initiated by the Office of the Prime Minister (OPM) in April 2009 with support from the development partners.

It is estimated that the PRDP will cost the country USD607 million over the three-year period. Government has made a commitment to provide 30 % of the UGX 1.1 trillion PRDP budget which averages to about UGX120 billion annually for the three years. This financial year 2008/09, the Government has provided and ring fenced UGX69.9 billion as part of its 30 % counterpart funding of the PRDP. The MFPED will allocate an additional UGX170.1 billion to the PRDP districts next FY2009/10 and this money includes the balance of UGX 50.1 billion from this financial year 2008/09. The ministry will publicise all the funds released to the PRDP districts under this arrangement. The development partners are expected to contribute 70 % of the required finances. In FY 2009/10, the Government has allocated UGX 100 billion to implement

the priority activities under the PRDP. These priorities include roads, schools, health, water, police and local administration.

The implementation of the PRDP is managed by and coordinated under the OPM, which is the government arm that oversees and coordinates all national programmes in Northern Uganda. Within OPM, the Office of the Minister of State for Northern Uganda provides political supervision to the implementation of the PRDP, while the office of the Permanent Secretary provides the technical management. The Minister of State for Northern Uganda Rehabilitation also chairs the Northern Uganda Rehabilitation Policy Committee (NPC), which is responsible for PRDP policy and budget oversight functions. The PRDP Technical Working Group has also been constituted as a forum for Development Partners and stakeholders to discuss reports on the implementation of the PRDP and any other matters pertaining to the development of Northern Uganda. A PRDP Technical Support Team (TST) has been constituted from OPM staff to coordinate PRDP activities at the national level. Several committees have also been proposed for political monitoring at different levels.

While the full-scale implementation of the PRDP will commence in July 2009, a number of PRDP-related interventions have been on-going. With support from the Italian Cooperation, Northern Uganda Rehabilitation Programme (NUREP), German Technical Cooperation (GTZ) and UNDP the Northern Uganda Data Centre (NUDC) has undertaken capacity building training for the District technical officers from the planning departments in all the eight districts of Teso sub-region. This is part of the Local Government Enhancement Programme under Strategic Objective number One. The technical officers were equipped with Geographical Information System (GIS) skill to enable them produce their districts' planning maps and locate development activities, investments, opportunities and gaps for planning purposes in their respective areas. They are now capable of plotting the level of service delivery in the district up to the village or parish levels. Each of the eight Teso districts has been equipped with equipments worth UGX 100 million to use for capturing data and processing information.

The OPM has procured 40 Hydra form machines from South Africa. It has in collaboration with the supplier, conducted training of over 100 youth from the 40 PRDP districts and Karamoja on the use of the hydra form machines and entrepreneur skills. The training has been done to enable the construction of low cost eco-friendly housing units for the returning population returning from Internally Displaced Persons' camps in Amuria /Wera Sub-County.

### ***2.2.5 Implementation of the Karamoja Programme***

The Karamoja Integrated Disarmament & Development Programme (KIDDP) was approved by Cabinet in October 2007 and launched in Moroto by the Rt. Hon. Prime Minister Prof. Apollo Nsubambi in April 2008. KIDDP is a planning framework that guides government, development partners and civil society organisations who are implementing different activities in Karamoja. The KIDDP also provided a framework for integrating disarmament and development interventions in Karamoja.

The Minister of State for Karamoja Affairs was allocated UGX. 527 million in the FY2008/9 budget, which has reduced to UGX.427 million in budget estimates for FY2009/10.

Sector ministries and Local Governments are implementing some of the activities identified within KIDDP, using resources being disbursed under normal MTEF, such as water and sanitation, agriculture and food security. There is support from the development partners. Ongoing activities in the sub-region include: Radio talk shows; formulation of a draft Karamoja Action Plan for Food Security; mechanisation of agriculture (six tractors were procured and distributed); and opening six security roads. UGX 600 million has been provided for water production and work has commenced. In the education sector, a total of 1,045 primary school teachers in hard to reach areas will receive special allowance to enhance their retention; 73 school management committees were trained; 67,580 beneficiaries received food rations to boost school attendance; 16,500 tree seedlings were planted by schools in Karamoja and 2000 police personnel have been deployed in Karamoja

In terms of building and strengthening capacity of the OPM and Local Governments to ensure effective coordination of all relevant institutions in the implementation of KIDDP, a National Coordination Unit (NCU) has been established. The objective of the NCU is to coordinate, lobby and advocate for increased development interventions in Karamoja as well as kick-start the implementation of KIDDP. The KIDDP technical committee has already been constituted comprising of technical officers from different sectors and ministries with the aim of harmonising sector plans and budgets with Karamoja district priorities. The OPM is liaising with the Ministries of Defence; and Internal Affairs and sectors to institutionalise the regional coordination mechanism as proposed in the KIDDP to fit within the OPM governance structure.

### ***2.2.6 Protecting the specific interests and human rights of vulnerable groups***

The APR Panel recommended that Uganda should ensure peaceful resolution of the armed conflict, and that, in the process and in implementing post-conflict reconstruction and development programmes, specific interests and human rights of vulnerable groups are addressed and promoted. The groups specified include children, orphans, the elderly, IDPs, refugees, ethnic minorities and people living with HIV/AIDS. The APR Panel also recommended that Uganda should investigate violence against women, punish perpetrators and rehabilitate the victims.

The development of a Draft National Policy on Peaceful Conflict Resolution is on-going in the Department of Disaster Preparedness in the OPM. Although a National Truth and Reconciliation Commission has not yet been established, the Government of Uganda during the Juba Peace Process signed an agreement on 2<sup>nd</sup> May 2007 with the Lord's Resistance Army on Agenda Item Number 2 of the Juba Peace Talks on 'Comprehensive Solutions'. It was agreed, among other things, that a National Truth and Reconciliation Commission would be established.

A mechanism for monitoring how the specific interests and human rights of vulnerable groups are protected, fulfilled and promoted has been established through the work of Uganda Human

Rights Commission (UHRC). Government broadened the composition of the government delegation to the Juba Peace Talks by including women and victims of the Lord's Resistance Army (LRA) atrocities. Institutional frameworks, strategies and policies have been put in place to address the specific interests and human rights of vulnerable groups in the implementation of the PRDP.

As a monitoring mechanism that involves Civil Society for the implementation of PRDP, the membership of the PRDP Technical Working Group includes Civil Society representatives. Government supported the UHRC to set up Civil Military Cooperation Centres (CMCCs) with a view to redressing human rights abuses that were associated with disarmament in Karamoja.

A PRDP monitoring mechanism is also being established. A comprehensive Information Management Strategy based on Geographical Information System (GIS) has been designed. The OPM website is being redesigned and will soon be launched through which regular updates on the implementation of PRDP will freely be accessed by any stakeholder. The draft Monitoring and Evaluation Strategy is being developed. The capacity of the district Planning Units is being developed for Monitoring of PRDP. The districts can now produce their own maps with details of activities covering up to the parish levels. Baseline information is being updated for all the 40 districts.

### ***2.2.7 Support local initiatives for institutionalising alternative justice system***

The APR Panel recommended that Uganda should support local initiatives aimed at institutionalising alternative justice systems. This would be through the utilisation of informal mechanisms for managing micro-level conflicts as part and parcel of broader programmes aimed at poverty eradication and post-conflict reconstruction and development.

Clauses 2.1, 3.1 and 9 (b) to (e) of the Annexure to the Agreement on Accountability and Reconciliation on agenda item No. 3 signed between the Government of Uganda and the LRA during the Juba Peace negotiations provides for the recognition of the traditional and community justice processes in the proceedings of formal courts. Parliament has yet to pass an enabling law to bring the provision into effect. A law that integrates traditional judicial mechanisms in the modern justice system has not yet been enacted.

While Parliament has not yet enacted a law that integrates traditional judicial mechanisms in the existing justice system, progress had been made during the period under review with regard to the recognition by government of the importance of traditional justice and reconciliation mechanisms which are more restorative than retributive. While a court system that would operationalise a judicial system that integrates traditional and modern justices has not yet been established, the use of assessors in the formal justice systems has been an attempt to integrate alternative justice mechanisms in the modern system currently administered under the courts of law of Uganda. Studies by the Justice, Law and Order Sector (JLOS) seeking to understand how to mainstream traditional justice mechanisms through the assessors system are already underway.



Government has recognised the need for codification of the traditional justice mechanisms to enhance their predictability. Informal mechanisms of resolving conflicts are more robust where the formal justice systems are weak such as Karamoja. Many cases in formal justice system are referred to the traditional justice system for arbitration. While the exact numbers are not known, they are said to be on the rise. A draft transitional law is being undertaken by JLOS under the chairmanship of the Principal Judge, who chairs a committee of interested stakeholders.

JLOS in FY 2008/09 received an additional UGX. 17.9 billion to deliver services in the post-conflict and underserved areas of Karamoja, Acholi, Lango, Teso and the West Nile under the PRDP and KIDDP. The money was used to construct JLOS offices and staff residences and strengthening family and justice delivery, legal and rights empowerment programmes. JLOS has planned in the next five years to prioritise rationalised physical access and availability of JLOS institutions and functions in the conflict affected regions of Northern Uganda. A study has commenced to gain insight into the traditional justice mechanisms practised in the communities affected by conflicts. The study will inform the institutionalisation of an alternative justice system recommended in the Agenda Item No. 3 of the Juba peace talks on Accountability and Reconciliation. It will also inform the establishment of institutions of the alternative justice system and use of alternative dispute resolution mechanisms.

### ***2.2.8 Managing inter-state conflicts***

Uganda is a landlocked country, and during the year under review, enjoyed cordial relations with all its neighbours. Progress has been achieved in resolving tensions over border demarcation. The unclear demarcation pillars of some Uganda's international borders led to disputes with Sudan in the North over a strip of land in Nebbi district; the Democratic Republic of Congo (DRC) over the Lake Albert island of Rukwanzi, with Kenya over Migingo Island; and with Rwanda and Tanzania.

In terms of resolving inter-state conflicts over boundaries, Uganda reiterated its commitment to the 1964 Organisation of African Unity (OAU) resolution to maintain the status quo of the boundaries the country inherited at independence. Tensions have mainly been with Kenya, Tanzania, Rwanda and DRC over defining the borders and restoration of destroyed or removed boundary pillars and beacons. The issue of the border with Tanzania in the South was resolved after the 1979 war through the Kampala and Mogadishu Accords.

A joint technical survey between Uganda and Kenya is underway to resolve the dispute over Migingo Island in Lake Victoria. The joint technical team is surveying and mapping the boundary between Uganda and Kenya in Lake Victoria, as well as installing buoys and markers to make the line visible. The joint exercise is being guided by colonial documents including the British Order in Council (1926), which delimited the boundary between the two countries in Lake Victoria, a 1948 agreement on the usage of Lake Victoria, the Kenya Constitution (1963) and the Ugandan Constitution (1995). Uganda also agreed to abide by the survey and demarcation made after the 1926 Colonial Order.

In preparing for the joint survey, a Ugandan technical team was sent to London in April 2009 to study the colonial documentation available in British archives. The team returned with colonial documents including a 1948 agreement on the usage of Lake Victoria. Their findings were discussed on 4<sup>th</sup> May 2009 by an Inter-ministerial emergency session. The Government of Uganda reiterated its commitment to accept the findings of the technical survey team, which commenced its work on 1<sup>st</sup> June 2009. The Government made sufficient resources available to resolve the Migingo conflicts, with the MFPED releasing UGX 844 million in June 2009 to the Uganda survey team to kick start the marine border demarcation. It was estimated that the survey would cost Uganda and Kenya an equivalent of UGX 3.5 billion.

Tensions with Sudan eased when the Khartoum Government signed the Comprehensive Peace Agreement (CPA) with the Sudanese People's Liberation Army/Movement (SPLA/M) in January 2005, which ended the overt support that Khartoum provided to the LRA in retaliation for the perceived support that Uganda provided to the SPLA. This considerably weakened the LRA, who were driven into Garamba National Park in North-east DRC and from where they agreed to negotiate peace.

Following severe border tension between Uganda and DRC, Presidents Yoweri Museveni and Joseph Kabila met at Ngurdoto Mountain Lodge near the northern Tanzanian town of Arusha where they signed an agreement on 8<sup>th</sup> September 2007 (the Ngurdoto Accord) committing both countries to a joint Ugandan-Congo force, supported by United Nations soldiers to remove LRA fighters and other rebel groups from DRC. They also agreed to jointly explore and exploit as well as to proportionately share costs and proceeds from oil fields that straddle their common border. In a subsequent co-operation protocol signed at Kasindi North Kivu in March 2009, both leaders reaffirmed their determination to implement the Ngurdoto Accord reached in Tanzania on the neutralisation of 'negative forces' operating in the northeast of DRC.

Uganda, as one of the members of the ICGLR had ratified the Pact on Security, Stability and Development in the Great Lakes Regions, signed in December 2006. Uganda completed the legal steps required for depositing instruments of ratification to the ICGLR Secretariat in Bujumbura, and was cooperating fully in the implementation of the pact.

As part of the ICGLR initiative to foster international collaboration to curb the cross-border gun trafficking, a Memorandum of Understanding (MoU) has been signed between KIDDP (represented by OPM) and the ICGR. The MoU will provide a framework within which member States – Sudan, Kenya, Ethiopia and Uganda will agree on and concurrently implement strategies set to address problems of cross-border cattle rustling and gun trafficking.

The challenge however is that border conflict resolution initiatives need to bring on board regional and international commitment to enhance the credibility of outcomes, and for future reference in case of any further disagreements. There is no regional or Africa-wide institutional arrangement that is working with any of the border verification teams.

### ***2.2.9 Operationalising the Equal Opportunities Commission***

The POA called upon government to establish and operationalise the Equal Opportunities Commission (EOC) and sensitise the public on its work. The Constitution of Uganda, in Article 32 (3) and 32 (4), provides for the establishment of an EOC to safeguard the rights of the groups marginalised on the basis of gender, age, disability or any other reason created by history, tradition or custom, social or economic standing, political opinion or disability. The marginalised groups of people are voiceless, powerless and cannot influence decisions that affect their lives. To address these issues, the EOC Act was passed by the 8<sup>th</sup> Parliament. The names of nominated Commissioners have been approved by Cabinet, and are awaiting discussion and approval by Parliament and thereafter, Presidential assent.

## **2.3 OBJECTIVE 2: CONSTITUTIONAL DEMOCRACY FOSTERED**

### ***2.3.1 Establishment of a national code of ethics and values***

The POA called for the establishment of a national code of ethics and values as a basis for developing standards of integrity and ethical behaviour in all public and professional services. This entailed, first, the codification of ethics and integrity values for public officials, which was undertaken by the Directorate for Ethics and Integrity (DEI) in collaboration with the Ministry of Public Service. The code of conduct for public employees was reviewed and harmonised with other laws, especially the Leadership Code Act, to produce the National Code of Ethics and Values. The Code is being used as a basis for developing standards of integrity and ethical behaviour in all public and professional services.

In setting standards for ethical conduct in Public Service, DEI produced a strategy for developing Codes of Conduct for policy makers and members of professional associations. DEI initially developed National Integrity Values and Ethical Standards (NIVES), which was upgraded into a Draft National Values Policy to guide people's conduct in public and private undertakings, to build a value-based society in Uganda. The Draft National Values Policy is currently being validated through regional consultative and sensitisation workshops as well as publicity campaigns and will thereafter be presented to the Cabinet before the end of the year.

A number of trainers for various MDAs were trained for purposes of multiplier effect. A specific strategy to mainstream integrity concerns in Local Governments was developed and implemented. The Ministry of Public Service also conducted courses on corporate values, ethics, integrity and accountability.

In order to raise public awareness about corruption and unethical conduct in public office, the DEI conducted several awareness creation programmes through radios and talk shows for the public. Public education on prevention of corruption has also been carried out through mass media. The DEI together with the Ministry of Education and Sports and the National Curriculum Development Centre developed a national values curriculum for primary 1-3 and it is already

implemented in all primary schools in Uganda. Development of similar curriculum for primary 4-7 is ongoing.

### ***2.3.2 Review press freedom laws***

Freedom of expression and the right of access to information are enshrined in the 1995 Constitution. Uganda's airwaves have been liberalised giving rise to a considerable number of radio and television stations in operation. By December 2008, Uganda had 220 licensed Radio Stations, 32 of which were off air and 188 operational. There were also 50 licensed TV stations although 15 were off air and 35 operational. Uganda is a signatory to various regional and international standards protecting and promoting freedom of expression and media freedom. Measures taken to promote and protect this right include the enactment of media-centred laws such as the Press and Journalist Statute of 1995, the Electronic Media Act of 1996, the Access to Information Act of 2005 and the Uganda Broadcasting Corporation Act of 2005. The government has also put in place media regulatory institutions such as the Media Council, the Broadcasting Council and the Uganda Communications Commission.

Despite the above, there are flaws in the laws regulating press freedom especially the provisions that inhibit the full enjoyment of the freedom of expression and the media. The POA therefore called upon government to undertake consultations with key stakeholders to amend the laws on press freedom.

There have been calls for a number of laws to be amended to remove these flaws, including among others the following: the Press and Journalist Statute of 1995; the Electronic Media Statute of 1996; the law of sedition; the Anti-Terrorism Act of 2002; and the proposed law on phone tapping. Uganda's was ranked 107<sup>th</sup> out of 173 countries in 2008 in the annual Worldwide Press Freedom Index. There has been limited progress concerning amending laws on Press freedom. Consultations spearheaded by government seeking to amend media laws to enhance freedom of expression have not yet commenced, although there are pressures from civil society for government to do so.

### ***2.3.3 Review curricula content of media training institutions and programmes***

The POA called for a review of the content of curricula for media training institutions and the development of a new curriculum to ensure professional quality. In the development and revision of curriculum of media-related courses, media teaching institutions have mainly held consultations with the National Council of Higher Education (NCHE). Media teaching institutions have continuously reviewed their curriculum to respond to the needs of the country, region and international needs. However, a standardised national curriculum for media training institutions is not yet in place.

### ***2.3.4 Reviewing the two-term limit for the Office of the President***

While the CRM concluded there was no arbitrary power exercised by the executive in the removal of the presidential two-term limit from the 1995 Constitution, following the approval and endorsement by the legislature of the Executive's proposed amendment, there was a total absence of evidence of popular participation. The coinciding of the removal of the two term limit by Parliament with the provision of funds to MPs earmarked for constituency development, created the impression of not only political corruption in the process, but also undue political influence by the Executive over the legislature. The POA, therefore, called for the review the Constitutional amendment that removed the two-term limit for the Office of the President.

During the year under review, no action was taken by government regarding initiating national consultations to generate consensus on the constitutional amendment that removed the Presidential term limits. This is because this is a constitutional matter, whose review will necessitate an amendment of the constitution.

### ***2.3.5 Enhance the credibility of the electoral process and legitimacy of electoral outcomes***

The CRM observed that in the absence of term limits, it was imperative to put in place a professional, comprehensive and corruption-free electoral system, as well as an independent Electoral Commission(EC) with the highest level of integrity, and whose appointment must, *ipso facto*, be independent. To enhance the credibility of the electoral process and the legitimacy of electoral outcomes, the APR Panel called for not only increasing the amount of resources provided for enhancing the institutional capacity of key democracy institutions such as the EC but also addressing contentious issues such as the voters' registers, disenfranchisement, boundary demarcation, voter intimidation, vote buying, election violence, and access to the media during elections. The APR Panel also called for a comprehensive review of all electoral laws and other relevant legislation to ensure they promote a vibrant multiparty system.

To enhance the credibility of the electoral process and legitimacy of electoral outcomes, the POA called upon Government to increase funding of the EC and ensure timely disbursement of approved funds; to undertake training of Electoral Officials; and undertake voter education. In the year under review, government funding of the Electoral Commission was increased. Electoral Officials have benefited from various training while the training curriculum for electoral officials was designed and implemented.

The POA also called upon Government to develop a comprehensive national civic education programme. The APR Panel recommended that government conduct continuous and systematic civic education programmes to enhance the citizens' knowledge about their rights and empower them to hold both state and non-state actors accountable for actions that violate their rights. The UHRC is constitutionally mandated to take the lead on national civil education. The UHRC had developed a National Civic Education programme with support from the European Union. During the year under review, the UHRC carried out civic education activities focusing on rolling out

the principles of the Human Rights Based Approach to development. The programme targeted training of trainers for Voluntary Action Groups (VAGs) from among communities and councillors up to the sub-county level in Kasese, Kabarole, Bundibugyo, Soroti, Amuria, Gulu and Amuru districts. It was also targeting District Human Rights Committees/Desks in all the districts at the time. The civic education being conducted by the Commission has not directly targeted the problems identified by the POA. There is need for UHRC to address issues of democratic governance particularly the accountability of leaders and the issue of corruption in the electoral process. The Judicial Service Commission, which is also constitutionally mandated to undertake civic education, has been carrying out civic education regarding law and administration of justice within the country under the JLOS. One of the roles of the newly established Ministry of Information and National Guidance is civic education. A framework is being established under the Ministry of Information and National Guidance for undertaking civic education. There is therefore a need for a comprehensive framework for a continuous national civic education programme.

### ***2.3.6 Review the current first-past-the-post electoral model***

The POA called for the review of the current First-Past-the-Post electoral model with a view to injecting the element of proportionality. Consultations on appropriate alternatives to a single-winner voting system have not yet commenced, even within Parliament.

### ***2.3.7 Enacting a code of conduct for political parties and formalising a national consultative forum***

The CRM observed that while the operations of political parties were stipulated under the Political Parties and Organisations Act, a code of conduct for the political parties had not yet been enacted. In the absence of one, the EC, a body charged with the task of registering and managing political parties, was constrained in enforcing ethical conduct within and between parties. The CRM also observed that EC was also not empowered and technically competent to handle with the requisite effectiveness and efficiency, different sorts of political corruption issues that a fledgling multiparty system like that of Uganda is likely to portend. The lack of a code of conduct for political parties, therefore, contributed to unhealthy intra as well as inter-party relations. The APR Panel learnt that the absence of a code of conduct also created challenges in the management of parties during and in between elections.

Article 71 (2) of the 1995 Constitution obliges Parliament to prescribe a code of conduct for political parties and provide for the establishment of the National Consultative Forum. The CRM observed that in Parliament, political tolerance was severely lacking. The ruling party does not relate well to opposition parties, while opposition parties do not relate well to each other and the ruling party – a situation that not only undermines political tolerance, but also poisons the environment for smooth inter-party relations. This, the CRM noted had the potential to undermine the country's embryonic multiparty system. The POA therefore called upon government to develop a code of conduct for political parties and to finalise and operationalise a National Consultative Forum.

There has been no progress on the development of a code of conduct for political parties. No progress has been made with regard to the formation and operationalisation of a National Consultative Forum for all registered political parties and organisations as envisaged by the Constitution.

### ***2.3.8 Reviewing the representation of special interest groups in a multiparty Parliament***

The Uganda APRM Country Review Report (CRR) noted that the representation of the army under multi-party democracy, which Uganda introduced following the 2005 national referendum, undermines the role of Parliament in holding the executive and security establishment accountable. The POA called for the review of the representation of special interest groups, especially the army in a multiparty Parliament. The POA proposal looked to the Ministry of Justice and Constitutional Affairs (MoJCA) to spearhead national consultations on this issue, and thereafter seek implementation of the recommendations arising from the consultations. While this has been the subject of discussion in Parliament, there have not been any consultations carried out by MoJCA on this issue.

### ***2.3.9 Ensure that laws related to the freedom of assembly conform with the bill of rights***

The POA called for the repeal of the Statutory Instrument No. 15 of the Police Act. The Uganda APRM POA recommended that the Minister of Internal Affairs should revoke the Statutory Instrument, cause an amendment to the Police Act 1994 in order for the law to reflect the current political dispensation. It should also focus on providing security to Ugandans who want to exercise their freedom of assembly, expression and association as guaranteed in the 1995 Constitution of Uganda.

The Constitutional Court of Uganda, in a landmark case on public demonstrations, ruled in June 2008 by a unanimous decision of five judges in favour of the defendant. The Constitutional Court nullified Section 32 of the Police Act, which gave powers to the Inspector General of Police (IGP) to stop a public rally, demonstration or procession if s/he believed that such a gathering would cause breach of public peace. The Constitutional Court agreed that the law represented a limitation '*on the enjoyment of a fundamental right to freedom of assembly and association*'.

According to the legal department of the police however, the Constitutional Court ruling did not nullify Section 32 of the Police Act, as sub-section 32(1), which provides for those regulatory powers, was not touched. Section 35 of the Police Act still allows the Internal Affairs Minister through the Police Declaration of gazetted Areas Statutory Instruments to ban rallies that take place in gazetted areas without the permission of the police. The UHRC together with other stakeholders including the police and political parties did draft guidelines intended to facilitate public assemblies and demonstrations. It was presented to the Ministry of Internal Affairs with a request for it to be transformed into enforceable regulations. These Guidelines are being taken into account by Government in a draft law to regulate public assemblies and demonstrations.

### ***2.3.10 Appointment of the members of the Electoral Commission***

The APR Panel observed that the impartiality of the EC was critical, especially in management of electoral processes, including pre-election, polling and post-election activities. The panel recommended that for the EC to enjoy the full confidence of all stakeholders including the presidential candidates involved, the manner of selecting members of the commission should be reviewed, as the general perception was that they were partisan. The POA, therefore called for a review of the current system of appointing the members of the EC, in preference for a system similar to that used for appointing Judges through the Judicial Service Commission.

Article 60 (1) of the 1995 Constitution empowers the President to appoint members of the EC, who are then approved by Parliament. During the year under review, while opposition political parties have sought to have a representative of their choice on the commission in the belief that this would enhance the impartiality of the EC, no progress has been made by government on this matter. It was argued that the requirement that Government appoints members of the EC according to the model of appointment of Judges would weaken the institution which is supposed to be autonomous. This is because that model was suitable for officers employed in the Public Service while members of the EC are not officers in the Public Service according to Article 257(2) of the Constitution. The procedure for appointing chairpersons and members of Statutory Commissions is well known and that the Electoral Commission was no exception.

Article 60 (3) of the Constitution provides that members of the EC shall hold office for 7 years and their appointments are renewed for only one term and that that in itself was a safeguard against partisan tendencies by its members. It was not possible to appoint members of the EC from each of the existing political parties because they were numerous in number. Nevertheless, there are provisions under Article 60 (2) which provides that Members of the Commission shall be persons of high moral character, proven integrity and who possess considerable experience and demonstrated competence in the conduct of public affairs. These were sufficient enough to guide the Appointing authority to appoint such persons to the EC.

### ***2.3.11 Revision of clauses in the land laws which limit the constitutional rights of citizens***

The Land Act Cap 227 was enacted to provide for the tenure, ownership and management of land. Some of the silent purposes for the Land Act were to redress past land ownership inequities and protect the land rights of usufruct occupants. It provides, among others, for tenants of private landlords to obtain documentary evidence of their right to be in secure occupation of the land and to enfranchise their interests in the land and mechanisms for the resolution of differences between the landlords and the tenants over land usage and transactions. Furthermore, it provides for the decentralisation of the land administration function in a quest to take services closer to the populace requiring them.

Following the enactment of the Land Act, the National Land Policy is now being developed in retrospect. It is envisaged that the National Land Policy will clarify and streamline all



inconsistencies and misrepresentations in the Land Act. A comprehensive amendment to the Land Act will be subsequently enacted to bring it in line with the policy directives and principles. A consultative process that takes into consideration all stakeholders is on going with room for special interest groups to make their submissions.

## **2.4 OBJECTIVE 3: TO PROMOTE AND PROTECT ECONOMIC, SOCIAL, CULTURAL, CIVIL AND POLITICAL RIGHTS AS ENSHRINED IN ALL AFRICAN AND OTHER INTERNATIONAL HUMAN RIGHTS INSTRUMENTS**

### ***2.4.1 Review current institutional mechanisms that promote and provide for the interests and welfare of vulnerable groups***

The POA called for the review of the current institutional mechanisms that promote and provide for the interests and welfare of vulnerable groups, and to implement programmes that seek protection of their interests and welfare. The existing institutional framework for the protection of the interests and welfare of vulnerable groups is adequate. It includes the 1995 Constitution, which in article 32 (1) spells out the core elements of affirmative action in Uganda, in favour of groups discriminated against on the basis of gender, age, disability or any other reason created by history, tradition or custom. Affirmative action is also provided for in the Local Government Act of 1997. There are no clear laws implementing this constitutional provision. Article 32 (2) of the constitution mandates Parliament to make laws that establish an EOC in order to give effect to the affirmative action provision.

An Equal Opportunities Commission was legally established in 2007. The Commission, expected to put special emphasis on the rights of vulnerable groups, has not yet become operational. The MGLSD has initiated studies to inform the process of planning for the operationalisation of the commission.

### ***2.4.2 Provide adequate resources and build the requisite capacity of the human rights institutions***

The UHRC was established by section 51 of the 1995 Constitution and the Uganda Human Rights Commission Act of 1997. Apart from signing, ratifying and domesticating key international, regional and sub-regional instruments for the protection and promotion of economic, social, cultural, civil and political rights, the establishment by government and unimpeded operationalisation of the UHRC was considered by the CRM as an affirmation of government of Uganda's commitment to putting in place various legal, policy and institutional instruments for protection and promotion of human rights. In order to make UHRC more effective in executing its mandate, the APR Panel recommended that adequate resources be provided in addition to supporting the building of requisite capacity of the Commission. The POA therefore called upon government to increase the funding of the UHRC, as well as to recruit and train Commission staff as well as appropriately equip the Commission. During the year under review, new members of the commission were appointed in May 2009.

### ***2.4.3 Enact into law the Domestic Relations Bill and Sexual Offences Bill***

The APR Panel recommended that Uganda should enact the Domestic Relations Bill into law. The bill was first presented in Parliament for the first reading in 2003 and generated uproar from different sectors of society, which prompted government to withdraw it. The Moslems opposed the provisions that aimed at regulating polygamous marriages. The Christians opposed the provisions that supported cohabitation. The language that was used in packaging the bill did not favour men. The POA advocated for a process of lobbying so that the bill could be redrafted.

Although the Domestic Relations Bill has not yet been enacted into law, significant progress was achieved during the year under review. Wide stakeholder consultations were carried out throughout the country. As a result, new drafts were made by the Law Reform Commission separating the provisions of the bill into two bills, with one catering for the concerns of Moslems (the Administration of Muslim Personal Law), and the other for concerns of the non-Moslems (the Marriage and Divorce Law). The two bills are currently being scrutinised by the MoJCA before being tabled in Parliament. The Uganda Law Reform Commission held a public consultation on these two Bills together during a dissemination workshop held in May 2009 before concluding the Draft for the consideration of the Ministry.

One problem that has arisen from the splitting of the Bill is the fact that the Bill dealing with the concerns of Moslems contains provisions, which do not conform to the Constitution, and other codes and principles internationally recognised and ratified by Uganda. Currently, the bill has moved from the MoJCA to the Cabinet and hopefully, it will soon be tabled in this Parliamentary session. The Domestic Violence Bill was presented to the Parliament for its first reading on 17<sup>th</sup> June 2009 and the Female Genital Mutilation Bill is in the offing.

The APR Panel also recommended that Uganda should enact a Sexual Offences Bill into law. Progress has also been made regarding the finalisation of revision of the Sexual Offences Bill as part of the review of the Penal Code Act. Following the landmark ruling by the Constitutional court on 5 April 2007, which ruled that section 154 of the Penal Code Act was unconstitutional because it treated men and women differently, and thereby scrapping the criminal adultery law, women activists have demanded for the withdrawal of the Sexual Offences Bill so it can be improved and re-submitted to the Cabinet. The Sexual Offences Bill was also split into two: (i) the Domestic Violence Bill, which has already been tabled before parliament, and (ii) the Prevention of Trafficking in Persons Act, which was passed by Parliament on 2<sup>nd</sup> April 2008.

## **2.5 OBJECTIVE 4: TO UPHOLD THE SEPARATION OF POWERS, INCLUDING THE PROTECTION OF THE INDEPENDENCE OF THE JUDICIARY AND OF AN EFFECTIVE LEGISLATURE**

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### ***2.5.1 Strengthen the capacity of Parliament to exercise its oversight function***

The CRM observed that while the legislature in Uganda was administratively and functionally independent, it was not financially autonomous. The Executive uses its control and disbursement of resources to the legislature as a veiled method of exerting influence on the execution of their constitutional mandate. The CRM recommended conducting regular study tours and exchange programmes between the Ugandan Parliament and other long-established multiparty parliaments with a view to sharing lessons of experience around, for instance, parliamentary rules and the workings of portfolio committees. The POA called for training of MPs and staff of Parliament through among others study tours.

During the year under review, progress has been made in strengthening the capacity of Parliament to exercise its oversight function over the Executive within a multiparty dispensation. Support was provided to professionalise the functioning of the legislature in a multi-party system. Several MPs benefited from study tours and so did the Parliamentary staff, who also went on study tours.

Under the multiparty dispensation, there has been a vibrant engagement by legislators on party issues as well as national issues. Funding and resources for the parliamentary committees have increased, and training and study tours for MPs are ongoing. A number of technical and administrative staff have been recruited to run the affairs of the Parliament. The library at Parliament has been upgraded and librarians and researchers have been recruited to provide information support to the legislators. However, mechanisms to ensure that the committees' recommendations are implemented have not been set up. There is limited awareness and distribution of parliamentary reports and efforts to publicise the reports have not yet commenced.

### ***2.5.2 Ensure the independence of the Judiciary by eliminating undue political influence and providing the courts of judicature with requisite resources for the judiciary to effectively execute its mandate***

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The independence of the Judiciary is a cardinal pillar of democratic governance. The CRM noted that while the Judiciary was administratively independent, judicial autonomy was relative and fiscal independence was non-existent. The finances for the judiciary come through the MoJCA and not directly from the Consolidated Fund through Parliament. The Judiciary was not self-accounting as stipulated by the Constitution. The APR Panel implored the leadership of Uganda to demonstrate clear commitment to institutionalising the independence of the judiciary by eliminating undue political influence and providing the courts of judicature with requisite resources for the judiciary to carry out its mandate effectively.

JLOS adopted a strategic planning model to its reforms and the first Sector Strategic Investment Plan was launched in 2001 to be implemented up to 2006. The Plan committed to a coordinated sector wide reform policy and reforms in criminal and commercial justice. The JLOS second Strategic Investment Plan 2006-2011(SIP II) provides a practical five-point agenda that JLOS performance will be measured against in 2011. These include: (i) the promotion of rule of law and due process; (ii) fostering a human rights culture across JLOS institutions; (c) enhancing access to justice for all especially the poor and marginalised groups; (d) reducing the incidence of crime and promoting safety of persons and promoting security of property, and; (e)enhancing JLOS contribution to economic development. Commitment to this Investment Plan was highlighted in the previous Poverty Eradication Action Plan(PEAP 2004 -2008), now replaced by the National Development Plan 2009-2013

The JLOS Strategic Investment Plan estimated resource requirements amounted to UGX 107 billion over the five year period from government and development partners. Government of Uganda contribution was UGX. 12.73 billion.

The Judiciary with the support of Development Partners has continued to undertake some major rehabilitation aimed at enhancing its capacity to undertake its constitutional mandate, in terms of establishment of criminal and civil courts across the country, and to some extent, exercising its judicial independence.

To enhance the independence of the Judiciary, the Government of Uganda has adopted a strategic and holistic approach to Justice, Law and Order planning and investment. This has provided an opportunity for a reform of the justice sector as a whole. A holistic assessment of the effectiveness and capability of the entire chain of institutions in the flow of justice and identification of strategies that are necessary to obtain genuine, equal and transparent rule of law has been conducted. As a policy gain, the sector envisages holistic improvements in service delivery to justice claimants; efficiency gains in resource allocation and utilisation; increased levels of institutional accountability and coherence in institutional capacity development.

### ***2.5.3 Provide adequate financial resources for building the Supreme Court***

The APR Panel recommended that Uganda should urgently provide adequate financial resources for building the Supreme Court using domestic resources and not foreign aid. During the year under review, progress was achieved on this POA action. The land on which the Supreme Court is to be constructed has been secured. The procurement of contractors is underway, and once completed, construction will commence in earnest.

## **2.6 OBJECTIVE 5: TO ENSURE ACCOUNTABLE, EFFICIENT AND EFFECTIVE PUBLIC OFFICE HOLDERS AND CIVIL SERVANTS**

### ***2.6.1 Promote the efficiency and effectiveness of the public sector***

The CRM noted the diversity of challenges inhibiting programmes for continuous alignment of the public service across all supporting and interdependent initiatives for increasing the professionalism and motivation of staff as well as their performance, so as to enhance effectiveness and efficiency. The CRM also observed that the creation of new districts had bloated the public services and undermined the achievement of objectives of downsizing reforms. There were also challenges in harmonising salary structures between the traditional public services and the autonomous and semi-autonomous agencies of government. The APR Panel recommended that the public service should be streamlined to eliminate redundant public service institutions in order to ensure better coordination and enhanced productivity, and create a professional and proactive public service. The launch of a study to review the Public Service to identify redundant institutions and duplications, relevant laws that need to be amended, gaps, manpower training needs, ICT, salary structures, in line with the POA priority actions has not yet been launched.

The third phase of the Public Service Reform Programme (PSRP) is already being implemented. The comprehensive strategic framework recognises the fact that a vibrant public service is instrumental in the successful implementation of government programmes within the national development framework. The PSRP therefore, is a deliberate intervention to ensure that the public service as the main government programme implementing machinery is effectively managed, well motivated, efferent, and affordable and has the required capacity to perform efficiently and effectively.

The rationalisation and review of government structures has been ongoing due to changing priorities. Piecemeal restructuring exercises have been undertaken to meet emerging needs. However, full implementation of the recommended structure has been difficult due to budgetary constraints. For example, the average implementation of the Local Government structure is 64 % of the approved structure. The Ministry of Public Service (MoPS) has planned to undertake a comprehensive review of government structures, with particular attention to rationalisation, harmonisation and affordability. Other interventions include the review and rationalisation of public sector organisations that rely on subventions from the consolidated fund. The other key priorities of the ministry are a more efficient and effective management of human resource, especially in the social sector, institutional and systems development initiatives in MDA and Local Governments.

### ***2.6.2 Adopt an integrated approach to the implementation of the third phase of the public sector reform programme***

The APR Panel recommended the adoption of an integrated approach to the implementation of the third phase of the PSRP for the transformation of the public service and eradication of

poverty. The POA called upon government to strengthen the coordination structure within the MoPS for implementation of PSRP by providing staff, equipment and vehicles. It also called upon government to train manpower to effectively monitor and coordinate implementation of the PSRP, and create a mechanism for periodical consultations between MoPS and other relevant ministries and Local Governments.

In the year under review, the Integrated Personnel and Payroll System (IPPS), a computer based system used by ministries, departments and the Local Governments to undertake human resource management activities from recruitment to separation (including payroll and pension processing), was piloted starting in July 2008. Through the IPPS, the MoPS is consolidating the use of modern information and communication technologies to help the Government of Uganda manage the public service human resource more efficiently and effectively. From the pilot implementation of the IPPS, which will end by 30<sup>th</sup> June 2009, lessons will be learnt that will inform the rollout implementation slated to commence on 1<sup>st</sup> July 2009 to 30<sup>th</sup> June 2011.

The PSRP has been implemented with the objective of enhancing efficiency and effectiveness in the public sector and subsequently the transformation of the public service delivery. Result Oriented Management (ROM) has been introduced as part of the PSRP initiatives. The need to strengthen coordination of initiatives to minimise duplication of resources and efforts has been recognised by the government. The ministry has continued to attract and retain skilled and committed human resource and strengthening recruitment selection process. There is targeted capacity building in areas that support transformation and performance improvement training programmes. The MoPS manages the coordination and implementation of PRSP, in collaboration with other MDAs and the Local Governments.

### ***2.6.3 Evaluation of effectiveness of local government structures and strengthen the capacity of sub-counties***

While the APR Panel considered the decentralisation process in Uganda as a best practice with lessons for other African countries. At the same time, the Panel raised concerns about efficiency, effectiveness and service delivery due to the resultant overextended bureaucratic machinery with insufficient financial resources to run it, especially in the context of the proliferation of districts. The proliferation of districts, particularly, created a heavy financial and supervision burden to the central government in terms of paying administrative costs, setting up structures and supporting supervision. This was bound to compromise service delivery, as resources from central government (constituting over 70 per cent of the budgets of most districts) must be shared with the newly created councils. The APR Panel therefore recommended that the effectiveness of local government structures be evaluated and the capacity of sub-counties be strengthened for better service delivery. In implementing the respective POA actions, an evaluation of local government structures was undertaken in the year under review.

The multi-layer system of the local government and the administrative units have provided an opportunity for the local people to get increasingly involved in planning and decision making

that affects their localities. There have been challenges related to insufficient technical and professional capacity. The appointment of the Chief Administrative Officer in the district was recently re-centralised. At present, local governments have limited capacity for internal mobilisation of resources to implement locally identified activities and projects. As a result, there is a growing perception by local-level stakeholders that priorities are set by the central government.

Despite all these challenges, new districts have been created. In many of the districts, constituents are not aware of the decisions, which have been made in their councils. The communication between the technical and elected leaders is not efficient among the local councils although there are signs of improvement.

The MoPS is faced with the challenge of rationalisation of the big, medium and small Local Governments amidst continuous creation of other small districts. The capacity building programme has targeted district councillors while for the technical staff it is ongoing. This is confirmed by a recent report by Africa Local Council Oversight and Social Accountability, an international watchdog which hailed the local government for upholding good governance through enactment of the charter on accountability and ethical conduct. There is improvement in financial management and general performance. Routine inspection, supervision support and annual assessment of Local Governments are triggers for improvement of performance and support for elimination of corruption. However, special attention should be paid to the ICT component and capacity to enhance efficiency.

#### ***2.6.4 Review public sector salary structure, incentives and sanction schemes***

The CRM observed a shortage of skilled personnel in the 'traditional public service', caused largely by low remuneration and poor working conditions, including inadequate pension schemes. Conflict-prone and remote areas were the hardest hit by the scarcity of skilled public officers. There was an exodus of competent staff and professionals to the autonomous public institutions, the private sector and NGOs that offer better wages. There is presently no rational approach to remuneration across the public service in Uganda. A proposed pay policy for public service institutions and government agencies faces daunting challenges, including the need to amend some Acts and statutes that set up various autonomous and semi-autonomous agencies. Furthermore, achieving the target pay levels would increase government expenditure on salaries, which calls for policy measures aimed at closing the financing gap. In light of these challenges, the APR Panel recommended that Uganda should review the salary structure and incentive schemes of the public sector in order to build a professional cadre of public servants.

A pay reform strategy has been approved by the Cabinet although it has not yet been debated by Parliament. The proposed pay policy shall accelerate pay reforms to attain targets that match the labour market and integrate the personnel and payroll systems for accuracy and timelines. The proposed policy is on halt because of pressure from the executive to address salary demands from some MDAs instead of implementation of a comprehensive strategy. For example, the executive gave directives to address the salary of the judiciary and the medical workers.

The revision of the current pension arrangement is intended to guarantee post-employment income security and welfare of retired public servants; settlement of pension arrears and meeting of the recurrent pension payments. A scheme for pre-retirement training to provide public servants due to be retired with post retirement life skills, will be implemented as part of the reform. The priority for pension reforms is on clearing pension arrears, revision of the pension legislation; and development and implementation of new pension arrangement. It is planned to start in the FY 2009/10.

The implementation of the IPPS is planned in three phases and the first phase was the IPPS study, which was concluded in April 2003. This was followed by a pilot implementation phase that commenced in July 2008 and will end 30<sup>th</sup> June 2009. A rollout implementation was schedule to start 1<sup>st</sup> July to 30<sup>th</sup> June 2011. At the end of these phases, IPPS will then be implemented across all ministries, agencies and the Local Government. The MoPS has just received funding to implement the programme.

## **2.7 OBJECTIVE 6: TO FIGHT CORRUPTION IN THE POLITICAL SPHERE**

### ***2.7.1 Harmonisation of anti-corruption laws, policies and institutions***

The CRM noted the existence of extensive state legislative and institutional frameworks at central and local government levels intended to combat corruption, which was a signal of a clear commitment to combining legal measures with institutional frameworks to achieve better results. However, the CRM also noted that while there were as many institutions to fight corruption as there are laws, the lack of political commitment to and effective leadership against corruption, retarded the effectiveness of the laws, policies and institutions meant to combat corruption. The APR Panel therefore recommended that government of Uganda should harmonise all laws, policies and institutions established to fight corruption within and outside the state with a view to ensuring coordination, collaboration and consultation among them.

In line with the recommended POA, during the year under review, an inter agency forum against corruption was formed and operationalised. It is comprised of the following MDAs: the Directorate of Ethics and Integrity (DEI); the Inspectorate of Government (IG); the Office of the President; the Directorate of Public Prosecutions (DPP); the Office of the Auditor General; the Criminal Investigation Department (CID); MFPED; URA; the Public Procurement and Disposal of Public Assets Authority (PPDA); and the Inspectorate of Courts. Others are: Ministry of Local Government; MoPS; Ministry of Internal Affairs; Ministry of Ethics and Integrity; the Local Government Finance Commission (LGFC); the Health Service Commission (HSC); the Judicial Service Commission (JSC); the Education Service Commission (ESC); and the Public Service Commission. This inter-agency forum in working together to fight corruption through the Anti-Corruption Country Threshold (ACT) Programme.

During the year under review, the inter agency forum not only oversaw the development of the National Anti Corruption Strategy (NACS), a framework designed to fight corruption and



rebuild ethics and integrity in Uganda, but also monitored its implementation. The primary anti-corruption agency is the IG which is continuously independent and carries a wide mandate in fighting corruption as well as the ombudsman function. The forum meets at least twice a year and the details of their meetings are captured in the annual report.

Under the ACT Programme, which is also supported by the Millennium Challenge Corporation, over 400 officers from the CID, DPP and IG investigators and prosecutors received specialised training and technical assistance in Public financial management, Witness and trial advocacy skills, Anti-corruption techniques, Instructor development, and Basic computer applications. Procurement audit methodologies have been developed to make it easy to expose corruption in procurement. The existing audit manual is under review. Office equipment and reference materials requested for under the Anti-Corruption Threshold Country Plan (TCP) were delivered to the respective partners. These include furniture, computers and their accessories, printers, photocopiers, video and digital cameras, filing cabinets and other general office supplies. In addition, facilitation and funding for transport as well as allowances are provided whenever required.

The national Constitution of 1995 and the Inspectorate of Government Act 2002 mandate the IG to fight corruption. Practices that are deemed by the law as corrupt under the Prevention of Corruption Act, Cap. 121 and under the Penal Code Act of Uganda, Cap 120, include acts such as bribery and extortion, mismanagement of public funds, stealing by a public servant, neglect of duty, causing financial loss to the Government, making false claims, embezzlement, and abuse of office.

The anti-corruption policy in Uganda is governed by a number of legal provisions. These include: the Constitution of Uganda, the Penal Code Act, the Public Finance and Accountability Act, the Budget Act, the Local Governments Act, the Leadership Code Act, the Public Procurement and Disposal of Public Assets Act, the Prevention of Corruption Act, Access to Information Act, the Audit Act, Anti corruption Act, Anti Money Laundering Bill to mention. In line with POA priority actions the DEI and the Uganda Law Reform Commission (ULRC) have continually worked together to harmonise laws, policies and institutions to fight against corruption. The Anti Corruption Act 2008 was passed by Parliament in May 2009 and is awaiting Presidential assent. Thereafter its implementation and popularisation will commence. The Whistleblowers Bill has been tabled before Parliament for its first reading, and is being considered by a committee of Parliament. The process of originating new legislation on witness protection has begun.

In enforcing the Leadership Code Act, 2002, the IG implemented the strategy of asset recovery in form of civil action. Some progress was registered under this strategy. The Inspectorate successfully recovered some money from those who had misappropriated funds from the Global Fund. The IG in accordance with the Leadership Code Act, also recovered and confiscated assets that had been fraudulently acquired.

### ***2.7.2 Enhance the institutional capacity of the inspectorate of government***

While the IG is functionally the lead anti-corruption institution in the country, its capacity to fight corruption has been hampered by lack of adequate funding and personnel. The APR Panel recommended that the institutional capacity of the IG be enhanced to enable it carry out its mandate effectively.

During the year under review, in line with the POA priority actions, government increased funding to the Inspectorate of Government. Staff of the Leadership Code Directorate of the IG received training in forensic auditing. The Inspectorate also received equipment to facilitate its work. Several incentives and rewards mechanism for staff of the IG were introduced. In the year under review, 10 corruption cases were finalised, six convictions secured, while four were acquitted.

### ***2.7.3 Enforce compliance with the Leadership Code of Conduct***

Article 233(2) of the Constitution provides that the Leadership Code of Conduct shall require specified officers to, from time to time, declare their income, assets and liabilities, and those of their spouses and children and dependants less than 18 years, indicating how they acquired or incurred them, as the case may be. Specified officers are both elected and appointed, and include: the President, Ministers, Judges, Members of Parliament, officers in Police and Prisons, Heads of Departments in Central and Local Governments, District Councillors, leaders in public bodies, ambassadors, Army officers, etc. Currently they total about 17,000 countrywide and abroad.

Submission of the written declarations by leaders is within three months after one becomes a leader and thereafter every two years in the month of March. The Code also provides for a minimum standard of behaviour and conduct for leaders by prohibiting conduct that is likely to compromise the honesty, impartiality and integrity of leaders; or conduct that is likely to lead to corruption in public affairs; or conduct which is detrimental to the public good or welfare or good governance. Prohibited conduct includes conflict of interest, abuse of public property, inside trading, gifts, nepotism and misuse of official position. It also provides for an effective enforcement mechanism. Penalties for no compliance include dismissal, making good the loss, forfeiture of assets, disqualification from holding any public office for a period of five years etc. Article 234 gives the Inspectorate of Government powers to enforce the Leadership Code of Conduct.

The CRM observed that the extension by the IG of the fight against corruption to the leadership in government had been an uphill task. While some high-profile political figures had been exposed and brought to book for violating the Leadership Code, others were alleged to have been shielded from prosecution. The APR Panel recommended that government should support the Inspectorate of Government to enforce compliance with the Leadership Code of Conduct. The POA called for the training and equipping of the Leadership Code Directorate in order to enhance the effectiveness of the G in enforcing compliance.

In the year under review, the IG achieved an almost 100 % compliance from MPs, ministers and government officials in declaring their wealth.

#### ***2.7.4 Guidelines developed governing disbursement and use of the Constituency Development Fund***

The CRM observed that the Constituency Development Fund (CDF) lacks a policy and/or guidelines on how exactly it ought to be utilised, monitored and accounted for, including the matter of sanctions in the event of its misuse or abuse, which loopholes open the CDF to possible political corruption. The APR Panel recommended that guidelines governing the disbursement and appropriate use of the CDF be developed.

In line with the POA action, the Legal and Parliamentary Affairs Committee of the 8<sup>th</sup> Parliament extensively deliberated the review of the CDF. The Committee developed draft procedures of disbursement of CDF, which were yet to be presented to the plenary for debate. The Auditor General (AG) noted in the report that no single MP has accounted for the money and the Clerk to Parliament wants the fund to be frozen until all the legislators submit their accountability. Members of Parliament on the Legal and Parliamentary Affairs Committee have recommended that the CDF be reviewed for easy accountability. The Parliamentary Deputy Clerk told the committee that the term CDF itself is misleading because it is interpreted to mean funds for developing constituencies yet it is the work of the local governments to develop constituencies.

The Clerk to the Parliament warned that most MPs had not accounted for the UGX.10 million each given as the CDF. Out of the 319 MPs who received the fund, only three have submitted satisfactory accountability, according to the House's chief internal auditor.

There are no procedures in place for disbursement of the CDF. Based on the challenges posed by the administration of the CDF, there have been calls for Parliament to enact a comprehensive law, regulations, and guidelines aligned to the 1995 Constitution of the Republic of Uganda and the Public Finance and Accountability Act, 2003. This would cultivate accountability and transparency and would more likely lead to equitable national development. The CDF should directly support community projects, especially those at the grassroots initiated by the poor and marginalised groups.

## **2.8 OBJECTIVE 7: TO PROMOTE THE RIGHTS OF WOMEN AND MAINSTREAM GENDER EQUALITY**

### ***2.8.1 Reform laws to promote gender equity***

The CSAR noted that apart from the very elaborate provisions in the 1995 Constitution and the Gender Policy of 2007 for promoting the rights of women and ensuring gender equality, there were still inadequacies in the laws.

Various provisions and clauses had been included in recent policies and legal frameworks to promote and protect women's rights; an example is the Local Government Act 1997. Some laws were being amended to enhance the protection of women's rights. Such laws include the Land Act of 1998; the Penal Code section 154 on criminal adultery which was recently adjudged unconstitutional for treating men and women differently. Several bills including the Domestic Relations Bill and Sexual Offences Bill are under review.

To drive this process to its logical conclusion, the APR Panel recommended that Uganda should set a precedent by reforming all the national laws that contain clauses that discriminate against the women. This was in light of structural limitations to the full realisation of women's rights embedded in the social construction and cultures of gender in the different communities, coupled with high levels of poverty experienced by women, and apparent under-resourcing by government of the social sector responsible for promoting and protecting women's rights.

During the year under review, the ULRC was involved in a process of reviewing personal laws to ensure equality between women and men.

The MGLSD has developed plans, policies and laws that guide in the implementation of social development interventions. A number of plans, policies, and laws relating to the ministry mandate and functions are available. The laws include: the 1995 Constitution, in particular Chapter 4 Articles 25, 29, 31 38, 40, 42 and Chapter 16. It also included the Local Governments Act, 1997; the Uganda National Cultural Centre Act, (Cap 50); the Children's Act, (Cap 59); the National Council for Children Act, (Cap 60); the National Youth Council Act, (Cap 319); the National Women's Council Act, (Cap 318).

Other laws include: the Uganda Foundation for the Blind Act, (Cap 58); the Workers' Compensation Act, (Cap 225); the Minimum Wages Board and Wages Councils Act, (Cap 221); the Employment Act No. 6, 2006; the Labour Unions Act No. 7 2006; the Labour Disputes (Arbitration and settlement) Act No. 8 2006. Others are: the Occupational Safety and Health Act No. 9 2006; the National Library of Uganda Act, (Cap 136); the National Council for Disability Act, 2006; the Equal Opportunities Commission Act 2007; Stage plays and public Entertainment Act; the Copyright and Neighbouring Rights Act 2006; and the Traditional Rules Restitution of assets and properties Act (Cap 247).

There are also a number of policies in the MGLSD for addressing gender, youth, orphans and other vulnerable children concerns. These include: the Uganda National Culture Policy 2006; the National Equal Opportunities Policy 2006; the Uganda Gender Policy 2007; the National Orphans and Other Vulnerable Children Policy 2004; the National Policy on Disability 2006; the National Youth Policy 2001; the National Child Labour Policy 2006; the National Policy on HIV/AIDS and the World of Work 2007; and the National Policy on Elimination of Child Labour 2006.

The ministry is finalising other policies to provide overall guidance in the implementation of social development sector interventions. These include: The Non Formal Adult Learning Policy; The National Community Development Policy; The National Employment Policy; The National

Library Policy; The National Policy for Older Persons; The National Occupational Safety and Health Policy; The Equity Promotion Strategy; and The Social Protection Framework.

The Social Development Interventions Plan is implemented through subordinate plans, which include: The National Adult Literacy Strategic Investment Plan; The National Action Plan on Women; The National Youth Council Strategic Investment Plan; The Uganda National Plan of Action for Children; The National Action Plan on Elimination of Child Labour; The National Strategic Programme Plan of Intervention for Orphans and other Vulnerable Children; and HIV/AIDS Strategic Plan 2007/ 2008 to 2011/12. Other action plans being finalised by the ministry include: The National Action Plan for People With Disabilities (PWDs); the National Action Plan for Older persons; and the National Action Plan for Equal Opportunities; and the National Culture Action Plan.

The national machinery for the advancement of women and gender mainstreaming in Uganda is the MGLSD. The ministry coordinates and oversees the implementation of gender equality and women's advancement programmes nationally. The Constitution of Uganda holds all the principles of the UN Convention on Elimination of all forms of Discrimination Against Women (CEDAW. Currently, the ULRC has embarked on a process of reviewing personal laws to ensure equality between women and men.

A labour law review process is on-going and this provides an opportunity to address the equality of opportunity for women in the employment arena. Laws which have already been revised to promote gender equality in legislation include: the Land Act 1998 which protects women's land rights; the Local Government Act 1997, which provides for a minimum of one third representation of women on all Local Council Leadership structures.

### ***2.8.2 Institutional capacity building to ensure increased effective women's participation***

The CSAR and the CRM both intimated that the policies and legal framework, as well as interventions such as affirmative action had made it possible to increase the numbers of women occupying high-profile positions in the public sector, Cabinet, Parliament, the Judiciary, the local government and the private sector (hence enhanced political participation). However, it was noted that the very presence of women had not been translated fully into the promotion and implementation of policies and initiatives that support equal opportunity for both men and women. Women had continued to suffer from inequities, inequalities and prejudices more than their male counterparts. Women continued to experience structural discrimination manifested by practices and attitudes inherent in male-dominated political spaces, which undermined their effective political participation. Mechanisms were still either inadequate or completely lacking for empowering women in leadership, not only to participate effectively and articulate gender-related issues, but also to engage the institutional dispensation in which they are involved so as to transform the rules of engagement to make them more responsive to women's issues..

The APR Panel therefore recommended that Uganda should embark on institutional reforms to

ensure that increased participation of women in central and local government is balanced with qualitative changes in institutions, in order to guarantee that women are adequately empowered to promote and protect their rights.

In building the capacity of women representatives to perform their roles, in conformity with the prioritised POA action, during the year under review, lobbying, training, networking was undertaken. The MGLSD and various women groups launched various capacity building programmes for women. For example, the Uganda Women Parliamentary Association (UWOPA) has provided a forum for MPs to discuss, share experiences and support activities that would enhance women's participation, effective leadership in political, economic and social activities in Uganda and beyond. UWOPA together with other civil society organisations has spearheaded training on leadership skills, gender analysis, peace building targeting women in organisations and district levels. Some progress was achieved in increasing the effective participation of women in decision-making bodies.

### ***2.8.3 Enhance implementation of the policy of affirmative action for the girl-child***

The Government of Uganda has made the Universal Primary Education (UPE) compulsory for all primary school going age. Although access to school has generally improved for all children, a gender gap still exists among the disadvantaged girls. Nevertheless, gender parity has been attained at primary education level in terms of enrolment although the completion rate for girls is still lower than boys. Since the popular introduction of affirmative action for females in public universities in 1990, female enrolment accounts for 43 % compared to 57 % for males. However, equal enrolment in tertiary education has not been as successful as it is at the lower levels of education although the numbers of women gaining university education have risen dramatically.

The APR Panel therefore called upon government to make UPE and USE compulsory, and to popularise affirmative action in public universities. During the year under review a law was passed making UPE compulsory. The implementation of compulsory UPE and USE, and the popularisation of affirmative action in public universities, in line with the priority POA actions has caused the dropout rates for the girl child to decrease. As a result of many girls getting University education, it is anticipated that in future, more girls will be able to participate in government programmes.

Affirmative action measures have been introduced to rectify the historical imbalances that have excluded various social groups from mainstream political and economic processes. These include redressing the marginalisation of vulnerable groups, including ethnic minorities, people with disabilities, internally displaced persons, the elderly and vulnerable children. Key challenges facing the country in this regard include mobilising sufficient resources needed to implement policies addressing social exclusion and marginalisation.

Gender inequality persists in access to and control of a range of productive, human and social capital assets. Education plays an important role in addressing gender inequalities. There

are deliberate government policies and interventions as discussed above to address gender differentials in attainment, access and demand for education.

#### ***2.8.4 Strengthen capacity of gender focal points in sectoral ministries***

The APR Panel recommended that Uganda should step up the capacity of gender focal points in sectoral ministries with a view to mainstream gender in planning and the national budget.

The Gender Focal Point Officers (GFPOs) have been revived in all 18 sectoral planning ministries, and these have been playing an important role of promoting and supporting the development of gender sensitive policies and programmes. In line with the recommended POA priority action, training has been conducted by the MGLSD for all the 18 GFPOs as well as Gender Officers in District Local Governments.

The ministry has adopted a participatory approach where the target beneficiaries participate in the planning, implementation, monitoring and evaluation of its programmes. This is the underlying policy of the process of gender-sensitisation and mainstreaming gender concerns. The ministry has carried out gender sensitisation to ensure that gender concerns are mainstreamed within the Judiciary and all other ministries.

## **2.9 OBJECTIVE 8: TO PROMOTE AND PROTECT THE RIGHTS OF CHILDREN AND YOUNG PEOPLE**

### ***2.9.1 Develop a policy and strategy to address youth under-employment and unemployment***

Both the CSAR and the CRM acknowledged that although a comprehensive policy and legal framework, as well as enabling laws had been put in place to promote and protect the rights of children and young people, mechanisms for their operationalisation were either weak or non-existent. This is evidenced by: the high incidence of child-soldiers; child trafficking and prostitution; child sacrifice; high rates of defilement of the girl child, among others. Although neither the CSAR and the CRM examined the need to address youth under-employment and unemployment, nor did the APR Panel make any recommendation regarding the subject, the POA called for the development of a policy and strategy to address the issue.

In line with the proposed POA action, during the year under review, national as well as regional consultations were held with key stakeholders (youth and employers) to address the problem of youth under-employment and unemployment. A National Action Plan for Children Employment was formulated and operationalised by integrating it within the Poverty Eradication Action Plan (PEAP) revision process. A youth employment policy has been developed.

Uganda has one of the youngest populations in the world with 56 % of Ugandans falling below

the age of 18 years. The high youth unemployment threatens Uganda's future economic development. A total labour force of 11 million was unemployed in 2005/2006. However, 400,000 enter the labour market every year of which only about 113,000 find employment in the formal sector. The rest either join the informal sector or remain unemployed.

According to the African Development Indicators 2008/2009, unemployed young people among the ages 15 to 24 years have been recorded at 83 percent in Uganda. According to the report, Uganda's population also has the highest dependency ratio in Africa registered at 1:1. The report pointed out that youth unemployment is 68 percent in Zimbabwe and 56 per cent in Burkina Faso, the other two countries that face challenges similar to Uganda. Uganda's unemployed persons consist of mainly young and unskilled workers of whom 51.1 % are youth, with females constituting the majority. The high youth unemployment threatens Uganda's future economic development.

In order to reduce the high flight and unemployment rate among the youth and to improve labour productivity, the MGLSD has facilitated 7,200 migrant workers to Iraq, United Arab Emirates and the Sudan. The total remittance from these workers is estimated at UGX 8.3 billion per month. The ministry has also trained 540 youth in entrepreneurial and business skills in Arua, Hoima, Mpigi, Katakwi, Nakasongola, Mbarara, Lira, Masindi and Kampala.

Although the CRR recommended the rehabilitation, reconstruction and re-equipping of five regional youth training centres in Mukono, Moroto, Mubuku, Masindi and Apac, to help build the capacity of the youth to be self reliant, during the year under review, only Mukono centre was operational. The other four regional youth centres required massive resources for their refurbishment, equipment purchase as well as staff recruitment and remuneration.

### ***2.9.2 Integrating rights of children in post-conflict reconstruction and development programmes***

The POA called for the integration of the children's rights to food, health, shelter and education in the on-going post-conflict reconstruction and development programmes. There are two major post-conflict reconstruction and development programmes currently being pursued: The Peace and Recovery Development Plan (PRDP) in 40 districts of LRA conflict-affected areas of Northern Uganda and the Karamoja Integrated Disarmament and Development Programme (KIDDP).

In the year under review, government formulated the National Child Participation Guide for Uganda to create an environment for children to be heard in consonance with Article 12 of the United Nations International Convention on the Rights of the Child (ICRC) . The Government of Uganda ratified the ICRC in 1990.

A comprehensive study to identify how children issues can be mainstreamed in the on-going post-conflict reconstruction and development programmes was planned by the MGLSD, and will be undertaken in collaboration with UBOS. The findings of the study will inform the implementation



of post-conflict reconstruction and development programmes in order to address the rights of children. The Directorate of Youth and Children Affairs in the MGLSD has also widely publicised and sensitised communities about the Children's Act and the National Child Participation Guide for Uganda.

### ***2.9.3 Integrating children's rights issues in civic education programmes***

The CSAR observed that one of the key constitutional mandates of the Uganda Human Rights Commission (UHRC) is civic education, which it performs through a continuing programme of research, education and information dissemination to enhance respect for human rights. The UHRC had also formulated, and was implementing and overseeing programmes intended to inculcate in citizens an awareness of their civic responsibilities and an appreciation of their rights and obligations as free people. UHRC undertakes civic education in collaboration with civil society organisations. The POA called upon government to build and strengthen institutions that promote and protect children's rights as part of the civic education programme.

During the year under review, the MGLSD provided care and support as well as welfare services to 852 children in five institutions, namely: Kampiringisa, Naguru Remand Home, Naguru Reception Centre, Mbale Remand Home and Fort Portal Remand Home. In order to provide safety nets for vulnerable children groups, the ministry provided care and protection to 1,060 children in institutions and identified, withdrew, rehabilitated, resettled and supported 1,136 street children and their mothers.

However, no research was done to identify the capacity needs of these remand homes as well as other existing child rights advocacy institutions that may be useful purveyors for promotion and protection of children's rights as part of the civic education programme. The MGLSD carried out sensitisation programmes on children rights.

## **2.10 OBJECTIVE 9: PROMOTION AND PROTECTION OF RIGHTS OF VULNERABLE GROUPS**

The CRM noted that the Government of Uganda has put in place sufficient legislation for protecting and promoting the rights of vulnerable groups, such as the Refugees Act of 2006, which was considered to be one of the most progressive in the region. Policies had also been formulated and laws enacted for people with disabilities (PWDs), such as the National Policy on Disability of 2006; the Persons with Disability Act 2006; the National Council for Disability Act 2003; and the UNISE Act, 1998. A policy was formulated for Internally Displaced Persons i.e. the National Policy for IDPs of 2004.

Although there are constitutional provisions that define the rights and freedoms of elderly persons and ethnic minorities, as well as the Equal Opportunities Act, 2006 that articulates the general principles in the bill of rights, specific policies and subsidiary legislations have not yet

been formulated to protect and promote the rights of these two categories of vulnerable groups. A Draft policy for elderly persons exists. While no comprehensive policy exists to support a joined-up social protection strategy for all vulnerable categories, a number of legal instruments and provisions are in place, which can be used to galvanise movement towards achieving this objective. The APR Panel therefore recommended that the Government of Uganda should, as a matter of urgency, enhance the capacity of institutions that have the mandate to promote and protect the rights of vulnerable social groups.

The POA called for the development of a policy framework and strategy for addressing the under-employment and unemployment of PWDs. In implementing the priority actions of the POA a study was conducted to identify key interventions of addressing PWDs' under-employment and unemployment.

The Draft Employment Policy addresses the problems of unemployment, under-employment, labour productivity and poverty in the country. The Employment Policy framework protects and assists those who for one reason or another cannot cope with the demands of the market forces and have been marginalised by their inability to compete. These vulnerable groups include; women, youth, persons with disabilities and the unemployed. The policy proposes special compensatory and well-targeted programmes including those envisaged under the PEAP to address the needs of the vulnerable groups. However, the policy does not directly address the under-employment and unemployment problems of the PWDs. The ministry has planned to carry out a comprehensive study to inform the plans and the activities of the ministry specifically focusing on the situation of the marginalised groups of people.

The MGLSD has initiated the Social Development Sector Investment Plan (SDIP) which integrates human progress with economic growth for sustainable development. The goal of SDIP is to ensure full realisation of economic, social, cultural, political and civil rights as well as improved livelihoods of the people in Uganda, with particular focus on the poor and vulnerable groups for sustainable and gender responsive development. This is an overarching goal that takes care of the concerns of the six departments of the ministry i.e. Occupational safety and Health, Labour and Industrial Relations, Youth and Children Affairs, Poverty Eradication, Economic and Civic Rights, Elderly and Disability and Gender, Culture and Community Development. However, the MGLSD needs to train and equip the required personnel to manage the SDIP. A consultative process with stakeholder has started to inform the operationalisation of the programme.

The POA also called for the mainstreaming of the rights of vulnerable groups in peace-building initiatives and post-conflict reconstruction and development programmes. In implementing the priority actions of the POA during the year under review, the MGLSD in collaboration with UBOS initiated a study on the rights of the vulnerable groups in peace building and post-conflict reconstruction to inform policy and guide the inter-ministerial committee dealing with the rights. Once the study is done, the results will inform the equipment of the ministerial committee.

## 2.11 CONCLUDING REMARKS AND RECOMMENDATIONS

The Government of Uganda has made significant progress on the majority of the POA actions, which has laid a foundation for the consolidation of political democratisation, the promotion of the liberties and freedoms as well as responsibilities and obligations of the marginalised groups, among others. The enjoyment of universally recognised freedoms and liberties by all citizens and distribution of political power by ensuring a functional system of checks and balances is openly discussed in different fora such as the Parliament and the media, both print and electronic. The current move to address the historical land problem is widely welcomed in Uganda. Consultation on the Land Amendment Bill and the land policy to increase national consensus and ownership is ongoing. It is expected that the final policy will resolve the longstanding land problems in the country. The institutionalisation of the Equal Opportunities Commission is a positive development to address the historic and present forms of discrimination against the marginalised groups of people, particularly women, youth, the elderly and people with disabilities and to improve their livelihoods.

Under the Democracy and Political Governance thematic area, the NGC recommends as follows:

- *Domestication of the seven major international codes and standards*: An inter-ministerial committee should be constituted to work with the MoFA, the depository of all treaties in Uganda and therefore the lead agency in their ratification, to monitor and ensure compliance to the conventions and treaties. Requisite staff for the upgraded department of legal affairs should be recruited to monitor and ensure compliance with standards and codes. Government should develop a plan for domestication of the seven major international codes and standards identified by the CSAR.
- *Dissemination of domesticated International Codes and standards*: The government has acceded to a number of international standards and codes, but not all of them have been domesticated and systematically recorded for dissemination to state and non-state stakeholders. Although there exists in the MoFA an inventory of all codes and standards which Uganda has signed, many Ugandans are still unaware of what these codes and standards are about. There is a need for the Government media to have a special programme on a particular day to popularise signed and ratified international conventions, treaties and agreements, as well as principles, standards and codes. They should also be translated into different local languages. The government should expedite the process of validating the draft National Values Policy so that it can be quickly presented to the Parliament.
- *Addressing Land conflicts*: In order to amicably resolve land disputes and conflicts in Uganda, government needs to dedicate itself to addressing the historical land problem that are the source of the current controversies surrounding the Land Act Amendment Bill and the formulation of the National Land Policy. Government should also commit and allocate additional resources to the land fund. Regulations for management of the land fund should also be formulated immediately.
- *Resolution of border disputes*: Border disputes between Uganda and its neighbours should be addressed within the regional and international frameworks available, especially

ensuring a commitment from all the leaders of the three countries to respect the principle of inviolability of borders as inherited from the colonial powers. Government needs to continue with the survey and mark all of Uganda's border points.

- **Full-scale implementation of the PRDP:** The government should immediately embark on the full-scale implementation of the Peace, Recovery and Development Plan for Northern Uganda starting this July 2009.
- **Development of a comprehensive national civic education programme:** Government, in collaboration with the various stakeholders should develop a comprehensive national civic education programme that will enhance the citizens' knowledge about their rights, duties and responsibilities and empower them to hold both state and non-state actors accountable for actions that violate their rights.
- **Effective enforcement of measures against corruption:** An inter agency forum against corruption was formed and operationalised. The laws and institutions to fight corruption are in place. There is also significant political will. The government has set in place the Anti-corruption court and the Anti Corruption Act 2008 was passed by Parliament harmonising the laws on corruption. A law to protect whistleblowers and witnesses is being developed. In order to address the immanent challenges that continue to undermine the fight against corruption, government should support the effective implementation of the laws and measures against corruption.
- **Addressing Youth unemployment:** The efforts by government to address the problem of youth unemployment are recognised. However, more efforts need to be made to ensure that the ever-increasing workforce of young men is productively employed.



# **CHAPTER THREE: ECONOMIC GOVERNANCE AND MANAGEMENT**

This chapter assesses the progress that was made in implementing the POA priority actions under the Economic Governance and Management thematic area. In the pursuance of a market-based, private sector-led economic growth as a strategy for poverty eradication and improving the living conditions for all Ugandans, it is critical to review the progress being made with regard to promotion of good economic governance, including (but not limited to) transparency in financial management.

## **3.1 PRINCIPLES, CODES AND STANDARDS**

### **Signing, accession, ratification, domestication and popularisation of economic governance and management principles, codes and standards**

The POA identified 13 international principles, codes and standards in economic governance and management that the country was required to sign, accede to, ratify, domesticate and popularise. During the FY 2008/9, progress has been registered to uphold these principles, codes and standards with efforts made towards their domestication and popularisation. Significant efforts have been made towards the development of legal and policy frameworks that lay the foundation for merging Uganda's economic systems with the other East African Community countries.

Success has been registered with the Customs Management Act, which is the basis for collecting revenue by the Uganda Revenue Authority (URA). Because it upholds the principles, codes and standards in the Protocol on the Establishment of the East African Community Customs Union in 2004/5, its implementation revealed significant differences in the tax systems with other East African Countries, particularly the tax rates, procedures and applications with regard to indirect taxes. Negotiations on the elimination of non-tariff barriers (NTBS) and harmonisation of tax policies were also undertaken focusing on consolidating the Customs Union as the bedrock for further integration of the Community.

Progress has also been made towards merging different economic entities in order to harmonise their agendas to avoid overlapping and hence becoming more effective. In this regard, during the period under review, two protocols were developed and harmonised, namely: the second draft of the Social Decisions and Production Protocol and the Second draft of the Food Protocol. A harmonised Security Action Plan was put in place. Eight negotiation meetings on the establishment of the East African Common Market were held. The common market would facilitate the free movement of persons, labour, goods, services, capital and the right of establishment with the East African Community. An agreement was reached on several parts of the EAC Common Market protocol, which is to be ratified by the end of 2009.

Progress has also been made towards the creation of the East African Monetary Union. Consultations on the East Africa Monetary Union were undertaken while consultative and

negotiations meetings were held. The EAC partner states are harmonising monetary and financial statistics in EAC countries in preparation of the Monetary Union projected for 2015.

The EAC-EC Economic Partnership Agreement (EPA) negotiations continued during FY 2008/9. Uganda as part the EAC Countries are negotiating as a customs union. The European Commission granted the EAC the offer of having duty and quota free market access to the EU markets, with transitional arrangements for rice and sugar. The EAC partner states would also gradually open their markets to goods from the European Union over a 25-year period.

Initiatives to promote regional projects were anticipated for the creation of the East African power pool. During the period under review, the EAC energy committee meeting held two meetings on the East Africa Power Conference of 2009. A government policy was drafted and funding amounting to USD 11.3 million from the African Development Bank for the infrastructure in Uganda alone, was to be secured for installation of 769 transmission lines and reinforcement of 17 transformer stations.

Efforts to comply with international principles, codes and standards have also been made. During the year under review, the EAC Secretariat, in collaboration with the UNBS convened an experts meeting to deliberate on the harmonisation of regional laws regarding metrology. The meeting was held in Kampala in November 2008. This led to the development of the Metrology Bill, 2009. The EAC Secretariat in Uganda facilitated the development of the Metrology Bill, which mainstreams international principles, codes and standards for the standardisation of goods and quality assurance. Subsequent to the Bill, processes have been initiated for amendment of the Standards Quality Measurement Tools (SQMT) Act 2006 to avoid duplication and inconsistencies with the new law on metrology.

Several legislations in the financial sector have significantly mainstreamed international principles, codes and standards for sound financial sector management. Hence, they have contributed to their domestication. These, among others, include: the Financial Institutions Act, the Budget Act and the Public Finance and Accountability Act. During the year under review, additional legislations have also been enacted, or were in the process of being enacted to further compliance with international principles, codes and standards for sound financial sector management, which will in turn enhance economic governance in Uganda. Parliament has enacted an Anti-corruption Act, which will address corruption both in the public and private sector. The Anti-Money Laundering (AML) Bill, an indication of Uganda's commitment to fighting money laundering, was approved by Cabinet in April 2009 and had been presented to Parliament for the first reading. It was under consideration by a parliamentary committee.

Progress was also registered in the harmonisation of the operations of the Capital Markets Authority (CMA) of Uganda, within the EAC. Kenya, Uganda and Tanzania had all agreed to become International Organisations Securities Commission (IOSCO) compliant. The countries carried out the required self-assessment of current practices against the IOSCO principles. As part of the assessment, the three countries reviewed their current laws with a view to harmonisation.

The legal frameworks were, to a large extent, harmonised. It was anticipated that complying with the ISOCO principles by all three countries would be achieved in 2009/10 and would bring them completely into line with the exception of the capital adequacy requirements. The Kenyan market was more mature and had a higher capital adequacy requirement than those in other East African countries. This trend that was expected to continue. Discussions continued during FY2008/9 on the equitable use of the River Nile waters.

In order to enhance economic governance and management, Uganda has also mainstreamed principles, codes and standards for good practices in public sector management. The 1999 Guidelines for District Service Commissions that were developed by the Public Service Commission were reviewed. During the FY 2008/9, the Public Service Commission Act 2008 was passed, setting the legislation for recruitment, placement and evaluation standards for public service. Guidelines and Regulations for operationalising the PSC Act were published. The PSC, with the support of Strengthening Decentralisation Programme (SDP), conducted consultations with DSCs on minimum conditions and standards for service delivery at the decentralised level. As a result, the MoPS had designed and rolled out client service charters for the various ministries.

A review of the legal framework for public accountability was initiated but not completed. Views of various stakeholders continued to be compiled. Further analysis reveals that it is necessary to identify all the legislation related to the functioning of political, administrative and financial accountability institutions under the Accountability Sector Working Group. The Auditor General derives powers, duties and responsibilities from the Constitution of Uganda, the National Audit Act 2008, the Public Finance and Accountability Act 2003 and the Local Authorities Act 1997. Thus any reviews of public accountability legislation would take into account the mentioned laws. Some related legislation that was handled included: the Auditor General's (Amendment) Act 2008, making the office of the Auditor General autonomous; the enactment of the Anti-Corruption Bill; and the tabling in Parliament of the Whistleblowers Bill.

In the year under review, the Directorate for Ethics and Integrity (DEI) initiated the development of a Code of Conduct for Political Leaders such as politicians and ministers. A draft document was developed and was being continuously revised throughout the year. Consultations on the development of national values continued.



## **3.2 OBJECTIVE 1: TO PROMOTE MACROECONOMIC POLICIES THAT SUPPORT SUSTAINABLE DEVELOPMENT**

### ***3.2.1 Building capacity within Government to monitor the volume of oil reserves and production***

#### **Building government capacity for monitoring oil reserves and production**

The POA called for an assessment of the existing capacity within government to monitor the volume of oil reserves and production. An annual evaluation and documentation of available staff in relation to the Petroleum Exploration and Production department's establishment, was undertaken in 2008. In the restructuring process that followed, 17 members of technical staff with qualifications ranging from postgraduate level to diploma level in petroleum and geological sciences were retained. The department projected a need for nine more members of staff to realise the full establishment.

There was a future manpower shortage envisaged in the Petroleum Exploration Production Department as more oil exploration took place and discoveries were made. This means that the cumulative number of staff required to monitor would grow. The magnitude of the need is such that for every productive oil well, two members of staff of the Ministry of Energy and Mineral Development (MEMD) would, working in 12 hour shifts, have to undertake a 24-hour watch to monitor and report on the exploration activities. The country lacks the required expertise for oil exploration and refinement.

#### **Reviewing and development of a plan to address the gaps**

While there was neither an explicit staff development plan, nor a strategy for addressing the imminent manpower gaps in the Petroleum Exploration and Production department, the critical areas where national expertise was required for further petroleum exploration and for the production of oil and gas had been identified and were being addressed. During FY 2008/9, the Government of Uganda with support from the Government of Norway was training officers at Masters Degree level in Norway in Petroleum Economics. It had been anticipated that 20 staff members would be trained to various academic and post-professional levels in FY2008/9. In 2009, government finalised plans to establish an Institute of Petroleum Engineering, which would be affiliated to Makerere University, offering a Diploma in Petroleum Engineering. Funds had been earmarked in the FY 2009/10 national budget for the institute to be located at Kigumba in Masindi district.

#### **Putting in place a technical staff retention policy**

The POA called upon government to put in place a policy for retention of technical staff in the Petroleum Exploration and Production Department whose capacity development is an area of concern for government. A scheme involving offering better terms and conditions of service for the technical staff was designed and implemented on the recommendation of the Inter-ministerial Committee on Oil and Gas. This triggered unprecedented resignations of staff of a

related department, within the ministry who had similar qualifications, in the hope of benefiting from future recruitment into the lucrative department.

### **Creating public awareness on oil resource management and utilisation**

The POA called upon government to create public awareness on various aspects of Oil and Gas resource management and utilisation. H.E the President, the Cabinet and the Parliamentary Committee on Natural Resources were briefed to enhance their awareness on critical matters regarding the developments in the oil and gas industry. Efforts were made by the MEMD, in collaboration with the Inter-ministerial Committee on oil and gas, to initiate the establishment of a national level forum for public awareness on oil and gas resource management and utilisation. However, it had remained a challenge.

MEMD conducted at least two meetings and seminars in each of the districts in the Albertine region attended by the district leadership, civil society organisations and traditional leaders. This public awareness campaign initially targeted only the populations within the districts of the Albertine region. National level dialogues outside of government institutional arrangements were conducted by civil society and the private sector.

### ***3.2.2 Building capacity within the Government to collect revenue from the oil industry***

#### **Assess the existing capacity within government, review and develop a plan to address the gaps identified and implement the plan**

The POA called for an assessment of the existing capacity within government to collect revenue from the oil and gas industry. An Inter-Ministerial Committee on Oil and Gas has been established in MFPED, with representation from among others, MEMD and URA. It was tasked to design a mechanism for resource monitoring and revenue collection and administration. Under the supervision of URA, an International Monetary Fund Consultant was procured to assess the capacity within URA for oil revenue management and a report produced in February 2009. Consequently, a training programme for staff was initiated. URA activities on petroleum-related revenue administration are conducted under a project within the Domestic Taxes Department. A proposal has been developed for consideration to create a Petroleum Unit within URA specifically to collect revenue from the oil and gas industry.

#### **Put in place a staff retention policy**

The POA called upon government to put in place a retention policy for technical staff with specialised skills in oil and gas revenue administration and management within URA. There is already a human resource policy in URA in which any member staff trained under URA capacity building programmes is bonded to work with the institution for a specified period of time. This policy applies to all revenue administration staff and would also apply to the Petroleum Unit. However, in 2008, guidelines for enhancing staff retention were reviewed to address new concerns, including those of the Petroleum Unit.

### ***3.2.3 Establishment of mechanisms to ensure transparency in the management of oil resources***

#### **Reviewing the existing National Oil and Gas Policy**

The POA called for the review of the existing National Oil and Gas Policy for Uganda of February 2008 in order to identify inherent gaps. Staff and management of the MEMD in 2009 conducted a review of the policy. One major gap identified by the review was that the policy did not reflect the current position of government of undertaking in-country refinement of crude oil instead of exporting it for refining in Mombasa. The policy was thus not in agreement with the government strategy of promoting value addition, through export of processed or refined oil products. The policy only focused on exploration and production without consideration for non-exportable refining.

#### **Enactment and enforcement of the law on oil and gas**

The POA called for the enactment and enforcement of a national law on oil and gas. During the year under review, the drafting of a national Oil and Gas law commenced with the formulation by MEMD staff of the principles for the new petroleum exploration and production legislation. These principles, expected to be ready before the end of 2009, will be submitted to Cabinet for approval, before a bill can be drafted. To enhance regulation of the activities in the oil and gas industry, the department of exploration and production in the MEMD had been strengthened. Other institutions for regulation of oil refinement, revenue generation, management and disposal institutions will be further developed in FY2009/10. An Inter-Ministerial Committee on Oil and Gas held monthly meetings throughout the FY 2008/9.

#### **Joining the Extractive Industries Transparency Initiative (EITI)**

The CRM observed that the proposed exploitation of oil in the north-western region necessitated reforms on how proceeds from oil and gas would be utilised, as well as the protection of the environment. The CRM also observed that consultations will have to be carried out with local communities to reach consensus on an inclusive framework. In drawing lessons and best practices from other oil and gas producing countries in the world, both the CSAR and the CRM highly recommended the accession by Uganda to the EITI. This, they indicated, would enable Uganda avoid instabilities that could arise from oil exploitation, especially in a border area. Large commercial deposits had been found along the Western and North western border with DR Congo in the Albertine region.

The CRM specifically noted that EITI would help Uganda to ensure that the extraction of natural resources benefits the country as a whole and all its citizens, by strengthening governance through improved transparency and accountability in the extractive sectors. The CRM further revealed that EITI would set global standard for companies to publish what they pay for Uganda's oil and gas and for the Government of Uganda to disclose what it receives from the oil and gas. During the year under review, some progress was made towards drafting the oil and gas law which would define the basis for joining EITI.

### **3.2.4 Broaden the tax base**

#### **Reviewing of existing tax sources and revenue potential**

The CRM recognised resource mobilisation as one of the areas of macroeconomic management where the government faced significant challenges. It called for strengthening of the country's capacity to mobilise domestic resources for funding economic and social development programmes. The CRM observed that the tax structure affected mainly the formal sector, leaving out 80% of the population that operates in the informal sector. No major review of the Ugandan tax system has been conducted to assess whether it still meets its objectives. The POA therefore called for a review of the existing tax system in order to determine the country's revenue potential, including identifying new tax sources and their contribution to the growth of tax revenue.

URA is the central body for the assessment and collection of specified tax revenue, administering and enforcing the laws. On the other hand, the MFPED is responsible for the formulation of tax and non-tax policies aimed at generating domestic revenue and promoting investment, consumption and savings. The broad tax policy objectives are contained in the budget speeches while the details are tax-related laws like the Finance Act, 2003. It is observed that Uganda's tax laws are structured in a manner that is not easy to understand participation in their formulation is limited to Uganda Manufacturers Association but CSOs have not been involved. The Tax Appeals Tribunal (TAT) handles tax disputes that arise between URA and the taxpayers. The tax disputes are large and are projected to increase, which is a reflection of the problems in tax management.

In the year under review, no comprehensive tax policy review was carried out. Government's tax policy intentions as manifested in the 2008/9 National Budget statement were characterised by a combination of tax waivers and exemptions mainly to encourage and stimulate private sector investment; enhance access to certain basic social services; stimulate agricultural modernisation through agro-processing for value addition. The tax policy intentions were also characterised by introduction of new taxes such as the local service tax, which came into effect on 1<sup>st</sup> July 2008. Amendments were introduced in the Income Tax Act to cater for petroleum transactions and take care of the specific issues related to the new oil discoveries; as well as to introduce an environmental levy on used vehicles aged eight years and above alongside other imported used goods. Some taxes were increased, for example, the fees for first registration of motor vehicles excluding commercial ones.

In the FY 2009/10, a shortfall of UGX 152 billion was registered due to the external shocks resulting from exogenous factors of the economic downturn and indigenous structural constraints. The actual oil and gas revenue potential has not been determined since exploration is still ongoing and the mechanisms for in-country refinement are being assessed to determine level of feasibility.

### **Hold stakeholders' consultations and sensitisation on the tax policies**

The CRM noted that Uganda's relatively narrow tax base posed a challenge in the government's objectives of mobilising domestic resources. The strategy of deepening the tax base by increasing taxes on entities and individuals already in the tax net affected mainly those in formal employment and not in the informal sector. The CRM also noted that the space for engagement of government on taxation issues was wider at the centre (through societies of accountants and manufacturers) compared to the local government level, which led to complaints of lack of transparency and predictability regarding tax policies.

The APR Panel recommended that the Ministry of Local Government (MoLG), in consultation with the MFPED, should take appropriate steps to enhance the involvement of local authorities and stakeholders in the formulation of appropriate tax measures for local governments. As a way forward, the POA called upon government to undertake consultations with the relevant government departments and the public, as well as undertake sensitisation on the tax policies, especially as spelt out in budget statements.

In line with the priority actions of the POA, the Research and Planning Unit within the Corporate Services Department of the URA, as part of its mandate and as a routine process, conducted research, made projections, and forwarded proposals to MFPED on tax sources and revenue potential during FY 2008/9. Consultations were also carried out with relevant central and local government departments. URA conducted regular regional consultations with taxpayers in the districts, which were also attended by local government officials. Both URA and MFPED reviewed existing tax sources, determined revenue potential and identified the tax gaps. URA conducted stakeholder sensitisation using radio and TV programmes and through regular seminars and workshops.

### **Formulation of appropriate policies and laws regarding taxation**

The CRM observed that Uganda needs a well-designed tax policy and system considering the fact that the existing tax policies have yet to enable government raise enough domestic revenue to finance expenditure without recourse to excessive public sector borrowings or donor grants. Uganda tax policies are generally spelt out in annual national budget statements. The APR Panel recommended that the government should expeditiously review its tax policy to encompass broadening of the tax base and making it more appropriate to meeting its fiscal objectives. The POA called upon government to prepare appropriate policies as well as the necessary legislation governing any new taxes introduced.

### ***3.2.5 Strengthen the Government's capacity to collect non-oil tax revenue***

#### **Assessment of the existing capacity within the government (human and technical)**

The CRM observed that among the challenges facing the country in mobilising domestic fiscal resources is the tax system itself. In some ways the system does not enable the taxes to be collected cost-effectively in a manner that minimises opportunities for corruption. The tax structure and its rates do not encourage compliance. The CRM also noted the possibility of the

existence of some political influence on the administration of tax policy, especially due to the perceived lack of a level playing field whereby some individuals and companies are exempted from certain taxes, or get their taxes reduced, while others do not enjoy such privileges. In light of these concerns, the POA called for the strengthening of the human and technical capacity of government to collect non-oil tax revenue.

During the year under review, URA assessed the existing human and technical capacity within government to collect non-oil tax revenue and a report was produced. Based on the medium taxpayers report, segmentation was undertaken, leading to the creation of a medium taxpayers office. This led to the restructuring of URA. Members of staff for the medium taxpayers office have been recruited.

### **Review and develop a plan to address the gaps identified and institute a staff retention policy**

Interviews conducted with a key informant revealed that a review was conducted during the reporting period, a report written and submitted. Based on the report, a plan was developed to address the identified gaps. In pursuing a staff retention policy, URA developed a general (non-segregating) policy for all revenue administration members of staff. Furthermore, URA is developing guidelines for enhancing retention.

### ***3.2.6 Review existing policies and laws enabling fiscal decentralisation***

#### **Undertaking a SWOT analysis**

The CRM observed that Uganda's decentralisation policy was intended to improve not only financial accountability and responsible use of resources by establishing a clear link between payment of taxes and provision of the services financed, but also the capacity of local councils to plan, finance and manage the delivery of services. The CRM noted with concern the apparent re-centralisation taking place, as local councils had become heavily dependent on the central government. This has resulted in the fast disappearance of their relative administrative, political and financial autonomy. For example, the recruitment and appointment of Chief Administrative Officers which government had already re-centralised. Many local governments were becoming increasingly dependent on central government grants, some of them up to 90 %.

The POA therefore called for an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of fiscal decentralisation, in order to determine how to address the constraints encountered. During the year under review, government did not undertake a commissioned SWOT analysis of fiscal decentralisation and the enabling laws. However, the Ministry of Local Government and donors conducted a Joint Annual Review of the Decentralisation (JARD) process, a practice that has been conducted since 2006 to establish the efficacy of decentralisation. The multi-stakeholder engagements highlighted gaps that were to be brought forth to the next JARD process as undertakings that have to be met so as promote efficacy of decentralisation. The JARD process annually reviews the efficacy of service delivery, administrative decentralisation, fiscal decentralisation, political decentralisation, good governance and local economic development.

### **Formulation of new policies on fiscal decentralisation**

During the year under review, no new policy on decentralisation in general and fiscal decentralisation in particular was drafted or formulated, even after the Annual JARD process through which the SWOT analysis of fiscal decentralisation was undertaken.

### ***3.2.7 Resource allocation to agriculture, industry and infrastructure in line with agreed targets***

#### **Identification of the resource needs in the agriculture and infrastructure sectors**

The CRM observed that although Uganda had a good expenditure policy, it nevertheless needed to watch its priorities so that the budget can target more infrastructure projects, social services and agriculture. The POA therefore called for the identification of the actual resource needs in the agriculture and infrastructure sectors.

The MFPED carried out a study in 2008, and released a Discussion Paper 17 of December 2008 on 'Agricultural Sector Investments and Institutional Performance in Uganda'. In this study, MFPED noted the difficulties in quantifying and fully appreciating the actual level of investments required and undertaken in agriculture. This was largely due to the multi-sectoral nature of the current agricultural development framework.

An analysis of the government budget indicated that during the year under review, the resource allocations to the agricultural sector were projected to increase to UGX. 278.837 billion, representing a 25 % increase from UGX. 223.2 billion. Over the medium term, the resources are projected to increase by 34 %. This represents an increase from 3.8 % to 4.5 % of the national budget. The annual resource requirement projections for industry development are UGX. 0.66 billion, UGX. 1.03 billion, and UGX. 13.59 billion for the FY 2009/10, 2010/11 and 2011/12 respectively. Annual resource requirement projections for the infrastructure sector are UGX. 1,092.2 billion, UGX. 1,146 billion, UGX 812.8 billion in 2009/10, 2010/11 and 2011/12 respectively, as undertaken within the MTEF ceilings.

#### **Establishing current provisions to Agriculture, Industry and Infrastructure sectors**

The CRM expressed concern about the relatively low budgetary allocation to agriculture (3.6 % in 2006/7), and yet agriculture accounted for 32% of the GDP, employed 73 % of the labour force and contributed 85 % of export earnings. The CRM noted that agriculture needed to attract a much larger share of public sector investment. The APR Panel recommended that the Government of Uganda should increase spending on agriculture to at least 10 % of the national budget as recommended by the Common Agricultural Development Programme (CAADP), endorsed by the African Union Summit in Maputo in July 2003. The POA called for establishing the current position on allocation of public resources to the agriculture sector.

In the year under review, through the CAADP process in Uganda, implemented by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and the National Development Plan (NDP) formulation process spearheaded by the National Planning Authority (NPA), energy had been

devoted not only to establishing the current public expenditure in the agriculture sector but also justifying why the provision needed to be increased. In 2008, the PMA Secretariat commissioned a study to understand the financing of agriculture and agriculture-related activities basing on “government’s public spending intentions” derived from the national budget proposals. In April 2009, a follow up study was conducted to determine the extent to which government translated its public resource allocation commitments and intentions into actual disbursements of resources to agriculture and relevant institutions.

Budgetary allocation to the agriculture sector (as a proportion of the total resource envelope) has been declining compared to other sectors of the economy. The medium-term expenditure allocations for agriculture in the national budget (excluding resources from donors) show that public spending in agriculture declined from 4.3 % in FY2007/8 to 3.8 % in FY2008/9, equivalent to UGX. 223.2 billion. Industry is UGX 0.6 billion while current provision to the works and transport sector was UGX 1.0837 billion.

### **Resource allocation to identified priority intervention activities**

The POA called for not only the identification of the priority intervention areas for investment in the agricultural sector, but also allocation of available public resources to these identified priorities.

In the year under review, the following five policy objectives were pursued in the agriculture sector: (i) Increase incomes of farming households; (ii) Ensure household food and nutrition security; (iii) Create on-farm and off-farm employment opportunities; (iv) Promote value addition to agricultural products, and; (v) Promote domestic and external trade in agricultural products. The following four intervention activities were prioritised under the agriculture sector: the NAADS both at the secretariat and Local Government level; animal resources; crops; and; policy planning and agricultural research.

An analysis of the resource allocations for the FY 2008/9 within the MTEF revealed that resources to the agriculture sector according to the priorities were as follows: NAADS (Secretariat and Local Governments) 48 %; animal resources 17 %; crops 14 %; policy planning and agricultural research 7 %; and others 24 %.

### ***3.2.8 Develop a strategy to transform the economy by emphasising industrialisation***

#### **Reviewing the state’s role in economic governance and management to ensure strategic government interventions in industrial development**

The CRM observed that Uganda was pursuing industrialisation as an instrument of structural transformation of the economy and employment generation. The government policy framework for industrialisation is to develop a competitive private sector-led, mainly agricultural-based (involving value addition by processing agricultural products), diversified, export-oriented economy. At the core of the economic growth strategy in general and industrialisation in



particular, government was focusing on the creation of an enabling environment in which the private sector was willing and able to expand its savings, investment and trade. This involved full trade liberalisation and opening markets.

The CRM echoed concerns by investors about macroeconomic policies of full trade liberalisation and especially the use of minimal domestic and international barriers to trade, to the extent that the current and capital accounts of the balance of payments are fully liberalised. Although this benefits agricultural exports, it tends to hurt the growth of manufacturing and manufactured exports. This was because full trade liberalisation put Ugandan manufactured products at a competitive disadvantage as opposed to imported goods, particularly cheap counterfeit goods from the industrialised world, and against the background of poor infrastructure and high energy costs. The APR Panel therefore recommended that the Government of Uganda creates an incentive structure directed at linking the industrialisation process with the country's resource base and to introduce prudent regulation to support the full liberalisation of portfolio investment inflows. The POA called for a review of the state's role in economic governance and management to ensure strategic government interventions in industrial development.

The APR Panel therefore recommended that the Government of Uganda should implement the recommendations of the African Union Heads of State Summit of February 2007 for governments to make a budgetary allocation of at least 1 % of total GDP to the industrial sector. The POA called for the creation of an industrial fund and for the re-establishment of Uganda Development Co-operation (UDC) to support industrial development.

During the year under review, the process commenced to re-establish UDC and make it operational in FY 2009/10. Initial steps undertaken included the appointment of a substantive Chief Executive Officer of UDC to drive the process of re-establishment. Cabinet was engaged several times in the development of a policy paper on UDC. Budgetary support to UDC has been included in the allocations for FY2009/10.

### **Develop Export Processing Zones to facilitate manufacturing for export**

The MFPED spearheaded the development of an Investment and Free Zones Bill, 2008. The Bill, which seeks to better facilitate investment in Uganda, including the establishment of Export Processing Zones (EPZs), is currently awaiting cabinet approval before being published in the gazette and presented to Parliament for the first reading. Uganda is a signatory to the East African Community Customs Union (EPZ) Regulations. The government gives tax holidays for those investing in EPZs.

In line with the POA, government has gazetted over 1,000 hectares of prime industrial land that Uganda Investment Authority (UIA) is developing into fully serviced industrial estates and EPZs. At the Kampala Industrial and Business Park in Namanve, allocation of serviced land to investors commenced in 2008/9, following the pricing of plots and commencement of road works. The Namanve-based Industrial Park sits on 896 hectares (2,200 acres). Of this, 1,200 acres is available for allocation to industries. Eligible investors planning to set up industries will

pay USD80,000 per acre plot of serviced land. The land is leased for a period of 30 years with a three-year development period for industrial plots. Residential or commercial plots were being leased for between 49-99 years. A similar industrial Park is also being developed in Luzira. The UIA is targeting the development of 22 industrial parks countrywide in the long-term. During 2008/9, progress was achieved in acquisition of land to develop industrial parks in Mbale, Soroti, Gulu and Mbarara. A total of 600 acres had already been acquired in Mbale. Procurement of land was being finalised in Soroti and Gulu. About UGX.19b was allocated in the budget in 2008/9 budget.

The Namanve-based Industrial Park will comprise a Free Trade Zone, commercial leisure area, high-end office areas, showrooms, light operations like call centres, SME park, ICT park, light assembly manufacturing and heavy industries section. Among the services that government has made available are: paved roads, a fly-over, a power substation of 233KV and distribution of the power through laying underground cables, a water reservoir, sewerage treatment plant and improved drainage. Other services that will be provided include: CCTV surveillance, a rail link, waste collection, fire brigade, banks, hospitals, shopping malls, training institutions, business outsourcing hubs and residential areas. To ensure dedicated supply of power, a 50MW thermal power plant was commissioned last year in Namanve to service the park.

### ***3.2.9 Revamp and re-capitalise the Uganda Development Bank to provide affordable medium and long-term credit to industry and agriculture***

The APR Panel recommended that the Government of Uganda resuscitate the Uganda Development Bank (UDB) through adequate re-capitalisation and capacity building in order to provide credit to investors in industry at affordable interest rates. The POA called upon government to revamp and re-capitalise the UDB to provide affordable medium or long term credit to industry and agriculture.

In line with the priority actions of the POA, during the year under review, an assessment of the available human and technical resources of UDB was carried out following the development of a strategic corporate plan. The current staffing is commensurate with the requirements of revamping the bank. Under the supervision of a Chief Executive Officer, staff have been recruited and placed. There are 5 directors, 1 manager, 10 principal officers, 3 senior officers, 2 officers (an accounts officer and record management officer), 3 administration assistants, a legal clerk and 7 other support staff.

In line with the priority actions of the POA, the medium and long-term needs in the industry and agricultural sector were also assessed. Projections of the financial requirements based on the strategic plan of UDB, were made. The annualised projected loans to the two sectors for the period 2008 to 2010 were USD 10.25m per annum. The bank drew terms of reference to engage a consultant to determine the modalities of lending to the agriculture sector. The UDB will undertake agricultural/rural financing of USD 2million per annum mainly in floriculture, financing of importation of agricultural inputs and well-established agricultural enterprises.

In line with the priority actions of the POA, government has made significant steps towards re-capitalising the Bank to enable it to provide medium-term credit incrementally. During the year under review, MFPED capitalised UDB with UGX 5 billion provided for FY 2008/9. Government planned to re-capitalise UDB to the tune of UGX 20 billion over the next five financial years commencing FY 2008/09. Government sought permission from Parliament to borrow UGX. 15 billion to re-capitalise Uganda Development Bank (UDB). MFPED has requested Parliament for the additional funding. UDB already has a working capital of UGX. 53billion, which is not sufficient to sustain long-term lending. UDB was established in 1972, is owned by government, and primarily lends to agriculture, industry, tourism, housing and commerce.

In line with the priority actions of the POA, a supervisory function was set up for UDB in the MFPED, and was operationalised. The UDBL annually submits periodic reports to MFPED, which appoints the Board of Directors and through which an External Auditor is appointed. The Minister of Finance, Planning and Economic Development has appointed a Board of Directors for the UDB. Audited financial statements were approved and presented to MFPED and made public.

### ***3.2.10 Put in place an operational population planning and management programme***

#### **Review current population planning and management programmes**

The CSAR and CRM were agreed over the potential negative consequences the high population growth rate was likely to have on the levels of economic growth in the country in general and on the reduction of incidence of poverty in particular. The CRM observed that the growth rate of per capita GDP was much slower on account of the country's high rate of population growth (3.4 percent per annum compared with a per capita GDP growth of 2.7 % per annum over the 1990 to 2003 period). A National Population Policy of 2008 has been formulated and is being implemented, especially to address issues of population control and planning.

A needs assessment for population planning and management was conducted and a report was compiled. The country's capacity needs to implement the population development programmes were identified. During the period under review, the National Population Policy was printed and disseminated. A programme review report was produced and various recommendations, resolutions and action plans developed.

### ***3.2.11 Enhance the 'Prosperity For All' programme for greater effectiveness***

#### **Identification of institutions to train farmers who are to benefit from Prosperity-For-All (PFA)**

The CRR observed that the PFA (*Bona Bagaggawale*) programme was a very novel idea that was formulated to reprioritise the PEAP, with a view of enabling every adult citizen access gainful employment. It would also enable every household to earn the minimum income it needs to access basic human necessities and ultimately, transform Uganda into a middle-economy

country. The CSAR observed that the government-funded PFA programme did not live up to expectations, as it was not demand-driven and was mainly used for domestic consumption rather than developing productive activities. The CRM was in agreement with the CSAR that the PFA operational framework be reassessed, including the mechanisms proposed for delivery of micro-finance, especially the Savings and Credit Cooperative Organisations (SACCOs) whose foundation was not entirely linked to economic production objectives.

The POA therefore called for not only the identification of mechanisms through which people can access funds, but also institutions for training farmers to benefit from the PFA programme. The PFA funds are channelled through the Micro-finance Support Centre (MSC) Limited, a government-owned company incorporated in 2001 as a company limited by guarantee, to offer affordable credit through loan products that support agricultural production, value-chain that includes the elements of production, value addition and marketing. Farmers get the funds through SACCOs, which are entry points for not only strengthening different capacities of rural populations but also delivery of the '*Bonna Bagaggawale*' programme funds and other interventions. The NAADS was identified as the lead programme for training of the farmers that had organised into SACCOs to benefit from PFA. The NAADS, whose implementation had been suspended in October 2007, was reviewed and restructured by Cabinet and its implementation resumed in April 2008, after it was refocused towards enhancing PFA..

In the year under review, the restructured NAADS, utilised the traditional government extension workers and research institutions for the provision of quality agricultural advisory services to farmers. Farmers were categorised into: Demonstration, lead, model and nucleus farmers for better targeting. Different farmers graduate to a higher category at different times which shows levels of successful adoption and implementation. A Demonstration Farmer is a member of a farmer group who hosts a demonstration or learning site for a selected enterprise on behalf of the group. A Lead Farmer is an early adopter who has transformed the demo into a standardised production unit and has some resources to upscale the technology. A Model Farmer on the other hand, has started to commercialise and has potential to generate UGX 20 million per annum; while a Nucleus Farmer may be involved in processing, value addition or marketing. In exceptional circumstances, a farmer group, association, cooperative society or limited liability company can host a nucleus farm.

By May 2009, 438 SACCOs and Micro Finance Institutions (MFIs) had accessed funds amounting to UGX 35.8 billion for onward lending. Most of the loan recipients are primary cooperative societies. Since January 2009, 182 SACCOs and MFIs had received loans amounting to UGX 9.2 billion.

### **Monitoring and evaluation of the programme on annual progress**

The monitoring of progress of those who have received funds is undertaken both at district and national levels. The loan amounts determine the location for undertaking the contractual and monitoring arrangements. Loans below UGX 50 million are undertaken at the MSC headquarters while those below UGX 50 million are negotiated and undertaken at the regional levels. MSC

has 12 regional offices. Monitoring is undertaken using computerised database programmes. However, development of a comprehensive management information system (MIS) is in advanced stages of procurement. A more harmonised and coordinated MIS through employing Wide Area Network (WAN) technology is envisaged in FY 2009/10. The MSC programme was launched and implementation of the strategy commenced in early January 2009. An Annual evaluation is to be conducted after one year.

### **3.3 OBJECTIVE 2: TO IMPLEMENT TRANSPARENT, PREDICTABLE AND CREDIBLE GOVERNMENT ECONOMIC POLICIES**

#### ***3.3.1 Enhance the capacity of central government to monitor and evaluate budgets***

The CRM observed that there was a reasonably good legal and administrative infrastructure for enhancing effectiveness in the management of public finance at the centre, including monitoring and evaluation of the national budget, as well as the fiscal resources transferred to the local governments under fiscal decentralisation. The fiscal linkages between the central government and local authorities were well developed and articulated. The fiscal mandates of the key agencies are well defined in the various Acts. There are also well-developed guidelines for facilitating the effective mobilisation of resources, budgeting, disbursements and accounting. The Departments of Tax Policy, Budget Policy and Evaluation and the Accountant-General in the MFPED, the URA and the Office of the Accountant-General were sufficiently coordinated in the management of public finances. The auditing (both by internal auditors and by the Office of the Auditor-General) and the oversight function of the Public Accounts Committees was also well developed.

The CRM however noted significant challenges regarding the capacity of the central government to monitor and evaluate budgets. The challenges included the following among others: The existence of discretionary revenue laws and unsatisfactory enforcement of existing legal provisions; the inability of the Parliamentary Public Accounts Committee to be current in scrutinising annual accounts; and inadequacies in institutional capacity of the Parliamentary Accounts Committee, which impairs the exercise of oversight function. During the year under review, Government established the Budget Monitoring and Accountability Unit (BMAU) within MFPED to evaluate sectoral workplans and track inputs and outputs resulting from expenditures by MDAs.

The POA priority action called for the development of a Training of Trainers (ToT) course on planning and budgeting including gender budgeting for central government planners. During the year under review, a ToT course for planning and budgeting was not developed, although there were many training courses that were conducted on budget monitoring and evaluation in general, and gender budgeting in particular. The trained personnel would become trainers at the local government level.

### **3.3.2 *Build the capacity of local governments to plan and budget as well as perform monitoring and evaluation***

The CRM observed that Uganda had adopted a deliberate policy for decentralising its budgetary process as well as the development planning processes. Decentralisation of the budgetary process involved developing a reasonable framework and administrative infrastructure for predicting medium-term fiscal management, as well as an effective system of fiscal decentralisation. Both the CSAR and CRM observed that the legal and regulatory framework for public finance management and development planning were adequate. These include: The 1995 Constitution of Uganda; the Budget Act of 2001; the Public Finance and Accountability Act of 2003; the Local Government Act of 1997; and the Local Government Finance and Accounting Regulations of 1998.

In these various frameworks, there can be found well-articulated rules and procedures not only for revenue collection, budgeting, transfers, accounting and auditing of public finance, but also for bottom-up development planning. However, the CRM also noted significant implementation challenges, especially inadequacies in capacities of technical staff responsible for public finance management and development planning. The capacities to plan, manage and account for decentralisation funds at local government level were inadequate. The CRM also observed that there was not enough sensitisation of especially the citizenry at the grassroots for them to participate effectively in development planning and monitoring of development interventions.

The CRM observed that the government was progressively addressing capacity challenges in budgeting and development planning although weaknesses were still apparent. This was through the following, among others: The issuance of development planning guidelines to local authorities; Local government training programmes; stakeholder sensitisation efforts; enhanced oversight efforts and stricter enforcement of relevant legal provisions. Other mechanisms included the use of Poverty Action Fund Monitoring in the monitoring of decentralised expenditures; and the Treasury's use of the Local Government Finance and Accountability Act and Regulations of 2007 to track decentralised expenditures.

During the year under review, the MoLG continued implementing capacity building programmes for local government planning and budgeting. Efforts aimed at streamlining and standardising training of local governments through development of training and ToT manuals continued. A trainers' manual and 33 training modules were developed targeting functional areas of local government. The modules were tailored to respond to the unique circumstances and needs of the local governments.

Modules tailored for higher and lower local governments were developed and rolled out. A ToT pool and a trainer's manual were also developed. As a strategy of MoLG, the pool of ToT is dispensed at higher level local governments while the pool at the district local government authorities level focuses on capacity building of the lower level local governments. Every local government has now developed a three-year development plan. There is no implementation

plan. However, priorities for the future are based on the creation and capacity building of the proposed new districts.

The social development sector has prioritised the revitalisation of the community development function and functional adult literacy initiative to empower the communities to appreciate access, participate in, manage and demand accountability in public and community based initiatives. The Community Mobilisation and Empowerment strategy is in place to ensure effective community participation and ownership of development programmes and plans. A draft Community Mobilisation and empowerment Bill is being finalised to enforce the strategy. Once enacted into law, it will hold citizens and leaders accountable on implementation of government programmes.

### ***3.3.3 Enhance the capacity of the National Planning Authority (NPA) to discharge its statutory mandate***

Both the CSAR and CRM noted significant constraints and inhibitions on the capacity of NPA to fully and objectively execute its mandate. These included: Inadequate funding; manpower shortages (both profession and support staff), as well as structural constraints associated with overlapping institutional mandates between NPA and MFPED, and yet the former was required to report to the latter. Specifically, on the manpower constraints at the time of the CRM, out of the 29 established positions for professional and technical staff, only eight have been filled. Out of a total establishment of 69 staff positions, only 33 had been filled (of which 25 were support staff). The executive board had only one member instead of the required five. The APR Panel recommended that Uganda should fully equip the NPA with human and financial resources and revisit its reporting mechanisms to improve its service delivery as well as efficiency and make it more autonomous.

In responding to the specific priority actions of the POA, in the year under review, the NPA Act was reviewed by the Uganda Law Reform Commission (ULRC), with a view to harmonising laws with respect to the planning process. The Laws reviewed were the Constitution of the Republic of Uganda, 1995; The NPA Act No. 15, 2002; the Local Governments Act, Cap 243; the Budget Act No. 6, 2001; and the Public Finance and Accountability Act, 2003. A Bill seeking to amend the NPA Act has not yet been prepared. There were no immediate plans for restructuring the NPA it was reorganised and/or realigned. The Draft NPA strategic plan was prepared in June 2009. Any restructuring of the authority was to be based upon the outcomes, adoption and implementation of the Strategic Plan.

### ***3.3.4 Develop and implement a comprehensive public communication strategy***

The CRM noted a lack of effective dissemination or communication strategy to the general public of almost all major government policies and programmes. Tax policies are not effectively communicated outside the centre and especially at the local government level. The CRM noted concerns of the members of the general public consulted especially outside Kampala, about the lack of transparency, not only in the way the process of privatisation of state-owned enterprises

was handled, but also in the utilisation of privatisation proceeds. The Unit that was responsible for privatisation in the MFPED insisted that the privatisation process was handled transparently. The CRM was also not able to get a clear picture of how the proceeds from the sale of government-owned enterprises had been utilised to date, except that the money is held in a special account within the government's consolidated account with the Bank of Uganda. The CRM also noted a serious lack of information on investment incentives not only beyond the capital city, but also for small investors within the city who do not have access to the Internet or are unable to digest the relevant information given in the media. This implied a need for a more effective dissemination and communication of information on government policies and programmes.

The APR Panel recommended that Uganda should develop a more comprehensive communication strategy on the privatisation process and utilisation of the proceeds therefrom, to reach people outside of Kampala area. The APR Panel noted that there was a need for systematic information dissemination at all stages of the privatisation process in formats that can be understood by all. The APR Panel recommended that government formulates and implements a sound and comprehensive communication strategy for investment promotion, with a particular focus on investment incentives available to domestic and indigenous investors. It was also recommended that a deliberate effort be made to correct the skewed perception that domestic investors have adequate knowledge of the country's investment policy.

In line with the POA priority actions, in the year under review, the communication and dissemination strategy for government policies and programmes was reviewed by the Directorate of Information in the Office of the President. The gaps in the communication and dissemination strategy were identified. An inter-ministerial team was identified and engaged various stakeholders on how the gaps could be addressed. Members of Parliament were consulted to bring out concerns from their respective constituencies. The inter-ministerial team also understudied strategies of other countries considered as engaging best practices like the Government of Ontario, in Canada. A draft National Media and Communication strategy was developed and is before Cabinet for deliberation. Once the strategy is in place, appropriate strategies for disseminating it will be designed in FY2009/10.

The Ministry of Gender, Labour and Social Development has also been spearheading the Community Dialogue approach. This approach provides an avenue for continuous exchange of views, opinions, ideas among the social groups about issues that concern or that affect them, with a view of building a common understanding and providing group action to solving the common challenges. The Functional Adult Literacy (FAL) programme has also been used in the mobilisation of the communities and has now been expanded to cover all districts. The programme imparts on communities skills, knowledge, and information to participate in development programmes and is delivered through instructors who conduct literacy classes at village level. The government has also developed the Community information system that ensures for households and communities access to and use of reliable and meaningful data and information generated at household, village, parish and sub county levels. It is also a framework that helps in harmonising the actions of different actors involved in mobilising communities for development.



### ***3.3.5 Increasingly involve the private sector in policy formulation and implementation***

The CRM observed that the national and local government budget framework processes, through which Budget Framework Papers are developed at centre and at local government levels respectively, had enabled government to increasingly open up space for the involvement of both the private sector and the wider citizenry at different levels in the budget process. Notwithstanding the depth and effectiveness of the consultations undertaken, this process, which starts in October and ends in June of each financial year and involves interactive top-to-bottom and bottom-up consultations, was considered by the CRM as a good framework for budgetary transparency. The CRM also noted that societies of accountants and manufacturers, which mainly operate at the centre, provided some space for engagement of government during formulation of policies, although this was wider at the centre than at local government level. The CRM noted concerns from the private sector that proposals on industrial and other policies were usually submitted to Parliament without adequate consultations with the private sector, which sometimes constrained successful implementation.

The POA priority action called for consultation of the private sector during policy formulation and implementation. In the year under review, the private sector was consulted in the formulation of the economic policies included in the budget for 2008/9. Consultations were conducted through the Private Sector Foundation Uganda, the Uganda Manufacturers Association, the Uganda Clearing and Forwarders Association and the Kampala City Traders Association (KACITA).

## **3.4 OBJECTIVE 3: TO PROMOTE SOUND PUBLIC FINANCE MANAGEMENT**

### ***3.4.1 Make a legal provision to ensure timely conduct of business by the Parliamentary Public Accounts Committee (PAC)***

At the time the CRM was conducted, the Parliamentary Public Accounts Committee (PAC) had a backlog for the period between FY2001/2 and FY2006/7 of annual accounts that had not yet been scrutinised, which undermined their ability to exercise their oversight functions. The CRM attributed this to capacity inadequacies and particularly institutional technical capacity of the Parliamentary PAC, which made the committee less capable of providing respectable oversight of fiscal operations of local governments.

The POA called upon government to make a legal provision to ensure that the Parliamentary PAC conducts its business on a timely basis. The inability of PAC to scrutinise accounts of local governments was partly attributed to the delayed submission of financial reports to Parliament by local governments. On the other hand, it was also attributed to inadequate capacities in local government to prepare accurate reports on time. However, no consultations were undertaken on the causes of delays in finalisation by the PAC of scrutinising local government accounts. While there were procedures, guidelines and sanctions for local government that fail to make their reporting obligations to the MFPED, no similar sanctions existed with Parliament, apart from temporary detention of accounting officers. In the year under review, no legal provisions

were proposed that would oblige timely and accurate reporting by local governments to PAC. Comprehensive consultations were also not undertaken to determine the actual causes of delays in preparation and submission of financial reports at all levels of government, including the PAC. Consultations were not held with stakeholders on a proposed bill that imposes enforceable deadlines for submission of financial reports to PAC, neither were they held with PAC..

Submission of the Auditor General's reports to Parliament was timely as the latest report received was that of 30<sup>th</sup> June 2008. Delays had been experienced during the earlier regimes where the cause of the delay was the accumulation of reports from the Auditor General at PAC, owing to the inability to hold regular parliamentary committee sittings. This therefore justified the POA priority action that called for the equipping of the PAC with adequate human and technical resources in carrying out its duties (e.g. secretariat, training of PAC members). Progress had been made in training of PAC members and their facilitation, which resulted in a reduction of the backlog of cases to two years arrears, down from 10 years in the past. By May 2009, the AG's reports for FY 2006/7 were being scrutinised by PAC.

### ***3.4.2 Review policy on the expansion of administration and legislative units to reduce public expenditure***

The CRM observed that government's declared cardinal principle of economic management was ensuring that government expenditure in any fiscal year does not exceed the budgetary resources available to it, so that the overall expenditure remains within the resource envelope. The CRM expressed concerns about the huge expenditure on public administration caused by a "big government", then comprising an unwieldy 80 districts, 13 municipalities and 90 county councils at the decentralised level, a large number of ministers, presidential advisers and members of Parliament (MPs) at the central level, as well as district councillors.

In the year under review, government proposed to create 14 new districts in the next two financial years in response to popular demands from district councils. A total of seven districts become effective on 1 July 2009: Zombo, Amudat, Otuke, Lamwo, Kyegegwa, Buikwe and Buyende. The other seven will become effective on 1 July 2010: Namayingo, Luuka, Kiryandongo, Ntoroko, Serere, Mukuju and Kisoko. The number of districts had risen from 33 in 1980 to 80 in 2006; five new districts were created in 1997; 11 in 2000, and 22 in 2005 and 2006. The creation of new districts implies an expansion of administrative and legislative units, as well as appointed and elected officials. The APR Panel recommended that the government should undertake reforms of its public expenditure with a view to rationalising the public administration expenditure and bringing it under strong budgetary control. The creation of administrative units brings services nearer to the people, increases downward accountability and enhances democratic governance. However, there are also challenges, with the major one being the need to balance the rising cost of public administration and effective delivery of services. There is need for Cabinet to carefully analyse the demand for the creation of new districts to assess their viability versus the need to bring services closer to the people.

The POA called for the engagement of a consultant to review the policy of expanding administrative and legislative units. A consultancy was initiated and continued during the period under review. It was anticipated that the consultant would produce a report rationalising five MDA structures and twelve (12) newly gazetted Urban Council Structures. The expansion of administrative and legislative units is being envisaged as a consequence of a political design yielding to pressure from the communities, the MPs and society at large. In its study on 'Decentralisation in Uganda: Does it Improve Service Delivery?' dated February 2009, MFPED showed that the worst performing districts in terms of service delivery were among those that were newly created. Shortage of staff and finances coupled with weak capacities within new local governments were hampering service delivery.

### **3.5 OBJECTIVE 4: TO FIGHT CORRUPTION IN PUBLIC ADMINISTRATION, AND MONEY LAUNDERING**

#### ***3.5.1 Establish and capacitate separate anti-corruption courts***

The CSAR reported that despite the existence of a very good policy, legal and institutional framework for fighting corruption, the public still perceived corruption as not having decreased in the public sector. This was among others, attributed to inadequate financial, human, technological and logistical capacities in various agencies charged with the responsibility of fighting corruption.

In line with the POA priority actions, an Anti-corruption Court was established as a Division of the High Court in July 2008. The court is still based at the premises of the High Court in Kampala. A separate premise for the anti-corruption court had not yet been constructed. Equipment has been procured, most with the support from development partners. During the year under review, for example, USAID donated office equipment and computers worth USD 55,000.

The POA called for the appointment of at least four judges for the Anti-Corruption Courts. In the year under review, two of the planned four High Court Judges were appointed. The POA also called for the recruitment of at least five judicial officers and staff for the Anti-Corruption Courts. Processes had been finalised for the appointment of two Chief Magistrates and four Grade I Magistrates. The magistrates were undergoing training before deployment. A Court Registrar had also been appointed

#### ***3.5.2 Develop an institutional framework with a partnership approach to fighting corruption***

The CRM observed that apart from an excellent policy and legal framework for fighting corruption, there were also several governmental institutions and agencies as well as non-state actors that were involved in anti-corruption activities. Notwithstanding the existence of institutions and agencies such as the Inspectorate of Government (IG); the Directorate of Public Prosecutions (DPP); Office of the Auditor General; Criminal Investigation Department (CID);

Public Procurement and Disposal of Public Assets Authority (PPDA), whose primary mandate is to fight corruption, anti-corruption activities had been mainstreamed in all government sectors and line ministries.

During the year under review, a partnership approach was further strengthened in the fight against corruption. Several anti-corruption interventions such as the National Anti Corruption Strategy (NACS) and the Anti-Corruption Country Threshold (ACT) Programme were implemented by several agencies working together through an inter agency forum against corruption, comprising MDAs and civil society. The inter-agency forum held quarterly meetings to design and implement a joint action plan, including how to execute national level, as well as district level anti-corruption activities. Government in collaboration with development partners continued to provide resources to support collaborative anti-corruption activities.

### ***3.5.3 Operationalise the leadership code tribunals***

The POA called for the appointment of members to the Leadership Code Tribunals as one of the priority actions. Section 235(a) of the 1995 Constitution provided for the establishment of Leadership Code Tribunals. While government has initiated the processes of drafting legislation to operationalise the Leadership Code Tribunal, in the year under review, this legislation had not yet been introduced to Parliament. The Tribunals were therefore not constituted.

Although the Leadership Code Tribunals are not yet operational, disputes between the IG and a leader regarding the Leadership Code are alternately handled by the Courts of Law. During the year under review, there was a high degree of compliance to periodic returns of the Leadership Code of Conduct forms.

### ***3.5.4 Expedite the enactment of the anti-money laundering law***

Both the CSAR and the CRM observed the severity of the phenomenon of money laundering, which needed to be combated. The CRM observed that guidelines have been developed, such as the one entitled "Know Your Customer" and a manual on "Money Laundering Policy" for Ugandan commercial banks. However, numerous challenges have been encountered in the fight against money laundering, including institutional weaknesses, weak monitoring mechanisms, cash-based transactions and limited powers to freeze or seize finance-related assets. The APR Panel recommended that the enactment of the Anti-money Laundering Bill be fast-tracked.

The POA called for the expediting of the enactment of the anti-money laundering law. In line with the POA priority actions, an Anti-money Laundering Committee was set up by the MFPED, to expedite the finalisation of the drafting of Anti-money Laundering Bill, which was approved by Cabinet in January 2009. Cabinet requested for the harmonisation of certain provisions before the Bill is sent to Parliament. The Committee held meetings and satisfied the cabinet requirements. The Bill was sent to Parliament, and tabled for the first reading 30<sup>th</sup> April 2009. Currently it is under consideration by a parliamentary committee.

### ***3.5.6 Implement recommendations of the anti-corruption commissions and enforce existing rules and regulations***

The CRM observed that the existing policy, legal and institutional framework had been successful in dealing with some of the high profile corruption cases. Examples are the institutions and individuals that failed to account for funds received from the USD200 million grant to Uganda from the Global Fund to Fight AIDS, TB and Malaria that was suspended in 2005. The CRM noted that although by April 2006, UGX.100 million had been recovered and deposited in the government's suspense account in the Bank of Uganda, the action did not reflect adequately the serious and punitive measures needed for dealing with corruption, as many of those who were alleged to have been responsible for mismanagement of the funds in the Commission's report had not been appropriately punished. The APR Panel therefore recommended that the recommendations of the anticorruption commissions should be implemented and existing rules and regulations enforced.

The POA called for the implementation of the recommendations of anti-corruption commissions and the enforcement of existing rules and regulations. In line with the POA priority action for the year under review, a follow up was made with Cabinet on the status of implementation of recommendations of the anti-corruption commissions of inquiry and enforcement of existing regulation revealing that recommendations of three such commissions are at various stages of implementation. The Cabinet white papers that were presented in the April 2007 Commission of enquiry (Justice Ogoola Commission) into mismanagement of the Global Fund recommended various actions to be undertaken ranging from instituting investigations with a view to prosecution and administrative actions. As part of the follow-up processes, some actions were referred to the IG for investigation, while others were referred to the Police and line ministries. During the FY 2008/9, the anti-corruption court successfully prosecuted two cases and others were still before the court. Nearly 300 beneficiaries of the grants under the Global Fund for HIV, TB and Malaria were directed to refund the cash that was received and follow-up actions to recover the funds have been instituted.

## **3.6 OBJECTIVE 5: TO ACCELERATE REGIONAL INTEGRATION BY PARTICIPATING IN THE HARMONISATION OF MONETARY, TRADE AND INVESTMENT POLICIES AMONG THE PARTICIPATING STATES**

### ***3.6.1 Review membership in regional economic blocs to eliminate duplication***

Uganda is a member of EAC, the Common Market for Eastern and Southern Africa (COMESA) and the Intergovernmental Authority on Development (IGAD). Several other protocols, treaties and agreements for promoting regional integration have also been signed. They include: the East Africa Customs Union; East Africa Common Market and East Africa Monetary Union, which are precursors to the East Africa Political Federation. There is a strong belief in regional

integration in Uganda, which was noted by the CRM. In light of the APR Panel recommendation for the government to expedite the implementation of the agreed-upon protocols through greater resolve and effectiveness in translating intentions into concrete, results-oriented actions on the ground, the POA called for a review of Uganda's membership in regional economic blocs in order to eliminate duplication.

In the year under review, while a consultant was not engaged to review membership in regional economic blocs, progress was made with regard to this POA priority action. In October 2008, a tripartite summit of the Heads of State for the EAC, COMESA and SADC was held in Kampala in a bid to minimise and eventually eliminate the contradictions brought about by overlapping membership of the three Regional Economic Commissions, namely EAC, COMESA, and SADC. The Heads of State agreed to develop a roadmap within six months for the establishment of a Free Trade Area.

### ***3.6.2 Expedite the implementation of agreed-upon regional protocols through greater resolve and effectiveness***

The APR Panel recommended that the Government expedite the implementation of the agreed-upon protocols through greater resolve and effectiveness in translating intentions into concrete, results-oriented actions on the ground. In line with the POA priority action, the implementation of some protocols was expedited. The implementation of the EAC Customs Union continued throughout the year under review. A monitoring committee for Uganda to identify, examine and remove Non-Tariff Barriers affecting intra-regional trade was established. Borders are now open 24 hours a day for all the posts that require such a service. The numbers of night roadblocks were reduced. Progress was also made towards the establishment of the EAC Common Market. Negotiations continued for the establishment of the Common Market Protocol. A final protocol, which will, among other things, guide the opening up of borders for free movement of goods, services as well as factors of production (labour, capital and land) has been agreed upon, and is expected to be signed before the end of 2009.

Uganda, alongside the other five East African partner states is negotiating the Economic Partnership Agreement (EPA) as a single Customs Union. Progress was also achieved with regard to the Trade and Investment Framework with the United States, which is intended to promote an attractive investment climate and diversity in trade in products and services. Progress has been achieved with regards towards the establishment of the EAC Monetary Union. Uganda collaborated with the other five EAC Partner States to harmonise monetary and financial statistics in preparation for the Monetary Union scheduled for 2012.

In terms of foreign policy coordination, Uganda agreed with the East African partner states to upgrade the Memorandum of Understanding on Foreign policy coordination into a protocol. The draft Protocol was finalised during the year under review, and is awaiting ratification. A draft EAC Regional Framework on Good Governance was also developed to harmonise good governance principles, standards and codes within the East African region. The Framework will

focus on Constitutionalism, rule of law, and access to justice; Protection of human rights and equal opportunities; Democracy and democratisation processes; Prevention of corruption and upholding ethics and integrity; and Separation of powers. Progress was also made towards implementation of protocols on the East African Political Federation. The 10<sup>th</sup> Extra-ordinary Summit held in Arusha in 2009 received a report on the national consultative process on fast-tracking of the political federation conducted in Rwanda and Burundi.

Uganda continued collaboration with other East African partner states to develop a draft protocol for co-operation in legal and judicial affairs. Progress was made in harmonisation of national laws in the EAC context in order to re-orient them towards laying more emphasis on the establishment of the EAC Common Market. A draft protocol was developed to extend the jurisdiction of the East African Court of Justice, and negotiations on the draft protocol are ongoing. In the agriculture sector, a Regional Sanitary and Phytosanitary Protocol that seeks to promote food safety among humans, protect animals including fish and crops against disease and disease-causing organisms was in advanced stages of development.

### ***3.6.3 The Ministry of East African Community Affairs to undertake national public sensitisation***

The APR Panel recommended that the Government of Uganda undertake public sensitisation workshops and seminars on regional integration across the country. The POA called upon the Ministry of East African Community Affairs to spearhead these national public sensitisation workshops and seminars. In the year under review, sensitisation workshops and seminars were held in 30 districts. The ministry has also initiated a process to procure booklets on the Frequently Asked Questions (FAQ) for distribution during sensitisation workshops.

### ***3.6.4 Empower the Ministry of East African Community Affairs through human and financial capacity development***

The APR Panel recommended that the Government should allocate adequate resources to the Ministry of East African Community Affairs to facilitate effective discharge of its regional integration mandate. The POA called for empowering the ministry through human and financial capacity development. In the year under review, 42 members of staff for the ministry were recruited, posted and facilitated while office space was expanded and renovated with more office equipment procured. A total of UGX 10.41 billion was allocated to run the ministry during FY 2008/09.

### ***3.6.5 Step up efforts to develop regional transport infrastructure***

The APR Panel recommended that the government of Uganda should step up efforts at developing regional transport infrastructure, especially the road and the railway networks. In the year under review, the East African Railways Master Plan was finalised. A draft Uganda Railways Corporation Bill was also submitted to the top management team of Ministry of Works

and Transport for review and finalisation. Furthermore, a draft National Transport Master Plan was produced.

### 3.7 CONCLUDING REMARKS AND RECOMMENDATIONS

Under the Economic Governance and Management thematic area, progress was made in the development of national laws and policies as well as plans, strategies and programmes that upheld, domesticated and popularised the agreed to principles, codes and standards in economic governance and management. Progress was also achieved in the promotion of macroeconomic policies that support sustainable development. Government had carried out an assessment of the existing capacity within government to monitor the volume of oil reserves and production. The staffing of the Petroleum Exploration and Production Department in the MEMD was restructured, staff recruited, and more will be recruited. Staff training at Masters level has been undertaken in critical areas.

- Under the Economic Governance and Management thematic area, the NGC Council recommends as follows:
- Domestication and popularisation of the codes and standards in economic governance and management: Government should endeavour to set deliberate policies and programmes for improving knowledge on, and popularisation of economic governance and management codes, laws and standards within the MDAs, CSOs and the public at large. Clear time frames should also be set for implementation of the codes, laws and standards.
- Management of oil and gas revenues: The anxiety over the management of transparency would be lessened by Uganda joining the Extractive Industries Transparency Initiative (EITI) as a reassurance to Ugandans on transparency in the oil industry.
- Dissemination of Government information: Government should improve information dissemination to the wider community on the actions that have been taken on the recommendations made by Commissions of Inquiry into corruption, such as the Justice Ogoola Commission.
- Capacity strengthening: Carefully structured regular trainings are important for strengthening the capacity of MDAs in accountability such as the DPP, CID, PPDA and IG in order to enhance their capacity to fight corruption in public administration.
- Resources allocated for infrastructure development: Government increased budget allocations to the road, rail and water transport sub-sectors to promote regional transport infrastructure intended to expedite regional integration and promote good governance are welcome. Institutional frameworks need to be put in place to ensure timely delivery of quality work in these sub-sectors.





# **CHAPTER FOUR: CORPORATE GOVERNANCE**

This chapter assesses the progress that was made in implementing the POA priority actions under the Corporate Governance thematic area. The APRM Base Document defines corporate governance as a system whereby corporations are directed, controlled and held to account, and which embraces all forms of enterprises in the private and public sector. Good corporate governance has seven distinguishing characteristics, namely: discipline, transparency, independence, accountability, fairness, responsibility to stakeholders, and corporate social responsibility.

## **4.1 PRINCIPLES, STANDARDS AND CODES**

### ***4.1.1 Building the capacity of the Institute of Certified Public Accountants of Uganda to undertake enforcement***

The Institute of Certified Public Accountants of Uganda (ICPAU) is mandated under the current Accountants Act Cap 266 to oversee the accounting profession in Uganda, including examining and certifying public accountants, as well as licensing entities engaged in public auditing practice. The CSAR identified a number of constraints within the accounting profession, especially regarding professional discipline and sanctions. The CRM noted that in order for ICPAU to effectively enforce its mandate, certain sections of the Accountants Act, Cap 266 have to be amended. In its priority actions, the POA called for the review and amendment of the existing Accountants Act to incorporate clauses of empowering ICPAU to monitor and discipline all employed accountants.

Progress was made with regard to the priority POA action. Several amendments were proposed to the Accountants Act to grant ICPAU more flexibility in inspection and enforcement, especially to empower ICPAU to monitor and discipline all employed accountants. The Accountants Bill, 2007 has been re-submitted to Cabinet after having been referred back to the MFPED for further consultation on the roles and responsibilities of the Accounting Examinations Board and Uganda National Examinations Board on one hand, and ICPAU and the Uganda National Council for Standards on the other..

The POA also called for provisions to make it mandatory for organisations to file periodic reports on the performance of the accountants. ICPAU currently has 157 licensed auditors and its members and associates were recognised under the Companies Act Cap 86 as the sole auditors of company accounts. During the year, as part of its monitoring of audit firms in Uganda, the ICPAU continued to receive reports from organisations that were audited by its licensed members on the performance of those members.

#### **4.1.2 *Strengthening the supervision of Deposit-Taking Microfinance Institutions under Bank of Uganda***

The POA called for the amendment of legislation to strengthen supervision of microfinance deposit-taking institutions (MDIs) under Bank of Uganda (BoU), in order to conform to the core principles of effective banking supervision. Under the MDI Act of 2003, BoU regulates Tier 3 Micro-finance Deposit-taking Institutions (Tier 3 MDIs), which, are permitted to collect savings from the public and intermediate them, i.e. use them to make loans. As observed in the CSAR, the overall level of supervision of the licensed Tier 3 MDIs by the BoU was still satisfactory. While there have been reviews on the functioning of non-deposit taking micro finance institutions (MFIs) and MDIs, there were currently no plans to amend the MDI Act of 2003. The restrictions on the activities of the Tier 3 MDIs were considered still sufficient.

Progress was achieved in establishing a mechanism for regulating and supervising MFIs. The cost and effort required to obtain a Tier 3 MDI licenses has discouraged many Tier 4 MFIs from applying to become MDIs. MFIs are not currently regulated by BoU, including all Savings and Credit Co-operatives (SACCOs). In a bid to enhance the regulation and supervision of the MFIs, a microfinance department was established in the MFPED.

In year under review, relevant bills for establishing an effective legal and policy regulatory and supervisory framework for Tier 4 MFIs were drafted, and were nearing completion. A Microfinance Policy was also developed, in addition to a Microfinance Organisations Bill and a Bill on SACCOs that were drafted. The Uganda Co-operative Savings and Credit Union (UCSCU) was identified as the lead organisation in SACCO development and received capacity strengthening (human and financial) support to enable it serve as the National Association of SACCOs in Uganda. The role of the Micro-finance Support Centre (MSC) was reviewed; a new Board appointed; and a strategic plan developed. More resources were provided to the MSC.

In line with the POA priority action for creation of public awareness about the operations of MFIs, some progress was achieved during the year under review. The Association of Microfinance Institutions of Uganda (AMFIU), mandated to take the lead as an Apex for Credit-only MFIs as well as microfinance NGOs, spearheaded the public awareness creation. AMFIU carried out consumer education in different parts of the country. During 2008, a partnership between AMFIU, Uganda Association of Private Vocational Institutions (UGAPRIVI), Deutscher Entwicklungsdienst (DED) and Citi Foundation was initiated to introduce consumer financial education in vocational schools. With financial support from the Department of International Development (DFID), the AMFIU issued a Consumer Code of Practice for MFIs in Uganda. The code of practice documents sound practices that promote more transparency and accountability, as well as a better MFI/Client relationship.

The UCSCU has run training courses for the elected members of SACCOs in governance, ownership and sound business practices, such as financial management, risk management, marketing, savings mobilisation and credit management. They have also trained the members of SACCOs in their rights, obligations, roles and responsibilities.

In line with the POA priority action for government to provide incentives to regulated financial institutions to offer banking services to rural areas, progress was achieved during the year under review. Government put in place various forms of incentives for encouraging financial institutions to offer banking services to rural areas. A budget line was included in the National Budget Framework Paper 2009/10 to 2013/14 for the development of a policy framework for micro financing, including the formulation of the SACCO Bill and a Micro-credit Bill. Resources were also provided in the budget for supporting the formation of at least one SACCO in every sub-county and strengthening existing ones through training and other technical support. The Rural Financial Services Programme was redesigned to support SACCOs. The UCSCU supported the formation of 140 SACCOs and the development of 401 SACCOS in 541 sub-counties leaving only 51 sub-counties without SACCOs. During the FY 2009/10 the 51 sub-counties will be facilitated to form a SACCO each. Since 2006 to date, MSC has disbursed a total of UGX 24,232 billion to 430 SACCOs in 70 districts.

#### ***4.1.3 Creation of an enabling environment for the securities exchange to flourish***

The POA called for the creation of an enabling environment for the stock exchange to flourish through automation and amendment of the CMA Act of 2003, in order to become compliant with the core principles on Securities Regulation. Some progress has been achieved with regard to amending the Capital Markets Authority (CMA) Act of 2003 in order to make it compliant with the principles of the International Organisation of Securities Commissions (IOSCO), a body that sets the international standards for the securities industry. As a member of IOSCO, CMA has reviewed the CMA Act, Cap 84, which gives the CMA the mandate to create, maintain and regulate Uganda's capital markets and ensure that securities are issued and traded in an orderly, fair and efficient manner in order to protect investors.

In line with the POA action that called for the amendment of the CMA Act, CMA has played the lead role in reviewing the Act to take into account developments in the capital market since its enactment and to bring the legislation in line with international best practices. CMA developed the draft Capital Markets Authority (amendment) Bill which seeks to repeal part IV of the Companies Act Cap 86 that deals with companies raising capital, and transfer the provisions to the CMA Act. A second amendment Bill proposed by CMA focuses on the three core IOSCO principles of international co-operation; information sharing; and strengthening the supervisory powers of the regulator. The amendments are awaiting approval by the CMA Board (expected around June 2009), after which they will be sent to the MFPED for certification before a Bill is prepared for submission to Parliament.

The CMA was also working towards becoming a signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU), which will enhance CMA's ability to supervise cross-border activities of market intermediaries. This will enable CMA to give and receive assistance in investigation and enforcement as it allows for consultation, cooperation and exchange of information between regulators from different countries. With assistance from the World Bank FIRST Initiative Project, CMA carried out a self-assessment against the IOSCO principles for purposes of becoming a

signatory to the IOSCO MMoU. As part of the harmonisation of the East African securities laws to be completed during 2010, CMA also commenced a self-assessment against the remaining 27 IOSCO principles. The process of submitting the application to become signatories to the IOSCO MMoU revealed various gaps and weaknesses in the national laws and regulatory framework for securities, which necessitated the assessment of compliance with all the 30 IOSCO principles before any amendments to the legal framework could be initiated.

Some progress was also achieved with regard to the POA priority action that called for the provision of funding for the infrastructure required for automation of the securities exchange to enable it become compliant with other East African securities exchanges. The Securities Central Depositories (SCD) Act of 2009 was enacted and became law on 20<sup>th</sup> February 2009. The SCD Act will facilitate the establishment, operation and regulation of securities central depositories; provide for the immobilisation and eventual dematerialisation of, and dealings, in securities deposited with securities central depositories in Uganda, and for related matters.

The central securities depository automation, trading and settlement systems were waiting the enactment of this Act. Officials at the Uganda Securities Exchange confirmed that they will work with the central securities depository automation system by the end of June 2009, and then introduce the trading and settlement systems by the end of 2009. In order to effectively regulate the market, CMA, with funding from the Government of Uganda, will procure a surveillance system for the SCD. The surveillance system will aid the regulator in providing oversight to back office operations and electronic trading when it commences at the Securities Exchange.

#### ***4.1.4 Revision of the Insurance Act***

The POA called for the revision of the Insurance Act to ensure compliance with international insurance core principles and reporting standards. Some progress was achieved. The Uganda Insurance Commission drafted amendments to the Insurance Act Cap 213 to provide for compliance with International Financial Reporting Standards and governance issues. The amendment bill was submitted to the MFPED for certification and onward submission to Cabinet in June 2009.

#### ***4.1.5 Strengthening the capacities of enforcement and regulatory bodies***

The CRM observed that most regulatory bodies lack appropriate institutional, financial and human capacity to fulfil their mandates effectively. It was noted for instance that even with the existence of the National Environment Management Authority (NEMA), a mandated agency for supervising economic activities and their impact on the environment, environmental protection remained a problem in Uganda. The POA called for review of the laws governing regulatory bodies such as NEMA and the Uganda National Bureau of Standards (UNBS), to ensure compliance with international standards.

In the year under review, NEMA did not carry out any reviews of the laws governing environment

management because this had already been done, including the translation of national laws into subsidiary laws.

The APR Panel recommended that Uganda should enhance the capacity of regulatory and enforcement bodies to carry out their respective mandates. The POA called upon government to allocate funds to NEMA and UNBS to build capacity to educate and sensitise the population to achieve APRM objectives. NEMA, in collaboration with the United Nations Environment Programme prepared a simplified compendium of all Ugandan environmental laws to assist in dissemination. NEMA also collaborated with United Nations Development Programme (UNDP) to integrate environmental concerns into policies, programmes and budgeting processes both at local and national levels. This initiative also contributed towards awareness raising on the poverty-environmental linkages as well as integrating them in development policies and poverty reduction strategies.

UNBS developed guidelines and standards for Uganda titled: '*Guiding Policies and Principles for the Technical Work in the preparation of Uganda Standards*', which are supposed to be followed by all MDAs. Many of these MDAs have also established their own standards, for example the Ministry of Works and Transport had set standards and regulations for buildings and constructions, while the Uganda National Roads Authority set standards and regulations for roads. Efforts were underway to harmonise them into national standards and regulations.

#### ***4.1.6 Accession to the Extractive Industries and Transparency Initiative (EITI)***

The CSAR called upon Uganda to consider acceding to Extractive Industries Transparency Initiative (EITI) to enhance transparency and the development of the local communities, following the discovery of Oil and Gas in the Albertine region of Uganda. The APR Panel recommended that Uganda should accede to the EITI and design a specific policy on oil extraction as a matter of urgency.

In the year under review, a National Oil and Gas policy was developed and published in February 2008. Principles have been developed from the policy with a view to drafting an appropriate legislation. These principles were submitted to Cabinet who referred them back to MEMD requesting that the policy be revised to include refinement issues before drafting a law, which would also define the basis of joining the EITI. The process of developing regulations governing oil and gas production, as well as revenue management has not yet started. An inter-ministerial committee has been set up to oversee the management of revenue from oil.

#### ***4.1.6 Signing, ratification, domestication and adoption of all relevant ILO standards***

The CRM observed that Uganda had not effectively complied with reporting obligations inherent in several of the International Labour Organisation (ILO) treaties and conventions it had signed. The CRM noted that 24 ILO reports were overdue, which raised concern as to whether these treaties and conventions were signed for diplomatic reasons rather than as a demonstrable

commitment to the improvement of citizens' wellbeing. The APR Panel recommended that Uganda should fulfil its reporting requirements and inform the international supervisory authorities and local stakeholders on progress made in domesticating international conventions, standards and codes.

The POA priority action called for the extraction and review of the relevant sections of the ILO standards, as well as ratification of the ILO Convention No. 102 regarding social security protection. During the year under review, minimal progress was achieved, as the extraction, review and ratification referred to above were deferred until the commencement of the process of amending the Social Security Act, which has been planned for Y3 of the APRM POA implementation.

## **4.2 OBJECTIVE 1: TO PROMOTE AN ENABLING ENVIRONMENT AND EFFECTIVE REGULATORY FRAMEWORK FOR ECONOMIC ACTIVITIES**

### ***4.2.1 Fast-tracking the enactment of new proposed laws designed to facilitate business***

The POA called for the fast-tracking of the enactment of new proposed laws designed to facilitate business such as the Companies Act, Competition Bill, Insolvency Bill, Consumer Protection Bill, copyright and patent laws. Some progress was achieved in the year under review. The Presidential Investment Roundtable was established as an inter agency committee for fast-tracking the enactment of new proposed laws designed to facilitate business. The Investment Roundtable, attended by representatives from, among others, the Uganda Law Reform Commission (ULRC), First Parliamentary Council (FPC), Cabinet's Office, the Office of the Prime Ministers, line ministries and the private sector, identifies delayed policies, regulations, and laws and expedites their enactment. The Competitiveness and Investment Climate Strategy (CICS), monitors, coordinates and evaluates progress made in adoption of the identified priority laws for fast-tracking.

Progress was made on fast-tracking 25 Bills, which were at different stages of being enacted. Four Bills have been passed by Parliament and await Presidential assent: The Trade Secrets Protection Bill, 2007; Hire Purchase Bill, 2007; Mortgage Bill, 2007; and the Partnerships Bills, 2008;. Six other Bills were published in the Gazette, presented for 1<sup>st</sup> reading in Parliament and committed to the Legal and Parliamentary Affairs Committee. These are: The Geographical Indications Bill, 2008; Contracts Bill, 2008; Trademarks Bill, 2008; The Electronic Transactions Bill, 2008; The Electronic Signatures Bill, 2008; The Computer Misuse Bill, 2008.

Four Bills received certificates of financial implications, and were approved by Cabinet and were submitted for publication in the Gazette and introduction in Parliament. They are: The Chattels Securities Bill, 2008; Companies Bill, 2008; Insolvency Bill, 2008; and the Industrial Property Bill, 2008). Another four Bills are awaiting Cabinet approval before being published in the Gazette and introduced to Parliament for the 1<sup>st</sup> reading: The Accountants Bill, 2008; the

Capital Markets Authority (Amendment) Bill, 2008; Free Zones Bill, 2008; and the Sale of goods and Supply of Services Bill, 2008).

The Counterfeit Goods Bill, 2008 has been finalised by the respective ministries and received a certificate of financial implications from the MFPED. It awaits submission to Cabinet). Six Bills: The Competition Bill; Consumer Protection Bill; Cooperatives Bill; Trade Licensing Bill; Trade Remedies Bill; and the Traditional Medicines Bill are still pending. The fast tracking of the Registration Services Bureau (Amendment) Bill has been shelved.

#### ***4.2.2 Simplifying business registration process by reducing procedures***

The POA called for the reforming of the companies registration process. While the ease of doing business in Uganda had not necessarily gotten worse, Uganda's ranking in the regulatory costs of doing business decreased from 105<sup>th</sup> in 2008 to 111<sup>th</sup> in 2009. The number of companies assessed had increased and companies with better ratings than Uganda's had come into the list, hence the ranking going down. By March 2009, the number of days for starting a business in Uganda had reduced from 28 days in 2008 to 25 days in 2009.

A number of reforms were undertaken that favourably influenced the business environment. The World Bank Private Sector Competitiveness project was addressing the Business and Land Registries, which impact on four indicators of doing business. The East Africa Trade and Transport Facilitation Project and the Regional Trade Facilitation Project will continue to impact on the indicator of trading across borders. When the fast-tracked bills (e.g. the Companies Bill 2008 and the Insolvency Bill) are enacted, the business environment will greatly improve as well as the ranking in the Doing Business Report by 2010. More reforms are underway such as the URA integrated tax administration system, which will manage all domestic taxes and duties, including income tax, value added tax, withholding tax and other excise duties.

#### ***4.2.3 Computerisation of business registration processes***

The POA called for the automation of the companies' registry and a clearance of the backlog in trademark registrations. Funding had been made available under the World Bank Fund for Competitiveness to automate the Company Registry and put in place structures for an autonomous Uganda Registration Services Bureau (URSB). However, the release of these funds is awaiting the counterpart funding from the MFPED. Consequently, the computerised data index for storing company trademarks has not yet been put in place.

#### ***4.2.4 The liberalisation of the Pension Sector in Uganda***

The POA called for the liberalisation of the pensions sector and the establishment of a regulatory framework for unregulated sectors including pensions and in-house provident funds. The liberalisation of the pensions sector had not yet commenced. Cabinet in December 2008 had agreed that there needed to be a Pensions Regulator prior to liberalisation. In line with the POA



priority action, which called for the establishment of an independent regulator to implement the reform of the pensions and social security sector, a Retirement Benefits Authority Bill was submitted to Cabinet for discussion. Among others, it provides for the appointment of a Pensions Regulator. Funds for the establishment of a Retirement Benefits Regulatory Authority were included in National Budget Framework FY 2009/10 – FY 2013/2014.

The Permanent Secretary, MFPED has signed off the terms of reference for two consultants (one local and one international) who will be employed to advise on liberalisation, prepare draft regulations and identify how the different players relate and how to harmonise with other laws. The original proposal was for one regulator for all financial-related organisations not regulated by the Central Bank. However, it was then realised that the insurance and capital markets already had their own regulators. Therefore, a separate Pensions Regulator is to be appointed.

In line with the POA priority action, which called for the start of a Contributory Public Service Pension scheme, some progress had been achieved in the year under review. A draft Bill setting up a Public Sector Contributory Pension scheme was, in principle, agreed upon by Cabinet but a framework for its operation needs to be approved before the Bill can be passed to Parliament for consideration.

#### ***4.2.5 Provision of incentives for small businesses to become formal***

The POA called upon government to provide incentives for small businesses to become formal. Specifically, the POA priority actions called for support to be extended to Enterprise Uganda to carry out countrywide training of owners of small businesses. Enterprise Uganda is a one-stop enterprise development centre with a mission to develop a new generation of dynamic Ugandan entrepreneurs by actively providing support to SMEs to improve their productivity, growth and competitiveness. During the year under review, no funding from Government was directly extended to Enterprise Uganda for training of SMEs. Enterprise Uganda does not have a stand-alone programme on governance training for SMEs although many of their programmes help SMEs formalise their operations. However, Enterprise Uganda provided support to SMEs in the areas of business development offering various diagnostic tools, business mentoring and on-site business counselling to the owners/managers of enterprises.

#### ***4.2.6 Decentralisation and capacity building of the Office of the Registrar of Companies and the commercial courts***

The POA called for the development of a strategy for decentralisation of the Office of the Registrar of Companies and commercial courts. In the year under review, some progress was achieved. The decentralisation of the office of the Registrar of Companies was one of the key intervention areas that was included in the URSB Strategic Plan. The intention is that five officers from the Registrar of Companies will be sharing offices with the Ministry of Justice and Constitutional Affairs (MoJCA) in the regions. The MoJCA, had three regional offices built in Mbarara, Gulu and Mbale. A fourth regional office was under construction in Arua. Once counterpart funding

for establishing the autonomous structure of the URSB has been received from URSB, funding from the World Bank for furnishing the offices will be made available.

Progress has also been made with regard to the appointment of judges of the Commercial Court. The Commercial Court, established in 1996 as a division of the High Court of Uganda, had grown into a first class Court with worldwide best practices. A new state of the art Commercial Court building in Kampala was opened on the 14<sup>th</sup> May 2009 by His Excellency, the President of Uganda. It has automated all its operations to ensure speedy and efficient services to all court users. Within a very short time, the court has led to faster disposal of files in their first filling, leading to a rapid reduction in case backlog.

With regards to the creation of regional commercial courts, no progress has been made. In 2008/9, priority was placed on the establishment of sufficient resources at the centre first, in Kampala. The process of setting up regional commercial courts would be considered later.

#### ***4.2.7 Public sensitisation on the economic benefit of the Uganda Securities Exchange***

The CSAR recognised that while capital markets regulations in Uganda were well designed, the securities exchange was still in its infancy. Capacity was needed at CMA to ensure that standards are maintained especially with the introduction of the automated trading, settlement and securities central depository systems and to raise awareness of best practices in corporate governance, risk management, securitisation, and cross-border trading especially in light of the lessons to be learned from the global financial crisis. The POA called for development of a strategy for sensitising the public on the economic benefit of the Uganda Securities Exchange.

One of the priority POA actions called for the continuation of capacity building of CMA so that it is able to regulate and develop the stock exchange and to increase public awareness. progress was made with regards to enhancement of the capacity of CMA to regulate the stock exchange. The CMA continually reviewed its securities laws to bring them in tandem with developments in the market and international best practice. New laws and amendments had been promulgated, including: the Securities Central Depository Act, 2009; the CMA (Prospectus Requirements) (Amendment) Regulations, 2008; the CMA (Accounting and Financial Requirements) (Amendment) Regulations, 2007; the CMA (Cross Border Introductions) (Amendment) Regulations, 2006.

Significant progress has been registered in developing the stock exchange. There are now 10 companies listed. In the year under review, one company, Kenya Commercial Bank (KCB) was cross-listed. The value of outstanding government bond issues listed on the Uganda Securities Exchange (USE) had increased by 98% from UGX. 690 billion in 2006 to UGX. 1,3656 billion in 2008. The value of outstanding corporate bond issues listed on the USE had increased by 60 % from UGX. 50 billion in 2006 to 80 billion in 2008. Funds under management had increased by 138 % from UGX. 96 billion in 2006 to UGX. 228 billion in 2008. Market capitalisation had increased by 71 % from UGX. 3,500 billion in 2006 to UGX. 6,000 billion in 2008.

Another POA priority action called for building the capacity of CMA to increase public awareness on the economic benefit of the stock exchange. In the year under review, progress was also achieved with regard to increasing public awareness of the stock exchange. The public was sensitised on the economic benefits of the stock exchange through the Public Education and Awareness Initiative, run in collaboration with USE and the Public Enterprise Reform and Divestiture Secretariat (PERDS). In November 2008, USE organised a Business Journalists' seminar on Financial Reporting. The 2008 Financial Literacy Week was also organised and attracted participation from educational institutions, the press, the police, the army, the medical field, the Uganda Women Entrepreneurs Association and the general public. CMA participated in the 15<sup>th</sup> Uganda International Trade Fair in Kampala. The CMA also organised the first ever Women's Empowerment Series in 2008.

The CMA also promoted public awareness by providing support, and organising and/or participating in capital markets-related education programmes in cooperation with schools, colleges, universities and other institutions of learning. In October 2008, the USE launched Bourse Quest - an electronic stock market simulator and the first of its kind in the region. Bourse Quest was developed by USE, with the assistance of its development partners, as an education and awareness tool. It works by providing the user with a simulated platform to participate in a virtual stock market environment. Prior to launch, USE held a Bourse Quest pilot training programme for secondary schools in and around Kampala.

As part of the public education programme, the Capital Markets' Secondary Schools Challenge, which CMA initiated in 2003 has continued in 2008/9. The Challenge is an educational tool for the A-Level students on financial matters. It also captures a wider adult audience such as parents, teachers as well as the general public. The challenge is organised as a two-stage competition whereby the first round involves an essay writing competition followed by the best 12 teams (of two) competing in a televised quiz competition. In 2008 the grand prize was a one-day visit to the Nairobi Stock Exchange as well as other industry players in Kenya. The winning team, the runners up and the winners of the essay writing competition received money for the purchase of shares in a listed company or units in a collective investment scheme.

CMA had also started running a University Challenge to improve financial literacy amongst university students. Each university puts forward a team of its best three students. The challenge has been used as a platform for establishing investment clubs in all the participating universities. The clubs have been beneficial in equipping the students with practical knowledge on savings and investments. The Challenge is a three-stage competition involving an essay writing competition, the establishment of an investment club and finally production of public education messages through music dance and drama. The prizes ranged from a trip to South Africa to visit industry players, investment money and internships at the CMA. The formation of a shareholder association was being considered as part of a strategy for public education. As a result, the public, in recent times, seemed more receptive to the listing of companies, evidenced by the increasing number of private shareholders.

#### **4.2.8 Establishment a national business skills training institution**

The POA called for the preparation of a curriculum tailored to business practitioners. Plans have been initiated for preparing a curriculum on capital markets for training business practitioners. Progress has also been made in incorporating business skills in formal secondary school curriculum. Working with the National Curriculum Development Centre (NCDC), the CMA prepared a curriculum on capital markets, which was integrated in Entrepreneurship subjects for teaching in secondary schools at Ordinary Level. Work is underway to introduce corporate governance in the Advanced Level curriculum. A curriculum has also been developed for training of trainers for secondary school teachers. The CMA is already conducting training of trainers for secondary school teachers from all over the country and also plans to work with various universities to incorporate capital markets in their courses.

Junior Achievement (JA) is the world's largest organisation dedicated to educating students from primary to undergraduate level about entrepreneurship, work readiness and financial literacy through experiential hands-on programmes. Junior Achievement Uganda was launched in July 2008 and has already embarked on one of the over 30 JA programmes available. It plans to launch another in association with Barclays Uganda in July 2009. The programme which has been launched in over 50 secondary schools in Uganda is the JA Company programme which has students developing their own money-making businesses, from concept to business plan, financing, execution, sales and, ultimately growth and demise. The experience fosters understanding and appreciation of the personal opportunities and responsibilities each person has in the work place.

The Institute of Chartered Secretaries and Administrators (ICSA) has appointed the International Law Institute as its first registered tuition provider for its examinations in Uganda. The ICSA curriculum in addition to its professional examinations offers Business Practice at certificate and diploma levels. The ICSA professional examinations are akin to a mini MBA offering financial, legal and management skills. They also promote good governance and ethical conduct.

#### **4.2.9 Establishment of a policy framework for non-deposit taking microfinance institutions and the informal sector**

The POA called for the establishment of a policy framework for MFIs and the informal sector. A budget had been included in the National Budget Framework Paper 2009/10 to 2013/14 for the development of a policy and legal framework for regulating the activities of SACCOs. The Micro Financing SACCO Bill; the Micro-credit Bill and the Microfinance Organisations Bill have been drafted. A microfinance policy had also been developed. A Microfinance Department was set up in MFPED. There is a budget for supporting the formation of at least one SACCO in every sub county and strengthening existing ones by the provision of training and other technical support. The Bills necessary for establishing an effective regulatory and supervisory framework for Tier 4 MFIs are nearing completion.

#### ***4.2.10 Building the capacity of the Centre for Arbitration and Dispute Resolution (CADER)***

The POA called for capacity building of CADER to roll out the Alternative Dispute Resolution (ADR) promotion programme. The Commercial Court is also a centre for ADR where litigants, within the African spirit of reconciliation are offered services of a highly skilled in-house mediator or external mediator and arbitrators who resolve disputes in less confrontational and cheaper methods. The execution of the Arbitration and Conciliation (Amendment) Act 2008 commenced on 27<sup>th</sup> June 2008. It amended the Arbitration and Conciliation Act Cap 4 in order to provide for funding of CADER by the Government of Uganda and to provide for other related matters. To date funding has not been received from the MFPED to allow the centre to be properly resourced and for the sensitisation programmes to be commenced.

#### ***4.2.11 PERDS strategies for addressing public concerns about the privatisation process***

The CRM observed that most stakeholders outside Kampala felt that there was a lack of transparency with regard to the privatisation of state-owned enterprises. The APR Panel recommended that Uganda should develop a more comprehensive communication strategy to systematically disseminate information on the privatisation process at all stages and in formats that can be understood by all, including those affected by the process through retrenchment and restructuring. In order to address public concerns about the privatisation process, the POA called upon PERDS to adopt a suitable communication and disclosure strategy.

Before the year under review, PERDS had carried out a study to understand why the reaction of the public to privatisation was so negative, as a strategy for addressing public concerns about the privatisation process. The study indicated that the major reason was due to the staff redundancies resulting from the privatisation. There had been a failure to communicate that the post-privatised businesses had to slim down to remain sustainable. PERDS introduced exit courses for workers about to be made redundant. This resulted in a positive reaction for the workers to be laid off. Counselling was also introduced as many of the workers had been employed by the companies for many years. The main complaint from workers today is not that they are going to be made redundant but that the payoff they are getting is not what they thought it would be. PERDS has also developed a communication strategy to inform the public. In the year under review, PERDS continued submitting bi-annual reports to the PAC. These reports are made public so that the workers have access to them thus making PERDS accountable to both the public and the workforce. PERDS has also engaged stakeholders among whom are schools, conducting debates, essay competition etc.

#### ***4.2.12 The development of simplified corporate governance guidelines and accounting standards for SMEs and informal sector businesses***

The POA called upon government and private sector organisations to develop simplified corporate governance guidelines and simplified accounting standards for SMEs and informal sector businesses. However, there has not been any progress in the development of corporate

governance guidelines for SMEs and the informal sector. The amendment of the NGO Act introduced corporate governance requirements for boards and the management structure. PERDS had requested the Institute of Corporate Governance of Uganda (ICGU) to create a Board nomination process for the State-owned enterprises that had been privatised taking away the mandate of the ministries for appointing Boards.

With regards to the establishment of simplified accounting standards for SMEs and informal sector businesses, the Institute of Chartered and Professional Accountants of Uganda (ICPAU) has made comments to a version of an exposure draft on the International Accounting Standards Board for SMEs of December 2008, which the South African Institute of Chartered and Professional Accountants piloted and amended to suit African countries. ICPAU also plans to adopt the South African version ED257, with amendments to suit the Ugandan conditions.

#### ***4.2.13 The evaluation and review of the 'Prosperity For All' programme***

The POA called upon Government to evaluate and review the 'Prosperity for All' (PFA) programme, and re-align it so that it can become demand-driven and benefit all regions by supporting better the productive activities in a sustainable framework. While government has not yet carried out an evaluation of the PFA programme or *Bona Bagaggawale*, the programme has been continuously reviewed to ensure it remains demand driven and can benefit all regions by supporting productive activities better in a sustainable framework. The PFA programme was pronounced by H.E. the President in the NRM Party manifesto and the presidential campaigns of 2006. It was formally launched on 8<sup>th</sup> October 2007. Its implementation commenced following the publication of a PFA policy programme document in February 2008. The programme aims at transforming the rural economy through boosting productivity, processing and marketing of the small holder farmers. The programme is intended to deepen government interventions and wealth creation at the community and household level by addressing structural bottlenecks to production and marketing. Therefore, it necessitated harmonisation with other existing government programmes such as the PEAP, PMA and NAADS.

Progress has been made in restructuring NAADS to support and strengthen the achievement of PFA objectives. The NAADS approach is focused on 'Strategic Enterprise Approach' to compliment the farmer-driven participatory approach to enterprise development and the promotion of new technologies. It also aims at increasing the farmer's access to information. All these would ultimately transform Uganda's agricultural sector from mainly subsistence to market-oriented farming.

Through PFA, funds have been made available to encourage and support local initiatives in the agricultural sector, including agricultural extension, post-harvest handling and value addition. About 1,600 existing extension workers have been converted to NAADS where they are engaged on performance-based contracts for better service delivery. Support is being directed towards primary processing to enhance value addition, market linkages and strategic exports mainly through Public-Private Partnership arrangements with the private sector.

A total of 45,000 farmer groups have been formed and trained in participatory processes, enterprise selection, monitoring and evaluation among others and at least 200 Higher Level Farmer Organisations (HLFOs) have been established. Over 35,000 model farmers were selected in the 80 districts and supported for better targeting of resources in line with PFA objectives. To date, over 15,000 Technology Development Sites have been established and utilised for training of farmers to facilitate technology adoption and up-scaling.

With regard to developing and publicising guidelines for accessing PFA funds, the policy identified SACCOs as the entry point for strengthening the different capacities of rural populations. Smallholder farmers are being organised into savings and credit groups for appropriate financial intermediation through SACCOs. For Monitoring and Evaluation of the PFA Programme, a coordination unit has been established in the Vice President's Office. The unit has two staff and will need additional resources to fully carry out its role.

#### ***4.2.14 Establishment of a permanent dialogue framework by private sector organisations***

The POA called upon private sector organisation to establish a permanent dialogue framework to harmonise positions when engaging the Government. Currently there are four main organisations representing business in Uganda: Private Sector Foundation Uganda (PSFU), Uganda Investment Authority (UIA), UMA and the Uganda National Chamber of Commerce and Industry (UNCCI). The coordination of organisations representing private businesses is being undertaken by the PSFU, which following consultation with its members and those of the UIA and UMA, presented to the MFPED private sector priority issues for the FY2009/10 Budget. A permanent dialogue framework such as the Private Sector Forum is yet to be established. However, there is recognition that such a forum is essential for developing formal positions on issues and generating consensus and a common voice for the private sector. The Secretariat for the forum will rotate annually between the four organisations.

#### ***4.2.15 Revitalising and strengthening the role of Uganda Development Bank (UDB)***

The POA called upon government to recapitalise and restructure the UDB. The government of Uganda announced that it is to recapitalise the UDB by injecting UGX 20 billion over the next five years. UGX 5 billion has been injected during FY 2008/09. The UDB has also been filling vacancies. To date no restructuring has been done. The POA also called upon government to establish an Agricultural Bank. Refer also to sub-section 3.1.9 and sub-section 5.2.4 for additional reporting on progress made.

#### ***4.2.16 Establishing a fully fledged one-stop facility at the UIA to address investors' formalities***

The POA called upon government to establish a fully fledged One-Stop-Shop at UIA to address investors' formalities. During the year under review, some progress was achieved. The 'One-Stop-Shop' has been established at UIA and is manned by officers from the URA, Immigration

department, and URSB. Other agencies that are expected to join include NEMA. The Ministry of Lands has an officer on call to deal with investor queries. There are issues with resources to cover the operational costs of the One-Stop-Shop and to create a virtual connection with other agencies such as the National Drug Authority.

### **4.3 OBJECTIVE 2: ENSURING CORPORATIONS ACT AS GOOD CITIZENS**

#### ***4.3.1 Facilitate a fully fledged industrial court***

The POA called for the establishment and equipping of the industrial court. A fully fledged industrial court is not yet operational although discussions for its establishment have been ongoing. The existing industrial court is being re-structured by the Public Service Commission, focusing on new remuneration as well as the title of the head of the Industrial Court. Government will soon appoint a judge to handle the backlog of labour -related cases.

#### ***4.3.2 Monitor adherence to corporate governance standards***

While an inter-sectoral team to carry out regular Monitoring and Evaluation of adherence to Corporate Governance Standards and Codes has not been appointed as recommended by the POA, the adherence to corporate governance standards is governed by the different legislation under which the various corporates are registered. Listed companies are governed by the CMA Act, MDIs by the MDI Act, co-operatives by the Co-operative Act; Financial Institutions by the Financial Institutions Act and companies limited by guarantee with or without shares by the Companies Act Cap 86. The regulators appointed under these Acts, CMA, BoU, Registrar of Companies, should be given the power within these Acts to enforce corporate governance best practice.

### **4.4 OBJECTIVE 3: PROMOTION OF CODES AND GOOD BUSINESS ETHICS**

#### ***4.4.1 Promotion of adoption of codes of good business ethics among private sector organisations***

The King Report II defined business ethics as the “principles, norms and standards that guide an organisation’s conduct of its activities, internal relations and interactions with external stakeholders”. The APRM therefore looks for regulations (often self) and the development of voluntary codes on business ethics by the public and private sectors and the observance and enforcement of those codes by the appropriate bodies.

During 2008, the PSFU trained over 38 business associations in how to develop and embed codes of conduct within their organisations. The PSFU also introduced annual awards for the best performing associations, one of the criteria being to have an established code of conduct and ethics. The winner was the Insurance Association of Uganda. PSFU plan to hold similar awards in 2009.



Within Uganda private sector companies are starting to adopt codes of conduct and ethics. For example, subsidiaries of multinationals are having to contend with the Codes imposed by their holding companies. During 2009, the PSFU are planning to conduct training of private companies in the tendering process with an emphasis on ethics. The PPDA and Transparency International will facilitate. PSFU plans to have some education programmes on ethics on the radio from late July 2009.

#### ***4.4.2 Develop an exposure strategy of private sector codes and ethics defaulters***

A draft model code of conduct for the professionals is in place and a strategy for designing client charters has been developed by the Directorate of Ethics and Integrity (DEI). Discussions have been held with the Professional Associations and the process of developing a framework for collaboration is on-going. A collaborative framework between anti-corruption government agencies under the Inter Agency Forum and the anti-corruption civil society organisations and the private sector which is known as the Anti-Corruption Public Private Partnership (ACPPP) was launched in 2005 and deals with policy issues and the quality of service delivery at the grassroots level. The DEI has also started the process of incorporating ethics into the school curriculum. Progress has been made in the primary school curriculum and the intention is to move on to the secondary school curriculum once this is completed.

#### ***4.4.3 Monitoring adherence to corporate governance standards established***

Various Acts govern corporate governance in specific types of companies. As previously stated, the regulators appointed under these Acts i.e. Capital Markets Authority, Bank of Uganda, Registrar of Companies should be given the power to enforce corporate governance best practice.. In addition, for the businesses not regulated by these and similar acts, organisations such as the ICGU and ICOSA Uganda should provide support in self regulation.

### **4.5 OBJECTIVE 4: ENSURE CORPORATIONS TREAT STAKEHOLDERS FAIRLY AND JUSTLY**

#### ***4.5.1 Collaboration to enhance financial literacy***

Realising the need to enhance financial literacy in Uganda, key stakeholders in the financial sector, namely: the CMA, BoU the Uganda Insurance Commission, the Uganda Bankers Association, Uganda Insurers, Insurance Brokers, MFPED, Bankers Institute and AMFIU agreed to establish a framework to undertake financial education. A financial literacy foundation, Finlit Foundation Uganda Limited, (Finlit) was incorporated on the 31<sup>st</sup> December 2008.

In addition to funds from members, Finlit will be seeking funding from GoU and development partners. Some funding has been earmarked by the World Bank for the initial two years under the Financial Markets Development Plan. Additional funding however will be required particularly for Y3 onwards. The CMA has been providing staff to run the services at the Uganda Insurers Association who have been providing office space in their building on Acacia Avenue.

A coordinator has been recruited. A strategic plan has been written that focuses on public awareness of basic financial literacy. Projects are scheduled to be run for schools, colleges, among others.

The MGLSD continued to implement during the past year in rural areas, under the PFA programme, a Functional Adult Literacy (FAL) programme. The participants learn skills for development and management of household enterprises for generating household incomes. The graduates of the FAL programme are encouraged to join SACCOs.

#### ***4.5.2 Capacity of UNBS to fight against counterfeit goods strengthened***

The CSAR indicated that counterfeit goods constituted a problem for domestic businesses whose market is affected by the illegal trade of such products. Currently there is no regulatory body that has responsibility for counterfeit goods. UNBS only has responsibility for goods that are substandard. As many counterfeit goods are substandard, they then by default fall under the remit of the UNBS. There have been cases where counterfeit goods have not been below standard and UNBS have been unable to take any action against those involved with such counterfeit goods. UNBS also do not have the capacity to deal with the problem.

The Counterfeit Goods Bill 2008 will prohibit trade in counterfeit goods that infringe upon protected intellectual property rights; prohibit release of counterfeit goods into the channels of commerce; create offences relating to trade in counterfeit goods; empower the Commissioner for Customs to seize and detain suspected counterfeit goods; and provide for matters incidental thereto.

When enacted, this Act will be administered by UNBS. In this regard, the functions of the UNBS will be to: Enforce the provisions of the Act; enlighten and inform the public on matters relating to counterfeiting and matters incidental thereto; deal with all matters relating to combating counterfeiting in Uganda as provided for under the Act and any ancillary matters connected with its functions under the Act. The UNBS will devise promotion, introduction and training programmes on combating counterfeiting and matters incidental thereto to which end it may coordinate its work with national, regional or international organisations concerned with the same subject matter.

## **4.6 OBJECTIVE 5: TO PROVIDE FOR THE ACCOUNTABILITY OF CORPORATIONS, DIRECTORS AND OFFICERS**

### ***4.6.1 Review relevant laws on the accountability of corporations***

The POA called for a review of the relevant laws on accountability of corporations, in particular, the Companies Act to make it more effective. In implementing the recommended POA actions, some progress was achieved in the year under review. With regard to reviewing of the existing legislation and procedures, the Companies Bill 2008, was reviewed, and areas that needed strengthening identified. For example, the review indicated that the Bill deals with only core

company matters and other related issues are left to other laws. The CMA Act Cap 84 is being amended by a separate Bill to cater for matters relating to prospectus offers and similar matters which were previously contained in the Companies Act Cap 86. A new Insolvency Bill is being promoted side by side the Companies Bill 2008 which will not only cover individual bankruptcy but also matters related to companies liquidation previously covered by the Companies Act Cap 86.

The Companies Bill 2008 introduces the concept of a single member company which is a type of private company. The aim of this is to encourage sole traders to formalise their business arrangements. However there is no cap on the size of these companies and this could lead to their abuse especially in the area of money laundering. The *ultra vires* rule is abolished by the Bill. The rule originally provided that the company's objects are limited to those stated in the Memorandum and Articles of Association. With the abolition of this rule, companies should be able to transact any business that is within their reach. The Bill also gives the High Court the power to lift the veil of incorporation where the company or its directors are involved in the acts including tax evasion and fraud.

The Bill provides for the qualification of company secretaries but exempts single member companies from the requirement of having a company secretary. A private company can opt not to have a company secretary. A company that does not have a Company Secretary should be required to file a statement with the annual return stating who would be fulfilling the corporate governance role of a company secretary. This will ensure that the Boards/owners of these companies are aware that they still have to practise good governance even when they do not have a company secretary. A code of corporate governance is included in the schedules to the new Companies Bill 2008, which is mandatory in respect of public companies but optional in the case of private companies. The Bill allows companies to adopt it in part or full in their Articles of Association. There does not appear to be a requirement to explain where a company decides not to adopt the whole of the schedule.

The Bill, apart from matters of grave importance as far as the public or state are concerned, allows companies to regulate their own affairs under the Articles of Association in order to promote private enterprises. There is still no requirement for a private company to file accounts with the Companies Registry as recommended by the APRM Country Review Report. ICPAU and ICSA Uganda (a group of the Institute of Chartered Secretaries and Administrators) believe that private and single member companies should not be exempted from filing accounts with the Registrar of Companies because simplified formats for presenting financial reports have been designed to cater for such entities. Consideration should be given to requiring private companies (and single member companies) over a size limit to file accounts.

The Companies Bill 2008 needs to be amended further to take into account International Financial Accounting Standards. ICPAU suggested that the Bill provides for accounting standards to be adopted/set by the accounting regulatory body in Uganda. The particular description of the standards should be left to bye-laws as it is an operational matter. The names of standards can be changed over time.

#### **4.6.2 Review of the PPDA Act**

POA called for a review of the PPDA Act. During the year under review, the PPDA Act was reviewed, and proposals for its amendment identified. A Bill was prepared submitted to and approved by MFPEd. It will be submitted to Cabinet before presentation to Parliament.

#### **4.7 CONCLUDING REMARKS AND RECOMMENDATIONS**

Progress has been made on all Bills identified by the Presidential Investment Roundtable to be fast-tracked due to their critical nature in developing an enabling environment and effective regulatory framework for economic activities in Uganda. During the period under review, most of the institutions authorised to regulate entities or enforce standards under the various laws and regulation for example NEMA and UNBS, have been carrying out awareness programmes for the public and businesses. To enhance public awareness on corporate governance issues, the CMA and JA programme have been carrying out programmes in schools and universities. Enterprise Uganda, the Institute of Corporate Governance of Uganda and ICOSA Uganda, have also been involved in delivering training to the business community in corporate governance and business development skills.

With the exception of Pensions, the institutions authorised to regulate entities or enforce standards under the various laws, regulations etc. are in place and have the authority to do so. Where this needs to be strengthened, the appropriate amendments are contained within the various Bills that are being fast-tracked under corporate governance.

Work has commenced in educating the informal sector through programmes such as the FAL implemented under the PFA by the Ministry of Tourism Trade and Industry. Other organisations, such as Enterprise Uganda have also been running training courses in business development skills. The Registrar of Companies plans to open five regional offices to make access to formal registration easier for those in rural areas but needs to complete automation of the services first. The Companies Bill has introduced the concept of a single member company, which allows individuals to obtain the benefits of limited liability without the bureaucracy required under the current structure.

Efficient capital markets are required to enable businesses to access capital needed for growth and to attract investment. The APRM CSAR recognised that capital market regulation in Uganda was well designed. The USE, however, is still in its infancy and resources are needed for the CMA to ensure that standards are maintained especially with the introduction of the automated trading, settlement and securities central depository systems planned for 2009.

The USE has also re-launched its Alternative Markets Segment aimed at high growth SMEs and initiated a programme to identify and assist through training and capacity building th SMEs for potential listing on this segment. The CMA and USE have been carrying out public education and awareness programmes on the benefits of investing in capital markets. Key stakeholders in the financial sector have combined to create a financial literacy foundation with the aim of

enhancing financial literacy in Uganda.

Pensions efficient capital and insurance markets are seen as essential to encouraging long-term savings. Capital markets in Uganda are being further strengthened through the signing of the IOSC MMoU, which will allow for consultation, cooperation and exchange of information between regulators from differing countries. This is being undertaken in anticipation of the harmonisation of East African capital markets to be completed in 2010. A budget for establishing the retirement benefits regulatory authority has also been included in the National Budget Framework FY 2009/10 – FY 2013/14. Amendments to the Insurance Act Cap 213 have been drafted and are due to be submitted to Cabinet to provide for compliance with international accounting standards and governance issues.

To ensure that the environment is one that enables business and investment in Uganda to thrive and grow, the Government needs to work more closely together with the private sector. This is happening both through the Presidential Investment Roundtable and the dialogue, spearheaded by the Private Sector Foundation of Uganda, with the Ministry of Finance. Consideration needs to be given as to how this arrangement can be more formalised to ensure that the views of all those in the private sector are heard.

Under the Corporate Governance thematic area, the NGC recommends as follows:

- *Fast-tracking bills for enhancing Corporate Governance:* It was proposed at the validation workshop that the Insurance Amendment Bill and the Uganda Retirements Benefits Authority Bill, 2008 be added to the list of Bills to be fast-tracked. The Companies Bill, 2008, and the associated Insolvency Bill 2008 and Capital Markets Authority (Amendment) Bill, 2008 have been highlighted as the Bills to be given highest priority for enactment. The Companies Bill 2008 does need further amendment in areas such as complying with international accounting standards, private companies over the size limit filing accounts and the position of a company secretary. Participants at the validation workshop also proposed that in future wider consultation of stakeholders for Bills should occur.
- *Enhancing public awareness of corporate governance issues:* While significant efforts have been directed at enhancing public awareness of corporate governance issues, further work needs to be done in training businesses and individuals (both in the formal and informal sectors) on how to translate the concepts, specifically of corporate governance, into practice. More work needs to be done in raising the awareness of the public and business communities about their rights and obligations under the various laws, policies, regulations and standards concerning corporate governance.
- *Adopting ILO standards:* Government should adopt, domesticate and popularise international standards in the areas of labour rights and construction of roads and buildings.
- *Regulating Tier 4 Micro-Finance Institutions:* The extent of regulation of Tier 4 MFIs should be agreed upon quickly.
- *Regulating counterfeit goods:* The Counterfeit Goods Bill 2008 should be enacted to enable the UNBS fully carry out its role in this area. Further resources (human, financial

and infrastructure) need to be made available to enable the institutions fully carry out their remits.

- Supporting informal sector businesses to become formal: For sustainable economic development the Government of Uganda needs to encourage more businesses to move from the informal to the formal sector to ensure that the businesses themselves are sustainable, generating sufficient income to support those involved in them and also pay taxes to assist in the development of the economy as a whole. More work needs to be done in enlightening those operating in the informal sector on the benefits of making their businesses more formal.
- Liberalising the pensions sector: Government should expedite the liberalisation of the pensions sector. This is seen as a way of encouraging long-term savings among the Uganda population. A pensions regulator should also be appointed immediately once the Ugandan Retirements Benefits Bill has been enacted.
- Implementing POA actions by non-state agencies: Many of the actions in the APRM POA within the corporate governance thematic area are to be carried out by non-state organisations. For these actions to be completed, consideration needs to be given to setting up a mechanism, possibly within the MFPED, to coordinate applications for funding from this group, recognising that much of the funding may come from development partners and to monitor and co-ordinate priority corporate governance issues. This is important as the institutions within this group do not have ministries through which to channel their requests for funding. Moreover, there is no single State mechanism for coordinating corporate governance issues.



# **CHAPTER FIVE: SOCIO-ECONOMIC DEVELOPMENT**

This chapter assesses the progress that was made in implementing the POA priority actions under the Socio-Economic and Development thematic area. In this thematic area, focus is on the extent to which progress was made in improving the wellbeing and standard of living of the people, as a result of accelerated economic growth, bearing in mind progress achieved in promoting democracy; good governance; peace and security; and human development.

## **5.1 PRINCIPLES, CODES AND STANDARDS**

### **Signing standards that the country had not yet signed within socioeconomic development, and ratifying others**

The CSAR identified several international standards and codes relevant for benchmarking the progress the country was making in socioeconomic development against accepted international norms and practices that Government of Uganda had signed and ratified. There were concerns about either the lack of monitoring of progress in their domestication and implementation, or the actual absence of domestication and implementation. This according to the CRM was evidenced by the inability of Uganda to benefit from important standards and codes in these documents that could have helped Uganda to devise guidelines, for example, in population and urban development, among other challenges faced.

The CSAR also observed that while there were several other important international principles, standards and codes that the country had signed and ratified it had not domesticated and implemented them. There were also concerns regarding the approach to their ratification, domestication and implementation. Both the CSAR and CRM were agreed that many of these standards and codes had not been systematically recorded for dissemination to state and non-state stakeholders. As a result, the citizenry was unaware of them. Some of them have not yet been translated into policy, legislations and specific actions. The APR Panel recommends that Uganda should undertake a comprehensive review and identification of relevant standards and codes with a view to their ratification or implementation if already ratified.

The first priority action of the POA required identification of the respective international codes and standards, that are relevant to Uganda's socioeconomic development, that had either not yet been signed; had been signed but not yet ratified; or had been signed and ratified but not yet domesticated and implemented.. The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa was identified as signed but not ratified.

The second POA priority action required that a plan be developed to identify the various gaps in the processes followed in the ratification and implementation of the standards and codes. This plan mainly entailed facilitating civil society, whose mandate was primarily focused on addressing standards and codes that had yet not been ratified or had not been implemented, to review the progress that the country had made in this regard and make proposals on how



ratification can be expedited. This is because it is mainly civil society that holds government accountable to its actions and intentions.

The POA urged that after identifying the international codes and standards that are relevant to Uganda, and reviewing the gaps in their ratification and implementation, proposals should be made on how the processes that take place before codes and standards are signed/ratified can be improved so that the codes and standards can enhance progress in socio-economic development.

During the review period, the Government of Uganda ratified the Convention on safeguarding of intangible cultural heritage of 2003. This helped in the promotion of culture which is very important in the mobilisation of the communities. Government also finalised and submitted the Country Status Report to the UN on the Convention on Elimination of all forms of Discrimination Against Women (CEDAW). This report showed the progress which Uganda had made in implementing the UN requirements to end all forms of discrimination against women so as to achieve gender equality.

#### **Increase awareness among stakeholders about standards and codes**

The CRM observed that most Ugandans were unaware of many of the conventions and protocols that Uganda had signed and ratified. This general lack of awareness made it difficult for the citizens to demand and exercise their rights. The APR Panel recommended that Uganda should create an easily accessible database on signed, ratified or domesticated standards and codes for effective monitoring. The APR Panel also recommended that Uganda should design a programme for disseminating information on signed, ratified or domesticated standards and codes and encourage their utilisation in policy formulation; programme and project design.

During the year under review, the main achievement in policy dissemination in the socio-economic development thematic area by government was in education. Government disseminated the Education Act 2008 to all districts as a way of sensitising communities on education standards and the right to education for all children. Other policies where dissemination efforts have been made include: the National Orphans and other Vulnerable Children Policy of 2004; the National Child Labour Policy of 2006; the Uganda Gender Policy of 2006; the National Policy on Disability of 2006.

## **5.2 OBJECTIVE 1: TO PROMOTE SELF-RELIANCE IN DEVELOPMENT AND BUILD CAPACITY FOR SELF-SUSTAINING DEVELOPMENT**

### ***5.2.1 Strengthening National Planning Authority's lead role in national planning***

The POA called upon government to review and identification of areas of amendment in the National Planning Authority (NPA) Act, the Local Government Act and Budget Act in order to streamline government planning processes with a view to strengthening NPA's lead role. A review of the relevant laws was carried out by the Uganda Law Reform Commission (ULRC)

from March to June 2009. During the year under review, the NPA had continued to exercise its mandate regarding the revision of the 2004 PEAP and the development of the National Development Plan (NDP), and implementation of APRM National POA.. The review of Y1 progress also provided an opportunity to the APRM, NGC to harmonise further the POA actions to remove those that are redundant or not relevant and identify new ones that are relevant for inclusion, as well as to streamline POA action indicators.

### ***5.2.2 Presidential directive issued regarding the autonomy of NPA***

The POA called for an amendment of the NPA Act and the full implementation of the amended Act. It also called for the facilitation of the delineation of role of the different agencies in national development planning and an issuance of a Presidential Directive to effect any change of roles that would have occurred. The amendments to the NPA Act were still under consideration. While the capacity of the NPA has been strengthened, sufficient consensus needs to be generated to clarify further, not only its constitutional mandate vis-à-vis the Ministry of Finance, Planning and Economic Development (MFPED), but also its location under the ministry. There are proposals to locate the Authority either in the President's Office or the Office of the Prime Minister (OPM). A Presidential directive streamlining the role of NPA vis-à-vis other agencies involved in national development planning at all levels of government, as well as stipulating the autonomy of the NPA was still being awaited, as high level consultations are on-going. Once in place, the NPA Act and other related legislation will be amended to bring effect to the presidential directive.

### ***5.2.3 Gender-disaggregated data informs policy formulation, implementation, and monitoring and evaluation***

The POA called for the management of gender disaggregated data and information available from the sectors as well as from government agencies such as Uganda Bureau of Statistics (UBOS). It also called upon the distribution of gender-disaggregated data and information to relevant end users and its usage in the planning and budgeting process. Significant progress has been made in institutionalisation within MDAs of the necessity for generation of gender disaggregated data and information.

Several studies have been undertaken in the sectors to generate gender disaggregated data and information. MFPED has generated gender disaggregated data for sectors including health, education, water and sanitation, agriculture and roads. In order for the data to inform the formulation, implementation, monitoring and evaluation of government programmes, various mechanisms have been devised. Studies were undertaken to mainstream gender in key government policy frameworks such as the 2004 PEAP; the PRDP; the KIDDP; PMA and NAADS. At sector level, every ministry was supposed to develop policy guidelines for mainstreaming gender issues. During the year, only the Ministry of Education and Sports formulated a gender mainstreaming policy.

Some progress has been registered by the MGLSD working closely with MFPED with regard to building capacity for institutionalising a culture of gender equity budgeting within the sectors,

although there was a need to extend gender budgeting training to the local level. A manual for facilitators on 'Budgeting for Gender and Equity' that was produced by MFPED in 2007 was disseminated to central and local government officials during the year under review.

Civil society organisations have contributed significantly to achieving a strong national gender policy framework by generating information and advocating for more gender responsive legislation. There has been significant advocacy around gender budgeting; the Land Act; Trafficking in Persons Bill; Protocol to the African Charter on Human and People's Rights of the Rights of Women in Africa; the Mortgage Bill; Access to Information Bill; NGO Act; Equal Opportunities Commission; the Domestic Relations Bill; and the Domestic Violence Bill.

#### ***5.2.4 Reducing the country's dependence on donors overtime***

The CRM observed that many Ugandans who are the primary stakeholders in the country's development exercise had minimal or no influence on government policy formulation compared to donors who use the power of their finances to create knowledge, open and close spaces for the making and shaping of different policies in the country. The CRM noted that to the extent that the donors are able to do so, they acquire power to define Uganda's route to development in ways that gives them more influence on the way the Ugandan state functions than the citizenry does. The CRM further noted that many of the policies were condition-driven, which explained why Uganda had many good policies that were not being implemented. Reducing dependence on donors required increased efficiency and effectiveness in not only the mobilisation of domestic resources, but also the management of available public finances. The POA called upon government to implement the Accra Declaration on aid effectiveness, intensify the administration and collection of revenue, and implement the Local Government Service tax.

#### **Implementation of the Paris Declaration and Accra Declaration on aid effectiveness**

Progress has been made with regard to the implementation of the Paris Declaration and Accra Declaration on aid effectiveness. Government has promoted awareness of the Paris Declaration and conceptual clarity of its principles and commitments, especially in the MFPED and the OPM. These two have been at the forefront representing Uganda in the Paris Declaration negotiations and are directly involved in its monitoring and evaluation. During the year under review, the emphasis on results in government budgeting and programming was intensified with the new focus on performance-based budgeting. A framework for evidence-based decision-making was created using the PEAP results matrix, the Annual PEAP Implementation Review (APIR), the joint Poverty Reduction Support Credit Annual Reviews and the Joint SWAp implementation reviews. Some sectors had well-funded systems to collect credible sector-based process data. The challenge is in scaling up to all sectors, ensuring continuity of data collection, timeliness in consolidation and reporting, data completeness and reliability and above all, translating sector statistics into national level information for decision-making.

Progress is lagging behind on mutual accountability largely due to absence of a formalised framework to tackle this issue more directly. Mechanisms such as the APIR and the Annual

Review of the Poverty Reduction Support Credit have so far offered some opportunities though from a more general or programmatic perspective. A Joint Assessment Framework (JAF) for the Joint Budget Support Operation (JBSO) currently under development is likely to provide a more direct mechanism for tackling mutual accountability.

During the year under review, the continued use of the Uganda Joint Assistance Strategy (UJAS) – which mainstreams the Paris Declaration principles and indicators - was a sign of intensification of efforts especially towards harmonisation of development partner support. The commitment by Uganda to the UJAS led to an additional five donors endorsing UJAS and the number continues to grow with the UN Group being the latest to have formally communicated interest. The UJAS partners went further to initiate a donor division of labour (DoL) exercise. Both the UJAS and the DoL exercise are considered significant steps despite the temporary loss in momentum in 2007. Government revived the DoL agenda in early 2008 to inform the development of the new five-year National Development Plan (NDP).

### **Intensifying administration and collection of revenue**

In line with the proposed POA priority action, government made good progress in increasing domestic revenue collection and administration during the year under review. Revenue collections in 2008/09 are expected to reach UGX.3,698.6 billion, which represents growth of 17.0 % from 2007/08. Donor financing, provided as Budget support is projected to reduce by UGX.70.4 billion (10 %) to UGX.602.5 billion for FY2009/10. Similarly, project support is projected to decline by UGX 32 billion (2 %) to UGX.1,293.2 billion, as illustrated in the table below, which shows Uganda's progress in revenue collection for three years including 2008/09:

**Table 1: Summary of Revenue Performance and Projected Outturn FY2008/09**

	PAST REVENUE COLLECTION				FY 2008/09		
	2005/06	2006/07	2007/08	Projected Outturn*	Budget	Suplus/ Deficit	Outturn/ Budget
GDP at current prices	18,172	21,169	24,648	30,244	25,463		
Net URA tax (excl. Govt taxes & Refunds)	2,231	2,626	3,161	3,699	3,851	-152	96.05%
Tax as %GDP	12.28	12.40	12.83	12.23			

\*Provisional projections – based on performance to end February 2009

Source: Ministry of Finance, Planning and Economic Development, (2009) National Budget Framework Paper FY 2009/10 – FY 2013/2014

### **Implementation of the Local Government Service Tax**

The Local Government revenue enhancement initiatives are being implemented to increase fiscal resources available to local government to implement their locally determined development priorities. Parliament enacted the Local Service Tax (LST) and Local Government Hotel Tax in 2008, as alternative sources of local revenue following the abolition of Graduated Tax. The taxes became effective from July 2008. The new tax has been popularised and implementation guidelines are being disseminated to Local Governments.

## **5.2.5 Prudently harness the expected oil revenue to contribute to enhancing socio-economic development**

The POA called upon government to prudently harness the expected oil revenue into productive sectors and infrastructure development to further integrate the national economy, and contribute to enhancing socio-economic development. One of the key recommendations to Uganda by the CRM was to avoid the “Oil Curse”. The Oil and Gas Policy of 2008, developed by the Government of Uganda, provides a blue print for management of the oil and gas resources. Extensive national stakeholder consultations and study tours to among others Libya, Trinidad and Tobago and Norway were undertaken in the development of the National Oil and Gas Policy for Uganda.

### **The National Oil and Gas Policy is designed to:**

- Ensure efficient and effective management of Uganda’s oil and gas resources
- Encourage transparency in the management and operations of the industry
- Ensure that moneys from the oil and gas sector are properly managed and utilised to create new wealth
- Encourage early production after commercial discoveries
- Control production to encourage sustainability
- Encourage local participation in the petroleum and gas industry;
- Ensure equity amongst the stakeholders
- Ensure conservation of the environment in the oil-producing areas.

The drafting of an enabling legislation on the production and management of revenue on oil and gas was underway. The policy is also being revised to reflect the changed focus on making Uganda an exporter of finished oil products other than exporting crude oil. Bilateral negotiations on refining Uganda’s oil have among others been held with the Islamic Republic of Iran.

The Oil and Gas Policy sets the rules for disclosure and investment of all revenues from the hydrocarbons. Uganda has

adopted a model that will see oil revenues go into a separate account at the Bank of Uganda (BoU). Oil companies will deposit all government revenues into this account by Electronic Transfer and the public will have unfettered access to information regarding transactions on this account.

The Oil and Gas Policy has also proposed a new law to regulate the payment, use and management of the petroleum revenues in order to create lasting value. To ensure collection of revenues and their proper use, the government is to publish the revenues received from oil and gas activities regularly. In addition, it will put in place a sustainable asset in the form of a Petroleum Fund to store revenues that are not in the national economy.

The Policy has designated the URA as the agency responsible for collection of oil revenue, which will then be channelled to MFPED to manage budget allocations. The BoU will manage the Petroleum Fund. It will also ensure that inflation is kept at a minimum, by influencing positive movements of interest rates and creating incentives for the development of other sectors.

## **5.3 OBJECTIVE: TO ACCELERATE SOCIO-ECONOMIC DEVELOPMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT AND POVERTY ERADICATION**

### ***5.3.1 Develop an integrated strategy for human and institutional capacity for the delivery of basic social services***

The POA called upon the NPA to produce a National Human Resources Plan (NHRP) for the country. Preliminary activities for undertaking a National Human Resource Survey as an input to inform the NHRP were carried out during the period under review. An inter-ministerial committee was operationalised. Survey instruments for conducting a national stakeholder awareness workshop were developed and a Cabinet Information Paper on the subject prepared.

### ***5.3.2 Promote public private partnerships for the delivery of basic services***

Due to a private-sector led growth strategy, government has encouraged Public-Private Partnerships (PPP) in all the social services delivery sectors, including: water, health, education, agriculture (crop and livestock) extension service delivery. While a comprehensive PPP framework has not yet been developed, in each sector there are guidelines that have been developed for operationalising PPP in service delivery. The Health sector has a National Policy on Public Private Partnership in Health that was developed in 2006. In the agriculture sector, government's sectoral policy objectives are achieved through a decentralised, farmer-owned, and private sector-led and serviced extension system in which, the non-state sector actors play a very significant role in provision of agricultural information, knowledge and technologies to farmers. The National Agricultural Advisory Services (NAADS) through the sub-county Local Governments and Sub-county Farmers' Organisations engages the services of the private sector agencies to provide agricultural advisory services. In the NAADS approach, Tripartite Memoranda of Understanding (MoUs) are negotiated between the districts, sub-counties and the implementing private sector agencies.

In the Health sector, some of the service providers targeted under the APRM POA were private sector service providers. In the year under review, health providers in the not-for-profit sub-sector as well as the for-profit sub-sectors continued to complement the provision of health care services by public health institutions. The legislative and regulatory framework in the health sector, including: the National Drug Policy (1993); the National Drug Authority Statute (1993), National Medical Stores (NMS) Statute 1993; are all amenable to participation of private sector service providers. The National Health Policy objective of making the private sector a major partner in national health development has to a larger extent been achieved.

A central Public-Private Partnership for Health (PPPH) coordinating office was established within the Ministry of Health in 2006 and a focal person designated. In the year under review, this office was still functional. The National Health Policy and the Health Sector Strategic Plan are implemented through partnerships described under the broad framework of the Health Sector

Wide Approach (SWAp). A series of MoUs or other formal arrangements such as government regulations, policy documents and contracts, are already in place to govern these relationships. A standard MoU spells out the obligations of the main parties and describes the structures and procedures established to facilitate the functioning of the partnership between government and National Private Health Service Providers (NPHSP). PPP in health have strengthened the national health system and immensely contributed to the progress that the country has made in realising national health goals as well as the Millennium Development Goals targets in health.

Private-Not-For-Profit (PNFP) health providers provide services to the most needy populations where public services do not reach. PNFPs also strive to reduce or eliminate barriers to access through subsidised health care schemes at PNFP facilities as well as empowering communities to recognise and address the social, cultural and gender issues that limit access for marginalised segments of the population. In the year under review, government continued supporting the functions of the NPHSP. This was mainly done through secondment and posting of health personnel and provision of funds and supplies, especially those related to national priority health programmes such as the Essential Drug and Management Programme kits, UNEPI vaccines and equipment. Financial support provided to NPHSP facilities has been increasing and has been channelled through the decentralised structures of government. There are also PPP in the delivery of education as well as water and sanitation services.

### ***5.3.3 Streamline and simplify procedures for establishing business and social enterprises***

The POA called upon government to reduce the number of procedures for establishment of business and social enterprises; to create awareness of the procedures for establishment of business and social enterprises; and to harmonise the right of establishment and registration of business firms with other countries. Uganda has made tremendous inroads into streamlining procedures for establishment of business and small enterprises by creating a 'One-Stop-Shop' at the Uganda Investment Authority (UIA). All the unnecessary procedural encumbrances have been removed to make Uganda attractive for both domestic and foreign direct investment. Currently it takes only 25 working days to establish a business in Uganda, down from 28 working days. Procedures have been streamlined and simplified. See sub-section 4.1.2 for additional reporting.

### ***5.3.4 Create institutional arrangements to support SMEs' access to development financing***

The POA called upon government to establish a development finance facility, which would enable Small and Medium Enterprises (SMEs) to access development financing. Some progress has been achieved on implementation of this POA priority action. Uganda has revived the Uganda Development Bank as a way of addressing the financial needs of the SMEs in Uganda. More progress has also been recorded in recapitalising the Bank. The Bank also takes on responsibility for disbursing the APEX Funds.

The Ugandan Securities Exchange being keen to play its part in the promotion of the development

of SMEs in Ugandan is re-launching and positioning the Alternative Investment Market Segment (AIMS) to provide capital to high growth SMEs that do not meet the eligibility requirements for the main investment market segment. AIMS is built on a simplified regulatory environment making it easy to comply with listing rules. It is aimed at institutional and high net worth investors. In efforts to build and strengthen the local capacity and infrastructure required to match the rapidly changing regional developments in the financial sector, the Uganda Securities Exchange is working in partnership with the Private Sector Foundation Uganda to undertake training of SMEs and build their capacity for potential listing on AIMS thus creating a vibrant SME sector.

An MoU was signed in May 2009 between MTN Uganda, UIA and Enterprise Uganda in which MTN will continue to provide business linkages support to SMEs to enhance their productive capacity, efficiency, competitiveness and sustainability. An initiative of the Government of Uganda in partnership with the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Development Programme (UNDP), the Business Linkage Promotion Programme, will promote the creation of durable and mutually beneficial business linkages between local corporate companies and affiliates of trans-national corporations (TNCs) on one hand and SMEs on the other.

### ***5.3.5 Formulate a comprehensive agricultural policy for optimal agricultural productivity and food security***

The POA called for a review of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) development and investment plan. The NPA has formulated a Background Paper on Agriculture for the NDP. It summarises the Development Strategy and Investment Plan (DSIP) of the MAAIF of 2009, and will eventually become the chapter or pillar on agriculture in the NDP. The POA called upon the formulation of a policy and incentives that support agro-processing. Processes have been initiated by MAAIF to develop an Agricultural Policy that will guide the interventions by the ministry and its semi-autonomous agencies, other MDAs as well as the local governments.

In the year under review, various processes were on-going aimed at contributing to the development of agricultural policies in Uganda that would articulate the desires to achieve optimal agricultural productivity and food security. While the agricultural policy has not been finalised yet, there are several policy programmes in which these intentions were elaborated. PEAP interventions intended to expand agricultural production and incomes in rural areas are undertaken via the Plan for the Modernisation of Agriculture (PMA), whose primary focus is the modernisation and commercialisation of agriculture.

The PEAP of 2004 was being revised and will be replaced by the NDP which is a five-year national plan intended to accelerate economic growth to reduce poverty and will come into operation in 2009. The theme of NDP is: '*Growth, Employment and Prosperity*'. Seven development outcomes are expected to be achieved by NDP including: Increased household incomes;



enhanced quality and availability of gainful employment; improved stock and quality of economic and trade infrastructure; increased availability and access to quality social services; enhanced innovation and competitive industries; Harnessed natural resources and the environment for sustainable development; and lastly strengthened good governance and improved human security. The NDP will re-align sectors plans as well as several emerging development strategies such as PMA, NAADS, Prosperity for All (PFA), PRDP into a single policy framework to achieve national objectives. The NDP will refocus the nation to face the challenges of Globalisation and regionalisation. Unlike the previous frameworks, the NDP provides an expenditure framework for government.

The POA called upon government to undertake interventions to increase food security and promote proper nutrition. The Cabinet approved the Uganda Food and Nutrition Policy (UFNP) in July 2003. A Food and Nutrition Bill was drafted, discussed in Parliament and passed into an Act in September 2004. The Uganda Food and Nutrition Strategy and Investment Plan (UFNSIP) operationalises the UFNP by providing the necessary guidance to implement a nation-wide plan for ensuring that the people of Uganda produce and/or have access to adequate, safe and affordable food and good nutrition at all times. The investment plan facilitates increased flow of public resources for appropriate interventions to ensure the objectives of the UFNP are achieved.

The POA also called for the formulation of a policy and incentives to support agro-processing. Some progress was achieved. The Government of Uganda had mapped out specific strategies and put in place attractive incentives for agriculture and agro-processing to enable private investment, public investment, as well as public/private investment in value addition of Uganda's agricultural produce. There has also been some progress in the sector in value addition as evidenced by some of the investments licensed by the UIA that have added value to some of the exportable products like edible oil, dairy, cotton, and coffee.

Under the NAADS programme, 748 sub-county farmers fora were formed; 12,000 Technology Development Sites were established; and 2,000 agro processing facilities equipped. These provide a platform for commercial farming, improved farm incomes and increased food security. Increased cotton and coffee production provide both on and off farm employment leading to better farm incomes and hence food security. All these would lead to significant reduction in poverty levels.

#### ***5.3.6 Promote value addition, commercialisation, agro-processmm, marketing and negotiation for markets***

The POA called upon government to formulate a policy and provide incentives that support agro-processing. It was confirmed by the CRM that a policy framework of policies and specific strategies for industrialisation in Uganda already existed by the time the implementation of the APRM POA started. The National Industrial Policy was approved by Cabinet on 28<sup>th</sup> January 2008. The principal focus of the policy relates to exploiting and developing national domestic resource-based industries, such as the petroleum, cement and fertiliser industries; promoting

competitive industries that use local raw materials; encouraging agro-processing industries; and engineering for capital goods, agricultural implements and construction materials. One of the seven intervention areas of the PMA is marketing and agro-processing.

In areas where farmers succeeded in increasing their farm productivity as a result of, among others, increased access by farmers to new technologies and extension advice under NAADS, a real need emerged for production to become effectively integrated with agro-processing and organised marketing of agricultural products. This led to the development of the PMA's Marketing and Agro-Processing Strategy (MAPS).

The POA called upon government to facilitate access to agro-processing facilities. To enhance this, tax incentives have been offered to agro-processing industries within the radius of 35kms of Kampala city.

The POA called upon government to identify markets and promote access to them. In order to bring effect to PMA's MAPS, the approach adopted under NAADS has been to intensify farmer institutional development. NAADS has supported farmers to establish sustainable market-led production and marketing associations as a way of establishing effective linkages to agro-processing and marketing outlets within and outside of the country. Through Enterprise Uganda support to SMEs, business linkages have been promoted between local firms and international multi-national corporations to enhance access to markets. Support has been provided towards a Marketing Information System (MIS), where information is provided on existing markets, types of commodities on market, commodity prices, and quantities of produce. Support has been provided for this information on selected products to be relayed to farmers through SMS text messages upon request.

### ***5.3.7 Promote eco-friendly utilisation of land***

The POA called upon government to operationalise the Land Use Policy; finalise the Land (Amendment) Bill 2007 and to implement the Land Use Policy and Land (Amendment) Bill 2007. During the period under review some progress was achieved in the area of land use. The National Land Use Policy is now in place although not yet utilised. The operationalisation of the Land Use Policy has necessitated the review of a number of related policies and legislation, which the respective sectors have embarked on. The Physical Planning Bill 2008 was presented to Cabinet and has been approved. It is due for submission to Parliament for consideration. Other laws and policy frameworks that are being reviewed with regard to Lands, Housing and Urban Development include: the Town and Country Planning Act, the Registration of Titles Act, and the Survey Act. The sector has also commenced the development of new laws such as the law on the Government land and the Land Information System among others.

The POA called upon government to finalise the Land (Amendment) Bill. Studies to inform government on the Land (Amendment) Bill have been completed. Government has also received submissions from various stakeholders. The debate on the Land (Amendment) Bill was

extended to allow some consensus to emerge. The President has also allowed more dialogue to be undertaken with stakeholders especially the traditional/cultural institutions such as the Buganda Kingdom.

### ***5.3.8 Tree planting, sustainable wetland management, restoration of degraded ecosystems, effective use of weather and climate information, and integrated water resources management***

Considering that water is part of development, the Government has promoted the Integrated Water Resources Management (IWRM) through planning and management of water resources and its coordinated use by the other sectors such as domestic water supply, energy, agriculture, fisheries, wildlife, forestry and wetlands. The approach aims at integrated and sustainable management and development of water resource at the lowest appropriate level through increased participation of other stakeholders such as the private sector, NGOs and CBOs. This enables rational prioritisation of water allocation among the different users and regional/international cooperation for equitable and conflict-free use of shared water resources.

To promote (IWRM) in Uganda, government had adopted a Sector Wide Approach to planning in the water sector. A plan had been developed for management of critical water catchments and river basin areas. The National Water Policy (NWP) was adopted in 1999. It provides the overall policy framework for the water sector. The policy promotes the principles of integrated water resources management as a means to ensuring sustainable management and utilisation of Uganda's water resources. Government policy gives first priority to domestic use in the allocation of water and is based on the principle of "*some for all, rather than all for some*" adopted from the 1990 'New Delhi Statement'. Government approach also emphasises operation and maintenance as an important and integral part of all water and sanitation programmes and projects to ensure their long-term sustainability. The implementation of the national Water Action Plan (WAP) continued.

Today, Uganda has piloted decentralised and integrated water resources management at catchment level/water management zones. The country is divided into four IWRM zones/catchment areas namely: The Lake Victoria Integrated Water Management Zone; Lake Kyoga, Integrated Water Management Zone; Lake Albert Integrated Water Management Zone; and Upper Nile Integrated Water Management Zone. So far a pilot phase has started River Rwizi, Lake Albert, River Mpanga and River Semuliki sub-catchment areas where the water resource is dwindling due to poor environmental management. The experiences gained in the pilot areas is to be used in the water management zones.

The POA called upon Government to protect the fragile eco-systems landscape. Interventions have been undertaken to promote sustainable wetland management. Communities are involved in the preparation of community wetland management plans which will provide the basis for agreed interventions that benefit communities and ensure the integrity of the wetland resources. To ensure sustainable use, guidelines for wetland resource management have been prepared and disseminated. These include guidelines on paddy rice growing in seasonal wetlands and

wetland edge gardening. Guidelines for brick making, sand mining and aquaculture are being developed. Regulated communities have been sensitised on the National Wetlands Policy and legal provisions. This has resulted in an increase in the number of people seeking guidance on wetland issues. In some districts, ordinances and bye-laws for the protection of wetlands have been prepared and were being enforced. The ministry is providing technical guidance to the districts in the development and implementation of ordinances and bye-laws. So far Kumi has enacted a District Wetland Ordinance while the ones of Kabale and Bushenyi are in advanced stages.

The POA called upon Government to undertake interventions to conserve bio-diversity. The National Wetlands Policy of 1995 stipulates that government shall establish Protected Wetland Areas of important biological diversity. Uganda has designated 12 Ramsar sites or wetlands of international importance which provide for the protection of biodiversity among other natural resources. These are: Lake Bisina Wetland System, Lake Mburo-Nakivale 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, Sango Bay-Musambwa Island-Kagera Wetland System (SAMUKA), Lake George Ramsar site, Lake Nabugabo Ramsar site and Rwenzori Mountains Ramsar site.

Several interventions have also been undertaken to restore degraded ecosystems. There has been progress achieved in the restoration of Kinawataka, Kyetinda wetlands in Kampala district. The boundary demarcation for Lubigi, Lufuka/Nyanama wetlands in Kampala and Wakiso district have been undertaken. The ministry in collaboration with regulatory agencies have enforced requirements of Impact Assessment studies for any proposed development adjacent to river banks or lake shores. The National Wetlands Policy has been reviewed and sector-specific law on wetlands have been enacted.

With regard to tree planting, the following had been achieved by December 2008: A total of 263,736 seedlings were procured and issued to farmers to establish on-farm demo plots covering at least 198 Hectares; farmers were mobilised to form 81 Farmer groups, 81 sub-country nursery sites were identified, seeding requirements and nursery inputs were quantified. Other achievements were that suppliers of seedlings were identified and 18 schools were provided with 243,000 seedlings as material and technical support. A total of 54 tree seed sites were identified and maintained with a total acreage of 270 hectares; technical and material support was provided to 27 municipalities; 3 million seedlings were planted in selected degraded watersheds while 1.3 million seedlings were procured for enrichment planting in selected degraded natural forests.

Approximately, 280 hectares were planted by the National Forestry Authority (NFA) in smaller central government reserves (outside the major CFRs); 3.3 million seedlings were raised by the NFA at the National Tree Seedling Centre (NTSC) in Namanve; 4,882 hectares were planted by the private sector (in CFRs) under partnership arrangements with NFA.

A Tree Fund has been established as a means to promote tree planting to ensure that fragile

ecosystems like rivers, lakeshores and bare hill are protected. To ensure collective participation, in tree planting, every year, the following four days have been designated as National Tree Planting Days: (i) 8<sup>th</sup> March on Women's Day; (ii) the 21<sup>st</sup> March on World Forest Day; (iii) 1<sup>st</sup> May on Labour Day; and (iv) 12<sup>th</sup> August on Youth Day. Communities, schools, NGOs, the private sector are mobilised to participate in the planting.

In terms of the contribution of natural resources at household level, wetlands contribute to household incomes in various ways, but mostly through provision of goods and services. These include clay, papyrus, grazing land, ecotourism, fishing, source of water for domestic purposes and agriculture. In terms of trends, for many years wetland use in Uganda was largely limited to activities that did not harm the ecosystem and its productivity, but pressure on wetlands has been building up fast. As the population increases on the one hand, and as people's expectation increase on the other, the pressure on wetlands and the resources thereof has also increased. As a result, wetlands are being invaded; sometimes on a massive and rapid scale as seen in urban areas, but more often, as is the case in many rural areas, slowly and almost unnoticeable. The result is a general decline in resource productivity, changes in water flow intensity (severe flooding, followed by no water flowing at all), damage to infrastructure, increase in water-borne diseases, and changes in micro-climatic conditions, to mention just a few.

The National Adaptation Programme of Action (NAPA) is in place for implementing urgent environmental activities. In addition, Functional Climate Change Units have been established within the Ministry of Water and Environment and Climate Change Desk Officer Positions created in various ministries charged with dealing with climate change. During the year under review, a number of interventions in effective use of weather and climate information were also undertaken. The Government is in a partnership with NGOs like the World Vision and Care International to disseminate information to the rural farmers and all users of such information through the use of new technologies like Radios and Internet (RANET). In addition, regular weather and climate forecast bulletins are issued out to the OPM and MAAIF. The Uganda Climate Journalist Association was established to enhance the capacity of journalists to handle weather and climate information.

Government has established a Climate Change Unit with the aim of strengthening the national capacity of all MDAs in mainstreaming climate change concerns in their respective development programmes in accordance with the Climate Change Convention and the Kyoto Protocol obligations. Government is in the process of agentising the Meteorological Services as per the recommendation by the East African Meteorological Council of Ministers. The draft business investment plan, policy and cabinet memo have been prepared to spearhead the process.

### ***5.3.9 Widen the scope of measurement of poverty through a composite index that takes into account both per capita income or the consumption index and captures the non-income elements of poverty***

Concerning the poverty measurement index, there is some progress mainly around initial conversations on the methodology. The MFPED and UBOS are still studying the variables being used and will explore others that will include a composite poverty index. Measures at the moment are based mainly on income and consumption but consideration is being made for the inclusion of non-income variables such as: non-monetary income, assets, and social networks, among others.

### ***5.3.10 Design and implement policies that address regional and social inequalities***

The POA called upon government to operationalise the Equal Opportunities Act. The Equal Opportunities Commission Act was enacted in 2008. In order to operationalise the Act, an Equal Opportunities Commission has to be constituted. During the year under review, efforts have mainly been geared towards the appointment of commissioners and Cabinet has already approved the names of the potential candidates. They were awaiting assent from the President in order for the Commission to become operational.

The POA called upon government to implement the PRDP for Northern Uganda. The implementation of the PRDP is to be accelerated starting July 2009, after being deferred in 2008 to allow for the formulation of a good result and monitoring framework for monitoring progress made and outcomes achieved. The latter is in advanced stages and once in place, counterpart funding from development partners to supplement the existing 30 % contribution from government will be accelerated.

### ***5.3.11 Develop a National Population Policy to address the high fertility rate***

The CSAR as well as the CRM expressed concern about the fast growing population of Uganda, growing at a faster rate than before, from 2.5 % per annum between 1980 and 1991 to 3.2 % between 1991 and 2002. Both the CSAR and the CRM observed that Uganda's population would be 55 million in 2025 and 130 million in 2050, if the current rate continued to prevail. It was noted that Uganda had a very young population with a large number of children and relatively smaller number of people in the above-50 age bracket. The APR Panel therefore recommended that Uganda should formulate a national Population Policy to address issues of family planning and population growth control.

In line with the POA priority action on the need for government to develop a Population Policy, progress was achieved. Government embarked on a process of revision of the National Population Policy of 1995, which became inadequate in some critical areas of development and did not adequately address new emerging issues. A new national population policy for social transformation and sustainable development of 2008 was developed. The revised policy provided an opportunity for further consideration of the tenets of population and provisions to

take account of the changing demographic, socio-economic and health environment and other emerging issues. The revision took cognisance of new international and regional dispensations, agreements, conventions and covenants, which were not available at the time of adopting the policy. The revision also aims at urging all members of the community to collectively as well as individually address the critical challenges and interrelationships between population and sustained economic growth in the context of development. All this would be aimed at achieving global and national goals of eradicating poverty, hunger and disease and promoting peace and social justice to improve the quality of life of all individual men and women.

The POA called upon government to popularise the population policy. With increased public education and awareness, availability of requisite data, financial and human resources, and with efficient management and institutional arrangements, the linkages of population issues with broader development concerns should be explicitly addressed as public policy to positively impact on the quality of life. Such concerns include poverty eradication, health (including Reproductive Health and HIV/AIDS), education, education for girls and women, housing, agriculture, environment, urbanisation, gender, labour and employment, among other social issues.

During the period under review, government adopted a number of strategies. Under Family Health, government has encouraged both natural and modern methods of family planning and increasing contraceptive prevalence through making family planning services acceptable, available, accessible, and affordable. This was done through clinic and community-based distribution and -social marketing as well as ensuring quality control. Government has also promoted safe motherhood through antenatal, intra-natal and post-natal care; including training and equipping of traditional birth attendants. Government has also promoted the health of mothers and children by encouraging birth intervals of between two to three years. Government is promoting a more equitable distribution of health facilities and personnel.

To control the spread of HIV/AIDS, government strategy has involved undertaking counselling, early detection and treatment of Sexually Transmitted Diseases (STDs); providing condoms through outlets appropriate for the relevant priority populations; encouraging testing and promoting research and training.

Government strategy has also involved supporting education though improving the quality of delivery of Universal Primary Education. Strategies have been put in place to reduce the number of girls and boys dropping out of schools; create opportunities for school drop-outs to re-enter the educational system; strengthen the role of vocational training; and promote non-formal education, basic and functional literacy conducive to the understanding and integration of family life, population and development issues. Other strategies have focused on establishing population clubs in educational institutions and special education programmes for persons with disabilities.

Government strategy to address population control issues has also targeted labour force and

employment issues. Support is being provided to strengthen and develop technical, managerial and entrepreneurial skills and promote women's participation in the formal sector. Emphasis has been put on the promoting of vocational and technical education tailored to job creation and the needs of the labour market. Efforts are also being made to review and enforce labour laws for increased employment opportunities. Support has been provided to enhance productivity in the public service through improvement of terms and conditions of service, as well as staff training.

Government has also focused on increasing awareness of the impact of population change on the environment through environmental education campaigns, as a strategy to address population control issues. Efforts are being directed at reviewing, enacting and enforcing laws relating to forest conservation, game parks, wildlife, and environmental management in general and encouraging afforestation. Government is also promoting proper waste management in urban and rural areas. Research in and adopting use of alternative sources of energy and energy-saving devices is also being promoted.

Efforts have also been made to promote activities recommended by the national youth action plan, such as: creating opportunities for the youth to engage in increased social and income generating activities; promoting vocational and technical training; setting up and strengthening existing community-based programmes; sensitising the youth about their rights and responsibilities and strengthening the existing youth organisations.

## **5.4 OBJECTIVE 3: TO STRENGTHEN POLICIES, DELIVERY MECHANISMS AND OUTCOMES IN KEY SOCIAL DEVELOPMENT AREAS, INCLUDING PROVIDING EDUCATION FOR ALL AND COMBATING HIV/AIDS AND OTHER COMMUNICABLE DISEASES**

### ***5.4.1 Make UPE compulsory and enforceable with a strategy for ensuring quality, retention and completion***

The POA called upon government to enforce laws and bye-laws making UPE compulsory. In the year under review, the Education Act 2008 was enacted by Parliament, making primary education universal and compulsory for all pupils aged six years and above. The law became effective on 29<sup>th</sup> August 2008.

The Education Act 2008 gives authority to the Local Governments to oversee the management of education at the local levels. A few local governments have accordingly formulated bye-laws making primary education compulsory. Parents found with children of school-going age who are not attending school are arrested and charged with negligence. However, enforcement of such laws is generally still very weak and inadequate.

The POA called upon government to construct and equip school facilities. In the year under review, four new schools had been constructed by June 2008. The stock of classrooms in primary schools had increased by 0.5 % from 85,902 to 86,306 by June 2008. The number of pit latrine stances increased by 6 % to 142,844 by June 2008. This was attributed to the continued



prioritisation of the Schools Facilities Grant programme in the districts that were facing acute classroom shortages. The Education Sector procured and distributed 99,000 copies of the Primary Two curriculum materials, among other facilities.

In addition, the number of schools accessing water sources increased by 5.7 %, this implies the sanitation and hygiene situation in primary schools is progressively getting better. A total of 504 classrooms and 8034 pit latrine stances had been constructed by June 2008. During the period under review therefore, 748 classrooms were renovated /reconstructed in emergency areas, as well as 17 non-residential buildings for the dilapidated school structures. However, the infrastructure construction programme performance has since declined significantly over the period up to June 2009.

To increase access and enhance the quality of secondary education, Government has secured USD 80 million and USD 150 million from the Africa Development Bank and the World Bank respectively, for continuation of the school construction programme and the provision of instructional materials, over the medium term. The funding will support the construction of 6,200 new classrooms in over 500 schools which are over-enrolled; 2,300 five stance latrines; 405 multi-purpose science rooms and 144 libraries. The projects will also support completion of 1,900 half-built classrooms in another 400 schools and purchase 1.7 million textbooks and 6,300 science kits for both government and private schools. The funding from the African Development Bank will also be used for the expansion of 12 schools; construction of 15 new ones and rehabilitation of 42 traditional secondary schools and two Business Technical Vocational Education Training (BTNET) institutions, turning them into centres of excellence.

The POA called upon government to recruit teachers. The number of teachers on the government payroll as of 30<sup>th</sup> March 2009 was 124,412. The additional recruitment during FY 2009/10 totalled to 5,955 new teachers. However, the number of teachers on the government payroll is still short of the total staff establishment for FY 2009/10 of 130,646, implying that there is high teacher attrition rate, despite additional recruitment of teachers

Government was called upon to review teacher training needs and carry out in-service training. By June 2008, a total of 2500 Primary 2 teachers, 1700 Primary Teachers College Tutors and Inspectors of Schools and 50 master trainers were trained in the Thematic Curriculum. Coordinating Centre Tutors (CCTs), some head-teachers and teachers were trained in teacher effectiveness and community involvement in education. A total of 1042 PTC tutors completed a one-year Certificate Course in Teacher Education Proficiency (CTEP) while 113 PTC administrators were trained on reflective practice and mentoring as a tool for effective pedagogical leadership and continuous assessment. The Primary Teacher Education (PTE) curriculum was revised to facilitate the introduction of a two-year probation course for newly qualified primary teachers.

The POA called upon government to provide teacher incentives and implement a reviewed salary structure. The two main interventions implemented to improve staff motivation, morale and standards were: Payment of allowances for teachers teaching in hard-to-reach areas; and implementing of the Teachers' Scheme of Service, albeit using a phased approach with up to

4,335 teachers being promoted each progressive year, under the scheme. During the year, initiatives towards streamlining the salary structures were undertaken. Teachers' salaries were reviewed and an increase of 10 % made. The salaries of primary school teachers were increased from the current UGX. 150,000 to UGX. 200,000.

#### ***5.4.2 Develop a comprehensive strategy for resourcing universal secondary education***

Studies that were done on financing, management and public-private partnership; at the formulation of USE policy identified critical aspects of an efficient USE. However, implementation of these aspects adopted an ad hoc and phased approach. The strategy on USE has been in place since the formulation of the USE policy, and is being implemented. The USE implementation process has reached Senior 3 stage (i.e. at 75 %.

The POA called upon government to review the USE curriculum and update textbooks. During the review period, government provided the initial stock of text books and instructional materials to all USE schools (both government and private), to a ratio of 1:4. Government has also provided five science kits to each of the 1352 USE participating schools. The process for the review of the secondary curriculum was kick-started. Ordinary Level teaching syllabi for 18 subjects were developed.

In line with the POA recommendation to undertake teacher recruitment, 215 Primary Teachers College Tutors were recruited during the review period, while 1,193 teachers were appointed to teach in hard-to-reach areas. Government has also developed standard recruitment guidelines and procedures and these have been issued to 97 local governments while all District Service Commissions have been sensitised on them. By June 2008, 1,614 newly recruited teachers were deployed to hard-to-reach schools, of which 234 were deployed to schools implementing the double shift.

To determine teacher training needs and carry out in-service training, the government in accordance with the POA recommendation conducted in-service training for 428 Head teachers and 240 Board of Governors for private schools. An additional 417 science and mathematics teachers were also provided with in-service training. Other in-service training was in the area of PTE curriculum. The PTE Tutors guide was developed and P3 and P4 teachers were oriented on the new curriculum. Overall 127,920 teachers have so far been trained out of the annual target of 132,920 teachers.

During the year under review, 1,396 teachers from secondary schools in Acholi, Lango, Teso, Karamoja and West Nile sub-regions were trained in PPET guidance and counselling, and 108 teachers were also trained as district trainers. A total of 1,200 teachers from new districts received in-service training on the teaching of Sciences and Mathematics. The Ministry of Education and Sports (MoES) has also continued to provide career talks in schools. Career guidance and counselling teachers have been given refresher training. During the reporting period 10 career talks were conducted.

### ***5.4.3 Promote the use of ICT in rural schools***

The POA urged government to promote the use of ICT in schools, in particular, rural schools and strengthen policy and strategy for investment in ICT infrastructure and improvement in access to ICT. Specifically, the POA called upon government to Supply ICT facilities in all schools. By June 2008 the sector had identified 80 secondary schools to benefit from 800 computers provided by the Uganda Communications Commission. A further 100 secondary schools were identified to benefit from 220 computers provided under the Digital Science Teaching component of the Cyber Schools Technology Solutions Programme. Another 100 computers were supplied to 10 schools provided by the Uganda Communications Commission Rural Communications Development Fund. Masaka SS and Kabale SS received 12 computers each for their LAN as well as DSTV connectivity. Microsoft software licences were procured and distributed to 100 schools to enable them access and use digital content for teaching of Ordinary Level science subjects.

The POA called upon government to train teachers to operate and maintain ICT facilities. During the year under review, 56 secondary school Head-teachers were trained in computer applications under the School-Net Uganda Scheme and a further 100 head-teachers were trained in ICT and the use of digital science under the Cyber Schools Technology Solutions Programme. Another 120 head teachers and their deputies were trained on supervision skills and professionalism.

In accordance with the POA recommendation to government to provide energy to institutions without, solar equipment has been provided on a small scale to difficult-to-reach areas, especially in the rural area.

### ***5.4.4 Establish policy instruments to ensure qualified health workers and appropriate equipment in all health centres (HC) at levels II-IV***

The POA called upon government to equip health units with the required equipment and supplies and avail conducive health environments. Uganda has made progress in improving the facilities in the health units throughout the country. The sector has continued to rehabilitate and improve health services across the country. Over the past year, government has invested in strengthening infrastructure across the country in hospitals of Mbale, Abim, Mbarara, and Gulu.

Furthermore during the reporting period 16 health facilities were equipped. Five hospitals were equipped with imaging equipment and a generator; 9 Health Centre IV were equipped with a generator, ultrasound scanner and theatre equipment; 64 Health centres were supplied with energy facilities; and six other HC IV, 26 HC III and 32 HC II were installed with solar energy systems or connected to the grid in Mityana, Mubende and Kibaale districts.

Some progress was also recorded in the training of health workers during the reporting period. In particular, 200 health workers were trained in medicines management and quarterly specialist support supervision by the National Referral hospitals to Regional Referral Hospitals and then to general hospitals and health Care units.

During the year under review, government also embarked on the rehabilitation of 10 Regional Referral hospitals, namely: Masaka, Lira, Soroti, Fortportal, Jinja, Gulu, Hoima, Mbale, Mbarara, and Kabale. Facilities undergoing rehabilitation include: wards, laboratories, theatre rooms, clinics, stores, administrative buildings, drainage, and walk ways. The sector also partially rehabilitated nine district hospitals of Kambuga, Bududa, Nebbi, Apach, Moyo, Tororo, Masafu, and Moyo.

The POA called upon government to determine requirements of ICTs in health facilities and supply, operate and maintain them. The Ministry of Health (MoH) has begun to make inroads into determining the health requirements in totality. During the period under review, the ministry began a preliminary assessment of health priorities in eight districts. Two consensus building workshops and one advocacy workshop were held with Members of Parliament.

On the recommendation to government to review the salary structures and provide incentives at community level, consultations with health personnel on the salary issues have been on-going. However, not much progress has been made in terms of agreeing on a living wage. To address this constraint, Government has agreed to approve health workers' incentives, provide housing to attract and retain workers. Given that the sector's wage allocation is not adequate for 100 % staffing, there is need however for Government to allocate additional wage funds to the Health Sector to cater for additional recruitment.

#### ***5.4.5 Enforce existing policy and strategy on the availability of VCT and PMTCT centres at national, district and level IV health centres***

The POA called upon government to increase centres for Voluntary Counselling and Testing (VCT) as well as Prevention of Mother to Child Transmission (PMTCT). The MoH and the Uganda AIDS Commission have been conducting national campaigns to promote VCT as well PMTCT as a way of preventing HIV infection as well as reducing the spread.

The POA called upon government to enforce existing laws on occupation health safety. Through the MGLSD government has supported industrial occupational safety. A policy on occupational health has been instituted. On policy, legal and regulatory framework, the review noted with concern that, the MoH has had at least two challenges. The restructuring of the ministry to respond to the changing environment has always started and stalled. Several government bills to promote and regulate health services have either taken long or stalled. For example the principles for the revision of the National Drug Policy and Authority Act of 1993 that started in 2003 have not yet been presented to Cabinet for approval. Other bills that have stalled include: The Pharmacy profession and practice bill, the Uganda national health research bill, the National Health Insurance Bill, the Traditional and complementary medicine bill, the Mental Health Bill, the Food Safety Bill, and the Health tertiary institutions Bill. In addition, several policies remain in draft form and a large proportion of guidelines developed at the centre are not available at service delivery levels where they are supposed to be used.

#### ***5.4.6 Improve the conditions of service for teachers***

The POA called upon government to post teachers to regions other than their home districts to improve quality of education. During the year under review efforts geared at rationalising the deployment of primary teachers at district and school levels were undertaken across the country. This resulted, among other things, into the revision of the primary school staff ceiling from 129,000 to 130,630, to accommodate districts whose staff ceilings were below the required levels. The main intervention implemented to improve staff motivation, morale and standards was payment of allowances for teachers in hard-to-reach areas. A big portion of the School Facilities Grant (SFG) has been allocated to construction of classrooms and teachers' houses in the needy areas. Government will also intensify school inspection to curb absenteeism. Additional funding from the Africa Development Bank and the World Bank has been negotiated to enable implementation of the above plans.

#### ***5.4.7 Give greater emphasis to BTVET in the framework of the Ugandan Industrial Policy***

In order to give greater emphasis to Business, Technical and Vocational Training (BTVET) in the framework of the Ugandan Industrial Policy, adopted in January 2008, the POA called upon government to develop a policy and strategy on BTVET. During the review period government finalised the BTVET Act. This provides a policy framework for the business, technical and vocational training. The MoES is now in the process of finalising the BVET strategy that will operationalise and guide additional funding to BTVET.

The POA called upon government to allocate and commit resources for industrial development.. An analysis of the resource allocations for the FY 2008/9 within the MTEF revealed that under industrial development, the priorities identified for FY 2008/9 were the training of artisans and construction of '*Jua Kali*' parks. Government has put priority on BTVET. During the period under review, a number of BTVET institutions received funds for renovation and procurement of equipment. These include: Nakawa VTI, Fisheries Training Institute in Entebbe, Amugu Agro Training Institute in Lira District, Rukore Community Polytechnic in Kabale District, UCC Tororo, and the 15 National and Departmental training Institutions. Construction and renovation of buildings at Kabale Bukinda Core PTC is in advanced stages with the library and two laboratories either completed or near completion. Support to this sub-sector also included construction of 10 workshops, eight classrooms, one library, one sickbay, three kitchens, four dormitories at 10 BTVET Institutions and 48 BTVET P7 enrolling institutions.

#### ***5.4.8 Address the problem of rampant corruption in the health sector***

The POA called upon government to set up a system to track movement and storage of essential drugs and equipment. During the review period, the Government of Uganda made an effort to improve the supply chain management for vaccines and medicines, enhance supervision and implement harmonised procurement plans. By expediting procurement and reducing leakages, thus increasing the availability of medicines and vaccines, government will be addressing the

gaps in the supply chain and storage of drugs and medical equipment in the country.

The POA recommended that government sets up a system to track diversion of essential drugs and equipment to private pharmacies and clinics. Government is currently reviewing the supply chain of essential drugs and equipment, with the aim to strengthening it from the National Medical Stores to the final beneficiaries, the patients. Government has also put in place other strategies to improve the supply chain management through expediting the procurement process and labelling medicines to reduce leakage. Government is currently reviewing the Sectoral Drug Management Procedures. In particular essential medicines are to be pre-financed through the National Medical Stores to avoid any bureaucratic hurdles that have partly caused corruption in the movement of drugs.

In terms of procurement and maintenance of assets and stores, the health sector ensures that the asset register is compiled regularly, tenders are awarded and account reports are submitted to the Auditor General's Office. Government has also stepped up the supervision function of management.

In the area of provision of standards, leadership, guidance and support to nursing services, government under the MoH has conducted four technical nursing supervision visits and four regional leadership workshops as a way of creating awareness on the need to enforce the Leadership Code and procurement guidelines.

The POA called upon government to sensitise professionals on community policing. The Leadership Code is being enforced as all managers of projects and senior level staff are required to provide annual updates to the Inspectorate of Government on their property and that of their family members. The procurement processes comply with the guidelines provided by the MFPEd.

#### ***5.4.9 Improve the conditions of service for health personnel through strategies that sustain their productivity, and attract and retain them to under-serviced areas***

The POA called upon government to review terms and conditions of health workers. Generally the terms and condition of service of health workers are not comparable to other public sectors. The health services are understaffed. As of December 2008, the Sector registered a staffing level of 54 %, implying that approximately half of all health sector staff posts were vacant. To address this constraint, the government approved health workers' incentives and has made plans to provide housing to attract and retain workers.

The implementation of the new terms and conditions of service for health workers is constrained by the budget ceiling. However, given that the sector's wage allocation is not adequate for 100 % staffing, there is need for Government to allocate additional wage funds to the Health Sector to cater for additional recruitment and address the need to pay a living wage to health workers.

#### ***5.4.10 Step up efforts to reduce the prevalence of malaria, which is the leading cause of morbidity and mortality in Uganda***

The POA called upon government to step up efforts to reduce the prevalence of malaria, which is the leading cause of morbidity and mortality in Uganda. Specifically, the POA called upon government to review methods of controlling malaria and effectively implement them (DDT, mosquito nets etc).

NEMA approved in December 2006 the use of DDT in internal residual spraying. A policy and implementation guidelines for internal residual spraying using DDT have also been finalised. In the year under review, up to 600,000 houses have been sprayed with Indoor Residual Sprays (IRS), and 2 million bed nets have been distributed with USAID support.

The POA called upon government to increase the capacity of health centres in rural areas to test for malaria and to know when malaria cases are getting complicated thus requiring referral. Progress has been made in building capacity for health centres in rural areas to test for malaria and treat it. The MoH will train Village Health Teams in 42 additional districts to enhance the involvement of the community in health. Through the development of the Village Health Care Strategy and the training of additional Village Health Teams countrywide, the government has ensured enhancement of community participation; improved the health seeking behaviour of communities; and improved awareness on the availability of services.

#### ***5.4.11 Speed up the setting up of national social health insurance***

The MoH has finalised the drafting and stakeholder consultation on the draft Uganda Social Health Insurance (SHI) Bill which will soon be ready for tabling in Parliament to improve population access to healthcare. Plans are that it will be introduced in phases, starting with the formal sector workers and later roll out to the informal sector workers and the rest of the population. The proposal was presented to the Cabinet, which endorsed it. The MoH is also engaged in popularising the proposed action to the wider public as well as conducting wide consultations with the citizens, before tabling it in Parliament for final approval and enactment.

The POA called upon government to encourage voluntary community health insurance schemes. The Community Health Insurance (CHI) is being piloted in about 10 schemes in Western Uganda, for example, in Kinkiizi Hospital. The CHI requires community contributions to cater for medical treatment of family members at the nearby health facility. Lessons learnt from the pilot stage will inform the MoH in the next design stage for rolling out for more population coverage.

Interventions targeting people living below the poverty line are being developed by the MGLSD. The proposal is for cash transfers to the poorest of the poor. Proposals at the pilot stage aim at applying two options in which cash transfers link with improvements in schooling and preventative health care. The MGLSD is the overall coordinator for the design of the cash transfer scheme.

#### ***5.4.12 Put in place mechanisms and strategies to sustain gains made in the reduction of the prevalence of HIV/AIDS and ensure further reduction***

With assistance from the USAID/PEPFAR, the Government of Uganda has been able to enrol 76,000 Persons Living with HIV/AIDS onto Anti Retroviral Therapy (ART), through the supply of medicines, laboratory equipment and laboratory supplies. This represents an estimated 50 % of all persons in Uganda who are receiving ART. In addition, 465,000 individuals have received free/voluntary counselling and testing in the Prevention of Mother to Child transmission programmes.

Consultations with all the sectors (health, education, agriculture, social development, water and sanitation, lands and housing), indicated that HIV/AIDS has been mainstreamed in their sector plans and the Medium Term expenditure Framework. The Ministry of Local Government has equally integrated HIV/AIDS in the local government programmes. A total of 80 local governments were provided with support to conduct public awareness and other activities aimed at addressing HIV/AIDS at local government level. There are currently 80 Local Government HIV/AIDS Focal points appointed to oversee integration of HIV/AIDS concerns at local government level. The JLOS is also currently working on the HIV/AIDS legislation.

In addressing the need for government to review the prevention of HIV efforts in all sectors, government developed a National Priority Action Plan (NPAP) and developed the HIV/AIDS Mainstreaming Policy. The HIV/AIDS issues paper for the National Development Plan was also prepared. A National Policy for addressing HIV/AIDS at the workplace has also been formulated. Government has set aside funds for procuring ARVs using its own resources rather than depending on donors.

Under the coordination of the multi-sectoral response to HIV/AIDS, the Uganda AIDS Commission has provided guidance to four MDAs, 10 Local Governments, five CSOs to develop their HIV/AIDS strategic plans. The Commission is also in the process of establishing a functional database for HIV/AIDS. The Commission developed a good national policy on HIV/AIDS if it can be implemented.

#### ***5.4.13 Strengthen the country's preparedness to handle epidemics and outbreaks, such as Ebola***

During the period under review, all health workers in affected districts were trained in universal precautions and infection control procedures. Government has adopted a sector-wide approach in dealing with and ensuring preparedness to handle epidemics. Under the coordination of the MoH and the Ministry of Disaster Preparedness, Government has drafted a policy for disaster preparedness. The draft policy proposes setting up of a national disaster preparedness centre. The centre is intended to be a central coordinating institution to facilitate quick response to disasters of any kind. In the mean time, the MoH has been coordinating efforts to avert any outbreaks of disease in the country including public awareness creation; conducting primary health care services in the country; conducting nationwide immunisation campaigns; as well as



creating awareness for disease control.

## **5.5 OBJECTIVE 4: TO ENSURE AFFORDABLE ACCESS TO WATER, SANITATION, ENERGY, FINANCE, MARKETS, ICT, SHELTER AND LAND TO THE POOR**

### ***5.5.1 increase of water supply and sanitation coverage***

The POA called upon government to review the policy and strategy to ensure increase of water supply and sanitation coverage. There is a down-turn in the amount of resources available for the Urban Water Supply and Sanitation vote due to conclusion of projects in FY 2008/09. However, government is committed to ensuring an increase in the coverage of water supply and sanitation.

On the POA call to government to increase sanitation funding, a total of 110 Local Government staff were trained in Operations and Maintenance and sanitation and hygiene education promoted while 18 national sanitation and hygiene campaigns were undertaken. This was to support implementation of the decentralised activities for which grants are disbursed from the central government to Local Governments..

During the period under review, government also increased urban water supply and sanitation. A total of 11 piped water schemes were completed and construction is on-going in 15 more towns during the FY 2008/09. A total of 20 public latrines were constructed and 25 more are under construction. The government carried out 20 hygiene campaigns while four water supply systems were equipped with energy efficient pumping systems and packages. In the Water for Production, eight facilities were constructed and construction is on-going in another eight sites. In the same period, work on additional 26 facilities has also began. Government has also reactivated water management committees and provided training. Government is also providing support to NGOs as part of government policy to increase coverage.

There were interventions to increase coverage of piped water supply and sewerage systems in urban areas. The rising urban population growth calls for increased supply of water and sanitation services in rural growth centres outside the National Water and Sewerage Corporation gazetted towns, with special emphasis to provision of service for the urban poor. Focus is therefore put on improving sustainability of existing and new water supply and sanitation facilities through Operation and Maintenance grant. The interventions undertaken included 17 towns namely: Yumbe, Soroti (expansion), Sironko, Kaberamaido, Iganga, Kigumba, Mityana, Mpigi, Nebbi, Pakwach, Apac, Ibanda Town Council (expansion), Natete, Rwerere, Kitwe, Rwentobo and Nyakagyeme.

Construction works for water supply systems were completed in the Rural Growth Centres of Kitagata, Katerera, Kyabugimbi, Rugaaga, Rwenanura, Bikurungu and Rushere. The

construction of school sanitation was also completed for the towns of Apac, Iganga, Kigumba, Mityana, Mpigi, Nebbi and Pakwach including improved toilets built in public places in each town and a sanitary solid waste disposal site. Government also extended water supply to en-route centres along the Soroti – Kaberamaido pipeline i.e. Atirir, Kalaki and Otuboi.

Water supply schemes were completed at Amuria, Rushere, Kitagata, Katerera, Kyabugimbi, Rugaaga and Bikurungu. Expansion of water supplies was undertaken in Kachumbala, Wakiso, Luwero, Wobulenzi, Kalisizo, Rukungiri and Kapchorwa. Construction of water supply systems started in seven towns of Kibale, Kamwengye, Kyotera, Magale, Masafu, Sipi and Namutumba. The water supply systems in Otuboi, Kalaki and Atirir were completed.

A total of 50 VIP latrines were completed in Apac, Iganga, Kigumba, Mityana, Mpigi, Nebbi and Pakwach. The design of water supply systems were completed for Rwimi, Nyakigumba, Kasunganyanja, Hima, Omugyenyi, Bwara, Rwenanura, Rugendabara, Bugoye, Kabale, Mpoondwa, Kabira, Kibiito, Rubona, Ibanda and Mutara. The construction of 67 Ecosan toilets completed in the Rural Growth Centres of Kyegegwa, Sanga, Kiruhura, Kazo, Kibiito, Rwimi, Rwenanura, Kabira and Mutara. The construction of piped water schemes commenced in Koboko, Kyotera, Kibaale, Kamwenge and Kapchorwa. In all the total lengths of water mains extended was 52.7km and 10,969 new water connections were installed.

The POA called upon government to increase access of the poor to water supply. During the year under review, the trend in rural safe water coverage shows a progressive increase over the years. To date improved access to water sources within a reasonable 1.5km range is estimated at 63 % while the urban water service coverage is currently at 77 %. The household sanitation service coverage is estimated at 62 %. The average access percentage of people is within 1.5km (rural) and 0.2km (urban) of an improved water source. This current rural water coverage is in line with the Millennium Development Goals.

Government interventions have mainly been on constructing new water sources and improving the functionality of existing sources through training of water user committees/boards, establishing a spare parts supply chain and training village level pump mechanics and artisans on the rural water supply and sanitation. Ten designs of new piped water schemes and four new piped water schemes (including GFS) were developed. There were 2,696 new points of water sources (rural growth centres, gravity flow schemes, and boreholes, shallow wells, and protected springs) constructed in the rural areas and Local Government staff were trained.

### ***5.5.2 Maintain sustainably at least 80 % of national roads***

Government established a Road Fund to specifically earmark resources for road maintenance. The budget allocation for roads maintenance has been increased to eliminate the backlog on road maintenance at national and district levels. The process of setting up the Fund is advanced and once established it will go a long way in providing a sustainable and predictable source of funding to the sector.

The POA called upon government to approve and implement the National Construction Industry (NCI) policy and fund the District Urban and Community Access Roads (DUCAR). Preparatory work on the adoption of the National Construction Industry Policy is advanced. According to the Ministry of Works senior officials, this policy will be adopted this financial year - 2009/10. Government in accordance with the policy, intends to initiate a leasing mechanism for local contractors to access cheap credit for machinery and equipment over the medium term. In addition, DUCAR has finalised modalities to operationalise the Force Account for road maintenance and monitor its implementation over the medium term. This will enhance ownership, improve responsiveness of local governments and generate local employment.

It remains increasingly difficult to recruit and retain qualified civil engineers in local government works departments due to inadequate wage and non wage incentives to relocate to the districts. To address this issue, under the Ministry, (DUCAR) is in the process of producing a detailed report for the Ministry of Public Service with recommendations on how to provide the necessary incentives and the costs involved. Over the medium term, it is hoped that this incentive structure will become operational.

The POA called upon government to construct a Southern road bypass to link with the Northern road bypass. Government is in the process of procuring consultants to conduct feasibility studies for the construction of the Southern bypass.

### ***5.5.3 Revitalise and improve the railway network and water transport***

The POA called upon government to increase investment in railway and water transport and as such, government has prioritised the preparation of a Railway Master Plan that will guide investments in this critical sub-sector. Feasibility studies for development of water transport on Lake Albert and the Upper White Nile are being conducted. In the review period, progress was made in the development of a southern route to Dar-es-Salaam; the efforts to revive the railway network; repair the Jinja and Port Bell piers as well as the MV Kawa and develop the design for the replacement of MV Kabalega Feasibility studies for the Kampala–Kasese railway line will be undertaken and due consideration will be made for the development of the Tanga – Moshi – Arusha – Shinyanga rail link to operationalise further alternatives for access to the sea..

The POA called upon government to implement the Lake Victoria Act. As part of the process to implement the Act, government has procured the management contract for MV Kalangala, rehabilitated two landing sites on Lake Victoria and conducted several socio-economic impact studies nationwide.

### ***5.5.4 Strengthen policy and strategy for investment in ICT***

The POA called for the strengthening of policy and strategy for investment in ICT infrastructure and services, increasing skills and promoting utilisation. In the POA, priority was placed on the

installation of a national ICT/e-governance backbone infrastructure, operation and maintenance; installation of District ICT/e-governance infrastructure (operation and maintenance); determination of factors that hinder speed of connectivity and reliability and control, misuse of the internet, as well as training in ICT/e-governance.

Government was urged to install national ICT/e-governance backbone infrastructure (operation and maintenance). A fibre optic cable network had been established for the National Data Transmission Backbone, which is going to span through 28 districts. E-Government infrastructure has also been established. It will connect to all MDAs. Currently, Kampala, Entebbe, Mukono, Jinja and Bombo have been connected to the national backbone covering a distance of 168 kms. In addition, 27 MDAs have been connected to the e-Government network; although the service is not yet widely used. In areas covered by the fibre optic cable, video phones and e-conferencing were now possible. This had significantly enhanced e-government services.

The POA called upon government to install district ICT/e-governance infrastructure (under the operation and maintenance arrangement). In line with government's effort to strengthen the ICT infrastructure and services in the country, the Government of Uganda has made progress in working towards having an inter connectivity for the whole country. A second phase of the national ICT/e-governance backbone infrastructure is to be implemented starting July 2009. The second phase will involve laying of over 1500 km of optical fibre to link most major towns in the country including Luwero, Nakasongola, Masindi, Hoima, Kyenjojo, Fort Portal, Mbale, Tororo, Busia, Kumi, Soroti, Kaberamaido, Lira, Apac and Gulu. The Third Phase will link Katuna to Malaba, which is now covered by a private fibre optic network owned by UTL and MTN. The fourth phase will cover areas that were originally not planned for such as West Nile and Karamoja region and will extend to Nimule to connect to Southern Sudan by 2012. Plans are underway to connect Uganda's fibre optic cable to the East African sub-marine cable which reached Mombasa by May 2009. This will enhance the efficiency in transfer of information and consequently lower the cost of doing business.

On the factors that hinder speed of connectivity and reliability as well as control and misuse of the internet, government established the situational analysis of the ICT sector and noted several developments,. Notable among many was the creation of the Ministry of ICT that is providing the overall policy guidance, coordination and oversight of the sector. Others include the review and formulation of policies and master plans for the various sub-sectors under the ICT sector; the planned review of the existing national ICT policy framework; provision of conducive environment for private investment; the establishment of essential ICT infrastructure; and support to human resource development in ICT-related disciplines.

On training in ICT/e-governance, the government is in the process of carrying out a training needs assessment and developing a training tool. The ministry in charge of ICT has also put in place a plan to have continuous IT human resource development through capacity building and skills development under the ICT training services.

### ***5.5.5 Monitor and report the progress so far made on Millennium Development Goals***

The POA called upon government to establish the status of MDG implementation; integrate MDGs in NDP and design a strategy to address the gaps. The progress the country was making in achieving MDG targets was being monitored through the respective sectoral plans. MDG indicators include the following:

1. Halving the proportion of people living in extreme poverty between 1990 and 2015;
2. Halving the proportion of underweight, under-five year olds by 2015;
3. Achieving 100 % enrolment of 6-12 year old children into primary school by 2015;
4. Eliminating gender disparity in primary and secondary education, preferably by 2005, and at all levels by 2015;
5. Reducing by two thirds, between 1990 and 2015, the under five-mortality rate;
6. Reducing, by three quarters, the maternal mortality rate by 2015;
7. Halting, and reversing HIV/AIDS, malaria and other diseases by 2015; and
8. Reversing the loss of environmental resources by 2015.

Government had integrated all these MDG indicators into, not only national planning frameworks such as the PEAP, but also in all sectoral plans such as education, water and health. MDG indicators had also been integrated into the National Development Plan, which will succeed the PEAP as well as the national development policy framework.

### ***5.5.6 Prioritise the promotion of alternative and renewable sources of energy***

The POA called upon government to implement policy on sustainable and renewable energy. In Uganda's Energy policy of 2002, commitment was made by government to develop and utilise renewable energy resources and technologies. Government also developed a Renewable Energy Policy in 2007. Implementation of these policy documents continued during the year under review. The estimated growth rate of Uganda's energy demand is between 6 – 8 % annually, translating into a demand for an additional 24MW or more each year. At the current rate of growth of demand for power, Uganda will by 2030 require an additional 528MW of power. By 2007, Uganda had a total installed capacity of electricity of 416 megawatts (MW). Of this, 300 megawatts is from hydro electric power (180 MW from Nalubale and 120 MW from Kiira), and 100MW is from two Aggreko thermal plants (50MW at Lugogo and 50MW at Kiira). Two mini-hydro power stations: Kasese Cobalt Company Limited (KCCL) with 10MW and Mobuku1, Kilembe Mines Limited with 5MW, are connected to and add power to the main grid. In addition, there is a 1MW thermal plant operated by WENRECO which serves West Nile region.

During the year under review, government continued with plans to increase hydro power generation. The construction of Bujagali dam (250MW) which started in 2007 continued. The construction of Karuma Power Dam, expected to produce 150MW was commissioned in July 2008, although construction has been delayed. These two power stations will generate an additional 450MW. However, even the stations become effectively operational upon completion,

they still not be sufficient to meet the growth in demand for power.

Government continued collaborating with the private sector to develop small decentralised off-grid renewable energy supply prospects like Kakira Co-generation Plant, which will produce 14MW from Bagasse. Others that were promoted are: Wambuya (10MW), Waki (5.1MW), Musizi (20MW), Bugoye (11MW), Nyambuye (2.2MW), Nshungyezi (54MW), Ishasha (5.5MW) and Nyangak (3.3MW). These will generate a total of 125.1MW. In the long term, more hydro power sites on the Victoria Nile including the Ayago and Uhuru will be developed. Current usage of renewable energy is 4 % and government has planned to have it increased to 61 % by 2017. Geothermal resources, mainly found in the Western Rift Valley, will also be developed.

#### ***5.5.7 Formulate and implement the Solid Waste Management Policy***

Government was asked to speed up the formulation and implementation of the policy on solid waste management. Currently, there are plans for developing a policy on e-waste. E-waste is an emerging issue which is a direct result of the escalating use of electronics. E-waste is any unwanted electronic goods including computers and mobile phones, which need to be carefully disposed off or recycled to avoid health problems and environmental contamination from constituent materials such as lead and mercury. There are mechanisms for safe disposal or recycling of e-waste. It is estimated that by 2008, Uganda had built up a computer waste stock of approximately 80,000 pieces or about 2,000 tonnes of computer waste including desktop units and CRT (cathode Ray tubes) and screens. To minimise e-waster, the Minister of Finance, Planning and Economic Development banned the importation of second hand computers and fridges during the 2009/10 budget statement. NEMA is planning to develop a policy on e-waste and to take lead on legislation on e-waste.

#### ***5.5.8 Prioritise sanitation in the national budget to achieve MDG targets***

The POA called upon government to develop a plan to protect water supply from pollution and clean all sources of water. In Uganda, the latrine coverage is currently estimated at 62 % compared to the MDG target of 72 % (PEAP target is 80 %). In order for Uganda to meet the MDG target, it has been agreed to review the memorandum of understanding for the institutional responsibilities and roles for sanitation which presently fall under the MoH (household sanitation); MoES (school sanitation); rural growth centres and towns (public sanitation in urban areas; and Ministry of Local Government (storm water drainage and solid waste disposal in towns). It has been agreed to establish a dedicated budget line for sanitation to be implemented in each of the above line ministries and also a conditional grant for sanitation activities in the district local government. The grant is to be effective from FY2010/11. The Ministry of Water and Environment has planned to carry out a national sanitation marketing campaign, to reinforce the district efforts. All leaders at the different levels have been sensitised on the importance of good sanitation and hygiene behaviour. District local governments and town councils are being encouraged to enact and enforce bye-laws for sanitation and hygiene.

The POA called upon government to increase government funding to National Water and Sewerage Corporation (NWSC) for sanitation. During the year under review the NWSC realised the following achievements: urban water coverage increased to 75 %; the merger of the Kampala- Entebbe water mains was completed to cover the fast growing hinterland of the two urban centres. The hinterlands are being anchored to the mains at various targeted settlements in areas of Kajjansi, Kawuku, Bwebajja, Abaitababiri and others. At least 2000 connections have been added as a result of the expansion. A total of 10,969 new water connections have been installed in other parts of the country as well as 166 new sewer connections. A total of 52.7km of new mains was laid and 0.42km new sewer extension installed. The laying of pipes for emergency works has been completed in Gulu as well as water and sewerage rehabilitation and extension.

#### ***5.5.9 Strengthen and enforce regulation of microfinance institutions***

To strengthen and enforce regulation of microfinance institutions, during the year under review, the some Bills were drafted in a bid to establish a policy and regulatory framework for different categories of MFIs. They are: Micro Financing SACCO Bill; a Micro-credit Bill and a Microfinance Organisations Bill. These bills, which will create an effective regulatory and supervisory framework for Tier 4 micro financing institutions are nearing completion. A Microfinance Policy has also been developed. A Microfinance Department has also been set up in MFPED.

#### ***5.5.10 Expedite the formulation of a National Land Policy***

The POA called upon government to finalise the formulation of the National Land Policy, so that it can provide overall guidance on land ownership and its utilisation. During the year under review, 12 consultative regional workshops were conducted by the Ministry of Lands, Housing and Urban Development (MLHUD) covering 80 districts. District Resident Commissioners, higher Local Government officials, technocrats, church and traditional leaders were included in the consultations. A Third draft of January 2007 is still the main document guiding the consultations. The Parliament of Buganda Kingdom (the Lukiiko) has been critical of proposals in the draft Land Policy which seek the abolition of the mailo land tenure system.

#### ***5.5.11 Formulate and implement a pro-poor national housing policy***

The POA called upon government to review the National Housing Policy and amend laws appropriately. In 1978, Uganda formulated a Housing Policy that influenced the upgrading of Namuwongo low cost housing and Masese Women's Self-Help housing projects. The National Housing Strategy was completed in 1992, a Land Tenure Policy was prepared, and services and planning were decentralised. The government has commenced the process of revising the National Housing Policy and develop a 10-year strategic plan. A situational analysis study has already been carried out. The objectives of the new housing policy is to advocate for policies and programmes which aim at increasing the housing stock to meet the national needs; improve the quality of housing in order to enhance the quality of life of the population; promote development

and application of appropriate technologies in housing; improve security of tenure for all, especially the vulnerable in society; and promote orderly urban development. However, the process of formulating the national housing policy is still delayed by operational and technical problems that include insufficient funding and the requirement for wider consultation.

Government has also begun the process of putting in place a regulatory framework for developers and agents dealing in estates. Lack of regulations has caused some agents problems with their clients, a clear indication that there is need for Government intervention. The influx of estate developers during the past few years is also an indicator that without a policy and regulations, a chaotic situation might follow. The policy will as well regulate the housing market. The revised National Housing policy will create an enabling environment for investing in the housing industry, and is awaiting approval by Parliament. A committee of parliament is reviewing the housing policy together with the Mortgage Bill before it is passed into law.

Besides, the current boost in estates development demands for policies and regulations to safeguard stakeholders from malpractices that are likely to emerge in the absence of checks and balances. Formalising estate agency and management will go a long way towards job creation and promotion of appropriate building standards that are geared towards enhanced good living environment.

The government has also developed plans for upgrading four slums in the 2009/10 financial year. A slum upgrading strategy has been finalised. The revised National Housing Policy is in advanced stages of formulation.

There are also several policies in the Lands, Housing and Urban Development that are under consideration to bring the sector up to-date, such as the Estates Management Policy and the National Urban Policy, among others. Various aspects of the legal framework were also being reviewed such as laws relating to land, housing and urban development such as the Land Act; the Town and Country Planning Act; the Titles Registration Act; and the Survey Act among others. The sector has commenced the development of new laws such as the law on the Government land, and the Land Information System among others.

The POA called upon government to develop and implement a slum upgrading strategy. Government developed the Slum upgrading Strategy and begun its implementation during the review period. So far, several projects have been implemented in Mbale, Jinja, Arua and Kampala. All these projects have generated revolving funds which can facilitate replication. These projects have had a huge impact on improving the livelihood of the people and their living environment. There is need to upscale and replicate these projects to cover other districts and urban centres in a sustainable manner. However, the revolving fund is not sufficient enough to sustain holistic scale replication.

The government is committed to achieving the MDG 7, Target 11 aimed at rejuvenating the lives of 100 million people living in informal settlements by the year 2025. This strategy addresses the



procedural steps to be undertaken to upgrade the existing slums while preventing development of new ones. An action plan has been developed with emphasis on slum upgrading. The intervention required is for funding the implementation of the action plan, mapping and creating data base for all slums in the country. An information and communication strategy is also being developed to reduce on problems being faced in slums mainly due to the absence of public awareness and participation, these include flooding, garbage disposal and collection and abuse of government regulations.

#### ***5.5.12 Develop and implement an Urban Physical Plan***

The POA called upon government to prioritise the development and implementation of an urban physical planning and development policy to reverse urban decay. In the POA priority actions, there was a call to government to develop and implement a slum upgrading strategy. The MLHUD has finalised the development of physical planning and development guidelines. The National Urban Policy and Strategic Investment Planning process has just commenced. The planning for Greater Kampala Metropolitan area has also commenced. The slum upgrading strategy is in place. The government has also developed plans for upgrading four slums in the 2009/10 financial year. A slum upgrading strategy has been finalised. The National Housing Policy is in advanced stages of being formulated.

#### ***5.5.13 Mobilise additional resources for community and feeder roads***

The POA called for the mobilisation of additional resources for community and feeder roads, in particular in rural areas. Specifically, POA priority actions required government to increase the share of the budget allocated to community and feeder roads and to upgrade community and feeder roads.

Sector financing in FY 2008/2009 increased by UGX. 468 billion purposely for Road transport. An analysis of the resource allocations for the FY 2008/9 within the MTEF revealed that under transport, there were two major expenditure areas which received over 90 % of the allocations, namely: National Road Construction and Maintenance (under the Roads Authority) and the District Urban and Community Access Roads (DUCAR).

#### ***5.5.14 Develop a transit bus system***

Government was called upon to assist in the development of a transit bus system that can be taken over by the private sector. The POA specifically called upon government to mobilise resources to fund the introduction of a bus transport system that is to replace informal transport providers (*Boda Boda and Matatu*). Over the medium term, a regulatory framework is being developed to attract private investors through a Private Public Partnership scheme with four companies. The licensed bus companies will operate the planned bus routes linking major towns around Kampala. In the National Roads Master Plan, government has included the need to develop a plan for metropolitan Kampala.

## **5.6 OBJECTIVE 5: TO MAKE PROGRESS TOWARDS GENDER EQUALITY IN ALL CRITICAL AREAS OF CONCERN, INCLUDING EQUAL ACCESS TO EDUCATION FOR ALL GIRLS AT ALL LEVELS**

### ***5.6.1 Review policy and strategy on employment opportunities for the youth***

The CSAR observed that given the high rate of population growth, youth employment should be a priority for the government. Education curricula should be revised to develop more technical and industrial training in order to align employers' needs with the skills profile of young people. The CRM urged government to give priority to the promotion of youth employment, given the high rate of population growth. The CRM also called for the design of a specific National Youth Policy. The POA called upon government to review the policy and strategy on employment opportunities for the youth (wage and self-employment).

During the period under review, government efforts have focused on creating support employment opportunities for the youth in the public sector. The MGLSD through the PCY programme has continued to target the vulnerable and disadvantaged youths. There is a plan to expand the programme which currently covers 19 districts to over 40 districts. The programme among others provides entrepreneur skills and micro enterprise start up grants for youth.

In order to achieve the objective of creating an enabling environment for increasing employment opportunities and productivity for improved livelihoods and social security for all, especially the poor and vulnerable, the MGLSD printed 800 copies of the National Plan of Action for Elimination of Child Labour, finalised the National Employment Policy, printed and disseminated 2,000 copies of the simplified version of the National Child labour Policy. It also investigated 50 labour complaints, and inspected 100 workplaces in the districts of Hoima, Masindi, Wakiso, Jinja, Kampala, Mukono and Kasese to ensure safe working conditions.

### ***5.6.2 Develop employment opportunities for youth***

The Government is in the process of establishing industrial parks in all regions of the country, which will attract foreign investors and thus create employment opportunities for the youth. Serviced plots are being allocated at the Namanve Industrial Park. The development of the Luzira Industrial Park is underway. Government has created an enabling environment for the growth of the hospitality industry, ICT, Housing and construction industry, which are growing at a fast rate to create more employment opportunities. In the budget speech 2009/2010, there is a projection of 100,000 jobs in the road sector alone and this will go along way in tackling youth unemployment. The MGLSD through the Labour Market Information Project, with the support from African Capacity Building Foundation (ACBF), is in process of establishing a labour market information system on a pilot basis. While the youth employment issues are currently covered under the National Employment Policy, government has also gone ahead to develop a Draft National Youth Employment action Plan to specifically tackle youth unemployment issues. The plan is being finalised and will be launched at the end of 2009.

### ***5.6.3 Harness job opportunities offshore***

The MGLSD has facilitated through the externalisation of labour services, a significant number of able bodied Ugandans both skilled and unskilled to move out of the country in search for employment abroad. Over 12,000 Ugandans have been recruited in Iraq, UAE and Juba in Sudan. The total remittances from these workers are estimated at UGX 8.3billion per month. This has contributed to the improvement of the earnings from abroad.

The ministry trained 540 youth in Arua, Hoima, Mpigi, Katakwi, Nakasongola, Mbarara, Lira, Masindi, Kampala in entrepreneurial and business skills. This helped the ministry to achieve the objective of empowering communities to appreciate, access, participate in, manage and demand accountability in public and community based initiatives.

### ***5.6.4 Fully implement the Equal Opportunities Act***

The POA called upon government to operationalise the Equal Opportunities Act. The Equal Opportunities Commission secretariat is being set up. The MGLSD has advertised for office space. Cabinet has approved the names of the potential candidates. They were awaiting assent from the President in order for the Commission to become operational.

The process of reform and drafting of prioritised commercial and criminal justice bills were expedited leading to enactment of five priority. Studies on the review of the Children Statute, the Domestic Relations Bill (DRB), Administration of Personal Law, and Human Trafficking were completed and draft bills prepared. The Domestic Violence Bill 2009 was also tabled in Parliament in June 2009. The accessibility to the laws and case precedents was enhanced through law revision and publication and case law reporting to provide legal reference materials.

### ***5.6.5 Review the NGO Act with a view to enhancing NGOs' multiple roles in development, including advocacy, service delivery, transparency and accountability of public institutions***

The POA called upon government to review the NGO Act. Civil society expressed reservation with the NGO Act and their views were presented to government. However there has been a slow response in resolving the areas of contention and the expressed need to amend the Act. By the time of the review, civil society confirmed that they had decided to take up the issue and therefore have submitted a petition to the Constitutional Court.

### ***5.6.6 Step up efforts in gender budgeting***

The POA called upon government to roll out training in gender budgeting to all ministries, agencies and local governments. Both government as well as civil society have made tremendous achievements in this, stepping up efforts in gender budgeting. The MFPED has developed guidelines for all sectors to ensure that gender budgeting principles are taken into

consideration while developing sectoral as well as the national budget. Gender budgeting skills building initiative by the MPFED in partnership with the MGLSD have provided support in this area to all sectors.

The Social Development Sector Strategic Plan (2004-2015) pledged to take into account gender equity issues under its objective of expanded and equitable access. Gender is mentioned as a cross-cutting issue, relating to: equitable access; increased girls' admission and retention; increased girls' performance; protection of girls; making the curricula more gender sensitive; training teachers in gender responsive methodologies. A Draft Gender and Education Policy has three gender goals by 2015: (i) gender parity (enrolment and completion) at primary and secondary levels; (ii) at least 45 % female enrolment at tertiary level, and; (iii) gender equality of experience, opportunities, benefits and outcomes at all levels.

CSOs especially Forum for Women in Democracy (FOWODE) the East African Gender Budget Initiative (EAGBI), and the NGO Forum have equally supported both national level gender budgeting initiatives as well as district level planning and budgeting to ensure gender budgeting principles are adhered to and also ensuring that districts budget for realisation of women's rights. Organisations such as the Uganda Women's Network (UWONET), Akina Mama wa Afrika (AMwA) and FOWODE have specific programmes for building capacity of women at the district level to mainstream gender in district budgets.

The Ministry of Local Government has also provided district-planning sections with guidelines for gender responsive planning so as to ensure gender responsive district plans and budgets.

#### ***5.6.7 Speed up the enactment of the Domestic Relations Bill and the Sexual Offences Bill***

The POA called upon government to enact the Domestic Relations Bill and Sexual Offences Bill and to design implementation mechanisms. During the year under review, although the Domestic Relations Bill had not been enacted, progress was achieved with regard to the process. The Bill was split into two with one catering for the concerns of Moslems (the Administration of Muslim Personal Law), and the other for concerns of the non-Moslems (The Domestic Relations Bill). These two bills will be presented to Parliament for consideration before the end of Y1 of implementation of the POA. Progress has also been in finalising the revision of the Sexual Offences Bill as part of the review of the Penal Code Act and in drafting the Domestic Violence Bill and Trafficking in Persons Bill. The Domestic Violence Bill 2009 was tabled in Parliament in June 2009 and the other three Bills are expected to be finalised, presented to Parliament and enacted during Y2 of the implementation of the APRM POA.

## 5.7 CONCLUDING REMARKS AND RECOMMENDATIONS

Uganda has registered substantial progress in implementing the agreed actions after the peer review in June 2008. Progress has been registered due to the commitment that the Government of Uganda continues to have in using the socio economic sector as the driving force for poverty reduction, self reliance and above all economic growth and development.

Under the Socio-economic Development thematic area, the NGC recommends as follows:

- *Streamlining Government long-term Planning Functions:* More effort needs to be made by the APRM National National Governing Council and the Government of Uganda to urgently address the legal impediments facing the NPA. The government also needs to disseminate progress being made in the implementation of the Paris Declaration as getting information in this was challenging. The information available from MFPED indicated much progress but lacked evidence in form of documentation.
- *Ratifying International Codes and Standards under Social and Economic Development:* Expedite the Ratification of the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (The Maputo Protocol).
- *Enhancing information dissemination and participation in National Oil and Gas Resources:* In the spirit of transparency, Government needs to disseminate the National Oil and Gas Policy widely so as to educate the public on what is being done. The participation of the marginalised groups such as women, elderly and youth needs to be prioritised as it is greatly lacking yet they are a critical voice in citizen engagement.
- *Streamlining the Rural Development Strategy:* Institutional roles in national planning need to be streamlined by Government in order to avoid creating a syndrome of "shifting power centre". The government should ensure that the broader Rural Development Strategy does not dilute mandates of, and priorities already identified by, constituent sectors such as agriculture, transport, energy, education, health, trade and commerce, community development, etc. The Rural Development strategy can be used to promote coherence in sector strategies; synergies between sectors and rationalisation of resource allocation but implementation responsibility should remain with individual sectors working in rural development. There should not be another power centre specifically to coordinate rural development as this might undermine the work of sectors and create a leadership void at that level which, in turn would negatively affect aid flow to the affected sectors.
- *Ensuring Retention and Completion of school by the Girl Child:* Government should, in collaboration with stakeholders, put in place mechanisms to address challenges of sexual violence including sexual harassment faced by girls in the school system.. The MoES, MGLSD, JLOS, MoJCA should initiate a law and policy on sexual harassment with punitive and compensatory measures that all schools should adhere to. Implementation of the policy should also be linked with the existing policy and regulatory framework on sexual offences.
- *Expediting the Enactment of the Gender Laws to address sexual and Reproductive Rights and National Violence against Women Polices and HIV Policy:* Government

should expedite the enactment of the Domestic Relations Bill; Domestic Violence Bill; and the Land Amendment Bill.. In addition, government should also enact and implement policy and laws on sexual and reproductive rights and integrate gender sensitive HIV/AIDS prevention, treatment and care with focus on intersection between HIV/AIDS and Violence Against Women.

- *Providing Institutional Support for promoting Socio-economic Development:* There is an urgent need for government to decongest the MGLSD by creating three separate ministries to cater for the unique needs of the different groups. Government should also provide adequate funding to the separate ministries created to enable them execute their respective mandates and implement the necessary programmes that can have an impact on the livelihood of the marginalised groups. The intra linkages within the ministry should be developed to enhance resource utilisation.
- *Adressing Population Growth and High Fertility Rate:* In the implementation of the National Population Policy, government should set up frameworks that address the issue of teenage pregnancy and empowerment of women through affirmative action in education which would enable girls to remain in school longer beyond secondary and vocational levels. Government should also invest in the area of sexual productive health systems.
- *Empowering communities at the grassroots level:* The role of Community Development Officers at the Local Government should be strengthened by empowering them with resources from other sectors to carry out community mobilisation for key social development programmes at sub-county level in a harmonised approach.

# **CHAPTER SIX: CRITICAL CROSS-CUTTING ISSUES**

## **6.1 OVERVIEW**

The four APRM thematic areas, namely Democracy and Political Governance; Economic Governance and Management; Corporate Governance, and; Socioeconomic Development constitute the core of the African Union's governance agenda, which is intended to deepen the democratisation process on the continent, thereby promoting sustainable development. During the APRM process, Uganda was appraised on the basis of the Background Document and the Issues Paper of the APR Secretariat. These informed the design of the APRM questionnaire on the basis of which wide stakeholders consultations were undertaken, that informed the Country Self-Assessment Report (CSAR). The CSAR was validated by an APR Panel during the Country Review Mission (CRM) that involved wide-ranging country consultations.

In all these processes, a number of issues featured very prominently across all the thematic areas that constituted the cross-cutting issues. Ten major cross-cutting issues emerged in the CSAR and were also considered during the CRM. The CRM strongly recommended that these multifaceted issues that featured prominently in all of the thematic areas, and had wider ramifications for the various dimensions of governance in Uganda, needed to be addressed and resolved. This first APRM Annual Progress report, documents the progress made in addressing and resolving these issues.

## **6.2 THE RATIFICATION AND DOMESTICATION OF INTERNATIONAL STANDARDS AND CODES**

Each of the four APRM thematic areas had several key standards and codes that provided relevant benchmarks for good practice. The CRM noted the different stages at which Uganda had reached with regard to signing, ratifying, domesticating and implementing the various key international standards and codes for promoting good governance and sustainable development, as well as enhancing the country's competitiveness through participation in key economic organisations in the region.

The CRM noted that Uganda had signed some, but had not yet ratified other standards and codes. However, the standards and codes signed and ratified had not yet systematically been disseminated to state and non-state stakeholders. Some of the signed and ratified codes and standards had not been translated into policy, legislation or specific actions. Where attempts had been made to domesticate conventions, by putting in place policies, institutions, programmes and other mechanisms to ensure that adopted or ratified codes are implemented, there has not been meaningful participation and appropriate documentation.

In fact, the CRM observed that many Ugandans were unaware of many of these conventions, which had implications for their ability to exercise the rights stipulated in the conventions,

treaties, agreements and protocols. The APR Panel therefore recommended that Uganda should undertake a comprehensive review of standards and codes identified for ratification and implementation. Uganda should also create an easily accessible database of signed, ratified or domesticated standards and codes for their monitoring.

During the year under review, there was varied progress across the four thematic areas. Under the Democracy and Political Governance thematic area, while Uganda had enacted a Ratification of Treaties Act, No. 5 of 1998 (Cap. 204), which stipulated the procedures to be followed for signing and ratifying treaties, minimal progress was made regarding the signing and ratification of seven major international conventions, protocols and pacts.

Under the Economic Governance and Management thematic area, the POA identified 13 international principles, codes and standards that the country was required to sign, accede to, ratify, domesticate and popularise. Significant efforts were made towards the development of appropriate legal and policy frameworks and several protocols, treaties and agreements were negotiated and signed under the economic governance and management thematic area. In the financial sector, several legislations were enacted (or were in the process of being enacted) for sound financial sector management that significantly mainstreamed and therefore domesticated a number of international principles, codes and standards. Several principles, codes and standards for good practices in public sector management had also been mainstreamed.

Under the Corporate Governance thematic area, Corporate Governance was a relatively new concept. Several legislations were in the process of being enacted for enhancing good corporate governance through which a number of international principles, codes and standards will be domesticated. The awareness of corporate governance concepts and standards was grown, courtesy of the work of non-state organisations such as the Capital Markets Authority, Enterprise Uganda, the Association of Microfinance Institutions of Uganda, Uganda Cooperatives Savings and Credit Union, the Institute of Corporate Governance of Uganda and the Institute of Chartered Secretaries and Administrators (ICSA) of Uganda. There were still challenges in mainstreaming corporate international governance principles, standards and codes to the vibrant informal sector and the private micro, small and medium-sized enterprises, which dominate the economy, and would benefit most from adopting corporate governance best practices.

Under the Socio-economic Development thematic area, there were still challenges in domestication and implementation of several international principles, standards and codes that the country had signed and ratified. There were still many international principles, standards and codes important for enhancing socio-economic development that the country had not yet signed.

In a nutshell, across all the four thematic areas, there were still a number of challenges regarding the systematic documentation, recording, implementation, dissemination, monitoring and enforcement of not only the several signed and ratified international conventions, protocols and pacts, but also acceded to international standards and codes. The appropriate institutional arrangements for monitoring and ensuring compliance with acceded to international standards



and codes had not yet been set up under the respective thematic areas. Where they existed, there were capacity constraints in terms of both human and financial resources.

### **6.3 THE HIGH POPULATION GROWTH RATE**

The APR Panel noted with concern the rapid growth rate of Uganda's population (and not the size), given early stages of economic development and the substantial dependence on development partners. According to the APR Panel, at the current rate of growth of the country's GDP, the current rate of population growth had potential, not only to affect the overall quality of life, but also the capacity to aggravate the degree of human suffering and poverty by producing a high ratio of dependent children for each working adult. The APR Panel recommended that Uganda devise, and strongly enforces the implementation of, a National Population Policy guided by the following five priorities: education for women; empowerment of women including a change in traditional attitudes towards gender and child bearing; promotion of scientific and technical development; promotion of new modes of production (the modernisation and commercialisation of agriculture); and promotion of "growth with equity" and sustainable human development.

In the POA, population growth issues were articulated under two thematic areas, namely: Economic Governance and Management and the Socio-Economic Development. Under Economic Governance and Management, population control issues were articulated as a specific Objective 1 to '*Promote macro-economic policies that support sustainable development*'. The POA specific objective under which they were articulated required putting in place an operational population planning and management programme as one of the strategies in the fight against poverty. The specific priority actions that were recommended included the following: a review of current population planning and management programme; public consultations; enactment of a law; development of an implementation strategy, as well as a sensitisation strategy.

Under the socio-economic thematic area, population control issues were articulated in the POA as a specific objective 2 to '*Accelerate socio-economic development to achieve sustainable development and poverty reduction*'. The POA specific objective under which they were articulated required the acceleration of the development of a National Population Policy that would address comprehensively the high fertility rate. The specific priority actions that were recommended included the development and popularisation of the Population Policy.

During the year under review, while a population policy was formulated (the National population policy for social transformation and sustainable development of 2008), an operational population planning and management programme was still under consideration. There are also several initiatives that targeted increasing public education and awareness on the linkages of population issues with broader development concerns, such as poverty eradication, health (including Reproductive Health and HIV/AIDS), education, housing, agriculture, environment, urbanisation, gender, labour and employment, among other social issues, that were spearheaded by the Population Secretariat and other stakeholders. The changes in fertility rates were discernible mainly among urbanised educated working women indicating the need for more focus of interventions for promoting education for and economic empowerment of women.

## **6.4 POLICY IMPLEMENTATION GAPS**

Both the CSAR and the CRM noted that Uganda had so many good policies, legislations and implementation structures which have not been effectively translated into action. Mechanisms as well as the human and financial resources necessary for enforcing policies and legislations were often inadequate. The CSAR made a veiled reference to the need for the state to play a more prominent role in promoting the development process. The CRM noted that Uganda cannot rely completely on the private sector to implement policies in certain areas because of the nascent private sector. They CRM therefore called for effective policy intervention by the State, to work with or through the private sector rather than undermining it. The CRM recommended the adoption of output-based budget programming to ensure efficient and effective implementation of public policies.

Although no comprehensive strategy is in place, the government has put in place several initiatives for enhancing communication which include: the Media Centre, the new Ministry for Information and National Guidance, newspaper supplements on key government initiatives and ICT initiatives.

## **6.5 MANAGING POLITICAL TRANSITION**

The CSAR noted the challenge facing Uganda of completely exiting from monolithic politics that stifled the diverse voices into pluralistic politics, which requires multiple players, including state and non-state actors, without reverting to ethnicity and tribalism. While there was increased respect by the ruling party for the political opposition and vice-versa, which was essential for nurturing a democratic culture, based on principles of inclusiveness, civility and cooperation, there were still significant challenges related to accommodation of alternative perspectives within all the respective political parties (without any exception). This affected their internal democracy and heightened intra-party tensions. Tensions abound in inter-party relations among opposition parties as evidence during the various bye-elections between January and May 2009. These challenges continued to undermine the capacity of Ugandan political parties to become forces for sustainable democratisation and development. The CRM called for the state to create an environment in which a multiparty structure and culture can be developed in order to deepen and nurture democratic discourse.

There were also challenges of transition related to capacity and capability of Parliament in exercising its oversight role and the independence of the judiciary and the legislature in relation to the powers of the executive. The APR Panel had recommended that this must be addressed in order to strengthen democracy and pluralistic political culture. The CRM noted that there were incidents when the executive prevailed upon the legislature and the judiciary, and the potential for this to continue to recur made Uganda's democratic gains appear fragile.

During the year under review, the development of a code of conduct for political parties was under

consideration for regulation of intra and inter-party relations in order to nurture the development of a culture of democracy. The financial autonomy of Parliament had also been secured and it is now self-accounting. Progress was also being made to ensure continued independence of the judiciary through increasing the amount of resources allocated to it and ensuring that any isolated incidents that may amount to state control are mitigated.

## 6.6 THE LAND QUESTION

The APR Panel noted that while land is a source of livelihood for the majority of people, it also has several other interrelated social, institutional and political values that make it an asset different from all others, and therefore, central to peaceful development. The CRM observed that the country faced a number of challenges, associated among others, with declining land holding per capita, and concentration of land in the hands of a few. Others were related to widespread disputes and conflicts, displacements and evictions; absence of clear policy guidelines; inadequate technical and financial resources institutions for the development of land. The CRM noted that land reforms were always inherently prone to conflict, and Uganda was no exception. To the extent that the intended reforms were a challenge to the established economic and political structures and dominant economic, political and cultural practices, the dominant and vested interests in society were bound to reject them.

The CRM observed that in attempting to resolve these land issues comprehensively through progressive land tenure reforms (to protect the weak from tenure insecurity and land grabbing due to an absence of a land policy and weak institutions) and eventually a comprehensive land reform, there was a need for undertaking extensive consultations in order to take into account the interests of all parties and guarantees the role of land as an essential productive asset for the economy as a whole.

Land issues in the POA were articulated under two thematic areas: Democracy and Political Governance and Socio-economic development, where focus was on the on-going reforms in land tenure and the formulation of the National Land policy, as well as the extent to which they could be a precursor for land reforms. Under the Democracy and Political Governance thematic area, interest was in ensuring that the amendment of the 1998 Land Act generated amicable resolution of land disputes and conflicts as well as protection of rights of vulnerable categories and minorities. Other interests in the amendment were in the establishment and operationalisation of the Land fund and the Land Tribunals. Under the Socio-economic development thematic area, focus was mainly on the operationalisation of the Land Use policy; the finalisation of the Land (Amendment) Act; formulation of the National Land Policy in order to provide overall guidance on land ownership and use.

During the year under review the land Act 1998 was being amended. Consultations, although limited, were ongoing on the proposed amendments. Consultations were also on-going in the finalisation of the National Land Policy. A Land Use policy is already in place. A land fund was in place, although still constrained by the unavailability of adequate resources. District Land

tribunals were not operationalised leaving land disputes under the jurisdiction of magistrates in the districts. Land grabbing and eviction incidents have continued.

There have been consultations on the land amendment by the NRM Parliamentary Caucus committee. The Buganda Kingdom also carried out land sensitisation (the Namboozie committee). In recognition of the need for greater consensus, the President extended the land consultations.

## **6.7 RESOLUTION OF THE CONFLICT IN THE NORTH**

The CRM observed that the continuation of the intractable and devastating conflict in Northern Uganda, despite all the efforts to resolve it, constituted a major political liability to democratic and economic governance, as well as sustainable socioeconomic development and nation-building. While the failure by LRA leader Joseph Kony to sign a Final Peace Agreement (FPA) in April 2008, after two-years of protracted peace negotiation may have dealt a blow to the hope of a peaceful political settlement to the conflict, the signing of three out of five complex agreements provided an opportunity for government to consolidate the gains made from the Juba Peace Process. Peace talks were held in Juba between government and the LRA mediated by the Government of South Sudan.

In the POA, the issues regarding the resolution of the conflict in Northern Uganda were articulated under the Democracy and Political Governance as well as the Socio-Economic Development thematic areas. Focus in both was on the consolidation of the peace that had been achieved in Northern Uganda through the implementation of programmes for Recovery and Development such as the PRDP and KIDDP. There has also been concern on the need to protect, fulfil and promote specific interests and human rights of vulnerable groups in the process of resolving the armed conflict and post-conflict reconstruction. The need for development programmes, including completing the development of the National Policy on Peaceful Conflict Resolution, and setting up a National Truth and Reconciliation was also highlighted.

Negotiations regarding the remaining two agenda items were concluded and agreements signed between the Government of Uganda and the LRA. Despite the failure by Kony to sign the FPA on 10<sup>th</sup> April 2008 and a couple of times thereafter (in May and June 2008), the peace negotiations were credited for ushering relative peace and calm in Northern Uganda since August 2006 when the Cessation of Hostilities (CoH) agreement was signed. Since then, close to 900,000 IDPs, out of an estimated 1.8 million had returned to their original villages by the end of 2008, and hundreds were still in transit sites en-route to their former villages. The UNHCR figures also showed that more than 300,000 Sudanese refugees in West Nile had returned to their homes in Eastern and Western Equatoria. Even without signature to the FPA, government had begun a process of systematically implementing some of the non-contestable provisions in the five different agreements signed under the respective agenda items. In May 2008, Uganda established the War Crimes Division at the Uganda High Court to put effect to Clause 7 of the Annexure to the Agreement on Accountability and Reconciliation signed on the 29<sup>th</sup> June 2007. This is a special division of the High Court of Uganda established to try any individuals alleged

to have committed serious crimes during the Northern Uganda conflict.

On 14<sup>th</sup> December 2008, 'Operation Lightening Thunder' was launched by a combined force of the Uganda Peoples Defence Forces, the Sudanese People's Liberation Army (SPLA) and the Armed Forces of the DRC (FARDC), with assistance from the United States Military, against LRA camps in the Garamba National Park in North-eastern DRC. This was followed by a three-month ground offensive. The military offensive had achieved its primary objectives of reducing Kony's capacity to wage war, although it had resulted into massive displacement of thousands of civilians in the DRC as Kony vented his anger on them. With the hopes of Kony ever signing the FPA continuing to fade with each passing day, international public opinion is increasingly galvanising towards an international support for a military offensive to end the LRA. Meanwhile government has assured Ugandans in the North of the end of the LRA.

## **6.8 DECENTRALISATION**

The CRM observed that decentralisation, in whatever form it is implemented can result in enhanced political legitimacy, democratisation, economic efficiency, lean government and poverty reduction. In Uganda, according to the CRM, decentralisation has led to improvement in governance and service delivery through democratic participation and community involvement. The implementation of the decentralisation programme had widened the political space by deepening the process of democratic participation at local level. This has empowered local communities to manage their affairs in Local Governments and to take charge of their destiny. It also allowed for quicker decision making in the formulation and implementation of plans, programmes and projects. This has resulted in improved service delivery at local level, particularly for such essential services as education and health.

The CRM noted that the realignment in relations between central and local governments had also come with challenges. There were constraints in the institutionalisation and sustainability of governance initiatives, which had the potential to erode the democratic gains from decentralisation. According to the CRM, while democracy had taken root at local government level, there were indications that the system was becoming vulnerable to internal and external factors. Internally, many local governments lacked technical and professional capacity. With declining local revenues, programmes were being poorly implemented, giving rise to poor service delivery. Allegations of corruption in procurement and service delivery at local government level were rife. Externally, the local governments' dependence on central government for funding affected their operations and service delivery. There were increasing tendencies not only towards the recentralisation of some aspects of local governance (e.g. the appointment of the Chief Administrative Officer), but also political interference in the identification and implementation of local-level activities. The creation of new economically unviable districts, and the potential for ethnicity and demands in some regions for federalism had compounded decentralisation.

In the POA, the challenges facing decentralisation were articulated under two thematic areas: Economic Governance and Management and Socio-economic development. Under Economic Governance and Management, concern was mainly on the need to review existing

policies/laws enabling fiscal decentralisation; building the capacity of local governments for planning, budgeting, monitoring and evaluation; and the increase in the expenditure on public administration through expansion in administration and legislative units. Under the Socio-economic development thematic area, focus was on how to increase local revenue for Local Governments and encourage broad-based participation in development by all stakeholders at all levels. This focused on various issues of decentralisation, including, among others, the need for review of the tendering and procurement processes; capacity building of elected leaders and local communities for effective participation in planning, implementation, monitoring and evaluation processes; enabling effective representation and participation of all the marginalised groups in the development processes.

There have been continued efforts to strengthen Local Governments through the successor programme and other initiatives.

## **6.9 MANAGEMENT OF DIVERSITY**

The CRM observed serious problems with the management of diversity in Uganda, whose various constituent tribal and ethnic groups had been forcibly and arbitrarily incorporated by colonialism. Over the years of bad governance, state-authored systems of discrimination and inequality accentuated the contradictions from forced integration, leading to the never-ending agitation for the right to self-determination by dominated, oppressed and marginalised groups, of which ethnic minorities constituted a special category. After independence, the marginalisation of ethnic, racial and other minorities continued, leading to gross inequalities between constituent groups in terms of development, resource endowment, territorial size and population. Lately, this marginalisation has been manifested in form of intense rivalry, competition and conflict among the groups over access to, and benefits from, scarce resources and public goods and services. This has happened in spite of the existence of an expansive legal framework in the 1995 Constitution that provides for the management of historical imbalances and diversities.

In the POA, issues around managing diversity were articulated under the thematic areas of Democracy and Political Governance and Socio-economic Development. Under Democracy and Political Governance thematic area, there was a call for the intensification of efforts aimed at promoting inclusiveness, redressing marginalisation and managing diversity, for example not only through the establishment and operationalisation of the Equal Opportunities Commission; but also undertaking a public sensitisation campaign on its work. The main focus of the socio-economic development thematic area was on the Equal Opportunities Commission articulated under two objectives, namely: Objective 2 to '*Accelerate socio-economic development to achieve sustainable development and poverty reduction*' and objective 5 to '*Progress towards gender equality in all critical areas of concern, including equal access to education for girls at all levels*'. Under objective 2, focus was on designing and implementing policies that address regional and social inequalities. The POA priority action required the operationalisation of the Equal Opportunities Act. Under objective 5, the focus was on fully implementing the Equal Opportunities Act. The POA priority action required the operationalisation of the Equal Opportunities Act.

Under the cross-cutting issue of management of diversity, both Democracy and Political Governance and Socio-economic Development thematic areas also articulated the need for promoting and providing for and protecting the interests and welfare of different categories of vulnerable groups. This would be through, among others mainstreaming gender equality, and the rights of children, youth, women as well as vulnerable groups such as refugees, IDPs and elderly persons.

## **6.10 CORRUPTION**

The CRM observed that although the Ugandan government had made considerable efforts towards reducing corruption, including the formulation of a legal framework to fight corruption, both petty and grand corruption were still prevalent and affected every institution in the country and all sphere of life. In the political realm, it seriously undermined democracy and good governance. In elections and in legislative bodies, it reduced accountability and representation in policy-making while in the judiciary, it eroded the rule of law. Corruption undermined fair play, justice, equal opportunities, equity and non-discrimination, which were underlying principles of human rights. The CRM noted that the anti-corruption agencies are still poorly resourced.

In the POA, corruption issues were articulated differently across all the four thematic areas, both overtly and covertly, although they were explicitly tackled under two thematic areas, of Democracy and Political Governance and the Economic Governance and Management.. Focus under the Democracy and Political Governance thematic areas centred on harmonisation of all laws, policies and institutions established to fight corruption; enhancement of the institutional (human and financial) capacity of anti-corruption agencies; and supporting anti-corruption agencies to enforce compliance with the Leadership Code of Conduct.

Under the Economic Governance and Management thematic area, focus was on money laundering. Specific focus was on the establishment and capacity building of anti-corruption courts; the development of an institutional framework for a partnership approach to fighting corruption; as well as the operationalisation of the Leadership Code tribunals. There were actions that focused on expediting the enactment of the anti-money laundering law, and implementation of recommendations of the Corruption Commissions and enforcement of existing rules and regulations.

The issue of ensuring transparency in the management of revenues from oil and gas resources and the need for Uganda to join the Extractive Industries Transparency Initiative (EITI) were articulated across all the four thematic areas. The corporate governance thematic area also made reference to the fight against counterfeit goods as well as putting in place relevant laws, especially the Companies Act, to ensure accountability of corporations.

In the year under review, a National Oil and Gas Policy was developed and published in February 2008. Principles have been developed from the policy with a view to drafting appropriate

legislation. These principles were submitted to Cabinet who referred them back to the Ministry of Energy and Mineral Development requesting that the policy be revised to include refining before drafting a law. The process of developing regulations governing oil and gas production, as well as revenue management has not yet started. An inter-ministerial committee has been set up to oversee the management of revenue from Oil. However, no progress was been made with regard to acceding to the EITI.

There has been established an anti corruption court which has made some convictions. Government is to institute a Judicial Commission of Inquiry on corruption in the education sector.

## **6.11 OVERDEPENDENCE ON AID**

The CRM noted that while development aid to Uganda helped to redress capital deficiencies (financial, physical and human), in addition to meeting the shortfalls in resources aimed at various investments, it had potential for not only creating donor dependency but also to undermine the strengthening of democratic governance. Governments that do not need to collect taxes because of availability of donor funding, were not generally amenable to implementing the desired democratic governance reforms since they will not be under any pressures for soliciting for voter support. Aid dependence however also had other ills, for example, weakening capacity and ownership of development; creation of revenue instability and fragmentation of budgets; lowering tax efforts, and undermining accountability and democratic decision-making. It also encourages rent seeking and corruption; stirs up conflict over control of aid funds; siphons off scarce talent from the bureaucracy, and removes pressures to reform ineffective policies and institutions.

The POA, under the Socio-economic development thematic area, called for the promotion of self-reliance in development and building capacity for self-sustaining development by reducing the dependence on development partners over time, as well as through implementing the Accra Declaration on aid effectiveness, and intensifying the administration and collection of revenue. Under the Democracy and Political Governance thematic area, focus was mainly on reducing the overwhelming donor dependence of the Judiciary.

During the year under review, government focused on enhancing domestic revenue collection and administration as a strategy to reduce the %age of the national budget financed by donors. Revenue collections in 2008/09 are expected to reach UGX 3,698.6 billion, which represents growth of 17.0 % from 2007/08. Donor financing, provided as Budget support is projected to reduce by UGX 70.4 billion (10 %) to UGX 602.5 billion for FY2009/10. Similarly, project support is projected to decline by UGX 32 billion (2 %) to UGX 1,293.2. There have been efforts by government to reduce donor dependence. There has been a considerable reduction of donor funding of the 2009/10 budget to 32%.



# **CHAPTER SEVEN: ANALYSIS OF PUBLIC RESOURCES ALLOCATED TO FINANCE THE IMPLEMENTATION OF THE POA**

## **7.1 INTRODUCTION**

In demonstration of its ownership of the three-year African Peer Review Mechanism (APRM) National Programme of Action (POA), the Government of Uganda (GoU) indicated a commitment of approximately USD 1 billion to fund part of the POA in FY 2008/09 and pledged to finance the balance of USD 3.9 billion over the next two fiscal years. Government also committed to integrating the POA in the national planning process as required by the APRM guidelines. The POA has been integrated into the National Development Plan. In this chapter, an attempt is made to track and analyse the degree to which GoU followed through on this commitment to finance the implementation of the POA. An analysis of the public financial resources devoted to implementing the Uganda APRM National POA in FY 2008/09 and over the medium term is also undertaken.

In this chapter, the report uses the GoU National Budget structure and operations to achieve the following:

- (i) Determine the cost centres associated with the required POA implementation activities, which constituted government Vote Functions;
- (ii) Establish using the approved budgets, the amount of funds allocated to the priority POA implementation activities over the three-year POA period;
- (iii) Show, using real time data from the Integrated Financial Management System (IFMS) and data on releases from MFPED for the first three quarters of 2008/09 fiscal year, the amount and pattern of funds actually spent within the year by the Government Ministries, Departments and Agencies (MDAs) as well as the resources assigned to decentralised vote functions executed by Local Governments (including districts, municipalities and the City Council);
- (iv) Identify all activities in the Uganda APRM National Programme of Action to which public resources have not been allocated in 2008/09 fiscal year and over the medium-term; and lastly
- (v) Estimate the cost of the unfunded priorities in the Uganda APRM National Programme of Action over the period 2008/09 to 2010/11 fiscal years.

While GoU is the lead actor in implementing the required POA implementation activities, the responsibility of achieving the POA objectives lies beyond the GoU. It includes non-state actors such as the private sector and civil society. Therefore, while acknowledging the role of other players, analysis was restricted to funds from the national budget. The analysis is also cognisant of the fact that there is a significant amount of off-budget funding directed to implementing required POA priority activities. Data on these funds is obviously very useful in ascertaining the actual amount of public resources going into the required POA implementation activities. However,

since it was not possible to obtain such data within the timeframe and budget constraints of this 1<sup>st</sup> Annual Review report, the report only recognises their contribution to required POA actions and strongly recommends such funds to be included in the next round on resource tracking.

## 7.2 APPROVED GOU ALLOCATIONS TO POA LEAD VOTE FUNCTIONS FROM FY2008/09 TO FY2010/11

The GoU Budget has a total of 165 Vote Functions (VF). Of these, 121 (or 73 %) have a fundamental role in the implementation of required POA actions. In addition, 16 of the 165 GoU Vote Function are decentralised to Local Governments. Of these, 13 (or 81 %) have a fundamental role in implementation of required POA actions.

The total budget allocation programmed by GoU for spending on fundamental POA Vote Functions for the three-year period of the POA (FY 2008/09 to 2010/11) is UGX 14.37 billion (USD 7 billion). The total cost of the entire POA for the same period on the other hand is USD 4.86 billion. Using the estimated average exchange rate for the period July 2008 to March 2009 of 1 USD = UGX 2,051, this translates to 69.3 % of GoU's approved allocation to the fundamental POA Vote Functions. A breakdown of the POA cost as a share of the total programmed spending by the respective POA thematic areas is contained in Annex 3 of this report.

The cost of implementing required POA actions associated with specific POA objectives for which government MDAs are solely responsible is even much lower (25.9 %) while that for which there is joint implementation responsibility between government and non-government agencies is 22 % of the programmed allocations as shown in Table 2 below. These %ages provide a useful gauge of the degree to which the cost of implementing the POA is within the means of the fundamental VFs that are responsible for doing so.

As a share of GoU's programmed spending over the three-year POA period, approved GoU allocations to fundamental POA VFs represents 80 % of GoU's total programmed budget allocations for the same period. The level of variation in allocations between the three years is less than 1 percent as indicated in the table below.

**Table 2: Approved GoU Budget Allocation to POA Vote Functions for the Period FY 2008/09 – 2010/11**

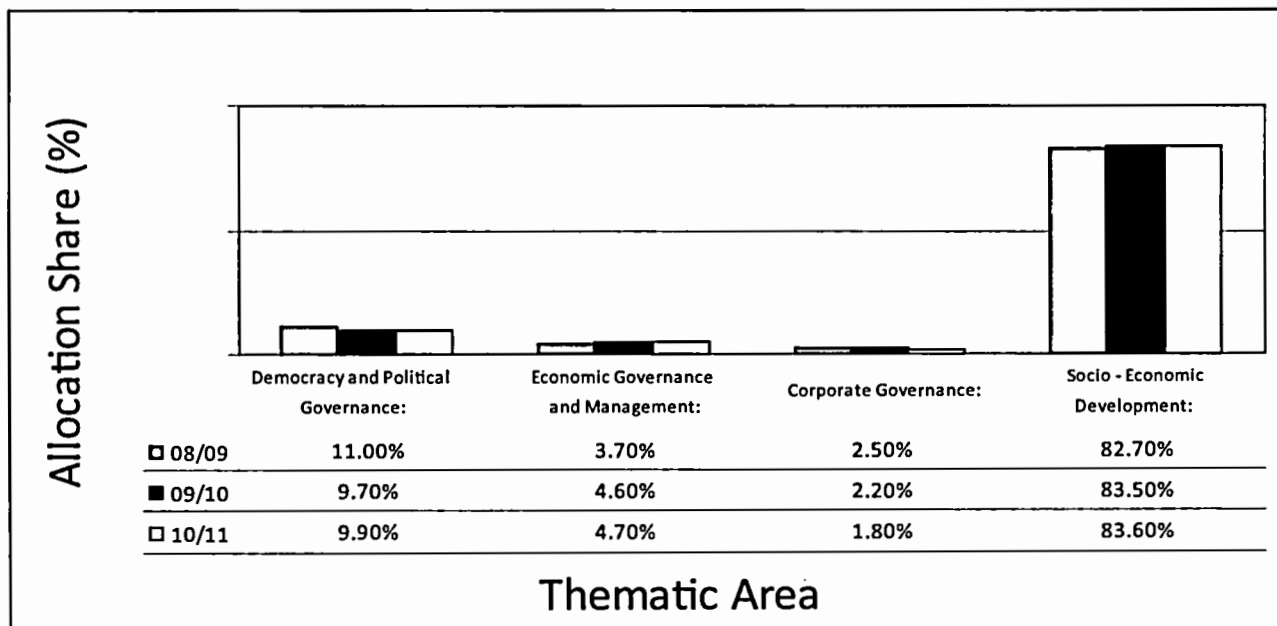
POA Allocations	POA Allocations (UGX Billions)			Total
	08/09	09/10	08/09	09/10
Total GoU allocation to POA VFs (UGX, billions)	4,706.3	4,598.8	5,067.9	14,372.9
Total GoU allocation to POA VFs (USD, billions)	2.295	2.242	2.471	7.008
Allocations to POA VFs as a share of the Approved Total POA allocation	32.7%	32.0%	35.3%	100.0%
POA allocations as a share of programmed GoU annual spending	80.33%	79.43%	78.90%	79.53%

In terms of the respective POA thematic areas, Table 3 and Graph 1 below show that the Socio-Economic Development thematic area accounts for the largest share (83 %) of programmed GoU spending during the POA period. It is followed by Democratic and Political Governance with a share of 10.2 %; Economic Governance and Management with 4.4 percent; and Corporate Governance with 2.2 %. In terms of the trend in the share of nominal allocations, two of the thematic areas (Economic Governance and Management; Socio-Economic Development) have a marginally progressive trend while the other two (Democratic and Political Governance; Corporate Governance) have a marginally declining trend.

**Table 3: Approved/Programmed GoU Budget for POA Vote Functions by Thematic Area for the Period FY 2008/09 – 2010/11**

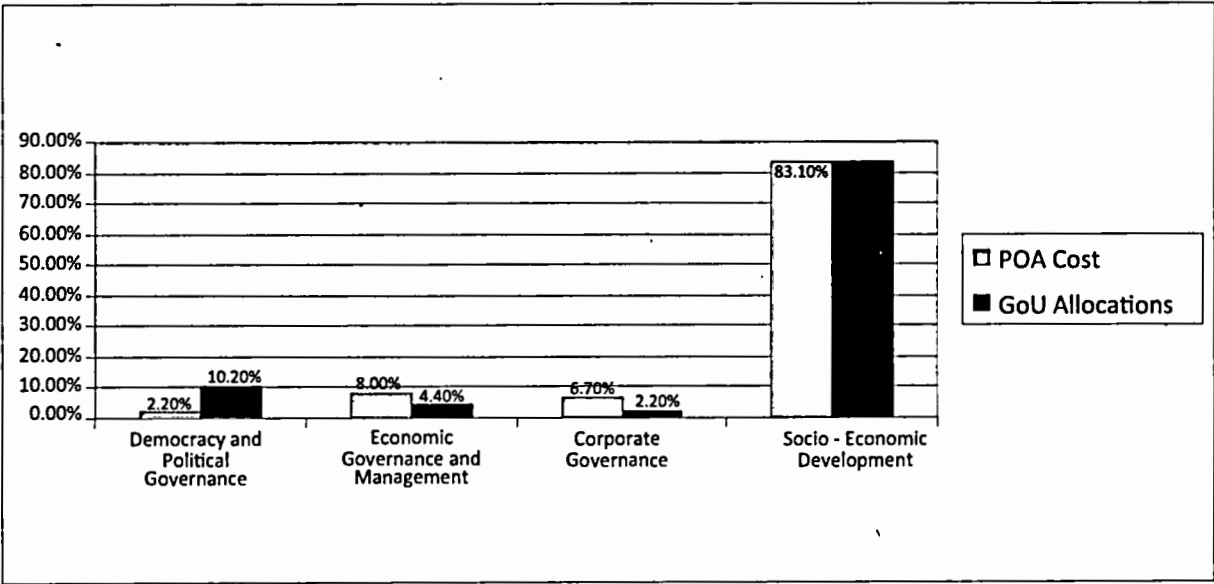
POA Thematic Area	POA Allocations (UGX Billions)			Total
	08/09	09/10	10/11	
Democracy and Political Governance:	519.6	447.5	500.5	1,467.5
Economic Governance and Management:	175.7	213.4	239.9	629.0
Corporate Governance:	118.8	99.8	91.2	309.7
Socio-Economic Development:	3,892.2	3,838.1	4,236.4	11,966.8
<b>Totals</b>	<b>4,706.2</b>	<b>4,598.8</b>	<b>5,067.9</b>	<b>14,372.9</b>

**Graph 1: Percentage Distribution of GoU Programmed Budget Allocations to the National POA by Thematic Area for the Period FY 2008/09 to 2010/11**



A comparison of the total cost of the POA and GoU's total programmed allocations to fundamental OA VFs shows a very similar pattern (Graph 2). This suggests there is a strong correlation between the required POA actions and the priority GoU interventions in the respective VFs. The disparity in shares is lowest in the Socio-Economic development thematic areas and widest in the Democracy and Political Governance thematic areas.

**Graph 2: Distribution of Total POA Cost and GoU Programmed Allocations to the POA by Thematic Area**



A significant portion of required POA actions fall under the domain of Local Governments. This makes it necessary to distinguish those fundamental POA VFs that are the responsibility of Central Government from those that are the responsibility of Local Governments and to present the programmed budget allocations that they attract in accordance with this distinction.

Table 4 shows that programmed allocations to Local Governments in the form of transfers under decentralised POA VFs represent 25 percent of total programmed allocations to fundamental POA VFs. In relation to the total national budget, decentralised POA VFs represent 20 percent of the total programmed budget allocations for the three-year POA period.

**Table 4: Share Comparison of GoU Budget Allocations to Decentralised POA Vote Functions for the Period FY 2008/09 – 2010/11**

POA Allocations	Fiscal Year			Total
	08/09	09/10	10/11	
Allocations to Decentralised POA VFs as a Share of Total GoU Allocations to Fundamental POA VFs	21.7%	27.0%	26.5%	25.1%
Allocations to Decentralised POA VFs as a Share of Annual Programmed GoU Budget	17.4%	21.4%	20.9%	19.9%

A look at the distribution of programmed allocations to decentralised POA VFs by POA thematic areas shows that the Socio-Economic Development thematic area attracts virtually all the programmed budget allocations (Table 5).

**Table 5: Approved GoU Budget Allocation to Decentralised POA Vote Functions by Thematic Area for the Period FY 2008/09 – 2010/11**

POA Thematic Area	POA Allocations (UGX Billions)			Total
	08/09	09/10	10/11	
Democracy and Political Governance:	0	1.1	1.1	2.2
	0.0%	0.1%	0.1%	0.1%
Economic Governance and Management:	0	0.0	0.0	0.0
	0.0%	0.0%	0.0%	0.0%
Corporate Governance:	0	0.0	0.0	0.0
	0.0%	0.0%	0.0%	0.0%
Social Economic Development:	1,021.2	1,239.0	1,341.2	3,601.3
	100.0%	99.9%	99.9%	99.9%
<b>Totals</b>	<b>1,021.2</b>	<b>1,240.1</b>	<b>1,342.3</b>	<b>3,603.5</b>

### 7.3 ACTUAL SPENDING BY POA THEMATIC AREAS IN FY 2008/09

In this report, the performance of approved allocations to fundamental POA VFs during the first three quarters of FY 2008/09 was analysed using a combination of actual spending and releases. The findings are presented in two categories: Spending less wages and spending inclusive of wages.

As shown in Table 6 below, spending (inclusive of wages) on fundamental POA VFs during the reference period amounted to UGX 2,100.6 billion (or USD 1.02 billion). This represents 44.6 percent and 35.9 % of the approved total annual allocation to the same POA VFs and of the approved total GoU annual budget respectively. As far as spending less of wages is concerned, it represented 31.2 percent and 25.0 percent of the approved total annual allocation to the same POA VFs and of the approved total GoU annual budget respectively.

**Table 6: Actual GoU Spending on POA Vote Functions for FY 2008/09**

POA Allocations	2008/09 Fiscal Year: Q1-Q3 (UGX, Billions)	
	Less Wages	Including Wages
Spending on POA VFs (UGX, Billions)	1,466.2	2,100.6
Spending on POA VFs (USD, Millions)	715	1,024
Spending on POA VFs as a share of Approved Total Allocations to POA VFs	31.2%	44.6%
Spending on POA VFs as a share of Approved Total GOU Budget	25.0%	35.9%

In terms of actual spending of POA VFs by POA thematic area, it is clear from Table 7 below that the Socio-Economic Development thematic area attracted the largest share of actual spending amounting to 76.4 % during the period under review. It was followed by Democracy and Political Governance (16.3 %), Economic Governance and Management (6.1 %), and Corporate Governance (1.3 %).

**Table 7: Actual GoU Spending on POA Vote Functions by Thematic Area for FY 2008/09**

POA Thematic Area	2008/09 Fiscal Year: Q1-Q3, (UGX, Billions)	
	Less Wages	Including Wages
Democracy and Political Governance:	220.669 (15.1%)	341.4 (16.3%)
Economic Governance and Management:	78.3 (5.3%)	127.9 (6.1%)
Corporate Governance:	24.9 (1.7%)	27.4 (1.3%)
Socio-Economic Development:	1,142.3 (77.9%)	1,603.9 (76.4%)
<b>Totals</b>	<b>1,466.2</b>	<b>2,100.6</b>

Compared against approved allocations to VFs under the respective POA thematic areas for 2008/09 fiscal year, it is evident from Table 8 below that VFs under the Economic Governance and Management thematic area have so far spent the largest share (72.8 %) of approved allocations. Next were those under the Democracy and Political Governance thematic area with a performance level of 65.7%, followed by Socio-economic development (41.2 %) and Corporate Governance with 23.1 %.

Despite having received the largest budget allocation, VFs under the Socio-economic thematic area have comparatively performed poorly during the period in review. The situation is even worse for VFs under the Corporate Governance thematic area, which not only received the least approved budget allocations but also registered the least performance during the reference period.

There are three possible reasons for this poor performance. The first is the fact that seven out of the 15 VFs under this thematic area had their spending and allocations assigned to objectives under other thematic areas. The second is that some of the VFs under this thematic area grossly under performed. Notable among them is the Investment and Private Sector Promotion (VF 1406) and the Cooperative Development (VF 0602) whose performance was only 5.4 % and

25.6 % respectively. In addition, the third reason is that a number of required POA actions under this thematic area lie outside the mandate of Government institutions as they are currently set up.

**Table 8: Budget Performance by Thematic Area for FY 2008/09**

POA Thematic Area	2008/09 Fiscal Year (UGX, Billions)		
	Funds Spent (Q1-Q3)	Approved Allocation	Budget Performance
Democracy and Political Governance:	341.40	519.6	65.7%
Economic Governance and Management:	127.9	175.7	72.8%
Corporate Governance:	27.40	118.8	23.1%
Socio-Economic Development:	1,603.90	3,892.2	41.2%
<b>Total</b>	<b>2,100.6</b>	<b>4,706.3</b>	<b>44.6%</b>

*Note: Funds spent were inclusive of wages*

With regard to actual performance of decentralised VFs that are fundamental to the POA, a total of UGX 745.4 billion (inclusive of wages) was spent during the reference period and UGX 337.4 billion less wages (Table 9). This represents 15.8 % of total spending by POA VFs during the reference period and 7.2 % of spending less of wages (Table 10). In terms of utilisation of approved allocations to them for the 2008/09 fiscal year, decentralised VFs registered a performance level of 73.0 % (including wages) during the reference period. Performance less wages was at 33.0 %.

**Table 9: Actual GoU Spending on Decentralised POA Vote Functions by Thematic Area for FY 2008/09**

POA Thematic Area	2008/09 Fiscal Year: Q1-Q3, UGX, Billions			
	Less Wages		Including Wages	
Democracy and Political Governance:	0.0	0.0%	0.0	0.0%
Economic Governance and Management:	0.0	0.0%	0.0	0.0%
Corporate Governance:	0.0	0.0%	0.0	0.0%
Socio-Economic Development:	337.4	100.0%	745.4	100.0%
<b>Totals</b>	<b>337.4</b>	<b>100.0%</b>	<b>745.4</b>	<b>100.0%</b>

It is clear that wages incurred by decentralised VFs account for a significant share of spending by POA VFs in general and decentralised POA VFs in particular. Within decentralised POA VFs, wages accounted for over 55 % of total spending during the reference period. This can be explained by the fact that decentralised VFs bear greater responsibility for front line service delivery, which is dominated by contact services that necessitate large numbers of personnel.

**Table 10: Share Comparison of Actual GoU Spending on Decentralised POA Vote Functions for FY 2008/09**

	2008/09 Fiscal Year: Q1-Q3	
	Less Wages	Including Wages
Spending on Decentralised POA VFs as a Share of their Approved Allocations for 2008/09 Fiscal Year	33.0%	73.0%
Spending on Decentralised POA VFs as a Share of Total Spending on POA VFs for 2008/09 Fiscal Year	7.2%	15.8%
Spending on Decentralised POA VFs as a share of the total approved national budget for 2008/09	5.8%	12.7%

As far as spending on resource constrained POA actions is concerned, these attracted allocations worth UGX 562.2 billion (or USD 274.1 million) during FY 2008/09. This represents nearly 12 % of the total allocations to fundamental VFs for the POA. Actual spending on resource constrained actions over the same period amounted to UGX 191.3 billion (or USD 93.3).

## 7.4 COST AND FUNDING FOR POA ACTION WITHIN THE GOVERNMENT SECTOR

The POA being a national programme of action means that its implementation entails actors beyond the state. A simple match and tally of the specific POA objectives by the responsible implementing agencies and the associated estimated cost for their implementation shows that the majority (71.4 percent) of specific POA objectives fall within the mandate of Government. This is followed by specific POA objectives where there is a shared implementation responsibility between Government and Non-Government agencies with a share of 24.9 %.

The estimated costs of implementing actions by government agencies is higher than that for actions to be jointly implemented by government and non-government agencies by an 8 %age point margin.

**Table 11: Cost of POA by category of Implementing Agencies**

Category of Implementing Agency	Specific Objectives		Estimated Cost		Cost as a share of Total GOU Programmed Allocation to POA VFs
	No	Share	Amount (USD)	Share of Total POA Cost	
Government MDAs	135	71.4%	1,816,095,107	53.5%	25.9%
Both Government and Non-Government Agencies	47	24.9%	1,545,374,842	45.5%	22.0%
Non-Government Agencies(*)	7	3.7%	32,704,135	1.0%	0.5%
<b>Total</b>	<b>189</b>	<b>100%</b>	<b>3,394,174,084</b>	<b>100%</b>	<b>48.8%**</b>

*Note: (\*) The figure for Non-Government Agencies is less actual spending on ART, which has an approved allocation of over UGX 157 billion. If we assume ¼ of this allocation had been*



*spent during the first three quarters of 2008/09, actual spending on resource constrained actions goes up to UGX 309 billion (USD 150 million) which represents 55% of the approved allocations to resource constrained actions*

*(\*\*) There is a discrepancy of about USD 1.47billion between the reported total cost of implementing the POA (USD 4.86 billion) and the estimated total cost established from summing the estimated cost of actions under the individual specific POA objectives (USD 3.39 billion)*

Compared with the total budget allocations programmed by GoU to be spent on POA fundamental VFs, the cost of the required POA actions under the specific POA objectives for which Government MDAs are responsible for implementing, represents only 25.9 % of these allocations.

While there is a budget allocated to almost all fundamental VFs for the POA during the three-year POA period, there are some required POA actions where no funds have been provided for in the 2009/10 - 2013/14 National Budget Framework Paper (BFP). This is either because they were not in the annual work plan of the responsible MDA or they are not scheduled within the current investment strategy of the responsible sector. Annex 8 provides a listing of these POA actions by thematic area.

## **7.5 COST AND FUNDING FOR POA ACTIONS OUTSIDE THE GOVERNMENT SECTOR**

The estimated cost of required POA actions for which the agencies responsible for their implementation lie outside the Government system is USD 32.7 million. Whether or not the responsible non-government agencies have these funds (and the degree to which they are available) is not known.

The same applies for those required actions where there is joint responsibility between Government and non-Government agencies. While it would be possible to establish the funding position for Government's contribution for the implementation of these actions, the lack of division of roles and responsibilities between the Government and non-Government agencies involved makes it difficult to do so.

## **7.6 KEY FINDINGS REGARDING GOVERNMENT FINANCING OF THE IMPLEMENTATION OF THE APRM POA**

From the resource pattern revealed by GoU's programmed Vote Function allocations for the three-year POA period, and their partial performance during the 2008/09 fiscal year, the following key issues were evident regarding the financing of the APRM National POA in Uganda.

GoU honoured its indication to commit approximately USD 1 billion to fund part of the POA in FY 2008/09:

Approved allocations to fundamental POA VFs in FY 2008/09 more than double the USD 1

billion commitment of Government; and actual spending by these VFs within the first three quarters of the 2008/09 fiscal year was already in excess of USD 0.7 billion. Considering that most MDAs spend the bulk of their allocated funds in the third and fourth quarters of the fiscal year, largely because of delays associated with the process of budget approval by Parliament during the first quarter and its knock on effect on spending in the second quarter, it is very likely that actual spending by these VFs will exceed the USD 1 billion commitment.

In terms of budget allocations and actual spending attracted by resource constrained actions where implementation progress was reported and expenditure attribution was possible, these amounted to UGX 562.2 billion (USD 274 million) and 309 billion (USD 150 million) respectively for the first three-quarters of the 2008/09. This represents nearly 30 % of the GoU's commitment of allocating USD 1 billion to both resource neutral and resource constrained POA actions.

There are however, particular POA actions that did not receive Government funding in 2008/09 (and may not receive funding from the Government over the POA period). This is for reasons such as institutional lack of awareness of the POA or incompatibility of the required POA actions with the sequencing of interventions by the respective sectors in their investment strategies. To rectify this shortcoming will require interventions other than budget allocations.

There is a very strong level of alignment between the distribution of GoU's budget allocations to fundamental POA Vote Functions and that of the POA cost:

While it is clear that allocations to fundamental POA VFs do not necessarily translate into allocations to POA actions, it is also clear, in the case of Uganda, that there is a very high level of correlation between GoU VF allocations and the cost of POA actions. POA actions that account for most of the POA cost (83.1 %) and the VFs that GoU assigned the majority (83.3 %) of its POA allocation fall under the same thematic area – Socio-Economic Development (Graph 2). If consideration is made of the fact that the responsibility of implementing POA actions lies beyond the Government sector, the level of correlation gets even higher since its mostly POA actions under the 1<sup>st</sup> and 3<sup>rd</sup> thematic areas where there is a significant role for non-state actors.

The cost of implementing POA actions that fall under the responsibility of Government MDAs is well within GoU's budgetary means:

The cost of implementing the required POA actions under a thematic area as a share of GoU's allocations to fundamental VFs in the respective thematic area is a useful measure of how affordable the required actions are for the responsible fundamental VFs. For POA actions under the Democracy and Political Governance thematic areas, their cost represents only 15.8 percent of the total programmed allocations to the fundamental VFs responsible for their implementation; while in the Socio-Economic Development thematic area it represents nearly 70 %.

The outliers in this regard are the Economic Governance and Management, and the Corporate Governance thematic areas where the cost of implementing the required POA action under them represents 127 % and over 200 percent respectively of the total GoU programmed budget allocations to the fundamental VFs thereunder. This is understandable, especially for the

Corporate Governance thematic area, because a number of POA actions in this area lie outside the Government sector. Other reasons for the high share of the cost of POA actions under the Corporate Governance thematic area include the fact that part of the funds that would have been assigned to POA actions under this thematic area were already assigned to other thematic areas where they were better placed; as well as the weakness or absence of appropriate public institutions for implementing the required actions under this thematic area.

On the whole, the total cost of implementing the entire POA represents about 70 percent of the programmed total allocations to the fundamental VFs responsible for implementing required POA actions. On the other hand, the estimated total cost of implementing required POA actions under the Government sector represents only 26 percent of the programmed budget allocations to fundamental POA VFs responsible for their implementation; and for actions where Government has a shared responsibility it is 22 %. That means that with proper integration and prioritisation of required POA actions into sector Budget Framework Papers, Ministerial Policy Statements and annual work plans, Government MDAs should be able to comfortably assign required POA actions the funds due them.

POA objectives under the Socio-Economic Development thematic area have a greater potential of realising the actual funding needed for their implementation:

Not only do the objectives under the Socio-Economic Development thematic area rank high on Uganda's development agenda, they also easily attract the participation of the private sector in their achievement. Uganda's pursuit of its policy of a private sector-led economy has seen the entry and strong participation of the private sector in the delivery of a number of socio-economic goods and services. Notable among these services is education, healthcare and insurance which play a major role in the formal sector as instruments of social protection.

The above means that part of the cost of meeting the POA objectives (and their associated actions) that are related to these services will inevitably be borne by the private sector without Government necessarily going to great length to get it involved. For example, over 20 percent and nearly 70 percent of primary and secondary education respectively in Uganda is provided by the private sector.

There is need to broaden the role and responsibility of Local Governments in the implementation of the POA across all thematic areas:

The role of decentralised VFs in the implementation of required POA actions is overwhelmingly confined to one thematic area – Socio-Economic Development. It is clear that many of the POA actions are upstream in nature and largely of a governance nature – a factor that disposes them to fall under the responsibility of the Central Government. This however, should not overshadow the fact that implementation of policies, codes and standards needs to be cascaded across all tiers of government, especially at the Local Government level. This will help eliminate the reputation Government has had in the past of being good at making policies and laws but poor at implementing them.

The absence of an implementation role for Local Governments in the first three thematic areas could be because the POA was short on the role of Local Governments in the promotion of its agenda in the thematic areas of Democratic and Political Governance; Economic Governance and Management; and Corporate Governance. The other possible explanation is that GoU's VFs do not take into account the role of Local Governments in the realisation of the POA objectives under the thematic areas of Democratic and Political Governance; Economic Governance and Management; and Corporate Governance.

Decentralised POA VFs account for one quarter of GoU's total programmed allocations to fundamental POA VFs, of which over 50 percent is devoted to wages in general and wages for service delivery in particular. This expenditure pattern, while consistent with the role of Local Governments as front line service providers, risks reinforcing the argument that Uganda's decentralisation was about delegation and not devolution of power. This would counter the objective of participatory governance and popular democracy.

#### GoU's programmed allocations to fundamental POA VFs are declining over the the-year POA period in real terms:

The annual budget allocations programmed by GoU for spending through the fundamental VFs responsible for POA implementation is almost constant throughout the 3-year POA period. It has an annual variation of less than 1 percent. In light of the double-digit inflation Uganda is currently witnessing, this constant pattern of programmed allocations means that programmed allocations to POA actions are actually declining in real terms. Furthermore, Government's programmed spending on some of the fundamental POA VFs may be revised downwards in light of the prevailing global economic recession. This means that even without a reallocation of programmed funds away from fundamental POA VFs, programmed allocations to these VFs will go down by the same margin that Government revenue is estimated to decline.

POA actions that attract external funding may not be severely affected by the inflation effect considering that the exchange rate has also been depreciating at a high rate. The same dollars would be able to fetch more shillings thereby offsetting some of the local price rise effect arising from inflationary pressures.

## **7.7 KEY RECOMMENDATIONS**

The following are recommended for the way forward with regard to allocation, spending and tracking of funds in the implementation of the required POA actions over the remaining period of POA implementation:

- POA performance indicators need to be considered as part of the current performance criteria used by the MFPED to assess MDAs' performance when releasing funds to them. The reporting format used in the presentation of quarterly performance reports allows for tracking of funds on particular actions in a more detailed and specific way than is possible using Vote Function allocation and their budget performance as was done in this

report. This would also amount to a further milestone in the Government's commitment to integrating the POA in its national planning process as required by the APRM guidelines.

- GoU needs to ensure that MDAs include required POA actions that fall under their jurisdiction in their 2009/10 annual policy statements and work plans. Programmed Government budget allocations translate into required actions through annual and quarterly work plans of MDAs. The content of work plans is in turn dependent on activities having been identified and resourced in sector BFPs. It is therefore critical that Sector Working Groups are sensitised on the Uganda APRM Country Report in general and the required POA actions under their sectors in particular. Actions that attracted resources for their implementation in FY 2008/09 did so because they were identified and included within the respective sector BFPs and annual work plans.
- There is need to either strengthen or set up new institutional mechanisms to enable Government direct its share of resource to required actions where it shares implementation responsibility with non-state actors. Specific objectives where GoU has shared implementation responsibility with non-state actors account for a very significant share of the cost of implementing the POA (over 45 %). However, without the appropriate institutional mechanisms in place for GoU to fund its share of the cost of implementing these actions, it would be difficult to channel resources for the implementation of actions associated with these specific objectives. It is possible that if these institutions were in place, more resources would have been allocated to the thematic areas where actions requiring joint implementation responsibility dominate.
- In the same vein, there is need to establish mechanisms for non-state actors to access POA funds either from the GoU or from external sources. The current absence of such mechanisms is a major disincentive for the responsible non-state actors that exist to play their part in implementing the POA. Such mechanisms for non-state actors must however, be accompanied by a clear performance monitoring and evaluation framework. This will enable the APRM National Governing Council and the public at large to hold the benefiting non-state actors accountable for the funds they attract in the name of implementing the POA.
- The practical role and responsibility of Local Governments in the realisation of the POA objectives needs to expand beyond the Socio-Economic Development thematic area. This may entail a review of implementing agencies assigned responsibility for required POA action in the thematic areas of Democracy and Political governance, Economic governance and management and Corporate governance. Alternatively, it could involve a review of the GoU Vote Function composition to reflect the valid functions that Local Governments need to be executing in the other POA thematic areas other than those in the Socio-Economic Development.

- Programmed allocations to fundamental POA VFs need to be revised upwards. This is necessary for ensuring that the real value of programmed allocations to fundamental POA is not eroded by the double-digit inflation that has set in as a result of the global economic recession and its effects. While the level of inflation that has been witnessed in Uganda during the course of Y1 of implementation of the POA is projected to decline, it is not clear by how much nor is there certainty about how fast it will happen. It would therefore be prudent to mitigate against these uncertainties by factoring in the effect of inflation when approving allocations to fundamental POA VFs.
- The POA needs to be made an integral part of existing annual and bi-annual sector reviews in order for the urgent actions in it to find entrance into the investment agenda of the respective sectors. Some of the critical POA actions lie outside of the medium term investment plans of the relevant sectors. Considering that sector investment plans are one of the major criteria used for programming resources in the MTEF, it is important for Government to engage sectors on factoring in required POA actions into their investment plans. This will ensure smooth operations when it comes to year-on-year budget allocations and performance monitoring.
- POA progress indicators and the associated data production costs need to be accorded due priority within the financing of sector Management Information Systems. Effective monitoring of implementation progress on the required POA actions requires the identified indicators in the POA matrix to be internalised within the Management Information Systems of the respective sectors. This is important because unless these indicators are part of the sector within the Management Information Systems, it is likely that production of the relevant data on these indicators will not receive the financial resources it needs.

# ANNEXES

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## ANNEX 2 KEY INFORMANTS INTERVIEWED DURING THE REVIEW OF ANNUAL PROGRESS MADE IN IMPLEMENTING THE POA

NAME	ORGANISATION/DESIGNATION
<b>DEMOCRACY AND POLITICAL GOVERNANCE THEMATIC AREA</b>	
Ecweru Musa Francis	- Minister of State for Relief and Disaster Preparedness and Refugees, OPM
Jokkene Walter	- Senior Finance Officer, Uganda Land Commission
Kabanda Naome	- Principal Land Officer, Ministry of Lands, Housing and Urban Development
Khaukha Andrew	- Legal Researcher, Uganda Law Reform Commission
Kigenyi Eunice	- Foreign Services Officer, Ministry of Foreign Affairs
Kyateka F Mondo	- Assistant Commissioner, Youth and Children Department, MGLSD
Nakabugo Bwenvu, Rose	- Commissioner, Disaster Preparedness and Refugees, OPM
Ojja- Andira A	- Assistant Commissioner (Employment), MGLSD
Rwengabo Rutashoboroka	- Election Officer, The Electoral Commission
Savio Katsigaire	- Ag Director Physical Planning and Urban Development, MLHUD
Kyomukama Samuel	- Commissioner of Police Legal Department, Police Headquarters
Adukule Winfred	- Senior Legal Officer , Directorate of Ethics and Integrity
Bafokuzara Angela	- Deputy Director, Ethics and Education, Directorate of Ethics and Integrity
Bidandi Ssali	- National Chairman , People's Progressive Party
Baku Raphael Obudra	- Deputy IGG, Inspectorate of Government
Richard A Ogak-Ojok	- Principal Assistant Secretary, Inspectorate of Government
Mary Theopista Wenene	- Commissioner Public Service Inspection, Ministry of Public Service
<b>ECONOMIC GOVERNANCE AND MANAGEMENT THEMATIC AREA</b>	
Mr. Suubi Kiwanuka	- Public Affairs Officer, Uganda Media Centre

**NAME****ORGANISATION/DESIGNATION**

- |   |  |
|---|--|
| Dr. Terry Kahuma                                    | - Executive Director, Uganda National Bureau of Standards  |
| Mr. Chris Kaija-Kwamya                              | - Deputy Clerk (Ag. Clerk), Parliament of Uganda   |
| Mr. Emorutu-Erongot S<br>Wanambwa Wamatsembe,<br>W. | - Commissioner , Planning, Ministry of Local Government<br>- Institutional Capacity Building Manager, MSCL |
| Nyenje Ronald                                       | - Ag. AC Research and Planning, Corporate Services<br>Department, URA                                      |
| Bafokuzara Angela Mrs.                              | - Deputy Director/ Ethics Education, Directorate for Ethics<br>and Integrity                               |
| Kiiza Lawrence                                      | - Director of Economic Affairs, MFPED.   |
| Nsubuga G.I.L                                       | - Ag. Chief Executive Officer, Uganda Development Bank   |
| Dr. Byekwaso Francis.                               | - Ag. Executive Director, National Agricultural Advisory<br>Services                                       |
| Senkungu Sam  | - Commissioner Industry and Technology, MTTI   |
| Kafeero, Loyce M.N. Mrs.                            | - Ag. Permanent Secretary, Public Service Commission   |
| Mitala  | - Head of Public Service/ Secretary to the Cabinet, Office of<br>the President                             |
| Ajutu Emmanuel                                      | - Head, Sectoral Policy and Planning, MEMD.  |
| Adekule Winnie                                      | - Senior Legal Officer, Directorate of Ethics and Integrity.   |
| Byakagaba Shem                                      | - Director, Judicial Service Commission  |
| Dr Rwendeire Abel                                   | - Vice Chairperson, National Planning Authority  |

**CORPORATE GOVERNANCE THEMATIC AREA**

- |                        |   |
|------------------------|---|
| Agaba, Edgar           | - Executive Director, PPDA  |
| Agaba, Raymond         | - MTTI  |
| Alison Dillon Kibirige | - Chair, Institute of Chartered Secretaries and<br>Administrators (ICSA) Uganda |
| Baguma T. David        | - Executive Director, AMFIU   |
| Bangirana, Bernard     | - Chief Executive Officer, UNCCI  |
| Bisereko Kyomuhendo    | - AG- Registrar General, Uganda Registration Services<br>Bureau                 |
| Byensi, Lawrence       | - Director Investment Facilitation Division, UIA                                |

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<b>NAME</b>	<b>ORGANISATION/DESIGNATION</b>
Dr. Aryamanya-Mugisha, Henry	- Executive Director, NEMA
Dr. Kahuma, Terry	- Executive Director, Uganda National Bureau of Standards
Dr. Ngategize Peter Emmanuel, Sunday Hesse Henri	- National Coordinator, CICS Secretariat
Isingoma Lucille	- PFA-Coordination Unit at the Office of the Vice President
Justice James Ogoola	- FPC
Kasanya, Gerald	- Country Manager Uganda, ACCA
Kasisira Grace	- Hon. Principal Judge, High Court of Uganda
Katto Japheth	- Executive Director, ICPAU
Kayiira Duncan	- Director, Non Banking Financial Institution Department, Bank of Uganda
Khaukha Andrew	- Chief Executive Officer, CMA
Kiiza Enid	- Business Analyst, DCDM Advisory Services Ltd
Luyima Harriet	- Researcher (Legal), Ugandan Law Reform Commission
Lwabi Harriet	- Bank of Uganda
Matovu, Joseph	- Ag Commissioner for Labour and Industrial Relations, MGLSD
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Muyanja Jimmy	- Consultant, ICGU
Nantongo Hadija	- Director Research & Market Development, CMA
Nkalubo-Muwemba, Evelyn	- CADER
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Rutega, Simon	- Executive Director, Enterprise Uganda
Ssebabi, David	- Director Policy and Advocacy, Private Sector Foundation of Uganda
Ssemugooma Godfrey B.	- Chief Executive Officer, Uganda Securities Exchange
	- Director, privatisation Unit/Project Coordination Unit, PERDS
	- Ag. Commissioner Technical and Advisory Services, MFPED

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**SOCIO-ECONOMIC DEVELOPMENT THEMATIC AREA**

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Jokkene Walter - Senior Finance Officer, Uganda Land Commission

Kabanda Naome (Ms.) - Principal Land Officer, MLHUD

Katsigaire Savio - Ag Director Physical Planning and Urban Development, MLHUD

Keizire Boaz Blakie - Manager Agriculture & Natural Resources, NPA

Khaukha Andrew - Legal Researcher, Uganda Law Reform Commission

Kigenyi Eunice - Foreign Services Officer, Ministry of Foreign Affairs

Kiiza Laurence - Director Economic Affairs, MFPED

Kyateka F Mondo - Assistant Commissioner, Youth and Children Department, MGLSD

Mabwejano Maggie (Ms.) - Assistant Commissioner Gender, MGLSD

Mpagi Jane (Mrs.) - Director Gender and Community Development, MGLSD

Nakabugo Bwenvu Rose - Commissioner, Disaster Preparedness and Refugees, OPM

Namirembe Nviri H. (Ms.) - Principle Statistician – Population & Vital Statistics, UBOS

Nyanzi K. Emily (Mrs.) - Economist /TA, MoH

Ojja- Andira A - Assistant Commissioner (Employment), MGLSD

Okudi Robert Bellarmine - Principle Economist, Infrastructure & Social Services Dep't, MFPED

Omoding Eilor Joseph - Principle Economist/Planner, MoES

Oode Obella - Assistant Commissioner Aid Liaison Department, MFPED

Rwendeire Abel (Dr.) - Vice Chair National Planning Authority, NPA

Butegwa Christine (Ms.) - Regional Coordinator- African Programmes, Akina mama Wa Africa

**NAME****ORGANISATION/DESIGNATION**

Ecweru Musa Francis	- Minister of State for Relief, Disaster Preparedness and Refugees, OPM
Jokkene Walter	- Senior Finance Officer, Uganda Land Commission
Kabanda Naome (Ms.)	- Principal Land Officer, MLHUD
Katsigaire Savio	- Ag Director Physical Planning and Urban Development, MLHUD
Keizire Boaz Blakie	- Manager Agriculture & Natural Resources, NPA
Khaukha Andrew	- Legal Researcher, Uganda Law Reform Commission
Kigenyi Eunice	- Foreign Services Officer, Ministry of Foreign Affairs
Kiiza Laurence	- Director Economic Affairs, MFPED
Kyateka F Mondo	- Assistant Commissioner, Youth and Children Department, MGLSD
Mabwejano Maggie (Ms.)	- Assistant Commissioner Gender, MGLSD
Mpagi Jane (Mrs.)	- Director Gender and Community Development, MGLSD
Nakabugo Bwenvu Rose	- Commissioner, Disaster Preparedness and Refugees, OPM
Namirembe Nviri H. (Ms.)	- Principle Statistician – Population & Vital Statistics, UBOS
Nyanzi K. Emily (Mrs.)	- Economist /TA, MoH
Ojja- Andira A	- Assistant Commissioner (Employment), MGLSD
Okudi Robert Bellarmine	- Principle Economist, Infrastructure & Social Services Dep't, MFPED
Omoding Eilor Joseph	- Principle Economist/Planner, MoES



**ANNEX 3 ESTIMATED POA COSTS AS A SHARE OF APPROVED GOU BUDGET ALLOCATIONS TO VOTE FUNCTIONS UNDER THE RESPECTIVE POA OBJECTIVES**

POA Objectives	GoU Allocations to Responsible VFs UGX (Millions)	Estimated POA Cost (1USD=UGX 2051)		Estimated Cost as a Share of VF Allocation
		USD	UGX (Millions)	
Objective 1.0	26,270	312,850	642	2.44%
Objective 1.1	510,650	27,143,103	55,671	10.90%
Objective 1.2	157,897	17,088,153	35,048	22.20%
Objective 1.3	142,887	1,622,896	3,329	2.33%
Objective 1.4	199,900	9,980,397	20,470	10.24%
Objective 1.5	299,453	2,964,495	6,080	2.03%
Objective 1.6	45,420	8,267,161	16,956	37.33%
Objective 1.7	12,390	2,883,705	5,914	47.74%
Objective 1.8	-	35,686,026	73,192	-
Objective 1.9	72,630	1,981,419	4,064	5.60%
<b>Democracy and Political Governance:</b>	<b>1,467,497</b>	<b>107,930,205</b>	<b>221,365</b>	<b>15.08%</b>
Objective 2.0	-	210,153	431	-
Objective 2.1	369,566	327,340,983	671,376	181.67%
Objective 2.2	-	5,063,888	10,386	-
Objective 2.3	191,150	12,254,658	25,134	13.15%
Objective 2.4	25,520	19,865,328	40,744	159.65%
Objective 2.5	42,730	24,771,676	50,807	118.90%

POA Objectives	Responsible VFs UGX (Millions)	Estimated CA 2021 (USD/UGX 2021)		as a Share of VF Allocation
		USD	UGX (Millions)	
Objective 3.0	-	14,297,091	29,323	-
Objective 3.1	181,740	105,685,257	216,760	119.27%
Objective 3.2	24,250	70,796,609	145,204	598.78%
Objective 3.3	56,700	54,531,356	111,844	197.26%
Objective 3.4	47,010	66,801,211	137,009	291.45%
Objective 3.5	-	12,258,371	25,142	-
<b>Corporate Governance:</b>	<b>309,700</b>	<b>324,369,895</b>	<b>665,283</b>	<b>214.82%</b>
Objective 4.0	-	238,023	488	-
Objective 4.1	5,825,180	1,041,514	2,136	0.04%
Objective 4.2	898,420	887,665,006	1,820,601	202.64%
Objective 4.3	4,758,510	1,120,303,565	2,297,743	48.29%
Objective 4.4	416,360	1,405,581,417	2,882,847	692.39%
Objective 4.5	-	618,511,351	1,268,567	-
Objective 4.6	68,300	1,954,912	4,010	5.87%
<b>Social Economic Governance:</b>	<b>11,966,770</b>	<b>4,035,295,788</b>	<b>8,276,392</b>	<b>69.16%</b>
<b>Total Allocation to POA VFs</b>	<b>14,372,934</b>	<b>4,857,102,574</b>	<b>9,961,917</b>	<b>69.31%</b>

**ANNEX 4 FY 2008/09 BUDGET PERFORMANCE AND MEDIAN TERM PROGRAMMED ALLOCATION  
BY POA OBJECTIVES IN NOMINAL TERMS**

POA Objectives	Actual Spending FY 2008/09: Q1-Q3		Programmed Allocations (UGX. Millions)			
	Without Wages	Total	FY 2008/09	FY 2009/10	FY 2010/11	3-Year POA Total
Objective 1.0	26,979	31,282	3,690	10,690	11,890	26,270
Objective 1.1	60,618	120,195	153,990	173,470	183,190	510,650
Objective 1.2	13,148	18,747	22,950	35,660	99,287	157,897
Objective 1.3	56,165	79,708	128,270	7,204	7,413	142,887
Objective 1.4	38,583	61,205	71,190	64,990	63,720	199,900
Objective 1.5	10,683	12,290	101,460	115,830	82,163	299,453
Objective 1.6	523	2,939	16,050	14,220	15,150	45,420
Objective 1.7	2,918	3,636	4,410	3,740	4,240	12,390
Objective 1.8	-	-	-	-	-	-
Objective 1.9	11,053	11,397	17,570	21,650	33,410	72,630
<b>Democracy and Political Governance:</b>	220,669	341,400	519,580	447,454	500,463	1,467,497
Objective 2.0	-	-	-	-	-	-
Objective 2.1	32,422	63,398	77,976	144,930	146,660	369,566
Objective 2.2	-	-	-	-	-	-
Objective 2.3	31,620	37,924	69,500	50,790	70,860	191,150
Objective 2.4	2,497	4,969	6,310	7,310	11,900	25,520
Objective 2.5	11,762	21,637	21,880	10,410	10,440	42,730
<b>Economic Governance and</b>	78,301	127,929	175,667	213,440	239,860	628,967

POA Objectives	Actual Spending FY 2008/09: Q1-Q3		Programmed Allocations (UGX. Millions)			
	Without Wages	Total	FY 2008/09	FY 2009/10	FY 2010/11	3-Year POA Total
Objective 3.0	-	-	-	-	-	-
Objective 3.1	5,157	5,355	92,490	63,780	25,470	181,740
Objective 3.2	2,844	4,604	6,600	7,910	9,740	24,250
Objective 3.3	10,501	11,026	9,060	12,300	35,340	56,700
Objective 3.4	6,359	6,400	10,630	15,770	20,610	47,010
Objective 3.5	-	-	-	-	-	-
<b>Corporate Governance:</b>	<b>24,862</b>	<b>27,385</b>	<b>118,780</b>	<b>99,760</b>	<b>91,160</b>	<b>309,700</b>
Objective 4.0	-	-	-	-	-	-
Objective 4.1	635,543	650,861	1,749,630	1,921,060	2,154,490	5,825,180
Objective 4.2	149,250	159,240	262,200	303,030	333,190	898,420
Objective 4.3	266,126	699,239	1,682,140	1,483,320	1,593,050	4,758,510
Objective 4.4	80,381	81,606	165,490	113,260	137,610	416,360
Objective 4.5	-	-	-	-	-	-
Objective 4.6	11,023	12,918	32,780	17,430	18,090	68,300
<b>Social Economic Governance:</b>	<b>1,142,323</b>	<b>1,603,864</b>	<b>3,892,240</b>	<b>3,838,100</b>	<b>4,236,430</b>	<b>11,966,770</b>
<b>Total Allocation to POA VFs</b>	<b>1,466,156</b>	<b>2,100,578</b>	<b>4,706,267</b>	<b>4,598,754</b>	<b>5,067,913</b>	<b>14,372,934</b>

**ANNEX 5 FY 2008/09 BUDGET PERFORMANCE AND MEDIUM TERM PROGRAMMED ALLOCATION BY POA OBJECTIVES AS A SHARE OF ANNUAL ALLOCATIONS**

POA Objectives	Actual Spending FY 2008/09: Q1-Q3		Programmed Allocations			
	Without Wages	Total	FY 2008/09	FY 2009/10	FY 2010/11	3-Year POA Total
Objective 1.0	1.8%	1.5%	0.1%	0.2%	0.2%	0.2%
Objective 1.1	4.1%	5.7%	3.3%	3.8%	3.6%	3.6%
Objective 1.2	0.9%	0.9%	0.5%	0.8%	2.0%	1.1%
Objective 1.3	3.8%	3.8%	2.7%	0.2%	0.1%	1.0%
Objective 1.4	2.6%	2.9%	1.5%	1.4%	1.3%	1.4%
Objective 1.5	0.7%	0.6%	2.2%	2.5%	1.6%	2.1%
Objective 1.6	0.0%	0.1%	0.3%	0.3%	0.3%	0.3%
Objective 1.7	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Objective 1.8	-	-	-	-	-	-
Objective 1.9	0.8%	0.5%	0.4%	0.5%	0.7%	0.5%
<b>Democracy and Political Governance:</b>	<b>15.1%</b>	<b>16.3%</b>	<b>11.0%</b>	<b>9.7%</b>	<b>9.9%</b>	<b>10.2%</b>
Objective 2.0	-	-	-	-	-	-
Objective 2.1	2.2%	3.0%	1.7%	3.2%	2.9%	2.6%
Objective 2.2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Objective 2.3	2.2%	1.8%	1.5%	1.1%	1.4%	1.3%
Objective 2.4	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%
Objective 2.5	0.8%	1.0%	0.5%	0.2%	0.2%	0.3%
<b>Economic</b>						



**ANNEX 3 – FY 2008/09 BUDGETARY CHANGES AND MEDIUM TERM PROGRAMMED ALLOCATION FOR DECENTRALISED POA VOTE FUNCTIONS BY POA OBJECTIVES IN NOMINAL TERMS**

POA Objectives	Actual Spending FY 2008/09: Q1-Q3		Programmed Allocations (UGX, Millions)			
	Without Wages	Total	FY 2008/09	FY 2009/10	FY 2010/11	3-Year POA Total
Objective 1.0	-	-	-	-	-	-
Objective 1.1	-	-	-	-	-	-
Objective 1.2	-	-	-	-	-	-
Objective 1.3	-	-	-	-	-	-
Objective 1.4	-	-	-	-	-	-
Objective 1.5	-	-	-	-	-	-
Objective 1.6	-	-	-	<b>1,110</b>	<b>1,110</b>	<b>2,220</b>
Objective 1.7	-	-	-	-	-	-
Objective 1.8	-	-	-	-	-	-
Objective 1.9	-	-	-	-	-	-
<b>Democracy and Political Governance:</b>	-	-	-	<b>1,110</b>	<b>1,110</b>	<b>2,220</b>
Objective 2.0	-	-	-	-	-	-
Objective 2.1	-	-	-	-	-	-
Objective 2.2	-	-	-	-	-	-
Objective 2.3	-	-	-	-	-	-
Objective 2.4	-	-	-	-	-	-
Objective 2.5	-	-	-	-	-	-
<b>Economic Governane &amp; Management:</b>	-	-	-	-	-	-

POA Objectives	Actual Spending FY 2008/09: Q1-Q3		Programmed Allocations (UGX, Millions)			
	Without Wages	Total	FY 2008/09	FY 2009/10	FY 2010/11	3-Year POA Total
Objective 3.0	-	-	-	-	-	-
Objective 3.1	-	-	-	-	-	-
Objective 3.2	-	-	-	-	-	-
Objective 3.3	-	-	-	-	-	-
Objective 3.4	-	-	-	-	-	-
Objective 3.5	-	-	-	-	-	-
<b>Corporate Governance:</b>	-	-	-	-	-	-
Objective 4.0	-	-	-	-	-	-
Objective 4.1	162,428	162,428	300,570	345,960	411,240	1,057,770
Objective 4.2	74,023	81,698	94,690	130,290	130,500	355,480
Objective 4.3	64,683	464,660	574,620	710,690	747,360	2,032,670
Objective 4.4	33,273	33,273	46,590	46,940	46,940	140,470
Objective 4.5	-	-	-	-	-	-
Objective 4.6	2,976	3,363	4,680	5,080	5,120	14,880
<b>Socio-Economic Development:</b>	<b>337,384</b>	<b>745,422</b>	<b>1,021,150</b>	<b>1,238,960</b>	<b>1,341,160</b>	<b>3,601,270</b>
<b>Total Allocation to POA VFs</b>	<b>337,384</b>	<b>745,422</b>	<b>1,021,150</b>	<b>1,240,070</b>	<b>1,342,270</b>	<b>3,603,490</b>







Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Principles, Codes and Standards</b>									
Sign, ratify, accede to, domesticate and popularise democratic principles, codes and standards.	Identification of relevant codes & standards Determine stages of each code/standard Domesticate the relevant codes and standards Develop time frame Create awareness and popularise codes/ standards Implement the remaining codes/ standards	Codes and standards signed, ratified, domesticated, popularised and implemented	Number of codes and standards Signed, ratified, domesticated, popularised and implemented	Ministry of Foreign Affairs All relevant Ministries Ministry of Justice and Constitutional Affairs Uganda Human Rights Commission	3 year				Signing, ratification and domestication is ongoing The Ratification of Treaties Act Cap. 207 spelt out the mechanisms for domestication.
Identify African values to be codified by the African Union	Undertake a study to identify African values to be codified by the African Union	Convention on African values drafted and submitted	Draft convention submitted to the African Union summit	Ministry of Foreign Affairs All relevant Ministries Ministry of Justice and Constitutional Affairs Ministry of ethics and Integrity Ministry of Gender Labour and Social Development Uganda Human Rights Commission	3 year				The Directorate of Ethics and Integrity has drafted National Values Policy, which will soon be presented to the cabinet.
Strengthen the capacity of the Department of Multilateral Organisations and Treaties of MoFA as the lead agency.	Review and update the inventory of all the standards and codes that the country has signed, ratified and/or domesticated.	Accessible inventory of all standards and codes reviewed and updated	Functional Inventory reviewed and updated	Ministry of Foreign Affairs Ministry of Justice and Constitutional Affairs. Law Reform Commission	1 year				The Ministry of Foreign Affairs presented to the Parliament a compendium of all protocols and treaties signed, ratified, acceded and succeeded. The Ministry of Foreign Affairs has also written a proposal to UNDP for funding to set up a depository for the codes, standards the country has signed, rectified and domesticated.
	Set up an inter-ministerial committee to work with the lead agency	Effective inter-ministerial committee in place	Inter-ministerial committee set up and facilitated.	Ministry of Foreign Affairs Ministry of Justice and Constitutional Affairs.	1 year				Inter-ministerial committee has not been set up.

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
	Awareness creation within the relevant ministries	Focal point Officers in all relevant ministries designated	Number of focal point Officers in each relevant ministry designated and sensitised	Ministry of Foreign Affairs Ministry of Justice and Constitutional Affairs. Law Reform Commission	1 year				Update available not available
	Upgrade the Division of Legal Affairs in MoFA to department level; recruit and train staff  Dialogue with MoPs	Legal Affairs department established in MoFA  Staff recruited and trained	Legal Affairs Department formed.	Ministry of public Service Ministry of Foreign Affairs Ministry of Finance and Economic Development	1 year				The MoPS received of the MoFA and created a legal division.
	Recruit Desk Officers in the relevant ministries to liaise with the lead agency	Desk Officers in the relevant ministries recruited and trained	Appropriate staff recruited and existing staff trained	Ministry of public Service Ministry of Foreign Affairs Ministry of Finance and Economic Development	1 year				MoFA has embarked with the process of recruitment to fill up the positions identified in the division.
GoU fulfils its reporting requirements and inform the international supervisory authorities and local stakeholders of progress made in domesticating and implementing international conventions, standards and codes.	Implementation of the 7 major instruments identified in the CSAR.	Reports prepared on time and submitted	Number of instruments domesticated and implemented	Ministry of Foreign Affairs Ministry of Justice and Constitutional Affairs. Law Reform Commission Ministry of Finance and Economic Development Uganda Human Rights Commission	3 years				No progress was made to implement the 7 major instruments identified in the CSAR.
	Identify international conventions that need to be reflected in national legislation and pass the relevant Acts (domestication)	International conventions reflected in national laws	Number of Acts of international conventions identified and reflected in national laws	Ministry of Foreign Affairs Ministry of Justice and Constitutional Affairs. Law Reform Commission Uganda Human Rights Commission	3 years				International Conventions are gradually being domesticated in the National Legislation. e.g. the ruling on Kigula Susan case by the constitutional court.
	Passing of the enabling laws by Parliament	Enabling Laws enacted	Number of enabling laws passed	Ministry of Justice and Constitutional Affairs. Law Reform Commission Ministry of Foreign Affairs	3 years				Updates not available

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Objective 1: Prevention and Reduction of Intra and Interstate Conflict</b>									
Ensure that the on-going efforts towards land reform through amendment of the 1998 Land Act are geared towards, among other things, amicable resolution of land disputes and conflicts.	Review and amend the 1998 Land Act	1998 Land Act amended	1998 Land Act amended	Minister of Lands, Housing and Urban Development, Law Reform Commission, Parliament Cabinet	1 year				The process of revision and amendment of the 1998 Land Act amended is ongoing
	Consultations with all stakeholders countrywide through workshops, seminars, public hearings, to support the review process	Consensus reached among stakeholders	Number of seminars held Number of districts covered Stakeholder participation in the consultations	Ministry of Land and Housing MoLGs CSOs, Religious institutions, cultural institutions, Land Alliance	1 year				Selective consultations have been done 4 sections of the land bill on eviction have been amended. 12 regional workshops have been conducted. All the 80 districts have been covered. Participation was limited to RDCs, LCs, Technocrats, Religious and Cultural Leaders and special interest groups.
	Awareness creation through media and publicity materials	Increased awareness on the contents of awareness	Number of publications translated in major linguistic groups	Information and National Guidance	3 years				20 media supplements have been planned for FY 2009/10
Government to provide adequate resources for the establishment of the Land fund and for the Land Tribunals to ensure that they are able to execute their	Provide adequate funding for implementation of the Land Fund and operationalisation of the Land Tribunals operational	Land Fund established and Land Tribunals made operational	Adequate resources to support the implementation of the land fund and land tribunals Number of land disputes handled	Ministry of Finance, Planning & Economic Development Ministry of Lands Judiciary MoLG	3 years				Land Fund has been established and being experimented in Kibaale and UGX 3 billion was allocated in FY 2009/10. Land tribunals are not yet operational.

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Ensure full implementation of the Peace, Recovery and Development Plan (PRDP) of Northern Uganda over the next three years	Mobilise funds for implementing the PRDP	PRDP programmes successfully implemented	Number of PRDP programmes successfully implemented	All Sectors Cultural and Religious Institutions  CSOs LGs	3 year				Government shall contribute 30percent of the Ushs.1.1 Trillion PRDP budget and remaining 70percent will be provided by the donor community. UGX 100 billion has been allocated in FY 2009/10.
	Build & strengthen capacity of the Prime Minister's Office and Local Governments to ensure effective coordination of all relevant institutions in the implementation of PRDP.	PRDP programmes effectively monitored and implemented	Number of PRDP programmes successfully implemented Number of staff recruited A PRDP coordination unit in place with adequate staff	OPM, Min. of Local Government, Parliament, All relevant Ministries	3 years				The PRDP coordination unit is in place with a skeleton staff
Ensure full implementation of the Karamoja Integrated Disarmament and Development Programme (KIDDP)	Mobilise funds for implementing the KIDDP Build & strengthen capacity of the Prime Minister's Office and Local Governments to ensure effective coordination of all relevant institutions in the implementation of KIDDP		Number of KIDDP programmes successfully implemented	OPM	3 years				The Minister of State for Karamoja Affairs requested for supplementary budget to fund KIDDP
Ensure that in the process of resolving the armed conflict and post-conflict reconstruction and development programmes, specific interests and human rights of vulnerable groups are protected.	Complete the development of the National Policy on Peaceful Conflict Resolution	National Policy on Peaceful Conflict Resolution formulated and implemented	Policy developed	OPM, Minister of Defence	1 year				The National Policy on Peaceful Conflict Resolution is not in place. However, there is an issue paper to kick start the process.

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
	Set up a National Truth and Reconciliation Commission	National Truth and Reconciliation Commission set up and fully operationalised  Justice dispensed and the perpetrators of crime identified and held accountable	Commission established	Ministry of Justice and Constitutional Affairs, Law Reform Commission, UHRC Parliament, Cabinet	2 year				No information about the set up of the National Truth and Reconciliation Commission
	Set up a monitoring mechanism that involves Civil Society for the implementation of PRDP	Mechanism that involves Civil Society for the implementation of PRDP set up Participation of civil society in the implementation of PRDP	Mechanism established	OPM	1 year				Mechanism established and PRDP monitoring committee has been set up
Support local initiatives aimed at institutionalising alternative justice system	Enact a law that integrates traditional judicial mechanisms in the existing justice system	Integration of the traditional judicial mechanisms into the existing justice systems	Appropriate law in place	Ministry of Justice and Constitutional Affairs, Ministry of Local Government, Commission, traditional leadership institutions , Law Reform Commission	2 year				Studies undertaken by JLOS on traditional Judicial Mechanisms has commenced
	Establish a court system to operationalise the above law		Number of cases resolved through the informal mechanism of resolving conflicts	JLOS	2 year				The results of the studies will inform the establishment of the court system and its operation.
Ensure that the process of resolving interstate conflict and post conflict management		Consolidated peace in the region	Work plans in place Number of commitment fulfilled Funds mobilised	MoFA International conference of the Great Lakes Regional bodies	3 years				Updates not available

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Intensify current efforts aimed at promoting inclusiveness, redressing marginalization and managing diversity	Establish and operationalise the Equal Opportunities Commission	Equal Opportunities Commission established and made operational	Equal Opportunities Commission established and fully funded Regular reports from the Equal Opportunities Commission	Ministry of Gender, Labour and Social Development, Ministry of Local Government EOC	3 years				Equal opportunities commission has been established and the commissioners have been identified awaiting appointment by the president
	Carry out sensitisation of Public on the work of Equal Opportunities Commission	Increased public awareness of the work and mandate of the Equal Opportunities Commission	Number of people sensitised	Ministry of Gender, Labour and Social Development, Ministry of Local Government EOC	3 years				Sensitisation is pending the appointment of the Equal Opportunities Commission
<b>Total</b>						<b>153,990</b>	<b>173,470</b>	<b>183,190</b>	

**Objective 2: Constitutional Democracy Including Periodic Competition and Opportunity for Choice, Rule of Law, Citizens' Rights and Supremacy of the Constitution**

Establish a national code of ethics and values as a basis for developing standards of integrity and ethical behaviour in all public and professional services	Establish a national code of ethics and values as a basis for developing standards of integrity and ethical behaviour in all public and professional services	Ethics and integrity values codified and promoted	Number of copies of the National Code of Ethics produced and distributed	Directorate of Ethics and Integrity	3 years				National Values Draft report is in place. 7 regional consultations have been conducted. Validation exercise is ongoing The report will be presented to the cabinet by June
	Establish a national code of ethics and values as a basis for developing standards of integrity and ethical behaviour in all public and professional services	Codify ethics and integrity values and their promotion through national consultation.	Number of copies of the National Code of Ethics produced and distributed	Directorate of Ethics and Integrity, Parliament	2 years				Planned for the next financial year
	Finalise and operationalise the National Code of Ethics and Conduct (Cabinet and Parliament)	National Code of Ethics and Conduct finalised and operationalised	Number of copies of the National Code of Ethics produced and distributed						National Values Policy is expected to be presented to the Cabinet in June, 2009



Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
	Popularisation through sensitisation and publicity	Increased public awareness on the National Code of Ethics and Conduct	Number of copies of the National Code of Ethics produced and distributed	Directorate of Ethics and Integrity, All Ministries	3 years				Planned for the next financial year
	Integration into the school curricula	National Code of Ethics and Conduct integrated into school curricula	Number of copies of the National Code of Ethics produced and distributed	Ministry of Education and Sports, Directorate of Ethics and Integrity	3 years				National values implemented in primary 1-3 school curriculum. Centra for Curriculum Development, Ministry of Education and Sports, Directorate of Ethics and Integrity is in the process of developing curriculum for primary 4-7.
Review the existing laws regarding press freedom and their implementation	Consultations/ Workshops with key stakeholders  Amend the laws on press freedom	Media responsive laws enacted and implemented	Number of seminars/workshops  Number of Amended media laws in place	Ministry of Justice and Constitutional Affairs, Law Reform Commission, Directorate of Information, Media, Media Council, CSOs, Parliament and Cabinet	3 years				Follow up for updates from the Media Council
Review curricula content of media training institutions and programmes to ensure professionalism	Review and develop a new curricula; Consultations with key stakeholders	Curricula content of media training institutions and programmes revised	Reviewed Curricula in place	Ministry of Justice and Constitutional Affairs, Law Reform Commission, Directorate of Information, Media, Media Council, CSOs	3 years				It is the responsibility of the training institutions and the National council for Higher Education to constantly update their curriculum.
Review the Constitutional amendment that removed the two-term limit for the Office of the President	Initiate national consultations to generate consensus (sensitisation workshops)	Review the Constitutional Amendment on term limits with the view of reinstating it (or not)	Consultations conducted and consensus secured. As in stated under the land Bill	Parliament and Cabinet	2 years				Updates not available
Enhance the credibility of the electoral process and legitimacy of electoral outcomes	Training Electoral Officials	Improved capacity of Electoral Commission	Number of officials trained  Existence of training curricular	Ministry of Justice and Constitutional Affairs, Electoral Commission, CSOs, Law Reform Commission, UHRC	2 years				Updates not available from EC
	Develop a comprehensive Civic education programme	Civic education	A comprehensive civic education programme in place	UHRC	2 years				A comprehensive Civic education programme was developed but not implement due to lack of funds
	Increase funding of the Electoral Commission and	An effective Commission	Adequate funding	MFPED Cabinet and Parliament	1 year				Additional UGX billion has been allocated for the FY 2009/10

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Review the current First-Past-The-Post electoral model with a view to injecting the element of proportionality.	To carry out a consultative review process to review the current First-Past-The-Post electoral model.	An assessment report and implementation of output	Consultations conducted and findings implemented.	Ministry of Justice and Constitutional Affairs, Electoral Commission, civil society organisations, Law Reform Commission Cabinet Parliament	2 years				Updates not available
Enact a Code of Conduct for Political Parties in a participatory manner and formalise the National Consultative Forum.	Develop a code of conduct for political parties	Code of Conduct for Political Parties	Code of Conduct for Political Parties enacted	Ministry of Justice and Constitutional Affairs, Electoral Commission	1 year				Draft code of conduct is in place. However, it has not been passed by the Parliament.
	Finalisation and operationalisation of the National Consultative Forum		Forum launched	Parliament, EC	1 year				Inter party liaison forum has been formed
Review the representation of the special interests especially the army in a multi-party Parliament.	Conduct national consultations	Review report Recommendation of findings	Consultations held and % coverage in districts	Parliament Cabinet	1 year				No updates available
Ensure that laws related to the right of assembly conform with the bill of rights	Repeal Statutory Instrument number 32 of the Police Act	Statutory Instrument No. 32 of the Police Act repealed	Statutory Instrument No. 32 of the Police Act repealed	Ministry of Internal Affairs, Parliament, Cabinet	1 year				Statutory Instrument No. 32 of the Police Act is not yet repealed. The Legal Department of the police and the Ministry of Internal Affairs are in the process of reviewing the statutory instrument to be presented to the Parliament for its second reading.
Review the current system of appointing the Electoral Commissioners based on the pattern of appointing Judiciary	Put in a place a nominating body Consultations on the process of appointing electoral commissioners	An amended Electoral Commission Act and other related laws.	Electoral Commission Act and other related laws and regulations amended Nomination mechanisms in place	Ministry of Justice and Constitutional Affairs, Political Parties, Electoral Commission, Directorate of Ethics and Integrity	1 year				No updates available

Specific Objectives In POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Objective 3: Promote and Protect Economic, Social and Cultural Rights and Civil and Political Rights as Enshrined In Africa, And other International Human Rights Instruments</b>									
Review current institutional mechanisms that promote and provide for the interests and welfare of vulnerable groups.	Conduct a study and implement protective programmes	Study on protective programme for venerable groups conducted	Study conducted and implemented	Ministry of Gender, Labour and Social Development, CSOs, Parliament	3 years				Studies has commenced
Provide adequate resources and build the requisite capacity of the human rights institutions	Recruit ,train and equip the Uganda Human Rigbts Commission (UHRC) staff  Increased funding of the UHRC	Human resource recruited and trained	Number of people recruited and trained  Number of special programmes introduced Amount of resources allocated to human rights institutions	Ministry of Finance, Planning and Economic Development,  UHRC, Public Service	3 years				Follow up from UHRC on a later date
Enact the Domestic Relations Bill and Sexual Offences Bill into an enforceable law	Lobbying,  Support the redrafting of the bill	Domestic Relations Bill and Sexual Offences Bill enacted	Domestic Relations Bill and Sexual Offences Bill enacted and enforced.  Reduced level of violence	MoJCA Parliament	1 year				It is split into two i.e. The draft marriage and divorce bill and Muslim administration personal law which is being drafted. The sexual offences bill has been incorporated in the marriage divorce bill The panel code has been amendment catered for the sexual aggravated rape The issue of the marital rape is still being discussed
Review land laws which contain clauses which limit the constitutional rights of citizens	Identify clauses in laws which limits the rights of citizens	Reviewed land laws and other legislation without clauses that limit citizens rights	Number of land laws reviewed	The Ministry of Justice and Constitutional Affairs; The law Reform Commission, Ministry of Lands	1 year				Updates not available

Scheme Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Objective 4: Uphold the Separation of Powers, Including the Protection of the Independence of the Judiciary and of an Effective Legislature</b>									
Strengthen the capacity of Parliament to exercise its oversight function over the Executive within a multiparty dispensation.	<p>Increase funding and resourcing of Parliamentary Committees</p> <p>Set up mechanisms to ensure that Committee's recommendations are implemented</p> <p>Create awareness on and publicise Parliamentary reports</p> <p>Training MPs and staff (study tours)/ Parliament</p> <p>Recruitment of staff</p> <p>Upgrade existing Library</p> <p>Recruit specialised Researchers (research facilities) Equipment</p>	<p>Increased funding for accountability committees</p> <p>Effective implantation mechanisms set up</p> <p>Increased awareness and distribution of reports</p> <p>Adequate staff support</p> <p>Adequate sources of information</p> <p>Parliament's oversight function strengthened to support the multi party dispensation</p>	% increase of budget to Parliament	Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development, Parliament, Judiciary, Cabinet	3 years				<p>Resources for the Parliament have increased.</p> <p>No updates available on the implementation of Committee's recommendation</p> <p>Parliamentary reports have not been published</p> <p>The training for MPs and staff is ongoing</p> <p>Staff recruitment is ongoing</p> <p>The existing library has been upgrade</p> <p>Specialised researchers have been recruited</p>
Ensure the independence of the Judiciary by eliminating undue political influence and providing the courts of judicature with requisite resources for the Judiciary to effectively execute its mandate	<p>Increased budget of the Judiciary</p> <p>Civic education on the Rule of Law through awareness creation</p> <p>Create a mechanism for periodical consultations between the three arms of government</p>	<p>Assured source of the budget</p> <p>Rule of law, practices widely understood and appreciated</p> <p>Periodic consultations between the three arms of government take place</p> <p>Improved independence of the Judiciary in relation to the</p>	Reduced occurrence of conflicts and confrontation between Judiciary and Executive and Parliament	Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development, Parliament, Judiciary, Cabinet	3 years				No updates available

Specific Objectives In POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Reduce the overwhelming donor dependence of the Judiciary as it has implications for Judicial independence and national sovereignty	Increase budget of the Judiciary under the MTEF	Budget allocation to the judiciary increased  Increased government direct funding of the Judiciary	Increased proportional funding from government	Ministry of Finance, Planning and Economic Development, Ministry of Justice and Constitutional Affairs, Judiciary	3 years				No updates available
As a matter of urgency, provide adequate financial resources for building the Supreme Court, which is a national edifice. Every effort must be made to ensure that the financing of the building is from domestic resources and not foreign aid	Construction of the Supreme Court (Purchase of Land Construction Costs Equipment Staffing)	Supreme court housed in its own buildings  New Supreme Court opened and operational	Supreme Court constructed	Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development, Parliament, Judiciary, Cabinet	3 years				Land has been identified to build the Supreme Court.
<b>Total</b>						<b>71,190</b>	<b>64,990</b>	<b>63,720</b>	

**Objective 5: Ensure Accountable, Efficient and Effective Public Office Holders and Public Servants**

Promote efficient and effectiveness of the Public Sector	Launch a study to review the Public Service (identify redundant institutions, identify duplications, relevant laws that need to be amended, gaps, manpower training, ICT, salary structures)	Public Service Institutions rationalised	Study done	Ministry of Public Service; Public Service Commission	3 year				A study has been done. Copy of the study report has not yet been obtained for details
	Support Ministry of Public Service in the implementation of recommendations of the study and the Public Service Review Programme	Ministry of Public Service capacity increased  Public service streamlined to effectively discharge its duties (efficient delivery)	Implementation of the recommended programmes	Ministry of Public Service; Public Service Commission	3 year				Implementation has commenced

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Adopt an integrated approach to the implementation of the third phase of the PSRP	<p>Strengthen the coordination structure within the Ministry of Public Service for implementation of PSRP (staffing, equipment, vehicles, Training manpower to effectively monitor and coordinate implementation of PSRP</p> <p>Create a mechanism for periodical consultations between Ministry of Public Service and other relevant Ministries and Local Governments</p>	<p>Periodic consultation between public service and relevant ministries and Local Government</p> <p>A coordination mechanism in place and capacity built for implementation, monitoring and evaluation of PSRP programmes</p>	<p>Human Resource trained and equipped</p> <p>Periodic consultation undertaken</p>	Ministry of Public Service; Public Service Commission	3 year				Ongoing
Evaluate the effectiveness of Local Government structures and strengthen the capacity of sub-counties for better service delivery	<p>Undertake the evaluation of Local Government structures to assess effectiveness</p> <p>Train District Councillors and Technical staff</p> <p>Equip Local Government with ICT</p>	<p>Local Government structures rationalised and streamlined</p> <p>Councillors and technical staff trained</p> <p>Local Governments equipped with ICT</p>	<p>New Pay Policy developed and implemented</p> <p>Reviewed pension</p>	<p>Ministry of Public Service; Ministry of Finance, Planning and Economic Development</p> <p>MGLSD MFPED</p>	2 years				Ongoing
Review the salary structure, incentives and sanction schemes of the public sector in order to build a professional cadre of public servants	<p>Develop and implement the new pay policy</p> <p>Review the pension legislation and existing pension structures</p> <p>Implement the Integrated Personnel and Payroll System</p>	<p>A new pay policy developed and implemented</p> <p>Pension legislation and existing pension structures reviewed</p> <p>IPPS implemented</p>	<p>New Pay Policy developed and implemented</p> <p>Reviewed pension legislation and existing pension structures</p> <p>Integrated Personnel and Payroll System (IPPS) implemented</p>	<p>Ministry of Public Service; Ministry of Finance, Planning and Economic Development</p> <p>MGLSD MFPED</p> <p>Public Service MFPED</p>	2 years				Draft pay policy has been developed pending further scrutiny before approval and implementation

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Objective 6: Fight Corruption</b>									
Harmonise all the laws, policies and institutions established to fight against corruption within and outside Government with a view to ensuring coordination, collaboration and consultations among them	Support the inter-Agency Forum against Corruption (DPP, CID, Auditor general, Inspectorate, PPDA) Through training, equipping, facilitation/ funding, transport, allowances for meetings	Increase effectiveness of inter Agency Forum in the fight against corruption  Reduce the levels of corruption	Periodic reports of the Inter Agency Forum	Directorate of Ethics and Integrity  Ministry of Justice and Constitutional Affairs  Inspector General of Government MFPED	3 year				Inter Agency Forum meetings are ongoing.
	Support the process of originating new legislation on witness protection and proceeds of crime	Increased enforcement of measures against corruption	Bills drafted	Directorate of Ethics and Integrity  Ministry of Justice and Constitutional Affairs  Inspector General of Government MFPED	3 year				Ongoing
	Enact and implement the Anti Corruption Act 2008. Popularise the act through sensitisation (printing copies, translation in 5 major languages, simplification)	Anti-Corruption Act 2008 enacted and implemented	Anti Corruption Act 2008 enacted and implemented	Directorate of Ethics and Integrity  Ministry of Justice and Constitutional Affairs  Inspector General of Government MFPED	3 year				Anti corruption bill has been passed by the Parliament in the second reading May 2009 and it is awaiting presidential assent
	Enact and implement the Whistleblowers Act. Popularise the act through sensitisation (printing copies, translation in 5 major languages, simplification)		Whistleblowers Act enacted and implemented	Directorate of Ethics and Integrity  Ministry of Justice and Constitutional Affairs  Inspector General of Government MFPED	3 year				Whistleblowers bill is before the Parliament for its first reading.

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Enhance the institutional capacity of the IGG (and other relevant anti corruption institutions) to effectively execute its mandate	<p>Training and equipping the Leadership Code Unit Manpower</p> <p>Introduce incentives and rewards mechanisms</p> <p>Increased funding of the IGG</p>	<p>Increased successful prosecutions</p> <p>Reduced number of instances of corruption</p> <p>Lost assets and money recovered</p>	<p>Number of culprits prosecuted percent of reported cases successfully prosecuted Reduced instances of corruption</p> <p>Amount of assets recovered from convicted corrupt</p>	Directorate of Ethics and Integrity; Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development, Parliament, the Judiciary	3 years				<p>There is serious capacity gaps in the IGG.</p> <p>Incentives and rewards mechanisms has not been introduced</p> <p>No information about funding</p>
Enforce compliance with the Leadership Code of Conduct	Training and equipping the Leadership Code Directorate under the IGG	Increase in the declaration of wealth by leaders	Number of leaders declaring their wealth percent of reported cases of culprits brought to book	Directorate of Ethics and Integrity; Inspectorate-General of Government, Anti-Corruption Coalition of Uganda, Centre for Corporate Governance	3 years				<p>No information available on training and equipment of the Leadership Code Directorate of the IGG</p> <p>Enforcement is ongoing e.g Ken Lukyamuzi case is still in the constitutional court.</p>
Develop guidelines governing disbursement and appropriate use of the Constituency Development Fund (CDF)	Review procedures of disbursement of CDF	New procedures for disbursement of CDF developed and implemented	Clear procedures for disbursement of CDF	Parliament, civil society organisations	1 year				There is no procedure in place. However, the Parliament is discussing the modalities for effective utilisation of the fund.
	Establish a monitoring mechanism on utilisation of the CDF	CDF utilisation effectively monitored		Ministry of Finance, Planning and Economic Development	3 year				Updates not available



Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
<b>Objective 7: Promotion of the Rights of Women and Mainstreaming Gender Equality</b>									
Reform laws which promote gender equity such as the Land Act, Registration of Title Act, Micro Deposit Taking Institutions Act, as well as Mortgage Act.	Review the laws and remove discriminatory clauses by the Law Reform Commission; through national consultations	Laws without discriminatory clauses repealed	Number of laws reviewed and reformed	Ministry of Justice and Constitutional Affairs, Law Reform Commission; Parliament, JLOS	3 years				Revision of the laws to address discriminatory clauses by the Law Reform Commission is ongoing activity
Embark on institutional capacity building to ensure that increased participation of women in central and local government is balanced with qualitative changes of institutions to guarantee that women are adequately empowered to promote and protect their rights	Build capacity of women representatives to perform their roles such as lobbying, training, networking, awareness creation/ sensitisation	Improved welfare and status of women in society	Increased effective participation of women in decision making bodies	Ministry of Gender and Social Development	3 years				capacity building programmes for women representatives is ongoing activity
Enhance the implementation of the policy of affirmative action especially regarding the girl child	Make UPE and USE compulsory	UPE and USE made compulsory and enrolment enforced	Reduction in dropout rates for girl child	Ministry of Education Sports Ministry of Local Government	3 year				UPE is compulsory and USE not yet compulsory
	Popularise Public University affirmative action	Public University affirmative action popularised through civic education	Number of girls participating in government programme	Ministry of Education Sports Ministry of Local Government MFPED	3 year				Information is available in public universities.

Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Step up the capacity of Gender Focal Points in Sectoral Ministries with a view to mainstream gender in plans and the national budget	Training Focal Point persons in the 18 planning sectors and all Local Governments as well as monitoring	Gender Focal Point persons adequately facilitated (gender desegregated budgeting)	Facilitation of Gender Focal Points	Ministry of Gender and Social Development	3 year				Gender Focal persons are in place and facilitated
<b>Total</b>						<b>4,410</b>	<b>3,740</b>	<b>4,240</b>	

**Objective 8: Promotion of the Rights of the Children and Youth**

Develop a policy and strategy to address youth under- and unemployment.	Develop employment policy of the youth; National and Regional Consultations Establish excellent talent centres in 5 regions; rehabilitate centres (Mukono is operational but needs funding for management and staff recruitment, Moroto needs reconstruction UGX459m Mubuku needs renovation UGX150m, Masindi and Apac	Youth employment policy developed and implemented Excellent Talent Centres in the 5 regions established and existing ones rehabilitated Increased job creation and youth employment	Number of youth employed Number of youth participating in decision making Number of youth self-help support projects established	Ministry of Gender, Labour and Social Development	1 year				There is draft National Action Strategy Plan for youth employment supported by ILO  One youth centre is operational (Mukono)
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Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Integrate rights of children in existing post-conflict reconstruction and development programmes such as food, health, shelter and education	<p>Continued support of UPE and USE; increase enrolment, reduce dropout rate and improve on the quality</p> <p>Sensitisation and popularisation of the Children Act</p> <p>Train Child Protection Officers</p> <p>Rehabilitation of the children institutions</p> <p>Train Child Protection Committees at parish levels</p> <p>Train Committee Secretaries for children affairs at village level (bicycles)</p> <p>Monitor and provide technical advice by the ministries Advocacy; publicity materials</p>	Special needs of children and youth in conflict and post conflict and peace building situations determined and solutions implemented Needs are mainstreamed in reconstruction and development programmes	Improve welfare of children and youth in conflict and peace building	Ministry of Gender, Labour and Social Development	3 years				Studies has commenced
Build and strengthen institutions that promote and protect children's rights as part of a civic education programme	Study to identify the capacity needs of the existing institutions	<p>Capacity of relevant institution strengthened</p> <p>Adequately informed citizenry and leaders about the legal provisions protecting the rights of children</p>	Study conducted and findings implemented	<p>Ministry of Gender, Labour and Social Development</p> <p>Uganda Human Rights Commission</p> <p>Ministry of Internal Affairs</p> <p>Police Juvenile Section</p>	1 year				<p>There is no research done on the capacity needs of the existing institutions to promote and protect children's rights.</p> <p>There is national child participation guide for Uganda in place which is widely disseminated</p>

Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
	Training and equipping the relevant institutions	Institutions trained and equipped		Ministry of Gender, Labour and Social Development  Uganda Human Rights Commission  Ministry of Internal Affairs  Police Juvenile Section	3 year				Updates not available
	Sensitisation about rights and obligations under the law through civic education			Ministry of Gender, Labour and Social Development  Uganda Human Rights Commission  Ministry of Internal Affairs  Police Juvenile Section	3 year				Sensitisation programme has commenced
<b>Total</b>						<b>17,570</b>	<b>21,650</b>	<b>33,410</b>	

**Objective 9: Promotion of the Vulnerable Groups Including Refugees, IDPS and Elderly**

Develop a policy and strategy to address PWDs under- and unemployment	Conduct a study to identify key interventions of addressing PWDs' under—and unemployment.  Consultations/ Workshops with key stakeholders	Policy and strategy to address PWDs under and unemployment established and implemented  Increased number of vulnerable groups participating in decision making  Increased number of schemes for vulnerable groups set up	Study conducted and findings and recommendations percent of vulnerable groups participating in decision making Number of PWDs in self-help support projects established Number of schemes for the vulnerable groups set up	Ministry of Finance, Planning and Economic Development; Ministry of Justice and Constitutional Affairs; Parliament; CSOs	2 years				Studies targeting under and unemployment of PWDs has not commenced  Consultative workshops with PWDs is ongoing
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Specific Objectives in POA	Required Actions	Expected Out put	Indicator(s)	Implementing Ministry, Departments and Agency	Time Frame	Budget Allocations			Remarks
						2008/09	2009/10	2010/11	
Enhance the capacity of institutions that have the mandate to promote and protect the rights of vulnerable social groups with the view of developing and designing tailor-made service delivery programmes which target the specific rights of vulnerable groups	Train and retool manpower  Consultation with key stakeholders	Increase in the number of services set up to meet needs of vulnerable groups  Increase in the number of vulnerable groups accessing services	Number of service delivery programmes introduced  Number of CSOs engaged  Number of vulnerable people accessing services  Reduced violation of rights to vulnerable groups	Ministry of Finance, Planning and Economic Development; Ministry of Justice and Constitutional Affairs; Parliament CSOs	3 years				Updates not available
Mainstream the rights of vulnerable groups in peace-building initiatives and post-conflict reconstruction and development programmes	Conduct study to facilitate the mainstreaming  Equip the inter-ministerial committee handling these rights	Needs of vulnerable groups in post-conflict and peace building setting determined Strategies to meet the needs of vulnerable groups mainstreamed in post-conflict projects and programmes Inter-ministerial committee set up and facilitated	Study carried out and findings implemented Inter-Ministerial Committee equipped and facilitated.	Ministry of Gender, Labour and Social Development UN agencies involved and CSOs	3 years				The law reform commission has done a comprehensive study about the rights of vulnerable groups in post conflict situation. Another study has been initiated by MGLSD and UBOS has been contacted to carry out the study. The study will inform the activities inter-ministerial committee.

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Principles, Codes and Standards									
Ensure the signing, accession to, ratification, domestication and popularization of economic governance and management principles, codes and standards.	Identify relevant laws and standards.	Codes and standards; signed ratified, domesticated and popularised.	Number of economic governance and management codes and standards ratified, domesticated and popularised	MEACA	3 years				<p>13 Economic Governance and Management, Laws, Codes and Standards identified. The Customs Management Act. The East African Community (EAC) Common Market Protocol. The Metrology Act. Public Service Standards. The East Africa Monetary Union, The EAC-EC. Equitable use of the Nile waters.6. Preparation of the NDP and incorporation of national POA. Anti-money laundering law. Harmonisation of the Capital markets Authority within Eastern Africa. Merging of the different economic entities. Development of a code of conduct for political leaders .g Ministers. Review of the legal framework for public accountability. The East African Power Pool.</p>

Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 2010	2010/ 2011	
	Determine the status.				3 years				<p>Customs Management Act: Progress registered. Continued popularisation of the Customs Management Act.</p> <p>EAC Common Market: Negotiations took place. Ratification due by November 2009.</p> <p>The Metrology Act: The EAC Secretariat tasked to expeditiously facilitate the development Metrology Bill and initiate the amendment of the Standards Quality Measurement Tools (SCMT) Act 2008 to avoid duplication and inconsistencies with the new proposed law on metrology.</p> <p>Reviewing Public Service standards at all levels in the country. Public Service Commission Act (2008) passed. Guidelines and Regulations operationalising PSC Act were designed and documented. Consultations with DSC's and on minimum conditions and standards for service delivery at decentralised level undertaken. The Ministry of Public Service has designed and rolled out client service charters for the various Ministries.</p> <p>East Africa Monetary Union, EAC-European Commission (EC) Economic Partnership the agreement negotiations. Consultations on the East Africa Monetary Union undertaken, consultative meetings held and negotiations meetings attended. The EAC partner states continued harmonizing monetary and financial statistics in EAC countries in preparation of the Monetary Union projected for 2012.</p> <p>EAC-EC Economic partnership agreement negotiations continued.</p> <p>Ongoing discussions for equitable use of the Nile waters. Discussions continued. Awaits ratification of a regional protocol on Environmental and Natural Resources.</p> <p>Preparation of the National Development Plan (NDP) and incorporation of the APRM Programme of Action (POA). Continued. To be completed in June 2008/9 and published in August 2009. Incorporating the POA continued.</p> <p>The AML Bill was approved by Cabinet in 2009. Before parliament for first reading by April 30<sup>th</sup> 2009.</p> <p>Harmonisation of the operations of the Capital Market Authorities within East African communities; Kenya, Uganda and Tanzania agreed to become IOSCO compliant. Undertook self- assessment of current practices against the IOSCO principles. Current laws reviewed and are harmonised except the capital adequacy requirements.</p> <p>Merging of the different economic entities in order to harmonise their agendas to avoid overlapping hence becoming more effective. Two protocols were harmonised, the second draft of the Social decisions and &amp; Production Protocol was developed. The Second draft of Food protocol was developed. A harmonised Security Action Plan was put in place and 8 Common Market meetings were attended and parts of the EAC Common Market protocol agreed upon.</p> <p>Development of the code of conduct for political leaders. Continued consultations. A draft document reviewed. The process for development of national values continued.</p> <p>Review of the legal framework for public accountability. Initiated during the year. Not completed.</p> <p>The East African power pool with initiatives to promote regional projects; EAC energy committee meeting held two meetings on East Africa Power Conference'09. A government policy was drafted and funding application to IJS E 11 2m from the African</p>

Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 22010	2010/ 2011	
	Develop an timeframe for implementation			MEACA	3 years				Was undertaken and contained in MoFA Ministerial Policy Statement to Parliament 2008/9
	Implement remaining stages				3years				Projected for FY 2008/9
	Create awareness of financial codes and standards			MoPS	3 years				Not conducted during the period under review

Objective 1: Promote macro-economic stability for sustainable growth.

Build capacity within government to monitor volume of oil reserves and production	Conduct a capacity needs assessment.	Increased technical capacity in monitoring and managing oil resources	Number of technical staff trained Number staff accessing ICT in government Number of collaborative Institutions Budget available for the sector	MEMD	3 years				Capacity needs assessment routinely conducted. On-going initiatives of exploration hamper assessment of needs. Change in policy to undertake domestic refining of oil, consider community management. 4 staff trained to attain Masters degree expertise for oil and gas exploration and production. Institute of Petroleum Engineering projected for offering a diploma in Petroleum Engineering.
	Put in place a technical staff-retention policy			MoPS	3 years				Staff retention scheme developed. Policy being developed.
	Create public awareness on aspects of oil resource management and utilization.					3 years			Seminars conducted in Albertine region districts with oil. A sensitisation seminar held at Muryonyo for The President, Cabinet, MP's conducted by government. Public awareness activities predominantly conducted by CSCOs at national levels.
Build capacity within government to collect revenue from the oil industry.	Asses the existing capacity within government.	Increased technical capacity in collecting revenue from oil resources	Number of technical staff trained Number of staff accessing ICT Number of collaborative Institutions Budget available for the sector	URA	3 years				IMF Consultant was procured. A report was produced in February 2009. Petroleum related activities are conducted under a project within the Domestic Taxes Department. However, there is proposal being considered to create a Petroleum unit in URA. A training programme for staff was initiated and implementation has begun. Govt of Norway assisting Govt of Uganda to train in Petroleum Economics.
	Put in place a technical staff-				3 years				URA trained staff are bonded for a period of time to work within



Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Establish mechanisms to ensure transparency in the management of oil resources	Review existing Oil and Gas Policy to identify gaps.	Mechanism in place to ensure transparency	Identified gaps in oil and Gas Policy Number of laws on oil and gas enacted Number of reports by implementing published and disseminated	MEMD	3 years				Gaps identified to address refining as well as exploration and production. The current policy approved by Cabinet in 2008 January is being reviewed.
	Enact and enforce the law on oil and gas.			MEMD	3 years				The new legislation is still at drafting stage.
	Join the Extractive Industries Transparency Initiative.			MEMD	3 years				Joining would be achieved after passage of a new Oil and Gas law. No information on the realisation of the action during the period since law has not been passed yet. Scheduled for future.
Broaden the tax base	Review existing tax sources	New Tax sources	Number of new tax sources % growth of tax revenue Number of stakeholders consulted Number of policies on tax Number of new tax laws enacted Number of sensitisation initiatives implemented	MFPED	3 years				Actions conducted and proposals received to be considered as part of the Budget speech to Parliament. Initial projections from URA reveal UGX 152billion shortfall in 2009/10.
	Determine Revenue potential				3 years				Undertaken as a routine process culminating into the budget preparation.
	Identify the tax gaps				3 years				Undertaken as a routine process culminating into the budget preparation.
	Consult the relevant Government departments (central and local governments).				3 years				Undertaken as a routine process culminating into the budget preparation.
	Consult the public.				3 years				Undertaken as a routine process culminating into the budget preparation.
	Prepare policy.								Undertaken as a routine process culminating into the budget preparation.
	Enact appropriate laws.					3 years			Undertaken as a routine process culminating into the budget preparation.
	Sensitisation of stakeholders.					3 years			Undertaken as a routine process culminating into the budget preparation.
	Enforce the laws								Undertaken by URA.

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Strengthen the governments' capacity to collect non-oil tax revenue.	Assess the existing capacity within government (human and technical)	Increased technical capacity to collect non oil Tax revenue	Number of technical staff trained Number of staff accessing ICT Number of collaborative Institutions Budget allocation Rate of payment compliance Rate of filing compliance Rate of detection and prosecution of tax evasion and fraud % of revenue collected from enforcement activities.	URA	3 years				The URA undertook an assessment. Medium-Tax Payers (MTP) Report drafted. Based on the Medium Tax -Payers report, segmentation undertaken, Medium Tax Payers Office created. Members of Staff for the Medium-Tax-Payers office been recruited.
	Review and develop a plan to address the gaps identified.			URA	3 years				Recruitment still being undertaken.
	Put in place a technical staff retention policy			URA	3 years				Similar retention scheme for all URA staff. Bonding for a period of time.
Review existing policies/laws enabling fiscal decentralisation.	Carry out a SWOT analysis.	fiscal decentralisation framework in place	Number of consultations done Number of policies formulated Number of law enacted and enforced		3 years				SWOT analysis not undertaken as an isolated action but as part of the JARD 2008/9 process and was conducted.

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Allocate more resources to Agriculture, Industry and Infrastructure in line with agreed targets	Identify the resource needs in the agriculture, industry and infrastructure sector.	Increased budgetary allocation to the Agriculture, Industry and infrastructure	% of the budget allocated to the agriculture, industry and infrastructure		3 years				Resource needs for the agriculture, industry and infrastructure sector identified and included in the Ministerial Policy statements and Development Strategy and Investment Plan.UGX 1.885 trillion in next 5 years.
	Establish current provision to the sector.				3 years				Current provision to the sector established. Agricultural sector is UGX. 223.2. Industry UGX 0.6 billion, works and transport sector was UGX 1.083,7 billion.
	Prioritize the intervention activities.				3 years				Specific objectives and priorities were identified for the medium term as follows:- Increase in incomes of farming households; Ensure household food and nutrition security; Create on-farm and off-farm employment opportunities; Promote value addition to agricultural products and; Promote domestic and external trade in agricultural products. Priorities: NAADS (Secretariat and Local Governments); Animal resources; Crops; Policy planning & Agricultural research.
	Allocate available resources according to the priorities.				3 years				Resources were allocated according to the priorities as follows: NAADS (Secretariat and Local Governments) 48percent, Animal resources 17percent, Crops 14percent, Policy planning & Agricultural research 7percent.
Develop a strategy to transform the economy by emphasizing industrialisation	Review the state's role in Economic Governance and Management to ensure strategic government interventions in industrial development.	Interventions in industrial development developed			3 years				After a national industrial policy developed, Processes for development of a strategy initiated. Funding from World bank acquired. Strategy to be in place in July 2009.
	Re-establish UDC to support industrial development.	UDC re-established			3 years				Cabinet paper developed. Funding allocated in FY 2008/9.

Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 2010	2010/ 2011	
Revamp and recapitalize the Uganda Development Bank to provide affordable medium /long-term credit to industry and agriculture.	Assess available human and technical resources in UDB	Revamped and recapitalized Uganda Development Bank	Number of technical staff available  Lines of credit created in the industry and agriculture sector		3 years				There are 5 Directors, 1 Manager, 10 Principal Officers, 3 Senior Officers, 2 Officers Le An Accounts Officer and Record management Officer, 3 Administration Assistants, A Legal Clerk.
	Assess the medium and long-term needs in the industry and agricultural sector				3 years				Based on the UDB strategic plan, between 2008 and 2010 were US \$ 10.25m per annum. ToR drafted to engage a Consultant to determine the modalities of lending to the agricultural sector. Agricultural/ rural financing of US \$ 2m per annum mainly in floriculture, financing of importation of agricultural inputs and well established agricultural enterprises.
	Provide medium-term credit to UDB incrementally.		Done.	MFPED	3 years				\$ 20billion for next 5 years. UGX 5 billion allocated in 2008/9.
	Set up a supervisory function in the MFPED for development bank					3 years			Submitted periodic reports to MFPED. Board of Directors appointed conducted meetings. External Auditor appointed. Audited financial statements published.
Put in place an operational population planning and management programme as one of the strategies in the fight against	Review current population planning and management programmes.	Operational population planning programme	Number of review/ Consultancy reports  Number of national consultations		3 years				A needs assessment for population planning and management was conducted and a report was compiled. The country capacity needs to implement the population development programmes were identified. The National Population Policy was printed and disseminated. A programme review report was produced and various recommendations and resolutions and action plans developed.

Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 22010	2010/ 2011	
Enhance the Prosperity for All programme for greater effectiveness	Identify institutions to train farmers who are to benefit from Prosperity for All.	Development taken to parish and village levels. Development resources provided to groups (SACCOs)	Number of SACCOs established in country		3 years				The lead institution on training of farmers is NAADS, through extension workers trained by NAADS. Other training stakeholders include District NAADS Coordinators, District Production Units and District Farmer fora. Targeting 8370 farmer groups representing 150,660 households.
	To identify vehicles through which people can access funds.				3 years				Through MSCL, The Agricultural Development Fund, The Business Development Fund, The Micro Enterprises Fund, The Small and Medium Enterprise Fund and; Guarantee Fund.
	Put in place an effective monitoring tool to monitor progress that has been made by those who have already got the funds.				3 years				Loan amounts determine location for undertaking the contractual and monitoring arrangements. Loans below UGX 50M are undertaken at the MSC headquarters while those below UGX 50M are negotiated and undertaken at the regional levels. MSCL has 12 regional offices. Monitoring is undertaken through the use of computerized database programmes.
	Monitor and evaluate the programme on annual progress				3 years				Not done due to the period of programme implementation being 6 months since inception.
<b>Totals</b>						<b>77,976</b>	<b>144,930</b>	<b>146,660</b>	

**Objective 2 Implement sound transparent and predictable government policies**

Enhance capacity of central government for monitoring and evaluation of budgets.	Develop a training of trainers course for planning and budgeting including gender budgeting	Increased capacity for monitoring and evaluation of government programmes	Number of central and local government planners trained Level of Improvement in central and local government planning, budgeting, monitoring and evaluation Number of central and local government planners trained		3 years	0	0	0	The Ministry of Finance, Planning and Economic Development and the Ministry of Local Government have initiated activity by developing a training programme to build capacity of local government staff.
Build capacity of local governments for planning and budgeting and for monitoring and evaluation.	Develop ToT manual.		Level of Improvement in central and local government planning, budgeting, monitoring and evaluation		3 years				Not specifically targeted, conducted or achieved. No commitment made. A trainers' manual and 33 training modules developed targeting functional areas of local government. The modules are tailored to respond to the unique circumstances and needs of the LGs.
	Developing an				3 years				Mol G trains Higher Local Government and District trainers

Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 2010	2010/ 2011	
Enhance the capacity of the National Planning Authority (NPA) to enable it to discharge its statutory mandate	Review the NPA Act				3 years				The NPA Act was reviewed by the Uganda Law Reform Commission (ULRC), with a view to harmonizing laws with respect to the planning process i.e. Constitution of the Republic of Uganda 1995, The NPA Act No15/2002, the Local Governments Act, cap 243, the Budget Act No. 6/2001 and the Public Finance and Accountability Act 2003. The Commission identified three issues arising and these were touching on the legal impediments in the statutes, the implications of the Cabinet decision on the NDP process and the possibility of extension of time for submitting the NDP.
	Restructure the NPA and carry out a human resource audit	The institutional setup on NPA reviewed Capacity of NPA to formulate national plans enhanced	NPA act amended Number of technical staff at NPA Budget allocation		3 years				Realignment and recruitment of staff undertaken and is on-going. Projected as follow-up actions of the review of the Strategic Plan. The Report of the Strategic Plan was received.
	Implement the HR audit report.		Not done		3 years				Not undertaken. Awaiting the implications of the recommendations of the strategic plan.
Develop and implement a comprehensive communication/ dissemination strategy to inform the public on major government policies and programmes.	Review the current communication and dissemination strategy to determine its adequacy	Strategies for communication to the public Strategies for communication to the public	Number of communication strategies for all stakeholders Level of public awareness	Ministry of Information and National Guidance.	3 years				Communication strategy reviewed. Before Cabinet for approval.
	Identify the gaps.				3 years				Gaps identified
	Consult the public on a comprehensive strategy				3 years				Public consulted through representation of MP's
	Develop and disseminate a strategy				3 years				Not yet in place.
Increasingly involve the Private Sector in policy formulation and implementation.	Consult the private sector during policy formulation and implementation.	Framework for Partnerships Increase collaboration between public and private sectors	Number of joint consultations with the private sector		3 years				Undertaken once a year.
Provide an enabling legal and regulatory framework for public private partnerships		Partnership risk sharing in infrastructure development			3 years				Not yet in place

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Objective 3: Promote Sound Public Finance Management									
Build capacity of government and major institutions in public finance regulations and management	Review the existing funding sources.	Improved technical capacity in public finance regulations and management	Number of courses developed Number of technical people trained Increased Adherence to public finance regulations		3 years				421 people trained from the Accountability Sector.
	Review capacity to manage available public finances.	Enforcement of public finance regulations			3 years				Undertaken routinely.
	Identify alternative funding sources at local government level.				3 years				Undertaken
	Sensitise the relevant stakeholders.				3 years				Undertaken.
	Establish short term courses for technical personnel on management of public finances. • (Effectiveness of Regulatory Framework • Human Resources capacity ICT – Hardware, Software, Transmissions)			UMI	3 years				Short-term courses not yet solicited for by MFPED. Training undertaken Accountability Sector trained 421 people for DPP, CID, PPDA IGG for 3 month Technical support provided under The Anti-Corruption Threshold Programme ACT USAID).

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Make a legal provision to ensure that the Parliamentary Accounts Committee (PAC) conducts its business on a timely basis.	Consult on the causes of delays in preparation and submission of financial reports at all levels of government	Statutory provision for PAC	Number of consultation reports Number of laws enacted PAC secretariat set up and facilitated Number of PAC members trained in accountancy		3 years				Not anticipated
	Consult stakeholders on a proposed bill that imposes enforceable deadlines for submission of financial reports PAC				3 years				Not anticipated.
	Equip the Public Accounts Committee (PAC) with adequate human and technical resources in carrying out its duties (e.g. secretariat, training of PAC members) • Recruitment of professional staff to support PAC					3 years			
Review policy on expansion of administration and legislative units in order to reduce expenditure on public administration	Consult on the causes of delays in preparation and submission of financial Reports at all levels of government.		Number of consultancy reports New policy on expansion of administration and legislative units	Accountant General	3 years				Not undertaken. No policy in place.
	Consult stakeholders on a proposed bill that imposes enforceable deadlines for submission of financial reports PAC.			MFPED	3 years				No evidence availed as the source of the bill was not identified. Or the stakeholders consulted.
Review policy on expansion of administration and legislative units in order to reduce expenditure on public administration.	Engage a consultant to review the policy.	New policy on expansion of Administrative and Legislative units		MoLG	3 years				A Consultant was not engaged.
	Discuss the findings of the consultancy report with stakeholders.	Budgeting within available domestic resources			3 years				Not undertaken.
	Disseminate the recommendations for implementation				3 years				Not undertaken



Specific Objective in POA	Required Actions	Expected Output 2008/ 2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/ 2009	2009/ 2010	2010/ 2011	
<b>Objective 4: Fighting Corruption And Money Laundering</b>									
Establish and capacitate separate anti-corruption courts	Appoint at least 4 Judges for the Anti-Corruption Courts	Adequate number of anti-corruption courts	Judges appointed Anti-corruption court established No. of Judicial officers recruited Courts furnished and equipment	Judiciary	3 years				2 Judges appointed. 4 Magistrates training.
	Recruit at least 5 Judicial officers and staff for the Anti-Corruption Courts.	Provide Technical capacity for courts		Judicial Service Commission	3 years				2 Judges appointed. 4 Magistrates training. Registrar appointed.
	Build/rent premises for the anti-corruption courts and equip <ul style="list-style-type: none"> <li>• Premises</li> <li>• Personnel.</li> <li>• Equipment</li> </ul>					3 years			Part of the High court.
Develop an institutional framework with a partnership approach for fighting corruption	Constitute an anti corruption forum composed of Government, Civil Society and the private sector <ul style="list-style-type: none"> <li>• Public awareness on corruption (Workshops, Seminars and Training)</li> <li>• Meetings</li> <li>• Reports(stationery and printing)</li> </ul>	An institutional Framework Collective action against corruption	Number of reports on forum proceedings		3 years				A collaborative framework for PPP's in place. A forum established and extended to the districts.
Operationalise the Leadership Code tribunals	Appoint members to the tribunal.		Number of cases reported and prosecuted Accurate asset declarations by leaders	Operational leadership code tribunals	3 years				Tribunal not yet in place.
	Provide sitting allowances. <ul style="list-style-type: none"> <li>• Personnel</li> <li>• Transport</li> </ul> Regional Centres (7 regions) with Premises and ICT				3 years				Not done. Tribunal not in place.
Expedite the enactment of the anti-money laundering law	Follow-up on Parliament on the Bill.	The Statute on Anti-money laundering.	Number of status Reports		3 years				The AML bill set before Parliament for first reading.

Specific Objective in POA	Required Actions	Expected Output 2008/2009	Indicator(s)	Implementing MDA	Time Frame	Budget Allocations			Remarks
						2008/2009	2009/2010	2010/2011	
Implement recommendations of the Corruption Commissions and enforce existing rules and regulations.	Follow-up with Cabinet	Implement a number of recommendations from the corruption commission.	Number of recommendations implemented		3 years				Cabinet White papers on the recommendations drafted and adopted. Government implementing recommendations through administrative and legal engagements (investigations and prosecution). There is no backlog.
Total						6,310	7,310	11,900	

Objective 5 Accelerate regional integration by participating in harmonisation of monetary, trade and investment policies

Review membership in regional economic blocs to eliminate duplication	Engage a Consultant to review membership	Membership rationalized in regional economic blocs	Recommendations made & implemented		3 years				Consultant not engaged.
Expedite the implementation of the agreed regional protocols through greater resolve and effectiveness.	Follow-up on the status of implementation	Number of regional protocols implemented	Number of protocols implemented	MEACA	3 years				Two protocols have been harmonised, Second draft Social decisions & Production protocol has been developed. A Second draft of Food protocol is developed. A harmonised Security Action Plan was put in place; 8 Common Market, HILTF meetings attended and parts of the EAC CM protocol agreed to. Negotiations undertaken on regional integration beyond the East African Community Customs Union.
The Ministry of East African Affairs to undertake public sensitisation workshops and seminars on regional integration across the country	Develop sensitisation workshops/Seminar programmes for East African Affairs.	Technical capacity Nationally carried out public sensitisation	Number of seminars conducted Level of public awareness	MEACA	3 years				30 districts were sensitised. A procurement process was initiated for the printing and distribution of FAQ booklets and two sensitisation workshops held
Empower the Ministry of East African Community Affairs through human and financial capacity development	Follow-up on the status	Develop regional framework for implementation of transportation infrastructure	Adequacy of staffing Size of budget	MEACA	3 years				42 staff for the Ministry in place and facilitated. Office space expanded and renovated, more office equipment procured.
Step up efforts at developing regional transport infrastructure especially roads and the railway network.	Follow-up on status.	Develop regional framework for implementation of transportation infrastructure	Adequacy of infrastructure	MoWT	3 years				The East African Railways Master Plan was finalised. A Draft Uganda Railways Corporation Bill was submitted to Top Management Team of Ministry of Works and Transport. A draft National Transport Master Plan was produced. A Multi-Sectoral Transport Regulatory Authority (MTRA) draft Str document was prepared. The East Africa Transport Facilitation Project initiated. Under transport services and infrastructure, of the Ministry of Works and Transport, in efforts to promote regional transport routes, the procurement for construction of one stop border posts for Katuna, Mutukula, Malaba and Busia is awaiting World Bank approval. The feasibility study for Kampala - Kasese Railway Line is underway during the financial year 2008/9.

**ANNEX 10 CORPORATE GOVERNANCE**

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	

**Principles, Codes and Standards**

4.1 International Accounting and Auditing Standards: Build capacity of ICPAU to strengthen enforcement	4.1.1.Review and amend the existing Accountants Act to incorporate clauses of empowering ICPAU to monitor and discipline all employed Accountants; 4.1.2 Organisations should be required to file periodic reports on the performance of their Accountants 4.1.3 Training ICPAU staff and members and availing necessary equipment to enforce the Accountant's Act 4.1.4 Publicise the Accountant's Act	Revised Accountants Act  Strengthened Regulatory Authority for Accounts  Periodic returns by companies  No. of staff and member trained in relevant courses	ICPAU  Accountant General  Auditor General	3 years	Standards adopted and enforced				Accountants Bill 2007 drafted. With MFPED to be submitted to Cabinet shortly.          ICPAU obtains reports from those companies/ organisations audited by one of its licensed auditors.
4.2 Core Principles on Effective Banking Supervision: Amend legislation to Strengthen supervision of Deposit taking microfinance institutions under Bank of Uganda	4.2.1 Review and amend existing MDI Act 2004 to strengthen monitoring of the Deposit Taking MFIs 4.2.2 Set up a regulatory body for MFIs 4.2.4 Create public awareness about the operations of MFIs 4.2.5 Government to provide incentives to regulated financial institutions to offer	Revised MDI Act	BOU MFPED Parliament	2 years	Revised laws				No plans to revise MDI Act 2003. BoU recognise that there are issues but are waiting until decisions taken on regulation of Tier 4 MFIs and on whether any revision needed to FI Act (Tier 1 and 2) before revising MDI Act (Tier 3). AMFIU provides self-regulation for its members. See 4.19 for information on proposed BoU regulation of Tier 4 MFIs.) AMFIU carries out consumer education in MFIs

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.3 Core Principles on Securities Regulation: create an enabling environment for security exchange to flourish	4.3.1 Provide funding for infrastructure for automation of the Securities Exchange to enable it be compliant with other East African Securities Exchange 4.3.2 Amend the CMA ACT to comply with IOSCO principles	Automated central security depository system and trading and settlement systems An automated surveillance system at CMA  Revised ACT	Parliament MFPED  MFPED CMA, USE	3 years					Securities Central Depositories Act came into law on 20 February 2009. USE confirmed that it intend to go live with the central security depository automation system by the end of June 2009 and then introduce the trading and settlement systems by the end of 2009. CMA is in the process of procuring a surveillance system for the securities central depository. CMA ( Amendment) Bill has been drafted which concentrates on the three core IOSCO principles of international cooperation, information sharing and strengthening the supervisory powers of the regulator. Draft Bill to be approved by the CMA Board in June 2009 and then be submitted to MFPED for enactment. CMA has started a self assessment against the remaining 27 IOSCO principles and it is anticipated that the review will be finalised as part of the harmonisation of the East African securities laws to be completed in 2010.
4.4 Insurance Core Principles and international reporting standards: GoU to expedite the revision of the Insurance Act	4.4.1 To revise the insurance ACT to ensure compliance with international standards	Revised Insurance law	Parliament Insurance Commission	2year	Revised Insurance law				Insurance (Amendment) Bill has been drafted and is with MFPED who will be submitting it to Cabinet shortly.
4.5 GoU to strengthen capacity of enforcement and regulatory bodies (NEMA, UNBS,)	4.5.1 Review the regulators laws to ensure compliance with international standards  4.5.2 Allocate funds to NEMA to build capacity to: educate and sensitise the population through mass/print media; enforce compliance with standards  4.5.3 Allocate Funds to UNBS build capacity to: educate and sensitise the population through mass/print media;	Revised Regulators laws and regulations  Increased funds allocation to NEMA and UNBS	MWE MTTI  MFPED NEMA UNBS	3 years	Revised Regulators laws and regulations  Increased funds allocation to NEMA and UNBS				Laws regulated by NEMA compliant with international standards. Laws regulated by UNBS only partially compliant. For example, there a couple of international standards for physical infrastructure, such as roads and buildings which are always consulted but Uganda does not subscribe to them mainly due to resource issues. NEMA has received funds and has been carrying out public sensitisation programmes in print media and on radio and TV stations. NEMA is also working with the MoES to integrate environmental issues into the schools sector. Further funding is needed for capacity building. UNBS has received funds and has been carrying out public sensitisation programmes in print media and on radio and TV especially around the counterfeit goods. Further funding is needed for capacity building and enforcement of standards.

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.6 Uganda to accede to Extractive Industries and Transparency Initiative (EITI)	4.6.1 Assess the requirements for acceding to the EITI, and accede to the EITI) 4.6.2 Enact the Oil and Gas law and establish oil & gas regulations (Production regulation and Revenue Management)	EITI Signed, ratified, domesticated and popularised Oil and Gas Laws for Production regulation and Revenue Management	MoFA MEMD Parliament Bank of Uganda MFPED	2years	Signed, ratified, domesticated and popularised EITI Oil and Gas Laws for Production regulation and Revenue Management				Uganda has not yet acceded to the EITI. An oil and gas policy was published in February 2008. Principles have been developed from the policy with a view to drafting a law. The principles were submitted to Cabinet who referred them back to the MEMD requesting that the policy be revised to include refining before the law was drafted. An inter-ministerial committee has been set up to oversee the management of revenue from oil.
4.7 Sign, ratify, domesticate and adopt all relevant ILO Standards	4.7.1 Review and extract the relevant sections of the ILO Standards e.g. ILO Nursing Personnel Convention No. 149) 4.7.2 Government should ratify the ILO Convention No. 102 regarding social security protection 4.7.3 To create awareness for key stakeholders to internalize and own the amendments 4.7.4 Minister of MGLSD presents report to Cabinet and Parliament	Number of ILO codes and standards Signed, ratified, domesticated and popularised	MGLSD	2years	ILO codes and standards adopted				No update  MGLSD confirmed that no action had been taken on this, was anticipated that it would happen as part of the process for amending the Social Security Act during 2010.  No update  No update

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 1: Promotion Of Enabling Environment For Business And Effective Regulatory Framework For Economic Activities									
4.8 Fast track enactment of new proposed laws designed to facilitate business such as the Companies Act, Competition Bill, Insolvency Bill, Consumer Protection Bill, copyright and patent laws.	4.81 Create an inter agency committee to identify delayed policies, regulations, and laws and expedite their enactment	Number of laws enacted	JLOS MoJCA) Uganda Law Reform Commission Parliament Registrar of Companies Land Registry NGO Board Local Governments  Ministry of Lands and Environment Judiciary Judicial Service Commission	3 years	New laws in place				Presidential Investment Roundtable identified priority Bills. CICS is monitoring coordinating and evaluating the progress made in adoption of these priority laws. To date only one has been enacted.
4.9 Simplify registration process by reducing on procedures  4.10 Computerize registration process	Procure consultancy services to review and recommend reforms to the companies registration process 4.10.1 Implement automation of the companies registry 4.10.2 Hire Consultancy firm to clear Backlog	Number of days it takes to register a business  No of companies, trademarks entered in the computerized data index	Registrar of Companies  Registration Services Bureau	2 years	Quicker and Simpler registration process  Automated Processes  Unregulated sectors and Informal Sector registered and regulated				World bank Doing Business Report 2009 states that the number of days for starting a business in Uganda has reduced from 28 in 2008 to 25 in 2009. Further improvement will be obtained through the World Bank Private Sector Competitiveness project especially at the URSB. This project is being delayed due to non-receipt of funds from the MFPED required to put the structure for URSB in place. Part of World Bank Private Sector Competitiveness project.

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.11 GoU to liberalize the pension sector and establish regulatory framework for unregulated sectors including Pensions, In-house Provident Funds	4.11.1 GoU to enact a Pension Regulatory Authority Act for regulating pensions and social security sector 4.11.2 Establish an independent regulator to implement the reform of the pensions and social security sector (Members realised that this component needs to be harmonised with strengthen capacity of enforcement and regulatory bodies to avoid repetition) 4.11.3 GoU to liberalise Pensions 4.11.4 GoU should start a Contributory Public Service Pension Scheme	Law for regulating pensions and social security sector  Independent Regulator for Pensions and social Security sector established  Liberalize and regulate the pension sector  Contributory Public Service Pension Scheme	MFPED Parliament MTTI MoJCA NSSF Ministry of Public Service	2008 /2009 -2010/ 2011	Pension Regulatory Authority Act  Independent regulator established  Liberalised pension sector  Contributory Public service Pension Scheme				Appointment of a pensions regulator is included in the Uganda Retirements Benefits Bill which has been submitted to Cabinet. Dependent on the Uganda Retirements Benefits Bill being enacted. Dependent on the Uganda Retirements Benefits Bill being enacted. MFPED is about to commence a project in June 2009 to look at liberalisation of the Pensions sector. A draft Bill setting up a Public sector Contributory Pension scheme has been agreed in principle by Cabinet but a framework for its operation needs to be approved before the Bill can be passed to Parliament.
4.12 Provide incentives for small businesses to become formal	4.12.1 Support Enterprise Uganda to carry out country wide training of owners of small businesses 4.12.2 Provide tax and other Incentives	Number of businesses registered	Enterprise Uganda MFPED PSFU UNCCI Uganda registration services bureau	3 years	Incentives policy				Enterprise Uganda does provide training country wide for owners of small businesses in business development skills but currently this does not include specific corporate governance training or information about making businesses more formal.
4.13 Develop strategy to deconcentrate and build capacity of Office of the Registrar of Companies and Commercial Courts	4.13.1 Procure Consultancy services to develop strategies 4.13.2 Create 5 regional offices for Registrar of Companies 4.13.3 Create 5 regional commercial courts and appoint more commercial	Decentralisation strategy for Office of Registrar of companies and Commercial courts  Increased number of companies registered  Reduced back log	MoJCA Judiciary MFPED  Judicial Service Commission  Public Service Commission	3 year	Decentralisation strategy  Regional offices for the Registrar of Companies and Commercial courts				Decentralisation of the Office of the Registrar of Companies is part of the World Bank private sector Competitiveness project.  Decentralisation of the Commercial Court has not yet commenced as it was awaiting the establishment of a Commercial Court in Kampala. This happened in May 2009.

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.14 Improve coordination of enforcement institutions and reduce bureaucracy	4.14.1 Develop institutional benchmarks and standards 4.14.2 Periodic (quarterly) monitoring auditing to ensure compliance with the benchmarks and standards	Published Institutional Benchmarks  Published Institutional Reports			Institutional Benchmarks and compliance reports				No update available
4.15 Develop strategy for sensitising the public on the economic benefit of USE and government to utilise the stock exchange in the privatisation process	4.15.1 Continue to Build capacity of CMA to regulate and develop the stock exchange, and to increase public awareness 4.15.2 Procure consultancy services to review and develop strategy for sensitising the public on the economic benefit of USE, and government to utilise the stock exchange in the privatisation process	Strengthened Stock Exchange  Public Sensitisation strategy  Increased number of Corporations listed on the USE	Privatisation Unit MFPED CMA MFPED CMA, USE MFPED CMA, USE CMA, USE	3 years	Increased Public involvement in Stock Exchange Market				Capacity is needed at CMA in the areas of regulation of automated trading and depository systems, awareness raising of best practices in corporate governance, risk management, securitization, and cross border trading. CMA has been carrying out public awareness campaigns. USE and PERDS have been carrying out public sensitisation programmes.
4.16. Rationalize and create a mechanism for awarding tax and other incentives in a transparent and strategic manner	4.16.1 Develop policies and guidelines for awarding incentives to investors in strategic sectors  4.16.2 Establish a technical Committee to vet award of incentives to be appointed by MFPED  4.16.3 Provide and create awareness on available tax and	Established Policies and guidelines   Technical vetting committee	MFPED URA UIA   MFPED	3 years	Policies and guidelines in place Technical vetting committee				No update available



Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.17 Revamp and upgrade the existing national business skills training institution for providing appropriate skills training for business practitioners	4.17.1 Prepare a curriculum tailored to business practitioners  4.17.2 Incorporate business skills in formal secondary school curriculum	Curriculum Prepared  Existing institutions identified and revamped	MUBS PSFU UNCCI Entreprise Uganda MTTI MoES	3years	National Curriculum Training capacity developed				<p>CMA has been working with MoES to ensure that capital markets and corporate governance are included in the O and A level national curriculum. CMA has also run school and University challenges to educate pupils, students, their parents teachers etc on the benefits of capital markets for long term savings and to provide them with practical knowledge on savings and investments.</p> <p>The Institute of Chartered Secretaries and Administrators (ICSA) has appointed the International Law Institute as its first Registered Tuition provider for its examinations in Uganda. The ICSA curriculum in addition to its professional examinations offers Business Practice at Certificate and Diploma levels. The ICSA professional examinations are akin to a mini MBA offering financial, legal and management skills. They also promote good governance and ethical conduct.</p> <p>Junior Achievement (JA) is the world's largest organisation dedicated to educating students from primary to undergraduate level about entrepreneurship, work readiness and financial literacy through experiential hands on programmes. Junior Achievement Uganda was launched in July 2008. They have already launched one of the over 30 JA programmes available and plan to launch another in association with Barclays Uganda in July 2009. The programme which has been launched in over 50 Secondary Schools in Uganda is the JA Company programme which has students developing their own money-making businesses, from concept to business plan, financing, execution, sales and, ultimately growth and demise. The experience fosters understanding and appreciation of the personal opportunities and responsibilities each person has in the work place.</p>

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.18 Establish a forum for interface between training institutions and the business community for identifying and matching skills requirements	4.18.1 Carry out a needs assessment survey 4.18.2 Conduct a national workshop to upraise the stakeholders of the needs assessment survey results and recommendations 4.18.3 Develop a national database for people with relevant skills 4.18.4 Create job centres at district and lower levels 4.18.5 Create public awareness on existing database and job centres	Needs assessment survey report  Workshop held	Ministry of Public Service Ministry of Local Government and local governments	3 years	Needs Assessment Report  Framework for the interface  Improved Curriculum				No update available
4.19 Establish a policy framework for Non Deposit taking MFIs and the informal sector Tier 4 MFIs	4.19.1 Procure consultancy services for development of policy framework	Policy framework in place for non deposit taking MFIs as well as informal sector	MFPED CMA USE UIC Independent regulator above	1 year	Policy framework  Regulated non deposit taking MFIs				A budget has been included in the National Budget framework paper for 2009/10 to 2013/14 for the development of a policy framework for a Micro financing SACCO Bill and a Micro Credit Bill. A SACCOs Bill has been drafted. A microfinance policy has been developed and a microfinance organisations Bill has been drafted.
4.20 Create a harmonised regulatory framework for capital markets, insurance and pensions	4.20.1 Develop an integrated regulation framework where Pensions, Capital Markets and Insurance are regulated by one body (non bank institutions) 4.20.2 Hold 10 consultative workshops 4.20.3 Carryout a detailed study about the harmonisation and integration of regulation	Framework for integration	MFPED CMA USE UIC Independent regulator above	3 years	Centralized regulatory authority for capital markets, insurance and pensions				Decision taken by Cabinet in December 2008 that there would be three separate regulators for capital markets, Insurance and pensions in Uganda until further notice. Regulators in existence for Capital Markets and Insurance. See 4.11 above in relation to Pensions Regulator.

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.21 Capacitate CADER to roll out the ADR promotion programme	4.21.1 Train, recruit and fund the activities 4.21.2 Sensitise stakeholders	CADER zonal centres established  No. of lawyers trained in use of ADR	CADER MoJCA Judiciary JLOS	3 years	Operational CADER				The Arbitration and Conciliation (Amendment) Act, 2008 commenced on 27 June 2008. It amends the Arbitration and Conciliation Act Cap 4 in order to provide for funding of CADER by the GoU. To date funding has not been received from MFPED to allow the centre to be properly resourced and for the sensitisation programmes to be commenced.
4.22 UBOS to introduce innovative statistical methodologies to capture data on informal sector	4.22.1 Training of staff Data collection on informal sector Report production	Trained staff Reports	UBOS	2 years	Documented methodology for capturing data on informal sector				No update available
4.23 PERDS to adopt suitable communication and disclosure strategy to address public concern about the privatisation process	4.23.1 Identify/analyze the public concerns and document them  4.23.2 Develop a communication strategy and inform the public	Report  Transparent communication strategy adopted	MFPED PERD	1 year	Communication strategy in place  Public sensitised				PERDS carried out study on concerns over privatisation process and developed and implemented a communications strategy to overcome the problems identified.
4.24 GoU and private sector organisations to develop simplified corporate governance guidelines and simplified accounting standards for SMEs and	4.24.1 Hire a consultant to develop guidelines and simplified accounting standards  4.24.2 Stakeholders seminar and adoption of the report	Guidelines and accounting standards developed (Code	MTTI UIA PSF UNCCI ICGU Parliament	1 year	Corporate Governance guidelines developed  Simplified accounting standards for SMEs and the informal sector developed				No corporate governance guidelines have been developed for SMEs.  The International Accounting Standards Board has issued an Exposure draft in December 2008 on SMEs. The South African Institute has piloted the exposure draft and amended it so that it is suitable for African countries. ICPAU plans to adopt the International Standard when it is published.

Objectives	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations for 3-Year POA Period (UGX Millions)			Remarks
					FY 08/09	FY 09/10	FY 10/11	
4.26 GoU to evaluate and review the Prosperity For All programme to be demand-driven and benefit all regions by supporting better the productive activities in a sustainable framework	4.26.1 Support and strengthen the existing structures (PMA, NAADS) 4.26.2 Encourage and support local initiatives in the agricultural sector e.g. the Agricultural engineering and appreciate research centre - Namalele 4.26.3 Develop and publicise a guideline for accessing funds for prosperity for all 4.26.4 Carry out a Monitoring and Evaluation exercise of the Prosperity For All Programme	Survey Report  Increased productivity from the Prosperity For All activities	MFPED UBOS Selected MFIs Sector Ministries Micro Finance Support Centre	1 year	Increased household income			<p>GoU has been supporting the existing structures for PFA programme primarily NAADS and UCSCU.</p> <p>GoU continues to encourage and support local initiatives.</p> <p>Monitoring and evaluation of PFA is carried out by the PFA-Coordination Unit at the office of the Vice president. More resources do need to be allocated to this function.</p>
4.27 Private sector organisation to establish a permanent dialogue framework to harmonise positions when engaging the Government	4.27.1 Establish a strategy on issues for discussion 4.27.2 Regular Stake holder workshops 4.27.3 Develop a policy and law to govern public –private sector dialogue	Strategy concept papers  Recommendations / Resolutions  Frequency of dialogues	PSFU UMA UNCCI Uganda Investment Authority Sector Ministries	3 Years	Forum for dialogue established			PSFU takes the lead in collating private sector opinion from its members and those of UIA and UMA. UNCCI is outside of this loop often as its views may conflict with those of the other three.
4.28 GoU to revitalize and strengthen the role of Uganda Development Bank  4.29 Establish an Agricultural Bank	4.28.1 Recapitalize and restructure the UDB  4.29.1 Establish an Agricultural Bank	Operational UDB  An Agricultural Bank in place	MFPED, Min of Agriculture	3 years	Operational UDB			GoU has injected UGX5 billion into the UDB in the past year and has announced that a further UGX15 billion will be injected over the next 4 years. No update available

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.30 GoU to establish a full fledged One Stop Facility at UIA to address investors' formalities	4.30.1 Develop a needs assessment Data Bank 4.30.2 Capacity Building ( Human and Structure)	Established and Operational Data Bank  Periodic progress reports	UIA Sector Ministries UMA PSFU UNCCI	2 years	Operational one stop centre  Investment framework				UIA have commenced putting place a one stop shop facility. Representatives from URA, Immigration, and URSB are stationed in UIA offices. Access to representatives from Lands and NEMA is also available through the UIA. Resources are needed to facilitate the work of the representatives stationed at the UIA offices and to build a virtual connection to other government departments and agencies required in the investment process. Amendments to laws may be necessary to create a truly on stop shop facility comparable with those in other countries.
Sub Total						92,490	63,780	25,470	

**Objective 2: Ensuring Corporations Act As Good Corporate Citizens**

4.31 Facilitate a fully fledged industrial court	4.31.1 Establish and equip the industrial court	Established Industrial Court.  Number of completed cases.	Ministry of Justice, Judiciary MFPED MGLSD ILO	3 years	An operational Industrial Court established				Public service Commission is in the process of establishing the Industrial Court under a new status. Whilst this is happening the GoU is considering appointing a judge to handle the backlog of cases. The delay in the establishment of the new Industrial Court is being caused by disagreement over the remuneration and the exact title of the Head of the Industrial Court.
4.32 Build institutional mechanisms for the enforcement of labour laws and the creation of public awareness about the rights of workers	4.32.1 Create a compendium of labour legislations 4.32.2 Sensitisation Workshops about the rights and obligations of workers and employers	Increased compliance with labour laws	Ministry of Labour NOTU COFTU Other Registered Workers Trade Unions	3 years	Institutional Mechanisms established for the enforcement of labour laws.				No update available
4.33 Empower FUE to enforce good industrial relations and labour laws	4.33.1 Incorporate FUE into labour laws								No update available
4.34 Regulate the registration of labour unions	4.34.1 Appoint a permanent Committee for vetting and approving	Number and quality of Labour unions registered according to law	MGLSD	3 years	Registration of labour unions regulated				No update available

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.35 Review and strengthen staffing of labour department	<p>4.35.1 Increase the number of labour officers and inspectors</p> <p>4.35.2 Capacity Building of the Labour officers and inspectors</p> <p>4.35.3 Monitor compliance with labour and immigration laws and regulations</p>	<p>Number of skilled labour officers and inspectors recruited at Local Governments.</p> <p>Periodic Labour returns</p> <p>Labour reports</p>	<p>MGLSD MoLG UBOS Min of Internal Affairs</p>	3 years	<p>Structure reviewed</p> <p>Improved skills</p> <p>Periodic and regular labour returns</p>				No update available
4.36 Review policy and plan to promote and enforce the adoption of the minimum wage	<p>4.36.1 Procure consultancy services for a minimum wage policy</p> <p>4.36.2 National and stake holders, Debates</p> <p>4.36.3 Adoption of a minimum wage policy by Cabinet and Parliament</p> <p>4.36.4 Implement, monitor and enforce minimum wage policy</p>	<p>Minimum wage established and enforced</p>	<p>MGLSD Federation of Uganda Employers Legally Established Labour Unions</p>	2 years	<p>Minimum Wage policy in place</p>				No update available
4.37 Create a mechanism that obligates corporations to provide for Corporate Social Responsibility	<p>4.37.1 Establish annual CSR awards for companies</p> <p>4.37.2 Develop subsidiary legislation on CSR</p>	<p>Budget lines in Corporations, for corporate social responsibility, Frequency of Corporation involvement in Community Development Initiatives</p>	<p>Corporate agencies</p>	2 years	<p>Policy for corporate social responsibility in place</p> <p>Increased participation of corporations in social responsibility</p>				No update available
4.38 Strengthen the capacity of NEMA to coordinate and enforce corporate and industrial compliance with environmental	<p>4.38.1 Recruitment and train staff</p> <p>4.38.2 Provide sufficient funding for NEMA</p> <p>4.38.3 Sensitise the public on environmental laws, policies and</p>	<p>Increased compliance with environmental standards</p> <p>Number of compliance cases handled and enforced by NEMA</p>	<p>Sector Ministries NEMA MFPED</p>	3 years	<p>Increased funding to and skilled staff for NEMA</p>				NEMA has the legal capacity to coordinate and enforce corporate and industrial compliance with environmental laws, policies and standards but needs further resources to fully carry out its remit.

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.39 Revise and harmonise laws to enhance sound environmental management	4.39.1 Review existing laws	Number of laws to enhance sound environment management revised and harmonised	NEMA Sector Ministries Environmental NGOs	3 years	Revised and harmonised laws				Environmental laws comply with International best practice. No information provided on where these may conflict with existing laws in Uganda.
4.40 Strengthen capacity of local governments to enact environmental bye-laws	4.40.1 Recruitment and train staff 4.40.2 Enact and implement the bye-law 4.40.3 Sensitise Local Governments and the general public on Environmental issues	Number of environmental by-laws enacted and implemented by local governments Number of sensitisation programmes carried out	MoLG NEMA Sector Ministries Environmental NGOs	2 years	Environmental by-laws enacted at Local Government level Increased number of skilled staff Sensitised Local Governments				NEMA has been working with local governments to strengthen their capacity to enact environmental laws, appoint and train environmental protection officers and to sensitise both the local governments and the public to the environmental laws and bye-laws.
4.41 Private sector organisations to promote the adoption of codes of good business ethics among their members	4.41.1 Develop a code of Good Business Ethics. 4.41.2 Consultative meetings to agree and adopt the Code 4.41.3 Print and Publish the Code 4.41.3 Sensitise stakeholders on code of good business ethics	Business Ethics Code published.  Committee Reports	PSFU UNCCI	3 years	Code of good business ethics in place  Enforcement committee				During 2008 the Private Sector Foundation of Uganda (PSFU) trained over 38 business Associations in how to develop and embed codes of conduct within their organisations. The PSFU also introduced annual awards for the best performing Associations one of the criteria being to have an established code of conduct and ethics. The winners were the Insurance Association of Uganda. PSFU plan to hold the similar awards in 2009.
4.42 GoU to launch a specific programme to sensitise the public and informal sector to adopt ILO recommended strategies to fight HIV/AIDS in the work place	4.42.1 Develop a sensitisation programme 4.42.2 Hold Sensitisation Seminars	Sensitisation programme Sensitisation seminars conducted ILO Strategies to fight HIV/AIDS in the Work Place adopted by the Local Business, Public and Informal Sector	MGLSD PSFU MoH Uganda AIDS Commission TASO MoLG Ministry of Public Service	3 years	Sensitisation Programme developed and implemented Media strategy in place				No update available

Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 3: Promotion Of Codes And Good Business Ethics (Inclusive Of Objective 4)									
4.43 Develop mechanisms that ensure the development and enforcement of codes and ethics in the private sector	4.43.1 Establish a Permanent Committee to develop and enforce the codes and Ethics	Periodic Committee Reports Permanent Desk Established Number of Private Sector Defaulters Exposed	PSFU ICGU	3 years	Code of good business ethics in place  Enforcement committee				No update available
4.44 Staff training (Formal courses and tailor made courses) Develop an exposure strategy of Private sector codes and Ethics Defaulters (compliance Reports)	4.44.1 Create a permanent Desk in the Directorate of Ethics and Integrity, dedicated to Private Sector Code of Ethics.  4.44.2 Develop an exposure strategy of Private sector codes and Ethics Defaulters	Number of staff trained  A strategy to expose defaulters.	MGLSD, Ministry of Ethics and Integrity	3 years	Staff trained and Strategy to expose the defaulters in place				A draft model code of conduct for the professionals is in place and a strategy for designing client charters has been developed by the Directorate of Ethics and Integrity (DEI). Discussions have been held with the Professional Associations and the process of developing a framework for collaboration is on-going.  A collaborative Framework between Anti-corruption Government Agencies under Inter Agency Forum and Anti-corruption Civil Society Organisation and Private Sector which is known as Anti-Corruption Public Private Partnership(ACPPP) was launched in 2005 and deals with policy issues and the equality of service delivery at the grassroots level.  The DEI has also started the process of incorporating ethics into the school curriculum. Progress has been made in the primary school curriculum and the intention is to move on to the secondary school curriculum once this is completed.
4.45 Promote awareness campaign for business stakeholders on productivity and competitiveness	4.45.1 Carry out a study for factors that enhance Productivity and Competitiveness.  4.45.2 Carry out a comprehensive sensitisation of the Business stakeholders	Volume and quality of tradable products.	Uganda National Bureau of Standards  MFPED (CICS)	3 years	Information materials developed and disseminated				No update available



Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.46 GoU to enhance regulatory and enforcement agencies' capacities to investigate complex white collar crime (including IT based)	4.46.1 Capacity building of CID and IGG Officers  4.46.2 Procure IT based technology  4.46.3 Increase funding for the regulatory and enforcement agencies	Number of Specialised Skilled Investigators  Upgraded investigation equipment.	Police	3 years	Capacity of IGG and CID officers built				No update available
4.47 GoU to establish institutional mechanisms for strengthening and monitoring adherence to corporate governance standards	4.47.1 Appoint an inter-sectoral team to carry out regular Monitoring and Evaluation of adherence to Corporate Governance Standards and Codes  4.47.2 Develop a Corporate Governance curriculum in business institutions	Committee Established  Regular Reports with Recommended Actions	Office of the Prime Minister Ministry of Public Service ICGU	2 years	Committee established and operationalised  Regular reports				Currently regulators and other agencies are given the authority under various acts to enforce corporate governance standards. For example, the Registrar of Companies in the Companies Act. For those businesses outside the formal sector organisations such as ICGU and ICASA Uganda (a group of the Institute of Chartered Secretaries and Administrators) should issue corporate governance guidelines and through their members regulate performance.
Sub total						9,060	12,300	35,340	

**Objective 4: Ensure Corporations Treat Stakeholders Fairly And Justly**

4.48 GoU, relevant agencies, donor community and the private sector to work together to enhance financial literacy (support Financial Literacy Foundation)	4.48.1 Develop and implement a financial literacy strategy.  4.48.2 Create a permanent discussion forum for continuous dialogue	A joint operational Committee established  Continuous dialogue	PSFU, Working Group, BoU CMA USE Institute of Bankers	3 years	Joint operational committee in place  Financial literacy strategy designed and implemented  Discussion forum established				A financial Literacy Foundation, Finlit Foundation Uganda Limited was established in December 2008. In the rural areas MGLSD continued to implement a Functional Adult Literacy programme under the PFA programme which provided participants with skills for the development and management of household enterprises.
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Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.49 GoU to improve law enforcement especially when it comes to protecting stakeholders' rights when engaging private companies	4.49.1 Develop criteria and guidelines for PPP  4.49.2 Develop a policy, guidelines and regulations for public/private partnership in investment  4.49.3 Develop a communication strategy to sensitise the people about PPP and ensure transparency	Guidelines established	PSFU MFPED	3 years	Adhoc committee established and operational  Guidelines established				No update available
4.50 Strengthen UNBS to fight against counterfeit goods including teaming up with other regulatory and enforcement Agencies	4.50.1 Recruit skilled personnel 4.50.2 Provide sufficient funds and equipment for UNBS activities 4.50.3 Create a Forum for joint regulatory and enforcement initiatives	Number of Skilled and competent staff recruited.	UNBS URA CID	3 years	Forum for joint regulatory and enforcement initiatives established UNBS Capacity built				Counterfeits Good Bill 2008, which will give UNBS the authority to regulate counterfeit goods has been drafted and is awaiting submission to Cabinet.
4.51 GoU to allocate adequate resources to UNBS to allow it to fulfil its mandate	4.51.1 Develop a strategic plan and a comprehensive Budget	Approved Budget	MFPED UNBS	3 years	Increased budgetary provisions				UNBS still require additional funding to enable them to fulfil their mandate.
Sub Total:						10,630	15,770	20,610	

Objective 5: Improve Corporate Governance Accountability

4.52 Review relevant laws on accountability of corporations in particular the Companies Act to make it more effective	4.52.1 Review existing legislation and procedures	Number of regular, timely and audited accounts and reports of directors submitted to Registrar of Companies	Ministry of Justice URA PPDA	3 Years	Existing laws and regulations reviewed Periodic Audited accounts and reports of directors				Relevant laws have been reviewed and appropriate amendment Bills are progressing through the enactment process.
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Specific Objectives	Required Actions	Indicators	Implementing Agencies	Time Frame	Expected Output	Approved Allocations For 3 Year POA Period (UGX Millions)			Remarks
						FY 08/09	FY 09/10	FY 10/11	
4.53 Review the PPDA ACT	4.53.1 PPDA ACT reviewed	A reviewed PPDA ACT	PPDA MFPED MoJCA	1 year	inter-sectoral technical committee established Standards for procurement developed, disseminated and enforced				The PPDA act is being amended and has been approved by MFPED for submission to Cabinet.
Sub total						0	0	0	
Grand Total						118,780	99,760	91,160	

# ANNEX 11 SOCIO-ECONOMIC DEVELOPMENT

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Principles, Codes and Standards									
Sign standards that the country has not yet signed within socio-economic development and ratification of others	<p>Make recommendations on processes that take place before codes and standards are signed</p> <p>Identify relevant codes and standards</p> <p>Review and develop a plan to identify gaps</p> <p>Implement the plan</p>	All pending socio-economic codes and standards signed, ratified and domesticated	Number of codes and standards identified in the gap signed, ratified and domesticated	MGLSD and relevant sector Ministries	3 years				<p>The Protocol to the African Charter on Human and People's Rights on the rights of Women in Africa (2005)- Uganda has signed.</p> <p>Domestication of this Protocol however is being undertaken through the formulation of various national policies –and actions e.g the EOC, regular reporting on the National progress on CEDAW.</p> <p>Government ratified the convention on safeguarding of intangible cultural heritage of 2003. This helped in the promotion of culture which is very important in the mobilisation of the communities.</p> <p>Government disseminated the Education Act 2008 to all districts as a way of sensitising communities on education standards and education for all children. Other policies where dissemination efforts have been made include: the National Orphans and other vulnerable children Policy of 2004; the National Child Labour Policy of 2006; the Uganda Gender Policy of 2006; the National Policy on Disability of 2006.</p>
<b>Sub Total</b>									

## Objective 1: To Promote Self-Reliance in Development and Building Capacity for Self-Sustaining Development

<p>Review and streamline government planning processes with a view to strengthening NPA's lead role in national planning.</p> <p>President should ascend to the amended NPA Act (further</p>	<p>Review and amend the NPA Act, LG Act and Budget Act</p> <p>Fully implement the amended NPA Act</p> <p>Facilitate role delineation</p> <p>Issue Presidential Directive to effect</p>	<p>NPA Act amended and national planning streamlined</p> <p>5 year NDP in place</p> <p>Key government spending agencies comply with NPA agencies</p>	<p>An amended NPA Act</p> <p>- NPA to provide more actions and activities as well as indicators</p> <p>Presidential Directive</p> <p>NPA exercising its mandate</p>	<p>MFPED, NPA, Prime Minister's Office, Presidency</p> <p>MFPED, NPA, Prime Minister's Office</p> <p>Office of the President, MoPS</p>	2 years				<p>Work on-going to streamline the legal framework. NPA is spearheading the formulation of the National Development plan in fulfilment of its mandate. NPA is also in consultation with key stakeholders so as to generate consensus to inform government directives on the mandate and authority of the NPA The capacity of National Planning Authority has been strengthened</p>
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Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Build information and communication mechanisms that ensure that gender-disaggregated data informs policy formulation, implementation, and monitoring and evaluation.	<p>Manage gender disaggregated data and information</p> <p>Distribute gender disaggregated data and information to relevant end users</p> <p>Usage of gender disaggregated data and information in planning and budgeting process</p>	Electronic and hard copies of gender disaggregated data and information	<p>Gender disaggregated data by sector</p> <p>Gender disaggregated requirements by sectors</p> <p>percent of MDAs and LGs using gender disaggregated data and information</p> <p>Functional management of gender disaggregated data and information</p>	UBOS, MFPED, MoLG, and sector Ministries] MGLSD, MFPED, MoLG CSOs and sector Ministries	1 year				The Key Ministries in this are Ministry of Gender Labour and Social Development and Ministry of Finance, planning and Economic Development, have been spearheading the training of sector personnel to generate Gender disaggregated data and information. Guidelines for preparation of a Budget framework Paper that addresses Gender and Equity issues is in place. Educations, Agriculture, Health and Agriculture sectors have generated and disseminated available gender disaggregated data and information. However, the responses to the gender gaps concerns need to also respond to the women's need for Economic Empowerment opportunities.
Reduce the country's dependence on development partners over time.	Implement the Accra Declaration on aid effectiveness	Assessment of aid effectiveness concluded	Need to find required action	OPM, MFPED	1 year				Government is committed to the PD and Accra Declaration as demonstrated by the national, Annual budget process, Planning processes, implementation of the Sector Wide Approach
	<p>Intensify the administration and collection of revenue</p> <p>Implement the Local Government tax</p>	Increased domestic revenue	<p>A strategy in place for increased revenue</p> <p>Domestic revenue strategy adopted</p> <p>Local taxes</p>	MFPED, BOU, MoLG, Local Government Finance Commission, Parliament	1 year				Implementation of the Local Government Service tax and Hotel tax , Intensification of collection of non-tax revenue in order to collect more revenue Donor support to the national budget has reduced by 10percent
Prudently harness the expected oil revenue into productive sectors and infrastructure development to further integrate the national economy, and contribute to enhancing socio-economic development	Develop a plan and implement an act to invest oil revenues in infrastructure and productive sectors (further consultation needed – MEMD)	% of oil revenue channelled to productive sectors	<p>An implemented plan and Act</p> <p>Volume of oil revenue</p> <p>Distribution to the different productive sectors</p>	MEMD, MFPED, NPA, NEMA, LGs, URA	3 years				Government seeking to identify cost effective refinery so as to ensure maximum benefits to the country, and avoid export of crude oil. A national Oil and Gas Policy has been approved by Cabinet and a law is in draft form to ensure regulation. More work ongoing in exploration, to guide planning and integration into the national economy

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 2: Accelerate Socio-Economic Development to achieve sustainable development and poverty reduction									
Develop an integrated strategy for human and institutional capacity for delivery of basic social services	NPA to produce National Human Resources plan	Integrated strategy for human and institutional capacity developed	A National Human Resources plan	MoPS, NPA, MoES,	2 years	Carried out in the period under review			Preliminary activities for undertaking a National Human Resource Survey were under taken. More work is planned for the next financial year.
Enhance enabling environment for promoting Public Private Partnerships for delivery of basic social services	Review the framework for PPPs	PPP policy and strategy	Comprehensive PPP framework implemented	MFPED, Private Sector Foundation Uganda, business associations and sector Ministries	3 years				The PPDA Act was reviewed, and proposals for its amendment identified. A Bill was prepared submitted to and approved by MFPED. It will be submitted to Cabinet, before presentation to Parliament. However, all sectors and MDAs have integrated PPPs in their annual plans for FY2009/10
Streamline and simplify procedures for establishment of business and social enterprises	Reduce the number of procedures for establishment of business and social enterprises  Create awareness of procedures for establishment of business and social enterprises  Harmonise the right of establishment and registration of business firms with other countries	Procedures for business and social enterprises simplified and streamlined	Streamlined and simplified procedures for establishment of business and social enterprises  Level of awareness of procedures for establishment of business and social enterprises	MFPED, UIA, URA, PFSU, Registrar of Companies and business associations	3 years				Progress has been made – Reduction of number of days for establishment of businesses – 25 days Uganda Investment Authority has been engaged in awareness creation.  The processes for establishment and registration of business have been streamlined and time required for establishment of business as well as registration is now down from 28 days to 25 days. The existence of the Uganda Investment Authority as a one stop centre for support to Entrepreneurs continues to be a useful support
Create institutional arrangements to support SMEs access to development financing	Establish a development finance facility	Private actors mobilised and facilitated	A facility for development financing established  Number of loans	MTTI, UIA, Parliament, Bank of Uganda	3 years				The establishment of Uganda Development Bank and capitalisation is a good step in the right direction for SMEs. Government also licensed

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Formulate a comprehensive agricultural policy that facilitates optimal agricultural productivity and Food Security	<p>Review of MAAIF development and investment plan</p> <p>A policy and incentives that support agro-processing</p> <p>Increase food security and promote proper nutrition</p>	revised DSIP	<p>Agricultural policy</p> <p>Areas for support in agricultural productivity and food security</p>	MAAIF, Ministry of Tourism, Trade and Industry, MoFA, Parliament	1 year				<p>The agricultural policy has been in place NPA has formulated a Background Paper on Agriculture for the NDP. It summarises the Development Strategy and Investment Plan (DSIP) of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) of 2009, and will eventually become the chapter or pillar on agriculture in the NDP.</p> <p>Government is providing incentives to private sector for agro processing</p> <p>Strategies have been developed to encourage farmers to adopt use of improved seeds</p>
Promote value addition, commercialization, agro-processing and marketing	<p>A policy and incentives that support agro-processing</p> <p>Support to facilitate access to agro-processing facilities</p> <p>Identify markets and promote access to them</p>	<p>Commercialisation, agro-processing and marketing promoted</p> <p>% firms with agro-processing facilities</p>	<p>Number of agro-processing facilities supported</p> <p>share of agricultural produce marketed</p> <p>Level of agricultural mechanization</p>	MAAIF, Ministry of Tourism, Trade and Industry, MoFA, Parliament UIA, URA, NAADS	3 years				<p>NAADS is implementing an incentive programme for agro processing. Government has supported procurement of agro-processing technology and creating opportunities for local and international partnerships</p> <p>Seven studies have been initiated on value chains for various productive sub sectors in order to enhance market access</p>
Promote eco-friendly utilization of land	<p>Operationalise the Land Use policy</p> <p>Finalise the Land (Amendment) Act</p> <p>Implement the Land Use policy and Land (Amendment) Act</p>	Number of families using eco-friendly methods of land utilization	<p>Number of sensitisation activities</p> <p>Demonstration schemes</p>	MAAIF, MLHUD, MWE, NEMA, CSOs, Parliament	3 years				<p>Country-wide consultations have been completed. Government has developed guidelines for district land boards</p>
Promote tree planting, sustainable wetland management, restoration of degraded eco-systems, and effective use of weather and climate information,	<p>Protect fragile eco-systems landscapes</p> <p>Conserve bio-diversity</p>	Tree planting, sustainable wetland management, restoration of degraded eco-systems, and effective use of weather and climate information, and integrated water resources management	<p>% contribution of natural resources to the household income</p> <p>Functional meteorological agency in place</p> <p>percent of land area under forest cover</p>	MoWE	2 years				<p>On-going The national Forest Authority is currently supporting Private Public Partnerships aimed at busting the tree planting initiatives in the country</p>

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Widen the scope of measurement of poverty through a composite index that takes into account both per capita income or consumption index, and captures the non-income elements of poverty.	Develop a composite index  Adopt the composite index	Composite index developed	A study on tools to measure poverty	MFPED, UBOS, CSOs, EPRC	1 year				UBOS has included non-income elements of poverty such as consumption, gender and nutrition in the measurement of poverty, however conducting consultations in order to concretise elements of a composite index so as to respond to the data needs of MDAs
In collaboration with other stakeholders accelerate the development and implementation of a comprehensive social protection strategy.	Finalise the Social Protection strategy  Roll out the Social Protection Strategy	Social Protection strategy  Number of districts in which strategy is rolled out	Districts in which the strategy is rolled	MGLSD, MFPED, Local Government, CSOs, MoPS,	2 years				Social protection strategy is still in draft, however social protection programmes are being implemented e.g cash transfers to the chronically poor began this year. 500,000 chronically poor have been targeted to receive cash transfer of about UGshs20,000/= every month.
Design and implement policies that address regional and social inequalities.	Operationalise the Equal Opportunities Act	Guidelines for planning and budgeting for addressing inequality  Increased budget allocation	Equal Opportunities Act operational	MFPED, MGLSD, Local Government, CSOs OPM,	1 year				The secretariat for the implementation of the Equal Opportunities is being set up by MGLSD. The Commissions members have been nominated Budget allocation has not been increased due to the budget ceiling.
	Implement the Northern Uganda Peace, Recovery and Development Programme	Share of resources allocated to marginalized groups and Northern Uganda	Northern Uganda Peace, Recovery and Development Programme implemented		3 years				The programme is under implementation with the government now recruiting additional staff to strengthen the implementation.
Accelerate the development a National Population Policy that will address comprehensively the high fertility rate.	Develop a Population Policy  Popularise the Population policy	Population policy developed	Progress in policy formulation	Population Secretariat, MGLSD, MoLG, CSOs	2 years				A new Population policy is in place. Government has also integrated population issues into various sectors dealing with population issues e.g Health, Education and also job creation under the productive sectors.



Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 3: Strengthen Policies, Delivery Mechanisms and Outcomes in key social areas including education and combating of HIV/AIDS and other communicable diseases									
Make UPE compulsory and enact laws and bye-laws to enforce UPE, and develop a strategy for ensuring quality, retention and completion	Enforce laws and bye-laws making UPE compulsory Construct and equip school facilities Teacher recruitment Review teacher training needs and carry out in-service training Provide Teacher incentives and implement a reviewed salary structure	Number of by-laws enacted at National, Higher and Lower Local Governments and implemented  Teacher training reports  Reviewed curriculum	Laws and bye-laws in respective localities  Number of school going age children in school  percent of libraries stocked with up to date material  Number of teachers recruited and deployed  Implemented scheme of service  Revision of primary teacher education curriculum  Training and retraining of teachers, teacher educators and managers  Incentives provided per year and number of teachers' houses per year	MoES, DES, MoJCA, MoLG, school boards, PTAs, Labour Unions, Private Sector, Tertiary Teacher Education Institutions, MGLSD	3 years				Teachers 5,955 new teachers were recruited 2500, P2 teacher were trained; 1700 tutors and inspectors of schools. And 15 master trainers were trained in the thematic curriculum  Implemented a teachers' scheme of service – using a phased approach with up to 4, 335 teachers each progressive year being promoted under the scheme  The PTE curriculum was reversed to facilitate the introduction of a two year probation course for newly qualified teachers  Government paid allowances for teachers in hard to reach areas  Teachers salaries have been revived an an increase of 10percent made

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Develop a comprehensive strategy for resourcing USE	Enact laws and by-laws making USE compulsory Determine needs, setup and stock school libraries with essential scholastic resources Review USE curriculum and update USE textbooks Teacher recruitment Determine teacher training needs and carry out in-service training Provision of Teacher incentives and implement a reviewed salary structure	Strategy on resourcing USE	<p>Critical aspects of an efficient USE identified and implemented</p> <p>The preparation process for the strategy on USE in place</p> <p>percent implementation of the process</p> <p>percent of schools libraries stocked with recent scholastic resources</p> <p>percent of curriculum implemented</p> <p>Number of textbooks updated per year</p> <p>Number of teachers recruited and deployed</p> <p>Number of teachers trained in service per district per year</p> <p>Incentives provided per year and number of teachers' houses per year</p>	MoES, MoJCA, MoLG, PTAs, Teacher unions, school boards,	3 years				<p>Ministry of Education has developed Education Act 2008 which makes education compulsory, a num districts have also developed and have enforced bylaws making education compulsory.</p> <p>Ministry of Education and Sports distributed text books and science materials to schools</p> <p>Over 80percent of the schools (both government aided and private schools have received text books and science materials. Other scholastic materials have also been provided.</p> <p>In addition to provision of incentive allowances to teachers, government is also providing accommodation and increased teachers' salaries from Ugshs150,000/= to 200,000/=</p> <p>5,955 new teachers were recruited during the period under review, to beef up the teaching staff in schools</p> <p>286,909 teachers were trained all together this year.</p> <p>Ministry of Education and Sports has recruited</p>
Promote use of ICT in schools in particular rural schools.	Determine needs of ICT in all schools Provide energy to institutions without Supply ICT facilities in all schools Train teachers to operate and maintain ICT facilities	All schools with an operational ICT	<p>Report of ICT requirements in all schools</p> <p>Alternative power supplied</p> <p>Number of schools supplied with functional ICT facilities</p> <p>Number of teachers trained</p>	MoICT, PSFU, MoES, LGs, MEMD	3 years				<p>190 secondary schools were provided computers (10 computers per school) And Microsoft ware licences were procured and distributed to 100 schools. Solar power has been installed in rural schools Government provided solar equipment on a small call to difficult to reach areas 56 secondary teachers were trained in computer applications, and other 100 teachers trained in ICT and the use of digital science, 120 head teachers were trained on supervision skills and</p>

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Ensure qualified health workers and appropriate equipment in all health units	<p>Determine requirements and develop strategies</p> <p>Train all health workers</p> <p>equip health units with required equipment and supplies and avail conducive health environments</p> <p>Determine requirements of ICTs in health facilities and supply, operate and maintain</p> <p>Review salary structures and provide incentives at community level</p> <p>Improve health workers welfare (housing and amenities)</p>	<p>Reduced mortality</p> <p>Maternal and infant mortality rates reduced</p> <p>Number of health workers recruited</p> <p>All health units with ICT equipped and staffed</p>	<p>Number of health centres supplied with equipment and facilities</p> <p>Number of health centres IV with operating centres</p> <p>Implemented Uganda Vocational Qualifications Framework (UVTF)</p> <p>Number of health management committees formed</p> <p>Number of health workers trained and employed</p>	Ministry of Health, MoLG, MoES, Health Service Commission, Tertiary Health Institutions, DES, District Service Commission, MoPS, LGs, Communities, MoICT	3 years				16 health facilities were equipped, 5 hospitals equipped with imaging equipment and a generator 9 HCIV equipped with a generator, ultra sound scanner and theatre equipment. 64 health centres have been supplied with energy facility or to connected to the grid in Mityana, Mubende and Kibale districts Government has been making consultations with health personnel on salary issues but also agreed to approve health workers incentives 200 health workers were trained in medicines management and quarterly specialist support supervision by the national referral hospitals
Build capacity and strengthen inspectorate mechanisms to ensure quality and safety in service delivery	<p>Implement citizen charters on service delivery</p> <p>Determine inspection standards and conduct the inspections frequently</p> <p>Revise and update annual performance assessment of local government and extend the system to central</p>	<p>Number of staff trained or oriented</p> <p>A strong inspection mechanism</p> <p>Demand side of accountability strengthened</p>	<p>Number of inspections conducted</p> <p>Number of inspection reports submitted</p> <p>Number of units accessed</p> <p>Capacity building initiatives undertaken</p> <p>Inspectorate mechanisms in place</p>	MoPS, MoLG, sector Ministries, statutory agencies Inspection units in Government, IGG, Auditor General, MoPS, MFPED, NIMES, MoES	3 years				

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Improve the conditions of service for teachers in terms of salary and living conditions and facilitate hiring of teachers to regions other than their home districts in order to improve quality of education especially in rural areas	Review and implement salaries and incentives for teachers  Post teachers to regions other than their home districts to improve quality of education	Better conditions of living for the teachers	Number of teachers recruited outside their home district Number of teachers' houses constructed or provided  Salary enhancement levels	MoES, Public Service Commission, Teachers Union, Private Sector Foundation Uganda, parents' associations, MoLG	3 years				Teachers newly recruited have been posted to areas other than their home areas Salaries were reviewed and increased by 10percent
Give greater emphasis to business, technical and vocational training in the framework of the Ugandan Industrial Policy, adopted in January 2008.	Develop policy and strategy (update)  Determine demand, supply and institutional capacity to meet the demand  Allocate and commit resources	Policy guidelines on BTVET  Increased allocation of resources to BTVET	Policy guidelines on business, technical and vocational training (BTVET)  Resource allocation to BTVET  Number of students on BTVET	MoES, NPA, NII, sector Ministries, MoLG, MFPED, BTVET	3 years				Government finalised the BTVET Act 2008, the ministry of Education is now in the process of finalising the BTVET's Strategy that will operationalise and guide additional funding Government increased funding for renovation and procurement of equipment – constructed 10 workshops, 8 class rooms, 1 library, 1 sick bay, 3 kitchens at 10 BTVET institutions and 48 BTVET primary enrolling institutions Under industrial development government has prioritised training of artisans and "Jua kaali"
Address the problem of rampant corruption in the health sector, especially in the supply chain of essential drugs and equipment intended for health centres and hospitals.	Set up a system to track movement and storage of essential drugs and equipment  Set up a system to track diversion of essential drugs and equipment to private pharmacies and clinics  Enforce leadership code and procurement guidelines  Sensitise professional	A system to track the supply chain of essential drugs and equipment in place  Number of professionals enacting the leadership code  Leadership code adopted  Standing orders in place  Number of professionals trained in community policing	Investigation of essential drugs and equipment kept at public health centres, hospitals and clinics.  Number of diversions detected and stopped  Number of health establishments punished for engaging in corruption  Drugs and equipment to the health centres and hospitals	Ministry of Health, Local Governments MoH, intelligence agencies, undercover sticks, police, MoLG, service commissions, MoPS	3 years				Government improved supply chain management for vaccines and medicines, by expediting procurement and reducing linkages, hence address supply chain gaps The leaders at different levels in government provide annual reports on their property. Guidelines are in place The Uganda Police Force has been conducting public awareness on corruption Procurement guidelines have been developed to provide professionals with clear procedures and eliminate corruption

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Improve the conditions of service for health personnel through strategies that sustain their productivity and attract and retain them to under serviced areas.	<p>Review terms and conditions of health workers</p> <p>Implement the new terms and conditions of service (increased salaries and incentives)</p>	Strategies to sustain the productivity and retain Health personnel	<p>New salary scales and wages % in wages and salaries Reduced brain drain of health workers and dual employment Intervention to sustain health workers' productivity and conditions of service identified Number of patients visiting health units</p>	Ministry of Health, Local Governments, MFPE, MoPS, MGLSD, trade unions	3 years				Government reviewed the Terms and conditions of services so as to try and retrain staff Government approved health incentives and hard to reach incentives and health workers housing Increase of salaries is hindered by the budget ceiling
Step up efforts to reduce malaria prevalence that is the leading cause of morbidity and mortality in Uganda.	<p>Review methods of controlling malaria and implement them (DDT, mosquito nets etc)</p> <p>Increase capacity of health centres in rural areas to test for malaria and to know when malaria cases are getting complicated and to refer them</p>	Mechanisms to reduce malaria prevalence in place	<p>Use of malaria nets</p> <p>Number of families clearing and that bush and stagnant water around their homesteads</p>	Ministry of Health, Local Governments Ministry of Health, Local Governments	3 years				Government approved the use of DDT, policy and implementation guidelines for IRS using DDT have also been finalised Up to 600, 000 houses have been sprayed with IRS and 2 million bed nets have been distributed with USAID support Government has built capacity for health centres to treat for Malaria and its treatment. Public awareness campaigns are ongoing to educate the masses on malaria treatment and training of Village Health teams
Speed up the setting up of the national social health insurance.	<p>Finalise legislation on national social health insurance</p> <p>Operationalise the scheme</p> <p>Encourage voluntary community health insurance schemes</p>	<p>Operational National Social Insurance</p> <p>Voluntary Community health insurance schemes managed by communities</p>	<p>National Social Health Insurance Act</p> <p>Operational guidelines for national social insurance in place</p> <p>Voluntary community health insurance schemes</p>	Ministry of Health, Parliament, NSSF, Local Governments, MFPE, MoPS, CSOs	1 year				<p>Draft policy is in place. Government is conducting public awareness and consultations on Community Health Insurance Schemes are being implemented in a few districts</p> <p>The voluntary community health insurance schemes are being piloted in about 10 CHI schemes in western Uganda e.g Kinkizi Hospital. However more needs to be done to roll out to other districts</p> <p>Government has developed a cash transfer scheme to be managed by the Ministry of Gender Labour and Social Development</p>

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Reduce HIV incidence rate by 40percent	Review prevention efforts in all sectors	Renewed prevention efforts	Number of sectors/LGs with prevention activities and implementing them	MoH, MGLSD, CSOs	3 years				HIV/AIDS concerns have been mainstreamed in all sectors/ Local Government programmes
Improve the quality of life infected persons by mitigating the effects of HIV/AIDS	Increased equitable access to ART for those in need	Improved ART services	Number of persons accessing ART	MoH,	3 years				76, 000 PLHV were provided with ARTs in the period under review, however government ensures that Free distribution to all PLH
Mitigate the socio-economic effects of HIV/AIDS	Develop and implement appropriate HIV/AIDS workplace policies  Mainstream HIV/AIDS into planning and budgeting processes	HIV/AIDS workplace polices in place  HIV/AIDS planned and budgeted for	Number of sectors/LGs implementing the workplace polices  Number of sectors/LGs mainstreamed HIV/AIDS into their plans and budgets	MoPS, MFPED	3 years				HIV/AIDS interventions have been budgeted for in all vote functions under the National Budget Framework Paper FY 2013/2014  All sectors have mainstreamed HIV/AIDS prevention into their sector strategic planned
Strengthen the country's preparedness to handle epidemics and outbreaks such as Ebola.	Determine the tools and resources required to safely handle epidemics and outbreaks	Mechanisms to epidemics and outbreaks in place	Mechanisms to respond to epidemics and outbreaks outlined	Ministry of Health, Local Governments, CSOs, Department of Disaster Preparedness	1 year				All health workers in affected districts were trained in universal precautions and infection control procedures  A draft policy for disaster preparedness is ready for tabling in Parliament. However, there is an urgent need for Uganda to establish a one stop National Response centre  Current SWAPS approach is not well coordinated and equipped to respond to national disasters  Ministry of health has also been conducting country wide immunisation and public awareness, and Primary health care services

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 4: Ensure affordable access to water, sanitation, energy, transport, finance (including micro-finance), markets, ICT, shelter and land to all citizens, especially the rural poor									
Increase of water supply and sanitation coverage as well as water for production	Review policy and strategy to ensure increase of water supply and sanitation coverage Increase sanitation funding Increase government funding for urban water Increase access to water supply by the poor	Policy and strategies developed to increase water supply and sanitation	Policy/strategy paper Annual water coverage growth of 3percent Sanitation coverage in urban (urban poor) and rural areas	Ministry of Works, Transport and Communication, MoWE, MLHUD, LGs, National Water Sewerage Corporation, water and sanitation NGOs	3 years				Down turn in the amount for water supply and sanitation vote function, but government is committed to complete already ongoing programmes 110 local government staff were trained in O&M and promotion of sanitation and hygiene education by government 11 piped water schemes were completed and construction is ongoing in 15 more towns 20 public latrines were constructed and 25 more under construction 4 water supply systems were equipped with energy efficient systems and packages
Maintain sustainably at least 80percent of national roads in fair to good condition and improve access and connectivity to most rural and urban areas	Operationalise the Road Fund Act and increase funding to the road sector  Approve and implement the National Construction Industry (NCI) policy and fund DUCARIP  Construct a Southern road bypass to link with the Northern road bypass	NCI policy and DUCARIP in place  Number of kilometres of national roads upgraded.  Number of kilometres of national roads maintained.  Number of kilometres of district and urban roads maintained  Number of kilometres of rural roads maintained	Road fund in place  NIC operational and DUCARIP funded  Number of tarmac roads maintained  Number of kilometres upgraded from gravel to bitumen  percent of national road networks in fair to good condition  percent of rural and urban roads in fair to good condition	Ministry of Works and Transport, UNRA, MoLG, MFPED, LGs	3 years				Road fund was established specifically to earmark resources for road maintenance. Process in advance stages and the policy will be adopted this financial year . DUCARIP is in the process of producing a report to guide public service on incentives and costs involved Government has also put in place a leasing mechanism for local constructors to access cheap credit for machinery

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Revitalize and improve railway network and water transport	<p>Increase investment in railway and water transport</p> <p>Increase investment in railway and marine transport</p> <p>Carry out studies to open up closed and new railway lines</p> <p>Monitor and evaluate the Kenya-Uganda Railway Concession</p> <p>Implement the Lake Victoria Act</p>	<p>Number of kilometres of railway lines constructed and operational</p> <p>Number of marine vessels in use</p>	<p>Closed and no-existing railway lines operational</p> <p>New strategic railway lines constructed</p> <p>Number of marine vessels operational</p>	MoWT, RVR, EAC	2 years				<p>Sector Financing has been increased by Ushs.468 billion purposely for Road transport. Preparatory work for the Rehabilitation of the railway link to Mombasa is on- going. Government has prioritised the preparation of the Master Plan that will guide investment in the area of Rail and marine transport.</p> <p>Feasibility studies for the development of water transport on lake Albert and the upper white Nile are on-going</p> <p>Government has procured the management conduct for MV Kalangala, rehabilitated 2 landing sites on lake Victoria and conducted several socio economic impact studies</p>
Coordinate development and maintenance of urban infrastructure to address congestion and population growth	<p>Enact legislation governing town and country planning and restore the planning boards</p> <p>Update urban master plan</p> <p>Develop a strategy to prevent congestion and slum development</p>	<p>Coordinated and maintained structure in place</p> <p>Improved urban infrastructure</p>	<p>Town and country planning Act</p> <p>Planning boards established</p> <p>Updated Land use plans covering infrastructure plans, and transport network plans</p> <p>Residential plans and infrastructure set up ahead of people moving in (water, electricity, etc)</p>	Ministry of Land, Housing and Urban Development, MoLG, Parliament NPA, Town and Country Planning Boards, Department of Physical Planning, cities and municipalities	3 years				<p>The government has developed guidelines to guide urban planning, The slum upgrade strategy is also intended to guide interventions on slum areas</p>



Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Strengthen policy and strategy for investment in ICT infrastructure, services, increase skills and promote utilization	<p>Install national ICT/e-governance backbone infrastructure, operation and maintenance</p> <p>Install District ICT/e-governance infrastructure: operation and maintenance</p> <p>Determine factors that hinder speed of connectivity and reliability and control, misuse of the internet</p> <p>Use training in ICT/e-governance</p>	<p>ICT infrastructure and services expanded, skills increased and utilization improved</p> <p>National Information and Technology Authority (NITA-U) established</p> <p>27 ministries connected on e-government DBICs in all districts established</p>	<p>Number of computer access points</p> <p>Number of cyber cafes</p> <p>Number of offices online</p> <p>Number of businesses online</p> <p>Up-to-date technology used by service providers</p> <p>Number of internet users</p> <p>Numbers trained in operating and maintaining ICT/e-governance systems</p>	<p>MoICT, LGs, sector ministries, Uganda Communication Commission, MFPED, ISPs, cyber cafes, telecom companies</p>	3 years				<p>A fibre optic cable network has been established for the national data transmissions backbone which is going to span through 28 districts</p> <p>e-government infrastructure has been stabled – it will connect all MDAs</p> <p>27 MDAs have been connected to the E-government network</p> <p>Kampala, Entebbe, Mukono, Jinja and Bombo have been connect to the national backbone</p>
Monitor and report the progress so far made on MDGs	<p>Establish the status of MDG implementation</p> <p>Integrate MDGs in NDP</p> <p>Design a strategy to address the gaps</p>	<p>A strategy in place</p> <p>MDGs integrated in the NDP</p> <p>MDG monitoring report produced</p>	<p>Status report</p> <p>Strategy developed</p>	<p>OPM (NIMES), MFPED, NPA, all sectors</p>	1 year				<p>MDG targets have been monitored through the respective sectoral plans.</p> <p>MDG indicators are integrated into the national planning frameworks such as the PEAP but also in all sectoral plans, such as Education, Water, and Health. And now the NDP</p>
Prioritize the promotion of alternative and renewable sources energy	<p>Implement policy on sustainable and renewable energy</p> <p>Put in place regulation and enforcement of legislation and standards</p> <p>Set up and</p>	<p>A strategy for promotion of energy in place</p> <p>Number of people adopting alternative energy</p>	<p>Implementation mechanisms in place</p> <p>Standards have been set</p> <p>Number of centres set up</p> <p>An RE policy in place</p> <p>Number of new sources of RE</p> <p>Power generated</p>	<p>Ministry of Energy and Mineral Development, UNBS, UEGCL, UETCT, ERA, IPPs</p>	3 years				<p>Policy is being implemented</p> <p>2 Aggreko thermal plants providing 100 MW</p> <p>2 mini- hydro power stations ( Kasese Cobalt with 10 MW) and Mubuku – 1 MW and Kilembø mines with 5 MW are connected and add power to the main grid</p>

Objectives in POA	Required Resources	Expected Output	Indicator(s)	MDA	Frame	FY 08/09	FY 09/10	FY 10/11	
Speed up the formulation and implementation of the policy on solid waste management	Finalise the formulation of policy on solid waste management  Put in place and enforce mechanisms for solid waste management	A policy on solid waste management formulated	Policy in place  Existence and enforcement of solid waste management mechanism	Ministry of Water and Environment, NEMA, LGs	1 year				There is a plan for developing a policy for e-Waste Government banned the importation of second hand computers and fridges during the 2009/10 budget,
Prioritize sanitation in the national budget in order to ensure dramatic acceleration in the provision of improved services required to achieve the MDG target on sanitation	Develop a plan to protect water supply from pollution and clean sources of water.  Increase sanitation government funding to NWSC	Agency in place  Improved sanitation  Increasing sanitation coverage	Functional Sanitation Agency	MoWE, LGs, National Water Sewerage Corporation	3 years				Urban water coverage has been increased to 75percent Dedicated budget line for sanitation in each of the MDAs; Education and Sports, health, and local government and a conditional grant for sanitation activities in the district local government
Strengthen and enforce regulation of micro-finance institutions.	Finalise and policy and regulation of micro-finance institutions	Regulations in place and enforced	Existence of policy and enforcement mechanism	MFPED, BoU	3 years				Bills were drafted; Micro Financing CSACCO , a micro Credit bill and a micro Finance organisations bill
Formulation of a National Land Policy to provide overall guidance on land ownership and use.	Finalise the formulation of the National Land Policy	National land policy in place	Process of formulation of policy	Ministry of Lands, Housing and Urban Development Parliament, CSOs	1 years				12 consultative workshops were conducted , and various papers were submitted to the Ministry of Lands, a 3 <sup>rd</sup> draft document is still being used for finalising the policy
Speed up formulation and implementation of a national housing policy that takes into account the needs of the poor.	Review the National Housing Policy and amend law appropriately	A policy in place	Mechanism to speed up formulation of policy	MLHUD, Private sector	1 year				Government has began the process of revising the National Housing policy and develop a 10 year strategic plan, situation analysis study has been curried
Prioritize the development and implementation of an urban physical planning and development	Develop and implement a slum upgrading strategy	Department of urban physical planning	Mechanism to put a department in place	MLHUD, Private sector	1 year				A slum up grading strategy has been developed, and the respective ministry has developed physical planning and development guidelines.  Process for urban physical policy and strategic investment planning process has also began

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Mobilise additional resources on community and feeder roads in particular for rural areas.	Increase the share of budget allocated to community and feeder roads  Upgrade community and feeder roads	Increased in resources allocated to feeder/ community roads	% increase in the budget allocated to community and feeder roads Number of kilometres of community and feeder roads upgraded	Ministry of Works and Transport, LGs, Private sector, CSOs	3 years				Sector financing in FY 2008/09 increased by UG.shs468 Billion purposely for Road transport
Assist in the development of a transit bus system that can be taken over by the private sector.	Plan and design the transit bus system  Mobilise resources to fund the transit bus system  Implement KUTIP	A transit bus system in place	Plan for transit bus system  Amount of resources mobilised  KUTIP implemented	Ministry of Works and Transport, Private sector, urban authorities, National Road Authority, MFPED	3 years				A regulatory framework is being developed to attract private investors through a private public partnership scheme, with four companies
Sub Total									

Objective 5: Progress towards gender equality in all critical areas of concern, including equal access to education for girls at all levels

Review policy and strategy on employment opportunities for the youth (wage and self employment)  Develop employment opportunities for youth	Review policy and strategy on employment opportunities for the youth  Create and support employment opportunities for the youth in the public sector  Support private sector to expand employment opportunities for the youth	Schemes for youth empowerment instituted  A revised Employment Policy in place	Policy/strategy paper  Employment, self-employment help projects for the youth supported  Number of youth with access to microfinance	Ministry of Gender, Labour and Social Development, Ministry of Local Government, Private Sector Foundation Uganda, UIA	1 year				GoU disseminated copies of the national child labour policy Support to private sector to provide employment opportunities MGLSD has targeted 19 districts and plan to expand to 40, for micro start up grants and entrepreneurial skills training GoU put efforts to create employment opportunities GoU has established industrial parks to attract foreign investors
Harness job opportunities offshore	Formulate and implement the Labour Expatriation Policy Strengthen mechanisms identifying opportunities abroad Develop policy and incentives on	Mechanism to identify opportunities abroad put in place Labour Externalisation policy formulated Policy on Remittances put in place	Labour Expatriation Policy	Ministry of Gender, Labour and Social Development, Ministry of Foreign Affairs, Ministry of Internal Affairs	1 year				GoU has facilitated – both skilled and non skilled to get jobs abroad, over 12,000 Ugandans have been recruited in Iraq, UAE, and Juba in Sudan 540 Youth were trained in entrepreneurial and business skills

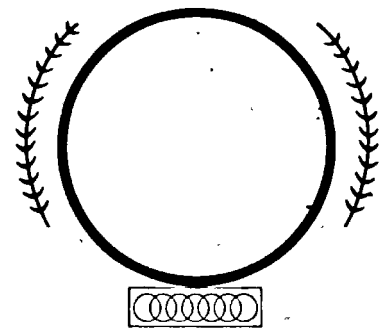
Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Develop/ review strategy on civic education and training youth on reproductive health issues	Develop and review strategy on civic education and training youth on reproductive health issues	Youth trained in reproductive health issues	Number of youth trained in reproductive health issues	Ministry of Health, Ministry of Local Government, Ministry of Gender, Labour and Social Development, National Youth Council	3 years				
Fully implement Equal Opportunities Act	Operationalise the Equal Opportunities Act	Policy and strategy for social protection in place	Equal Opportunities Commission operation	Public Service Commission, MFPED, MDAs, CSOs, MGLSD, MoLG	3 years				The EOC secretariat is being set up
Review the NGO Act with a view to enhance their multiple roles in development including advocacy, service delivery, transparency and accountability of public institutions	Review NGO Act	Policy to create conducive environment for NGOs and civic engagement passed	NGO legislation completed	OPM, all sector Ministries	1 year				Civil society has expressed reservation to government but there has been slow progress in amending the Act
Step up efforts on gender budgeting.	Roll out training in gender budgeting to all ministries, agencies and local governments (MALGs)	Trained in gender budgeting	Number of MALGs trained	MGLSD, MFPED, Local Governments, CSOs	3 years				Both government as well as civil society has made tremendous achievement in gender Budgeting. MFPED has developed guidelines to ensure all sectors ensure response to gender considerations in their budgets
Speed up the enactment of the Domestic Relations Bill and the Sexual Offences Bill	Enact Domestic Relations bill and Sexual Offences Bill  Design implementation	DRB/ Sexual Offences Act in place	Laws enacted  Implementation mechanisms in place	Parliament, Law Reform Commission, MoJCA, MGLSD, and CSOs	1 year				DRB not enacted but achievement in process – bill split into two; one catering for the concerns of Muslims and the other for none Muslims

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Develop a nationwide programme to train and sensitise the law enforcement agencies as well as the communities on issues of sexual and gender based violence	<p>Accelerate implementation of the National action plan on women (2007). [MGLSD, CSOs]</p> <p>Design a nationwide programme to train law enforcement agencies on issues of sexual and gender based violence</p> <p>Mobilise resources and implement nationwide programme to train law enforcement agencies on issues of sexual and gender based violence</p>	Law enforcement officers trained in sexual and gender issued violence offences	<p>A National Action Plan on women</p> <p>A nationwide programme to train law enforcement agencies on issues of sexual and gender based violence</p> <p>Number of law enforcement agencies trained</p>	Ministry of Internal Affairs, Ministry of Local Government, Ministry of Gender, Labour and Social Development, CSOs	3 years				The Ministry of Gender labour and social Development has developed materials for public as well as law enforcement agencies on how to deal with sexual and gender based violence. Various women's organisations have also been implementing similar programmes in the rural areas. Under the Police – community policing department has been focusing on based Gender violence and sexual offences
Undertake sensitisation and education campaigns to influence traditional norms, values and laws to allow women to own and control land; and sensitisation of women on their land rights	<p>Review the traditional norms and values and identify positive and negative ones</p> <p>Sensitise and educate communities to strengthen positive traditional norms and values and discourage negative ones</p>	Traditional institutions sensitised on women's ownership and courts of land	<p>Number of traditional norms and values identified and classified</p> <p>Number of sensitisation campaigns carried out</p>	leaders, CSOs, MGLSD, MLHUD, MoLG	3 years				The Ministry of gender Labour and social development has been supporting public awareness on key issues of domestic violence, together with women's organisations – Akina mama Wa Africa and Isis – Wicce in Kampala. The Uganda Land rights Alliance has also been engaged in creating awareness on land disputes and training local para-legals
Provide training programmes that strengthen women politicians' leadership skills, confidence, networking, advocacy and self-esteem.	Design and implement training programmes for women in leadership skills	Women trained in leadership skills, confidence, networking advocacy and self esteem	Number of women trained	MGLSD, Local Governments, Parliament, CSOs	3 years				Civil society organisations have formed coalitions under for example Akina Mama Wa Africa and UWONET to train women in leadership positions

Specific Objectives in PCA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Objective 6: Encourage broad-based Participation in Development by all stakeholders at all levels									
Review the tendering and procurement processes in order to make them transparent.	Review the progress in making the procurement processes transparent	Strategy reviewed and developed	Recommendations and strategies to improve transparency of procurement processes	MFPEd, MoLG	1 year				GoU is streamlining the supply chain so as to be able to detect gaps and starting 2009/10 all government procurement is published and audited by Public Procurement and Disposal of Assets agency
Develop a strategy for capacity building of local communities for effective participation in planning, implementation and M&E processes.	Intensify implementation of Harmonised Participatory Planning Guides	Annual strategy developed	Number of institutions using HPPGs as reflected in the annual assessments of LGs	MoLG, Local Governments, MGLSD, MFPEd, CSOs, NPA	3 years				Through Ministry of Local Government, government has been conducting training in planning and M&E. Technical support to LG statutory bodies has been provided and tripartite guidelines on relationship between CEOs, RDCs and LG officials has been developed and disseminated.
Improve the flow of feedback communication of the final outcomes of the planning processes to local communities to reinforce their ownership and ensure their continued participation in the implementation of programmes and projects.	Improve on feedback mechanism	Increased ownership of plans by local governments	Level of ownership of plans by LGs	MFPEd, MoLG, CSOs	3 years				GoU reviewed and refined generic training materials for local councils and development of local communities in the planning process and M&E Sub county councils also enhance feedback to communities.
Initiate capacity building programmes for elected or nominated representatives ensure that they are able to effectively	Review the capacity building programmes in MoLG and Parliament in light of the multi-party system	Elected/ nominated representatives trained	A review report	MGLSD, MoLG, Local Governments, Parliament, CSOs	3 years				GoU in collaboration with the British government has initiated parliamentary capacity building project

Specific Objectives in POA	Required Actions	Expected Output	Indicator(s)	Implementing MDA	Time Frame	Budget Allocation in FY			Remarks
						FY 08/09	FY 09/10	FY 10/11	
Step up mechanisms to ensure representation and participation of all the marginalized groups in development processes.	Review special representation mechanisms  Address shortcomings identified by the review		A review report  Review report implemented	Parliament, MoLG, CSOs, Local Governments Parliament,	3 year				Government continues to implement the local government act which provides for affirmative action for women, quota system for youth and the disabled people.
<b>Sub Total</b>									
<b>Grand Total</b>									

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**African Peer Review**



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# 1st Annual Progress report on the implementation of the National Programme of actions 2008/2009

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