



APRM
AFRICAN PEER REVIEW
MECHANISM



REPUBLIC
of
UGANDA



APRM Second Country Review Report

January 2018



AFRICAN PEER REVIEW MECHANISM



UGANDA SECOND COUNTRY REVIEW REPORT

January 2018

COUNTRIES PARTICIPATING IN THE AFRICAN PEER REVIEW MECHANISM AND PANEL OF EMINENT PERSONS OF APRM

Countries participating in the APRM

As of 19 January 2018, the countries participating in the APRM are:

Algeria, Angola, Benin, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritius, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé & Príncipe, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia.

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Hon. Brigitte Sylvia MABANDLA (South Africa), representing Southern Africa
(*Vice-Chairperson*)

Bishop Dinis Sengulane (Mozambique), representing Southern Africa (*Member and Lead
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Ms. Fatima Zohra KARADJA (Algeria), representing North Africa (*Member*)

Prof Ibrahim Agboda GAMBARI (Nigeria), representing West Africa (*Member*)

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The Panel of Eminent Persons welcomes readers to the second African Peer Review Mechanism (APRM) Country Review Report of Uganda. The Panel also wishes to express its profound gratitude to the President of Uganda, His Excellency Mr. Yoweri Museveni, for his leadership and openness in the conduct of the peer review of Uganda. The Panel congratulates members of the Uganda national APRM structures led by Honourable. David Bahati, Minister of State for Finance, Planning and Economic Development (Planning) and APRM Focal Point for Uganda, as well as Dr. Robert Okello, Chairperson of the APRM National Governing Council. They worked relentlessly to produce a thorough and high quality country self-assessment report that based on wide consultations and views of a large number of Ugandans in civil society, the private sector and government. Thanks to their tireless efforts, the national APRM structures have ensured that Uganda is the second Member State, after Kenya, to have completed a second APRM governance review.

The Panel also thanks members of the Uganda review team, led by Bishop Dinis Sengulane, and comprised of 19 African experts from more than 10 Member States of the African Union, who completed a thorough and comprehensive review mission to Uganda. The mission included meetings with the Prime Minister and members of Cabinet, the Judiciary led by the Principal Judge, members of Parliament, civil society and private sector representatives in Kampala as well as four regional centres across the country, namely Gulu, Mbale, Mbarara and Mukono.

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MAP OF THE REPUBLIC OF UGANDA



Central Region (red)			Eastern Region (green)			Northern Region (yellow)			Western Region (blue)		
Map	District	pop.	Map	District	pop.	Map	District	pop.	Map	District	pop.
82	Buikwe	422,771	4	Amuria	270,928	1	Abim	107,966	81	Buhweju	120,720
84	Bukomansibi	151,413	7	Budaka	207,597	2	Adjumani	225,251	10	Buliisa	113,161
86	Butambala	100,840	49	Bududa	210,173	78	Agago	227,792	11	Bundibugyo	224,387
87	Buvuma	89,890	8	Bugiri	382,913	79	Alebtong	227,541	12	Bushenyi	234,440
89	Gomba	159,922	83	Bukedea	203,600	3	Amolatar	147,166	18	Hoima	572,986
27	Kalangala	54,293	9	Bukwa	89,356	80	Amudat	105,767	19	Ibanda	249,625
90	Kalungu	183,232	85	Bulambuli	174,508	39	Amuru	186,696	26	Isingiro	486,360
29	Kampala	1,507,080	13	Busia	323,662	5	Apac	368,626	23	Kabale	528,231
36	Kavunga	368,062	15	Butaleja	224,153	6	Arua	782,077	24	Kabarole	469,236
38	Kiboga	148,218	88	Buyende	323,067	16	Dokolo	183,093	31	Kamwenge	414,454
95	Kyankwanzi	214,693	20	Iganga	504,197	17	Gulu	436,345	32	Kanungu	252,144
48	Luweero	456,958	21	Jinja	471,242	22	Kaabong	167,879	34	Kasese	694,992
99	Lwengo	274,953	25	Kaberamaido	215,026	42	Kitum	204,048	37	Kibaale	785,088
100	Lyantonde	93,753	28	Kaliro	236,199	43	Koboko	206,495	40	Kiruuhura	328,077
51	Masaka	297,004	30	Kamuli	486,319	93	Kole	239,327	92	Kiryandongo	266,197
56	Mityana	328,964	33	Kapchorwa	105,186	44	Kotido	181,050	41	Kisoro	281,705
59	Mpigi	250,548	35	Katakwi	166,231	97	Lamwo	134,379	96	Kvegeqwa	281,637
60	Mubende	684,337	91	Kibuku	202,033	47	Lira	408,043	46	Kyenjojo	422,204
61	Mukono	596,804	45	Kumi	239,268	50	Maracha	186,134	52	Masindi	291,113
63	Nakaseke	197,369	94	Kween	93,667	57	Moroto	103,432	55	Mbarara	472,629

64	Nakasongola	181,799	98	Luuka	238,020	58	Moyo	139,012	102	Mitooma	183,444
70	Rakai	516,309	101	Manafwa	353,825	62	Nakapiripirit	156,690	106	Ntoroko	67,005
72	Ssembabule	252,597	53	Mavuye	473,239	104	Napak	142,224	66	Ntungamo	483,841
76	Wakiso	1,997,418	54	Mbale	488,960	65	Nebbi	396,794	109	Rubirizi	129,149
			103	Namavingo	215,442	107	Nwoya	133,506	71	Rukungiri	314,694
			14	Namutumba	252,562	108	Oluke	104,254	111	Sheema	207,343
			105	Ngora	141,919	67	Oyam	383,644			
			69	Pallisa	386,890	68	Pader	178,004			
			110	Serere	285,903	77	Yumbe	484,822			
			73	Sironko	242,422	112	Zombo	240,082			
			74	Soroti	296,833						
			75	Tororo	517,082						

Source: Wikipedia, using 2014 census population figures for districts

COUNTRY FACT SHEET

	INDICATORS	PREVIOUS	CURRENT
	Demographic		
	No. of Districts	80(2007)	117(2016)
	Population size	30.2 million (2007)	37.7 million (2017)
	Population growth rate	3.4 %(2008)	3.0 %(2014)
	Poverty rate	24.5% (2009/10)	21.4%(2015/16)
	Life Expectancy at Birth	52.4	64.3 (2016)
	Urbanization rate	13.6%(2007)	16.1(2015)
	Health		
	Maternal mortality rate	435/1000 (2006)	336/100,000 (2016)
	Neo natal mortality	29/1000 (2006)	27/1000 births (2016)
	Birth attended to by Health worker	39%(2009/10)	74% (2015/16)
	Child mortality (under 5)	137/1000 (2006)	64 (2016)
	Infant mortality	76/1000 (2006)	43/1000 (2016)
	ANC Completion (at least four times)	32%(2011)	59.9%(2016)
	HIV/AIDS prevalence rate	6.4% (2005)	7.1% (2015)
	Human Development Index	0.448 (2005/06)	0.483 (2016)
	Education		
	Literacy rate	50%(2008)	76.6%(2016)
	Adult literacy rate	69% (2008)	74.6%(2017)
	Primary school enrolment	7,538,000(2007)	8,264,317(2015/16)
	Secondary School enrolment	954,328(2015/16)	1,284,008 (2015/16)
	Tertiary school enrolment	155,082 (2007)	249,949 (2014)

Economy		
GDP (UGX)	21.212 Trillion (2006/7)	87.891 Trillion (2016/17)
GDP Per capita \$	400.8 (2006)	766 (2017)
Exchange rate	1,697.3(2007)	3,610(2017)
Tax to GDP ratio	14.4% (2006)	12.6% (2016/17)
BoU CBR	16.6% (2007)	11.5% (2016)
Debt as % of GDP	22.0(2007)	34.1% (2016/17)
Volume(value) of Trade balance USD millions	-1,686.4 (2007/08)	-2,966.3 (2015)
Unemployment Rate	66% (2005/06)	34.5% (2016)
Infrastructure		
Kms. of roads tarmacked	3,098 (2008)	3,919 (2015)
No. of Tourists arrivals	642,000 (2008)	1.1 million (2015)
Electricity coverage	2.8%(2007)	10.2%(2015/16)
Internet users (million)	0.75(2007)	16.7 (2017)
Mobile phone users	3,000,000 (2006)	20,500,000 (2017)
Electricity capacity (MW)	317MW (2007)	895 MW (2015/16)

Source: Country Self-Assessment Report with CRM updates

SOCIO-ECONOMIC INDICATORS

Economic indicators

Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GDP (\$ Billion) *	14	18	20	20	23	25	28	28	25	26
GDP growth (%)*	8.4	8.7	6.7	5.6	9.4	3.8	3.5	5.2	5.0	4.6
GDP per capita \$*	440	543	667	647	721	745	803	774	671	701
Gross domestic savings/GDP (%)	8.7	15.2	10.1	14.1	12.4	14.1	17.8	16.9	13.0	13.5
Exports (% of GDP)	16.4	15.3	10.2	13.9	11.9	11.5	12.1	10.8	-	-
Inflation*	6.1	12.0	9.4	6.2	20.8	4.8	5.3	2.9	6.5	5.7
Interest rate (%) Lending rate*	19.1	20.5	20.7	19.3	25.3	24.6	22.2	21.6	24.0	20.7
Budget Deficit*	-2.36	-1.36	-0.92	-3.93	-4.3	-3	-3.6	-4.3	-3.6	-
Foreign Direct Investment (\$ million)	792	729	842	544	894	1,205	1,096	1,059	1,057	-

Source: World Bank; World development Indicators, Trading Economics, UNCTAD Stat *compilation from country review mission

Social and Economic Indicators

NDP Indicators	Base Year (2008/09)	NDPTarget	Status against NDP target
Per Capita Income (Nominal US\$)	506	837	Improved but below target
Proportion of people living below poverty line (%)	28.5	24.5	Achieved
Working-age population	14,599,000	16,502,000	4.2%
Proportion of Paved roads to the total road network (%)	4	5.3	Achieved
Proportion of freight cargo by rail (%)	3.5	17.8	Improved but below target
Proportion of households accessing power	11	20	Needs work
Power consumption per capita (Kwh)	69.5	674	Improved but below target
DPT3 pentavalent vaccine	85	87	Achieved
Proportion of qualified workers	56	85	Needs work
HCs without medicine stock outs (%)	26	65	On track
Deliveries in Health facilities (%)	34	40	Achieved
OPD utilization (visits per capita)	0.8	1.5	Needs work
Infant mortality rate*	76	41	On track
Under five mortality rate*	137	60	On track
Maternal mortality ratio**	435	131	Needs work
Net enrolment rate primary (%)	93.2	96.4	On track
Net enrolment rate secondary (%)	23.5	35	Needs work
Pupil-Teacher Ratio	53:01:00	43:01:00	On track
Pupil-Classroom Ratio	72:01:00	61:01:00	Achieved
Student-Teacher Ratio	18:01	-	No assessment
Student-Classroom Ratio	45:01:00	-	No assessment
BTJET Enrolment (Students)	30,009	390,208	Improved but below target
Rural water coverage (%)	66	77	Needs work
Urban water coverage (%)	60	100	Improved but below target
Sanitation coverage (%)	62	80	Needs work
Life Expectancy (years)	50.4	52.4	Achieved
Literacy (%)	73.6	82.2	Improved but below target
HDI Score	0.438	0.572	Needs work
HDI Rank	157/183	142/183	Needs work

Source: Country Self-Assessment Report and CRM

ACIRC	African Capacity for Immediate Response to Crises
ACRWC	African Charter on the Rights and Welfare of the Child
ADB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
APR	African Peer Review
APRM	African Peer Review Mechanism
AU	African Union
BoU	Bank of Uganda
CBR	Central Bank Rate
CEO	Chief Executive Officer
CESCR	Committee on Economic, Social and Cultural Rights
CG	Corporate Governance
CICS	Competiveness and Investment Climate Strategy
COMESA	Common Market for Eastern and Southern Africa
CPI	Corruption Perceptions Index
CPS	Certified Public Secretaries
CRC	Convention on the Rights of the Child
CRC-OP-AC	Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict
CRC-OP-SC	Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography
CRM	Country Review Mission
CRPD-OP	Optional Protocol to the Convention on the Rights of Persons with Disabilities
CRR	Country Review Report
CSAR	Country Self-Assessment Report
CSOs	Civil Society Organizations
DPG	Democracy and Political Governance
DRC	Democratic Republic of Congo
EAAACA	East African Association of Anti-corruption Authorities
EAC	East African Community
EC	Electoral Commission
EGM	Economic Governance and Management
eMTCT	Elimination of Mother-to-Child Transmission
ENR	Environment and Natural Resources
FDI	Foreign Direct Investment
FGM	Female Genital Mutilation

FOWODE	Forum for Women in Democracy
FY	Financial Year
GAPR	Government Annual Performance Report
GBV	Gender Based Violence
GDP	Gross Domestic Product
GoU	Government of Uganda
H.E	His Excellency
HIPC	Highly Indebted Poor Countries
Hon	Honourable
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information Communication Technology
IFMS	Integrated Financial Management System
IG	Inspectorate of Government
IGG	Inspector General of Government
ILO	International Labour Organization
IMF	International Monetary Fund
KIDP	Karamoja Integrated Development Program
LC	Local Council
LED	Local Economic Development
LG	Local Government
LRA	Lord's Resistance Army
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MFPED	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MoU	Memorandum of Understanding
MPs	Members of Parliament
MSME	Micro, Small and Medium Enterprise
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NEMA	National Environment Management Authority
NEPAD	New Partnership for Africa's Development
NGC	National Governing Council

NPA	National Planning Authority
NPOA	National Program of Action
NRM	National Resistance Movement
NUSAF	Northern Uganda Social Action Fund
NWSC	National Water and Sewerage Corporation
OAG	Office of the Auditor General
ODA	Official Development Assistance
OPM	Office of the Prime Minister
OSC	One Stop Centre
OVC	Orphans and Vulnerable Children
PEAP	Poverty Eradication Action Plan
PFM	Public Finance Management
PPP	Public Private Partnership
PRDP	Peace Recovery and Development Program
PSRP	Public Sector Reform programme
PWDs	Persons with Disabilities
REC	Regional Economic Communities
SADC	Southern African Development Community
SAGE	Social Assistance Grants for Empowerment
SED	Socio-Economic Development
SGR	Standard Gauge Railway
UBOS	Uganda Bureau of Statistics
UDB	Uganda Development Bank Limited
UDHS	Uganda Demographic and Health Survey
UGX	Ugandan Shilling
UIA	Uganda Investment Authority
UN	United Nations
UNATU	Uganda National Teachers' Union
UNBS	Uganda National Bureau of Standards
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNFCCC Change	United Nations Framework Convention on Climate
UNGEI	United Nations Girls Education Initiative
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UPC	United People's Congress
UPE	Universal Primary Education
URSB	Uganda Registration Services Bureau
YLP	Youth Livelihood Programme

EXECUTIVE SUMMARY

1. HISTORICAL BACKGROUND AND THE APRM PROCESS IN UGANDA

- i. Since attaining independence in 1962, Uganda has experienced political, economic and social challenges of varying magnitudes over the years. The first independent Ugandan administration was a coalition government affected by internal conflicts due to ethnic and religious sectarianism. In April 1966, then Prime Minister Dr. Apollo Milton Obote took over Presidential power from Buganda's King, Sir Edward Fredrick Mutesa II. In May 1966, King Mutesa was forced into exile, sparking a wave of political instability that lasted until well after the National Resistance Movement led by current President Yoweri Museveni took power in 1986.
- ii. In 1971, General Idi Amin seized power in a coup, toppling President Obote. who was out of the country attending the Commonwealth Heads of Government meeting in Singapore, sending President Obote into exile. In September 1972, former President Obote launched an unsuccessful attack attempt to return to power with Tanzania's support. Following a war with Tanzania from 1978 to 1979, Yusuf Lule of the Uganda National Liberation Front (UNLF) assumed power. President Lule was soon put to a vote of confidence, which he lost, and was replaced by Godfrey Binaisa as president, who in turn was overthrown by a military junta led by Paulo Mwanga, General Tito Okello, Colonel Oyite Ojok and Yoweri Museveni in May 1980. Milton Obote became president for a second time following disputed elections in 1980.
- iii. The validity of the general elections was contested by Yoweri Museveni, who together with 26 young fighters immediately launched war to change the government under the banner of the National Resistance Movement (NRM), which was launched in February 1981. His Excellency Yoweri Kaguta Museveni became the President of the Republic of Uganda in January 1986 and is the presiding national leader by the time of this APRM second review process. While it was the Ugandan army itself which deposed President Obote in 1985, replacing him with General Tito Okello, the new president was removed from power by the NRM in January 1986, barely six months after he was sworn in as president, to give way to Yoweri Museveni

as the new president of the republic.

- iv. The NRM government since 1986 has brought relative peace and stability to Uganda, leading to an increasingly decentralized system of multi-party democracy. As soon as it came to power, the NRM Government embarked on measures that subsequently stabilised the economy, neutralised rebel activity, and launched a system of administration that respected human rights and promoted press freedoms. Nonetheless, challenges in deepening this young democracy still persist. Between 1986 and 2005, Uganda operated a no-party movement system of governance, where elections were conducted under a system called individual merit. National elections were conducted under this system in 1996 and 2001. Following a referendum in 2005, the no-party system was scrapped in favour of a multiparty system. Subsequently, general elections have been held in 2006, 2011 and 2016 with the next elections scheduled for 2021.

THE APRM PROCESS IN UGANDA

- v. Established as a result of the Abuja Declaration (9 March 2003), the African Peer Review Mechanism (APRM) is an instrument for self- and peer-assessment and review of policies and practices in the fields of political, economic, and corporate governance as well as socio-economic development. As a voluntary process that is open for accession to African Union (AU) member countries, the APRM currently has 36 member states. Uganda was one of the founding members of the APRM on 9 March 2003.
- vi. The goal of the APRM is to promote good governance in Africa by encouraging Member States to adopt policies and practices that can lead to political stability, strong and inclusive economic growth, sustainable development and accelerated sub-regional and continental integration. This objective is primarily achieved through among other things, the identification of deficiencies to be rectified and successful experiences to be shared. The APRM promotes adherence to norms, standards and codes of conduct contained in the Declaration on Democratic, Political, Economic and Corporate Governance adopted on 9 March 2003 in Abuja, Nigeria. The APRM review process is thus conducted on the basis of the values, codes and standards contained in the Abuja Declaration.
- vii. As of November 2017, out of the 36 APRM-participating countries,

EXECUTIVE SUMMARY

20 had been reviewed, Kenya being the only one that had been peer-reviewed a second time. This scenario changes with Uganda becoming the second country to be peer-reviewed the second time, and two other countries, Sudan and Liberia, completing their base reviews, and thereby bringing the total number of reviewed countries to 22.

- viii. The Republic of Uganda went through its first review process in May 2008. In line with the APRM Guidelines, Uganda submitted four annual progress reports on the implementation of its National Program of Action (NPoA), the last of which (the Fourth Annual Progress Report covering the period from 2011 to 2014) was presented at the African Peer Review (APR) Forum Summit in June 2015.
- ix. At a meeting between Ugandan Vice President, H.E Edward Ssekandi, Ugandan APRM Focal Point and Minister of State for Finance, Planning and Economic Development (Planning) Hon. David Bahati, and APRM Continental Secretariat Chief Executive Officer (CEO), Prof. Eddy Maloka, that was held in July 2016, Uganda expressed its readiness to be peer-reviewed for a second time.
- x. The APRM Memorandum of Understanding on Technical Assessment and Review Mission was signed on 15 June 2017 at a ceremony hosted by H. E. Yoweri Kaguta Museveni, President of the Republic of Uganda at State House in the presence of Honourable Brigitte Sylvia Mabandla, then lead member of the APR Panel of Eminent Persons and Head of the APRM continental delegation, and Hon. David Bahati, Minister and APRM Focal Point for Uganda. The signing ceremony heralded the formal launch of Uganda's preparations to undergo the second-round APRM review.
- xii. In the spirit of the APRM base documents, Uganda's second review has been led by an independent National Governing Council (NGC) composed of eight members led by Dr. Robert M. Okello as Chairperson, Ms. Hellen Grace Akwii-Wangusa (representing civil society organisations), Dr. Sallie Simba Kayunga (representing academia), Ms. Sarah Walusimbi (representing the private sector), Hon. Amos Lugoloobi (representing the ruling party in parliament), Hon. Abia Christine Bako (representing the opposition parties in parliament), Mr. Joshua Kitakule (representing the Inter-Religious Council of Uganda) and Ms. Silvia Angey Ufoyuru (ex officio member

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from the National Planning Authority).

- xii. The National Planning Authority (NPA) hosts the national APRM secretariat, which is led by Ms. Silvia Angey Ufoyuru (ex officio member of NGC) with the assistance of Ms. Rosette Kuhirwa. The major role of the NGC is to provide leadership, guidance and direction to the Uganda APRM process, including awareness raising and sensitization of the Ugandan public, ensuring the independence and credibility of the process and safeguarding it against political manipulation. The current Uganda NGC assumed office in July 2014. The NGC led a highly consultative process in the drafting and validation of the Country Self-Assessment Report in 2017.
- xiii. In this respect, the APRM mourns the untimely demise of the late Dr. Abel Rwendeire, Vice Chairperson of the National Planning Authority (NPA), who until the last moment in the preparation to deploy the Country Review Mission, provided exemplary leadership to the Uganda APRM Process.
- xiv. As part of its mandate, and in order to enrich the quality of the national self-assessment report, the APRM National Governing Council organized a one-day validation workshop on 28 September 2017. Representatives of CSOs, Government, academia, the private sector, the media, trade unions and youth organizations were involved in the validation exercise, thereby ensuring broad ownership of the report.
- xv. The Country Review Mission (CRM) was conducted from 30 October to 13 November 2017, under the leadership of Bishop Dinis Sengulane, member of the APRM Panel of Eminent Persons and lead panellist for Uganda. The Mission was composed of 19 African Experts drawn from 10 Member States of the African Union.
- xvi. At the start of the Country Review Mission (CRM), the team was received by the Prime Minister of Uganda, Right Hon. Dr. Ruhakana Rugunda, who officially welcomed the mission and launched the process. The CRM then held consultative meetings with a host of stakeholders, including the Judiciary, Parliament, representatives of the central and local government, religious organisations, political parties, the private sector, civil society organisations, youth representatives, women's organisations, local elected officials, media houses, and the diplomatic community. Press briefings were

given at the launch and closing of the Country Review Mission while the press remained engaged with the CRM throughout its presence in the country.

- xvii. In an effort to holistically understand Uganda's social dynamics and meet the expectations of ordinary people, the CRM team visited not only Kampala, the capital city, but also Uganda's four regions, namely Western, Central, Northern and Eastern. Local stakeholders engaged the CRM Team with enthusiasm and provided a wealth of information which was invaluable in the preparation of this report.
- xviii. This report, resulting from these extensive consultations, discusses governance of Uganda in the following four areas and presents recommendations on how to improve the NPOA:
- Democracy and good political governance
 - Economic governance and management
 - Corporate governance
 - Socio-economic development.

2. DEMOCRACY AND POLITICAL GOVERNANCE

- xvii. The APRM is premised on the conviction that the quality of democracy and political governance in a country determines its socio-economic development prospects. Since its 2008 APRM review, Uganda has shown commitment to international and regional standards of governance as was demonstrated by its ratification and domestication of several of these standards. The country has also made significant progress in institutionalising mechanisms to promote constitutional democracy, protect the political, economic and socio-cultural rights of its people, and especially the vulnerable groups in society. Uganda has also established institutions and enacted legislation to combat corruption. However, a number of standards remain unratified and, in some cases, the domestication of ratified standards is incomplete. What is encouraging is that, as can be seen from the focus on governance in Uganda Vision 2040, the Government remains committed to the cause of good governance over the medium to long term.
- xix. The Country Self Assessment Report (CSAR) 2017 as well as our own research and consultations with the Ugandan public on the ground reveal that Uganda still faces a number of important

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challenges, both old and new, which we have grouped into four broad categories:

- xx. Fair competition for political power, which includes such related issues as the levelling of the playing field between the different political parties; respect for the Rule of Law and constitutional supremacy; equitable funding of political parties; electoral processes and the independence of the Electoral Commission (EC);
- xxi. A dominant executive and weak systems of checks and balances, which includes such related issues as the independence of the judiciary and the legislature (the extent to which these two are empowered administratively and financially to exercise their powers, including to counter or curb possible executive excesses), and independence of democracy-promoting institutions (are they empowered to exercise oversight on all three?);
- Management of diversity, including gender, ethnic groups, refugees, economic immigrants, and integration of foreigners in general; and
 - The state of the public service, including issues such as its efficiency, level of decentralisation, responsiveness, accountability and the challenges facing anti-corruption institutions in the country.
 - These four issues are both critical to the state of democracy and political governance in Uganda today but also cut across the objectives of the thematic area as articulated in the APRM Objectives, Standards, Criteria and Indicators document, which remains a useful guide in the preparation of this report.
- xxii. Uganda laid down the ground rules for fair competition for political power in its constitution of 1995 and has become a committed player at the continental and global levels by subscribing to standards and codes of a constitutive nature, such as the New Partnership for Africa's Development (NEPAD) Declaration on Democracy, Political, Economic and Corporate Governance, the African Charter on Human and Peoples' Rights, and the African Charter on Democracy, Elections and Governance. The country has also established democracy-promoting institutions such as the Uganda Human Rights Commission, Inspectorate of Government (IG), and the Office of the Auditor General (OAG). The quality of its competitive and regular

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elections since 1996 has also been repeatedly declared as free and fair.

- xxiii. However, there have been concerns in several areas, including the political party funding, access to public media, and the over-zealous implementation of the Public Order and Management Act in a way that has diminished the political space in the country, including curtailment of freedom of expression and assembly. The Panel recommends that the government reconsider the funding formula for political parties to ensure fairness and equity, with less emphasis on party representation in Parliament and more emphasis on baseline funding.
- xxiv. Equally important is the current debate on the removal of the constitutional age limit for election to the presidency of the Republic. Although this issue was not mentioned in Uganda's CSAR 2017, the CRM learnt soon after its arrival in the country that this was the most explosive issue in the country at the time. The matter was triggered by a private members' bill which sought, among others, "to review the eligibility requirements for a person to be elected as President or District Chairperson under articles 102(b) and 183(2) to comply with article 1 which gives the people of Uganda the absolute right to determine how they should be governed and articles 21 and 32 which prohibit any form of discrimination on the basis of age and other factors."
- xxv. Despite the fact that the parliamentary motion was in the nature of a private members' bill, the move was naturally understood as calculated to enable the incumbent, H.E. President Yoweri Museveni, to stand in the next elections in 2021, by which time he would be above the constitutional age. Learning from the commendable approach taken by Country Review Report (CRR) 2008 on the related issue of the constitutional amendment to lift the presidential term limit to a maximum of two terms of five years each, the Panel recommends that Government needs to ensure that the ongoing debate is handled in accordance with the doctrines and spirit of Rule of Law and constitutionalism.
- xxvi. Contrary to the well-articulated separation of powers in Uganda's constitution and other laws, there is the perception that the executive remains unduly dominant in the country. The CRM notes that, although Uganda has made separation of powers an integral part

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of its governance system, the dominance of the executive and the resulting weaknesses in the system of checks and balances has become a matter of concern.

- xxvii. The performance of both parliament and the judiciary is constrained by the executive's dominance in several ways; from the latter's use of its budgeting power to weaken the judiciary to the apparent deployment of the military to intimidate members of parliament into acting in a certain fashion. The CRM noted the enormous constraints caused by lack of human and financial resources that democracy-promoting institutions such as the Uganda Human Rights Commission face while delivering on their constitutional mandates. The Panel thus recommends that Government ensure the financial and administrative independence and capacity of the Judiciary, the Legislature and the other democracy-promoting institutions in Uganda and enable them to exercise their powers effectively and efficiently.
- xxviii. Uganda has made tremendous effort in managing diversity through Section III (ii) of the Constitution under National Objectives and Directive Principles of State Policy Section, which provides that "every effort shall be made to integrate all the peoples of Uganda while at the same time recognizing the existence of their ethnic, religious, ideological, political and cultural diversity". Uganda has also ratified the African Charter on Human and People's Rights which guarantees cultural, economic, political and social rights to all citizens. However, the CRM finds that there is a sense of marginalization felt by ethnic minority groups in the country such as the Batwa, Banyabutumbi, Basongora, Shana, Tepeth and the Venoma. The CRM notes that this is an area of possible source of conflict in the future if discontent continues and it poses challenges to the inclusive management of diversity in the country. The Panel recommends that the Government consider enhancing the capacity of its institutions mandated to promote and protect the rights of ethnic minorities as a matter of priority.
- xxix. Uganda has also made great strides in the protection and promotion of women's rights through the enactment of several pieces of legislation and establishment of institutions. However, the rights of women as articulated in legislation are too often not implemented in practice, and too many cultural and religious practices are biased

against women and continue to inhibit progress towards full gender parity and equality. The Panel thus recommends that the Government consider conducting education and sensitisation campaigns across Uganda, especially in rural areas, on the constitutional and legal rights of women as well as the legal implications of traditional practices that undermine women's legal and human rights. Furthermore, the Government is urged to review and repeal discriminatory clauses against women in legislation, such as the Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act.

- xxx. Uganda has a young population and a worrying youth unemployment rate of 83%. The government has made significant efforts to tackle youth unemployment through the youth venture schemes and entrepreneurship programmes. However, Uganda is yet to see results as most educated youth fail to get jobs, not least due to a skills mismatch. The Panel recommends that Government consider partnering with the private sector in institutions of higher learning to equip young people with entrepreneurship skills, including through curriculum review programmes and apprenticeship schemes.
- xxxi. Uganda was applauded in CRR 2008 for its devolvement of powers and public services to local government, although that also exacerbated the financial challenges of the government. The CRM this time has noted a shift towards recentralisation due to overdependence of local government councils on central government. Highlighted as the major challenge is the lack of revenue generation capacity at local government level, which is compounded by the continuous creation of new districts that has further stretched the already inadequate resources available to local government. This has reduced the ability of local government to effectively and efficiently deliver public services. The Panel thus recommends that the Government consider capping the number of districts created at a given time and revising the funding formula for local governments to ensure that they are adequately financed to remain effective.
- xxxii. Corruption was identified as widespread in CRR 2008, a finding that remains as valid today. This is certainly not for lack of effort from the Government; rather, this is an example of a problem that is too deep-rooted to remove with the type of measures that have been attempted so far. The Panel thus recommends that the Government

shift its focus to supporting anti-corruption efforts with systematic, well-orchestrated and sustained campaigns to change societal attitudes and values away from condoning corruption.

xxxii. In summary,, Uganda has maintained its commitment to the continuing improvement of its democratic and political governance by enacting the right laws, establishing the right institutions, and cultivating an enabling environment for democracy to prevail. However, implementation remains a challenge, including lack of sufficient human and financial resources necessary for the fullest possible implementation of its policies at this point in its history. For that, Uganda needs the support of all its friends within the APRM and beyond.

3. ECONOMIC GOVERNANCE AND MANAGEMENT

xxxiii. Since CRR 2008, Uganda has recorded impressive overall economic performance, becoming one of the fastest growing economies in the world in the last decade. One of Uganda's most remarkable achievements during this period is the formulation of its Vision 2040, a 30-year development blueprint that is being implemented through a series of six national development plans (NDPs), each lasting five years. Uganda is currently implementing its NDP II, covering the years 2015/16 to 2019/20. It is fair to say that the country's adoption and implementation of well-documented, predictable and transparent economic policies and programmes has clearly paid economic dividends.

xxxiv. At the same time, Uganda still suffers high levels of poverty and unemployment, shows little sign of structural transformation and continues to face several challenges in the area of macroeconomic management, presented in this report under four broad issues as listed below:

- Weak institutional capacity to develop and implement economic policies;
- Weak public finance management and high incidence of corruption;
- Poor domestic resource mobilization and abuse of regulatory incentives to attract particularly foreign investment; and
- Weak state of economic diversification and low value addition.

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- xxxv. The Ugandan economy heavily relies on the agriculture sector for its employment (accounting for 72% of the economically active population), but services and manufacturing contribute the largest share of Uganda's GDP. The country has moved away from a state-controlled to a liberalized economic model particularly since 1992 when it put the private sector and open market competition at the center of economic policy.
- xxxvi. The Government of Uganda has made efforts to promote export competitiveness and diversification. The Government has liberalized the exchange rate market to facilitate trade, including the progressive depreciation of the Ugandan Shilling, which ordinarily should support the export sector. However, in Uganda's case, the continuous depreciation of the Shilling has not led to much improvement in exports as domestic borrowers face higher cost of repayment of foreign denominated debts.
- xxxvii. Sound management of public resources is paramount for meaningful development, and the Government of Uganda has made persistent efforts to ensure transparency and accountability in this field. However, these efforts have not yielded expected results given the widespread scourge of corruption in the country and what many stakeholders perceive to be insufficient political will to address it aggressively. The CRM noted a lot of efforts that have been directed towards proper auditing of all public institutions in the country through the Office of Auditor General (OAG), which is doing a commendable job. For instance, as at 31st December 2016, a total of 1,417 audits, including 1,323 financial audits, 83 forensic investigations, eight value-for-money audits, and three specialised audits had been completed and reported on, while 802 financial audits and three value-for-money audits were still in progress. However, CRM also found that financial constraints hindered OAG's performance in auditing local Government offices and schools.
- xxxviii. The performance of domestic resource mobilization in Uganda has improved significantly since the establishment of the Uganda Revenue Authority (URA) on 5 September 1991, the oldest integrated revenue authority in sub-Saharan Africa. And the Government has introduced different reforms to increase its tax revenues. However, the tax-to-GDP ratio has stagnated between 12% to 14% and Uganda remains one of the largest recipients of

official development assistance (ODA) in the world, with aid-to-GDP hovering around 10%. This state of affairs has impacted negatively on the government's implementation of many of its policies, including allocation of resources to local government. The CRM also found that the URA needs to build its capacity further in order to be able to detect, tackle and deter tax evasion practices by powerful people in the country as well as multi-national and large companies. The URA also needs to consider developing strategies to bring as much of the informal sector as possible into the tax net.

- xxxix. Another challenge relates to the abuse of the regulatory incentives created by government in order to attract particularly foreign investment. It is remarkable that the fiscal balance of the Ugandan economy has shown significant deterioration over the years, from -1.9% of GDP in 2007/8 to -4.0% in 2009/10 to a slight improvement in 2011/12 at -2.5% back to a further decline of -4.9% in 2015/16. The Penal recommends that the Government make every effort possible to expand the tax base, close regulatory loopholes for tax evasion and illicit financial flows, and further enhance its tax collection capacity.
- xli. Uganda has discovered commercial deposits of oil, currently estimated at about 6.5 billion barrels. Once production commences, this will have a significant impact on Uganda's fiscal balance, but it is well documented literature that oil revenues can bring undesirable economic ills. To mitigate the potential adverse effects and maximize the benefits, the Government of Uganda has put detailed plans in place to ensure all oil money goes to capital investments rather than recurrent government expenditure. While this is naturally to be commended, the Panel wishes to emphasise that not many countries have managed to avoid the "oil curse" on the basis of advance planning alone; the main challenges lie at the stage of implementation, once the oil money has started flowing into the coffers of the state treasury. The Panel thus recommends that the Government remain vigilant and ensure its policies and proposed implementation strategies are informed by the experiences of the few countries that have successfully harnessed oil revenues for sustainable development.
- xlii. The CRM consultations as well as factual evidence suggest that some sectors of Uganda's economy are highly controlled by foreign-

owned businesses. While this might not necessarily be a problem for the economy, the CRM found that many Ugandans see it as a potential problem, so much so that in the views of some, the foreign owners use their control of the business as a means of bringing people from abroad to work and perpetuate discrimination against locals even in areas where there is ample supply of skilled labour on the domestic market. The Panel thus recommends that Government consider reviewing its policies so that foreign employees would be welcome when they bring skills that are in short supply in the country. The Government should consider reviewing the policies relating to foreign investment vs promotion of local content in the labour market and product development..

- xliii. Others also see foreign investors as beneficiaries of a skewed regulatory system that makes all forms of tax holidays and other incentives available exclusively to them and deny domestic investors a level playing field for effective market competition and penetration. The Panel thus recommends that the Government review its incentive structure and consider eliminating all discrimination against domestic investors; and ensure that the incentives are equitably accessed by both local and foreign investors.
- xliv. Despite its recent successes, the Ugandan economy remains largely dependent on primary commodities and raw materials. The Government, through its Vision 2040, is determined to change that and transform Uganda from an agrarian nation to a modern industrial state by 2040. The focus on industrialisation is certainly the right one and the Government must be commended for its determined efforts towards this goal. At the same time, the services sector is also growing fast, indeed faster than the manufacturing sector.
- xlvi. One of the major constraints against Uganda's industrialisation drive is the mismatch between available skills in the country and what industry actually needs to achieve this goal. To address this gap, the Panel recommends an all-inclusive review of the country's approach to education as it relates to the industrialization agenda and the job market, with the involvement of representatives of industry as well as those responsible for the design of education policy and for its actual delivery.

4. CORPORATE GOVERNANCE

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- xlvi. In the period following the base review of Uganda in 2008, the regulatory and business environment has improved markedly. Uganda's ranking as indicated by various indices, such as the World Bank's Doing Business Index, the World Economic Forum's Competitiveness Index, and the Economic Freedom Index show trends of progressive improvement from 2008 to 2017.
- xlvii. Uganda's corporate governance framework comprises both voluntary codes and mandatory legislation found in the Companies Act and corporate governance regulations for financial institutions. Table F of the Companies Act is mandatory for the public sector and has provisions on directors and management, shareholders, records and reporting, but is not fully aligned with international best practice. The voluntary framework for corporate governance was put in place by the Institute of Corporate Governance Uganda and applies to the private sector.
- xlviii. Uganda's private sector is dominated by the informal sector whose ability to create jobs and wealth is constrained by various factors. Uganda is found at the top of rankings of entrepreneurial spirit in the world. Notwithstanding this high rank, however, support to the informal sector and small enterprises has been limited and the private sector, comprised largely of micro, small and medium enterprises (MSMEs) and informal sector businesses, remains weak. The challenge of limited private sector development stifles growth and limits job creation particularly for the youth, and increases inequality and attendant problems including insecurity and conflict. To solve this, there is need to adopt comprehensive private sector development programs that include improving access to finance, entrepreneurship development, compliance of Uganda's corporate governance framework with global standards, as well as aligning policy, regulatory and dispute resolution mechanisms with international best practice.
- I. The Country Review Mission has identified and prioritized key challenges within the Corporate Governance thematic area and categorized them into four broad issue areas as below:
- poor business regulation and red tape;
 - inadequate support to nurture entrepreneurship and the challenge of extreme level of unemployment;

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- inadequate access to finance for emerging businesses; and
 - poor level of accountability and compliance record.
- ii. The first challenge relates to business regulation and red tape. For enterprises to take their rightful place as the engines for wealth generation and the creation of employment, the regulatory framework plays a critical role. The state of the public service that administers and enforces this regulatory framework determines the business environment, the efficiency or otherwise of the bureaucracy, the amount of red tape that hobbles entrepreneurship, and the level of coordination among different regulatory institutions. In this respect, the Companies Act (2012) and the anti-corruption laws and institutions are to be welcomed, but their enforcement remains central.
- iii. The CRM found that while Uganda was ranked amongst the top ten reformers of the business environment in the 2016 World Bank Doing Business ranking, the country has not been able to maintain the same pace of reform and consequently slid to 122nd place in the 2017-2018 ranking, from 115 in 2008. Among the factors responsible for this are lack of infrastructure, poor road networks and including inadequate access to electricity. The CRM further noted the challenge that is presented by the proliferation of Authorities and Agencies in government, causing potential dilution of focus, duplication of effort and waste of resources. The Panel thus recommends that Government conduct a review of the institutional architecture and implement reforms aimed at simplification of the institutional framework through possible consolidation of agencies responsible for corporate governance in Uganda.
- iiii. The second challenge relates to lack of support to nurture the already commendable entrepreneurial culture in the country and contribute to the need to tackle unemployment. As noted elsewhere, youth unemployment poses a grave threat to Uganda's sustainable development. While Uganda is known as a "land of entrepreneurs", ranked number one by the 2015 Global Entrepreneurship Monitor (GEM) on entrepreneurship out of 73 nations, Uganda also suffers a high business discontinuation rate of 21%. The CRM found that, among the major factors that contribute to this state of affairs are lack of skills and poor product innovation. The Panel thus recommends that Government focus on nurturing the already prevalent culture of entrepreneurship through skills training and a regulatory framework

that is supportive to entrepreneurs.

- liv. The third challenge relates to access to finance for emerging businesses. The CRM observed that inadequate access to finance is one of the major weaknesses in the entrepreneurial ecosystem of Uganda. Interest rates are prohibitively high, impeding the creation of small businesses through bank loans. The high interest rate has also led, almost inevitably, to large volumes of non-performing loans that impact negatively on the health of the banking sector in Uganda. The Panel thus recommends a speedy operationalization of the National Financial Inclusion Strategy 2017-2022 with five key focus areas: enhance the rate of financial inclusion through removal of access barriers to financial services; develop the credit infrastructure; build up the digital infrastructure for efficiency; deepen and broaden formal savings, investment, and insurance mechanisms; and empower and protect individuals with enhanced financial capability. The Panel further recommends that Government consider revising reform of its interest rate regulation and explore the possibility of introducing caps on the banks' lending margin above the indicative Central Bank Rate (CBR).
- lv. The fourth challenge relates to the need to promote a culture of accountability and compliance with ethical standards, workers' rights, environmental regulations and corporate social responsibility requirements. The broader concern here relates to several aspects such as the culture of compliance with national laws and regulations by the business community, the enforceability of the liability regime for fraudulent transactions and corrupt practices, and the implementation of regulations to protect workers' rights and industry standards. There is also widespread perception especially among members of Uganda's civil society that the dealings between businesses and regulators are shrouded in secrecy, giving rise to suspicion of complicity and unethical behaviour on the part of public servants. The APR Panel thus recommends that Government undertake a comprehensive review of the institutional arrangements, mandates and competences of public agencies mandated to fight corruption and develop and disseminate a strategy by which to engage society in the fight against corruption.

5. SOCIO-ECONOMIC DEVELOPMENT

- lvi. The discussion on this thematic area is premised on the major

¹The mailo system of land tenure was introduced early in the colonial era and confers indefinite ownership rights, similar to freehold, over large areas of land (literally "mailo" in fact means miles) to a few individuals.

achievements and challenges in the area of socio-economic development that Uganda currently experiences. Uganda has made significant strides in this thematic area since the previous review, the most notable being: the government's capacity and political initiative to develop and implement innovative national public policy; an effective poverty reduction strategy as evidenced by the fall of the national poverty rate from 56% in 1992 to 19.7% in 2012/13, although this rate has gone back up to 21.4%% according to the Ugandan National Household Survey for 2015/16. Furthermore, significant progress has been made in promoting equality of women and gender empowerment.

- lvii. Nevertheless, the Country Self-Assessment Report (CSAR 2017), the four different progress reports and the CRM research suggest that some underlying challenges still persist in the country's quest for fostering human development. These challenges have been identified, prioritized and discussed under six broad categories: (i) infrastructure development; (ii) land tenure and land conflicts; (iii) sustainable environmental and resource management; (iv) rapid population growth; (v) youth unemployment; and (vi) management of diversity.
- lviii. One of the key recommendations of CRR 2008 was that the Government of Uganda "enhance public-private partnership (PPP) initiatives in the development of specific infrastructure projects." The Government has acted on this and other relevant recommendations relating to infrastructure to lay a solid foundation for its long-term economic growth and development. It has increased the volume of paved roads from 3,200km in 2009 to 3,795km in 2013/14, expanded the rural electrification programme, and improved the information and communication technology (ICT) infrastructure such that the number of mobile phone subscribers has increased to 18 million in 2016.
- lix. However, despite this high level of commitment, it will take a while for Uganda to have the type of infrastructure it requires for its sustainable development. Conditions similar to those in the period prior to the base country review persist in Uganda's socio-economic efforts and are still salient. For example, while the conditions of the pre-2008 period depicted poor and inadequate physical infrastructure due to the brutality of war, the current conditions are

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premised on “slow accumulation of modern infrastructure”, which hampers the drive to lower the cost of doing business and the level of competition for Foreign Direct Investments just as the existence of poor infrastructure contributed to inhibiting the country’s then private sector-led economic growth strategy.

- ix. With a rapid population growth rate of about 3 percent per year and over 70 percent of the population being subsistence farmers living in the rural areas, land in Uganda is of critical importance and a key issue in the political and social discourse. Land is not just another commodity or a means of subsistence in Uganda but an asset of great significance to the population from the social, institutional and political dimensions. Land in Uganda has been a major source of conflict and social strife over the years, in no small part due to the country’s colonial legacy and how the current mix of land tenure systems of customary tenure, the mailo , the freehold and the leasehold came to take its present form. This form has led to lengthy, costly, and overly centralized land registration procedures and challenges of illegal land grabbing and conflict.
- lxi. The county is facing sustainable environmental and resource management issues. Uganda is endowed with a weather condition that supports rich biodiversity, fertile soils, rich and untapped mineral and oil and gas resources and great attractions for tourism. But, this “pearl of Africa” is under a serious threat from land degradation and deforestation due to a rapidly expanding population and extreme weather events such as droughts and floods caused by climate change and other factors. The government has undertaken specific projects, such as the National Environmental Police, that contribute to the protection and improvement of the natural and built environment. Nevertheless, most serious challenges, especially climate change, are caused by forces beyond the control of the Government and people of Uganda.
- lxii. Another challenge is the rapid population growth due to the high national fertility rate. The typical Ugandan woman gives birth to an average of nearly seven children in her life time. At one point, Uganda had a population growth rate of 3.2 per cent per year, which gave it the third highest population growth rate in the world. About 58.5 per cent of the population today is below 19 years of age, making Uganda one of the youngest countries in the world. A

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concerning feature of the population growth rate is that, at this rate, the population is projected to reach 130 million by 2050.

- lxiii. The Government is taking steps to address the negative effects of the high population growth rate. However, not only does this take time to show any meaningful result, there is also a north-south aspect to it, with poverty overly concentrated in the north compared to the south of the country. The Panel thus recommends that Government continue to enhance its efforts to bridge the north-south divide systematically and persistently.
- lxiv. Considering that well over half of the population in Uganda is below the age of 19, it is hardly surprising that youth unemployment is a serious challenge in the country. This problem was identified by CRR 2008 as a key socioeconomic development issue and the Government of Uganda was urged to consider it as a matter of priority. It was therefore recommended that a specific National Youth Policy be designed and implemented to promote employment for the youth. While the Progress Reports as well as the CSAR 2017 have indicated relevant policies and programmes adopted by the Government to combat this problem as was recommended by the CRR 2008, youth unemployment is on the rise, with the formal youth unemployment rate standing at 83%, which is a major socioeconomic challenge for Uganda.
- lxv. The key factors that have in combination perpetuated the high level of youth unemployment include: demographic change and educational preferences which have contributed to growing mismatch between labour supply and labour demand; slowdown of the private sector in recent years; and limited employment opportunities in the public-sector due to the privatisation of most state-owned enterprises and a prohibitive government wage bill.
- lxvi. When it comes to management of diversity, Uganda has made noticeable progress since the last country review in addressing gender inequality. The major achievements include affirmative action with respect to women representation in Parliament and admission into tertiary training institutions. Yet, many existing laws, particularly those concerning inheritance, are still discriminatory towards women; and violence against women and girls continues largely unchecked. The Panel recommends revision of laws when they contain discriminatory provisions and close monitoring of their

implementation to ensure women's human and legal rights are not undermined by cultural biases and misconceptions against women.

lxvii. Uganda has also demonstrated a long tradition of welcoming and resettling refugees, which has won it international acclaim. Significant efforts have also been made by the Government of Uganda and development partners towards promoting employment for persons with disability (PWDs). Nevertheless, the situation and conditions of marginalised people (ethnic minorities such as.....) are steadily deteriorating with increasing competition for natural resources in their areas, the negative effects of climate change and growing impoverishment. They live in small communities, have limited political representation, lack access to basic services, remain poorer than the average population, and face the risk of extinction. The Panel thus recommends that the Government develop, as a matter of priority, appropriate policies to address the needs of marginalised persons and communities.

6. COMMENDABLE PRACTICES, CROSS-CUTTING ISSUES & CONCLUSION

Commendable Practices

lxvii. The Country Review Mission (CRM) noted several commendable governance policies and practices in Uganda that have been selected for their perceived potential to be of use to other APRM countries facing similar challenges.

- **Medico-Legal Services for Victims of Gender-Based Violence:** this is a Ugandan programme that provides access to legal services, justice and redress for victims of gender-based violence (GBV). It combines the essential medical and legal services that victims of these crimes need in one place so they can deal with the situation comprehensively, sustainably and holistically. It is designed with the objective of bringing as one package all the key services to support victims of GBV, including medical treatment, legal advice and psychosocial support.
- **Youth Representation in National Parliament:** Article 78, section 2 of the 1995 Constitution of Uganda provides for special interest representation of women, youth, workers, army and persons with disabilities. The current 10th parliament of Uganda includes of 5 representatives of youth. Youth representation

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provides an opportunity for youth to articulate their interests to the national legislative body

- The Uganda Investment Authority's One Stop Centre (OSC): this is a service designed to expedite the investment process by bringing under one roof all aspects of the business licensing and establishment process as well as all accompanying issues of regulatory compliance, including taxation, registration, immigration and work permits, land acquisition and verification, as well as environmental certification and approval requirements. This mechanism has made clear improvements to the business environment and improved Uganda's ranking on the doing business index.
- Uganda's Approach to Management of its Oil Resources: Uganda discovered commercial reserves of crude oil as early as 2006, but it has yet to start actual production. In an attempt to avert the all too frequent case of oil production destroying the rest of the economy, the Government of Uganda took some steps that put it apart from most other resource-rich countries. To mention a few examples, the Government decided (i) to build a refinery so as to add value to the crude oil rather than export it in its "raw" form; (ii) to delay oil production until the refinery was built; and (iii) to use oil revenues only for financing development projects to the exclusion of recurrent expenditure. As the recent conclusion of an agreement with a consortium of companies to build the refinery shows, this policy is already paying dividends. Other African countries have a lot to learn from this practice.
- The AskYourGov.org web site helps members of the public get the information they want from Uganda public authorities. The facilities provided by this website are backed up by the Access to Information Act that was issued in 2005, which according to CSAR 2017 makes Uganda the first African country to undertake this innovative approach to transparency and accountability to citizens.
- Refugee Integration. Refugees based in rural areas in Uganda do not live in camps. Instead, they live in settlements and are provided with plots of land for agricultural use so they can sustain themselves and integrate better in the host country. This policy extends to all refugees, regardless of ethnicity or country of origin. As such, it is hardly surprising that Uganda is

widely cited as a model at the global level when it comes to the treatment of refugees.

Cross-cutting Issues

- lxviii. Despite commendable progress achieved in dealing with governance and socio-economic development challenges since the first APRM review in 2008, the CRM noted that Uganda faces some challenges that are of a persistent and recurring nature, often relevant to all four APRM thematic areas and therefore potentially posing threats to Uganda's socio-economic and sustainable development that requires a holistic approach. The cross-cutting issues underlined by the CRM as particularly important for Uganda are (i) Management of Diversity, (ii) Gender inequalities; (iii) the State of the Public Service, (iv) Land, and (v) Youth Unemployment.
- lix. Management of Diversity remains an important cross-cutting issue, first identified in CRR 2008. The type of diversity considered here covers a range of identity-related matters including ethnic minorities, refugees, religious groups and the like. Indeed, typically issues of gender are also considered under management of diversity, but in this report, we have chosen to deal with the gender inequality issue on its own in recognition of its gravity and persistence in Uganda and the depth of its roots in the culture and traditions of a large part of Ugandan society. Two key messages that emerge from the analysis are (i) diversity per se has never been a problem, not in Uganda, nor anywhere else; it is misguided politicians who often convert it into a problem by attempting to use it for political ends; and (ii) these concerns, unless they are addressed expeditiously, will sooner or later turn into a source of conflict and pose challenges to the country's democratic policies.
- lxx. Gender inequality, as noted earlier, is a major issue that cuts across all thematic areas and brings entrenched cultural prejudices and damaging stereotypes face to face with progressive gender equality policies and laws. In Uganda, discriminatory socio-cultural practices at times seem to override the clear statement of the law of the land, causing damage to the agenda of protection and promotion of women's rights. In many cases, these cultural prejudices ensure no progressive laws are enacted in the first place, an extraordinary example being the Marriage and Divorce Bill that has been pending before Parliament for many years. Resolution of the stalemate

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requires consensus building among stakeholders on the need to ensure that the dignity and property rights of women are respected and protected.

- lxxi. The State of the Public Sector remains a challenge in Uganda, as was highlighted in the 2008 review report. While the challenge applies to public services generally, its impact is particularly severe at local government level. Local government lacks legal power to raise its own revenues, making it dependent on the centre for all its resources. To a significant degree, therefore, the poor state of the public service at all levels appears to be directly related to the amount of resources available to the sector. Indeed, this centralisation of power to raise and allocate resources is undermining Uganda's laudable policy of decentralised public service delivery.
- lxxii. Land is a critical and emotional subject in Uganda, central to the country's socio-economic development. Getting land policy right is an important factor in Uganda's efforts to address poverty and inequality, attract investment, tackle unemployment and enforce managed and sustainable urbanization. Land currently accounts for a substantial proportion of all conflicts and court cases in Uganda. By addressing the land issue well, Uganda will be able to advance peace and social stability.
- lxxiii. Youth unemployment is a critical challenge facing Uganda. With most graduates not finding jobs in their fields of training and the official youth unemployment rate standing at 83%, it is imperative that Government and society at large devise a means of addressing this daunting challenge. To a certain extent, the unemployment is exacerbated by a mismatch between skills acquired at institutions of higher and further education, on the one hand, and skills in demand by the job market, on the other. For this, education reform to ensure education institutions respond to the demand on the market may be an area of immediate intervention. Skills development for youth and employment creation is at the core of the programme to transform Uganda from a poor agrarian economy to a modern, prosperous and skilled society under Uganda Vision 2040. This is not an issue that Government alone can resolve; the involvement of the private sector and civil society organisations is just as important..
- lxxiv. Finally, in conducting this review and preparing this report, the Panel has paid special attention to the paper on the "bottlenecks

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facing Africa” presented by H.E. President Yoweri Museveni to two meetings of the APR Forum held in Johannesburg in June 2015 and in Nairobi in August 2016. Most of these bottlenecks are of a cross-cutting nature and have been discussed in this report as follows:

1. Ideological disorientation, discussed under “Management of Diversity” in Chapters 2, 5 and 6;
2. Interference with the private sector, discussed under “the state of the public service: business environment” in Chapter 4;
3. Under-developed infrastructure, discussed under “Infrastructure” in Chapter 5;
4. Weak states, especially weak institutions such as the Army and Police discussed under “The state of the public service” in Chapter 2;
5. Fragmented markets, market access and expansion, discussed under the same sub-heading in Chapter 3 and on “the state of the public service: business environment” in Chapter 4;
6. Lack of industrialisation and low value addition, discussed with reference to industrial policy under “Fragmented Markets, Market Access and Expansion” in Chapter 3;
7. The Under-development of Human Resources, discussed with reference to education for employment under “Youth Unemployment” in Chapter 4;
8. The Under-development of Agriculture, discussed with reference to value addition and export diversification under “Fragmented Markets, Market Access and Expansion” in Chapter 3;
9. The Under-development of the services sector, discussed with reference to value addition and export diversification under “Fragmented Markets, Market Access and Expansion” in Chapter 3
10. Attacks on democracy and governance, discussed under “Fair competition for political power” and “dominant executive” in Chapter 2;
11. A non-responsive civil service, discussed under “The state of the public service” in Chapter 2;
12. Domestic Resource Mobilisation, discussed under “Domestic Resource Mobilisation” in Chapter 3; and

13. Structural inequalities in access to opportunities, discussed under “Management of Diversity” in Chapters 2, 5 and 6.
- lxxv. The Panel is encouraged by the efforts and progress made by the Government of Uganda in developing and implementing Vision 2040, which provides the country’s development blueprint and framework to ensure Uganda’s transformation from a predominantly low-income country to a competitive upper middle-income country by 2040. Vision 2040 focuses on the need to develop the fundamentals of the Ugandan economy, many of which are identified as bottlenecks to development, and recognises the opportunities that Uganda is blessed with including development of its oil and gas resources, tourism services, minerals, an abundant labour force, geographical location and enhanced opportunities for trade, water resources, industrialisation, and agriculture.
- lxxvi. Uganda is already leading the conversation on how to remove the development bottlenecks once and for all in Africa; the country will need to build on its strengths and lead the actual removal of these bottlenecks within itself and lead by the power of example. This calls for determined, unyielding and enlightened transformative leadership at all levels of society. Such leadership exists in Uganda, and the Panel is confident that the country will employ this leadership effectively and in the right proportions as it aims for building a peaceful and prosperous society.

CHAPTER ONE

1. INTRODUCTION: HISTORICAL BACKGROUND AND THE APRM IN UGANDA

1. This Chapter commences with a brief introduction to the second review of Uganda. It presents a historical and political overview of the country, referring to current economic dynamics, key issues, and new challenges in governance for sustainable development. This is followed by a brief outline of the APRM process in Uganda, from inception until the present day.

1.1 Brief Historical Background

2. Uganda is a landlocked country located across the equator in East Africa, covering a total area of 241,551 square kilometres. The country shares its borders with the Democratic Republic of Congo (DRC), Kenya, Tanzania, South Sudan and Rwanda. Data from the Uganda Bureau of Statistics shows that as of 2017, the country had a population of 34.6 million people, 51% of which is female. Furthermore, children below 18 years of age constitute 55% of the population, making Uganda relatively a young country. With the right policies and strategies in place, the vast size of the youth population should give Uganda an exceptional opportunity to realise its demographic dividend. However, this does not come by itself; unless the Government of Uganda puts in place the right policies and strategies; this opportunity associated with a youthful population can easily end up becoming a serious challenge if not well planned for.
3. Uganda's current democratic and political governance landscape is the product of its history, including its colonial heritage as well as its post-colonial experience. Uganda gained autonomy from Britain in March 1962, which was followed by a general election in which Milton Obote from the United People's Congress (UPC) party was elected with the support of conservative Buganda people, Kabaka-Yeka Party and, became the first prime minister of Uganda. On the 9th of October of the same year, Uganda became independent from British rule under a coalition government made up of the two opposing parties led by Edward Mutesa II as titular President and Milton Obote as Prime Minister.

This section is from the Country Self-Assessment Report

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4. The coalition government was rocked by internal conflicts due to tribal and religious sectarianism. The Kabaka-Yeka Party represented Buganda's ethnic group and Protestants while the UPC was a national party with Protestants as its main supporters. In 1964, Idi Amin became Obote's trusted man, assuming the responsibilities of deputy commander-in-chief of ground and air forces. From 1964 to 1966, UCP itself endured internal conflicts driven by ideological differences, resulting in the formation of the "Bantu Party" led by Ibingira, and the "Nile Party" led by Obote and Idi Amin, respectively.
5. In April 1966, Obote took over Presidential power from Buganda's King Mutesa II. In May 1966, and on Obote's orders, Idi Amin attacked the King Mutesa II Royal Palace, leading to the King being exiled in London. These developments in post-independent Uganda sparked a wave of political instability, which lasted until 1986.
6. By 1968, Amin had monopolised military power through the positions of commander of the Ugandan forces, chief of the defence staff, and other senior roles. The concentration of power in Amin's hands, against the backdrop of Obote's unpopularity, led to Amin seizing power in 1971 by yet another coup. Obote fled the country and, in September 1972, launched an unsuccessful attack against Uganda with Tanzania's support. Idi Amin's government committed horrific crimes against the Ugandan people and, in 1979, suffered the same fate as Obote's. Following a war with Tanzania from 1978 to 1979, Yusufu Lule of the Uganda National Liberation Front (UNLF) assumed power. Lule was soon put to a vote of confidence, which he lost, and was replaced by Professor Godfrey Binaisa as president, who in turn was overthrown by Obote in May 1980, who became president for a second time.
7. Obote's failure to bring relief from the Amin years led Yoweri Museveni and others to start a long war to end the Obote regime itself. The National Resistance Movement (NRM) was thus launched in February 1981, but Obote was deposed in 1985 by the army once again, bringing Tito Okello as the new President. Okello was deposed by the NRM in January 1986, barely six months after the former was sworn in as president, this time bringing Yoweri Museveni as president of the republic.
8. Since 1986, Uganda has shared relative peace and stability, governed by a decentralised, multi-party democracy system. The country has 4

regions, namely Central, West, Eastern and North; the regions subdivided into 117 districts, which are in turn subdivided into Counties, sub-Counties and Parishes and the capital city, Kampala. The division of local structures of government are envisioned to implement and further monitor governmental programmes at local levels.

9. The NRM government introduced a free market-oriented economic policy, supported by the International Monetary Fund (IMF) and the World Bank. The country has enjoyed steady economic growth particularly since 2002. In addition, the country has been a beneficiary of the Highly Indebted Poor Countries (HIPC) and Multilateral Debt Relief (MDRI) initiatives. As a result, the national economy of Uganda has increased 13-fold in 26 years, moving from a GDP of \$1.55 billion in 1986, to approximately \$20 billion in 2012. On Uganda's 50th anniversary of National Independence in 2012, President Museveni noted that the government's goal is to develop Uganda into a middle-income country and to increase the GDP per capita to \$1000 in the next few years through the production of oil, coffee, cotton, fruit, and corn and leap into the front ranks among world top class countries over the following 50 years. These aspirations are in line with Africa's economic blueprint Agenda 2063, which calls for socio-economic transformation of the continent over the next 50 years.

1.2 Uganda's Demographic Transition

10. Uganda held its first census in 1911 under the colonial government and had a population of 2.4 million people. Eighty years later, the population had grown in 1991 to 16.6 million, growing at 3.3% per annum – the third fastest in the world (after Yemen and Niger). In 2012 the population grew to 24.2 million people but this rate of growth has since dropped to 3.0% as the population grew to 34.6 in 2014.
11. Today there are 173 persons per square kilometer much higher than some of her neighbors (South Sudan – 18, Tanzania – 54 and Kenya – 74) for the same year. However, it was lower than that of Rwanda (421) and Burundi (377). Uganda's population mostly resides in the rural countryside with only 7.4 million (21%) residing in urban centers. Uganda has one of the youngest populations in the world with 59.3% below the age of 20. (Census 2014 report).

1.3 Overview of the Economy

12. Uganda inherited a British colonial administrative and governance system that shaped her socio-political and economic outlook. After independence in 1962, the country experienced a series of major transitions including political instability mainly between 1976- 1986. Most of the gains made in key sectors especially education, health and public sector were eroded by conflict.
13. However, between 1990 and 2000, Uganda's economy grew stronger in key areas. Buoyed by the extension of debt relief committed under the HIPC and MDRI, Uganda focused on reconstruction and poverty reduction under the first Poverty Eradication Action Plan (PEAP). Even before the adoption of the Millennium Development Goals (MDGs) in 2000 Uganda had already implemented 3 years of the PEAP. After two phases of the PEAP (1997-2002 and 2003-2008) Uganda adopted a new development dispensation to realize Vision 2040 through six (6) five-year National Development Plans (NDPs). The current plan (NDPII 2015/16-2019/20) was aligned to the NPoA.
14. Most of Uganda's population (60%-70%) is heavily engaged in agriculture and resides in the rural countryside, 42% are in subsistence farming. However, agriculture is a declining source of income with only 26% relying on it as their sole source of income. Private non-agricultural wage employment is growing at 12% per annum and highly concentrated in peri-urban areas. Coupled with high youth formal unemployment standing at 83.2% (UBOS, 2012) Uganda is vulnerable to global economic shocks, price volatility and urban poverty. However, Uganda proved resilient to the global economic downturn in 2008 mainly due to self-sufficiency in food production and the structure of its trade with countries in the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) regions.
15. Foreign exchange volatility presents a serious challenge to Uganda's monetary economic stability. Economic challenges in the developed world prolonged the weak demand for Uganda's exports, pushing prices down for coffee and tea that are key exports and worsening her trade balance and the Uganda shilling. The Uganda's central bank Bank of Uganda (BOU) and the Ministry of Finance, Planning and Economic Development (MFPED) have responded over the last decade with a combination of fiscal and monetary policies to

address spikes in headline inflation and a strong dollar. In light of these difficult times, high interest rates have persisted in the banking sector leading to reduced lending and contraction of many financial aspects that would ideally expand the productive sectors.

16. Uganda continues to rely heavily on development partners for grants and concessional loans to finance key public investments especially in energy, roads and rail infrastructure. This is in the wake of a reduction in budget support since 2012. Nonetheless Uganda has maintained sustainable debt levels with liquidity and solvency indicators well below standard thresholds of 55%. This presents Uganda an opportunity to adopt an expansionary fiscal policy for ambitious investments as elaborated in Vision 2040.

1.4 Constitutional Reforms and Democracy

17. The 1995 Constitution (as amended) remains the supreme law in the land. In addition, other legislation has been enacted which enhances greater access to opportunities and the participation in government by the citizenry. To ensure democratic governance, Uganda continues to hold local, parliamentary and presidential elections every five years to ensure citizen political representation at all levels. There are 29 political parties registered in Uganda representing a wide range of socio political views. The Parliament has a shadow cabinet of opposition political leaders and the media has had space to air views on the political landscape through various media outlets (print, electronic and air). While Uganda is a widely regarded as a constitutional democracy, sections of the civil society and the academia is critical to that claim. These are views that full observance of the spirit of constitutionalism is compromised, and a perception that certain constitutional provisions have been removed to serve parochial and party interests. This includes the removal of term limits, and the perceived use of excessive force by the police to quell civil disobedience and demonstrations by civilians.

1.5 Peace and Stability

18. Since her independence Uganda underwent a series a civil and military wars that eroded her economic performance and undermined socio-economic development. Between 1986-2006 Northern Uganda continued to face civil war launched by the Lord's Resistance Army of Joseph Kony on the NRM government. In northern Uganda, an

armed rebellion displaced 1.8million people and destabilized the country from north west (West Nile) central greater northern and north eastern parts of the country as well as large parts of eastern Uganda.

19. However, since 2006, peace and stability returned to the country. Uganda has implemented two phases of three programmes to bring Northern Uganda to the level of development to other parts of the country: The Peace Recovery and Development Program (PRDP), Northern Uganda Social Action Fund (NUSAF); and Karamoja Integrated Development Program (KIDP) Peace and stability does not mean the absence of war alone. Uganda continues to face internal strife caused by other domestic factors mainly related to land conflicts, confrontations related to political power struggles during local, parliamentary and presidential elections and more recently, tribal clashes in the Rwenzori sub-region in mid-western Uganda.

1.6 Socio- Economic Trends

20. Since 1986, there have been major improvements in socioeconomic trends across the board. Uganda promulgated the 1995 Constitution and two years after (1997) adopted a wide-reaching policy of decentralization. At this time the economy grew rapidly (averaging 6-7% per annum). However, poverty remained high and so was the incidence of HIV/AIDS. The proportion of the population below the national poverty line stood at 56.4% in 1992/93 although it had reduced to 33.8% by 2000. HIV/AIDS posed a great danger to the country with HIV prevalence rate stood at 18.5% in 1992 among those 15 to 49 years of age alone. By 2007/08 only 28% of the population had access to affordable essential drugs on a sustainable basis (MDG report 2015).

1.7 The APRM and its Implementation

21. Established in March 2003, the African Peer Review Mechanism is a governance self-monitoring mechanism used by Member States of their own volition for governance of member countries, in the perspective of consolidating good governance in Africa.
22. The APRM ensures that participating Member States' policies and practices conform to political, economic, socio-economic development and corporate governance values, codes, and standards, , as embodied in the Declaration on Democracy, Political,

Economic and Corporate Governance. The goal is to encourage Member States to adopt policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated regional and continental economic integration. The APRM aims to reach this goal through sharing of experiences and reinforcement of successful and best practices.

23. The assessment of the APRM is conducted in relation to the values, codes, and norms that are enshrined in the Abuja Declaration on Democracy, Political, Economic and Corporate Governance adopted on 9 March 2003 in Abuja, Nigeria. It is in that regard that this report addresses the following four areas of governance:

- Democratic and Political Governance
- Economic Management and Governance
- Corporate Governance
- Socio-economic Development.

24. African Union (AU) Member States accede to the APRM on a voluntary basis. In May 2016, 35 countries had adhered to the Mechanism, 17 of which have already been reviewed. In 2015-2016, under the auspices of the current Chairperson of the APR Forum, H.E. President Uhuru Kenyatta of the Republic of Kenya, elected Chairperson during the 23rd Summit of the APR Forum, held in June 2015, the Forum convened an extraordinary summit devoted to the revitalization of the APRM, on January 2016, the initial result of which is the review of three countries (Djibouti, Chad, Uganda) in 2016.

Box 1.1: APRM Activity Report

In its 13 years of existence, the APRM member countries, of which there were six at its creation, have risen in number to 36 at the present day. In carrying out its objectives, the APRM has been guided by the shared values of the African Union, approved in 2011, during the 14th Session of the AU that adopted Pan African Governance Architecture. Imbued with these values, the mission of the APRM has set itself as mandate to:

- Deepen the practice of democracy through, *inter alia*, an examination of national policies and practices in relation to established standards of good governance.
- Identify gaps as well as best practices and develop tools and methods to correct these gaps and, in the same vein, ensure that the best practices are disseminated and reproduced on the entire continent.

The APRM goal is to encourage and foster transformational leadership through a self-evaluation and peer review process that is participatory and inclusive. The work done by the APRM also leads to better service provision since good public service delivery leads to making public and private sectors accountable to citizens.

The APRM works towards transformational governance on the continent. This concept is at the heart of the AU Agenda 2063, a prospective Vision accompanied by a Plan of Action for the next 50 years. This agenda aims at achieving 7 basic objectives, including three objectives focusing on good governance, democracy, respect of human rights and the rule of law.

During the 23rd AU Summit of Heads of State and Government held in Malabo, from 24 - 26 June 2014, the AU Assembly decided to integrate the APRM into the AU system, granting it full autonomy. This decision gave renewed impetus to the APRM and encouraged its greater involvement in the implementation of Agenda 2063. Ghana, Kenya, Mauritius and Rwanda were the first countries where missions had been launched (in 2004). To date, 20 countries have undergone peer reviews. They are: Ghana, Rwanda, Kenya, South Africa, Algeria, Benin, Uganda, Burkina Faso, Nigeria, Mali, Mozambique, Lesotho, Mauritius, Ethiopia, Sierra Leone, Tanzania, Zambia. Djibouti, Chad and Senegal. Kenya and Uganda have distinguished themselves by being the first and second countries respectively to undergo a second review.

Source: CRM

25. Five successive stages make up the APRM process. They are defined in the APRM Base Document and briefly outlined below:
26. Stage One involves the preparatory process, both at the APRM Secretariat level and at the national level. Under the direction of the APRM Panel, the Secretariat will send to countries to be reviewed a questionnaire on the four areas of the APRM. The country will develop a self-assessment on the basis of the questionnaire, and with the assistance, if necessary, of the African Peer Review (APR) Secretariat and/or relevant partner Institutions. Having completed the self-assessment, the country will formulate a preliminary programme of action, building on existing policies, programmes and projects. Both the Country Self-Assessment Report (CSAR) and the preliminary programme of action are submitted to the APRM Secretariat which, during the same period, has developed a background document on the country through desk research and gathering all available current and pertinent information on the country's situation on governance and development status. The desk review covers the four thematic areas.
27. Stage Two is the Country Review Visit. Under the leadership of the APR Panel, the Country Review Mission (CRM) visits the country concerned where its priority order of business will be to carry out the widest possible range of consultations with the Government officials, political parties, parliamentarians and representatives of civil society organisations including the media, academia, trade unions, business and professional bodies. The main objectives are as follows :
- Learn about the perspectives of the different stakeholders on governance in the country;
 - Clarify issues identified in the Issues Paper that are not taken into account in the preliminary programme of action of the country; and,
 - Build consensus on how these issues can be addressed.
28. It should be stressed that during the mission, the country under review plays a role of facilitator, so that the Review Team can efficiently carry out its duties. To that end, the CRM should be given free access to all sources of information and to the various stakeholders, as laid out in the technical review mission's Memorandum of Understanding (MOU) and agreed in the Report signed between the parties (APRM-Government).

29. During Stage Three, the CRM report is prepared on the basis of the CSAR, the background document, questions prepared by the APRM Secretariat, and information from official and non-official sources derived from consultations organised with all stakeholders during the review mission.
30. The draft report:
- Examines, where applicable, political, economic, corporate governance and socio-economic development commitments, taken from the preliminary programme of action;
 - Identifies all persisting weaknesses;
 - Recommends other actions for integration into the final programme of action.
31. The draft report is examined by the Panel whose members are the official authors before it is discussed with the Government concerned to ensure accuracy of the information therein. It thus offers the government an opportunity to react to the CRM's findings and also express its own views on the shortcomings identified. These responses of the Government will be appended to the Team's Report, taking into account the conclusions and recommendations of the preliminary report, in conjunction with the finalised National Programme of Action.
32. The Fourth Stage begins when the Team's final report and the country's final Programme of Action that are sent to the APRM Secretariat. The latter then submits the reports to the APR Forum of participating Heads of State Summit and to the Government under review, for consideration and formulation of actions deemed necessary, in accordance with the mandate of the APR Forum. If the country shows a demonstrable willingness to rectify the identified shortcomings, participating governments may offer to provide assistance as well as urge donor governments and agencies to come to the assistance of the country reviewed.
33. The Fifth Stage is the final stage of the APRM process. Six months after the report has been considered by the Heads of State and Government of the participating member countries, it is formally and publicly tabled in key sub-regional and regional entities. Amongst them are the Regional Economic Community to which the country belongs, the Pan-African Parliament, the African Commission on

Human and Peoples' Rights, the Peace and Security Council, and the Economic, Social and Cultural Council (ECOSOC) of the AU.

34. This report is part of the third stage of the APRM process in Uganda. It submits the CRM findings as well as recommendations formulated by the Panel.

1.7.1 APRM Implementation in Uganda

35. Uganda was one of the pioneer countries that acceded to the APRM at its inception in 2003 and was first peer reviewed in the year 2008 at Sharm El Shiekh, Egypt.
36. June 2015, Uganda presented its Fourth Annual APRM Progress Report on the implementation of the National Programme of Action for the period July 2009 to June 2014, to the 23rd APRM Summit in Johannesburg, South Africa, marking the end of the base review process.

Methodology of Country Self-Assessment Preparation

37. APRM process is highly consultative in nature. The National Governing Council (NGC), with support from National Planning Authority (NPA) as its Secretariat, led the preparation of the Country Self-Assessment Report, as well as the APRM Programme of Action for Uganda 2017. The assessment entailed undertaking research in the four thematic areas of Democracy and Political Governance, Economic Governance and Management, Social Economic Development and Corporate Governance, to establish the effectiveness of good governance in Uganda. The report was produced by a team of five consultants who carried out desk research on the thematic areas in accordance with the APRM questionnaire. The research was designed to collect secondary data and information and to undertake qualitative analysis on issues of governance relevant to each thematic area. The analysis also emphasized progress made on the issues identified during the first CSAR and National Programme of Action (NPoA).
38. CSAR consultative meetings were organized as follows: two at the national level and one in each of the four major regions of the country. The meetings were designed to enable participation of a representative cross-section of stakeholders including various government ministries, departments and agencies, Local Governments, academia, private sector, media, trade unions and

- youth organizations to validate and ensure ownership of the report.
39. The first national level consultative meeting was organized in Kampala as a workshop with participants mainly from central Government Ministries, Departments and Agencies (34 MDAs), and Non-Government Organisations (NGOs), Faith Based Organisations (FBOs), private sector, academia and the media (14 in total some represented as umbrella organizations). It started with a plenary session where the Consultants presented the draft of the synthesis report; this was followed by group discussions of thematic areas the outcomes from which were then presented in plenary. Appropriate recommendations were made to revise the draft document before presentation to the regional workshops.
 40. The revised draft report was then presented for validation purposes at the four regional workshops held in Mbarara (Western Uganda) with 54 participants representing various LGs and entities; Mukono (Central) with 32 participants representing LGs CSOs and other entities; Gulu (Northern) with 49 participants representing Districts, NGO Forums, CSOs and academia and lastly in Mbale (Eastern) with 38 participants including district leaders, representatives of CSO umbrella organizations, the private sector and academia. All together the process benefitted from input of 172 participants representing organizations, religious and cultural entities across the country at the sub-national level. All discussions were held in plenary and a wide range of issues were raised and to the greatest extent possible, have been incorporated in this report.
 41. In February 2017, the final report validation workshop was organized at the national level in Kampala. In June 2017, the Government and continental APRM authorities launched the second-round Country Review Process during a support mission and announced that the second review mission would take place in October 2017. In consequence, Uganda would be only the second country to complete its second APRM review after Kenya.
 42. At a ceremony hosted by H. E. Yoweri Kaguta Museveni, President of the Republic of Uganda, at State House on 15 June 2017, Honourable Brigitte Sylvia Mabandla, lead member of the APR Panel of Eminent Persons and Head of the APRM continental delegation, signed the APRM Memorandum of Understanding on Technical Assessment and Review Mission with Hon. David Bahati, Minister and APRM

Focal Point for Uganda.

43. The APRM delegation was made up of the lead panelist, the CEO and staff of the APRM Secretariat and representatives of three of the APRM strategic partners, namely the UNECA, UNDP, and the Mo Ibrahim Foundation.

1.8 The Country Review Mission (CRM)

44. The Country Review Mission for Uganda was led by Bishop Dinis Segulane from 29 October - 13 November 2017. The team was made up of 19 African experts, nationals of more than 10 AU member countries, selected on the basis of their skills and experience in the four areas of governance being reviewed. The African experts are listed below:

For the APR Panel of Eminent Persons:

- Bishop Dinis Sengulane, Team Leader and Lead Panel Member for Uganda;

For the APRM Secretariat:

- Prof. Edward Maloka, CEO, APRM Secretariat; Prof. Melaku Desta, Senior Technical Advisor to the CEO; Mr. Dalmar Jama, Coordinator, Uganda Country Review Mission; Ms. Itumeleng Dlamini, Technical Advisor to the CEO and CG; Mr. Lennon Monyae, Researcher (DPG), APRM Secretariat; Ms. Delice Zakeyo, Researcher (DPG), APRM Secretariat; Ms. Ejigayhu Tefera, Researcher (EGM), APRM Secretariat; Mr. Valery Yao Yao, Researcher (SED), APRM Secretariat; and Ms. Virginia Mudhokwani, Mission Logistics and Administration Officer.

For Strategic Partners:

- The African Capacity Building Foundation (ACBF) represented by Mr. Tsoeu Petlane
- The African Development Bank (AfDB) represented by Ms. Evelynne Change
- The United Nations Development Programme (UNDP) represented by Mr. David Omozuafon
- The United Nations Economic Commission for Africa represented by Prof. J M. Lusugga Kironde

For Independent Experts of the APRM Secretariat:

- Democracy and Political Governance: Prof. Adele Jinadu and Prof. Wafula Okumu;
- Economic Governance and Management: Prof. Mutiu Abimbola Oyinlola;
- Corporate Governance: Prof. Karim Ben Kahla; and
- Socio-Economic Development: Dr. Bernard Dasah

45. In accordance with the APRM mandate, the Review Mission examined the findings of the self-assessment exercise undertaken by the NGC. The Mission:

- Undertook comprehensive consultations with all the stakeholders in order to deepen and enrich the self-assessment report;
- Reviewed the programme of action submitted by the country and made pertinent proposals;
- Ensured that the self-assessment process conducted by Uganda was credible and free from all political interference;
- Obtained a consensus from the stakeholders on issues, challenges and recommendations to improve on governance.

46. His Excellency Mr. Yoweri Museveni launched the CRM at a ceremony attended by senior members of the executive, judiciary and legislature as well as other state institutions, the diplomatic corps and multilateral and bilateral partners. The Team was also received by The Prime Minister of Uganda, Hon Dr. Ruhakana Rugunda during their stay in Uganda. The CRM met all stakeholders involved and associated with the APRM process in Uganda, notably institutional heads and political leaders including the Mayor of Kampala, The Lord Mayor Erias Lukwago. The CRM also met with representatives of faith-based organisations, parastatal bodies, decentralised local authorities, political parties, employer organisations and the private sector, trades unions, youth movements, women's organisations, groups of disadvantaged persons, and locally-elected officials. Press conferences with the print and broadcast media, national and Africa-wide television stations were held in the course of the Mission.

47. To be as complete as possible, and to ensure a sophisticated understanding of the territorial dynamics and local citizens'

expectations, the CRM visited all four regions of Uganda. During these visits, the CRM had fruitful exchanges with local officials and stakeholders and made field visits that completed the fact-finding exercise.

48. This intense body of work is summarized as follows.

- This Introductory chapter;
- Chapters Two to Five present the Review Mission findings for the main issues identified by the Country Review Mission under the four thematic APRM pillars; and
- Chapter Six is a general conclusion, summarising and analysing commendable practices, cross-cutting issues as well as diverse perspectives.

CHAPTER TWO

2. DEMOCRACY AND POLITICAL GOVERNANCE**2.0 Introduction**

49. Democracy and good political governance are foundational for the reduction of poverty and the attainment of sustainable development in any country. As African leaders declared at the dawn of the new millennium in 2001, “development is impossible in the absence of true democracy, respect for human rights, peace and good governance.” The creation of the APRM in 2003 was a direct result of this recognition of the critical importance of democracy and good political governance for development in Africa.
50. In the 2003 Declaration on Democracy, Political, Economic and Corporate Governance (para. 7), African leaders stated: “we reaffirm our commitment to the promotion of democracy and its core values in our respective countries. In particular, we undertake to work with renewed determination to enforce the Rule of Law; the equality of all citizens before the law and the liberty of the individual; individual and collective freedoms, including the right to form and join political parties and trade unions, in conformity with the constitution; equality of opportunity for all; the inalienable right of the individual to participate by means of free, credible and democratic political processes in periodically electing their leaders for a fixed term of office; and adherence to the separation of powers, including the protection of the independence of the judiciary and of effective parliaments.” The Declaration envisaged the APRM as a voluntary mechanism that “seeks to promote adherence to and fulfilment of the commitments contained in this Declaration.” (Para. 28).
51. It is thus hardly surprising that democracy and good political governance became the first of four thematic pillars of the APRM when it was established in March 2003. Among the key requirements for the promotion of a democratic and well governed society are a guaranteed framework of equal citizenship rights, such as access to justice, respect for the rule of law, the freedoms of expression, association and assembly, as well as the basic economic and social rights to enable citizens to exercise these freedoms effectively. The promotion of institutions of a representative and accountable government as well as a vibrant civil society are essential ingredients

for a free and pluralistic society.

52. This thematic area has eight specific objectives: (i) Constitutional democracy and the rule of law; (ii) The separation of powers; (iii) Prevention and reduction of intra and inter-state conflicts; (iv) Promotion and protection of civil and political rights; (v) Ensuring accountable, efficient and effective public service delivery at the national and decentralized levels; (vi) Promotion and protection of the rights of women; (vii) Promotion and protection of the rights of children and young persons; and (viii) Promotion and protection of the rights of vulnerable groups. In an effort to realise these objectives, the APRM has identified a list of codes and standards relevant to democracy and political governance, along with associated questions and indicators.
53. In the first country review report completed in 2008, the APRM Panel considered the state of democracy and political governance in Uganda, systematically and exhaustively identified the strengths and weaknesses, and made recommendations that ultimately became part of Uganda's agreed National Programme of Action (NPOA). Uganda has been reporting the actions it has taken over the years on those recommendations in the form of four progress reports. Finally, in preparation for the second review, Uganda submitted a Country Self-Assessment Report (CSAR 2017) in which its policies and practices in the field of democracy and political governance have been considered comprehensively. When the Country Review Mission (CRM) was deployed in October/November 2017, it was clear that Uganda had made significant advances in this thematic area. To mention only a few examples, Uganda has signed and/or ratified a number of important instruments intended to support the development of a democratic culture in the country; its democratic institutions are noticeably maturing; the democratic culture is visible; confidence in the judiciary and the legislature is growing; the media remains vibrant and largely credible; and the fight against corruption has been intensified.
54. At the same time, the country self-assessment report developed for the second review (CSAR 2017), as well as our own research and consultations with the Ugandan public reveal that Uganda still faces a number of important challenges, both old and new, which are grouped into four broad categories:

- Fair competition for political power, which includes such related issues as the levelling of the playing field between the different political parties; respect for the rule of law and constitutional supremacy; equitable funding of political parties; and electoral processes and the independence of the commission;
 - A dominant executive and weak system of checks and balances, which includes such related issues as the independence of the judiciary and the legislature (the extent to which these two are empowered administratively and financially to exercise their powers, including to counter or curb possible executive excesses); and independence of democracy-promoting institutions: are they empowered to exercise oversight on all three?
 - Management of diversity, including gender, ethnic groups, refugees, economic immigrants, and integration of foreigners in general; and
 - The state of the public service, including its efficiency, level of decentralisation, responsiveness, accountability, and the challenges facing anti-corruption institutions in the country.
55. These four issues are both critical to the state of democracy and political governance in Uganda today but also cut across the objectives of the thematic area as articulated in the APRM Objectives, Standards, Criteria and Indicators document, which remained a useful guide in the preparation of this report. In the rest of this chapter, each of the above four issues will be considered against a four-level analytical framework. Section one describes each of the issues briefly; section two traces the evolution of each of the issues since the first country review report (CRR 2008) to date; section three summarises the findings of the CRM, while section four presents the recommendations of the APR Panel.

⁷CRM Consultations in Gulu and Kampala. Also see Daily Monitor, (2017). UPDF evict, beat Hoima residents, grab land. <http://www.monitor.co.ug/News/National/UPDF-evict-beat-Hoima-residents-grab-land-/688334-4081700-148ot4i/index.html>

2.1 FAIR COMPETITION FOR POLITICAL POWER

2.1.1 Introduction

56. Fair competition for political power is identified as one of the overarching issues currently facing Uganda. The concerns falling under this broad issue area include the levelling of the playing field between the different political parties, funding of political parties, respect for the rule of law and constitutional supremacy, electoral processes and the independence of the electoral commission.

57. Fair competition for political power is an important constitutive pillar of recent, post-1980s, democratic transitions in Africa, which was also introduced into the Constitution of the Republic of Uganda 1995 (as amended). Fair competition for political power is constructed from philosophical and ideological building blocks that structure the core elements of good governance, defined as limited government under the rule of law. This pillar derives from governance principles, enunciated in several African codes and standards, including:

- The NEPAD Declaration on Democracy, Political, Economic and Corporate Governance, an APRM-recognised standard and code that commits participating states including Uganda to the promotion of democracy and its core values; individual freedoms, including the right to form and join political parties and trade unions; and collective group rights, in conformity with the constitution, equality of opportunity for all, the inalienable right of the individual to participate by means of free, credible and democratic political processes in periodically electing their leaders for a fixed term of office, and adherence to the separation of powers, including the protection of the independence of the judiciary and of effective parliaments (para. 7);
- The African Charter on Human and Peoples' Rights, to which Uganda is a party, that prescribes, among others, that "Every citizen shall have the right to participate freely in the government of his country, either directly or through freely chosen representatives in accordance with the provisions of the law" (Art. 13:1); and
- The African Charter on Democracy, Elections and Governance, which Uganda has signed but is yet to ratify, whose principal objectives include promotion of adherence to the universal values and principles of democracy and respect for human rights; the principle of the rule of law premised upon the respect for, and the supremacy of, the

Constitution and constitutional order in the political arrangements of the State Parties, and the holding of regular free and fair elections to institutionalize legitimate authority of representative government as well as democratic change of governments. (Art. 3).

58. These principles are enshrined in the National Objectives and Directive Principles of State Policy as well as the operative provisions of the Constitution of Uganda, most importantly in Chapters Four and Five thereof. Protection of human rights; the rule of law; free and fair political and electoral processes; transparency and accountability; government effectiveness and regulatory quality; effective citizens' participation in development processes; and peace, defence and security of the citizens and the country." [Uganda Vision 2040, p.104].
59. It is thus clear that the principles of fair play in competition for political power are not just part of Uganda's international commitments but also integral to its constitutional order. Indeed, as a constitutional pillar, fair competition for political power represents a watershed in Uganda's constitutional and political history, marked by a shift, as recently as 2005, from a zero-party to a multiparty system, and a desire to overcome the ideological disorientation in Uganda's political history that had failed, according to Uganda Vision 2040 [p.15], to provide "...clear ideological direction to guide the country's development path...".

The pillar is but one alongside other constitutive pillars against which to conduct a second review of the governance performance of Uganda, since its base review in 2008, under the APRM's democracy and political governance thematic area, notably supremacy of the Constitution and the rule of law, separation of powers, political devolution, public service delivery, and promotion and protection of civil and political rights, including those of women, children and youth and other citizens on the margins of society - ethno-religious minorities, the physically challenged and refugees.

2.1.2 Evolution of Issue

60. It is notable that Uganda has put in place the necessary foundations for fair competition for political power to flourish in the country. Uganda has subscribed to a large number of African and international standards and codes that aim to entrench principles of fair competition for political power in the country. Moreover, these external standards and codes have been incorporated into the national constitutional

and legal order. Finally, a number of key institutions have been established with the mandate to ensure that these principles and obligations are complied with in the day-to-day functioning of the democratic system in the country. Key among these are the Uganda Human Rights Commission, established under Article 51(1) of the 1995 Constitution and operationalized through the Uganda Human Rights Act 1997; the Auditor General established under Article 163 (3) of the Constitution and operationalised through the National Audit Act, 2008; the Inspectorate General of Government (IGG) established under Article 223 of the 1995 Constitution and formally established by the Inspector General of Government (IGG) Statute of 1988, and the Electoral Commission which was set up under Article 60 of the 1995 Constitution.

61. Furthermore, there is also a record of positive accomplishment in the operation of these institutions. As CRR 2008 (para. 110) observed, "the passing of the Constitution was followed by presidential and parliamentary elections in 1996, which were pronounced to be free and fair." The functioning of this constitutional, regulatory and institutional structure has shown further improvement since the base review in 2008.
62. However, in spite of this encouraging progress over the years, there is still a widespread perception that the political playing field in Uganda remains far from level. A number of concrete examples can be used to illustrate this situation, such as a party-funding formula that channels up to 80 % of government funds to the ruling party (CSAR 2017, p. 22); selective enforcement of constitutional provisions such as Article 71(e) of the Constitution that requires political parties "to account for the sources and use of their funds and assets"; an electoral system that allows incumbents to use state resources and facilities for ruling party campaigns; a public media landscape in which a substantial proportion of the over 200 radio stations in the country appear to be concentrated in the hands of individuals connected to the ruling party; an emerging trend of constitutional reviews and amendments that appear to be designed to serve the interests only of the party in power; and a diminishing political space that appears to curtail constitutionally-guaranteed freedoms, such as those resulting from the over-zealous enforcement of the Public Order Management Act of 2013.

63. None of these issues is new to this review; they were part of the 2008 CRR and, indeed, the Panel had also made recommendations on many of them. To mention just a few examples, CRR 2008 (paras. 111-2) observed that, "In the past few years, however, there has been growing concern, both within and outside of Uganda, about emerging trends that could undermine or imperil the important progress that the country has been making over the past two decades. There is increasing evidence of mounting authoritarianism and rapidly escalating corruption in the country. Despite strong opposition, the Constitution was controversially amended in 2005 to remove limits set on the presidential term. This amendment enabled President Museveni to seek a third term of office."
64. Referring specifically to competition for the highest office in the land, CRR 2008 (para. 261) also advised that all presidential candidates "should be accorded the same rights and privileges, especially as regards access to the media and resources for political campaign". The Panel recommended in the same report, among others, that Uganda should "enhance the credibility of the electoral process and the legitimacy of electoral outcomes, in particular by addressing contentious issues such as the voters' register, disenfranchisement, boundary demarcation, voter intimidation, vote buying, election violence, and access to the media during elections". CRR 2008 (para. 284).
65. As another manifestation of the issue of fair competition for political power in the context of separation of powers and a dominant executive, CSAR 2017 (pp. 38-39) pays close attention to the historical relationship between the ruling party and the Ugandan Peoples' Defence Forces (UPDF), expressing what the Report called doubts harboured by "several sections of the Uganda population" about its political neutrality. The CSAR 2017 specifically refers to the presence of 10 UPDF soldiers in Parliament and its potential role in "undermining civilian control over the military" and underlines the "need to strengthen the parliamentary oversight, particularly of the Committee on Defence and Internal Affairs".
66. The CSAR 2017 then recommends that measures be taken "to remove the suspicion that there is an organic link between the UPDF and the ruling National Resistance Movement Party for it to stand as a national army serving in a non-partisan manner." Likewise,

CSAR 2017 (p. 3) also observes that while Uganda has embraced constitutional democracy and rule of law, there are "views that full observance of the spirit of constitutionalism is compromised, and a perception that certain constitutional provisions have been removed to serve parochial and party interests. This includes the removal of term limits, and the perceived use of excessive force by the police to quell civil disobedience and demonstrations by civilians."

67. It is against this background of promise, progress, problems and challenges posed for competitive party and electoral politics in Uganda since the CRR in 2009, and the publication of Uganda Vision 2040, that the Uganda 2nd Review Country Review Mission (CRM) decided to focus on "fair competition for political power," as an issue meriting closer examination during its stakeholder meetings with state and non-state actors in Kampala and the regions.
68. This issue goes to the heart of the DPG thematic area, including questions of rule of law, constitutionalism and separation of powers and checks and balances. A proper examination of this issue requires consideration of the prevailing sense of a dominant executive branch against the backdrop of relatively weaker legislative and judicial branches that claim to feel, at times, like helpless observers of unfolding political and governance events in the country. The task of the CRM is therefore to consider whether this alleged trend is true; and if so, whether it impairs or is likely to impair, with deleterious consequences for fair competition for political power, the exercise of powers by the judiciary, legislature, and the democracy-promoting institutions, such as the Uganda Human Rights Commission, and the Electoral Commission.
69. Yet another manifestation of the issue of fair competition for political power takes the form of public funding for political parties. The issue during the previous review was about the lack of public funding for political parties in Uganda, leading CRR 2008 (para. 275) to observe that "parties in Uganda are not provided with public funding." This has changed since 2010 when the Political Parties and Organizations Act (PPOA) 2005 was amended to provide for the allocation of public resources for use by political parties represented in Parliament. (CSAR 2017, p. 22) However, the allocation formula being dependent on the numerical strength of each party in parliament, "the overwhelming majority of representation in Parliament, by the ruling NRM,

inadvertently ensured an allocation of 80% of the entire funding for political parties". CSAR 2017 (p. 24) thus recommended revision of the allocation formula, albeit without specifying an alternative.

70. There is also the issue of transparency and accountability of political parties regarding party funding more broadly. CSAR 2017 (pp. 23-24) notes that while political parties are required by law to audit their books of account every year and have them verified by independent auditors appointed by the Electoral Commission, "unfortunately, none of the parties, including the ruling NRM, has submitted their books of account for auditing or declared their source of funds. This requirement, which attracts a harsh penalty of deregistration, is hardly complied with and where it is, no effort to verify the accounts is made." It must be emphasised that enforcement of the law on the source of funding of political parties and the submission of audited accounts is a matter of public interest that needs to become a priority for the Electoral Commission.
71. Related to the above is the establishment of a code of conduct to govern the behaviour of political parties in the competitive electoral process. The APRM National Programme of Action that emerged out of CRR 2008 included provision for the introduction of a Code of Conduct to which political parties would accede and for the establishment of a National Consultative Forum to nurture and generate inter-party cooperation and serve as a conflict-attenuating mechanism. Uganda's 4th APRM Progress Report (p.32) for the period of July 2011-June 2014 noted that the National Consultative Forum (NCF) was launched in August 2010, and that a draft Code of Conduct was approved by the NCF, which it submitted to the Minister of Justice and Constitutional Affairs.
72. The regulation of political parties and the success of the competitive political process ultimately depends on the competence, independence and integrity of the Electoral Commission. CRR 2008 made recommendations on enhancing the political, financial and administrative independence of the Commission, including modalities for the appointment, removal and tenure of members of its Commissioners. In its 4th APRM Progress Report (p. 29) covering the period from July 2011 to June 2014, Uganda reported little progress had been made in implementing these recommendations. The Progress Report noted that "dialogue over the necessary reform

has been ongoing since 2013", but the process was constrained by the apparent need for a constitutional amendment in order to implement the proposed reforms. It is thus hardly surprising that, when Uganda prepared its CSAR in 2017, the independence of the Electoral Commission featured prominently; CSAR 2017 (p. 28) particularly noted the inadequacy of the budget allocated to the Electoral Commission.

2.1.3 Analysis and Findings of the CRM

73. Set in the broader context of the provisions defining fair competition for political power outlined above, the CRM makes the following observations from its country-wide consultations and desk research in Uganda.
74. The CRM meetings with stakeholders across Uganda showed that, an issue on the agenda of political debate in the country since the country's base review, is that of providing a level and fair playing ground for competitive party and electoral politics, as recommended in the CRR, 2008.
75. There is a vibrant public debate on the state of limited government and the rule of law in Uganda. The debate, though partisan, is pursued openly, without in most cases self-censorship, and is couched in terms reflecting a general respect for the rule of law. It is an indication of the defining "perpetual crises of democracy," illustrating democracy's inherent nature as a process of raising questions so that democratic politics would be ritualized and, thereby, strengthened.
76. The CRM also observes a worrying trend towards curbing public debate on governance issues. The recent amendment to the Public Order Management Act, and its vigorous enforcement in the name of "reasons of state" have, the CRM learnt during its consultations, heightened apprehensions that it was targeted at elements in state and society who are expressing opposition towards "anti-democratic trends" encouraged or pursued by the government. Among the "more serious shortcomings" of the Public Order Management Act pointed out during the consultations include (a) its failure to establish a presumption in favour of the duty of the State to facilitate peaceful assembly, and (b) its establishing "a de facto authorization procedure for peaceful assemblies that is unnecessarily bureaucratic with broad discretion for the State to refuse notifications."

77. Some other stakeholders, and the Uganda CSAR 2017, drew attention particularly to the tendency of selective enforcement of the NGO Act and compliance difficulties encountered by non-government/civil society organizations, to illustrate incidences of the narrowing of the playing field for the expression of voice and political activities in Uganda. It is pertinent to observe that some of the perceived measures curbing public debate on governance issues, such as the NGO Act, are currently pending before the courts for determination, which is an indication of a general acceptance of, and compliance with, the rule of law in the country.
78. Also emerging from the CRM country-wide stakeholders' consultations is a general concern with the alleged deployment of the military to exercise powers and to perform functions constitutionally assigned to civil authorities such as the police. An example that came up during CRM meetings with the Speaker of Parliament and other MPs was the deployment, in September 2017, of a highly armed contingent of the military, supported by tanks, who surrounded the House of Parliament and took control of all access routes to and from the building. During stakeholder consultations in Gulu and Kampala, the CRM was further informed of examples where the army was allegedly deployed to forcibly evict people from land because (i) they were occupying government land without permission, or (ii) the land they occupied has to be taken over by government on payment of full compensation for development or other purposes.
79. If true, this would be incompatible with the sound principles contained in Article 209 of the Ugandan Constitution (1995), which defines the functions of the defence forces as being: "(a) to preserve and defend the sovereignty and territorial integrity of Uganda; (b) to cooperate with the civilian authority in emergency situations and in cases of natural disasters; (c) to foster harmony and understanding between the defence forces and civilians; and (d) to engage in productive activities for the development of Uganda." The UPDF is rightly praised for being "the first army in Africa to have had a Directorate of Human Rights". (CSAR 2017, p. 35). Using the military to apply force against Ugandan citizens contravenes all human rights standards and codes to which Uganda is a party and undermines UPDF's well-deserved reputation.
80. Also, the CRM notes the persistent public interest in the "clear

and present danger" posed to the political environment for limited government by not only a war-like approach to competitive party and electoral politics but also statutory inequities in the public funding of political parties in Uganda that tend to favour one party over others.

81. It is concerning to note, as CSAR 2017 (p. 62) does, that during the 2016 general elections, different political actors established their own para-military groups, which "created an environment of fear and insecurity" in the country. This poses an existential threat to the nation and must not be allowed to continue.
82. Explaining why the challenges persist is a difficult exercise. However, CRM consultations across Uganda reveal that the following structural and political forces exacerbate them: (a) the abuse or the appearance of abuse of the power of incumbency at all levels and branches of government for unfair political advantage; (b) gerrymandering of constituencies at particularly sub-national levels but more so at county level, resulting in indiscriminate creation of more and more districts; (c) the huge power of patronage at all levels of government that tend to turn politics into a zero-sum game and a winner-takes-all electoral system that tends to discourage power-sharing and to reward sycophancy; (d) the monetization or commercialization of electoral politics, (e) the lack of internal democracy in political parties; and (f) the lack of demonstrable political will to nurture and consolidate a political environment that sanctions, and that does not encourage or reward, a political culture of impunity by party leaders and officials, and the "ideological disorientations" driving the impunity. The CRM believes the trend has grave implications for the already narrowing political space, especially the space for competitive party and electoral politics, and may undermine the rule of law. Indeed, this concern re-echoes the concern raised in CRR 2008 (para. 112) about "increasing evidence of mounting authoritarianism" in the country.
83. Equally important is the current debate on the removal of the constitutional age limit for election to the presidency of the Republic. Under Article 102(b) of the Constitution of Uganda, a person is "not qualified for election as President unless that person is ... not less than thirty-five years and not more than seventy-five years of age." According to various press reports, on 27 September 2017 a private members' bill was introduced to the Ugandan Parliament seeking

to change the presidential age limit contained in Article 102(b) of the Constitution. Parliamentary records published in The Order, 27 September 2017, also contain an entry on a "motion seeking leave of parliament to introduce a private members' bill entitled 'The Constitutional (Amendment) Bill, 2017'", with Hon. Raphael Magyezi, the MP for Igara West, named as the mover.

84. Subsequently on the 28th of September 2017, Honourable Raphael Magyezi tabled the Constitutional (Amendment) (No.2) Bill, 2017 which sought, among others, "to review the eligibility requirements for a person to be elected as President or District Chairperson under articles 102(b) and 183(2) to comply with article 1 which gives the people of Uganda the absolute right to determine how they should be governed and articles 21 and 32 which prohibit any form of discrimination on the basis of age and other factors." Despite the fact that the parliamentary motion was in the nature of a private members' bill, the move was naturally understood as calculated to enable the incumbent, H.E. President Yoweri Museveni, to stand in the next elections in 2021, by which time he would be about 77 years old. The reactions to the motion inside parliament over the following days were such that the spectacle of MPs throwing punches at one another filled the television screens in the country and beyond.
85. The presidential age debate limit does not appear as an issue of public interest anywhere in the CSAR 2017 because that report was completed in May 2017, i.e. about four months before the parliamentary motion on lifting the age limit was introduced. The CSAR validation meeting that took place on 28 September 2017 makes a passing reference to it as one of the so-called "emerging issues". However, by the time the CRM arrived in Kampala in late October 2017, the question of a constitutional amendment to remove the presidential age limit had ignited a passionate debate that appears to have engulfed the country. Almost inevitably, this new debate on the age limit is taking place against the backdrop of the debates that accompanied a similar constitutional amendment in 2005 which removed limit set by Article 105(2) of the same Constitution under which no person would hold the office of President of the Republic for more than two terms of five years each. Indeed, it is a mark of the interconnected nature of these two debates that, even before the age limit issue appeared on Uganda's political scene, one of only three issues that were cited as important in all four regions of the

country during the preparation of CSAR 2017 was the need to "re-instate the Presidential term limits" (CSAR 2017, p. 9). This same issue also emerged as one of the recommendations from CSAR 2017 (p. 29): "It is the predominant view of many Ugandans that the constitutional review under the 10th Parliament considers reinstating the Presidential Term limits to the previous Two (2) terms of Five (5) years, as well as the extension of the same limits to all elected political leaders." Based on the consultations held in Kampala as well as all the four regions, the CRM formed the opinion that a vast majority of a cross-section of Ugandan society confirmed this statement from CSAR 2017.

86. Moreover, from the consultations it held with stakeholders in the country, the CRM also formed the opinion that a vast majority of a cross-section of Ugandan society appears opposed to the current proposal to remove the presidential age limit. Referring to the manner in which the constitutional amendment to remove the term limit took place in 2005, CRR 2008 (para. 260) remarked: "every country is free to set tenure limits or not - many old democracies of the West have no such constitutional limit. What is imperative is to put in place an electoral system that is professional, comprehensive and corruption-free, as well as an independent electoral commission that is perceived by one and all to possess the highest integrity. The appointment of such a commission must, ipso facto, be independent. Voters will then be able to exercise their sovereign right of determining how long a person can serve as President."
87. In considering the current debate relating to the presidential age limit, the CRM draws inspiration from this important observation in CRR 2008. Just as every country is free to set tenure limits or not, so also is it free to set a presidential age limit, or not. Once again, the quality of the process by which the final decision on the proposed constitutional amendment is taken, the extent to which different views are entertained openly and fairly, and whether the whole process is carried out in accordance with the relevant APRM standards and codes, including the African Charter on Democracy, Elections and Governance, albeit not yet ratified, should be of interest to the CRM. In this process, Uganda needs to learn from the experience of the 2005 process and pay attention, once again, to another observation in CRR 2008 (para. 260): "In the case of the removal of the presidential two-term limit from the 1995 Constitution,

evidence of popular participation is non-existent. Nevertheless, the executive did not exercise arbitrary power in the manner in which the issue was handled, and the legislature duly approved and endorsed the executive's proposed amendment. What seems to have triggered controversy, however, was the coincidence of this decision by Parliament with the provision of funds to MPs earmarked for constituency development, thus creating the impression that political corruption was at play in the process. It also created the impression of undue political influence of the executive over the legislature."

88. The debate on the age limit is still ongoing but concerns similar to those raised in this paragraph have already emerged. Like in the previous case, the current debate on the bill for the removal of the age limit is also following due process and is not characterized by the exercise of arbitrary power by the executive. But the CRM consultations across the country with state and non-state stakeholders showed that the circumstances and coincidences surrounding the age limit issue have provoked insinuations and allegations about the motive behind the move to amend the Constitution. There were allegations of bad faith and insinuations about its alleged beneficiary so much so that many stakeholders expressed the view, countered by other stakeholders, that the bill was motivated neither by the public interest nor by the spirit of the Constitution and standards and codes on democratic governments signed or ratified by Uganda. But it was not only opponents of the bill that expressed such insinuations and allegation. CRM consultations across the country identified stakeholders concern on the virulence and acerbity of the on-going debate on constitutional amendment to regulate presidential political succession in the country, notably the removal of the age limit and the restoration of term limit for the Office of President.
89. Against the shrinking political space for limited government earlier alluded to, notably the vigorous enforcement of the Public Order Management Act and the NGO Act, it is not surprising that the debate has featured allegations by opponents of the bill of heavy-handed pressures by the executive, harassments by security forces, attacks by political thugs, and of "political corruption" to influence unduly the passage of the bill, which have been denied by supporters of the bill.
90. The issues joined in the debate go to the core of the idea of presidential term limit and the reasons why it was embraced,

following the democratic struggles in Africa between the 1970s and 1980s. As a constitutive building block of the constitutional pillar of limited government in Africa's emerging governance architecture, presidential term limits are designed to lay the ghost of Africa's dark historical experience with the cult of personal rule, in the form of presidents-for-life, and the exercise of arbitrary presidential power in Africa.

91. As the debate unfolds, the CRM hopes that it will be conducted in the spirit of emerging African principles of governance as (i) those contained in ACDEG Article 10(2) that encourages States to "ensure that the process of amendment or revision of their constitution reposes on national consensus obtained, if possible through referendum", and (ii) the fundamental principles of fairness, inclusivity, and transparency that permeate the Constitution of the Republic of Uganda and all the major policy instruments, including Uganda Vision 2040, which describes good governance as "the back-bone on which the development processes are based" and "aims at consolidating the tenets of good governance which include constitutional democracy".
92. In short, while the outcome of the current debate on presidential age limit and term limit unfolds, the CRM agrees with the Uganda CRR 2008 [p65] that, although "every country is free to set tenure limits... or not... of paramount importance... in ensuring a level playing field for competition for office of the President is the nature of the electoral system and the way in which elections are managed. All presidential candidates should be accorded the same rights and privileges, especially as regards access to the media and the resources for political campaigns. Additionally, the impartiality of the EC [Electoral Commission] must be impeccable."

Political parties, electoral processes and independence of the Electoral Commission

93. A major aspect of party-political activities that featured prominently in the CRM country-wide consultations was party funding. The CRM learnt during its countrywide consultations that there was a general sentiment that current state-funding of political parties, desirable as it is as an investment in nurturing and consolidating democracy in Uganda, (i) is unfairly distributed among the political parties; and

(ii) requires the review of the law and the formula to make it more equitable.

94. The CRM's observations that follow on the state of competitive party and electoral politics, including party financing, in Uganda are informed by the relevant provisions of the Constitution of the Republic of Uganda, 1995 (as amended): Articles 60(1), 61 (1a-d), 65, 62(2) (3); 67(2)(3), 68(1), and 62(2). Also, important ACDEG Articles 3 (4), and 17(1) and (2). However, the CRM wishes to note that, critical as it is in framing and providing the requisite democratic environment for competitive party and electoral politics, the ACDEG is yet to be ratified by Uganda. It remains unclear to the CRM why this is the case and what is delaying its ratification. The CRM shares, in this respect, the concern expressed by the African Commission on Human and Peoples' Rights at its 57th Ordinary Session in November 2015 on the 5th Periodic Report of the Republic of Uganda (2010-2012) over Uganda's failure to ratify the ACDEG.
95. Stakeholders at public meetings with the CRM raised questions about the independence of the country's EC and its ability to conduct free and fair elections as it is mandated to do so by the Constitution of the Republic of Uganda, 1995 (as amended). There is a particularly widely-held view that the EC's independence is constrained by its budget allocation. If proven to be the case, this would be contrary to the tenets of Uganda's own constitution, not to mention those of ACDEG Article 15 (4), which requires that African States to provide the necessary resources for institutions such as the EC "to perform their assigned missions efficiently and effectively."
96. In this respect, the CRM notes with concern the observations made by several participants at the stakeholders' meetings across the country, and confirmed by CSAR, 2017 (p. 28) that the Electoral Commission "has been unable to conduct elections [at] the lowest levels of government in the last 20 years." The CRM observes that this might be in contravention of the provisions of ACDEG Articles 4(2) and 34, and indeed Articles 61 and 69 of the Constitution of the Republic of Uganda 2005.
97. Despite the establishment of the National Consultative Forum (NCF), public interest concern with competitive party and electoral politics as a mechanism that should serve to manage diversity democratically has remained pressing. The concern was evident and is re-echoed in

the communique, Free and Fair Elections: Our Common Mission to Consolidating Democratic Gains in Uganda, issued at the conclusion of the Uganda Episcopal Conference convened in July 2015, to address the vexing and seemingly intractable problem. In the run up to the 2016 elections, the Communique (pp. 3-5) identified the following major challenges to competitiveness of party and electoral politics in Uganda that needed to be addressed imaginatively and urgently so peace and harmony can "prevail before, during, and after the 2016 general elections": (a) conflicts within political parties; (b) lack of trust in the electoral process; (c) the commercialization of elections; (d) voter apathy; (e) intolerance; and (f) the role of the police. Other challenges identified by the conference included the growing formation of paramilitary forces masquerading as NGOs, such as the National Crime Prevention Platform, the use of abusive language, and vote stealing.

98. Electoral system reform is a constitutive building-block of the constitutional pillar of limited government in Africa's emerging governance architecture. This observation informed CRR 2008 to recommend that, the adoption of a "mixed or PR [Proportional Representation] system...may also facilitate the politics of accommodation and broad representation, reconciliation and harmony," despite its challenges." The CRM is of the opinion that the Uganda CRR 2008 recommendation for the adoption of a modified PR system should be on the agenda for constitutional or electoral reform for reasons adduced in the CRR 2008.

2.1.4 Recommendations from the Panel

99. The Panel recommends that Uganda:

- ratify ACDEG;
- review the provisions of the Public Order Management Act and the NGO Act and the manner of their enforcement to ensure all constitutionally-guaranteed rights and freedoms in the country remain unaffected (Ugandan Parliament, the Human Rights Commission, the Courts and the Government);
- Conduct local government elections regularly as provided for in the Constitution of the Republic of Uganda;
- Reconsider the funding formula for political parties to ensure fairness

and equity, with less emphasis on party representation in Parliament and more emphasis on baseline funding;

- Ensure that the ongoing debate on a constitutional amendment to remove the presidential age limit as well as to reinstate presidential term limits are handled in accordance with the doctrines and spirit of Rule of Law and constitutionalism;
- Take action to address the perception of partisanship on the part of the Uganda People's Defence Forces and ensure the UPDF is a professional force above politics.

2.2 A DOMINANT EXECUTIVE AND WEAK SYSTEMS OF CHECKS AND BALANCES

2.2.1 Introduction

100. The Constitution of Uganda 1995 (as amended) establishes the three principal arms of government - the Legislature (Chapter 6), the Executive (Chapter 7) and the Judiciary (Chapter 8) - with their respective provisions relating to establishment, composition, powers, functions, mandates, jurisdiction, hierarchies, and the like. Although the Constitution does not explicitly refer to the principle of separation of powers and/or checks and balances, it is clear that these fundamental principles form part of the Ugandan legal order. To mention just a few examples:
101. Section VIII of the Constitution on the National Objectives and Directive Principles of State Policy not only implicitly acknowledges that the principles of separation of powers and checks and balances are an integral part of it but also attempts to ensure these principles are not undermined through the decision making process on the allocation of resources to different government organs as follows: "the distribution of powers and functions as well as checks and balances provided for in the Constitution among various organs and institutions of government shall be supported through the provision of adequate resources for their effective functioning at all levels";
102. Secondly, as already indicated, the NEPAD Declaration on Democracy, Political, Economic and Corporate Governance, an APRM-recognised standard and code, commits participating states including Uganda to, among others, adherence to the separation of powers, including the protection of the independence of the judiciary and of effective parliaments (para. 7);
103. Thirdly, these same principles appear in a host of other AU instruments, such as the 2002 OAU/AU Declaration on the Principles Governing Democratic Elections in Africa, which stipulates, among others, that democratic elections should be conducted "under a system of separation of powers that ensures in particular, the independence of the judiciary"; and
104. Finally, as Uganda's Vision 2040 (para. 318) put it, "318. Uganda is a constitutional democracy and all the legislative Acts of Government will be enacted in conformity with the Constitution which is both the

supreme law at the domestic level and the foundation on which the exercise of all powers within the state is based. Measures shall be undertaken to ensure separation of powers of the three arms of Government that is Parliament, Judiciary and the Executive. The mechanisms for enabling independent and effective functioning of each one of them and maintaining the public's confidence in courts of law shall be strengthened." Vision 2040 (para. 321) further stipulates that, in order to foster separation of powers, "the Ministers will not be members of either house of Parliament" and "the Judiciary will be strengthened through independence in recruitment and financing."

105. It is thus clear that Uganda has subscribed to fundamental principles of separation of powers and checks and balances through its Constitution and other laws, the international standards and codes it is a party to, as well as its own domestic policy instruments. What this means in practice for Uganda's day-to-day governance policies and practices is less easy to articulate, but at the very least it requires that no single arm of the government is so dominant as to subordinate the other two branches to its whims. The issue that has come to the attention of the CRM in Uganda is precisely that - a widely-held perception that the executive is so dominant as to reduce the legislature and the judiciary to a subordinate position.
106. The drift towards the concentration of political and state powers in the executive branch and the arbitrariness that developed from it in the first decade or so of the independence of many African countries in the 1960s, including Uganda, was a major factor in the introduction of entrenched provisions for separation powers, including checks and balances as pillars of constitutional design for limited government and the rule of law, in the constitutions adopted by many African countries in the course of their democratic transitions from authoritarian rule. The many African standards and codes, such as ACDEG, adopted by the Pan-African institutions are intended to fortify this principle and help build consensus about the importance of this principle for the continent.
107. Applied properly, the principles are intended to moderate power relations between the executive, the judiciary and the legislature by preventing overconcentration and abuse of powers in and by one branch of government.
108. The constitutions also typically contain entrenched provisions

establishing democracy-promoting institutions, such as human rights commissions and electoral commissions as independent bodies. These institutions constitute, collectively, a virtual fourth branch of government that serve as accountability and transparency mechanisms with oversight powers over other institutions.

109. African standards and codes contain principles and provisions on separation of powers and the establishment of democracy-promoting institutions, which State Parties are enjoined to comply with and incorporate into their national policies and strategies, as part of their commitment to promote democracy and the rule of law. The African Charter on Democracy, Elections and Governance (ACDEG) contain such provisions principally under Chapters 1, 6, 9, and 10.
110. It is pertinent to point out also that, because of ambiguity in the language and intention of constitutional provisions, disputes inevitably occur over the extent and limits of powers of the different branches of government. Generally, the power of judicial review, vested in the Judiciary, where it is provided for in constitutions to resolve such disputes, also tend to result in accusations of judicial usurpation of their powers by the other two branches, with consequential reprisals or threats to whittle down the powers of the judiciary or to enact legislation or policy to neutralize the effect of judicial review.
111. It is, therefore, useful to take the observations above (6 and 7) into consideration, especially in discussion of trends towards a dominant executive not only in Uganda but also in several other political systems where separation of powers is entrenched in constitutional provisions.
112. Despite provisions for separation of powers, including checks and balances, the aura and power of patronage, especially the power of appointments, including judicial appointments, often residing in the head of the executive, even when requiring approval of any other branch of government, tends to give the executive a presumed advantage that can be deployed to cower other branches, and to influence their deliberations. For example, the power of the President of Uganda to appoint judges to the Supreme Court has raised concerns and allegations in recent years over the appointment by him of "cadre judges" to fill vacancies to influence the adjudication of electoral disputes and petitions arising from disputed presidential elections.

2.2.2 Evolution of the Issue: How is the principle of separation of powers working in Uganda?

113. The Uganda CRR 2008 and Uganda's APRM Progress Reports provide the point of departure for the CRM's examination of how separation of powers, generally, and the issue of a dominant executive specifically, is currently working in Uganda. CRR 2008 makes the following observations in this respect:

- The Executive: "Although the Constitution prescribes the separation of powers among the key organs of the state, in actual practice the dominance of the executive over the judiciary and the legislature is the norm and hampers the equilibrium between power and checks and balances. The CRM was made aware that while the judiciary and legislature are administratively and functionally independent, they are not financially autonomous. The executive uses its control and disbursement of resources to the judiciary and the legislature as a veiled method of exerting influence on the execution of their constitutional mandate." (para. 334)
- The Judiciary: "Judicial and operational or functional independence exists in Uganda, including security of tenure for judges. Security of tenure for the judiciary is assured. ... While the Constitution is explicit about the independence of the judiciary, the CRM learnt that, in reality, administrative independence does exist and relative judicial autonomy is the norm, while fiscal independence is non-existent. ... The judiciary nevertheless assured the CRM that recent past external pressures to erode the independence of the judiciary have receded." (paras. 335-6)
- The Legislature: "One of the concerns political parties raised in regard to their participation in Parliament relates to role of party caucuses and how these caucuses seem to be whittling away at the independence of MPs. In essence, MPs represent constituencies as individuals and are therefore accountable to those constituencies and not necessarily to the party. Furthermore, political tolerance is severely lacking in Parliament. The ruling party does not relate well to opposition parties, while opposition parties do not relate well to each other and the ruling party. This situation not only undermines political tolerance, but also poisons the environment for smooth interparty relations. This, in part, explains the apparent tense interparty relations in Uganda, which have the potential to undermine the

country's embryonic multiparty system. In two consultative meetings, one with political parties and another with non-state stakeholders, a proposal was made to the effect that, if separation of powers is to be institutionalised on a more sustainable basis, then thought needs to be given to separating Cabinet and Parliament by ensuring that Cabinet ministers do not double as MPs." (paras. 348-9)

- Democracy-promoting institutions: "While the establishment of the institutional framework for promoting democracy is cause for celebration in Uganda, it is worth noting that the process still faces major constraints. During consultations with stakeholders, the CRM learnt that these institutions face enormous challenges to deliver on their constitutional mandates, chief among which is the lack of resources that the government is supposed to provide. For instance, the EC [Electoral Commission] is the hardest hit by this problem, which has adversely affected its institutional capacity for undertaking its mandate to coordinate and manage the political parties... During the interactive session with the EC, it emerged that the security of commissioners' tenure remains problematic. Unlike the judiciary and the IGG [Inspectorate of Government], where the dismissal of a top official requires a probe by a tribunal, electoral commissioners can be removed by the President without a tribunal to establish circumstances for their dismissal. The EC expressed its concern about the lack of security concerning commissioners' tenure of office. It was noted that this was one of the examples that demonstrated how weak the independence of the Commission is." (paras. 263-5)
114. The material from CRR 2008 reproduced above tells one important story - that while separation of powers is embedded in Uganda's constitutional and political order, in practice the executive appears to have been an overly dominant player.
115. To address the findings above, CRR 2008 (para. 353) made a number of recommendations, including: (a) "...Ensure an effective balance of power and checks and balances between the executive, the judiciary and the legislature."; (b) "Implore the leadership 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"; (c) "Provide adequate resources for enhancing the institutional capacity of key institutions

for promoting democracy"; (d) "Devise a system of appointing electoral commissioners so that non-partisan, independent, professional people with a high reputation are selected" (para. 284); and (e) "Institutionalise security of tenure for members of the EC (Electoral Commission) by ensuring that dismissal is dependent on recommendations of a tribunal, as for judges..." (para. 284).

116. An examination of the Progress reports submitted by Uganda since 2008 shows that these recommendations were acted upon only moderately. For example, in its 4th APRM Progress Report covering the period of July 2011 to June 2012, Uganda observed: (a) "There has been minimal increment in Government funding to the Judiciary within the reporting period" (p. 36), and (b) "...The process of dialogue over the reforms [on the appointment of members of the Electoral Commission] has been going on since 2013, [Reform] Proposals are being discussed under the Presidential Election (Amendment) Bill 2015, the Electoral Commission (Amendment) Bill 2015 and the Local Government (Amendment) Bill 2015." (p. 29)
117. As a result, many of the same issues that were addressed in CRR 2008 were still critical to the current review exercise. Uganda CSAR 2017 gives examples of the exercise of Parliamentary oversight over executive branch agencies (pp. 37-39) and of the abuse of executive powers (pp.50-53) to illustrate the extent of Parliamentary independence. Doing so, the Report also underscores the need for Parliament to do more to strengthen its oversight powers and enhance its independence and effectiveness.
118. On the crucial subject of allocation of resources , for example, CSAR 2017 (pp. 46-7) reports that "While the Executive and Parliament got 95 [%] and 4.4 [%] share of the National Budget in the financial year 2013-2014 respectively, the Judiciary got a miserable 0.6 [%] share to cater for all its financial needs in terms of salaries and wages, capital development and current expenditure." The CSAR then adds: "A lack of funding and shortage of judges has led to a backlog of cases undermining the administration of justice." Finally, CSAR 2017 (p. 34) also observes that "it is virtually impossible for the only 3 High Court judges of the Land Division to manage the backlog of about 2000 cases countrywide."

2.2.3 Analysis and Findings of the CRM

119. The consultations of the CRM across Uganda reaffirmed the general perception reported in CRR 2008 that, "in actual practice the dominance of the executive over the judiciary and the legislature is the norm and hampers the equilibrium between power and checks and balances."
120. Following its separate consultations with Parliament and the Judiciary, the CRM has to applaud the determination of the leadership of both branches of Government to protect and defend their respective mandates and to resist the erosion of their powers in the face of the challenges they face because of resource constraints.
121. But why does the presumption of executive dominance persist and how much of the independence of the other branches and of the democracy-promoting institutions has it eroded? Exploring this question during its consultations with the three branches of government and other stakeholders across Uganda, the CRM concluded that the heavy burden of a combination of administrative, financial and infrastructure resource constraints and socio-cultural and political factors has made it difficult for the judiciary and the legislature to exercise their respective powers in the spirit of separation of powers fully, effectively and efficiently.
122. For example, the CRM learnt during its consultations with the Judiciary that only about 0.5% of the national budget goes to the judiciary; CSAR 2017 puts it at 0.6%. This has impacted negatively on recruitment and training of judicial officers, and access to justice for citizens, resulting in a long backlog of cases, contrary to the constitutional principle enunciated in the Constitution of the Republic of Uganda 1995 (as amended), Article 126(2)(b) that "justice shall not be delayed." Indeed, Uganda is a party to the African Charter on Human and Peoples' Rights, Article 7(1) of which requires that "every individual shall have the right to have his cause heard", including "the right to be tried within a reasonable time by an impartial court or tribunal". However, and in spite of these and many other clear commitments under its Constitution and relevant international conventions, the CRM learnt about a large number of people in prisons awaiting trial, some for as long as five years to see a judge.
123. As reiterated already, this problem is not new. Uganda's CRR

2008 observed that "the executive uses its control and disbursement of resources to the judiciary and the legislature as a veiled method of exerting influence on the execution of their constitutional mandate." (CRR 2008, para. 335, p. 83). The Panel then recommended, among others, that the Ugandan leadership provide the "requisite resources for the judiciary to carry out its mandate effectively." (CRR 2008, para. 353, p. 88). Little was done on these recommendations over the past nine years.

124. As a result, Uganda's CSAR 2017 (p. 47) lamented about the Judiciary's challenges, including low salaries, insufficient training, poor library and information services and derelict infrastructure, which "can be laid at the door of financial constraints." CSAR 2017 (p. 48) thus recommended government to "ensure that the Judiciary has sufficient monetary and human resources to enable it to function without the risk of having its independence curtailed, and which will allow it to clear the backlog of cases which has serious human rights implications."
125. After extensive consultations with members of the judiciary and other stakeholders, the CRM also formed the opinion that these are indeed serious obstacles to Uganda's ability to render justice to its citizens fairly, impartially and without undue delay.
126. The CRM was told during consultations with the Judiciary that, while "attacks and siege on the Temple of Justice," as were experienced around 2005/2006, no longer occur, the potential for the exercise of political influence over the Judiciary exists under Article 146(4) of the Constitution of the Republic of Uganda, 2005, that specifically excludes "The Chief Justice, the Deputy Chief Justice and Principal Judge," from appointment as the "chairperson or deputy chairperson or a member of the Judicial Service Commission," notwithstanding the fact that Article 146(2)(d) of the Constitution also provides for membership of the Commission by "one judge of the Supreme Court nominated by the President in consultation with judges of the Supreme Court, the justices of Appeal and judges of the High Court."
127. At the same time, consultations with the Judiciary reassured the CRM that courts operate with little direct interference from the executive in the actual exercise of their judicial functions. Consultations with opposition and independent members of parliament and other stakeholders also confirmed that the Judiciary enjoys a high degree

of confidence as an independent arbiter in all disputes regardless of their political content. The major form of interference - and it is a serious one - comes through the executive's power in the allocation of resources. Using this power, the Judiciary lamented, the executive has left them with inadequate human capacity, dilapidated buildings, and poor justice infrastructure overall.

128. The consultations of the CRM also brought out concerns among stakeholders about a much-neglected dimension of separation of powers in Uganda. This is separation of powers at the sub-national level and its implications for the administration of justice at these levels of government, which are closest to the citizens of Uganda. During the consultations, the CRM was told that the fusion of executive and judicial powers at the district level provides the environment for political interference in the work of the judiciary at that level, resulting in the dispensation of justice for partisan political ends.
129. CRM consultations across Uganda point clearly to a general sentiment that much more determined political will is required at both national and sub-national levels, especially by the Executive branch, to pursue faithfully the declaration in Uganda Vision 2040 (p. 106) that "measures shall be taken to ensure the separation of powers," in order to strengthen "the mechanisms for enabling independent and effective functioning of each one of them and maintaining the public's confidence in courts of law."

2.2.4 Recommendations of the Panel

- Ensure the financial and administrative independence and capacity of the Judiciary, the Legislature and the other democracy-promoting institutions in Uganda are guaranteed so to enable them to exercise their powers effectively and efficiently; (Government)
- Ensure that separation of powers is observed at the county level by removing the fusion of executive and judicial powers at that level of government; (Government) and
- Strengthen separation powers, and as promised in Uganda Vision 2040, take all necessary legislative and regulatory steps to ensure that Cabinet Ministers shall not also be Members of Parliament. (Parliament; Government)

2.3 MANAGEMENT OF DIVERSITY

2.3.1 Introduction

130. Ugandan society, like every other, is diverse in many senses of the term – diversity by ethnicity, religion, gender, and age being the main forms. In this section of the report, management of diversity is treated under four broad headings: ethnic groups, women, children and young people, and the youth. It is important to note at the outset that diversity by itself is not necessarily bad and can be a blessing if managed well. It becomes a problem only when political or other interests attempt to use it as a divisive force in society. The management of diversity to ensure inclusion, participation and equality of all groups under the rule of law is a basic requirement in any pluralistic society. As such, it is also an important feature of the Constitution of Uganda. Section III(ii) of the Constitution under National Objectives and Directive Principles of State Policy provides that “every effort shall be made to integrate all the peoples of Uganda while at the same time recognising the existence of their ethnic, religious, ideological, political and cultural diversity.” The groups are guaranteed cultural, economic, political and social rights under the Constitution that are to be promoted and protected by the state and respected by every citizen. Uganda has also ratified standards and codes, such as the African Charter of Human and Peoples’ Rights, which guarantee these rights.
131. At the same time, to ensure that recognition and protection of group rights does not undermine national unity, Article 71 of the Ugandan Constitution requires all political parties to “have a national character” and expressly prohibits, under (b), membership of a political party “based on sex, ethnicity, religion or other sectional division”.
132. However, the existence of certain groups of people on the margins of society with a history of discrimination and exclusion poses a challenge for the democratic management of diversity in Uganda. The Constitution and laws of Uganda contain provisions specifically intended to redress the history of discrimination and marginalization the groups have experienced. Policy measures have also been introduced to compensate them as special groups and to promote and protect their rights under the Constitution.

Ethnic Groups

133. Uganda is a multi-ethnic society, made up of a few dominant ethnic groups and several smaller ones. The Third Schedule of the Constitution of the Republic of Uganda lists 65 "indigenous communities as at 1st February 1926". Article 10(a) of the Constitution stipulates that "every person born in Uganda one of whose parents or grandparents is or was a member of any of the indigenous communities existing and residing within the borders of Uganda as at the first day of February, 1926, and set out in the Third Schedule to this Constitution" shall be considered "citizens of Uganda by birth".
134. CSAR 2017 (p. 61) observed, "the history of Uganda's ethnic communities has largely been [one of] peaceful co-existence than conflict." However, as the same CSAR 2017 (pp. 61-2) also notes, "the fragmented nature of Ugandan society and therefore a lack of shared identity and common interests have generated politics of patronage and individualism, tribalism and nepotism, creating an entrenched culture of sectarianism. This situation has led to considerable discontent, producing and reproducing conflicts at different periods in the country's history, and in different parts of the country over time." That is why wise management of diversity is paramount for maintaining national unity and cohesion in countries like Uganda.
135. Failure to manage the country's ethnic diversity democratically during and after colonial rule has had the effect of marginalizing minority ethnic groups who, as a result, have had, and still experience, limited access to economic and political power and public resources, in an environment where political competition has historically been drawn along ethno-linguistic lines and ethnicity politically mobilized for political advantage and hegemony. Minority ethnic groups have been the worst affected by the political mobilization of ethnicity.
136. The Uganda National Census 2014 recorded the following 17 minority ethnic groups, each of whose population is not more than 25,000 people: the Alibi, Banyabindi, Bahehe, Banyabutumbi, Basongora, Batwa, Gimara, Ik, Lendu, Mening, Mvuba, Ngikutio, Nyangia, Reli, Shana, Tepeth and the Venoma. However, some minority ethnic groups, such as the Basese, Bagangaizi and Benet are yet to be included in the Constitution as "indigenous communities".

137. These ethnic groups have had to cope with forced removals from ancestral lands, exclusion from governance processes, and are generally denied their full citizen rights under Chapter Four (Articles 32, 36 and 37) of the Constitution of the Republic of Uganda, and African and international standards and codes, such as the African Charter on Human and Peoples' Rights, and the United Nations Declaration on the Rights of Indigenous Peoples, both of which Uganda has ratified.

Gender-based Discrimination

138. Gender equality is not only a fundamental human right, but also a pre-condition for sustainable development. The United Nations Development Programme (UNDP) states that the implementation of policies and programmes to promote and protect the rights of women, including girls, can bring about social, economic and environmental sustainability across the globe (2017) . The concern with gender equality arose in the context of the democratic struggle to extend the suffrage and extend other citizenship rights to women and other marginalized groups. Redressing the historic discrimination against women became part of a wider social movement for the emancipation of women and the gradual adoption of affirmative-action type legislation and policies in national and international jurisdictions to women as a group with the objective of compensating them for historic injustices against them and to mainstream them into public political life and in the private sector. This is the background against which the promotion and protection of the group rights of women is a central objective that crosscuts the four APRM thematic areas.

Promotion and protection of the rights of children and young persons

139. Historically, children and young persons have been among the categories that are most affected by poverty, underdevelopment, conflict, marginalisation, abuse and oppression. It is in order to redress their historical discrimination and injustices arising from it that several African and international conventions have been introduced to stop the discrimination and redress injustices.

140. Uganda has ratified numerous international and regional conventions and treaties that deal with children's rights. Among them are the UN Convention on the Right of the Child (CRC) and the

⁸UNDP, 2017. The Sustainable Goals Report

African Charter on the Rights and Welfare of the Child (ACRWC), both of which aim at promotion and protection of the rights of children. Similarly, the Constitution of Uganda and the Children's Act provide for the protection of the rights of children and young people in Uganda.

Promotion and protection of the rights of children and young persons

141. The Ministry of Gender, Labour and Social Development (MGLSD) and the Community-Based Services Department (CBSD) under the Ministry of Local Government are the two main Government departments focusing on children's rights.
142. Uganda's CSAR 2017 (p.112) lists the following policies and laws that have been adopted since 2007: (a) The National Children Policy (2016); (b) the Early Childhood Development Policy (2016); (c) the Children's Act Cap 59; (d) The NCC Act CAP 60; (e) the Prevention of Trafficking in Persons Act, 2009; (f) The Prohibition of Female Genital Mutilation Act, 2010; and (g) the Domestic Violence Act, 2010.
143. CSAR 2017 (p. 112) shows that the following are among policies in place to protect and promote the rights of the child and young persons in Uganda: (a) the National Orphans and Vulnerable Children Policy (NOP) (2004); (b) the Child Labor Policy (2006); (c) the Anti-Pornography Act (2014); (d) the National Universal Primary Education Policy (1997); (e) the Health Policy (2010-2020); (f) the National Youth Policy (2001); (g) the National Policy on Disability in Uganda (2006); (h) the National Child Labour Policy, (2006); (i) the National Action Plan on Elimination of the Worst Forms of Child Labour (2012-2016); (j) the National Action Plan on Child Sexual Abuse and Exploitation, 2010-2015; and (k) the Children's Act (Amendment) Act No. 19 of 2016.
144. Efforts to build stronger linkages between sectors (social welfare, health, justice), national and sub national and local levels are urgently needed to alleviate the current conditions of young people in Uganda. Government statistics show that 8% of children are vulnerable and 43% moderately vulnerable (Ministry of Gender, Labour and Social Development, 2011 & UBOS, 2014, cited in UNICEF, 2015).

Measures taken to promote and protect the rights of youth

145. The youth constitute a significant group in Ugandan society. The Uganda Vision 2040 emphasises the need to invest in the youth as they will shape the future of the country. However, cultural, economic, political, religious and social constraints limit the country's potential to harness the opportunity of a youthful population. As discussed below, a number of legislation and measures have been put in place to protect and promote the rights of youth so that their potential for development is realized
146. Uganda has signed and ratified the African Youth Charter as well as other important United Nations Conventions on youth-related issues. The rights of the youth are also enshrined, like those of other marginalized groups, in the Constitution of Uganda. Youth are represented in Parliament by 5 members. In addition, the Local Government Act provides for youth representatives from village to council level in local government affairs. The National Youth Council provides a forum for voicing youth issues and bringing them on the country's policy agenda and political reform.
147. In addition, the National Youth Policy, the National Employment Policy for Uganda, the Venture Capital Fund, the Graduate Venture Fund, the Youth Livelihood Programme, the Skilling Uganda Strategic Plan 2012 -2022 as well as the National Youth Council are examples of policy initiatives taken by government to provide support for youth engagement and employment.

2.3.2 Evolution of the Issue

Ethnic Groups

148. Uganda's CRR 2008 (para. 442) noted that the Government of Uganda, despite signing relevant international instruments for promotion and protection of minority rights, had not taken practical measures to integrate the concerns of minorities in its plans, such as granting them citizenship rights on the scale enjoyed by the majority ethnic groups. The report further observes that "the grievances of the ethnic minorities are potential areas of conflict". The grievances revolve essentially around the alienation of their land, the denial of limited home rule under the policy of political devolution in their homelands, and power-sharing at the central level, all of which are enjoyed by members of the majority ethnic groups.

149. The CRR 2008 (para. 451) mentioned that the Batwa land was “alienated to give way to the creation of the Bwindi-Mgahinda Impenetrable Forest National Park”. As a result, it appears that the Batwa have been left to make a living on the margins of this forest, which used to be the source of their medicine, food and other necessities of life.. Because of lack of access to health facilities, it was noted that child mortality was higher among the Batwa. CRR 2008 (para. 452) also makes reference to the fact that the Karamojong, another ethnic minority, has lost virtually all its grazing land to game reserve.
150. This picture of the marginal position of Uganda’s ethnic minorities is one that also emerges from the country’s CSAR 2017 (pg. 118), which shows that minority groups have historically found themselves on the margins of Ugandan society with very limited access to education, health, and socioeconomic arrangements facilities. CRR 2008 (pg.112) recommended that the government engage with the Batwa and other ethnic minorities with the view to addressing their specific grievances and granting their needs.
151. The Report also noted that institutions, such as the Uganda Human Rights Commission, that have as part of their mandates the promotion and protection of the rights of minority ethnic groups and other vulnerable groups, lack the resource capacity (financial and personnel) to carry out their responsibilities effectively. CRR 2008 (para. 459) called on the Ministry of Finance, Planning and Economic Development, the Ministry of Justice and Constitutional Affairs, the Parliament and Civil Society Organizations to develop and design tailor-made service delivery programmes to ameliorate the plight of ethnic minorities and other vulnerable groups in Uganda. In this respect, CSAR, 2017 (p. 118) identified the Batwa people in Western Uganda, the Basongola in South-Western Uganda and the Benet in Western Uganda as some of the ethnic minorities in need of urgent attention. As a measure to protect the rights of ethnic minorities, CRR 2008 (para.438) advised the Government of Uganda to mainstream their rights and those of other vulnerable groups in peace-building initiatives and post-conflict reconstruction and development programmes.
152. However, the CRM has found it difficult to determine the extent to which government has taken action to implement the

recommendations since the Uganda APRM Annual Progress Reports issued since 2008 are silent on them.

Gender-based Discrimination

153. In furtherance of the objective of the world-wide movement for the emancipation of women, Uganda signed the Convention on the Elimination of Discrimination against Women (CEDAW) and the Maputo Protocol. Article 33 (2) of the 1995 Constitution of Uganda provides that “the state shall provide the facilities and opportunities necessary to enhance the welfare of women to enable them realise their full potential and advancement as citizens of Uganda”. The provision serves as the basis for the Local Government Act of 1997, the Land Act of 1998, the Prevention of Trafficking in Persons Act of 2009, Domestic Violence Act of 2010, and the Female Genital Mutilation Act of 2010 CSAR 2017 (p.106).
154. In line with the letter and spirit of this constitutional provision, the following policies, among others, have been introduced in the country: (a) the National Strategy for Girls’ Education (2014-2019) with the objective of harmonising the roles and activities of the Ministry of Education and its partners in the education of Uganda’s girl child; and (b) the National Gender Policy in 2007, which declares gender equity, defined as fairness and justice in the distribution of resources benefits and responsibilities between men and women, and girls and boys in all spheres of life, as its objective. Earlier, beginning from the 1990/1991 academic session, Uganda had introduced the 1.5 Point system, under which all female applicants to its public universities were to be awarded 1.5-4 bonus points as a form of affirmative-action type policy to increase the female student population in the universities CSAR 2017 (pg. 106).
155. Progress with achieving gender equality remains an issue in Uganda, as it was during the country’s first APRM review in 2008. This is because the country is far from attaining the public policy objective of gender parity and the equal participation of women in all spheres of activities and positions in public life and in the private sector. There are discriminatory laws and prevalent cultural and religious practices against women that continue to inhibit progress towards gender parity and equality. Uganda’s 4th APRM Annual Progress Report (p. 44) mentions that although the APR panel had recommended that Uganda reform all the national laws that contain

clauses that discriminate against women, no such comprehensive review had yet been conducted by the time the report was completed in May 2015.

156. 156. The finding of CRR 2008 (para 409) in the area of gender rights was that not much has been done for women economic empowerment, especially at the sub-national grassroots level. CRR 2008 (Para.404) also observed that customary laws in Uganda have prevented women from owning property, such as land, making it difficult for them to use it as collateral to access mainstream financial credit facilities.
157. The Land Act of 1998 (as amended), by only addressing women's rights to access land use and the occupancy of land, while denying them ownership rights, inadvertently, perpetuates the feminisation of poverty. This is why CRR 2008 (para. 414) recommended that that all discriminatory clauses against women in the country's legislation should be revised. However, Uganda's 4th APRM Annual Progress Report (p. 44) noted that the discriminatory clauses and laws have not been revised, showing lack of progress in implementing the recommendation.
158. CRR 2008 (para. 408) also highlighted practices and norms that encourage the violation of women's rights, such as early marriages which tend to result in high dropout rates for the girl child from school, female genital mutilation, which violates women's rights to reproductive health, repressive patriarchal values and attitudes, and eviction of wives from their matrimonial homes on the death of their spouses.
159. CRR 2008 (p.410) further noted that various forms of gender-based violence against women, including domestic violence, sexual harassment, trafficking, rape and defilement, are widespread in Uganda. The report further observed that access to justice for women is constrained by their weak economic power, which makes court fees prohibitive and unaffordable to women. Uganda's 4th APRM Annual Progress Report (p. 44) mentions that, as per the APRM recommendation for Uganda to embark on institutional reform to guarantee that women are empowered to promote and protect their rights, the International Conference on the Great Lakes Region (ICGLR) Sexual and Gender Based Violence Facility was opened in Kampala in 2014. The Progress Report (p. 45) also

pointed out that various stakeholders were engaged in lobbying, training, and networking to promote effective women's participation. For example, the Forum for Women in Democracy (FOWODE) trained 703 councillors from Kitgum, Abim, Kotido, Napak, Amuru, Amuria, Lyantonde, Mityana, Masindi, Wakiso, Busia, Pallisa, Lira, Nebi, Gulu, Kween, Mbarara and Masaka in effective legislative engagement. Sixty young women from 30 districts were also trained in transformative leadership.

160. In responding to the high drop-out rate of girls from school, CRR 2008 (para. 419) recommended that Uganda make Universal Primary education and Universal Secondary Education compulsory, and for the prioritization of affirmative action policies and measures for implementation by public universities. Uganda's 4th Annual Progress report provided illustrations of affirmative-action type measures taken by government to increase the population of girls in public universities, however CSAR 2017 (p.107) reported that while the enrolment of girls has increased, retention and completion of school remains low among young girls in both primary and secondary education (UWONET, 2014; UNICEF, 2015; USAID,2015).

Promotion and protection of the rights of children and young persons

161. CRR 2008 identified poverty as the major constraint against the protection and promotion of children's fundamental rights in the country. CRR 2008 (para. 423) also noted that between 7,000 and 12,000 children were engaged in commercial sex at the time while more than 2.7 million children were employed as labourers. Although policies and legislation that protected the rights of children existed, implementation has been evidently weak and at times lacking.
162. The absence of a reliable and comprehensive system of birth registration in Uganda is a major part of the problem. The National Identification and Registration Authority is making progress here too. For example, CSAR 2017 (p.115) indicates that as of 2014, 60% of children aged 0-4 had received registration papers. What that means, of course, is that as much as 40 % of Uganda's children are not officially registered, thus adversely affecting national planning and budgeting for children services.
163. The Report shows that the Government of Uganda has taken

a number of steps to address the multifaceted challenges facing children. To mention just a few examples from CSAR 2017, the Government has established a comprehensive legal framework for the protection and enforcement of the rights of children along with the necessary institutions to administer them. The partnership between the MGLSD and Makerere University's department of Social Work and Social Administration that trained over 1500 child protection professionals across the country is particularly notable. In a different collaborative exercise, the MGLSD also partnered with child-focused international development agencies to successfully establish a toll-free child helpline, available 24 hrs a day and seven days a week, reaching a large number of children in distress.

164. The Government has established an innovative juvenile justice system, complete with an alternative dispute resolution mechanism for child-related cases, case-handling guidelines developed by the judiciary for child and juvenile cases, and prosecution guidelines prepared by the Department of Public Prosecution for sexual and child related cases. The CRM also commends Uganda for its Justice for Children (J4C) initiative that eases adjudication and sentencing

Box 2.1: Juvenile justice: Justice for Children (J4C) initiative

The Justice (J4C) initiative is a commendable practice in Uganda as it affords free access to justice for children and young persons. It is an initiative of the Justice Law and Order Sector (JLOS) funded by UNICEF and implemented by the Centre for Justice Studies and Innovations (CJSI). It seeks to improve access to justice through free legal representation for children, young people and adults working on their behalf. The initiative is aimed at strengthening the overall Justice sector's capacity to respond to the needs of children in the justice system.

J4C works within the constitutional provisions of Uganda and the UN Convention on The Rights of Children. The JLOS Annual report, (2015) states that there were 1,256 juvenile offenders in the year 2011-2012 who received assistance from the J4C. Furthermore, six juveniles per 100 000 population were arrested and serviced by the JLOS, as stated in the publication *The Uganda Police Force Report* (2012). Furthermore, the number of children arrested per 100 000 children reduced from 9.4 in 2016-2015 to 8.4 in 2016-2017, which reflects the usefulness of the J4C initiative.

Source: CRM

procedures for children or juveniles tried in the High Court, as illustrated in Box 2.1.

165. It is thus clear that the Government has its heart in the right place when it comes to the protection and enforcement of the rights of children. However, there are also inevitable challenges that face even the most committed of governments in this context, including archaic traditional beliefs that have led to reported cases of cruelty against children in the form of child sacrifices, and resource constraints that limit the Government's ability to implement all its policies, laws and strategies as urgently as the problem clearly demands.
166. Despite these obvious constraints and challenges, Uganda's 4th APRM Annual Progress Report (p. 49) covering the period July 2011 - June 2014, noted that the Government is continuing to integrate children's rights to food, health, shelter and education in its post-conflict reconstruction and development programmes.

Measures taken to promote and protect the rights of youth

167. Despite legislation and policy measures to protect and promote the rights of the youth, unemployment remains a serious problem in Uganda. According to CSAR 2017 (p.116), youth unemployment is frighteningly high, at 83.7%. The Report notes that up to 83% of young people who graduate from tertiary institutions are unable to find work as their skills do not match the job requirements on the market.
168. This problem was noted in CRR 2008 as well. Moreover, Uganda's APRM 4th Annual Progress Report (p. 48) indicated the Government was in the process of rehabilitating, reconstructing and re-equipping five regional youth training centres in Mukono, Moroto, Mubuku, Masindi and Apac, to help build the capacity of the youth for self-reliance. CRR 2008 (para. 984) called for the development of policy and strategy to address the issue of youth unemployment and underemployment. The 4th APRM Annual Progress Report (p.48) mentions that support to the youth was provided under the Youth Enterprise Venture Fund, under which 7,217 youth from 112 Districts were trained in entrepreneurship skills development while 5,206 youth enterprises have accessed funds amounting to Ushs 2.1 bn. under the Fund. It further indicated that approximately 20,824 jobs have been created by the Youth Enterprise Fund. It also mentions

that 51 youth groups received entrepreneurship training from the programme for children and youth. As a result, in the Financial Year 2013/14, the Youth Livelihood Programme supported 1,563 enterprises with funding of about Ushs11.4 Billion benefitting 20,192 youth from 55 Local Governments as stated in the CSAR 2017 (p. xxiv).

169. CSAR 2017 (p.116) notes that Uganda implemented a UGX 50 billion Youth Livelihood Programme which provides seed capital to support youth enterprises. This is in line with with the broader Skilling Uganda program which aims at equipping young people with requisite skills to be innovators and job creators.

2.3.3 Analysis and Findings of the CRM

Ethnic Groups

170. The CRM findings revealed that minority ethnic groups in Uganda are still plagued by the deprivations identified by CRR 2008 (para. 451), notably uneven development, and inadequate health care and poor education facilities. Their situation seems to have steadily deteriorated since the 2008 country review, further exacerbated by competition for natural resources in their areas by domestic and foreign investors and the adverse effects of climate change (including drought). According to a study conducted by Minority Group International, the Batwa people are unable to take advantage of the employment opportunities as tourist guides provided by the continuous streams of tourists who visit their area every year because they are uneducated and cannot speak fluent English .

Gender-based Discrimination

171. The Forum for Women in Democracy (FOWODE) states that there are underlying persistent structural challenges that impair women's and girls' ability to exercise their rights . It further states that top opportunities available to women and girls to participate meaningfully in political and public life and their capacity to do so are affected by a wide range of factors including unequal power relations, negative cultural norms and practices, legal and policy gaps, inadequate resourcing and budgeting for gender related programmes, and lack of access to basic services amongst others.
172. CSAR2017 (p.109) notes that affirmative action by the government

⁹Lewis. J 2016. The Batwa Pygmies of the Great Lakes Region. Minority Rights Group International.

¹⁰Forum for Women in Democracy (FOWODE, 2017. « Voice to Action: Advancing Gender Equality in the SDGs »

has brought about an increase in the number of women in parliament; that women constituted 24% of the members of parliament in the 7th Parliament; 31% in the 8th parliament; 34.4% in the 9th parliament; and 33.4% in the 10th parliament, the current parliament at the time of writing this report. The figures indicate that the ranking of Uganda in women representation in parliament is 24th in the world and 7th in Africa.

173. However, CRM consultations reveal the perception of stakeholders that, despite their increased representation in parliament, women members of parliament have not used their increased number to bring gender-sensitive issues onto the legislative agenda, and to influence budgetary appropriations in critical areas to women empowerment, such as maternity health and agriculture where the poorest women are engaged. The CRM learnt from consultations that this apparent situation of the powerlessness of women members of parliament is due to the indifference of a male-dominated parliament to gender issues.
174. Of cabinet level and other executive branch appointments, CSAR 2017 (p.109) findings show that Uganda has a rising share of female representation in the Ugandan cabinet: of 30 senior ministers 10 (33%) were women. Of the junior ministers, 32 (29%) were women. The findings also show that women ministers were assigned key ministerial portfolios, such as Education, Land, Trade, Energy and Finance, among others. Women were also appointed to key chief executive positions in the Kampala Capital City Authority, the Uganda Investment Authority, the Uganda National Road Authority, and the Uganda Revenue Authority.
175. It is a positive and commendable practice by Uganda to promote women empowerment and to bring them into the mainstream of public political affairs. However, the CRR 2008 (para. 101) mentioned that the Uganda Gender Policy of 2007 observes that women face challenges in elective processes because of limited resources for campaigns, spousal control and the general culturally-induced perception that leadership is a male domain. Exacerbating the situation is the affirmative-action type policy, which is viewed by some as government patronage. Indeed, the submission of the Uganda Women Council to the CRM in 2008 claimed that the presence of women in parliament had not translated fully into the promotion

and implementation of policies and initiatives that supported equal opportunity for both men and women.

176. Uganda has tried to increase the representation of women in local government through the Affirmative Action in Local Government Act of 1997, which provides for one third women's representation at all local council level. The CSAR 2017 (p. 110) notes that, although each district council is supposed to be composed of at least 30% women, the representation of women in top leadership positions at that level (Chairpersons, Speakers and Chief Administrative Officers) is small. For example, after the 2011 general election, out of the 112 District Chairpersons only two were (or 1.7%) were women; out of the 112 Chief Administrative Officers, 11 (or 10%) were women. CSAR 2017 (p.110) mentions that it is only in Dakolo District (Northern Uganda) that 50% of the members of the District council are women.
177. This shows that there is a difference in theory and practice as policies have been passed but not fully implemented in practice. CRR 2008 notes that Uganda has made commendable efforts to enhance women's participation in politics. However, the Report laments the absence of mechanisms for empowering women who have been elected, to undertake advocacy for gender related issues that will lead to the improvement of women's rights generally. It further highlighted that the elected and appointed women in politics in local authorities only showed an increase in their number but did not translate into policy change as they were not able to articulate their concerns (p.405).
178. While the CRM commends Uganda for establishing medico-legal services for women suffering from gender-based violence, as illustrated in Commendable Practice 2.1, the mission underlines the finding from the CRR of 2008 (pg.102) that the MGLSD is underfunded and overburdened because its mandate extends beyond gender issues to embrace those concerning the youth, IDPs and the elderly. Regarding funding, the CRM learnt from the Gender Commissioner that, currently, the MGS LD is allocated less than 0.034 % of the total central government budget, which is indicative of a lack of political

Commendable Practice 2.1: Medico- Legal Services

Uganda has established a system of Medico-Legal Services intended to support women who suffer from gender-based violence in terms of access to medical help as well as in their search for justice through the court system. Medico-Legal Services that are of paramount importance in giving Gender Based Violence (GBV) victims access to legal services, justice and redress. It combines the essential medical and legal aspects that address the situation to GBV survivors comprehensively, sustainably and holistically. It is designed with the objective of supporting victims of GBV; providing treatment, legal redress and psychosocial support. It is a corrective measure for perpetrators who apply coercion and assertive power to maintain control of their victim. The service in Uganda targets victims of GBV of all ages.

Source: CRM

commitment by government to mainstream gender policies and programmes, including building the capacity of other stakeholders in the policy process.

179. The findings of the CRM also disclose that Uganda has not passed some key legislation to protect the rights of women, notably the marriage and divorce bill. The bill is still pending since it was tabled in 1962, because of serious and intractable disagreement on religious and cultural grounds between its supporters and opponents over sections of the bill relating to the grounds for divorce and the sharing of property. The findings also show that Uganda ratified the Maputo Protocol but with reservations on the following articles: (i) Article 14(1)(a), and (ii) Article 14(2)(c).

Promotion and protection of the rights of children and young persons

180. CRM consultations on the ground demonstrated the accuracy of the observations contained in CSAR 2017, as recapitulated in the evolution of issue section. Moreover, CRM stakeholder consultations in the regions underscored concerns relating to the quality of primary and secondary school education in the country. What is also remarkable is that even these stakeholders expressed satisfaction with the Government's efforts to provide Universal Free Education in the country. The consultations revealed that the Universal Primary Education and Universal Secondary Education (USE) programmes

¹¹The two articles state that women have the right to control their fertility, and protect the reproductive rights of women.

are so popular that parents do not want to pay any fee or provide food for their children while at school since Government has announced that education and food are available for free.

181. Child marriage is prevalent in Uganda, especially amongst the country's rural population, which tends to witness the sexual abuse of the child girl. CSAR 2017 (p. 113) shows that about 40 percent of women between the ages of 20 and 24 got married before they turned 18 years old, while 15 percent did so before the age of 15; defilement cases in 2013 accounted for up to 10% of crimes reported in Uganda, with the number of defilement cases reported to the police increasing from 7,360 in 2009 to 9,588 in 2013, representing a 30 cent.
182. CRM consultations verified many of these reports from CSAR 2017. For example, CRM stakeholder consultations in Mbarara indicated that young girls usually got involved in transactional sex because of poverty. The Forum for Women in Democracy also reported that families have been implicated in child marriage cases where they allegedly set up their young girls for marriage in exchange for money. CSAR 2017 (p. 113) reported that a large proportion of children suffer from malnutrition and cites a 2016 UNICEF survey which noted that 44.5 % of Uganda's children suffer some form of malnutrition at the age of nine.
183. The CRM learnt from its consultations with stakeholders in the Eastern Region about the government's political commitment to eradicate malnutrition, through such policies as the Uganda Nutrition Action Plan 2011-2016 (UNAP). Uganda's 1997 Universal Primary Education was previously supported by Food-For-Education initiatives which in return increased primary school enrolment, attendance, child nutrient and school performance.
184. CRM consultations in Uganda's regions also revealed the general concern of stakeholders with the quality of children's education and wellbeing, against the backdrop of a growing youth population. Stakeholders explained that since the major aim of Uganda Vision 2040 is to transform the country to a middle-income status by 2040, it is important for the Government to place the highest priority on improving the condition and status of children and young persons, the custodians of the country in the future, by investing in them now.

185. CRM findings revealed that district councils do not have sufficient labour officers to represent child issues. More resources for providing alternative solutions or rehabilitative measures for children who had been withdrawn from school are needed. The findings also show that poverty has made children a source of income for the family in many communities.

Measures taken to promote and protect the rights of youth

186. CRM consultations with stakeholders revealed that, despite government efforts to create employment for the youth, most young graduates from institutions of higher learning do not possess the skills that are in high demand on the jobs market. The Government of Uganda is making efforts to review the curriculum at all levels of education to place emphasis on business, technical and, vocational education and has introduced entrepreneurship as a subject, with emphasis on science subjects. As a sign of this emphasis on science subjects, for example, science teachers receive higher wages than other teachers. Furthermore, the emphasis on science is reflected in the building of more science labs, and in the allocation of more government sponsored slots for science at Universities. Lastly, Government has also introduced mandatory internships and courses

Commendable Practice 2.2: Youth Representation in National Parliament

Article 78, section 2 of the 1995 Constitution of Uganda provides for special interest representation of women, youth, workers, army and persons with disabilities. The 10th parliament of Uganda includes 5 representatives of youth. This is in line with the African Union (AU) Youth Charter which call for the rights, freedoms and obligations of youth in Africa to be promoted at continental, regional and national levels. This representation of youth in Parliament is beneficial for the youth who are the biggest percentage of the general population. The constitutional provision for youth representation provides an opportunity for youth to articulate their interest in the national legislative body. It also creates an opportunity for co-option of youth leadership by the government and in national affairs. A study by Gender Links (2014) revealed many youth focused projects promoted by the parliament including for instance the Student Loan Schemes, the Youth Livelihood Programme and the Youth Enterprise scheme.

Source: CRM

that teach skills sought by employees.

187. The CRM commends Uganda's innovation in providing parliamentary representation for youth, as illustrated in Commendable Practice 2.2.

2.3.4 Recommendations

188. The Panel thus recommends:

Ethnic Groups

- Introduce affirmative-action measures to provide for further and better representation of ethnic minorities in Parliament and in executive departments and agencies (Government);
- Enhance the domestication of international conventions protecting the rights of ethnic minorities (Government; Parliament);
- Enhance capacity of institutions with mandate to promote and protect the rights of ethnic minorities; (Government; Parliament) and
- Provide for the special needs of ethnic minorities (Government, Human Rights Commission).

Gender-based Discrimination

- Conduct education and sensitisation campaigns across Uganda, especially in rural areas and in concert with traditional and religious authorities, on the constitutional and legal rights of women (Government and Civil Society);
- Review and repeal discriminatory clauses against women in legislation, such as the Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act (Government, Parliament, Courts and Human Rights Commission); and
- Strengthen the capacity of gender focal points in sectorial ministries with a view to mainstreaming gender in planning and the national budget (Government, Ministry of Finance and MGLSD).

Promotion and protection of the rights of children and young persons

- Building on the commendable efforts undertaken in this area, Government should now concentrate on ways of enhancing its

implementation record in all areas that impact on the right of the child, starting from universal birth registration to provision of high quality education and the protection of children from physical and sexual violence; (Government);

- Government should conduct a review of its education policies to eradicate the gender bias in the system and ensure the school environment is safe for the girl child, free from risks of defilement and other sexual violence, discourage early marriage and other culturally biased discrimination against girls and women; (Government and Civil Society); and
- Government and civil society organisations conduct a systematic and sustained public education and sensitisation programme to raise awareness about the legal rights of children in Uganda. (Government and Civil Society);

Measures taken to promote and protect the rights of youth

- Government, civil society and the private sector work together to enhance the capacity of institutions of higher learning to equip young people with employment-related skills, including through curriculum review programmes and apprenticeship schemes. (Government, Civil Society; Private Sector);

2.4 THE STATE OF THE PUBLIC SERVICE

2.4.1 Introduction

189. An efficient civil service is a critical element of effective governance. The civil service has the enormous responsibility to ensure the day-to-day implementation of laws, regulations and policies in all areas of public life. The civil service is also the primary interface between the state and society at large.
190. In the period up to 1997, governmental authority in Uganda was highly concentrated at the centre. But this changed with adoption of the Decentralisation Policy in 1993 and the passing of the Local Government Act of 1997, which brought public service delivery closer to the people. In 2003, this supplemented by a decision on fiscal decentralisation and several other laws, all of which had the objective of enhancing citizen participation at all levels so to ensure accountable, efficient and effective public service delivery.
191. While this drive towards decentralisation has been widely welcomed, including by CRR 2008 (para. xli), as an elaborate programme “that provides space for citizens to participate effectively in decision-making processes”, its potential was hampered by a number of resource-related and other implementation problems.
192. As a result, and despite Uganda’s commitment to the realisation of the NEPAD Founding Document’s calls for an ‘accountable, efficient and effective civil service’, or the CSSDCA MoU’s vision of an ‘impartial, efficient, transparent and accountable civil service’ - both of them APRM-recognised standards and code - Uganda’s public sector is still far from transparent, accountable, efficient or effective.

Corruption

193. The CRM consultations across Uganda show the perception that corruption is endemic in the country, with some participants claiming that it has become a cancer that is gradually “killing” the country. The general perception that pervaded the consultations was that corruption in Uganda’s public sector is not only hampering the efficiency and effectiveness of public service delivery and undermining confidence in public institutions; it is also increasing the cost of public transactions.

194. The CSAR 2008 (para. 375) locates the deep-rooted causes of corruption in societal attitudes, political greed, weak institutions, weak and faulty accounting systems, low remuneration and poor employment benefits in the public sector. Other instances of corruption the Report also highlighted include abuse of office, bribery, extortion, nepotism, favouritism, falsification of academic qualifications for elections purposes, fraud, embezzlement, misappropriation of public funds and assets, and the use of public resources or assets for political gain.

2.4.2 Evolution of the Issue

195. The State of the Public Service in Uganda remains a matter of public concern. The public service remains unresponsive and inefficient. Despite the great hope placed on decentralisation as part of the solution to the public service delivery challenge, CRR 2008 (para 256) observed that the effectiveness of the Local Government Councils is hampered by, among other: (a) biases in the recruitment process; (b) difficulties in attracting and retaining qualified staff; (c) difficulties in the creation of new districts; (d) lack of local revenue; (e) dependence on the central government; and (f) weak institutional capacity of local councils. The Report recommended strengthening of the coordination structures within the Ministry of Public Service for the implementation of the Public Sector Reform programme (PSRP). It further stressed the importance of training manpower to effectively monitor and coordinate implementation of the PSRP.

196. Uganda's 4th Annual APRM Progress Report (p. 36) stated that a comprehensive review of Ministries, Departments and Agencies was completed in 2012 and a Cabinet Paper on the recommendations from the review was prepared and submitted to the MFPEd for a certificate on Financial Implications before the paper could be submitted to the country's cabinet for approval. The Report further observed that owing to budgetary constraints, the MFPEd could not provide a certificate. As a result, the recommendations from the review have not been approved, and the recommended structures have not been adopted.

197. In trying to resolve salary delay issues encountered in the public sector, the CRR 2008 recommended the implementation of the Integrated Personnel and Payroll System (IPPS). Uganda's 4th APRM Annual Progress Report pointed out that Uganda has fully

operationalised the IPPS Pensions Management Module, which became effective in October 2014. It also operationalised the IPPS -IFMS Interface and salaries are now being paid through the IPPS-IFMS interface (4th Annual Progress Report, 2015: 37).

198. The CRR 2008 recommended that the effectiveness of the local government structure should be evaluated and the capacity of sub-counties strengthened for better service delivery. However, the 4th APRM Annual Progress Report noted that this had not been done, and that the local governments continue to complain about the limited resources available to them to deliver on their mandate as the allocation to local government, stands at only 15% of the national budget, in contrast to the 80% of public services the local government is supposed to deliver.
199. The CRR 2008 (para. 280) also pointed out that decentralisation in Uganda was degenerating into recentralisation, with the local government heavily dependent on central government funding. This is due to the fact that the local government is able to raise only 30% of the needed revenue and has generally had to receive 70% of its budget from central government to meet its revenue needs. Exacerbating the situation as a major constraint for the local government revenue base is the suspension of the Graduated Tax, which used to contribute 90% of operational costs (CCR 2009 para 280). This has remained an issue and had not yet been resolved at the time of the second country review mission.
200. The CRR 2008 observed that the creation of new districts poses economic challenges to the local government councils. This has also remained an issue as there has been an increase in newly established districts since the CRR 2008. In 2008, there were in 80 Districts and 13 Municipal Councils, compared to the 115 Districts and the 41 Municipal Councils at the time of the second country review mission in October 2017.

Corruption

201. The Uganda CRR 2008 (Para. 95) noted that the Government of Uganda recognises and acknowledges the negative impact of corruption on development and governance. To counter this, Government actions included enacting several anti-corruption legislations, and to establish institutions to curb and combat

corruption in the country. In view of this the Report recommended that corruption was an issue that needed urgent attention in Uganda to prevent the situation from degenerating further.

202. The CRR 2008 (para. 393) further recommended the harmonization of anti-corruption legislation and policies, and the coordination of the activities of anti-corruption agencies and institutions, such as MoIA, MJCA, IGG and the Judiciary. It also recommended (a) the enhancement of the institutional capacity of the IGG to carry out its mandate effectively; (b) the further development of guidelines governing the disbursement and appropriate use of the CDF; and (c) enforcement of the Leadership Code of Conduct. CRR 2008 also recommended the enhancement and strengthening of the IGG to enable it to carry out its mandate effectively.

203. In response, Uganda has established a plethora of anti-corruption agencies and institutions. Yet, it seems corruption remains widespread in the country. Uganda's First APRM Annual Progress Report (para. 2.1.12) pointed to progress made in the fight against corruption, particularly in the political sphere, through the establishment and full operationalisation of an inter-agency forum against corruption. The forum formulated an anti-corruption strategy and a framework designed to fight corruption and rebuild ethics and integrity in Uganda. The country's Third Annual APRM Progress Report (p. 39) then indicated that the fight against corruption led to the passing of laws and frameworks such as the Anti-Corruption Act of 2010, the Whistle Blowers' Protection Act of 2010; The Leadership Code Act; and the introduction of the Witness Protection Bill. The Third APRM Annual Progress Report (p. 39) also noted an improvement in the disposal of court cases in 2010/11, which it attributed to increased coordination among the Justice, Law and Order Sector Agencies as well as the roll out of a case backlog reduction strategy.

204. Finally, the Fourth APRM Progress Report (p. 39) showed that by the end of June 2013, the Anti-Corruption Division of the High Court was already in place with three judges sitting on it. This has facilitated access to justice as the court presented the highest performance of all the divisions of the high court. The Fourth Progress Report (p. 40) also pointed out that Uganda had established the Judicial Integrity Committee to ensure that judicial officers monitor the conduct of public officers whilst executing their duties, which was done after a

review of the JLOS Sector performance 2013/2014 revealed that, in 60% of cases reviewed, members of the police and the judiciary asked their clients for bribes. The Report (p. 40) further noted that in 2013, the Anti-Corruption Amendment Bill was introduced which aimed to establish a system of mandatory confiscation of property from persons convicted of corruption and related offenses. The Progress Report also outlined efforts made by the government to strengthen the investigative and prosecutorial capacity of anti-corruption agencies in the year 2011/ 2012.

205. The CSAR 2017 (pp.102 - 3) gives example of the success of this effort using the case of the former Permanent Secretary in the Ministry of Public Service, who was tried in court and convicted of abuse of office and embezzlement of pension funds, showing that UGX169 billion could not be accounted for. Another example is the embezzlement case involving a Principal Accountant in the Office of the Prime Minister, of funds meant for reconstruction projects in the Northern Region, resulting in the conviction and imprisonment of the principal accountant.
206. Despite the efforts and commitment shown by the government, the CSAR 2017 concludes that insufficient resources are being allocated to institutions fighting corruption. CSAR 2017 (p. 102) indeed observes that, despite the requirement for senior public servants to declare their assets, it is difficult to prove illicit enrichment due to under-declarations and hiding of property using other people's names, among other causal factors.

2.4.3 Analysis and Findings of the CRM

207. The CSAR 2017 (pp. 96-103) contains an elaborate discussion of the plethora of measures undertaken by the Government of Uganda since CRR 2008, including (i) strengthening the legal foundations of the public service on the basis of the 2008 Public Service Act; (ii) implementation of the World Bank-supported two-tier Public Sector Reform Programme; (iii) affirmative action measures taken to cater for special interest groups; (iv) rolling-out of the Integrated Personnel and Pay-Roll system in the 2013/14 Fiscal Year to all MDAs; (v) establishment of a Public Sector Management Working Group to strengthen government wide public sector management (v) the inauguration of the Civil Service College of Uganda (CSCU) in Jinja in 2014, with the mandate to provide in-service training and advice,

to strengthen public policy research, and to support innovations for improved service delivery; and (vi) the multi-pronged efforts to eradicate corruption from the public service.

208. The effort being made by the Government of Uganda on this vital issue is highly commendable. However, as in many of the CRM's findings in this report, several factors point to the continuing inefficiency and unresponsiveness of the public service in Uganda. For example, the Uganda National Household Survey shows that communities have problems accessing health care services in the country; that the health service delivery is characterized by the non-availability of medicines/supplies; long waiting times in hospitals; long distances to health centres; limited range of services; and under-staffing (2017). Coincidentally, the CRM was in Uganda when medical doctors went on strike over poor salaries and other working conditions, including the absence of medication in hospitals.
209. The CRM believes that the creation of new districts has impaired the capacity of government at that level to provide the required basic necessities such as access to water, sanitation, education and health among many other in the districts. For example, the creation of new districts and town councils in urban settings has led to a reduction in the percentage of households accessing improved water sources from 87% to 80 % whereas, in rural areas there was an increase from 68% to 77% (UNHS, 2017). This has been attributed to the failure of government to provide access to water sources to the expected urban standards for newly established districts.
210. CRM consultations show that several stakeholders were concerned about what they perceived as the creation of new districts for partisan political ends, at a time when government was pursuing a policy of downsizing public agencies and when, as CSAR 2017 (p. 354) notes, direct transfers from central government to local governments declined from 25 % of the total national budget in 2009/10 to 15.69 % in 2014/15.
211. The CRM believes that the reduction in local government revenue has been aggravated by central budget cuts on social spending. For example, the education sector received UG X 2.4 Trillion for the financial year 2017/2018, which represents a decline in absolute terms from the previous financial year 2015/ 2016 of UGX 2.7 Trillion (Uganda Ministry of finance, 2017). Overall there was a decline in

relative social spending from 37% in 2002/2003 to 19% in 2017/2018. This poses a huge constraint on the ability of the local councils to deliver public services, as they receive less money than is required to shoulder the huge responsibility they have been assigned.

212. The CRM notes that this trend has been worsened by the fact that local government revenue is collected and sent to central government, which then reallocates the funds back to local governments. The process of reallocation appears cumbersome, apparently resulting in some district Chairpersons at times using their own money to meet the emergency needs of their communities. The CRM also learnt that such funds have not been coming timeously for project implementation, and that although the proposal to provide an additional revenue source to local governments by adding 1% to the present 17% VAT has been accepted, the funds accruing from the increase and due for allocation to them have not filtered down to local government councils.
213. The CRM findings, therefore, show that the combined effect of resource (administrative and financial) capacity deficits, low wages, limited incentives and reduced revenue sources to fund local services and for effective and efficient service delivery, has adversely impacted the implementation of decentralisation and Public-Sector Reform. In view of these developments, the CRM shares the concern expressed in CRR 2008 (para. 280) that decentralisation in Uganda faces the risk of a reversal towards recentralization.
214. As already illustrated in several of the CRM's findings above, evidence for the trend towards recentralizing is provided by, among others, the following: (a) appointments and recruitment of top positions in local councils including the Chief Administrative Officer, by the Public Service Commission and not by District Service Commissions; (b) the suspension of the Graduated Tax; and (c) the creation of districts for partisan political ends.
215. Despite the implementation of the three phases of PSRP that the CRR 2008 catalogued, the CRM believes that the challenge in Uganda remains how to bring about a professional and efficient public service, in line with the provisions of the country's 1995 Constitution, the Public Service Act and the Local Government Act.
216. 216. A recent development at continental level might hold some

promise for Uganda in its efforts to overcome this challenge. On 31 January 2011, the AU Assembly of Heads of State and Government adopted the African Charter on Values and Principles of Public Service and Administration. For the countries that subscribe to it, the Charter aims to, among others, help ensure quality and innovative service delivery that meets the requirements of all users, encourage the efforts of Member States in modernising administrations and strengthening capacity for the improvement of public service, encourage citizens and users of Public Services to actively and effectively participate in public administration processes, promote the moral values inherent in the activities of Public Service Agents with a view to ensuring transparent service delivery, encourage the harmonisation of policies and procedures related to Public Service and Administration among Member States with the aim of promoting regional and continental integration, promote equality between men and women as well as equality within Public Service and Administration structures, and encourage the exchange of experiences and best practices in order to create a database of information within the Member States.

217. To achieve the above objectives, the Charter is guided by a detailed set of principles outlined in Article 3 thereof, which include:

- Equality of all users of Public Service and Administration;
- The prohibition of all forms of discrimination on any basis, including place of origin, race, gender, disability, religion, ethnicity, political opinion, membership in a trade union or any other lawful organization;
- Impartiality, fairness and due process in the delivery of public services;
- Continuity of public services under all circumstances;
- Adaptability of public services to the needs of users;
- Professionalism and Ethics in Public Service and Administration;
- Promotion and protection of rights of users and Public Service Agents;
- Institutionalizing a culture of accountability and integrity and transparency in Public Service and Administration; and
- Effective, efficient and responsible use of resources.

218. The adoption of the Charter is an important milestone in the effort to set minimum standards of professional and ethical behaviour for those providing public services across the continent, including at local, national, regional and continental levels. Article 30 of the Charter provides that it enters into force “thirty (30) days after the deposit of the instruments of ratification by fifteen (15) Member States.” The Charter met this minimum requirement on 23 June 2016 when Burkina Faso deposited its instrument of ratification and entered into force 30 days later, i.e. on 23 July 2016. Sao Tome & Principe is the only country that has since deposited its instrument of ratification, leaving the total number of parties to the Charter at 16 at the time of the second review mission to Uganda in October 2017.
219. Regrettably, Uganda has only signed the Charter, on 14 March 2013, and is yet to ratify it. Needless to say, Uganda may not be held to account for a standard it has not ratified. However, considering the importance of this Charter for Uganda’s particular challenges described above, the CRM believes that ratifying the Charter would be a step in the right direction.

Corruption

220. Despite Government efforts to combat and curb corruption, the absence of a Leadership Code Tribunal, the delay in the amendment of the Leadership Code Act of 2002, and the perceived lack of political will and leadership remain significant impediments to ending corruption.
221. The CRM consultations revealed that corruption is perceived to be rampant in all sectors of Uganda society. CSAR 2017 (p. 102) is correct when it observed that “the biggest challenge to addressing accountability is the institutionalization of corruption, which has become a way of life.” Corruption in Uganda’s public sector has become systemic. The CRM stakeholders’ consultations provide additional observations that Ugandans generally contributed to corruption by their failure to report corrupt activities. Another finding contained in CSAR 2017 (p. 102) and confirmed by CRM consultations is the lack of demonstrated political will to prevent and combat corruption.

2.4.3 Recommendations of the Panel

222. The Panel thus recommends:

- Uganda seriously consider ratifying the African Charter on Values and Principles of Public Service and Administration and making it part of its domestic legal and institutional system and culture (Government);
- Government consider reinstating the Graduated Tax (Government); and
- Central Government review and revise the funding formula for local government to ensure that level of government remains effective (Government).
- Corruption
- Develop a strategy of engagement with which to sensitise the public and challenge their conscience about the ethical, moral, and legal wrongs of corruption and why society must rise up against this scourge (Government);
- Harmonise anti-corruption legislation, policies and institutions (Government and Private Sector).
- Strengthen coordination and sharing of data on suspected corrupt officials and individuals among anti-corruption agencies (Anti-Corruption Agencies).
- Enforce anti-corruption laws more vigorously, consistently, and even-handedly, stringent sanctions against convicted corrupt public officials regardless of seniority, political affiliation or other attributes (Government, Anti-Corruption Agencies); and
- Provide adequate administrative and resource capacity for anti-corruption agencies to wage the war against corruption (Government).

CHAPTER THREE

3. ECONOMIC GOVERNANCE AND MANAGEMENT

3.0 Introduction

223. The APRM Objectives, Standards, Criteria and Indicators, one of the foundational documents of the APRM adopted in March 2003 along with the APRM Base Document, describes sound Economic Governance and Management (EGM) as “an essential prerequisite for promoting economic growth and reducing poverty.” Economic Governance and Management refers to the broad national economic policy frameworks, the institutions, processes and practices in place that are aimed at facilitating, supporting or otherwise promoting an economic climate that encourages growth, poverty reduction and improvement in the general welfare of the citizenry.
224. Economic Governance and Management is the second major thematic area in the APRM system. The thematic area pursues six key objectives: (i) to design and implement economic policies for sustainable development; (ii) to encourage ownership and participation of key stakeholders in policy formulation and implementation; (iii) to promote sound public finance management; (iv) to fight corruption and money laundering; (v) to accelerate and deepen regional integration in the monetary, trade and investment domain; and (vi) to develop and implement trade and investment policies that promote economic growth. In the effort to realise these objectives, the APRM has identified a list of codes and standards relevant to EGM, along with associated questions and indicators.
225. In the country review report completed in 2008, the APRM Panel considered the state of economic governance and management in Uganda, systematically and exhaustively, identified its strengths as well as weaknesses, and made a host of recommendations that ultimately became part of Uganda’s agreed National Programme of Action (NPOA). Uganda has been reporting the actions it has taken over the years on those recommendations in the form of four progress reports. Finally, in preparation for the second review, Uganda submitted a Country Self-Assessment Report (CSAR 2017) in which its policies and practices in the field of economic governance and management have been considered comprehensively. When the Country Review Mission (CRM) was deployed in October/November

¹²See APRM, Objectives, Standards, Criteria and Indicators for the African Peer Review Mechanism (NEPAD/HSGIC-03-2003/APRM/Guideline/OSCI, 9 March 2003), p. 15.

2017, it was clear that Uganda had made significant advances in this thematic area. Indeed, Uganda has recorded impressive overall economic performance since the Base Review 2008. A critical analysis of macroeconomic policies and the implementation framework, and their consequent performance reveals that the country has constantly promoted and implemented well documented, predictable and transparent economic policies and programmes. This is evident as these efforts translate into a significant reduction in the poverty level as well as the inflation rate, improvements in fiscal stability and the stock of infrastructure, and closer regional integration.

226. Despite these successes, several challenges remain in the area of macroeconomic management. The CSAR 2017 as well as our own research and consultations with the Ugandan public on the ground reveal that Uganda still faces a number of important challenges, both old and new. These include weaknesses that were identified in the 2008 country review report (CRR 2008) but are yet to be addressed; issues addressed inadequately, and therefore continuing to persist despite the country's efforts; and emerging challenges. CSAR 2017 identifies the increase in public sector debt and the small tax base as two major challenges for the Ugandan economy. The Country Review Mission (CRM) has identified and prioritized these challenges and broadly categorized them into four broad issues as listed below:

- **Institutional capacity to develop and implement economic policies:** Uganda's capacity to manage and implement economic policies has several dimensions, including weak inter-institutional coordination, a wide gap between the projected GDP growth rate and actual rate recorded, inflationary pressures in the economy that have led to a rise in interest rates, the continued depreciation of the Uganda Shilling, and a decline in the relative importance of the agricultural sector to the overall economy.
- **Public Finance Management and Corruption:** Uganda has been continuously grappling with the challenge of effective economic management and the need to foster durable state institutions that are accountable to the public. Public Fund Management is important as a means of ensuring that available resources are used in the most efficient and productive manner to benefit all sections of the population. With respect to corruption, the Government of Uganda recognises it as one of the main challenges facing the country,

and together with civil society organisations, has taken a number of initiatives to tackle corruption. Nevertheless, there is widespread perception in Uganda of the need to deal with the scourge of corruption whose effects manifest through the poor state of public service delivery.

- **Domestic Resource Mobilization and Investment Promotion:** Enhancing Domestic Resource Mobilization is a necessity for reducing the Ugandan fiscal deficit and making the state budget more resilient and less reliant on foreign aid. The Government of Uganda has put in place a host of incentives to mobilise resources and to attract and promote investment. These are laudable policies and require analysis of results and reinforcement of good policy where applicable. Nevertheless, while there is evidence that the current resource mobilisation and investment policies are working, there is also a widespread perception that some of the regulatory incentives for investment, such as tax holidays and concessional land grants, are being misused and may be a net drain on the fiscus.
- **Economic Diversification, Market Access and Expansion:** A low level of product and market diversification and low value addition have been persistent features of the Ugandan economy. To overcome these challenges, the Government of Uganda has adopted an outward-oriented economic policy and plays a leadership role in Africa's regional and continental economic integration agenda, which will need to be reinforced and effectively implemented.

227. These four issues are both critical to the state of economic governance and management in Uganda today but also cut across the objectives of the thematic area as articulated in the APRM Objectives, Standards, Criteria and Indicators document, which remains a useful guide in the preparation of this report. In the rest of this chapter, each of the above four issues will be considered against a four-level analytical framework. Section one describes each of the issues briefly; section two traces the evolution of each of the issues all the way from CRR 2008 to today; section three summarises the findings of the CRM, while section four presents the recommendations of the APR Panel.

3.1 Institutional capacity to develop and implement economic policies

228. The issue of institutional capacity in Uganda has two dimensions – capacity to set and implement macroeconomic policy to achieve stabilisation and economic growth, and capacity to implement, monitor, evaluate and report on performance.

¹³World Bank Group (2015) “Uganda Systematic Country Diagnostic: Boosting Inclusive Growth and Accelerating Poverty Reduction”

3.1.1 Introduction

Macroeconomic Policy, Stabilization and Growth

229. Uganda's economic performance since the base review in 2008 has been remarkable, becoming one of the fastest growing economies in the world in the past decade. Most predictions also suggest that Uganda's high-speed economic growth is likely to continue into the next decade. Indeed, Uganda's own Vision 2040 is based on a projection of above 8% growth rate annually. Uganda's economic performance is led by significant and sustained public investment, particularly in infrastructure.
230. One major development since the 2008 Review has been the introduction of the first long term development plan. Uganda laid out Vision 2040 as a blueprint to guide development planning aimed at transforming the country from a peasant to a modern and prosperous economy within a period of 30 years. Vision 2040 is to be implemented through a series of five-year National Development Plans (NDPs). Uganda is now implementing the second NDP (NDP II) which covers the years 2015/16 to 2019/20.
231. Review and analysis of the macroeconomic policies and implementation framework and the consequent performance in terms of macroeconomic stability indicators, fiscal management, monetary policy, and sectoral policies and programmes, give a clear picture that the country has promoted and implemented well documented, predictable and transparent economic policies and programmes.
232. Although the performance of the economy has shown fluctuations over the past ten years, the Government of Uganda has made great strides in undertaking reforms that have contributed to sustaining economic growth over the years. Economic growth in Uganda has been largely underpinned by high government expenditure on infrastructure and the energy sector as well as high growth in construction.
233. While growth and poverty reduction have been impressive, Uganda has experienced a volatile economic growth rate; a continuous rise in interest rates; a significant depreciation of the Shilling; a decline in the relative importance of agriculture to the overall economy; and a growing youth population, with increasing unemployment and high level of the informal economy. There has also been limited structural

transformation of the economy, a reflection that growth has come largely from the services sector, which employs the highly skilled, rather than from the agricultural sector, which still employs 72% of the population.

Policy Implementation and Monitoring

234. State institutions often fall short on policy implementation, even where policies are clear and elaborate. Uganda is no exception in this regard, and the centrality of building effective, responsive and accountable institutions at all levels (and for all sectors, economic and social) becomes even more imperative in light of the ambition of Uganda's Vision 2040 to be a middle-income society in (now) less than 30 years. Among the challenges identified in this connection have been resource capacity (especially human resources), synchronization of policy initiatives, lack of monitoring and follow-up (coherent Monitoring and Evaluation systems), and unreliable data.
235. In Uganda there are laws, policies and standards sufficient to address all socio-economic challenges in the country. However, implementation of those tools and systems remains a critical challenge. Overlap of mandates and roles often results in conflict and ineffective service delivery.
236. Many of the current development challenges facing Uganda are well-understood by policy makers but require more significant progress in addressing them. These challenges include poor infrastructure, weak public service delivery, low levels of human capital, and underdeveloped institutions. These aspects, along with a host of other constraints facing Uganda are reflected in the government's National Development Plan and Vision 2040. The key challenge is, therefore, to address these constraints through a set of coordinated actions which close the large gap in implementing policies. Hence, what is really needed in Uganda is 'how to do' rather than 'what to do' (World Bank Group, 2015: viii).

3.1.2 Evolution of Issue

High Interest Rates

237. The 2008 Country Review Report (2008 CRR) highlighted the challenge of high interest rates. It underlined that credit should not only be more easily accessible, but should also be affordable, and recommended that Government should exercise caution in determining interest rates, as high interest rates deter private sector borrowing.

Stable but Dampened Economic Growth with low productivity in Agriculture

238. The 2008 CRR also noted the decline in share of agriculture in terms of its relative contribution to the economy, and one of the contributing factors cited in the report were low budgetary allocations to the sector. The APRM Panel recommended raising spending on agriculture to at least 10% of the national budget as recommended by the Comprehensive African Agricultural Development Programme (CAADP).

239. The 2017 Country Self-Assessment Report noted that Uganda's high rate of growth over the last decade has moderated recently, and that this slower rate of growth is attributed to factors such as slower global economic growth, a general decline in prices of exported commodities including coffee, tobacco and tea, as well as political turmoil in South Sudan which has emerged as a key trading partner in recent years. The CSAR 2017 recommends remedies such as increasing access to agricultural credit; incentivizing the importation of critical manufacturing equipment, and strengthening mechanisms that reduce the cost of doing business in partnership with the private sector. The CSAR 2017 underlines the importance of a supportive institutional framework for economic growth that can drive investment in agro-processing and manufacturing, critical for the transformation of Uganda's economy to higher value-added exports and products.

240. The CSAR 2017 discloses that, despite the fact that the agriculture sector employs 72% of Uganda's economically active population, it is the service and the manufacturing sectors that contribute the lion's share of Uganda's GDP. Growth in the agriculture sector has not kept pace with the manufacturing and service sectors, and this implies a

sluggish reduction in Uganda's poverty levels.

241. The Comprehensive National Development Planning Framework (CNDPF) has been described in the CSAR 2017 as the overarching blueprint for Uganda's Vision 2040, with an overall objective of "a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years". For the operationalization of Vision 2040, a series of National Development Plans were initiated to strengthen fundamental sectors of the economy including infrastructure (energy, transport, water, oil and gas and ICT); Science, Technology, Engineering and Innovation; land; urban development; human resource; and peace, security and defence. The strategy is based on a market-driven approach, which includes a mix of Government investments in strategic areas and private sector investment.

Policy Implementation and Monitoring

242. Uganda's macroeconomic policy framework has been based on liberalization since 1992, when the government abandoned state control over the economy, and opted for policies that place the private sector and open market competition at the forefront. The first APRM review of 2008, and the CSAR of 2017 present a number of policies that Uganda adopted in order to transform the economy and entrench a liberal, private-sector-led development. The reforms undertaken included removal of state controls and state intervention in the market, restructuring and privatization of state enterprises (SOEs), and removal of currency controls. On the socio-economic front, the country seeks to priorities expansion of the human resource base (through universal basic education, which now covers both primary and secondary schooling), extension of the infrastructure for health services, and widening the social security net. These two broad trajectories aim at achieving the twin goals of inclusive and sustainable growth, coupled with equity and poverty reduction.
243. Since the previous APRM review, Uganda has further strengthened the policy framework by, among others, adopting the following policies aimed at providing an enabling environment for free enterprise, investment stimulation and facilitation of commerce and transactions for economic growth: Commercial policy, Mining policy, Services policy, Agriculture policy, Tourism policy, Trade policy. The country has also adopted social policies that include universal secondary

education and expanded social security for vulnerable groups – including the formerly internally displaced. In addition, Uganda has strengthened its strategy of facilitating the integration of refugees by provision of land for establishment of settlements (villages) –in collaboration with development partners and the United Nations.

244. However, systematic implementation, coordination, monitoring and evaluation of these policies appears to persist as a challenge, thereby undermining effectiveness. The 2008 review (CRR of 2009) acknowledged effective policy implementation as a critical challenge to development in the country. The weakness in policy implementation was traced to corruption, inadequate resources, lack of capacity (particularly at lower levels), and the politicization of development programmes. The review further highlighted that the decentralized system for service delivery also suffers from many structural, operational and financial weaknesses which has tended to affect the quality of service delivery at local level. Weak policy and programme implementation in Uganda suggests the need to strengthen programme monitoring and evaluation capacity.
245. The 2011–2014 Uganda APRM progress report acknowledges the need to build capacity and strengthen inspectorate mechanisms to ensure efficiency, quality and safety in service delivery. This required the Ministry of Public Service (MoPS), Ministry of Local Government (MoLG), sector ministries, statutory agencies, Inspection Units in Government, Inspectorate of Government, Office of the Auditor General (OAG,) Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Education and Sports (MoES) to implement citizen charters on service delivery; determine inspection standards and conduct the inspections frequently; revise and update annual performance assessment of local governments (LGs); and extend the system to central government. The report further stresses that citizen charters were being implemented.
246. The 2008 CRR recommends strengthening the analytical capacity of both the Bank of Uganda and the National Planning Board. The capacity would be enhanced not only in terms of expertise and ability to collect and analyse up-to-date data, but also to coordinate and oversee policy implementation: production of progress reports and overviews that link the various policy initiatives in a consolidated fashion. In addition, the CRR proposed the development of an

integrated strategy for human and institutional capacity for delivery of basic social services. It called upon MoPS, the National Planning Authority (NPA) and MoES to produce a National Human Resources plan. However, the 2011–2014 progress report indicated that this has not been implemented. The Uganda Bureau of Statistics (UBOS) and the NPA spearheaded the piloting of the National Manpower Survey, which was expected to be completed in February 2015. The National Manpower Survey Report 2015 was expected to inform the formulation of the National Human Resources Plan.

3.1.3 Analysis and Findings of the CRM

High Interest Rates

247. Table 3.1 describes the trend in interest rates in Uganda over the ten-year period from 2007-2016. The Central Bank of Uganda, known as the Bank of Uganda, has as its core mandate the maintenance of price stability and a sound financial system. In July 2011, the Bank of Uganda reformed its monetary policy framework to meet the challenges of macroeconomic management generated by the transformation of the economy over the previous decade, including rapid growth and diversification of the financial system. The reform entailed the introduction of an inflation targeting lite (ITL) monetary policy framework, which replaced the previous framework that involved the targeting of monetary aggregates. The current policy is to hold annual core inflation to a medium-term target of 5%.

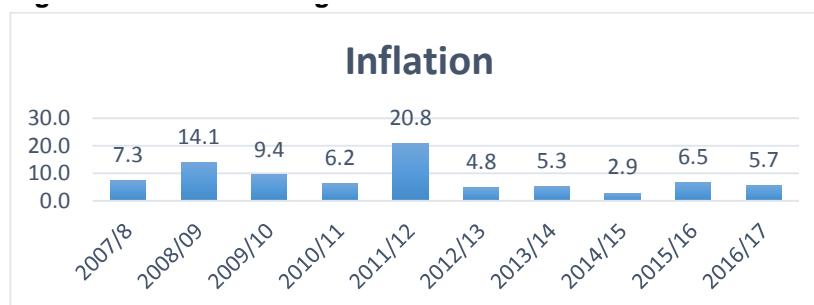
Table 3.1: Interest Rates 2007 – 2016

	Central Bank Rate	Rediscount Rate	Deposit Rates	Lending Rates(average)
2007	-	15,0	10,1	18,8
2008	-	14,1	10,1	19,6
2009	-	14,6	10,2	20,9
2010	-	8,6	8,7	20,7
2011	-	10,9	8,7	19,8
2012	19,8	23,9	18,4	25,3
2013	13,3	16,9	13,0	24,6
2014	11,5	14,5	11,7	22,2
2015	11,3	14,3	10,5	21,6
2016	16,3	20,2	14,4	24,0

Source: Bank of Uganda

248. Since adoption of the new ITL policy framework in 2011, Uganda has seen a decline in its inflation rate, as illustrated in Figure 3.1.

Figure 3.1: Inflation in Uganda 2007-2017



Source: Bank of Uganda

249. Despite the recent fall in the inflation rate, interest rates in Uganda remain among the highest in the East African Community (EAC) region. During the country review mission consultations, stakeholders voiced their concerns on the effects of high interest rates that started at the low end from 22 per cent.

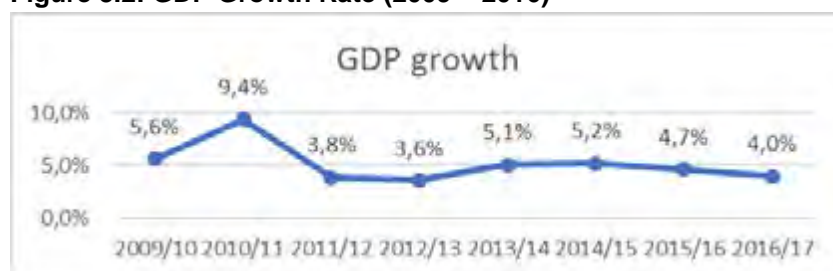
250. The CRM learnt that the high cost of credit is a major constraint for doing business in Uganda. The overall domestic credit to GDP ratio in Uganda stood at an average level of 13% of GDP over the past decade, far lower than the figures recorded by regional neighbours. This is corroborated by recent research described in the Economic Forum Global Competitiveness Report (2016-2017) which ranks the Ugandan economy at 120 out of 138 countries in affordability of financial services.

251. Considering Uganda is one of the most entrepreneurial countries in the world, the high cost of borrowing is of concern for the development of the private sector and small, medium and micro enterprises (SMME) in particular. Furthermore, the CRM notes that the country has one of the highest business discontinuation rates in the world.

Stable but Dampened Economic Growth with low productivity in Agriculture

252. GDP growth rate is one of the most important determinants of a country's relative level of economic health. Uganda's economy posted a positive growth trajectory over the last decade, albeit with wide fluctuations. After an impressive output performance registering an increase in growth from a 5.6% rate in FY2009/10 to 9.4% in FY 2010/11, GDP growth dipped to 3.6% in 2012/13, before edging back towards 5.2% in 2014/15. Since then, the rate has dipped to 4.7% in FY 2015/16 and 4.0% in FY2016/17.
253. The Uganda Vision 2040 projected a GDP growth rate of 8.44% under NDP I and 8.58% under NDP II. As highlighted in the CSAR 2017, the country has underperformed these planned growth rates, experiencing average growth rate of only 4.52% between 2011 and 2016, as illustrated in Figure 3.2. The recent dip in the rate of growth is forecast to continue with the projected rate dropping to an annualised rate of 3.9% by the end of 2017.

Figure 3.2: GDP Growth Rate (2009 – 2016)

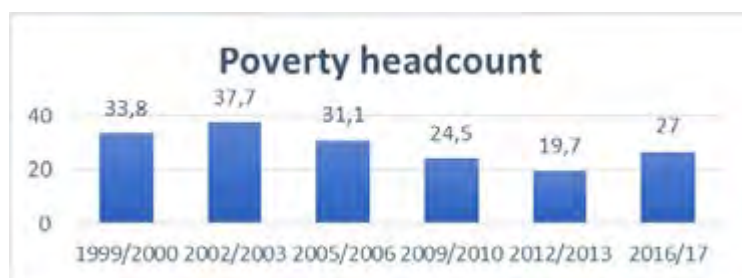


Source: Bank of Uganda

254. Rapid economic growth is a necessary condition to fast track poverty reduction efforts. Although poverty levels have fallen over the long term, as illustrated by Figure 3.3, recent data indicate an uptick in the most recent financial years, with the poverty level, measured by the poverty headcount ratio at national poverty lines (% of population), increasing from 19.7% in 2012/13 to 27% in 2016/17; mostly in the rural areas and predominantly in the Northern and Eastern regions (UNHS, 2016/17). This measure masks the extent of poverty and the fragility of recent successes, as the rate is based on a poverty line that was set over 20 years ago and may not fully reflect the

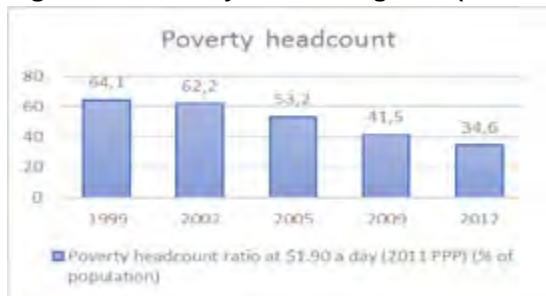
present reality of most Ugandans. The international extreme poverty line of USD1.90 a day placed the poverty headcount at 34.6% in 2012, and presents a more austere situation as described in Figure 3.4. While poverty levels in Uganda under this measure have been falling steadily over the last two decades, the poverty level measured is markedly higher than that captured by the national poverty line. Under the international measure, 34,6 per cent of Uganda were in extreme poverty in 2012. In addition, research suggesting that for every three Ugandans who were lifted out of poverty, two fell back into poverty between 2005 and 2009 illustrates the fragility of the gains realized by the poorest households.

Figure 3.3: Poverty levels in Uganda (National Poverty Line) 1999-2017



Source: Uganda Bureau of Statistics (The Uganda National Household Survey 2016/17)

Figure 3.4: Poverty levels in Uganda (international poverty line) 1999-2012



Source: World Bank, <https://data.worldbank.org/indicator/SI.POV.DDAY?locations=UG> retrieved on 25 November, 2017

255. Among the three major economic sectors namely agriculture, industry, and service; the performance of the service sector overshadows the growth trajectory of the agricultural and industrial sectors. The CRM found that growth has mostly emanated from the services sector which contributed over 50% of the overall GDP.

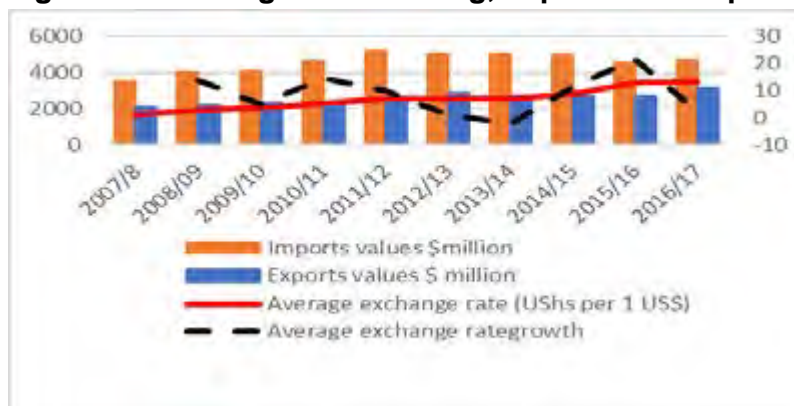
¹⁴Ssewanyana, Sarah, and Kasirye, Ibrahim. 2013. "The Dynamics of Income Poverty in Uganda: Insights from the Uganda National Panel Surveys of 2009/10 and 2010/11", EPRC, Occasional Paper No. 35.

256. The role of the agricultural sector in Uganda's economy cannot be over emphasised. Much of Uganda's poverty reduction is built on agricultural income growth that particularly benefits poor households. A study by the World Bank revealed that "Poverty reduction among households in agriculture accounts for 79 percent of national poverty reduction from 2006 to 2013." Increased agricultural output and productivity tends to contribute substantially to overall economic development in the country. The sector provides food and raw material to non-agricultural sectors of the economy; it is an important source of foreign exchange through the export of agricultural products; and provides employment opportunity for the vast majority of unskilled labour. In recent times, rapid economic growth in Uganda was unable to pull labour out of the low productive agricultural sector to the high productive services and industrial sectors.
257. The relative contribution of the agricultural sector to the overall economy has declined in recent times. Although, the government has increased allocations to the agricultural sector in the 2016/17 budget to Ush 832.42 billion, representing a 65% increase from the previous year, this is barely 2.9% of the total budget. Thus, the sector has not been able to meet the recommended spending target of at least 10% of the national budget on agriculture under the Comprehensive African Agriculture Development Program (CAADP) program. Despite its potential to contribute to sustainable and broad-based economic development in Uganda, as well as its important effect on poverty alleviation, the sector requires more investment.

Export Competitiveness

258. Uganda's removal of currency controls has been part and parcel of the liberalization policies adopted in the early 1990s aimed at facilitating trade, investment and integration in the wider global market, but specifically to facilitate exports, while simultaneously availing foreign currency to local businesses to import various goods and services.
259. Currency depreciation is associated with more competitive exports. However, as illustrated in Figure 3.3, although the Ugandan shilling has been depreciating continuously over the last decade, this has had little discernible impact on exports. The declining exchange rate has, however, rendered domestic debtors more vulnerable to higher costs of repayment of foreign-denominated debt.

¹⁵World Bank 2016, The Uganda Poverty Assessment Report 2016

Figure 3.5: The Ugandan Shilling, Imports and Exports

Source: Bank of Uganda

Policy Implementation and Monitoring

260. Among the core hurdles to addressing the challenges of capacity to implement and monitor policies has been the reduction of the share of the government budget allocated to recurrent spending. Many government departments and agencies both in central and local governments operate at levels as low as 30% capacity because of the high wage bill relative to their total budgets. In consequence, the implementation of policies is undermined. An example has been Operation Wealth Creation, where personnel assigned to facilitate farmers (including extension workers) have had little financial and administrative support, tools and equipment, and as a result, contribute little to agricultural development in their districts.

261. While the NPA is tasked with the “bird’s eye view” of monitoring and synchronization of government policies and their delivery, basic data on progress in implementing policy often resides with the ministries, departments and agencies (MDAs). The slow implementation of M&E in Government is partly attributable to this lack of sharing of information and coordination, which has contributed to poor implementation of projects and programmes with concomitant poor usage of public resources and low accountability.

262. The CSAR states that the Uganda has developed a National Policy on Public Sector M&E, whose objective is to strengthen the coverage, quality and utility of the assessment of public policies and investments. This is linked to the overall strategy of making the

country a middle-income society in 30 years (Uganda Vision 2040). Nevertheless, this policy has not been fully implemented.

3.1.4 Recommendations from the Panel

- To spur economic growth and meet the target set by NDP II and accelerate poverty reduction it is recommended that the government of Uganda should strengthen its efforts in developing and supporting the agricultural sector. Specifically, the Government should prioritise the allocation of budgetary resources to this sector to adhere to the recommended target of at least 10% of the national budget in line with the AU 2003 Maputo Declaration on Agriculture and Food Security. (Ministry of Finance, Planning and Economic Development)
- The CRM commends the BoU's effort in containing inflation. However, it is recommended that government should consider introduction of additional policy measures to regulate and reduce the high level of interest rate. (Bank of Uganda)
- The CRM recommends that Uganda should strengthen the human resource capacity of the NPA to deepen and sharpen its mandate to oversee and coordinate the implementation of policies. This would consolidate its M&E and well as policy advice function. (National Planning Authority)
- The CRM recommends that Uganda expand the "reorientation" of public service through a concerted programme of "training for M&E" to reinforce the results-based planning system already in place. Only with the systematic and consistent production of performance data can M&E succeed and overcome the challenges to service delivery identified. (National Planning Authority)

¹⁶From <http://www.u4.no/publications/uganda-overview-of-corruption-and-anti-corruption/>

3.2 Public Finance Management and Corruption

3.2.1 Introduction

Public Finance Management

263. The state of the public service as demonstrated by the delivery of basic services to the citizenry is a manifestation of some underlying factors, chief among them being the quality of the management of public funds. Public Financial Management (PFM) is thus about the collection of revenue by government and their expenditure in a manner that maximises value for money. The Government of Uganda established the necessary institutions, structures, systems, and enforcement mechanisms to ensure sound PFM. Despite these institutions and processes, there are concerns about public funds misappropriation and the effects of corruption. The management of public finances also plays a key role in improving the linkage of policy priorities to budgetary planning.

Corruption

264. The base report in 2008 identified corruption as of serious concern in Uganda. This scourge remains of concern. Indeed, it has intensified based on the drop in Uganda's ranking in the Corruption Perception Index from 126 in 2008 to 151 out of 176 countries in 2016.

265. Corruption in Uganda is endemic, and affects many sectors including government procurement, the police and the defence, education and health sectors. The Ugandan government has recognized that corruption is one of the main challenges facing the country. In a bid to curtail the menace, several reforms, laws and new institutions to fight corruption have been established. Nevertheless, in spite of recent investigations and corruption trials, an effective enforcement of the laws in place is still missing.

3.2.2 Evolution of the Issue

Public Finance Management

266. The Uganda Country Review Report (CRR) of 2008 alluded to the fact that the country has developed a reasonable legal and administrative infrastructure to enhance effectiveness in the management of public finances, and that the fiscal linkage between

the central government and local authorities is well developed and articulated, with fiscal mandates of the key agencies well defined. There are also well-developed guidelines for facilitating the effective mobilisation of resources, budgeting, disbursements and accounting.

267. The CRR 2008 noted that despite the excellent institutional arrangement, a number of challenges rendered the performance of these institutions less effective:

- The existence of discretionary revenue laws and unsatisfactory enforcement of existing legal provisions;
- The lack of a medium to long-term planning horizon that is sufficiently synchronized with medium to long-term budget projections;
- The inability of Parliamentary Public Accounts Committees to be current in scrutinizing annual accounts. At the time of the second review mission to Uganda in October 2017, the backlog experienced by all the Committees is for the period 2001/2 to 2006/7. The District Public Accounts Committees have also not been able to discharge their duties effectively and on time due to constraints in terms of both financial and human capacity;
- The Oversight function is impaired due to inadequacies in institutional capacity both in the Parliamentary and District Public Accounts Committees; and
- There is uneasiness and functional friction between the Office of the Prime Minister, the MOFPED, the MoLG (Ministry of Local Government) and the NPA in the planning, budgeting, implementation, monitoring, evaluation and reporting of activities of the decentralisation initiative.

268. To address the above challenges the following actions aimed at institutional improvement, enhancement of oversight, operational strengthening and flexibility in expenditure were recommended in CRR 2008:

- Institutionalise planning and budgeting linkages between the central government and local authorities through migration from an inclusive medium to long term planning framework (NPA);
- Develop a fully integrated and costed long-term development plan for the country, from which short and medium-term national and local-level plans and associated costs are derived (NPA);

- Enact the Local Government (Amendment) Bill of 2007 (Parliament);
- Strengthen expenditure reporting and monitoring to enhance accountability and value for money (MOFPED; MoLG);
- Hold the Parliamentary Accounts Committee accountable and require it to be current with its oversight function by making a legal provision ensuring that the Committee conducts its business on a timely basis (Parliament);
- Enhance both onsite and offsite technologically supported supervision and monitoring (an oversight system) to curb possible pilferage and misallocation (MOFPED; MoLG);
- Enhance and time-scale planned programmes for strengthening fiscal systems in local authorities (MoLG);
- Ensure strict enforcement of existing laws on expenditure control (MoLG);
- Progressively liberalise the utilisation of grants to local authorities (MOFPED; MoLG); and
- Develop a proactive capacity-enhancement programme allowing authorities to spend their resources in areas of real priorities within broad MoLG guidelines (MoLG).

Parliamentary Accountability Committees

269. The government of Uganda is aware of the need to implement legislative oversight in the conduct of public funds management through timely conduct of business by the Parliamentary Public Accounts Committee (PAC). The first APRM Annual Progress Report indicated that the backlog for six years (FY2001/2 – FY2006/7) of annual reports were not scrutinized due to capacity inadequacies. The Plan of Action emanating from this report recommended that Government should make legal provision to ensure the PAC conducts its business on a timely basis. The inability of PACs to scrutinize local government accounts was partly attributed to delays in submission. It was further disclosed that Parliament has no provisions to sanction Local Governments for delays or failures to submit their reports, apart from temporary detention of accounting officers. The delays in submission have also been documented in the second and third APRM progress reports. The fourth annual progress report highlighted that for the three accountability committees of Parliament (The

Public Accounts Committee (PAC), the Local Government Accounts Committee (LGAC) and the Committee on Statutory Authorities and State Enterprises (COMSECA)), delays in scrutiny in recent times had been due to fewer submissions of reports.

Corruption

270. The first Country Self-Assessment Report (2008) noted that government of Uganda has instituted various laws and a regulatory framework aimed at reducing corruption. Some of these measures include: institutionalization of the Inspector General of the Government (IGG), the leadership code of conduct of 2002, and the Whistle Blower Act of 2006. Subsequently, the IGG was able to deal with several cases of corruption, while also enforcing the leadership code. Nonetheless, the perception of corruption as an endemic challenge has remained, as captured in the Transparency International CPI reports. This may be due to a combination of factors captured in anti-corruption reports including a lack of commitment on the part of the government to implement recommendations of various anti-corruption agencies and commissions of enquiries, as well as weaknesses in the procurement process and a general permissive culture that tolerates corruption.

271. To address the problem, the 2008 APRM Country Review Report (CRR 2008) recommended the following actions:

- Political leadership in Uganda to continue to address corruption head-on, as this is a major issue in the country;
- Sustained efforts to strengthen public awareness of corruption; to encourage interest in the fight against corruption; and to educate the public on the impact of corruption on the economy, such as that the money stolen through corruption affects the government's ability to provide social services (central government; MoLG; local authorities; civil society; the public);
- The IGG to be allocated adequate resources to carry out its mandate effectively at all levels (MOFPED);
- The IGG's regional offices to be strengthened and adequately resourced to cover the district level (government);
- An institutionalised and integrated partnership approach to fighting corruption to be developed, which involves the public, civil society,

the private sector and the institutional framework (government; local authorities; private sector; civil society);

- Tighter scrutiny and checks of the public tender system to be developed and implemented in order to minimise incidences of corruption (government, local authorities);
- The recommendations of the anticorruption commissions to be implemented and existing rules and regulations also enforced (government); and
- The enactment of the Anti-Money Laundering Bill to be fast-tracked (Parliament).

272. The annual APRM Progress Reports for the base review suggest slow improvement in the fight against corruption. The reports document the establishment of a separate anti-corruption court as a Division of the High Court in July 2008. This court has been strengthened in terms of human and material capacity; the APRM National Program of Action (NPOA) recommended appointment of at least four judges, two of which were first appointed and later increased to three by the end of June 2013.

3.2.3 Analysis and Findings of the CRM

Public Finance Management

Parliamentary Accountability Committees

273. The CRM notes that, in addition to the challenge of parliamentary committees not fully exercising their oversight roles over local and central government finances, the FY 2013/14 Government Annual Performance Report also reports that the performance of the PAC, LGAC and COMSECA committees has declined over time, for reasons such as reports remaining in draft form. The Recommendation from the CRR 2008 review on improving performance of the Committees is yet to be implemented.

274. The CSAR 2017 did not report on the performance of parliamentary committees. However, it is worth noting that the Parliament of Uganda signed an MoU with USAID under which RTI International, a local implementing partner, would train and strengthen the oversight committees of Public Accounts and Local Government Accounts. This would enhance the capacity of the committees to fulfil their

oversight functions. In addition, CRM noted the efforts of the Office of the Auditor General at strengthening the capacity of the committees by establishing a Parliamentary liaison unit.

Funds Management

275. The CRM underlines the need to strengthen expenditure reporting and monitoring to enhance accountability and value for money. Uganda's first annual progress report on the APRM elaborated on the burgeoning size of government and the need to review the policy of expanding administrative and legislative units. The second and third annual reports indicated that the review was yet to be done and underlined the necessity to undertake reforms. Indeed, it is reported in the fourth annual report that the policy of creating more government units was suspended in March 2013 pending due to the inadequate capacity of existing units to deliver services while more focus was given to reforms in public expenditure.
276. The CRM has learned that several accountability measures to efficiently and effectively use public resources are being implemented including: (i) Innovations in cash management such as implementation of the Treasury Single Account (TSA); (ii) improved payroll and pension management with the implementation and rollout of the Integrated Personnel, Payroll and Pension System (IPPS); (iii) enhanced budget transparency hinged on the continuous publication of budget and quarterly releases; and (iv) enforcement of controls through use of the Integrated Financial Management System (IFMS).
277. There have been some notable reforms towards addressing the recommendations in the base report, after the reporting period for the fourth APRM Progress Report including improvements in the evaluation process, enactment, monitoring and oversight of public financial management. The CSAR (2017) also reports that the country has designed a legal framework that guides and regulates the implementation of internationally acceptable accounting standards. To demonstrate their commitment, the Companies Act of 2012 was enacted and was later accompanied by the review of the 2008 Public Procurement and Disposal Authority (PPDA) Act. The review was to align the PPDA Act with the Companies Act and includes provisions in the Institute of Corporate Governance of Uganda (ICGU) Code of Corporate Governance as it relates to Uganda. The country now has the Amended PPDA Act and Regulations 2014. Uganda is in

the process of adopting the International Public Sector Account Standards (IPSAS) through their Ministry of Finance, and the Bank of Uganda continues to implement the Basel Principles on effective banking supervision under the guidelines of Basel I and II.

278. The CSAR reports that Uganda has continued to strengthen its internal audit mechanisms covering all government MDAs to ensure proper utilization of public funds. It notes, however, that the internal audit units are still facing challenges such as limited technical and logistical capacity and the need to cover all expenditure points. To further ensure accountability, the Office of the Auditor General (OAG) is tasked with the responsibility of auditing all public offices including the Courts, as well as both central and local governments, universities and other state institutions to conduct value for money audits and prepare an annual audit report for Parliament.
279. The CRM notes that the OAG has expended commendable efforts in auditing of public institutions. The country has strengthened its internal audit mechanisms to ensure accountability and judicious use of public funds by all government MDAs. The OAG Performance Report of 2016 stated that as at 31st December 2016, a total of 1,417 audits including 1,323 financial audits, 83 Forensic Investigations, eight value for money audits and three specialised audits were completed and reported on, while 802 financial audits and three Value for Money (VFM) audits were still in progress.
280. The OAG is mandated to submit annual audit reports to Parliament. Parliament has considered a total of 143 reports (about 10% of completed audits) including 13 reports on statutory authority's state entry and 133 local authorities. These reports have been adopted by the main house. However, PAC reports covering 50 entities and two Value for Money are yet to be tabled for adoption by Parliament. Other challenges affecting the performance of the audit process include capacity constraints at the OAG including under-staffing, a high staff turnover, and financial constraints. This has affected the ability of the OAG to meet its mandate to audit the use of public funds at institutions such as local governments and schools.
281. The CRM observed that there is a delay in the adoption of the International Public-Sector Accounting Standards (IPSAS) for standard accounting procedures in resource management by all institutions in the country. The slow adoption may hinder proper

and detailed accountability of government finances with respect to efficiency, transparency and effectiveness. Incorporating the IPSAS framework through its full adoption as an international accounting standard for all public institutions in the country will promote public trust, growth and long-term stability of the economy.

282. The Government has created a web portal presenting information relating to public sector budgets as approved by government. Government also presents Parliament with an annual fiscal performance report. Moreover, at the beginning of every 5-year electoral term, the newly elected government presents a charter of fiscal responsibility to Parliament.

The MTEF process

283. The government of Uganda recorded success in the implementation of some policies. A notable example is the implementation of the Inflation Targeting Lite (ITL) monetary policy framework that has resulted in a reduction in inflation. However, the government has been confronted with some implementation challenges of the National Development Plan (NDP), especially with regards to aligning the Medium-Term Expenditure Framework (MTEF) with strategic objectives of the development plan. The MTEF is a three-year framework that links policies and plans to the budget, while the NDP is a fixed five-year plan which may require higher resources than actual, thus compromising the link between the MTEF and NDP. In other words, there is lack of inter and intra-sector linkages in development planning and budgeting to facilitate coordinated implementation of the NDP. This demonstrates the current weak public-sector management that pervades the public sector institutional structures and systems. Thus, more serious efforts are required to strengthen public sector management.
284. Other challenges includes : (i) lack of planning, prioritization, and sequencing of investments leading to misalignment between the Public Investment Plan (PIP) and MTEF; (ii) a limited technical analysis and appraisal before inclusion of projects in the NDP; (iii) limited analysis of the financing requirements of individual projects before inclusion in the NDP; (iv) weak technical capacity in Ministries, Departments, and Agencies (MDAs) to develop, manage and implement complex projects; and (v) slow procurement.

285. The CRM notes that there are notable achievements towards the implementation of a predictable MTEF process, such as the adoption of the Output Based Budgeting Tool and approval of the budget before the beginning of the financial year.

Fiscal Decentralisation

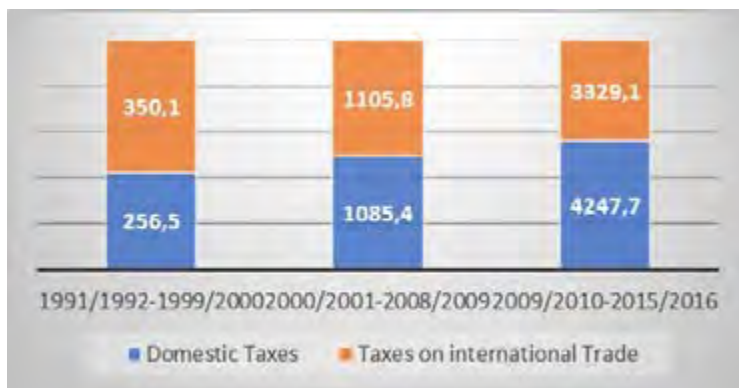
286. On fiscal decentralization in the country, the CSAR reports that Uganda has introduced the Local Government Act (LG) (1997) and later CAP 234 to promote effective decentralization and devolution of functions, powers and services. To achieve effective decentralization, many policies have been initiated which include Local Economic Development (LED) Policy to provide a framework for partnerships in local economic development and to serve as a vehicle for promoting and implementing LED initiatives at the local government level in Uganda. It is intended to further deepen the decentralization process, eradicate poverty and ensure inclusive, sustainable and equitable economic growth at the local level. The country is also aiming at redefining the purpose of decentralization as a potential economic development vehicle and closing capacity gaps at LGs in providing necessary public services to citizens.

Tax System, Structure and Administration

287. The CSAR 2017 highlighted that Uganda relies heavily on indirect taxes. The CRM observed that there have been laudable efforts at increasing domestic revenue, largely from direct taxes relative to indirect taxes, with an increase in the collection of taxes on international trade (more than 50% of tax collection between 2009/10-2016/17) as described in Figure 3.6. This is at variance to the practice in many countries where international trade taxes usually account for less than 30% of government revenues. Other neighbouring countries have substantially increased indirect taxes on goods and services to compensate for possible declines in international trade taxes which are dependent on the external environment and may fluctuate widely.

¹⁷ During her Budget Speech 2012/2013 delivered on June 16, 2012, the Minister of Finance announced that the top rate personal income tax would effectively be increased to 40% in the financial year 2012/13. An additional 10% would be imposed on individuals with annual income of or exceeding Ush 120 million (about USD46 000 in 2012) (Republic of Uganda, 2012). The changes were effected in October 2012 in the Income Tax (Amendment) Act, 2012 no 4/2012.

Figure 3.6: Average Domestic and international trade taxes (Million Ush), 1991/1992-2015/2016



Source: Uganda Revenue Authority

288. Uganda is faced with the challenge of a lean tax base and a high cost of tax administration. Other challenges include poor disclosure of potential tax payers, tax evasion by multiple businesses, weak broader control systems and under valuation of good and services during tax assessments. Despite these challenges, the Uganda Revenue Authority (URA) has succeeded in expanding the revenue base to an amount of Ush 11.2 Trillion for FY 2015/16 from Ush 9.7 Trillion in 2014/2015 as illustrated in Figure 3.7. Indeed, tax collection has consistently increased since the 2008 base review. This notable achievement is due to the introduction of an e-tax system and public sensitisation .

Figure 3.7: Tax Collection (Trillion Ush), 2009/2010-2015/2016



Source: Uganda Revenue Authority

289. To promote revenue mobilization, the country has attracted foreign direct investment to the agriculture, oil and gas and other minerals, as well as the service sectors. Other efforts include restoration of the Uganda Development Corporation to promote investment in strategic areas, and promotion of Public Private Partnerships through the PPP Act.
290. In conclusion, Uganda has introduced some notable reforms in the area of public financial management. In future, there is a need to improve transparency and accountability, as well as effective delivery of public services.

Corruption

291. The APRM Progress reports after the first country review emphasised the need to have a coordinated institutional framework to combat corruption. In the first review year, efforts were recorded in terms of strengthening of the Inter-agency forum through several anticorruption interventions such as the National Anti-Corruption Strategy and the Anti-corruption Country Threshold programmes. The efforts began to yield some results by the end of the second and third progress reports, where it was reported that there was increased coordination among the Justice Law and Order Sector (JLOS) agencies in the chain of fighting corruption which has resulted in conviction rates of over 90 per cent. The reasons ascribed to this success were the adoption of prosecution-led investigations and relatively increased facilitation of the work of the anti-corruption agencies. Although, the JLOS Anti-Corruption Strategy was not approved by the end of the third progress report, however, part of the strategy such as strengthening the Anti-Corruption Court and its partner institutions to fight corruption and improving financial management through regular audits, were being implemented to improve integrity in the sector. These efforts were further strengthened in February 2014 when the government operationalised the Human Rights and Accountability Working Group at the sector level, which has as members all the 17 institutions working in the JLOS sector as well as CSOs and development partners.
292. The National Programme of Action emanating from the first APRM review called for the appointment of members to the Leadership Code Tribunal as one of the priority actions. The establishment of the Tribunal is enshrined in the 2005 constitution (as amended).

However, the process of operationalizing it was delayed due to the court disputes within government on the Leadership Code. The eventual ruling of the constitutional court has significantly set back the enforcement of the leadership code because of the lack of leadership code tribunals. While leaders continued to comply by declaring their assets and liabilities during the review period, the lack of an appropriate institutional framework and enabling laws for enforcing the Leadership Code Act has jeopardized the full enforcement of the leadership code by the IGG. During the FY 2013/14, government re-committed itself to implementing a High-Level Government Financial Management Reform Action Plan in which, among other things was the establishment of a Leadership Code Tribunal. To remedy this situation, the Government should consider tabling the Leadership Code Amendment Bill in Parliament, as this bill was considered by Cabinet several years ago.

293. The NPOA of the first APRM review report called for the expediting of the enactment of the anti-money laundering law. The first annual progress report acknowledged that government, through the Ministry of Finance, Planning and Economic Development (MoFPED), took action by setting up an Anti-money Laundering Committee to expedite the finalisation of the drafting of Anti-Money Laundering Bill, which was approved by Cabinet in January 2009. The second and third progress reports reported that the Bill was presented to Parliament for first reading on 3 November 2009 and referred to the Committee on Finance for scrutiny, and by July 2013 (as reported in the fourth progress report) the Anti-Money Laundering Bill was finally passed into law. It criminalises money laundering; facilitates its investigation and prosecution; and provides for specific measures to detect and deter it. It prohibits conversion, transfer or transportation of property suspected to be proceeds from crime, or provision of assistance to another person to benefit from such transactions.
294. The CRM, after consultation with stakeholders, is of the view that recommendations of the anti-corruption commissions should be implemented, and existing rules and regulations enforced. An example of this is the case involving the Global Fund to fight AIDS, TB and Malaria, where a USD 200 million grant to Uganda was mismanaged and a Commission of Enquiry set up to investigate the case. The 2008 report discloses that by April 2006, Ush100 million had been recovered and deposited in the government's account at

the Bank of Uganda. However, 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 have not been appropriately sanctioned. Progress was reported on this particular case in the first APRM progress report. 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; some actions were referred to the IG for investigation, while others were referred to the Police and line ministries. Nearly 300 beneficiaries of the grants were directed to refund the cash that was received and follow-up actions to recover the funds had been instituted. The third APRM progress report notes 57 Global Fund cases were identified for investigations; four cases were completed, two were under hearing, six cases closed for lack of sufficient evidence; 36 cases were under various levels of investigations; and nine cases were under pending investigation. The imprisonment of individuals convicted of stealing Global Funds cash compelled other suspects to return the cash they had allegedly stolen, even before they were arraigned in court.

295. Improvement in prosecution of anti-corruption cases was also noted in the fourth APRM progress report with an increase in the number of completed corruption cases. Between 2011 and 2014, the share of reported corruption cases that were investigated and completed ranged between 53 and 67%. The report also noted some challenges. It was observed that by the end of FY 2013/14, recommendations from the Inspector General of Government (IGG) and the Office of the Auditor General (OAG) were often ignored or only partially implemented by relevant institutions. The IGG prepared reports to be tabled and discussed in Parliament, but they were rarely discussed, and recommendations remained unimplemented.
296. The slow processes of prosecution and civil litigation has hampered the realisation of targets by the Inspectorate of Government. The CRM further observes that government departments are taking long to implement the IGG's reports. The CRM has learned that, in some instances, delays and/ or refusal by some government institutions to respond to inquiries by the Inspectorate of Government has greatly

hampered its work.

297. The CSAR 2017 presents the efforts, programmes, enactments and initiatives by the Uganda government to reduce corruption and money laundering. The report reiterates the fact that corruption in the public and private sectors in the country remains a worrying challenge despite the different measures to fight corruption through the current institutional framework including the work of the Inspector General of Government, the Office of the Director of Public Prosecutions, the Uganda Police (Criminal Investigations Department), the Anti-Corruption Court, the Commercial Court, the Office of the Auditor General, the Judicial Service Commission and the Public Procurement and Disposal of Assets Authority.
298. Other measures initiated by the government as reported in the CSAR 2017 include adoption of Public Finance Management (PFM) Act in 2015, adoption of a Treasury Single Account framework, strengthening of the Integrated Financial Management System (IFMS) in FY2013/14, development of the decentralized payroll system in FY 2013/14 and the localized corruption-monitoring tool. All these are in addition to the successes made in passing the Anti-Money Laundering Bill into law in 2013, and the establishment of a Financial Intelligence Authority in 2014 to combat money laundering.
299. During its discussions with stakeholders at central and district level, the CRM noted the palpable feeling of the need to more effectively fight corruption. Stakeholders agreed that the necessary anti-corruption institutions exist, but there is need to reinforce political will in Government and to support the work of the anti-corruption agencies in fighting this scourge.

3.2.4 Recommendations of the Panel

Public Finance Management

- The Parliament should investigate and address the causes of delay in submission of Audit Reports to the relevant Accountability Report Committees and then make the necessary provisions on when the reports will be submitted with the sanctions for non-adherence to the procedures and regulations, which should include, but are not limited to withholding of allocations to the erring local governments (Parliament);

- In a bid to ensure proper utilization of public fund, the process of auditing should be enhanced through appropriate budgetary allocation and establishment of competitive considerations for the workforce of the OAG. (Office of the Auditor General)

Corruption

- The investigating organs should be more coordinated and funded to bring more cohesion and effectiveness in the prosecution of corruption cases. (Ministry of Finance, Planning and Economic Development, local authorities)
- Prioritise and enforce deterrent investigation, prosecution and, publicity of high-profile corruption cases to restore public confidence and to enhance public awareness including a ban on holding political office for those convicted of receiving stolen money. (Inspectorate of Government); local authorities; private sector; civil society)
- There should be a conscious effort of the government, the private sector and civil society to jointly perform their functions of sensitization and monitoring of corruption cases in the country. (Government; local authorities; private sector; civil society)

3.3 Domestic Resource Mobilization and Investment Promotion

3.3.1 Introduction

Domestic Resource Mobilisation

300. Domestic resource mobilization (DRM) refers to the generation of government revenue, both tax and non-tax, from domestic sources. The performance in domestic resource mobilization in Uganda has improved significantly since the establishment of the Uganda Revenue Authority (URA) in September 5, 1991 as the oldest integrated revenue authority in sub-Saharan Africa. DRM in Uganda is regarded as a central element in financing development goals. DRM can bridge the funding gaps and enhance ownership of national development priorities.

301. Although, the proportion of Uganda's budget funded by international development aid is declining, Uganda remains a large recipient of official development assistance (ODA), with annual receipts of over \$1.5 billion over most of the last decade as illustrated in Figure 3.8, and the proportion of aid-to-GDP remaining at approximately 10%. DRM is a means to reduce Government's overdependence on foreign aid to finance its budget and development plans, as well as mitigate the adverse impact of volatility and uncertainty in aid flows.

Figure 3.8: Uganda's Net Official Development Assistance (ODA) Received



Source: World Bank database

302. The Uganda Revenue Authority (URA) was set up by the Uganda Revenue Authority Statute No. 6 of 1991 as a central body to assess and collect specified tax revenue, to administer and enforce the laws relating to such revenue, and to account for all the revenue to which those laws apply. The Uganda Revenue Authority Act Cap 196 was put in place to provide the administrative framework in which taxes under various Acts are collected. The Uganda Revenue Authority administers the tax laws (Acts) on behalf of the Ministry of Finance, Planning and Economic Development (MoFPED) under the following legislation regulating taxes:

- i. Customs Tariff Act. Cap 337.
- ii. East African Customs Management Act
- iii. Excise Tariff Act Cap 338.
- iv. Income Tax Act Cap 340
- v. Stamps Act Cap 342
- vi. Traffic and Road Safety Act Cap 361
- vii. Value Added Tax Act Cap 349
- viii. The Finance Acts.
- ix. All other taxes and non-tax revenue as the Minister responsible for Finance may prescribe.

Investment Promotion

303. Since the NRM government came to power in 1986, Uganda has undergone various macroeconomic adjustment and structural reforms aimed at building an integrated, independent and self-sustaining economy. The Government introduced a liberalization program in the early 1990s which played a vital role in ensuring the inflow of foreign investment, as well as the promotion of domestic investment. This aggressive effort has yielded a two-fold growth in Foreign Direct Investment (FDI) inflows over the last decade alone. At present, Government is aggressively working on establishing 22 industrial parks aimed at creating jobs and adding value to locally available raw material. These parks are distributed in different regions on the basis of the comparative advantage of the region.

304. Despite this encouraging effort to attract and promote both local and international investment, liberalisation and FDI-led investment has led to the dominance of a few multinational and foreign owned enterprises in key economic sectors including telecommunications, finance, and insurance. Furthermore, cases of tax malpractices as well as manipulation of investment incentives have been of concern to authorities.

3.3.2 Evolution of the Issue

Domestic Resource Mobilisation

305. The 2008 Country Review Report (2008 CRR) recognizes resource mobilization as a major challenge, especially as it relates to the need to reduce the fiscal deficit as well as the reliance on aid for budget support. Tax revenues accounted for about 96.4% of total revenue in the budget statement of 2007/8. It was in this context that the CRM examined the soundness and degree of openness of tax policy formulation and implementation. It was noted that tax policy formulation and implementation was quite clear, especially for the Central Government, but this process is often not replicated at local government levels. Improved formulation of tax policy at the local government level was recommended by the 2008 CRR. More broadly, it called for strengthening of the country's capacity to mobilise domestic resources for funding economic and social development programmes.

306. The CRM observed that tax policies affect mainly the formal sector, leaving out the more than 80% of the population operating in the informal sector. The 2008 CRR further noted that no major review of the Ugandan tax system had been conducted to assess whether it had met tax revenue objectives. It 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 potential contribution to growth in domestic revenue.

307. The first Annual APRM Progress Report, for 2008-2009, disclosed that no comprehensive review of tax policy had been implemented as recommended by the first APRM review. Nevertheless, it reported on developments in tax administration and expenditure that affected government revenue including the (i) adoption of a combination of tax waivers and exemptions mainly to encourage and stimulate

private sector investment; (ii) enhancement in access to certain basic social services; and (iii) stimulation of the agricultural sector through increased agro-processing capability and value addition.

308. The tax policy intentions were also characterised by introduction of new taxes such as the local service tax, which came into effect on 1 July 2008. In FY 2009/10, a shortfall of Ush152 billion was reported and ascribed to external shocks, including the global economic downturn, as well as domestic structural constraints. The need to broaden the tax base was pursued through holistic tax reforms that would absorb the informal sector into the tax net.
309. The third Annual APRM Progress report also recorded progress for the period 2010-2011, including reforms in tax administration addressing efficiency which lowered compliance costs. This included the roll out of the e-tax system which led to an increase of one percentage point in the tax revenue to GDP ratio.
310. Significant improvements were also documented in the fourth Annual APRM progress report, covering the period 2011-2015. Government embarked on infrastructure investment in priority areas that eased the cost of doing business and broadened the tax base. As recommended by the base review, a review of the tax regime was completed, which enhanced compliance with international best practices and yielded improvements in tax generation including tightening of the tax exemption regime to bring more taxpayers on board.

Investment Promotion

311. The prevalence of foreign business in the major economic sectors, especially banking has been noted in the CSAR 2017. The CSAR indicated that the largest commercial bank is Stanbic Bank which accounted for a 19% market share, followed by Stanchart Uganda at 14%. These two banks are multinational banks. The largest local banks include Crane Bank with a 9.3% market share, and Centenary Bank with an 8.8% market share.
312. The CSAR reported that, out of the top 10 listed tax payers in the country, seven were foreign owned. While the liberalised domestic market has facilitated the inflow of investment and led to increasing involvement of foreign owned business in the Uganda economy, this may also render the economy vulnerable to any form of capital and

investment withdrawal. A second concern related to the Country Review Mission (CRM) during its stakeholder consultations, and already reported as a challenge in the 2008 Country Review Report (2008 CRR) is the prevailing sentiment that investment incentives are mainly targeted at foreign investors. The report alluded to the existence of long-term tax holidays and provision of industrial land for foreign owned business that jeopardised the competitiveness of existing domestic industries in similar sectors (such as BIDCO vs MUKWANO in the edible oil sector), (First APRM Country Review Report (CRR 2008), paragraph 764). The report also emphasised the perception of an absence of a level playing field between domestic and foreign investors. In addition, a lack of clear understanding of investment regulations was noted among Ugandan business owners, and the 2008 report recommended the sensitisation of Ugandans on available investment incentives.

3.3.3 Analysis and Findings of the CRM

Domestic Resource Mobilisation

313. Tax revenue constitutes the largest part of government domestic revenue in Uganda. The most common economic indicator of domestic resource mobilization, the tax-to-GDP ratio, has stagnated over the past decade at between 12 to 14 percent. In spite of continued reforms in tax administration, domestic resource mobilisation through taxation is still below its potential. As an example, the comparable tax-to-GDP ratios of some of Uganda's neighbours are higher, including Kenya at approximately 20% and Tanzania at 21%, as of 2013.
314. The poor revenue generation performance has impaired the capacity of the country to achieve several goals, including attaining middle-income status and attainment of policies due to resource constraints. More importantly, service delivery at the sub-national level has been greatly affected, as the policy of fiscal decentralization has not been fully implemented due to resource constraints. Local governments suffer from financial shortages and the central government budgetary allocation to local government is less than the statutorily required 30%, at approximately 9% at present. In addition, the power of local government to raise revenue has been curtailed in recent years by the central government. Furthermore, tax revenue, as illustrated in Figure 3.9, as well as overall government revenue has not significantly improved over the last decade.

Figure 3.9: Tax Revenue, 2007/8-2015/16

Source: Underline data extracted from Bank of Uganda

315. Various reasons have been advanced for the very modest revenue generation performance in Uganda. The CRM learned during meetings with stakeholders that the Uganda Revenue Authority (URA) lacks the capacity to detect and deter tax evasion schemes by multi-national and large companies.
316. A key challenge for domestic revenue mobilisation is developing efficient mechanisms to penetrate the informal sector that constitutes more than 70% of economic activity in the country. This has high potential for increasing revenue for the country. In other words, the structure of the economy is responsible for the low tax generation performance and adjusting the structure of the tax system to include the vast informal small-scale agriculture sector which employs the majority of the Uganda population is a possible means of widening the tax base. The current tax structure therefore makes enforcement difficult thereby making tax evasion and avoidance a common occurrence, contributing to the overall low tax yield.
317. The depth of informality in the economy is reflected in the fact that small to medium scale enterprise (SMEs) constitute more than 75% of companies in Uganda. The CRM noted that abuse of tax incentives has also dampened tax performance because of prevalent abuse of the tax incentive scheme, although it was suspended and reviewed. These and other related factors have undermined Uganda's revenue potential, and perhaps explains the sizeable tax gap and hence, poor

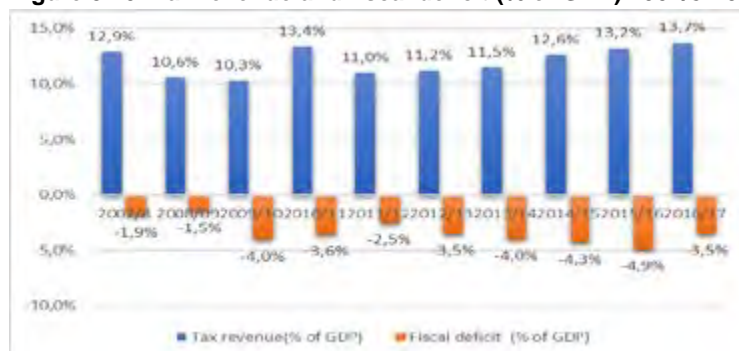
¹⁸Crane Bank was under suspension by the Bank of Uganda as at the time of this report.

overall tax yield. Overall, the Uganda Revenue Authority has made ample improvements in tax administration, but a commensurate tax yield is elusive.

318. A striking feature as illustrated in Figure 3.9 is the marked improvement in revenue collection in FY 2010/11 when compared to previous years. Although economic output was not markedly different from the previous year, tax revenue improved by a large margin, and this is also evident in the increase in tax revenue collected from USD 2.07 billion in FY 2009/10 to USD 2.71 billion in FY 2010/11. Consequently, the Tax-GDP ratio increased markedly in FY 2010/11, followed by a gradual increase in tax yield until a new plateau was reached at 13.7% in 2016/17. However, this new level is still below the average level of 20% in sub-Saharan Africa, and also below the NDP II target of 16%.

319. An important challenge for the Ugandan economy has been the overall deterioration in the fiscal balance over the last decade as illustrated in Figure 3.10. The fiscal deficit to GDP ratio deteriorated from -1.9% in 2007/8 to -4.0% in 2009/10 and then, after an initial improvement in 2011/12 to -2.5%, fell to a new low of -4.9% in 2015/16 before improving slightly to -3.5% in the last fiscal year, 2016/17. An examination of the tax revenue and fiscal deficit patterns would suggest a positive relationship between a growing tax revenue and increasing fiscal deficit. The deficit is mainly being funded by external loans, most of which are on concessional terms (IMF, 2016). This coincides with the period when the Government of Uganda embarked on a massive infrastructure spending programme, raising some concerns over the potential crowding out of the private sector from the investment market.

Figure 3.10: Tax revenue and fiscal deficit (% of GDP) 2007/8-2016/17



Prospective Revenue Generation from the Oil and Gas Sector

320. With an estimated 6.5 billion barrels of proven oil reserves, the oil and gas sector in Uganda is expected to boost the government revenue generation capacity. The government of Uganda has been preparing itself for the proper utilization of future funds from the oil sector which is new to Uganda and is being developed. The meeting with the Ministry of Finance, Planning and Economic Development (MoFPED) informed the CRM that plans, and procedures are in place to channel future oil revenue to cater for only development expenditures, as described in Commendable Practice 3.1. The revenue generated from this sector is expected to fill the domestic resource mobilization gap in the country as well as enhance the overall fiscal position.
321. Uganda is expected to start producing oil from the Albertine Graben as early as 2020. From its consultations with the Ministry of Finance, the Bank of Uganda, and the Uganda Revenue Authority, the CRM has learnt that Uganda has put in place the necessary regulatory, contractual and institutional infrastructure to ensure oil is a blessing for the Ugandan people rather than the curse it has been in far too many countries in Africa and around the world. Among the most promising policy choices taken by the Government of Uganda is the commendable decision to use oil revenues for only capital investments such as infrastructure.
322. At the same time, and as was rightly indicated in CRR 2008 (para. 925), the sudden injection of large amounts of revenue from the oil sector can easily destabilise the Ugandan economy and the political environment in the country. Furthermore, increases in revenue could also lead to inflationary pressures and divert attention from other sectors of the economy that may be more important for employment creation. Avoiding overdependence on economic rents from oil and the resulting volatility in government revenue due to fluctuations in world commodity prices is critical, in order to sustain steady economic growth and avoid the Dutch disease phenomenon. The political, social, economic, and environmental impacts that will inevitably follow oil production should also be managed with care.

Commendable Practice 3.1: Uganda's Approach to Management of its Oil Resources

Uganda discovered commercial reserves of crude oil as early as 2006, but it has yet to start actual production. As the first Uganda CRR observed, news of the discovery of oil generated a great deal of excitement about economic prospects for the country. However, CRR 2008 (para. 925) also cautioned about the “very real danger that oil production could cause more problems than it solves” and encouraged the Government to “take measures that will enable the country to maximise its gains from the oil proceeds without causing distortions in other sectors of the economy, and political conflict.”

The Government heeded the advice and put in place a number of commendable steps, the most notable being: (i) its decision to build a refinery so as to add value to the crude rather than export it in its “raw” form; (ii) its decision to delay oil production until the refinery was built; and (iii) the decision to use oil revenues only for financing development projects to the exclusion of recurrent expenditure.

These policy choices are already paying dividends. Uganda has established a “petroleum fund” that is inspired by Norway’s successful experience in this field. Moreover, in August 2017, Uganda awarded a contract to build and operate a 60,000-barrel-a-day refinery at an estimated cost of USD 4 billion to a group led by General Electric Co., known as the Albertine Graben Refinery Consortium. The refinery is expected to be ready when Uganda starts producing oil, which is projected to happen in 2020. If implemented as currently envisaged, there will be important lessons for other resource-rich African countries to learn from this experiment.

Source: CRM

Investment Promotion

323. The CSAR 2017 highlights the fact that the Ugandan Government aims to continue pursuing outward-oriented policies and encouraging foreign investments. Since the first APRM Review, the total stock of foreign direct investment (FDI) has grown from USD 792 Billion in 2008 to USD 1057 Billion in 2016. The significant growth in investment underlines the importance given to promoting, attracting and facilitating investment in Uganda. The Uganda Investment Authority (UIA) has identified four priority investment sectors namely: commercial agriculture and agro-processing; Value addition to minerals; information communication technology (ICT) and tourism.

324. Investment incentives provided to investors include:

- Capital investment allowances and tax exemptions for exporters;
- Deferral of VAT and VAT exemptions;

- Exemptions on raw materials, plant and machinery imports; and
 - Sector specific incentives for hospitals, hotels, pharmaceuticals, assemblers, and manufacturers of exercise and text books.
325. During consultations with stakeholders including local business, the CRM observed the widely held perception that foreign owned business dominates Uganda's key economic sectors and that foreign investors are afforded better investment opportunities than local investors. It is a fact that industries such as insurance, telecommunication and banking have a large foreign investor presence. These key economic services sectors generate the bulk of the country's GDP, and foreign ownership and dominance may have made it difficult for local investors to compete. Stakeholders also observed the prevalence of unfair trade practices and unhealthy business competition as a result of tax incentives which mainly target foreign investors. They suggested that the designers of investment policies should pay due attention to the effect of such policies on the local investment community and business owners, so as not to undermine competition. Stakeholders meeting the CRM also underlined the use of excessive tax holidays by foreign owned businesses. The 2008 Country Review Report also refers to the unfair trade practices of foreign owned businesses, which were mentioned as hampering the growth of local business.
326. Local business owners further noted that there seemed to be an absence of rules and regulation controlling the hiring of foreign workers in Uganda. As a result of this gap, some investors are hiring foreign workers instead of hiring local employees. With a youth unemployment rate of over 80 percent, the importation of labour aggravates the youth employment situation.
327. Representatives from the UIA who met with the CRM underlined that there is no discrimination between foreign and domestic investors in the administration of investment incentives, and that the incentives offered to all investors are embedded in law. Nevertheless, UIA representatives acknowledged that, while tax holidays are generally used as a tool to attract and motivate investors, and help investors to adapt to the new business environment and obtain a return on their investment before they start paying tax, there have been cases where foreign-owned companies took advantage of the tax holiday only to decamp to another country after the tax holiday had elapsed.

328. As noted in the CSAR 2017, the UIA attracts foreign direct investment (FDI) and is also responsible for promoting domestic investment. The UIA licences new investors, who are required to have a minimum investment of US\$100,000 while local ones need only US\$50,000 to register with the UIA. The UIA operates a one-stop centre to ease business registration (See Commendable Practice 3.2), and investors with completed applications receive licences within five working days. All qualifying investors, both foreign and domestic, can claim their investment incentives through the UIA. The Investment Code 2000 allows foreigners to invest in all activities, except activities relating to national security, including leasing land for up to 99 years, participating in joint ventures, owning up to 100% share capital, and having the freedom to bring in, or repatriate, capital. The incentive regime is structurally embedded in the country's tax laws, making them non-discriminatory and accessible to both domestic and foreign investment depending on the sector and level of investment.
329. The CRM notes that Uganda's tax-to-GDP ratio, at 12 or 13 %, is below the sub-Saharan average of 21%. Uganda has a narrow tax base, and tax exemptions given to investors in the name of promoting investment may be countering the government's NDP II objective to increase domestic revenue mobilization. Furthermore, the CRM notes the need to undertake a national skills audit, so as to introduce a visa regime for foreign workers based on recognised skills shortages in particular industries and professions and markets

Commendable Practice 3.2: The Uganda Investment Authority One Stop Centre

The Panel commends the UIA's One Stop Centre (OSC) initiative for business registration and licensing. The OSC is a multi-agency effort to create a unified point of entry for both domestic and foreign investors by integrating the services of different bodies under one roof at the UIA Headquarters. The major agencies involved in the project are the:

- Uganda Investment Authority
- Uganda Registration Services Bureau
- Ministry of Lands, Housing & Urban Development
- Uganda Revenue Authority
- Kampala Capital City Authority
- Directorate of Citizenship and Immigration Control
- National Environment Management Authority

The OSC provides investors with a range of services, including tax advice and registration, immigration and work permits, land acquisition and verification, as well as environmental compliance and approvals.

Source: CRM

¹⁸The ATI is the outcome of a side event at the most recent Financing for Development Conference; it directly links illicit financial flows to domestic resource mobilization, and in turn, to sustainable development. [Financing for Development Conference: The Addis Tax Initiative - Declaration" (Addis Ababa, Ethiopia: International Tax Compact, July 15, 2015), http://www.taxcompact.net/documents/Addis-Tax-Initiative_Declaration.pdf.]

3.3.4 Recommendations

Domestic Resource Mobilisation

- Expanding the tax base: Specific mechanism and procedures geared towards inclusion of the informal businesses should be propagated by the government. This procedure should include reducing the cost of compliance (from a monetary standpoint) and establishing a one-stop centre for the informal businesses. (Uganda Revenue Authority)
- Tax evasion and illicit financial flows: The current Act on money laundering should be fully operationalized to include a focus on tax evasion and cross border financial flows. Therefore, the government should demonstrate strong political will to address the illicit capital flows menace by considering signing on the Addis Tax Initiative (ATI) . (Ministry of Foreign Affairs; Ministry of Justice and Constitutional Affairs)
- In addition to improving tax collection, the Panel recommends the government of Uganda to focus on increasing domestic savings. (Ministry of Finance, Planning and Economic Development)

Investment Promotion

- The government of Uganda should strengthen the criteria used for tax exemption and regulation, and transparency should be in place in executing tax incentives given to foreign investors without marginalizing local business owners. Tax incentives and exemptions should also be reviewed to eliminate the unproductive ones. The government of Uganda should review national policies that are geared toward promoting investment. In addition, government should also undertake a review of the incentive framework that supports and nurtures home grown content as opposed to business incentives for foreign companies. (Uganda Investment Authority)
- Members of Parliament on the Budget Committee should carefully scrutinize tax exemptions before approval. (Parliament)
- Government should introduce a regulation to ban investors from hiring foreigner workers unless it is proven they offer locally unavailable skills. (Uganda Investment Authority)

3.4 Economic Diversification, Market Access and Expansion

3.4.1 Introduction

330. Uganda's post-1992 economic reforms have generally been aimed at market liberalization. Specifically, this trajectory has been further consolidated in the Vision 2040 strategic document and implemented, among others, through the country's projected 5-year NDPs. The first NDP (NDP I) ran for the period FY 2010/11 to FY 2014/15 with the goal of strengthening the fundamentals of the economy, namely infrastructure; science, technology, engineering and innovation; land; urban development; human resource; and peace, security and defence. According to the 2017 Country Self-Assessment Report (2017 CSAR), NDP II, which covers FY 2015/16 to FY 2019/20, seeks to build on NDP I through (i) diversify the national economy by strengthening the services sector, especially ICT and tourism; (ii) bolster the natural resources sector including the petroleum and minerals sectors; (iii) strengthen the backward and forward linkages between sectors in the economy; and (iv) expand manufacturing and value-addition in all sectors.
331. Regional integration, including the niching of Uganda in areas of comparative advantage like agriculture, tourism and oil is also be an important component of the plans for economic diversification, market access expansion and general growth generation, with the goal of reducing unemployment and contributing to lower trade deficits, amongst other objectives.

3.4.2 Evolution of the Issue

332. As described in the previous sections, the structure of the Ugandan economy is largely agriculture based. The dominance of the agricultural sector in the Uganda economy is also manifested in the export sector, where the top export products are sugar, tea, cotton, coffee and sesame. Despite the presence of a few large private large-scale producers in the tea and sugar sectors, a large proportion of agricultural exports are dominated by small-scale producers who are in the main uncoordinated and underfinanced. Uganda is also a major supplier of electrical power to its neighbours. The liberalization of the economy has as its goals the conception, refinement and implementation of sectoral strategies

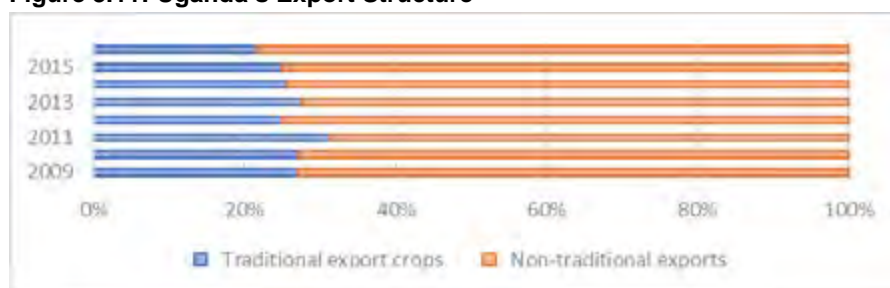
and encouragement of investment, competition and growth in growing sectors of the economy, including services and financial intermediation. Consequently, the Government has removed many state-control measures across the economy.

333. The first phase National Development Plan (NDP I) covered FY 2010/11 to FY 2014/15 and emphasised growth, employment and socioeconomic transformation for prosperity, with the goal of diversification of the economy as the channel to achieve this transformation. A weakness in NDP I was the lack of concrete outcomes due to weak links between plan objectives and budget.
334. The second phase of the National Development Plan (NDP II), which is currently under implementation, covers the period between FY 2015/16 and FY 2019/20, and focuses on prioritizing growth opportunities and interventions through diversification involving a value chain analysis of three key sectors: agriculture; minerals and oil and gas; and tourism. These key sectors rely on the strength of two fundamental pillars, infrastructure and human and social capital. The over-arching goal of the second National Development Plan (NDP II) is to increase Uganda's competitiveness for sustainable wealth creation, employment, and inclusive growth to enable the country to achieve middle income status by 2040. The emphasis of NDP II is on increasing production, productivity, and value addition in the key sectors with a view to targeting growth opportunities.
335. The 2017 CSAR reports a number of developments with respect to regional market integration and standardization, including harmonization of elements of the AU's Abuja Treaty and the East African Community's Common Market Protocol. On the domestic front, one of the measures undertaken to change the structure of the economy has been infrastructure expenditure. This has led to the growth of the construction sector at a steady average of 9.7% from FY 2006/07 to FY 2013/14. The quality of strategic infrastructure will determine the country's competitiveness in the production of specific goods and services, hence, the emphasis of the country in spending on infrastructure. Uganda has also devoted considerable efforts to improving the human capacity in complementing the goals of NDP II and ensuring the successful delivery of NDP II.

3.4.3 Analysis and Findings of the CRM

336. Modern mixed economies need robust manufacturing, trade, and service sectors that are able to offer their populations a steady improvement in living standards. For small, open economies, an important part of economic success is the ability to produce goods and services for export.
337. In recent years, Uganda's economy has started to diversify, with an expanding services sector, notably in transport, telecommunications, and financial services, which have become the main drivers of economic growth. The average annual growth rate in services exceeded 10% over the last decade. Moreover, the growth of the labour-intensive manufacturing sector has averaged 7% during the same period. While the structure of the Ugandan economy is slowly changing, it remains mired within a low-productivity environment dominated by the primary goods sector, especially agriculture, and is primarily composed of informal services operators.
338. Agricultural continues to dominate both domestic and international trade. The agricultural sector employed about 70% of the workforce but contributed only 21.5% of GDP in 2015 as illustrated in Figure 3.11. The industrial sector, comprising 18.6% of GDP, was dominated by agro-processing and construction. Most of the country's recent economic growth has come from the services sector, which comprised 51.9% of GDP with tourism accounting for only 5% of GDP in 2015 but was viewed as a fast-growing subsector.

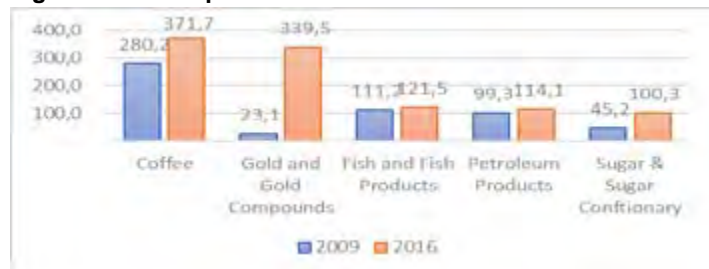
Figure 3.11: Uganda's Export Structure



Source: Ugandan Bureau of Statistics

339. According to the Uganda Bureau of Statistics, between the years 2009 and 2016, the value of exports increased from USD 1.57bn to USD 2.48bn. Out of this increase, agriculture contributed close to 60%. The relative contribution of traditional agricultural products such as coffee to overall exports has fallen since the base review in 2008, from accounting for 27% of exports in 2009 to about 21% in 2016, as illustrated in Figure 3.11. In the non-traditional products group as illustrated in Figure 3.12, significant change has been observed in the contribution of gold and sugar to total exports. This tends to suggest an element of diversification in the mineral sector and some value addition in the sugarcane industry. The gradual modernization of the agricultural sector should expand agro-processing, and the development of the extractive sector will stimulate construction.

Figure 3.12: Comparison of Traditional and Non-traditional Exports in 2009 and 2016



Source: Ugandan Bureau of Statistics

340. A joint report of the World Bank and the Government of Uganda on Economic Diversification and Growth in 2015 identified a number of key sectors (hotels/restaurants, some agro-processing industries, vegetables and bananas, cereals, and other services) as those with significant backward and forward linkages with the rest of Uganda's economy. This suggests that the identified sectors have potential in growing the export crops sector and also expanding services in the trade sector. Therefore, stimulating these sectors should have a positive impact on other economic sectors and will help sustain economic growth. Efforts to stimulate these sectors should provide more products for export beyond the regional market. Between 2009 and 2016, COMESA countries received 50% of the total exports from Uganda, of which Kenya alone imported 14% of Ugandan exports.

²⁰Uganda Country Economic Memorandum: Economic Diversification and Growth in the era of oil and volatility. Report No: 97146-UG. June 2015

²¹CSAR reports the hosting of Africa's first Bird Expo as one example in this connection (CSAR, 2017: 164)

341. An important development in the growth of the services sector has been the ballooning of the financial services sector, understandably attracted by prospects of high profits (high interest rates), easier facilitation and liberalized markets. The 2017 CSAR reports that seven new banks have appeared on the Ugandan scene in the past decade.

Tourism

342. In terms of sectoral expansion, Uganda appears to have experienced significant growth in the services sector, amongst which tourism features as the most important emerging component. The 2017 CSAR notes that tourism is the fastest-growing sector, and the largest contributor to GDP growth. The CRM has learned that Uganda has prioritised tourism as a primary growth driver of its economy as well as a source of rural development and transformation. Within this framework, an established national tourism policy seeks to enhance the competitiveness of the country's tourism sector through effective marketing, promotion, research and tourism infrastructure development.

343. Since the 2008 Country Review, the number of tourists to Uganda has increased steadily from 539,000 to 1.1 million in 2016, generating estimated earnings of USD 1.4bn annually in recent years, which could rise to USD 12bn by the year 2040. Tourism is thus an important future source of revenue for socio-economic development. There are three UNESCO world heritage sites in Uganda, namely, the Bwindi Impenetrable Forest National Park, Rwenzori Mountains National Park and the Kusibi Royal Tombs that is being reconstructed due to a 2013 fire. The election of Uganda as a member of the World Heritage Committee at the 21st General Assembly of UNESCO in Paris in November 2017 can potentially lead to the establishment of more UNESCO world heritage sites and boost tourism in the country.

344. The CRM observes that tourism infrastructure has not been fully developed. This will require, amongst other considerations, increasing employment in construction and maintenance of accommodation facilities; providing security for tourists and tourist attractions; as well as eliminating the problem of wildlife dispersal. The designation of part of the Ugandan police force as tourism police is a step in the right direction towards resolving some of these bottlenecks. The support of the Uganda Tourism Board in efforts to popularize local tourism

hotspots and the encouragement of local tour and travel companies to make in-land transport affordable to the majority of Ugandans to visit domestic tourist hotspots is aimed at further addressing the constraints within the tourism infrastructure.

345. In conclusion, Uganda is exerting much efforts in diversifying its economy and promoting market access and regional integration. However, progress has been hampered by hurdles such as the continuing domination of the economy by an agricultural sector made up of small-scale, uncoordinated and unsupported operators, the absence of a clear strategy for domestic, small-scale business stimulation and facilitation, and the need to support the fast-growing tourism sector with infrastructure. Diversification of the economy, increasing market access and market expansion also encompasses many other related subjects discussed elsewhere in this review report, including the high costs of doing business including the high interest rate environment facing entrepreneurs and the private sector. Box 3.1 shows some examples of successful economic diversification.

Box 3.1 Country Experiences on Diversification

Examples from other countries of successful economic diversification suggest that industrial policy is not always doomed to failure (Rodrik, 2004). It is not true that industrial policy never works. It is true that picking winners seldom works, but even so, cutting losses can be fruitful. Industrial policy is prone to political capture and corruption, but so is privatization. Generally, it pays to encourage new industries in line with the country's comparative advantages, and available expertise in public administration rather than try to break new ground; to follow the market rather than try to take the lead. A promising industrial policy strategy needs to be based on general principles and should be tailored to specific circumstances, not one-size-fits-all; simply more of the same is unlikely to succeed (Hausmann et al., 2014). Examples include:

The Republic of South Korea: South Korea's export-oriented diversification strategy helped catapult the country from rags to riches in 50 years, in stark contrast to the import substitution strategies followed by several Latin American countries which yielded less impressive results. In 1960, Korea's exports of goods and services amounted to 3 percent of GDP compared with 8 percent in Argentina. In 2012, Korea's exports of goods and services amounted to 57 percent of GDP compared with 20 percent in Argentina. Manufactured goods constituted 85 percent of Korea's merchandise exports compared with 32 percent in Argentina. As a result, Korean

manufacturers knew how to produce things that households and firms in other countries demanded, and today, the purchasing power of Korea's per capita GNI is more than twice that of Argentina.

Botswana: When it gained independence in 1966, Botswana had only 12 kilometers of paved roads, 22 college graduates, and 100 secondary-school graduates. Today, diamonds (discovered in 1967) provide tax revenue equivalent to 33 percent of GDP, giving Botswana the highest per capita GNI in Sub-Saharan Africa. Botswana managed to achieve the world's highest rate of economic growth over the past 50 years through good policies, institutions, and democracy. The country assigned mining rights away from its people toward the state to head off contestation for revenue. It paid civil servants well, and hired foreign experts when needed (Gelb, 2011). Furthermore, Botswana emphasized quality appraisals of public investment projects. Even so, Botswana's economy is not yet well diversified. In 2006, manufacturing accounted for only 4 percent of GDP while 30 percent of the work force remained in agriculture, which, due to low productivity, accounts for only 2 percent of GDP. Services, including government services, employ 55 percent of the labor force and account for 52 percent of GDP. Botswana spends more money on education relative to GDP and is less corrupt according to Transparency International than many countries in its region, and is ranked as the 64th least corrupt country in the world by Transparency International's 2016 CPI, behind the regional leader Mauritius at 52.

Mauritius: With an economy dominated by its sugar exports in the 1970s, Mauritius has transformed itself into a modern and sophisticated economy. As stated in the APRM Country Review Report of 2010, the country's economic success derives from the strategies developed by successive governments to create and sustain economic diversification. The first phase of economic diversification in Mauritius began through implementation of an import substitution strategy in the 1960s. The development of an externally oriented strategy was completed in the 1970s. By the early 2000s, the diversification strategy focused on services including tourism and development of export processing zones. Frankel (2012) shows how Mauritius managed to reduce its reliance on its main export commodity (sugar), by expanding foreign trade and education.

Source: Gylfason et al. (2014) "Diversification, Dutch Disease, and Economic Growth: Options for Uganda" CRM background paper; and compilations from the CRM

3.4.4 Recommendations of the Panel

- The CRM therefore recommends that the Government of Uganda addresses constraints of diversification to non-traditional exports, exploits forward and backward linkages in the growth enhancing sectors, and stimulates business development. (Ministry of Trade, Industry and Cooperatives)
- Government should develop local preference policies and regulation for tender allocations in order to nurture local business and promote its competitiveness (*local content regulations*). (Ministry of Trade, Industry and Cooperatives; Uganda Investment Authority)

CHAPTER FOUR

4. CORPORATE GOVERNANCE**4.0 Introduction**

346. According to the APRM Objectives, Standards, Criteria and Indicators document, one of the foundational documents of the APRM, adopted in March 2003 along with the APRM Base Document:

Corporate Governance is concerned with the ethical principles, values and practices that facilitate holding the balance between economic and social goals and between individual and communal goals. The aim is to align as nearly as possible the interests of individuals, corporations and society within a framework of sound governance and common good." (p. 20)

347. Corporate Governance (CG) is the third major thematic area in the APRM system. There are five objectives for corporate governance: (i) promoting an enabling environment and effective regulatory framework for business organisations and other entities; (ii) ensuring effective leadership and accountability of organisations; (iii) ensuring ethical conduct within organisations; (iv) ensuring that organisations treat stakeholders fairly and equitably; and (v) ensuring that organizations act as good corporate citizens.

348. In an effort to realise these objectives, the APRM has identified a list of codes and standards relevant to CG, along with associated questions and indicators. The approved codes and standards for corporate governance assessments include (i) Principles of Corporate Governance (OECD and Commonwealth); (ii) International standards on accounting reporting; (iii) International standards on auditing; (iv) Core Principles of Effective Banking Supervision; (v) Core Principles for Securities and Insurance Supervision and Regulations; (vi) The African Charter on Human and Peoples' Rights; (vii) Labour Codes of the International Labour Organization (ILO); and (viii) Codes on industrial and environmental safety and hygiene of the World Health Organization. The approved codes and standards have the potential to promote market efficiency, control wasteful spending, consolidate democracy and encourage private financial flows, all of which are critical in the quest to alleviate poverty and promote sustainable development.

349. In the first country review report completed in 2008 (CRR 2008), the APRM Panel systematically and exhaustively considered the state of corporate governance in Uganda, identified its strengths as well as weaknesses, and made a host of recommendations that ultimately became part of Uganda’s agreed National Programme of Action (NPoA). Uganda has been reporting the actions it has taken over the years on those recommendations in the form of four progress reports. Finally, in preparation for the second review, Uganda submitted a Country Self-Assessment Report (CSAR 2017) in which its policies and practices in the field of corporate governance have been considered comprehensively. When the Country Review Mission (CRM) was deployed in October/November 2017, it was clear that Uganda had made significant advances in this thematic area. To mention only a few examples, the Companies Act (2012) was passed as was recommended in the 2007 review, and it has enhanced reforms in the corporate governance framework. Uganda has also improved its business environment and moved up in the World Bank’s Doing Business ranking from a country ranking of 166 in 2007 to 116 in 2017.

350. At the same time, CSAR 2017 as well as the Country Review Mission’s (CRM’s) own research and consultations with the Ugandan public on the ground, reveal that Uganda still faces a number of important challenges, both old and new. The CSAR 2017 identifies the challenge that most corporate governance reforms have occurred in the financial sector, and that Small and Medium Enterprises (SMEs) lack awareness and capacity to implement necessary corporate governance reforms. In consequence, the Country Review Mission and APR Panel have identified and prioritized these challenges and categorized them into four broad issues below:

- (i) **Business regulation and red tape.** For enterprise to take its rightful place as the wealth generator and employment creation engine of Uganda, regulation by Government must be above all coordinated and empowering to business. The state of the public service in terms of its regulatory role on the business environment, including such issues as the bureaucracy, cutting red tape and coordination among different institutions, institutional capacity to ensure compliance with the Companies Act (2012), the issue of the “voice” or representation of the private sector, and anti-Corruption laws, institutions, successes and challenges are all important for this area.

- (ii) **Supporting entrepreneurship and tackling unemployment.** In this regard, given that the majority of the population are youth, youth unemployment becomes of particular concern. This issue also involves the education - employment nexus and establishing a virtuous circle between education and training on the one hand, and employment on the other.
- (iii) **Access to finance for emerging business** which is critically important in creating wealth and minimizing unemployment; and
- (iv) **Promoting accountability and a culture of compliance.** The wider business culture and accountability concerns also cover compliance with national laws and regulations; a liability regime for fraudulent or corrupt practices; compliance with regulations to protect workers' rights; compliance with ethical codes and industry standards; compliance with environmental regulations; and the challenge of promoting good corporate citizenship and corporate social responsibility (CSR);

351. These four issues are critical to the state of corporate governance in Uganda today but also cut across the objectives of Corporate Governance as listed in the opening paragraph. The four issues are also interlinked. If the coordination of business regulation and cutting red tape issue is addressed successfully, this has a positive impact on enterprise, and fosters a healthier business environment and corporate profits, which has a direct impact on the ability of business to expand, employ more people and comply more with regulation. There is also a direct link between access to finance, supporting and enabling entrepreneurialism and successful business creation. On the other side of the coin, there is also a link between the high cost of borrowing in Uganda and the record amount of non-performing loans in Uganda, which underlines the challenge of compliance and payment of creditors. The CSAR reports that the volume of non-performing loans trebled from UGX.573 billion at the end of 2015 to UGX. 1.8 trillion by the third quarter of 2016. The placement of Crane Bank under the management of the Bank of Uganda is one indication of the link between access to loans and the compliance challenge in Uganda. Furthermore, through fostering a culture of compliance, the business environment is improved, leading to lower costs of doing business, including a lower number of non-performing loans for the banking sector, with the resulting lower long-term interest rates that

²²CIAN (2016), Résultats de l'enquête annuelle

will better support business and employment creation, in a virtuous cycle.

352. In the rest of this chapter, each of the above four issues will be considered against a four-level analytical framework. Section one describes each of the issues briefly; section two traces the evolution of each of the issues all the way from CRR 2008 to today; section three summarises the findings of the CRM, while section four presents the recommendations of the APR Panel.

4.1 Business Regulation and Red Tape

4.1.1 Introduction

353. The business environment is critical for companies' investment, growth and performance. It refers to several factors related to procedures, infrastructure, different regulations, availability of resources, conditions of competition and cooperation. In particular, the CRM has benefitted from usage of the World Bank's annual "Doing Business" study, which has the advantage of allowing comparisons and analysis of the reforms necessary to improve the business environment through better regulation.

4.1.2 Evolution of the issue

Business Regulation

354. CRR 2008 stated that Uganda is generally considered to be among the most open economies in the world and has a far more competitive business environment than many of its peers. It further states that Uganda needs to "face squarely impediments occasioned by power outages, prohibitive taxes, huge administrative spending and volatile oil prices, among other factors. These measures will help local producers, manufacturers, traders and employers improve productivity and will enhance market competitiveness by reducing the cost of doing business in Uganda" (p.32). The Global Competitiveness Report of 2004/5 and 2005/6 indicates that the most problematic negative factors for doing business in Uganda were limited access to finance, corruption, underdeveloped infrastructure, high tax rates and poor work ethics, in that order (P.116)

355. Even though, according to the World Doing Business Report rankings, Uganda improved 51 places from a rank of 166 in 2007 to 115 in 2017, the business environment has only moderately

appreciated. For example, in 2016, the French Council of Investors in Africa placed Uganda in tenth place among African countries as a destination for investment. With a score of 2.7 out of 5, this result is slightly lower than the score of 2.9 recorded in 2015 .

356. The CSAR 2017 observes that “During the period 2011-2015, 20 bills related to ease of doing business in the country were passed into Acts” (P.247). It proposes that the future focus of reforms in business regulation “should be on reducing the cost of doing business (especially for electricity and transport) as well as provision of tax incentives for small business to progress to medium size and later larger scale companies” (P.17) Furthermore, “Uganda shall need to lower the cost of electricity, transport and expand infrastructure for industries and generally lower the cost of doing business” (P.208)
357. The main challenge in future reforms in doing business is implementation. The CSAR 2017 notes this implementation gap when it observes that, during the period 2011-2015, 20 bills related to ease of doing business in the country were passed into Acts, but not all were implemented due to the need for more funding for regulatory agencies and political good will in order to effectively implement and enforce these important reforms.

Red Tape

358. One of the main recommendations, in the CRR 2008 was to “Improve coordination of enforcement institutions and reduce bureaucracy” (P.331)
359. The 2008 APRM National Programme of Action (2008 NPOA) called for the development of institutional benchmarks and standards to improve coordination of enforcement institutions to reduce bureaucracy. This led to the establishment of a one stop center for business registration and licensing.
360. The 2nd and 3rd progress report reveals that other regulatory agencies have taken initiatives to promote institutional coordination. It cites the examples of the Capital Markets Authority that signed a Memorandum of Understanding with the Bank of Uganda and the Insurance Regulatory Authority to strengthen cooperation and information-sharing, and the example of the Public Procurement and Disposal of Assets Authority that entered into collaboration with the Companies Registry and the Uganda Revenue Authority.

361. The CSAR 2017 also underlines that bureaucratic delays are responsible for huge delays in resolving employment disputes. While these bureaucratic delays plague the administrative wing of government, the CRM also notes the persistence of red tape, or over-governance, at the level of the regulatory architecture, due to the proliferation of institutions which regulate, control or execute public policies affecting the business sector.

4.1.3 Analysis and findings of CRM

Business Regulation

362. While Uganda was ranked among the top ten reformers of the business environment in the 2016 doing business ranking, it has not been able to maintain the same pace of reform. Whilst it was ranked 115 in 2016, Uganda has since slid to 122 in the 2017-2018 ranking.

363. Table 4.1 below indicates the reforms that were made in Uganda between 2008 and 2017, in relation to the business environment (Doing Business, 2017-2018):

Table 4.1: Uganda Main Reforms in Doing Business (2008-2017/18)

	Starting a Business	Getting Electricity	Registering Property	Getting Credit	Paying Taxes	Trading across Borders	Resolving Insolvency
2018						Reduction of the time for export documentary compliance and border compliance by allowing for electronic document submission and processing of certificates of origin and by further developing the Malaba One-Stop Border Post	
2017	Elimination of the requirement that a commissioner of oaths must sign compliance declarations.				Removal of the requirement for tax returns to be submitted in paper copy following online submission.	Construction of the Malaba One-Stop Border Post which reduced border compliance time for exports.	
2016	Introduction of an online system for obtaining a trading license and by reducing business incorporation fees.	Reduction of the delays for new electricity connections by deploying more customer service engineers and		The credit bureau expanded borrower coverage, improving access to credit information.			

CHAPTER FOUR: CORPORATE GOVERNANCE

		reducing the time needed for inspection and meter installation.					
2015						Implementation of the ASYCUDA World electronic system for the submission of export and import documents.	Consolidation of all provisions related to corporate insolvency in one law, establishing provisions on the reorganization of companies, clarifying standards on the qualifications of insolvency practitioners and introducing provisions to avoid undervalued transactions.
2014			Elimination of the need to have instruments of land transfer physically embossed to certify payment of the stamp duty.				
2013			Digitalization of records at the title registry, increasing efficiency at the assessor's office and making it				Clarification of the rules on the creation of mortgages, establishing the duties of mortgagors and mortgagees, defining

CHAPTER FOUR: CORPORATE GOVERNANCE

			possible for more banks to accept the stamp duty payment.				priority rules, providing remedies for mortgagors and mortgagees, and establishing the powers of receivers.
2012	Simplification of registration for tax identification numbers and for value added tax by introducing an online system.		Establishment of performance standards and recruiting more officials at the land office.				
2011				Establishment of a new private credit bureau.			
2010					Improved efficiency of taxpayer services and banks.	Expanded operating hours at the port of Mombasa; improvements in customs processes and border cooperation.	
2008						Extension of the electronic data interchange system to four additional customs station; introduction of a system linking banks to customs (for payment of duties) and enhancing cooperation at the Kenya–Uganda border crossing at Malaba through joint inspections.	

364. Over the ten years there have been major reforms relating to enforcing contracts and the labour market. In 2011 the reform of enforcing contracts consisted of a reduction of the time to file and serve a claim, while in 2008 the labour market benefited from the elimination of restrictions on working on the weekly rest day and the introduction of a requirement for third-party notification for collective dismissals. However, over the decade, 2008-2017, no substantive reforms have been made at the level of dealing with Construction Permits and Protecting Minority Investors.

365. Meanwhile, notwithstanding the gains made through the reforms outlined in Table 4.1 above, there have been introduction of some negative reforms that threaten to reverse the gains made: These include:

- 2017: Increase in the stamp duty for insurance contracts;
- 2013: Uganda made transferring property more difficult by introducing a requirement for property purchasers to obtain an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance;
- 2012: Uganda made starting a business more difficult by introducing changes that added time to the process of obtaining a business license; and
- 2011: Uganda made it more difficult to start a business by increasing trade licensing fees.

Tax Regulation

366. During consultations, the CRM was informed that high taxes primarily affect indigenous owned businesses and that the tax regime is heavily biased in favor of foreign businesses. There are foreign businesses that are reported to obtain tax holidays even before starting to pay taxes, while local businesses continue to pay multiple taxes.

367. Table 4.2 indicates that notwithstanding a number of challenges relating to the tax regime in Uganda, when compared to its peers in Sub Saharian Africa, Uganda performs well.

Table 4.2: Dealing with Taxes

Indicator	All Countries	Sub-Saharan Africa	Uganda (2013)
Senior management time spent dealing with the requirements of government regulation (%)	9.5	8.8	6.5
Percent of firms visited or required to meet with tax officials	57.6	70.5	75.5
If there were visits, average number of visits or required meetings with tax officials	2.7	3.2	3.9
Days to obtain an operating license	28.0	22.0	10.4
Days to obtain a construction-related permit	68.1	48.3	16.5
Days to obtain an import license	17.0	14.4	19.4
Percent of firms identifying tax rates as a major constraint	31.0	35.1	21.6
Percent of firms identifying tax administration as a major constraint	21.2	29.6	18.0
Percent of firms identifying business licensing and permits as a major constraint	13.4	17.9	15.2

Source: Enterprise Survey (2013), World Bank²³

368. The CRM has been informed that Uganda signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in November 2015. This convention is the most powerful multilateral instrument against offshore tax evasion and avoidance. In discussion with the CRM, several stakeholders noted that double taxation treaties have become a legal method of tax avoidance, and that this

²³The survey is conducted on a “representative sample of an economy’s private sector”.

should be seriously addressed by the Government.

Poor protection of intellectual property

369. The CSAR 2017 asserts that Uganda has enacted the Intellectual Property 2014 Act (which the CRM notes refers to the Industrial Property Act, 2014), creating an Intellectual Property Directorate that is affiliated with the Uganda Registration Services Bureau (URSB). By March 2017, URSB unveiled a team of five senior police officers from the Ugandan Police Force to manage the Intellectual Property Enforcement Unit. According to the Integrity Foundation, there is still poor protection of intellectual property rights, whether in the form of trademarks, patents or copyrights. The CRM has learned that owners of intellectual property are unaware of their own rights or are isolated and unable to defend them. Slow and cumbersome courts and costly access to justice further discourage victims of Intellectual Property infringements. This is particularly detrimental to innovation in the services sector and more particularly with the new information technologies. The CRM observes that the current sensitisation campaigns conducted by the Intellectual Property Directorate, must be backed up with a revision of intellectual property laws, giving the Intellectual Property Directorate more resources to enable it to take preventive and curative actions.

Developing PPP

370. After the Public Private Partnerships, (PP) Act was passed in 2015, the private sector was expected to play an increasingly important role in the National Development Plan (NDP) through funding and financing of much needed infrastructure. However, it appears that the private sector has not been afforded sufficient incentives to participate in infrastructure development. This is problematic given that the financing envelope for national core projects of the NDP anticipated that nearly 62 percent of the funding would come from the private sector including PPPs .

Unfair competition and markets control

371. The consultations of the CRM across Uganda reaffirmed that the market is not protected from substandard products. During the CRM's consultations with stakeholders, it was observed that substandard products are widely available, and that the country

²⁴Mid-Term Review of the Uganda National Development Plan, Final Draft Nov 2013, Political Economy Thematic Report

was at risk of being a dumping ground for such products. Another source of unfair competition is the high number of informal operators in the country. As Table 4.3 illustrates, 95,2% of firms operating in the formal sector in Uganda believe that their biggest competition is from firms operating in the informal sector. This is a much higher percentage than the global average and sub-saharan averages of 53.9% and 67.9 per cent, respectively.

Table 4.3: The competition between formal and informal sectors

Indicator	All Countries	Sub-Saharan Africa	Uganda (2013)
Percent of firms competing against unregistered or informal firms	53.9	67.9	95.2
Percent of firms formally registered when they started operations in the country	89.0	84.5	63.2
Number of years firm operated without formal registration	0.7	0.6	1.0
Percent of firms identifying practices of competitors in the informal sector as a major constraint	28.2	39.6	37.9

Source: Enterprise Survey, (2013)

Lack of statistical, scientific and analytical information

372. At the district level, the CRM learnt during its consultations that the tourism sector needs statisticians that can collect information on what is working best and provide the information to district planners. At the time of the second country review mission in October-November 2017, the Uganda Bureau of Statistics collects district information, but according to district planners, this information is not shared with the districts, but is collected to calculate the national aggregate data. For example, there is an Annual Business Establishment Survey completed annually where information such as annual national hotel turnover is reported. This information is also useful if disaggregated at the district level.

373. Business registration has recently been streamlined and decentralized to the regions. People in Mbale can now complete business registration in one hour, which is a laudable achievement. The only remaining obstacle is for such information on registration to reach the public, as awareness is still limited.

374. The information gap also extends to the agricultural sector. Farmers need to be informed about developments such as new seeds, as they lack information on how to produce better crops. Information sharing should also include information on pests such as the fall army worm, and the effect of climate change, including on pest behaviour.

The issue of land

375. For entrepreneurs, land is an important asset, intervening directly as a means of production, and often facilitating access to credit and other assets by serving as a bank guarantee. Several stakeholders interviewed by the CRM raised two main challenges:
376. The first is compensation granted by the State for land to be used for a project or public utility. According to stakeholders, compensation for land is often not sufficient and does not reflect the real value of the land. The land issue affects business if land valuation is done improperly. The CRM was informed that there is only one chief government valuer of land, and land valuation does not include an assessment of crop value. Stakeholders also noted that government needs to include veterinary and agricultural officers in its land valuation exercise. The second challenge affecting companies is that of property speculation, which leads to very strong growth in land prices in regions of interest to private investors. The necessity of state incentives to grant concessions or land to foreign investors was questioned by stakeholders. A third challenge affecting business is poor access to land for women, due to socio-cultural reasons. Stakeholders observed that women have poor access to land ownership. Community leaders have a role to play in reducing such socio-cultural limitations, as well as other instances of land conflict. Recourse to local courts is also a challenge to business, as it can take up to 10 years to resolve a land conflict.

Infrastructure: Congestion in Kampala

377. Another very strong constraint on investment, business competitiveness and worker productivity is the state of congestion in the capital Kampala. Indeed, some of the stakeholders met by the CRM asserted that it is not uncommon for trips of a few kilometers to take up to three or four hours. This situation has been confirmed by a World Bank report linking this issue to poor city planning dating back several decades. This state of congestion is worsened as an increasing number of people have poured into the capital in search of better paying jobs. This rapid state of urbanization poses economic, social, security and political challenges, but is also a significant constraint on the development of formal sector enterprises that are directly or indirectly affected by this situation.

Infrastructure: Electricity

Table 4.4: The Quality of Infrastructure: Electricity and Water

Indicator	All Countries	Sub-Saharan Africa	Uganda (2013)
Percent of firms experiencing electrical outages	58.8	78.9	81.5
Number of electrical outages in a typical month	6.3	8.6	6.3
If there were outages, average duration of a typical electrical outage (hours)	4.4	5.7	10.1
If there were outages, average losses due to electrical outages (% of annual sales)	4.6	8.3	11.2
Percent of firms owning or sharing a generator	34.1	52.8	52.2
If a generator is used, average proportion of electricity from a generator (%)	20.9	28.5	17.6
Days to obtain an electrical connection (upon application)	31.9	35.9	18.1
Percent of firms identifying electricity as a major constraint	31.0	40.0	26.8
Percent of firms experiencing water insufficiencies	14.8	24.0	12.4
Number of water insufficiencies in a typical month*	1.1	1.9	0.4
Proportion of products lost to breakage or spoilage during shipping to domestic markets (%)*	1.3	1.9	2.0
Percent of firms identifying transportation as a major constraint	19.1	26.2	15.7

Source: Enterprise Survey (2013) World Bank

378. Table 4.4 shows that Ugandan firms suffer from electrical outages. The CRM notes, for instance, that the network from Gulu up to Moyo experiences frequent load shedding.

Other weaknesses in the business environment

379. The CRM was informed during its consultations with stakeholders, that the road network is poor across the western Nile. In this region, the influx of refugees has had an impact on the road quality.

380. Cultural Values – the work ethic: Stakeholders observed that many former IDPs and refugees in the north had lived in camps for more than 20 years, and this had affected their attitude towards work, with youth often unproductive, and the older generation affected by alcoholism. This “Camp culture” has especially affected Acholi-land.

Red Tape

381. The CRM has noted the proliferation of Authorities and Agencies in government. For instance, while the financial market is relatively small, and the economy is under-financed, Uganda plans to increase the number of financial services regulators to six .This leads to a wide dispersion of resources, increases operating costs, creates problems of coordination and information exchange, and increases ambiguity in responsibilities while ultimately weakening

²⁸World Bank (2017), “Enhancing economic development and job creation in greater Kampala”, Report

²⁹By creating the Uganda Microfinance Regulatory Authority to regulate Tier 4 financial institutions — non-deposit taking microfinance institutions, Savings and Credit Co-operative Organisation Societies (SACCOS), community savings groups and money lenders.

the effects of regulation and compliance. Furthermore, the effects of a heavy bureaucratic regime and red tape is notable in the number of institutions regulating the same area with overlapping mandates and uncoordinated actions and a lack of adequate capacity and resource scarcity within each regulator. According to several stakeholders interviewed by the CRM, regulatory authorities often have insufficient independence and institutional capacity and lack coordination in their actions.

4.1.4 Recommendations of the Panel

- A consultative public-private sector forum be formed, strengthened and mandated to identify key challenges confronting the business environment including challenges to starting a business; getting electricity; registering properties; getting credit; paying taxes; trading across borders and resolving insolvencies. (Government, Private Sector)
- The Public-Private Sector Consultative Forum be utilised to address the weak PPP regime in Uganda in order to deal with the increasingly complex gaps in the provision of infrastructure, while ensuring there is no avenue for corruption in this sector. PPP projects should be well within the financial means of government and should not further indebt the country. (Government, Private Sector)
- The Intellectual Property Enforcement Unit to receive more capacity including financial resources and training. (Government)

4.2 Supporting Entrepreneurship and Tackling Unemployment

4.2.1 Introduction

382. Uganda is a “land of entrepreneurs” and as such has great wealth which is the entrepreneurial spirit of its young people. In 2015, Uganda was ranked number one in entrepreneurship by the Global Entrepreneurship Monitor (GEM), which measures the levels of entrepreneurship in 73 nations. The GEM Monitor indicated that Ugandans have high aspirations and positive attitudes towards entrepreneurship, and low levels of fear of failure, and that the vast majority see good opportunities in starting a business in the country. The Monitor also stated that Ugandan entrepreneurship is concentrated in small and micro businesses.

383. Whilst the spirit of entrepreneurship is highly developed, there also exists a high business discontinuation rate (21%). As such, the high levels of entrepreneurship do not therefore bear the expected fruits of increased employment rates and a vibrant and mature business sector that contributes significantly and meaningfully to economic growth and development in Uganda.
384. During consultations with stakeholders, it emerged that there are various factors that contribute to the high failure rate of start-up enterprises in Uganda, including a very weak entrepreneurial ecosystem, poor skills sets, and a lack of adequate education and training for youth, as well as poor access to finance for start-up enterprises.
385. Uganda must deal with the dichotomy of a highly developed entrepreneurial culture, paired with a poor entrepreneurial ecosystem. The country needs to improve the survival rate of new enterprises and to move from an entrepreneurship of necessity and survival to an entrepreneurship of opportunity and self-actualization.

4.2.2 Evolution of the issue

Skills and Education

386. The CSAR states that:

- Although Uganda launched a broad “Skilling Uganda” programme which aims to equip young people with the requisite skills to be innovators and job creators as opposed to job seekers, it still lacks skills in emerging sectors like oil management;
- Manpower surveys have noted a mismatch between skills set between young graduates with certificates, diplomas and degrees and the job requirements of the labour market. The CSAR states that young people have acquired education but not adequate skills.
- The challenge of limited technical and human capacity persists. While Uganda’s adult literacy is 73.1 % (higher than that of India with 69 %), the skills-set within the country’s human resources remains limited.
- Programmes – including those that specifically target the youth, such as Skilling Uganda – have largely not been responsive to youth needs and concerns. The Skilling Uganda Programme was put in

place in 2012 and its broad objective is to create employable skills and competences relevant in the labour market instead of just an academic approach that issues academic certificates.

4.2.3 Analysis and findings of CRM

Human resources, competencies and entrepreneurship in Uganda

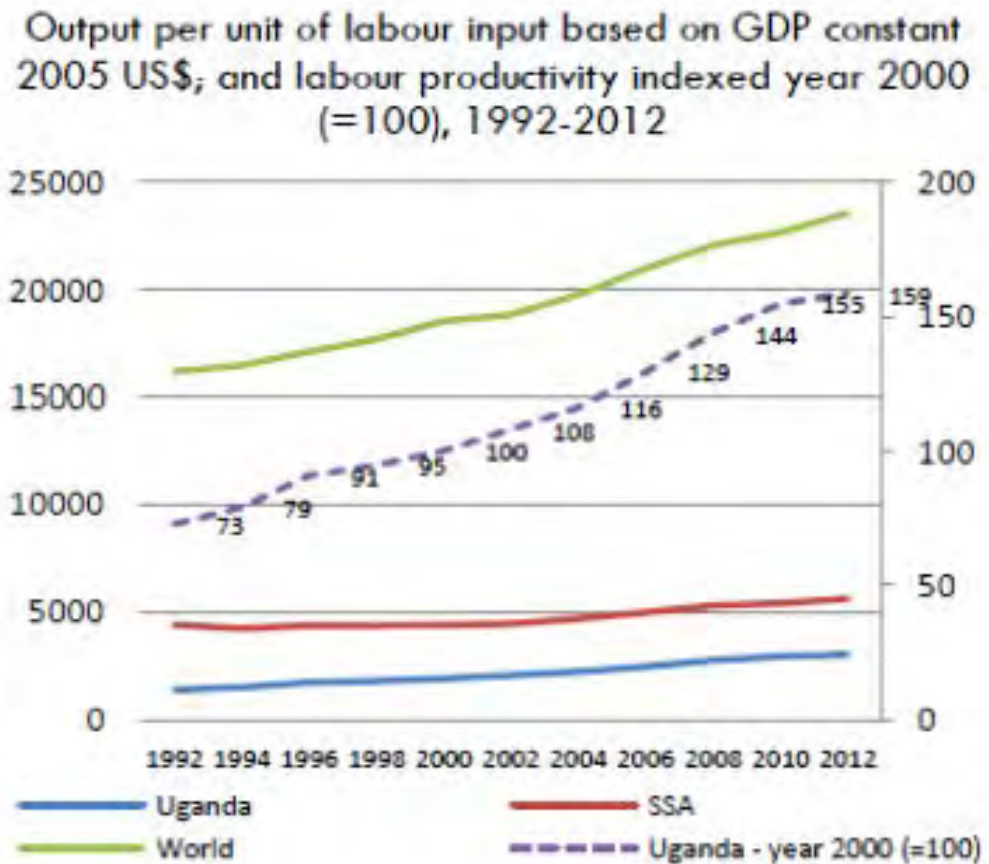
387. In terms of human resources, the main challenge of Ugandan enterprise is the small proportion of workers that are offered formal training, and the lack of experience of top management, as measured by the average number of years of top manager's experience, as captured in Table 4.5.

Table 4.5: Workforce Training

Economy	All Countries 2	Sub-Saharan Africa	Uganda (2013)
Percent of firms offering formal training	33.8	29.7	34.7
Proportion of workers offered formal training (%)*	53.7	46.2	41.4
Years of the top manager's experience working in the firm's sector	17.0	14.9	11.0
Number of workers (including permanent and temporary workers)	37.2	32.8	18.7
Proportion of permanent workers (out of all workers)	94.9	92.9	86.0
Proportion of temporary workers (out of all workers)	5.1	7.1	14.0
Proportion of production workers (out of all permanent workers)*	72.7	74.5	76.5
Proportion of skilled workers (out of all production workers) (%)*	74.4	75.0	77.3
Percent of firms identifying labour regulations as a major constraint	10.8	12.2	18.5
Percent of firms identifying an inadequately educated workforce as a major constraint	21.2	19.4	13.8

Source: Enterprise Survey (2013), World Bank

Figure 4.1: Labour productivity



²⁷Uganda, Labor market profile, (2015)

²⁸Aga Khan University (2016), The Uganda Youth Survey Report

388. Labour productivity in Uganda has increased in the last decade, although it has lost pace since 2010. Furthermore, labour productivity remains lower than the Sub-Saharan Africa average as indicated in Figure 4.1 above.

Skills and education for employment and entrepreneurship

389. The Review Mission has found that the demographic structure of the Ugandan population largely explains the lack of middle management and the quantitative weaknesses of managers and executives who can mentor and train young people and prepare them to run businesses. According to stakeholders, and as corroborated by statistics on years of experience of top management as recorded in Table 4. 5, Uganda lacks skills in the age group between 40 and 60. This has had a negative effect on human capacity at companies.

Entrepreneurship, informality and survival of new enterprises

390. Based on an interview of 1,854 respondents aged 18–35 years from across the country, a survey of Uganda youth showed that 48% of Ugandan Youth would like to go into business, but although agriculture is one of the leading sectors in Uganda, only 12% of the youth want to become farmers . 47.5% of the youth valued work first, which is a positive result. But the fact that 56% of the youth believed it doesn't matter how one makes money as long as one does not end up in jail, and that 33% perceive corruption as profitable, means that there is a risk of a crisis of integrity. Finally, 75% of youth believe Uganda will become richer materially and 66% believe there will be more opportunities for youth in the future.

391. According to the 2003-2003 and 2005-2006 National Household Surveys, almost 50 percent of businesses fail in their first three years of operations. According to the GEM survey (2014), Ugandan entrepreneurship is concentrated in small and micro businesses, and there is a high business discontinuation rate (21%).

The Entrepreneurial Ecosystem: the GEM and the GEDI approaches

392. In accordance with the results as indicated in Figure 4.2, compared to the 74 other countries that participated in the GEM, the two main dimensions of the strong entrepreneurial environment in Uganda are social values and norms and internal market dynamics. On the other

hand, the main weaknesses are in physical infrastructure, financing, and government policies in terms of taxes and bureaucracy.

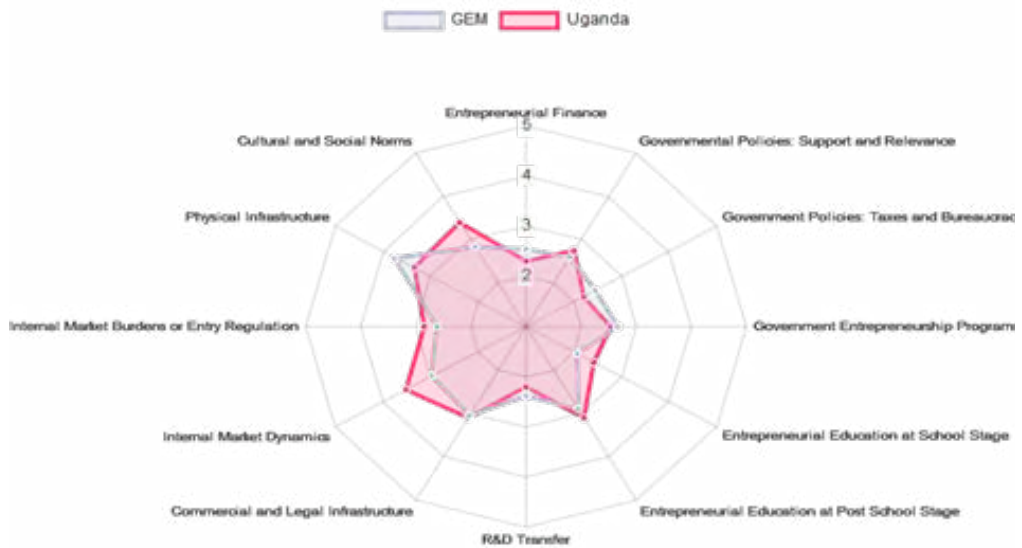


Figure 4.2: The Entrepreneurship Ecosystem

393. The GEM survey compiles its own institutional data, mainly through its annual National Expert Surveys (NES). The other main annual world study of entrepreneurship conducted by the GEDI (Global Entrepreneurship and Development Institute) starts with a broader definition of national entrepreneurship, in order to derive its institutional dimensions from existing internationally recognized sources such as the World Economic Forum, OECD and the World Bank . The GEM model incorporates institutions implicitly by incorporating Entrepreneurial Framework Conditions (EFC) as part of its study of entrepreneurship development, while the GEDI explicitly incorporates the essential role institutions play in entrepreneurship development.

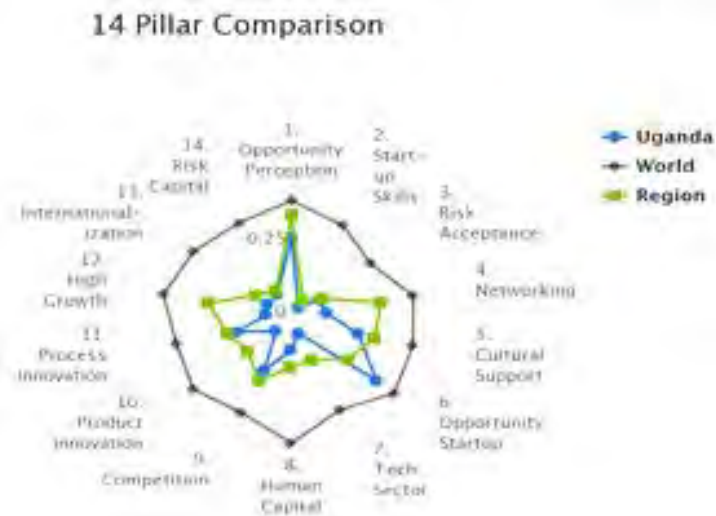
394. By taking into account the critical qualitative aspects of entrepreneurship, GEDI provides better clarity to (i) better understand the survival rate of new created enterprises; (ii) distinguish between entrepreneurship that contributes positively to economic growth, unproductive entrepreneurship, neutral or somewhat negative effects on economic growth and destructive entrepreneurship (as

criminal activities for example). The main hypothesis here is that, as institutions become stronger, more entrepreneurship activity shifts toward productive entrepreneurship; (iii) avoid the misleading result that ‘entrepreneurial’ activity is found to be highest in the least developed, mainly agriculture dominated countries; and (iv) takes into consideration the fact that a country’s entrepreneurial system can only be as strong as its weakest link.

395. The GEDI uses 14 pillars to evaluate the effort to improve the overall entrepreneurship potential in 137 countries. Figure 4.3 below reflects the 14 pillars according to which entrepreneurship is evaluated, and indicates that Uganda performs poorly in many of the pillars and below the regional average.

396. Uganda’s results in the GEDI ranking are poorer than in the GEM. Under the GEDI, Uganda is ranked 126 out of 132 countries where even at the regional level, the country is lagging at 22.

Figure 4.3: GEDI Entrepreneurship Potential



²⁹László Szerb, Ruta Aidis, Zoltán J. Ács, (2012), A comparative analysis of Hungary’s entrepreneurial performance in the 2006-2010 time period based on the Global Entrepreneurship Monitor and the Global Entrepreneurship and Development Index Methodologies; GEDI Report

³⁰The five main differences between GEM and GEDI are (László Szerb, Ruta Aidis, Zoltán J. Ács, 2012):

1. GEM views entrepreneurship as a process of business creation, while GEDI emphasizes the contextual feature of entrepreneurship;
2. GEM focuses on the collection and analysis of individual and institutional data independently, while GEDI examines the combined effect of individual and institutional variables;
3. While GEM and GEDI share the similar views regarding entrepreneurial attitudes and aspirations, they interpret entrepreneurial activities differently. GEM uses quantity related variables measuring activity such as the rate of nascent entrepreneurship, the rate of new business ownership, the rate of established business ownership, or the rate of business discontinuation, whereas GEDI highlights the quality aspect of entrepreneurial activity by examining the nascent and new business owners’ abilities and intentions.
4. GEM analyzes the factors of entrepreneurial attitudes, activities and aspirations individually, while GEDI views them as a mutually influential element of a system, and combines them together by forming three sub-indexes – Entrepreneurial Attitudes, Entrepreneurial Activities and Entrepreneurial Aspirations that make up the GEDI Index;
5. Most GEM related public policy recommendations are general with suggestions made according to the stage of economic development (factor driven, efficiency driven, innovation driven). Relying on its unique Penalty for Bottleneck (PFB) methodology, GEDI is able to provide tailor- made, country specific policy recommendations based on a country’s strengths and weaknesses.

397. The GEDI ranking emphasizes the institutional context of entrepreneurship. While the GEM shows the Ugandan people's tendency to undertake economic activities, the GEDI shows all the difficulties they have in succeeding at what they undertake. It emphasizes the difficulties in articulating a managed economy with an entrepreneurial society.
398. While several stakeholders spoke to the CRM about the high Ugandan entrepreneurial spirit, it appears that the dominant approach to the entrepreneurial question is more quantitative than qualitative. Efforts should be made for Uganda to move away from a segmented or a one-dimensional approach, to a systematic approach that takes into account the dynamics between individual-level attitudes, activities, aspirations, and the institutional environment. It should also shift from a pure formal approach to a more integrated one, taking into account the informal institutions that hinder or promote entrepreneurship.

Attitudes towards Foreign Investors

399. Stakeholders informed the CRM team that the impression is that government and most banks and businesses support foreign investors. For example, foreign investors are often offered free land and tax holidays, whereas Ugandan entrepreneurs are required to pay tax even before they open their businesses. The impression given to the local business community is that foreign investors are there to compete with them.

4.2.4 Recommendations of the Panel

400. Based on the above analysis, the Panel recommends for Uganda to:
- Build the capacity of entrepreneurs through business development and entrepreneurship training as well as improving access to finance. (Government, Private Sector)
 - The Skilling Uganda programme to be better resourced and available to entrepreneurs and stakeholders across Uganda. (Government, Private Sector)
 - Provide incentives for business linkages particularly between MSMEs and large enterprises, including multinationals, as a measure to promote building the capacity of MSMEs. (Government, Private Sector)

4.3 Access to Finance for Emerging Business

4.3.1 Introduction

401. The CSAR 2017 observes that the financial sector in Uganda is composed of four main sub-sectors: banking, insurance, capital markets and the pension industry. The banking sector is regulated by the Central Bank, called the Bank of Uganda, and is subdivided into four tiers. The insurance industry is regulated by the Insurance Regulatory Authority; The capital markets are regulated by the Capital Markets Authority; and the pensions industry by the Uganda Retirements Benefits Regulatory Authority.
402. Access to finance has been identified as one of the major weaknesses in the entrepreneurial ecosystem of Uganda. Interest rates are excessively high and therefore a prohibitive factor for the growth of emerging and small businesses, particularly in the farming sector.

Banking Sector

403. The banking and related sectors in Uganda are divided into four main tiers by law. The Tier I banking sector in Uganda includes all commercial banks, which are permitted to hold checking, savings and deposit accounts for individuals and institutions in local and international currencies. These commercial banks are authorized to buy and sell foreign exchange, issue letters of credit, and make loans to depositors and non-depositors. Tier II includes all credit and finance companies not authorised to establish checking accounts or trade in foreign currency. These institutions are permitted to take customer deposits and hold savings accounts and are authorised to provide collateralised and non-collateralised loans. Tier III institutions include the microfinance institutions (MFI) and Microfinance Deposit-taking Institutions (MDI). Tier IV institutions are not regulated by the Bank of Uganda. These are financial institutions that are not authorised to take in deposits from the public but are permitted to offer collateralised or non-collateralised loans, including non-deposit taking Micro-Finance Institutions (MFI), Savings and Credit Cooperative Societies (SACCOS), self-help groups and payroll lenders. Tier IV includes entities such as the non-deposit taking MFI's.
404. The CSAR notes that the Financial Institutions (Amendment) Act 2016 and the Tier IV Microfinance Institutions and Money Lenders

Act 2016 were enacted to strengthen the regulatory framework in the financial sector. At the time of the second country review mission in October/November 2017, the regulatory authority that is to oversee Tier IV institutions has still not been created.

4.3.2 Evolution of the issue

Banking Sector

405. CSAR 2017 outlines the scope and breadth of the banking sector in Uganda. In 2016, the sector included more than 25 commercial banks with a network of 564 branches. Stanbic Bank was the largest commercial bank in 2016, controlling a 19% market share, followed by Stanchart Uganda at 14%. The CSAR notes that both of these institutions were multinational banks, with the third largest commercial bank at the time the locally owned Crane Bank with a 9.3% market share and a 45-branch network followed by the locally owned Centenary Bank with an 8.8% market share and a 62-branch national network.

406. The CSAR reports that non-performing loans are a challenge for the banking sector in Uganda. The volume of non-performing loans trebled from UGX.573 billion at the end of 2015 to UGX. 1.8 trillion by the third quarter of 2016. In October 2016, the Bank of Uganda placed Crane Bank, the largest locally owned commercial bank, under its management due to systemic risk associated with a high number of non-performing loans.

407. The CSAR 2017 reports that since 2007, three banks have been closed and one placed under management by the Bank of Uganda. The recent interventions have been the placement under management of Imperial Bank with assets sold to Exim Bank of Tanzania, and the placement under management of Crane Bank. The main challenge facing the banking sector is the rising trend of nonperforming loans. This threatens depositors' funds in the banking industry. The CSAR further notes that only 38 per cent of Ugandans hold bank accounts.

Savings and Credit Cooperative Societies (SACCOS)

408. The CSAR reports that Uganda had about 5000 Savings and Credit Cooperative Societies (SACCOS) as of 2016, and that these institutions are systemically important to Uganda. It observes that

while the Uganda Cooperative Savings Credit Union (UCSCU) was selected by the Government as the main apex entity for all SACCOs in the country, it lacks the capacity to effectively regulate the sector, and provide necessary support to the SACCOs.

409. The CSAR observed that the eventual establishment of the Tier IV regulatory authority as provided for in the Tier IV Institutions and Money Lenders Act 2016 will allow all SACCOs and MFIs to be registered and licensed. It will also provide for the establishment of a SACCO Stabilisation Fund, a Savings Protection Scheme, and a Central Financing Facility for channelling of State Funds through SACCOs.

4.3.3 Analysis and findings of CRM

Access to Finance

410. Stakeholders meeting the CRM observed that access to finance is an important consideration for farmers, small business and entrepreneurs in Uganda. Access to finance is the main constraint to doing business in the regions, and stakeholders requested an agricultural commercial bank. Furthermore, the main challenge for agriculture is that the lending rate from commercial banks is too high for the sector, so that even if a loan is negotiated, it is not at a commercially affordable rate for farmers. In Eastern region, for example, stakeholders informed the CRM that most institutions are lending between 20 and 30 per cent. This challenge is exacerbated by poorly functioning SACCOS, which in the past have been an important avenue for agricultural finance. In Eastern region, for example, more than 100 SACCOS are present, but only a minority are functional and assist farmers.
411. The Enterprise Survey 2013, by the World Bank found that while the world average of companies with bank loan/line of credit is 33,6% and that average is 22.2% in Sub-Saharan Africa, this is only 9.7% in the case of Uganda. At the same time, only 8.1% of firms use banks to finance investments (for a world average of 25,9% and a Sub Saharian average of 20,8%), as illustrated in Table 4.6. Although new banks have been established in Uganda over the last ten years, companies' access to finance from them remains very limited.

Table 4.6: Recourse to bank financing

Indicator	All Countries	Sub-Saharan Africa	Uganda (2013)
Percent of firms with a checking or savings account	86.6	86.2	86.7
Percent of firms with a bank loan/line of credit	33.6	22.2	9.7
Proportion of loans requiring collateral (%)	79.3	85.3	86.7
Value of collateral needed for a loan (% of the loan amount)	205.4	214.8	161.8
Percent of firms not needing a loan	46.2	37.4	42.0
Percent of firms whose recent loan application was rejected	11.2	15.3	9.2
Percent of firms using banks to finance investments	25.9	20.8	8.1
Proportion of investments financed internally (%)	71.0	73.9	80.3
Proportion of investments financed by banks (%)	14.7	10.2	3.1
Percent of firms using banks to finance working capital	30.1	23.3	21.4
Percent of firms using supplier/customer credit to finance working capital	31.3	24.2	19.7
Proportion of working capital financed by banks (%)	11.6	8.9	6.8
Percent of firms identifying access to finance as a major constraint	26.4	38.3	19.6

Source: Enterprise Survey (2013), World Bank

High interest rates

412. The CRM observed that, although Uganda has more commercial banks than ten years ago, interest rates have remained persistently high. As at end-June 2016, commercial bank lending rates averaged 23.54 percent. Several factors explain the high level of interest rates:

- In order to prevent the depreciation of the Uganda Shilling, to combat imported inflation and to slow down internal demand that could aggravate inflationary pressures, the Bank of Uganda (BoU) monetary policy committee raised the Central Bank Rate (CBR) to over 17 per cent in October 2015. Since then there have been extended delays in commercial banks' reactions to reductions in the Central Bank Rate from the BoU, notwithstanding that commercial banks have often reacted quickly to CBR rate increases.
- The scarcity of customer deposits and public and private savings, as most of the population is unbanked, as well as the diversion of savings towards investments in government securities which offer high returns. Government domestic borrowing and the rise in returns on government securities has crowded out the private sector with

domestic borrowing; and

- The high level of non-performing loans.

413. During consultations, the CRM was informed that the BoU has decided to reduce the Central Bank Rate (CBR) from 10 to 9.5 per cent which is the lowest CBR [policy] rate since 2011.

New prospects for Financial Inclusion

414. While the 2008 Country Review Report (CRR 2008) observed that “leasing could be an opportunity for improving the financing of MSMEs, it nevertheless remains underdeveloped”, the CSAR 2017 doesn’t mention leasing as a source for financing small and medium-size enterprises (SMEs). The CRR 2008 found that “SACCOs are not always formed with a view to carrying out productive activities. Hence, resources mobilized through this network are usually utilized for a very short period of time (from a fortnight to a few months) and at a very high cost”. The CSAR 2017 notes that Uganda has over 6,351 registered SACCOs with other UGX 120 billion worth of savings and that the Uganda Cooperative Savings Credit Union (UCSCU) was chosen by the Government as the main apex entity for all SACCOs in the country. The CRR (2008) further notes that the UCSCU currently lacks the capacity to provide effective support across the country and that the most important SACCOs are regulated and supervised under the Central Bank regulations to ensure prudential stability. Uganda has also put in place a Micro Finance Support Centre (MSC) and a stabilization fund that will provide financial assistance to SACCOs that are insolvent. The challenge for these associations and cooperatives is the weak legal and regulatory framework governing cooperatives. While the CSAR 2017 notes that “Government supported SACCOs have enabled many households to grow their enterprises”, the challenge is in developing capacities so as to advance growth and value-addition in the agricultural sector.

415. The CSAR states that, in order to combat unemployment, in 2011 and 2012, three venture capital funds—the Youth Venture Capital Fund, Graduate Venture Fund, and the Youth Fund Programme were introduced to target and support youth who wish to venture into business. However, a recent evaluation study notes that these venture capital funds are confined to urban settings, and have stringent criteria attached to them such as providing collateral.

416. The CRM has been informed that Micro-finance institutions offer variable rates with abnormally high interest rates, which ensure that very few entrepreneurs have sustainable profits. There are new prospects for micro-finance emerging from the growth of mobile banking.
417. The Global Financial Inclusion Index by the World Bank (2014) indicates that, in terms of the population holding bank accounts, Uganda has made some progress but still lags behind comparable countries and the global average. Table 4.7 reflects the Sources of Business Finance in Uganda, and indicates that despite this lag, Ugandans borrow much more than other nationalities. This trend is on the rise and includes borrowing from financial institutions.
418. The most distinctive feature of Ugandan borrowing behavior is the high reliance on family or friends for borrowing. The use of social networking to finance oneself (including the financing of business startups) is increasingly important, and Uganda has one of the highest rates in the world. This means that the personal and social network has largely replaced the formal banking network, which, with 2.32 branches per 100,000 adults, remains one of the least dense in the world. Another emerging and very important feature of financial inclusion in Uganda is the strong presence of mobile phone payments. Uganda is far ahead of other countries in the region, and the world average. This raises the question of regulating this type of payment and puts even more pressure on the traditional banking sector to develop and diversify its instruments for collecting savings and financing the economy.

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Table 4.7: Source of Business Finance in Uganda

Series Name	Uganda 2011	Uganda 2014	Low & middle income (2011)	Low & middle income (2014)	Sub-Saharan Africa ³¹ (2011)	Sub-Saharan Africa (2014)	World (2011)	World (2014)
Account (% age 15+) [ts]	20,46	44,45	41,30	54,14	23,87	34,21	50,60	61,51
Account at a financial institution, female (% age 15+) [ts]	15,06	23,14	36,50	48,67	21,34	25,14	46,81	57,36
Account at a financial institution, income, poorest 40% (% ages 15+) [ts]	10,91	13,52	29,07	44,77	13,39	19,80	41,44	53,30
Account, income, poorest 40% (% ages 15+) [ts]	10,91	27,19	29,07	45,70	13,39	24,59	41,44	54,05
Account, primary education or less (% ages 15+) [ts]	14,22	36,79	35,11	46,60	12,08	22,71	36,98	48,05
Automated teller machines (ATMs) (per 100,000 adults)	3,68	..	16,12	..	3,93	..	31,25	..
Borrowed any money in the past year (% age 15+) [w2]	..	78,97	..	43,40	..	54,49	..	42,37
Borrowed any money in the past year, female (% age 15+) [w2]	..	75,00	..	41,45	..	53,86	..	40,46
Borrowed from a financial institution (% age 15+) [ts]	8,87	15,70	7,99	9,02	4,80	6,29	9,11	10,69
Borrowed from a financial institution, female (% age 15+) [ts]	8,61	13,91	7,24	8,03	4,32	5,74	8,20	9,57
Borrowed from a financial institution, income, poorest 40% (% ages 15+) [ts]	6,02	11,31	7,68	6,77	3,02	4,83	8,60	8,69
Borrowed from a private informal lender (% age 15+) [ts]	4,59	6,25	3,75	5,48	5,48	4,70	3,39	4,55
Borrowed from a private informal lender, ..	4,77	6,09	3,69	5,19	5,15	4,49	3,26	4,32

³¹ developing only

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female (% age 15+) [ts]								
Borrowed from a private informal lender, income, poorest 40% (% ages 15+) [ts]	4,63	5,50	3,53	6,16	4,34	5,19	3,22	5,12
Borrowed from a private informal lender, primary education or less (% ages 15+) [ts]	5,25	6,08	3,92	6,03	5,19	4,11	3,78	5,74
Borrowed from a store by buying on credit (% age 15+) [w1]	9,45	..	6,64	..	8,17	..	7,50	..
Borrowed from an employer (% age 15+) [w1]	4,17	..	3,42	..	4,04	..	3,03	..
Borrowed from family or friends (% age 15+) [ts]	46,46	69,42	25,18	29,01	40,06	41,92	22,63	26,18
Borrowed to start, operate, or expand a farm or business (% age 15+) [w2]	..	22,31	..	8,29	..	12,81	..	7,11
Borrowed to start, operate, or expand a farm or business, female (% age 15+) [w2]	..	21,21	..	6,69	..	12,17	..	5,58
Commercial bank branches (per 100,000 adults)	2,32	..	7,39	..	3,54	..	11,50	..
Credit card (% age 15+) [ts]	1,63	1,65	6,56	9,63	2,96	2,68	14,88	17,56
Mobile account (% age 15+) [w2]	..	35,10	..	2,51	..	11,51	..	2,02
Mobile account, female (% age 15+) [w2]	..	29,04	..	1,96	..	10,27	..	1,57
Mobile account, income, poorest 40% (% ages 15+) [w2]	..	20,92	..	1,69	..	8,12	..	1,36
Mobile phone used to pay bills (% age 15+) [w1]	3,34	..	1,90	..	3,07	..	1,89	..
Saved any money in the past year (% age 15+) [w1]	44,41	..	30,99	..	40,32	..	35,98	..
Saved any money in the past year, female (% age 15+) [w1]	37,94	..	28,81	..	37,64	..	33,92	..
Used the Internet to pay bills or buy things (% age 15+) [w2]	..	1,69	..	8,44	..	2,44	..	16,62

Source: FINDEX, Global Financial Inclusion, World Bank (2014)

³²Nathan Fiala, (2014), Helping Microenterprises Grow in Uganda, Innovations for Poverty Action (IPA), www.poverty-action.org

³³<https://www.publicservice.go.ug/a-syndicate-of-anti-corruption-agencies/>

419. The CSAR notes that, in order to improve financial inclusion, the Centenary Bank has a financial literacy programme for business communities to promote financial literacy skills and decision-making.
420. A recent field study showed that in general, men who received small loans and grants for their microenterprises coupled with skills training, experienced substantially higher profits than others. These loans only proved effective when offered in conjunction with skills training. Women, on the other hand, did not experience any impact on their businesses as a result of business training or loans. This is because women in Uganda were more likely than men to spend income on their households, rather than invest in their businesses. Loans appeared to hold more promise than grants because of the pressure created to repay borrowed capital .

A persistently fragile banking sector

421. Since 2007, Uganda has benefited from the entry of eight new international banks. The CSAR 2017 mentions that banks in Uganda are facing steep competition from both the growth of the industry and new developments such as mobile money, and this is forcing them to form strategic alliances with telecom companies to achieve win-win situations.
422. The CRR 2008 mentioned the setting up of a Credit Reference Bureau, and that the BoU has adopted a risk-based approach in the supervision of financial institutions. It also points out the fact that some banks do not always comply with transparency requirements. As of 2017, this situation has not fundamentally changed. Although in 2015 Uganda passed the Financial Services Act aimed at regulating the performance of the sector, the collapse of the Crane Bank illustrates the vulnerabilities of the banking sector.
423. Uganda passed the Financial Services Act and the Financial Institutions (Amendment) Act in 2015 and 2016 respectively. These laws were aimed at regulating the performance of the banking sector and strengthening the regulatory framework in the financial sector. Notwithstanding these legislative interventions, the CRM notes that Uganda has a persistently fragile banking sector, and that some banks do not always comply with transparency requirements.

The Uganda Stock Exchange (USE)

424. There has been significant recent growth in Uganda Stock Exchange (USE) operations from 7 listed companies and a turnover of UGX48.4 billion in 2007 to 16 listed companies and annual turnover of UGX466 billion in the 2014/15 financial year. 20% of the Security Central Depository Accounts are categorized as foreign. The CRM is of the view that there is still a need for a coordinated action from the Bank of Uganda, the Capital Markets Authority (CMA) and the Ministry of Finance, so as to attract more investors and to convince some of the one hundred largest Ugandan companies to list in the stock exchange.

4.3.3 Recommendations of the Panel

Based on the above analysis and findings, the Panel recommends for Uganda to:

- Set up periodic evaluation indicators for the National Financial Inclusion Strategy 2017-2022; (Bank of Uganda; Government)
- Formulate and implement a comprehensive national payment systems law that will address legislative and regulatory gaps highlighted in the review report including in the high growth area of mobile payments; (Bank of Uganda; Government)

³⁴Presentation on the Present State of Environment Statistics in Uganda Presented at the Workshop on Environment Statistics (FDES) In Arusha, Tanzania, 2015

³⁵<https://www.npr.org/sections/thesalt/2017/06/06/531580368/photos-here-s-what-climate-change-looks-like-to-uganda-s-coffee-farmers>

³⁶<http://theugandan.com.ug/ugandas-drought-hits-new-record-high/>

<http://theugandan.com.ug/ugandas-drought-hits-new-record-high/>

4.4 Promoting Accountability and a Culture of Compliance

4.4.1 Introduction

Compliance with national laws and regulations.

425. This topic focuses on the legal and administrative framework that is in place to facilitate the promotion of corporate governance rules and policies. It further addresses the level of compliance thereto by organisations. In addition, it seeks to assess:

- The effectiveness of both government authorities and self-regulatory authorities in implementation, regulation, monitoring and supervision;
- The independence, capacity and efficiency of the judiciary in enforcement of laws and regulations relating to organizations;
- The availability of skilled professionals in areas relevant to good corporate governance;
- Measures to support and improve governance of informal sector businesses.; and
- Regulatory frameworks for financial institutions that support businesses.

426. According to the CSAR 2017, there has been significant improvement in the governance of entities in both the private and the public sectors since the first country review report (CRR 2008).

Compliance with ethical codes and industry standards

427. According to the Corruption Perception Index compiled by Transparency International, Uganda ranked 151 out of 175 countries in 2016, which indicates that Uganda continues to face high levels of corruption. This has been acknowledged as a major challenge that hampers the delivery of key and critical services and thereby slows down the rate at which the country is able to address its socioeconomic challenges effectively and efficiently.

428. In December 2016, at the official launch of the “Syndicate of Anti-Corruption Agencies”, “the Vice President, H.E. Edward Ssekandi, noted that “corruption is a malaise and a symptom of moral decadence that has permeated the sphere of the Ugandan society”.

He added that corruption was hurting the economy and aggravating the impoverishment of the populace. “Despite the good progress recorded, the country continues to face intolerably high levels of corruption both within the public and private sector,” he added” .

Compliance with environmental regulations

429. Uganda has been experiencing considerable degradation of the environment. The environment and Uganda’s natural resources are under threat from both natural and man-made drivers of change including poverty, rapid population growth, unplanned urbanization, expansion of informal settlements, industrialization and the impacts of climate change and variability among others. Fragile ecosystems, including hilly and mountainous areas, riverbanks, lakeshores and rangelands are facing encroachment and degradation. Pollution levels are also on the increase, and the country is contending with new and emerging environmental issues arising from e-waste, unsound use of chemicals, oil and gas development and the impact of climate change .

430. More recently, Uganda has experienced devastating droughts that have had a negative impact on the livelihoods of farmers and the country as a whole. “Rising temperatures and prolonged drought can make coffee trees less productive and increase their exposure to pests and diseases. This is especially a problem in Uganda, where nearly all of the coffee is produced by small farmers who have little access to irrigation or other modern farming conveniences. Coffee is by far the country’s most valuable industry: it accounts for one-fifth of export revenue, and about 1 in 5 Ugandans relies on it for part or all of their income. Yet, climate change could slash the country’s coffee production in half by 2050 —a loss worth \$1.2 billion, according to a 2015 economic analysis commissioned by the Ugandan government” .

431. At a recent event, commemorating Environment Day, H.E President Museveni acknowledged the severity of the challenge facing Uganda when he stated that “we have not had enough rains for the last two seasons in Uganda and experts attribute it to the attack on the environment by people who invaded wetlands, forests, lakes and rivers that contribute 40% of the rains we get and we can’t go on like that” . Affected local districts have also voiced their concerns at the alarming impact of the drought. Kumi Municipality stated “that

the impact of climate change has worsened the agricultural sector, yet employs more than 70 per cent of the country's population: "Poor agricultural practices have also put us down but if resilience is achieved and we apply best agricultural practices, we shall increase food production which will settle a problem of food insecurity and increase exports to improve our income for development. Uganda loses over \$45 million a year in the agricultural sector, which has affected its income" .

Corporate Citizenship and Corporate Social Responsibility

432. In accordance with APRM philosophy, an organization as well as being an economic entity is also a citizen of a country and as such, has a moral and social standing within that country's society with all the responsibilities attached to that status. As such, when making decisions, an organization should consider the impact of its decisions on stakeholders, both internal and external as well as on the environment and society as a whole.
433. The United Nations Global Compact elaborates that "Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another".

4.4.2 Evolution of the issue

Compliance with national laws and regulations

434. In its first review of Uganda (CRR 2008), the Panel made several recommendations with regard to compliance with national laws and regulations. The recommendations included proposals for:
- Development of indicative guidelines for SMEs and informal sector enterprises to enhance their management capability, and improve their access to bank finance, thus encouraging a transition to the formal sector;
 - Revival of the Uganda Development Bank, and to provide it with the long-term funds needed to support Small and Medium size Enterprises (SMEs);

- Capacitating regulatory and enforcement bodies to allow them to carry out their respective mandates (Ministry of Finance)
- Fast-tracking the adoption of pending commercial laws to provide for an enabling business environment;
- Partnership with the Institute of Corporate Governance of Uganda (ICGU) to design SOE-specific training sessions and codes of good business ethics;
- Re-examination of the governance of State-Owned Enterprises (SOEs), including the appointment of board members;
- Continued development of memberships of the ICGU, including SMEs and design of training sessions and governance assessments tools suitable for SMEs; and
- Strengthening Micro, Small & Medium Enterprises (MSMEs) at the grassroots level and teaching the fundamentals of corporate governance (local authorities; CSO).

435. According to the CSAR 2017, the legal framework that governs organizations in Uganda includes, among others, the Companies Act 2012, the Accountants Act 2013, the Petroleum (Refining, Gas Processing and Conversion, Transportation and Storage) Act 2013, the Uganda National Bureau of Standards (Amendment) Act 2013, the Anti-Money Laundering Act 2013, the Public Private Partnership Act 2015, the Trade (Licensing) (Amendment) Act 2015, the Public Finance Management (Amendment) Act 2016, the Financial Institutions (Amendment) Act 2016, the Capital Markets Amendment Act 2016. In particular, CSAR 2017 notes that Table F of the Companies Act 2012 provides the Code of Corporate Governance for companies in Uganda, and is mandatory for the public sector with provisions on directors and management, shareholders, records and reporting.

436. The report further states that there are also frameworks in place for promoting and ensuring effective corporate governance in the public sector, including the Local Government Act 1997 as amended in 2015, the Public Finance Amendment Act (2016), the Accountants Act 2013, the Auditor General, The Inspector General of Government, the Whistleblowers Act 2010 etc.

437. These legal frameworks provide for establishment/ registration

of organizations, governance, rights and obligations of various parties such as shareholders and directors. In addition, they regulate commercial transactions, provide for accounting and financial management standards and tax obligations. It is further stated in the CSAR that the above legal frameworks are enforced by various agencies, including the Auditor General and the Uganda National Revenue Authority. Other agencies that have regulatory oversight over organizations in Uganda include the Bank of Uganda, the Parastatal Monitoring Unit and the Public Procurement and Disposal Authority.

438. The CSAR 2017 states that, as per the recommendations of the first country review report in 2008, the Companies Act (2012) was passed, and it has enhanced reforms in the corporate governance framework. As a result, Uganda now has in place a wide range of corporate governance mechanisms focused on promoting best practice in private, public enterprises and non-governmental organizations. There are various legal and regulatory frameworks that have enhanced the business environment and the operations of public and private entities. The NGOs Act was amended in 2015 to effectively regulate non-governmental organisations (NGOs), and its implementation will require a specific code of corporate governance to be instilled in NGO and community-based sectors so that they adhere maximally to corporate governance.

439. The CSAR has also noted that reforms to enhance corporate governance have been more pronounced in the financial sector than in other sectors. The review notes the effectiveness of the framework in the financial sector and listed companies, while implementation and enforcement gaps remain for small and medium scale enterprises. The improvement in corporate governance in Uganda is reflected in the World Doing Business Report rankings, where Uganda improved 51 places from a rank of 166 in 2007 to 115 in 2017.

Compliance with regulations to protect workers' rights, minority shareholders, and consumers

440. While the Minimum Wage Bill 2011 presented to Parliament in 2013 is yet to be enacted into law, CSAR 2017 affirms that the implementation of the labour laws in the country faces numerous challenges. The agencies responsible for the enforcement of labour

laws remain underfunded and understaffed, which affects their ability to effectively monitor and enforce the laws. Further, many employers do not respect the laws. Organisational compliance with labour laws is low, at less than 40%. There are low levels of awareness of labour laws. In addition, corruption and the inefficiency of the Courts discourage some workers from seeking reparation. (P.287)

Compliance with environmental regulations

441. The first country review report (CRR 2008) identified climate change and environmental protection as key issues to be addressed by the Government of Uganda. The report stated that global warming in Uganda was of genuine concern to stakeholders, even though the Self Assessment Report at the time had been silent on the issue. At the time, abnormal flooding was severe and farmers were the worst hit. Rural areas were adversely affected by crop failure in many parts, due to erratic rains and floods as well as prolonged droughts followed by hailstorms.

442. The report had also highlighted the impact of pollution on the country's water resources, especially Lake Victoria. The negative impact of population growth, which forces people to settle in the wetlands, was also singled out as an additional source of health hazards

443. In CRR 2008, the following recommendations were made:

- To fully empower the National Environment Management Authority (NEMA) to protect the environment, enforce existing laws and sensitize all stakeholders and the private sector around issues relating to the protection of the environment and to the need to preserve Uganda's ecological patrimony; and
- To raise awareness, especially within the farming community and convert farmers into environmental protectionists;

444. The CSAR 2017 states that the rate at which natural resources are encroached upon by organisations continues to rise. Forest reserves have been cleared for palm oil production or for commercial tree farming by multinationals, while the Lake Victoria shoreline is giving way to recreational facilities.

445. According to the CSAR 2017 report, over the period under review,

874 projects were submitted to NEMA for approval and 591 were approved. The report states that on average 66% of the inspected approved development projects are compliant with the EIA approved conditions. Notwithstanding these applications and approvals, there are indications that there is hesitance and resistance by business enterprises to comply with environmental standards. Consultations with civil society have revealed that business entities often do not comply with the relevant rules and regulations. There are also reports that NEMA lacks the necessary capacity to investigate all of the cases reported to it.

Corporate Citizenship and Corporate Social Responsibility

446. The 2008 Review identified a challenge in relation to the level of awareness and the delivery by businesses of corporate social responsibilities (CSRs). Consequently, a number of recommendations aimed at improving the role of the private sector's engagement in social responsibility were made by the Panel.
447. CRR 2008 made recommendations for Ugandan private sector organizations and individual companies to set up a dialogue platform together with district budget committees in order to design community development projects jointly as part of their CSR activities. The report had further recommended for a launch of a specific programme for sensitizing local businesses, including the informal sector, on strategies to be adopted to fight HIV/AIDS in the workplace and to protect the rights of workers living with HIV.
448. The National Plan of Action (2009) contained a provision for the creation of a mechanism that obligates corporations to provide for corporate social responsibility.
449. The CSAR 2017 report has noted the significant improvements in Uganda since the first Review Report. It states that "Uganda, like other countries, is witnessing a growing shift in focus from the shareholders' value to stakeholders' value. Enterprises are striving to balance the demands of the shareholders and those of other interest groups. Therefore, it is becoming prudent to view corporate social responsibility as an investment that brings financial returns". To this end, a number of initiatives have been noted in the CSAR, including investments that promote better health care, access to quality education, promotion of talented citizens for sustainable

career development, promotion of gender equality through girl-child initiatives, and fostering innovation through technology development and transfer programmes with universities.

Analysis and Findings of CRM

Compliance with national laws and regulations

450. Uganda’s approach to corporate governance differs depending on whether the organization is private, not-for-profit, or public. Since the last review, Uganda has taken significant steps to put in place a number of laws, guidelines and codes to improve the legal framework, and to adopt best practice in regards to corporate governance, including the “AskYourGov.ug” website illustrated in Commendable Practice 4.1.

Commendable Practice 4.1: AskYourGov.ug

Uganda has established a website known as AskYourGov.org, that builds on the Access to Information Act (2005) which instructs that “every citizen has the right to access information held by public authorities. By law, they [Government civil servants] have to respond.”

AskYourGov.ug has been released to “help members of the public get the information they want about from Uganda public authorities – by asking for it. It will also make life easier for Ugandan public officials because they will be less likely to have to answer repeated requests about the same subject: once a question has been answered, everyone will be able to find the information stored on this website”.

By November 2017, Ask Your Government Uganda covered requests to 106 agencies, and users had made 1,213 requests.

Source: CRM

451. The Companies Act 2012 contains provisions relating to governance for companies and State-Owned Entities (SOEs). Annexure F to the Companies Act contains a Corporate Governance Code for companies registered in Uganda. Whilst the provisions are mandatory for the public sector, they remain voluntary for private companies. These provisions deal with inter alia, appointment and role of the board, separation of powers of the board and the executive and the fiduciary duties of company directors.

452. There are also voluntary corporate governance codes such as the Institute of Corporate Governance of Uganda Code and the Uganda Stock Exchange (USE) Guidelines that serve to supplement the legal framework. These acts and regulations clearly spell out the separation of powers between the CEO and chairman of the board, requirements for board independence, and key responsibilities of company boards.
453. In 2008, the Institute of Corporate Governance of Uganda (ICGU) published guidelines that apply to all companies in Uganda irrespective of whether they are listed or not, and irrespective of the form of ownership or size.
454. Notwithstanding the improvements recorded, the primary legal frameworks that govern business organisations and promote good corporate governance such as the Companies Act 2012 and Table F thereto are not aligned with international best practice standards. Furthermore, because Table F and the ICGU guidelines are voluntary for the private sector, there has been limited incorporation of these guidelines by private companies.
455. Whilst the work of the ICGU has been to increase levels of awareness and sensitize organisations with regards to adhering to governance guidelines, the success of the ICGU has been limited in this regard due to limited resources and poor coordination with other private sector representative organisations and associations. This manifest itself in slow progress in implementing the reforms. Relevant parties engaged such as the ICGU and other business associations understand the challenge as well the limitations. However, without the necessary resources in place, the slow progress in implementing reforms makes it difficult to address constraints.
456. There also exist very little corporate governance enforcement measures for private organizations and not-for-profit organizations. The private sector is dominated by informal sector businesses and Micro, Small & Medium Enterprises (MSMEs) that are largely engaged in the trade and the services sector.

Compliance with regulations to protect workers' rights

457. The National Labour Force and Child Activities Survey 2011/12 showed that 39 percent of children aged 6-17 years (i.e. 4.3 million children) were involved in some work in 2011/12. This survey

also indicated that a total of 2 million children aged 5-17 years (approximately 16 percent of the total children) were engaged in child labour. In addition, about 65 percent of children were involved in household chores. Another survey on young and child domestic workers in Uganda (2015) found that when it comes to the distribution of domestic workers in Uganda, 44 percent were below the age of 18 years while 22 percent could be taken as young persons (18-21). 24% percent of those below the age of 18 (child domestic workers) are not paid.

458. The CRM notes that child labour is a complex issue, sometimes linked to cultural and family considerations. In farming and farming circles, it is only natural that children should help their parents. But for a country that relies on its youth, this problem is serious and becomes even more alarming when it leads to the descolarization and exploitation of children.

Compliance with ethical codes and industry standards

459. Table 4.8 below indicates the historical ranking of Uganda on Transparency International’s Corruption Perception Index, and the 2016 results reflect that the perception of corruption in Uganda’s public sector increased much more in 2016 compared to the previous year. The 2016 rankings also indicate that Uganda is perceived to be among the most corrupt in the East African Region, after South Sudan and Burundi. Rwanda is perceived to be the least corrupt in 50th position followed by Tanzania, with Kenya in the 145th place

Table 4.8 : Uganda Corruption Perception Index Ranking



Source: Tradingeconomics.com; Transparency International

460. The Enterprise Surveys 2013 has also indicated worryingly high levels on corruption incidence in Uganda. On various indicators, Uganda scored above the average for Sub-Saharan Africa. These indicators include:

- The percentage of firms expected to give gifts to public officials “to get things done”;
- The percentage of firms expected to give gifts to get an electrical connection;
- The percentage of firms expected to give gifts to secure government contracts.

461. Whilst the Corruption Incidence levels are high in accordance with the Enterprise Survey and Transparency International, it is concerning that the percent of firms in Uganda identifying corruption as a constraint is significantly lower at (19.1) than the percent of firms in Sub-Saharan Africa (41.6) identifying corruption as a constraint. Table 4.9 below reflects that notwithstanding that Uganda ranks quite significantly higher than the Sub Saharan Africa average on a number of indicators, there are less firms in Uganda that think corruption is a constraint. This means that corruption in Uganda has become endemic and pervades deeper layers of society such that the general population is becoming immune to the effects and causes of corruption.

Indicator	Uganda	Sub-Saharan Africa	All Countries ²
Bribery incidence (percent of firms experiencing at least one bribe payment request)	22.0	24.0	18.0
Bribery depth (fraction of public transactions where a gift or informal payment was requested)	14.6	15.3	14.0
Percent of firms expected to give gifts in meetings with tax officials	14.3	18.0	13.3
Percent of firms expected to give gifts to secure government contract	30.2	35.6	29.5
Value of gift expected to secure a government contract (percent of contract value)	0.8	0.7	1.8
Percent of firms expected to give gifts to get an operating license	17.6	18.0	14.3
Percent of firms expected to give gifts to get an import license	1.2	17.3	16.4
Percent of firms expected to give gifts to get a construction permit	8.5	26.2	25.3
Percent of firms expected to give gifts to get an electrical connection	52.6	23.6	16.2
Percent of firms expected to give gifts to get a water connection	8.8	24.5	16.2
Percent of firms expected to give gifts to public officials “to get things done”	27.8	27.5	22.5
Percent of firms identifying corruption as a major constraint	19.1	41.6	32.7
Percent of firms identifying the courts system as a major constraint	14.9	18.7	14.5

³⁸<http://www.enterprisesurveys.org/data/exploreeconomies/2013/uganda#corruption>

462. In its efforts to combat corruption, Uganda has a Code of Conduct and Ethics for the Uganda Public Service. This Code applies to all public services in Uganda, notwithstanding that each of the professions within the public service has its own Code of Conduct. It states that it is designed to ensure the impartiality, objectivity, integrity, transparency, efficiency and effectiveness of Public Officers when performing their duties. It also states that it is intended to promote good governance and accountability in the Public Service . The code contains provisions that:

- Prohibit public officers from directly or indirectly entering into contracts with government;
- Prohibit use of official information for personal gain;
- Deal with proper accounting of public funds; and
- Deal with handling of gifts, bribes, presents, favor of public officers.

463. Uganda also has the Inspectorate of Government, an independent institution charged with the responsibility of eliminating corruption, abuse of authority and of public office. Its powers as enshrined in the Constitution and IG Act include to investigate or cause investigation, arrest or cause arrest, prosecute or cause prosecution, make orders and give directions during investigations. The Anti-Corruption Division of the High Court established as a specialized Division to adjudicate corruption and corruption related cases is intended to provide an adjudication mechanism for the timely and expeditious disposal of corruption and corruption related cases.

464. The CSAR 2017 states that mechanisms have been put in place for corporations to ensure ethical conduct, minimizing corruption, and adhering to codes of conduct as provided in various regulations. It is however not very clear from the report how this has been achieved.

465. With regard to effective leadership and accountability of organisations, Uganda passed the Public Procurement and Disposal of Public Assets Authority Act (2008), which has since been reviewed, with new regulations put in place since March 2014 to ensure effective corporate leadership and accountability in order to manage procurement more effectively and minimize corruption. In addition, there are specific Acts that provide for the appointment of Boards. Uganda also passed the Accountants Act (2013) as recommended in the 2008 APRM National Programme of Action (APRM NPoA),

annexed to the 2008 country review report.

466. Whilst the existence of these institutions is commendable, the prosecution and conviction rates of those charged with corruption continues to be low giving rise to a sense of impunity in the country. It has emerged in Parliamentary presentations from the Inspector General of Government that she blames the Judiciary and the police for failing to effectively prosecute major corruption cases. She also told a parliamentary committee that “there is a tug-of-war between different courts while indicating there is a “live conflict” between the inspectorate and the police” . The Inspector General has also gone on record to state that “the Director of Public Prosecutions has powers from the Constitution; the court has powers from the Constitution. Why is it that a constitutional body in the civil realm is interfering with another constitutional body in the criminal realm?” On the clash between the police and the Inspectorate in investigating corruption cases, the Inspector General has explained that there is a need to streamline mandates .
467. The existence of several anti-corruption institutions across the public, private and civil society sectors underlines the government commitment to fight corruption and guide the efforts of non-government actors to ensure effective synergy in fighting corruption. This is a positive step towards sustaining commitment to promote ethical conduct and eradicate corruption in the public sector. However, the ability of these institutions to execute their mandate is constrained by their limited capacity in terms of human resources.

Compliance with environmental regulations

468. The National Environmental Management Authority (NEMA) is charged with the responsibility of coordinating, monitoring, regulating and supervising environmental management in the country. NEMA spearheads the development of environmental policies, laws, regulations, standards and guidelines; and guides Government on sound environment management in Uganda .
469. Uganda is endowed with a rich and diverse Environmental and Natural Resource (ENR) base which supports economic growth and security of livelihoods. There are strong linkages between ENR and other sectors of the economy, notably agriculture, tourism and health in addition to supporting the attainment of regional and international

commitments such as the United Nation's Millennium Development Goals/Sustainable Development Goals (MDGs/SDGs). Indeed, in spite of the on-going structural transformation, Uganda is still a natural resource based economy, with ENR significantly contributing to food and energy security, GDP, employment, foreign exchange earnings and local revenues. Eighty five percent (85%) of the population is highly dependent on natural resources for their livelihood” .

470. The Government of Uganda increased funding for adaptation and for environmental programmes from various sources, including national fiscal funding and international sources from development partners that can support the technical capacity of the NEMA. The CRM notes that several programmes have been implemented by NEMA including a total ban on polyethylene (plastic) carrier bags (Kaveera) in the 2009/2010 National Budget. The Finance Act, 2009 was subsequently passed by Parliament to give legal effect to the ban. The purpose of the ban was to rid the country off the eminent danger it faces because of the adverse and irreversible impacts of plastic waste on the environment. Despite constraints, NEMA resumed implementation of the ban on 15 April 2015.
471. The CRM further observes that the NEMA Secretariat is understaffed and as a result, this limits the Agency's ability to fulfill its mandate fully. Whilst the lack of capacity is not unique to the Authority but is a general concern of State-Owned Enterprises (SOEs) and agencies, the Authority has also cited limited funding from the government as a major challenge that limits its capacity to deliver and enforce effectively.
472. According to the Auditor's Report 2014, although NEMA has made the necessary efforts to manage oil-drilling wastes, capacity gaps in supervision and monitoring of oil activities still exist. Of more concern is the report that NEMA has delayed completing the review of environmental legislation to incorporate oil and gas issues.
473. Notwithstanding the progress made in regard to the management of the environment in Uganda, the NEMA 2015 report states that the Authority is heavily constrained in discharging its obligations and that “some developers or investors still degrade the environment with impunity amidst the efforts by NEMA to ensure maximum compliance to the environmental legislation and EIA [Environmental Impact Assessment] approval conditions” .

474. Several challenges have also been identified in the NEMA report, including insufficient sensitization and compliance, lack of financial resources, and human resources and limited continuous public education and awareness programmes on the adverse impacts and particular soil productivity and health dangers of producing and using Kaveera (plastics).
475. Whilst the 2017 CSAR is silent on this issue, consultations have revealed that there is heavy political interference in the operations of Authorities, including the NEMA.

Corporate Citizenship and Corporate Social Responsibility

476. The CRM found that Uganda has, indeed seen a notable shift in terms of awareness levels for Corporate Social Responsibility (CSR) and the role of companies in contributing towards sustainable development. In this regard, there have been notable achievements such as the formation of the Uganda Chapter on the UN Global Compact Network in 2010. As of the time of the second country review mission in October-November 2017, the Network has 14 members and its members commit to uphold, observe and report on 10 Principles relating to efforts in the areas of Human Rights, Labour, Environment and Anti-Corruption.
477. Furthermore, the Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI) is an institution that promotes and supports the implementation of CSR to improve the competitiveness and market opportunities for companies, corporations and small and medium enterprises. The UCCSRI has made tremendous strides and has been consulting for companies to design CSR strategies for the organization. It has also intensified its efforts in raising awareness levels of CSR amongst the Ugandan Private Sector. It has also formed partnerships with institutions such as Private Sector Foundation, the Institute of Corporate Governance and the Federation of Uganda Employers. However, the capacity of the institution is limited and constrained by scarce resources in terms of finances as well as human capacity.
478. The Review also found that, notwithstanding the progress that has been made, Uganda has still not developed a national framework or guidelines for Corporate Social Responsibility. Whilst the level of awareness of CSR has improved since the first review in 2008, the

delivery of Social Responsibility programmes remains fragmented. There is also no record of how many companies deliver on CSR, nor is there any measure of impact so as to determine the effectiveness of existing CSR programmes. Furthermore, there is no alignment between CSR projects and the national development plans.

479. Because of the lack of a national framework, Uganda does not have any policy or measures to encourage large and medium sized companies to act as good corporate citizens. This is left to the discretion of each organization. As such, there is also no reporting, monitoring, and evaluation of the programmes. Companies design and deliver CSR programmes on an ad hoc basis and these are no channels for either reporting or collaborating with other companies or the state of delivery of CSR projects. Organisations in Uganda have reported that due to a lack of a policy framework, CSR remains unfocused and ad hoc. More concerning is that the existing CSR programmes are unrelated to the developmental priorities of the country. Some organisations acknowledge that not enough is being done by the private sector and State-Owned Enterprises (SOEs) with respect to CSR, and indicated that some guidance or policy direction would be welcome.

480. The CRM further found that, given that the private sector in Uganda is dominated by Micro, Small and Medium Enterprises (MSMEs) and the informal sector, there is a small pool of companies which can be reasonably expected to deliver on major CSR projects. Of those that deliver, it is often difficult to measure any significant impact given the fragmentation that exists, and the lack of coherence and coordinated efforts on CSR programmes.

4.4.4 Recommendations of the Panel

481. Based on the above analysis and findings, the Panel recommends:

Compliance with national laws and regulations

- Build capacity for enforcement particularly in relation to the Companies Act and Table F. Amend Table F to align it with international best practice and benchmark its provisions against the OECD Principles. (Government; Private Sector)
- Government to develop the legal, regulatory and institutional framework for Corporate Governance within a strong coordination

³⁹The Code of Conduct and Ethics for Uganda Public Service, 2005 pg 1 | ⁴⁰<http://www.monitor.co.ug/News/National/IGG-Judiciary-police-failure-corruption-cases/688334-2688230-jatfkbz/index.html> | ⁴¹<http://www.monitor.co.ug/News/National/IGG-Judiciary-police-failure-corruption-cases/688334-2688230-jatfkbz/index.html>

model that involves business associations, the ICGU and government, particularly in relation to:

- Promoting transparent and fair markets and the efficient allocation of resources;
- Quality and consistency of regulation;
- Division of responsibilities between authorities; and
- Quality of supervision and enforcement.
- Measures in Uganda to support and improve governance in the informal sector

Compliance with ethical codes and industry standards

- Review institutional arrangements, mandates and competences of organisations formed to fight corruption to address overlap in areas of competence and mandates, and develop better coordination mechanisms. (Government; Private Sector)
- Develop sector Codes of Ethics and Codes of Conduct. (Government; Private Sector)
- Improve transparency and accountability in public procurement through Integrity Pacts developed for each public procurement process. (Government)
- Improve training programs for court officials and prosecutors to increase the rate of prosecutions and convictions for commercial and white-collar crimes. (Government; Judiciary)

Compliance with environmental regulations

- Improve the capacity of NEMA (Government)

Corporate Citizenship and Corporate Social Responsibility

- Develop and implement the Ugandan National Framework on CSR with quantifiable performance indicators and clearly align proposed CSR projects with developmental and community priorities. (Government; Private Sector)

⁴² National Environment Management Authority (NEMA), www.nema.gov.ug

⁴³ Presentation on the Present State of Environment Statistics in Uganda Presented at the Workshop on Environment Statistics (FDES) In Arusha, Tanzania, 2015

⁴⁴ National Environment Management Authority (NEMA) Annual Corporate Report 2015/16, pg 13

CHAPTER FIVE

5. SOCIO-ECONOMIC DEVELOPMENT**5.0 Introduction**

482. The APRM considers Socio-Economic Development (SED) as the ultimate goal for the pursuit of which all its tools and processes exist. According to the 2003 Declaration on Democracy, Political, Economic and Corporate Governance (paras. 5 & 20), the most urgent challenges facing Africa are “the eradication of poverty and the fostering of socio-economic development”, which are possible only through “the promotion of democracy, good governance, peace and security; the development of human and physical resources; gender equality; openness to international trade and investment; allocation of appropriate funds to social sector; and new partnerships between governments and the private sector, and with civil society.” This long list of “means” are in fact “ends” in themselves that fall under one or another of the three major thematic areas of the APRM discussed in the previous chapters: democracy and political governance (DPG), economic governance and management (EGM) and corporate governance (CG). Put differently, the socio-economic development thematic area is effectively about fostering human development in the broadest sense of the term through national governance policies and practices in all aspects of political, economic and corporate activity that comply with the expectations and obligations contained in APRM-recognised standards and codes.

483. Attainment of SED objectives would mean, among others, a steady enhancement in the quality of the continent’s human resources through the provision of more and better education and training, improved health care, gender equality and full and effective integration of women in political and socioeconomic life, and more generally a continuous improvement in the well-being and standard of living of the people as measured by income, health, education, environment and freedoms. It thus logically follows that the SED is the fourth and last APRM thematic area with a number of specific objectives: (i) to promote and accelerate broad-based sustainable socio-economic development; (ii) to encourage broad-based participation in development; (iii) to tackle poverty, unemployment and inequality; and (iv) to support progress towards gender equality, particularly equal access to education for girls at all levels.

484. In Uganda's country review report completed in 2008 (CRR 2008), the APRM Panel considered the state of socio-economic development in Uganda systematically and exhaustively, identified its strengths as well as weaknesses, and made a host of recommendations that ultimately became part of Uganda's agreed National Programme of Action (NPoA). Uganda has been reporting the actions it has taken over the years on those recommendations in four different progress reports. Finally, in preparation for the second review, Uganda submitted a Country Self-Assessment Report (CSAR 2017) in which its policies and practices in the field of socio-economic development have been considered comprehensively. When the Country Review Mission (CRM) was deployed in October/November 2017, it was clear that Uganda had made significant strides in this thematic area since the previous review, the most notable being: the government's capacity and political initiative to develop and implement innovative national public policy; an effective poverty reduction strategy as evidenced by the fall of the national poverty rate from 56% in 1992 to 19.7% in 2012/13, albeit this rate has gone back up to 27% according to the Ugandan National Household Survey for 2016/17. Additionally, Uganda has made significant progress in promoting equality of women and gender empowerment. The major achievements include affirmative action with respect to women representation in Parliament and admission into tertiary training institutions. Consistent campaigns have substantially contributed to a reduction in the extent of Female Genital Mutilation (FGM). Uganda has also demonstrated a long tradition of welcoming and resettling refugees, which has won international acclaim.
485. At the same time, CSAR 2017 as well as our own research and consultations with the Ugandan public on the ground reveal that Uganda still faces a number of important challenges in this area, both old and new. The Country Review Mission (CRM) has identified and prioritized these challenges and put them into six broad categories: (i) infrastructure development; (ii) land tenure and land conflicts; (iii) sustainable environmental and resource management; (iv) rapid population growth; (v) youth unemployment; and (vi) management of diversity which includes promotion of women's rights.
486. These six issues are both critical to the state of socio-economic development in Uganda today but also cut across the objectives of the thematic area as articulated in the APRM Objectives, Standards,

Criteria and Indicators document, which remains a useful guide in the preparation of this report. In the rest of this chapter, each of the above six issues will be considered against a four-level analytical framework. Section one describes each of the issues briefly; section two traces the evolution of each of the issues all the way from CRR 2008 to today; section three summarises the findings of the CRM, while section four presents the recommendations of the APR Panel.

5.1 Infrastructure Development

5.1.1 Introduction

487. The stock of infrastructure in a country plays a decisive role in its socio-economic development. Indeed, Africa's infrastructure gap has long been recognised as “a very serious handicap to economic growth and poverty reduction.” As the 2003 Declaration on Democracy, Political, Economic and Corporate Governance (para. 23) shows, when African leaders established the APRM, they recognised the critical role of infrastructure for development and the need for partnership between the government and the private sector through what they called “a new division of labour” where the private sector will be “the veritable engine of economic growth, while governments concentrate on the development of infrastructure and the creation of a macroeconomic environment.” The APRM Country Self-Assessment Questionnaire (CSAQ) in the Economic Governance and Management (EGM) thematic area specifically asks participating countries to provide detailed information about the major development initiatives they have undertaken to improve infrastructure in energy, services, transport and communication. The APRM Objectives, Standards, Criteria and Indicators document then puts the “physical and institutional infrastructure” as one of the indicators of whether the Socio-Economic Development (SED) objectives are attained. It is thus clear that infrastructure is central to each of the APRM thematic areas and, ultimately, an essential condition for the realisation of the objectives of socio-economic development as articulated in the APRM base documents.

5.1.2 Evolution of the Issue

488. CRR 2008 (e.g. para. xlix) records that one of the priorities of the NRM government as soon as it assumed power in 1986 was the rebuilding of “the country's infrastructure – notably its transportation

and communications systems that were destroyed by war and neglect”. While CRR 2008 (e.g. para. 494) acknowledges the accomplishments of the Government in this area, it also observed that “poor transport infrastructure and inadequate electric power supply” adversely impacted on the country’s macroeconomic management and poverty reduction efforts. Indeed, CRR 2008 (para. 510) quotes members of the Uganda Manufacturers’ Association as saying “poor infrastructure has tormented industrialists to unimaginable levels.” The APR Panel thus recommended that the Government “enhance public-private partnership (PPP) initiatives in the development of specific infrastructure projects” (CRR 2008, para. 513).

489. The Government of Uganda has acted on this and other relevant recommendations relating to infrastructure. Indeed, as we saw in Chapter 3 on Economic Governance and Management (EGM), Uganda’s infrastructure investment (is) an important driver for its rapid and sustained economic development over the past decade. As CSAR 2017 (p. xxvi) shows, the Government of Uganda is pursuing a multi-pronged strategy in the development of infrastructure, including the effort to capitalise on Uganda’s central geographical location and develop it into “a regional hub for industrial production, trade, transit and air transport”, which naturally requires significant investment in “integrated state-of-the-art infrastructure development and maintenance in the areas of energy generation, air, road and railway infrastructure connecting to all major border points.” According to CSAR 2017 (p. xxxix), Uganda has increased the volume of paved roads from 3,200km in 2009 to 3,795km in 2013/14, expanded the rural electrification programme, increased the number of mobile phone subscribers to 18 million in 2016, and increased investment in agriculture through the National Agriculture Advisory Services (NAADS) programme. By so doing, Uganda is laying a solid foundation for its long-term economic growth and development.

490. However, and despite this show of commitment and determination, it will take a while for Uganda to have the type of infrastructure it requires for its development. CSAR 2017 as well as CRM consultations on the ground suggest that conditions similar to those in the period prior to the base country review 2008 persist in Uganda’s socio-economic efforts and are still salient. For example, while the conditions of the latter period depicted poor and inadequate physical infrastructure due to the brutality of war, the current conditions are

premised on a “slow accumulation of modern infrastructure”, but with similar effects. Slow accumulation of modern infrastructure is constraining the lowering of the cost of doing business and the level of competition for Foreign Direct Investments, just as the existence of poor infrastructure contributed to inhibiting the country’s then private sector-led economic growth strategy.

5.1.3 Analysis and Findings of the CRM

491. The CRM commends the seriousness with which Uganda is dealing with the infrastructure bottleneck, including roads and railways, energy and information and communications technology, health and education as well as all the tourism-related infrastructure facilities. To mention the energy field as an example, between 2010 and 2012 alone, Uganda increased its installed generation capacity from 595MW to 825MW (CSAR 2017, p. 134). By 2015, this figure had since grown to 895.5 MW (Uganda Bureau of Statistics 2016, p. 63). Moreover, Uganda is undertaking an ambitious plan to fully exploit its hydropower potential while also taking steps to diversify its energy sources by developing non-hydro power sources, such as solar, thermal, wind and nuclear energy (CSAR 2017, pp. 156-7).
492. Adopting a bifurcated approach of increasing installed capacity as well as diversifying the sources of energy, Bagasse Electricity production rose by 19.4 per cent from 54 MW in 2014 to 64.5 MW in 2015 as illustrated in Table 5.1

Table 5.1: Installed Electricity Capacity in MW (2011-2015)

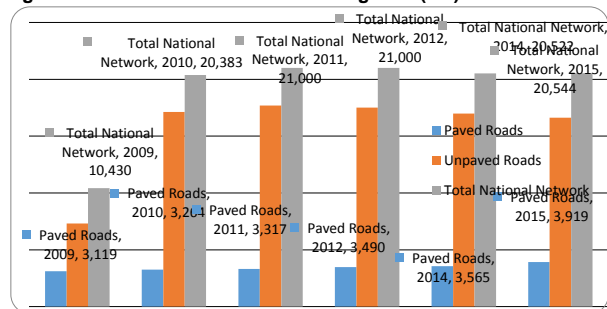
	2011	2012	2013	2014	2015
Hydro Electricity	432.4	582.4	691.5	695.0	695.0
Thermal Electricity	170	120	100	136	136
Bagasse Electricity	16	16	36	54	64.5
Total Installed Capacity	618.4	718.4	827.5	885.0	895.5

Source: Uganda Bureau of Statistics, 2016 Statistical Abstract, p. 64.

⁴⁵See NEPAD Founding Document (2001), para. 98.

493. The rising trend in installed electricity capacity is in line with Uganda’s long-term goal of generating 41,738 MW by 2040 (Vision 2040, p. 73) to ensure electricity per capita consumption of 3,668 kWh that would contribute to transforming the “society from a peasant to a modern and prosperous country within 30 years” (Uganda Vision 2040, April 2013, p. III). Currently, more than one in ten households do not use electricity (Uganda National Service Delivery Survey 2015, p. 152).
494. Uganda Vision 2040 contains equally ambitious targets in all other areas of infrastructure, including roads, standard gauge railway networks, airports, ICT transmission systems etc.
495. Roads: Similar positive steps that were taken in enhancing the national road network leading to a rising trend in the total road network system (Figure 5.1) have been noticed by the country review mission. From a total of 10,430 km of roads in 2008, the year the Base Report was published, the total road network almost doubled to 20,544 km in 2015. (Uganda Bureau of Statistics 2016, p. 72.)
496. While this growth is impressive, the same may not be said of the growth in the number of good quality roads, which rose by 26 per cent, suggesting that the very high growth in the total road network has been the direct result of road expansion at the rural and local government levels. Though unpaved, these roads are opening up the hinterland of Uganda for trade and socio-economic development. Travelling to the regions by road, the CRM noticed that the paved roads are in very good condition and that they could be the source of envy to some countries. This point has not been missed by countries within the region. Meeting in Lusaka, Zambia, COMESA council of ministers commended this effort in the provision of quality roads, energy, and infrastructure for the promotion of regional trade.

Figure 5.1: National Road Network in Uganda (km) 2009- 2015



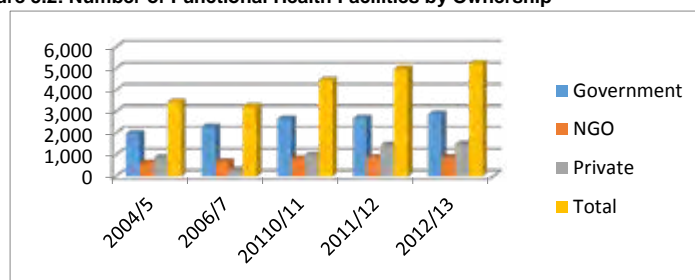
Source: Compiled from Data based on Uganda Bureau of Statistics, 2016 Statistical Abstract, pp. 64

497. However, there are large disparities in the quality of district and community access roads, and cities such as Kampala are choked by unimaginable daily traffic jams, with inevitably negative impacts on productivity. The Entebbe expressway currently under construction may help ease some of these jams but only in so far as they relate to going to and from Entebbe. The challenge of road maintenance is also another concern. In Financial Year 2011/12 alone, as indicated by official Uganda government documents, there was a large backlog of deferred maintenance, estimated at UGX 719.47 bn. Furthermore, contingency funds were not set aside for emergencies such as the effects of bad weather, heavy rains and flooding, which often distort planned works.
498. Railways: Significant progress has been made to revitalise and enhance the railway network since the base country review 2008. From official sources, the CRM learnt that feasibility studies to upgrade some railway lines (the Tororo-Pakwach railway line and the Kampala-Kasese railway) had been completed, and that Government had signed a bilateral agreement with Kenya to develop and operate a proposed Standard Gauge Railway (SGR) line from Kampala to Malaba to Mombasa, with branch lines to Tororo, Nimule, in Uganda and Kisumu, in Kenya. Plans are also in place to extend railway lines to areas where enormous deposits of minerals have been found to facilitate their extraction. All these developments are the antecedents of an envisioned multi-lane standard gauge railway system with high speed trains using the latest technology for both passenger transport and cargo by 2040, as articulated in the country's Vision 2040.
499. However, the development of rail infrastructure and the realisation of this bold vision are being hindered by lack of funds. Also, the proposed regional railway lines linking Kenya, Tanzania, Rwanda and the Democratic Republic of Congo (DRC) will be at the mercy of the level of priority accorded to them by these countries. It is partly in this view that Uganda's plan to establish a railway development agency to undertake the development of rail infrastructure is commendable. It would focus attention on railway development and may even include the persuasion of countries in the region to accord similar priority to railway development as does Uganda.
500. Air Transport: Indications from the Country Self-Assessment Report, subsequent progress reports on the National Programmes

of Action (NPoA), and CRM stakeholder consultations suggest that Uganda is becoming a gateway to the East African region because of the advantageous geographical location of Entebbe Airport. The resurfacing of the airport's runways has added more attraction to this pursuit. The volume of air traffic, both passenger and cargo, is on the rise, with the total number of commercial aircraft movements increasing by 2.8 percent from 2014 to 2015 and the number of international passengers in transit registering an annual increase of 37.9 per cent between 2014 and 2015 (Uganda Bureau of Statistics, 2016 p. 73). The country stands to gain from these developments through increased trade in the region and with the rest of the world.

501. Health and other Social infrastructure: Similar advances have also been established in the area of social infrastructure such as health, education and agriculture. Health infrastructure in Uganda includes hospitals and health centres. Government statistics indicate an increasing trend in the number of functional healthcare facilities since 2004, four years before the First Uganda Country Review was conducted. As Figure 5.2 indicates, from a base total of 3,443 in Fiscal Year 2004/5, health facilities increased by 52 per cent to 5,229 in 2012/13. These are mainly located in urban centres with about 25 per cent of them situated in Kampala while the four districts of Wakiso, Jinja, Kabale and Kasese enjoy more than 100 of these facilities. This indicates that Uganda's health facility allocation overwhelmingly favours urban centres. Although some reasons may be advanced for this distribution, a compelling factor against such reasons is that the country has a more rural than urban population. While NGO efforts are turned to the rural area in the provision of health infrastructure (for instance, the district of Rukungiri has 35 such facilities), the concentration of health infrastructure in urban centres indicates a pattern of unequal distribution of resources.

Figure 5.2: Number of Functional Health Facilities by Ownership

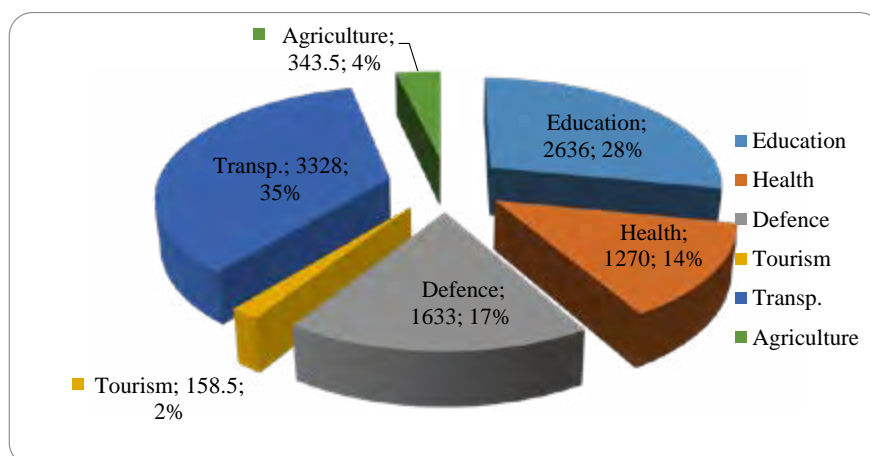


Source: Constructed from Uganda Bureau of Statistics 2016, p. 44.

502. In addition, Government expenditure on the health sector has been declining since financial year 2010/11. From 8.9 per cent (Uganda Bureau of Statistics 2016, p. 45) of total government expenditure in that fiscal year, the proportion of total government spending on health declined to 7.8 per cent in the next fiscal year. Though there was a small bounce back in the next fiscal year (i.e., FY2013/ 14/18) to 8.7 per cent, it decreased, albeit, slightly to 8.5 per cent in the following year. The average expenditure on the health sector in the last five years was 8.4 percent (Uganda Bureau of Statistics 2016, 45), rendering it 1.6 per cent less than the Health Sector Strategic Plan (HSSIP) target of 10 percent, much lower than the Abuja declaration target of 15 percent.

503. Education: Cognisant of the fact that acceleration in a country’s socio-economic development requires good quality education, Uganda has implemented Universal Primary Education (UPE) and Universal Secondary Education (USE), the first African country to implement the latter. The government regards the promotion of universal primary and secondary education as a human right. Some districts, e.g., Lwengo, have enforced ordinances to ensure that UPE is compulsory within their domains. Attempts have been made to back this with funds, but it seems that the level of funding is inadequate. For example, as per Figure 5.3, the education sector received sh2,636 trillion in the 2015/2016 budget allocations.

Figure 5.3: Budgeted Allocations 2015/2016 (in billions of Ugandan shillings)



Source: Budget Speech 2016/17: Republic of Uganda and Bank of Uganda website <http://blegscope.com/blog/2016/06/analysis-201617-uganda-budget/>

504. The Annual School Census for 2015 revealed that enrolment in Pre-Primary Schools was at 477 thousand, showing a ten percent increase from the level in 2014. The number of teachers has also gradually increased over time from 8,000 in 2011 to 21,000 in 2015. While these trends are indications of Uganda's attempt to institute quality education for all, other germane quality indicators are more illustrative. For example, Pupil Classroom Ratio (PCR) and Pupil Teacher Ratio (PTR) of 31 and 22 respectively were registered in 2015 (Uganda Bureau of Statistics 2016, p.18). Although there are variations of the indicators among the districts, the plausible conclusion is that they are generally acceptable. However, there is a perception of poor-quality public education among some of the stakeholders the CRM interacted with. It was reported that the public educational system is becoming so inferior to the private system that many parents are turning to the latter.
505. Information and Communications Technology (ICT): The ICT infrastructure has flourished in Uganda since the last Country Review in 2008. The liberalisation of the sector by the Government propelled the sector, with a number of ICT and related services, such as postal communication services, broadcasting infrastructure, and library and information services expanding tremendously and generating great benefits to society. As Table 5.2 shows, telephone density, for instance, increased by 21 per cent from 48.8 lines per 100 people in 2012 to 59 lines per 100 people in 2015. Furthermore, the total number of registered mobile money customers jumped by 646 per cent from 2,829 (thousand) customers in 2011 to 21.102 (thousand) customers in 2015 and internet penetration rose from 29.5 per cent in 2014 to 39.7 per cent in 2015.

Table 5.2: Performance in Some Aspects of ICT in Uganda

Aspect of ICT	2011	2012	2013	2014	2015
Telephone Density (Lines Per '00 Population)	52.1	48.8	51.9	56.5	59
% Change of Call Rates for On-net	6.7	12.5	22.7	3.4	-1.5
Mobile Money Registered Customers Numbers ('000)	2,829	5,662	14,243	18,529	21,102

Source: Uganda Bureau of Statistics, 2016 Statistical Abstract, pp.76 -77

506. ICT is providing the poor with opportunities to receive up-to-date information or an enhanced ability to communicate with others that they have not had before. They are experiencing benefits in the form of increased income, improved education and training, access to job opportunities, contacts with family and friends, enterprise development opportunities, and increased agricultural productivity. The sector has generated jobs and income for people through the sale of credit (air time) and mobile money agencies. These benefits underscore that enhancing ICT and ICT-enabled services (ITES) infrastructure would create enormous opportunities that Uganda can exploit to transform the economy and peoples' lives through job creation, accelerated economic growth and significantly increased productivity. The industry can contribute greatly to national GDP and the creation of employment opportunities through the multiplier effect of associated secondary and tertiary industries.
507. Another challenge is that Uganda, like many other African countries, is a net importer of ICT products because of limited manufacturing of ICT products in the country. One of the aspirations of Vision 2040 is to develop, improve and retool Uganda's ICT talent building mechanism by adopting globally-bench-marked, industry-rated skills assessment, and training and certification standards. The achievement of this ambition will position Uganda on the road to transforming Ugandan society from a peasant into a modern prosperous country.

5.1.4 Recommendations of the Panel

Based on the above analysis and findings, the Panel recommends that Uganda:

- Consider the role of contingency funds as they apply to all road projects more seriously because of the effects of bad weather, heavy rains and flooding, which often distort planned works; (Government)
- Develop a National Transportation Plan to address the issue of traffic comprehensively in Kampala in order to minimise its impact on various sectors of the economy; (Government) and
- Consider allocating sufficient funds to the health sector to redress the pattern of unequal distribution of health infrastructure through a decentralised delivery system to ensure access to quality care for vulnerable populations. (Government)

5.2 Land Tenure and Land Conflicts

5.2.1 Introduction

508. Land tenure in Uganda has evolved tremendously over the past century, resulting in four main types of land tenure systems, namely customary tenure, the mailo, the freehold, and the leasehold. Of these four, land administered through the customary tenure is the most predominant in the country today. There is also Government Land or Public Land, which is outside the previous four categories.

509. Uganda's rapid population growth rate of about 3 percent per year is putting increasing pressure on land in the country, thus risking environmental degradation, land conflicts and internal displacement. This has elevated the issue of land in the political and social discourse to unprecedented heights. With over 70 percent of the population being subsistence farmers living in the rural areas, land in Uganda is of critical importance to the very survival of society. Thus, land is many things in Uganda, it is the source of food security and employment, the provider of environmental and ecosystem services, including tourism, and a repository of the diverse cultures, traditions and ways of life of Ugandan society. It is also an important factor in Uganda's efforts to address poverty, inequality, investment, unemployment and sustainable urbanization. In this sense, land is of special significance in Uganda, with implications for peace and social stability.

5.2.2 Evolution of the Issue

510. As elaborated in CRR 2008 (paras. 1074-80), customary tenure, which accounts for 80% of the land in the country, is a form of ownership in which the land is owned individually, albeit unregistered, and is legally recognized and administered according to customary practices. The second system of tenure is the mailo. Introduced early in the colonial era, it confers indefinite ownership rights, similar to freehold, over large areas of land (literally "mailo" in fact means miles) to a few individuals. It is unique to Uganda and is characterized by the occupation of tenants who are legally recognized as lawful and bona fide occupants by the Constitution, with rights similar to those of landlords. It is a practice found mainly in the central region. The third and fourth categories of land tenure system are freehold and leasehold, which are found generally in urban areas, and a

few selected rural areas especially in the southwestern part of the country. Freehold and leasehold are limited in scope and cover only

511. There is also land categorized as Government Land or Public Land, which were often used with little distinction between them. The distinction between these two systems has become clear since the adoption of the National Land Policy in 2013. Under this Policy (p. 14), Government Land refers to “land vested in or acquired by the government in accordance with the Constitution; or acquired by the government abroad; or land lawfully held, occupied and/or used by government and its agencies; for the purposes of carrying out the functions of government”. Public land, on the other hand, refers to “land reserved or held and used for a public purpose, including public open spaces, public infrastructure and land with a reversionary interest held by the District Land Board under Section 59 (8) of the Land Act.”

512. The 2008 Report states that land is not just another commodity or a means of subsistence in Uganda. As in much of Africa, most Ugandans depend on land for their livelihoods. The social, institutional and political dimensions of land make it an asset different from all others in Uganda. Indeed, land in Uganda has been a major source of conflict and social strife over the years, in no small part due to the country’s historical colonial legacy and how the current mix of land tenure systems came to take their present form.

513. As CRR 2008 (para. 1190) pointed out, despite its obvious role as the bedrock of all socio-economic activity and development, land issues have rarely received the political attention they deserve, nor have institutions and initiatives for land policy management received adequate resources. The major land issues raised in the CRR 2008 which then required immediate attention included the following:

- The diminishing size of land held by the poor against the increasingly large size of land being concentrated in the hands of the few elite, often politicians or members of the military;
- The displacement of some minority groups, such as the the Batwa and the Basongola, from their ancestral land ;
- The lack of land tenure security for existing tenants who faced eviction especially in the central and western areas of the country;
- Delays in addressing land disputes;

- An absence of clear policy guidelines;
- An inequitable access to land ownership affecting women, the poor and urban and peri-urban dwellers; and
- A lack of timely and up-to-date information on land.

514. In appreciation of the potential threat land issues may cause to the socio-political stability and the development prospects of the country, the APRM Panel in the first country review report recommended, among others, that Uganda undertake land policy reforms intended to counter the challenges of land tenure insecurity and land grabbing. The Panel further recommended that such reforms be underpinned by appropriate institutional reforms that would defend the poor against land seizures, accommodate those excluded (women, youth, and minorities) from increasingly scarce arable land, prevent and resolve land-related conflicts, and ensure fair administration of land regulations .

515. The Government of Uganda acted on many of these recommendations. According to Uganda's first Progress Report that covers the period of 2008/09, the Government commenced broad-based consultations on land reform already within a year of the APRM review. That process took several years and, as Uganda's 4th APRM Progress Report (covering the period between 2011 and 2014) indicated, Uganda passed the Land (Amendment) Act in 2010 and, by February 2013, the Cabinet approved the National Land Policy , which was launched in June 2014 and was in the process of being implemented (Uganda 4th Progress Report, p. 13). According to this policy, the key issues that needed addressing were "historical injustices and colonial legacies, which have resulted in multiple rights and interests over the same piece of land; disposition and loss of ancestral land by some communities; border disputes arising out of tribal, ethnic groupings and trans-state border disputes; and the ineffective dispute resolution mechanisms, which have resulted into illegal evictions. Whilst under contemporary issues, Uganda is faced with disparities in ownership, access to and control of land by vulnerable groups; displacement, land grabbing and landlessness resulting from high population growth and the increasing demands on land for investment especially communal lands which are neither demarcated nor titled" .

516. The Policy is a well-thought out and well-written document that identifies most of the real land-related challenges identified by CRR 2008 and acts on most of its recommendations. Towards the end of 2013, the Government launched the Land Sector Strategic Plan II covering the period 2013 – 2023, which aimed at enhancing land sector service delivery effectiveness and assuring public confidence in a system of land tenure and land administration institutions that respect the land rights of citizens. In 2016, the Government established a Land Fund, which is a multi-purpose resources envelope with diverse targeted beneficiaries, including tenants seeking to buy or own land from residents or absentee landlords. Finally, there is a new Land Amendment Bill currently pending before Parliament that aims to empower the government to compulsorily acquire land and pay compensation later in order to speed up the undertaking of public projects. All this is indicative of the Government's commitment, determination and capacity to address this thorny issue.

5.2.3 Analysis and Findings of the CRM

517. As shown earlier, there is ample evidence that the Government of Uganda has demonstrated the political will, the determination and the capacity to address the land issue in a sustainable manner. Among the most remarkable practical steps taken by the Government of Uganda is its modern and high-tech online land registration system which is intended to inject a degree of transparency and predictability in the land registration and administration system.

518. However, both CSAR 2017 and CRM consultations on the ground show that the land issue remains a major source of community strife and uncertainty. A substantial majority of cases before the courts in the country relate to land disputes, while complaints of evictions are also widespread. CSAR 2017 also describes the cross-border dimension of land disputes, which can take the form, for example, of disputes between Ugandan communities and adjoining communities on the other side of the international political border. The CSAR also notes that the allocation of land to refugees to encourage self-reliance, while applauded as best practice internationally, has exacerbated land-related conflicts in Uganda and caused concerns among Ugandan citizens. Finally, owing to the high population growth in Uganda, there is evidence of increasing encroachment of settlements and related human activity in otherwise designated

wetlands, forests, and national reserves. Likewise, CSAR 2017 also highlights the fact that land productivity in much of the country is declining as a result of population pressures that have contributed to land fragmentation and soil degradation.

519. A key recommendation of CSAR 2017 related to land is for Government to support local justice systems as well as give recognition to traditional dispute resolution mechanisms so as to resolve conflicts before they escalate out of control, as they often do. CSAR 2017 (p. 66) also mentions with approval the initiative currently underway to reform land laws by accommodating bylaws at the district level so as to provide an opportunity for local courts to arbitrate land disputes. Finally, the CSAR also recommends strengthening the land fund, which would allow for more people to access land and help minimize conflicts related to land ownership.
520. CRM consultations on the ground show that most of the concerns identified by CSAR 2017 are indeed well-founded. The lesson from Uganda's experience is also quite clear; while the development and adoption of sound policies is critical, an even greater challenge often lies with implementation. For example, despite its good intentions, the Government has left the institutions of land governance in the country seriously underfunded. As a result, the implementation of the Land Act (as amended), the National Land Use Policy, the National Land Policy, and the Land Fund have all suffered from under-resourcing. The CRM learned that the Land Fund covers only Buganda, Toro and parts of Ankole to the neglect of other regions. Although it is hoped its operations would be extended to these other regions, it appears that this may never happen soon. CSAR 2017 (p. 67) laments the suspension in 2004 of all land tribunals in the country, leading to a build up of a backlog of over 3000 court cases in the hands of only three High Court judges of the Land Division. Also, CRM consultations with stakeholders in Mbarara revealed that the current process of land registration is lengthy, costly, and overly centralized, thereby making it more vulnerable for corruption.
521. CRM consultations with a range of stakeholders have corroborated the CSAR 2017 conclusion that one of the main challenges for Uganda is the inability of the land policy to effectively address the duality of land use and land ownership, and that the emphasis on land ownership has disadvantaged the landless citizens who entirely

depend on land for their livelihoods. An example is made of areas of central Uganda where many land owners at one time fenced off their land and limited access to water to pastoralists who, initially, had

522. During consultations in almost all the fora, the question of land grabbing was raised by participants. Such land includes public land, communally-held land and private land whose owners may have abandoned it for some time, due to conflicts and ranges from valuable land in urban areas, to rural land that might have potential for receiving valuable investments such as large-scale farming.
523. In all the consultations held, land was seen as a critical factor if Uganda is to realize peace and stability and gain rapid socio-economic development, as well as environmental sustainability. The CRM also learnt of the persistence of various types of land-related conflicts. These include conflicts between neighbours, communities, districts (boundaries), between citizens and public agencies, between citizens and investors, as well as inter-national boundaries. Conflicts relating to land-related evictions continue to exist despite the passing of the Land Policy and its wide dissemination. A key finding of the CRM is that some government officials and members of the military and politicians appear to be directly involved in these disputes.
524. The CRM understands that land dispute resolution mechanisms in the country need to be enhanced. The Judiciary is underfunded and understaffed and has not been able to fully discharge its duties especially on land matters. Disputes that find their way to the courts take very long to redress, and there is a general feeling that the use of money and political muscle rather than merit often determine the outcome of the case. As noted earlier, all land tribunals were suspended in 2004 and serious backlog of cases has been built over the years. It is indeed, unthinkable for three High Court judges in the Land Division to render justice in over 2000 pending cases without excessive delay.
525. Relating to the issue of land grabbing, even during the time of the review mission, it was reported that several citizens had been evicted from lands claimed by investors for a large-scale sugar plantation in the Bukoba area of Mubende District. There was also concern that some of the land “grabbed” was public land, or communally-held land, or indeed even private land. Culprits in this area include military officers, politicians, government officials, rich

personalities and what are considered to be investors. In some cases, the Uganda Investment Authority was accused by some people of favouring investors and creating industrial parks on wetlands, while others countered that all land taken for investment was acquired in accordance to the law and on payment of appropriate compensation. Following its consultations, the CRM was of the impression that many people were generally unhappy with the quantum of compensation paid whenever their land was compulsorily taken by the government. The CRM also formed the opinion that the passing of the pending Land Amendment Bill, which intends to enable the Government to take land and compensate the original owner later, is likely to cause otherwise avoidable social unrest in the country.

5.2.4 Recommendations of the Panel

526. Based on the above analysis and findings, the Panel recommends that Uganda:

- Consider a broader approach to address land conflicts in Uganda including the reinstatement of land tribunals and traditional land dispute resolution mechanisms (Government)
- Consider recapitalising and strengthening the administration of the land fund in order to cover all districts in the country; (Government) and
- Explore options to better exploit the opportunities provided by Uganda's decentralised system of administration for the management of land and the resolution of land-related disputes. (Government)

⁴⁶APRM Uganda Country Review Report, 2009, p.289

⁴⁷The Uganda National Census 2014 recorded the following 17 minority ethnic groups, each of whose population is not more than 25,000 people: the Alibi, Banyabindi, Bahehe, Banyabutumbi, Basongora, Batwa, Gimara, Ik, Lendu, Mening, Mvuba, Ngikutio, Nyangia, Reli, Shana, Tepeth and the Venoma. However, some of these ethnic

groups, such as the Basese, Bagangaizi and Benet are yet to be included in the Constitution as "indigenous communities".

⁴⁸See 2008 CRR, p. 263 & 424

⁴⁹See <http://extwprlegs1.fao.org/docs/pdf/uga163420.pdf>.

⁵⁰See <http://extwprlegs1.fao.org/docs/pdf/uga163420.pdf>, p. iv.

5.3 Sustainable Environmental and Resource Management

5.3.1 Introduction

527. Uganda is endowed with weather conditions that support a rich biodiversity, fertile soils, rich and untapped mineral and oil and gas resources and great attractions for tourism, to mention only a few. However, this natural beauty is under serious threat from land degradation and deforestation due to a rapidly expanding population, extreme weather events such as droughts and floods due to climate change and a host of other factors. As a result, the agricultural sector that employs around three-quarters of Uganda's population is under an ever-escalating danger, and the emerging and highly promising tourism industry is under threat.

5.3.2 Evolution of the Issue

528. CRR 2017 (para. 982) noted that Uganda had registered several achievements in environmental management, including the development of comprehensive policies, legal frameworks and implementation agencies for the management of wetlands, land use, water, forestry, and other environmental sources. However, CRR 2008 also observed that most regulatory bodies lack appropriate institutional, financial and human capacity to fulfil their mandates effectively. A key recommendation was to substantially increase resources to agriculture, which at the time accounted for the livelihood of over 80% of the population. The National Programme of Action (NPOA) 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.

529. CSAR 2017 states that Uganda's environment and natural resources are under threat from both natural and manmade causes, including poverty, rapid population growth, unplanned urbanization, expansion of informal settlements, industrialization and the impacts of climate change and variability. Human induced climate change in the coming century has the potential to halt or reverse the country's development trajectory. More specifically, climate change is likely to mean increased food insecurity, shifts in the geographical spread of diseases such as malaria, soil erosion and land degradation, and flood damage to infrastructure and settlements.

530. Cognizant of the environmental danger facing Uganda’s future, CSAR 2017 (p. 341) reports that the government has undertaken specific projects that contribute to the protection and improvement of the natural and built environment. These include establishment of the National Environmental Police, banning of polythene material as well as the establishment of the Climate Change Unit within the Ministry of Water and Environment. CSAR 2017 concludes by highlighting the resource constraints impeding the country’s efforts to build its capacity to respond more effectively to the challenges posed by climate change through both adaptation and mitigation methods.

5.3.3 Analysis and Findings of the CRM

531. The CRM observes that Uganda is undergoing a high rate of urbanization in the form of rural to urban migration. While this has inevitably led to a rapid expansion of towns and cities, it also implies that urban centres are expanding into previously rural areas. The growth of slums around large urban centres is another side effect of this unplanned and rapid process of urbanisation. At the same time, it is encouraging to note that the Government of Uganda is aware of these challenges and is determined to address them. To mention just one example, Uganda Vision 2040 articulates the issues with refreshing clarity and aims to consciously manage and lead the pace and direction of urbanisation in the country. More specifically, in recognition of the over-concentration of focus on Kampala and its surroundings, Uganda Vision 2040 (p. 79) envisages the establishment of four “regional cities” – Gulu, Mbale, Mbarara, and Aura – while other “strategic cities” contained in the Vision include Hoima, Nakasongola, Fort Portal, Moroto, and Jinja.

532. The CRM noted, especially from its consultations in the northern and eastern parts of the country, that the pace of deforestation was alarming, often due to the high demand for charcoal. The practice of filling up wetlands for real estate development and farming is another environmental challenge the CRM learnt about during its consultations. The adverse effects of climate change, such as in the form of prolonged and recurrent droughts, are already visible in the country. What is cruel is that some of the most serious challenges, especially climate change, are caused by forces beyond the control of the Government and people of Uganda; the same can be said about their solutions, too.

⁵¹https://www.google.com/search?rlz=1C2FDUM_enCA472CA472&source=

5.3.4 Recommendations of the Panel

533. Based on the above analysis and findings, the Panel recommends that Uganda:

- Invest in adaptation and mitigation mechanisms and capacity for resilience in the face of environmental hazards (Government);
- Provide leadership on the process of urbanisation through well-thought out physical plans and strategies to stem the spontaneous development of sprawling urban centres and slums in line with the aspiration of Uganda Vision 2040; (Government) and
- Use all regional, continental and global forums to champion the cause of environmental degradation and climate change and speed up the search for a sustainable solution to these global challenges through global arrangements. (Government)

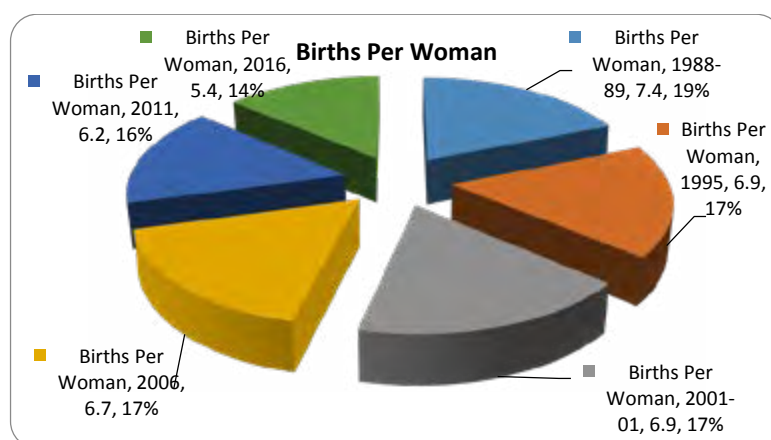
5.4 Rapid Population Growth

5.4.1 Introduction

534. Uganda is currently experiencing a very high population growth rate, which stands at about 3.0 percent per year. For comparison, the global population grew at the rate of around 1.11 percent per year in 2017, down from 1.13 percent in 2016. The effect of population growth can be positive or negative depending on the circumstances. While a large population has the potential to support rapid socio-economic development through the availability of young and relatively cheap labour – the so-called demographic dividend – this will be possible only if the country is able to create the necessary conditions for the youth to make full use of their potential through education and skills. In an economy that is unable to create jobs for a substantial majority of its graduates, however, the chances of realising the demographic dividend will be limited.

5.4.2 Evolution of the Issue

535. Uganda's high population growth rate was considered by the first review report, CRR 2008, and Uganda's Country Self-Assessment Report in 2017 (CSAR 2017). With a population growth rate of 3.2 per cent per annum between 1991 and 2002, Uganda had the third highest population growth rate in the world, next only to Yemen and Niger, and higher than sub-Saharan Africa's average of 2.4 per cent. The high population growth rate is attributed to a high fertility rate, which was about 7.8 and 4.3 births for rural and urban women respectively during that period, low prevalence of family-planning methods, low marriageable age for women (on average 17 years) and the high influx of refugees. CRR 2008 (p. 241) noted that the high population growth rate undermined efforts to boost economic growth, achieve universal education, reduce mortality and improve health. As Figure 5.4 illustrates, the average number of children born to a woman has been on the decline since 1988/89.

Figure 5.4 Ugandan Fertility Rates From 1988/89 – 2016

Source: Uganda Demographic and Health Survey, 2016, p. 13

536. CRR 2008 (para. 984) recommended that Uganda consider adopting and implementing a National Population Policy to address comprehensively the high fertility and population growth rates, and their impact on the country's poverty reduction strategy, and the Government acted on this recommendation. According to Uganda's 1st Progress Report (p. 58), a National Population Policy was formulated already in 2008 with specific focus on addressing issues of population control and planning. In this regard, a needs assessment for population planning and management was conducted and a report was compiled. Likewise, the 4th Progress Report (p. 180) also observed that Uganda's policies and institutional mechanisms, including the public education campaigns through the media, have already registered a reduction in the population growth rate.

537. According to CSAR 2017 (p. 428), about 58.5 per cent of the Ugandan population is below 19 years of age, making Uganda one of the youngest countries in the world. It further states that at the current rate of growth, Uganda's population is projected to reach 130 million by 2050. Even though the proportion of the population below the poverty rate has reduced from 38.8 per cent in 2001 to 19.1 in 2012/13, the poverty status report of 2014 showed that 2.8

million people were still in chronic poverty and faced risks related to production or price shocks in the agriculture sector. It further asserted that, while agriculture is a declining source of income, over 70 per cent of the population is dependent on agriculture and resides in the rural countryside.

538. The 2017 CSAR points out that various socio-cultural factors have also been identified as contributing to the high population growth rate, including: early marriage; low level of girl education; low contraceptive use; low socio-economic status of women in society; rapid improvements in health care, hygiene and nutrition; and political stability in the country. Stakeholder meetings suggest that government interventions such as the Youth Livelihood Programme (YLP) are poorly implemented. Also, and in spite of the number of sensitisation campaigns, CRM meetings indicated that the potential challenges of such rapid population growth are not adequately appreciated by the general public. Finally, religious and cultural factors were also proffered as prohibiting family planning.

5.4.3 Analysis and Findings of the CRM

539. Uganda has taken a series of steps towards addressing the high population growth rate. The country has developed and implemented a National Population Policy, as recommended by the 2008 Report (CRR 2008). Furthermore, a National Birth and Death Registration Policy was drafted in 2012. A number of districts have, since then, developed District Population Actions for operationalising the National Population Policy. A National Population Council (NPC) has also been set up.

540. Although these actions underscore that Uganda has established operational population planning and management programmes for addressing the high population growth rate, more is needed to curb the runaway population growth and ameliorate its potential serious consequences on life in general in Uganda.

541. During consultations with stakeholders, the Review Team was informed that Uganda's high population growth rate also has serious implications on poverty, food security, equitable service delivery and the country's overall human development indices.

⁵²Uganda Human Development Report. (2007). Rediscovering Agriculture for Human Development, from http://hdr.undp.org/sites/default/files/uganda_national_human_development_report_2007.pdf.

542. Even though the proportion of the population living below the national poverty line has reduced from 38.8 per cent in 2001 to 19.1 per cent in 2012/13 and the share of the population living on \$1.90 PPP per day or less, from 53.2 per cent in 2006 to 34.6 per cent in 2013, about 2.8 million people still experience chronic poverty, and face risks related to production or price shocks in the agriculture sector. As rightly asserted by a UNDP report, most Ugandans are heavily engaged in agriculture and reside in the countryside .
543. Being at the mercy of the dwindling fortunes of agriculture, many rural Ugandans are barely a step away from extreme poverty. Discussions with stakeholders suggest that they are hardly able to meet their food security needs, and the agricultural sector is a declining source of income in the country today. It is underfunded, and soil erosion, the low level of irrigation and the impact of climate change on agriculture are challenges that need to be addressed. Such developments within the high population growth context have the potential for reversing the country's strong poverty reduction performance. In fact, some sources indicate that the poverty headcount is on the rise again, and estimated at 27 per cent for the 2016/17 fiscal year, which is a worrying sign. Another worrying sign is that unemployment has the potential to worsen, further exacerbating the current level of high youth unemployment and income inequality. Per capita social services can also decline if the trend of high population growth rate continues, leading to Uganda's standing among the community of nations internationally to deteriorate.
544. The rate of poverty reduction in some regions, especially North and North-Eastern Uganda, has been much slower, while the concentration of poverty is higher in these two regions. According to the UNDP poverty report cited earlier, the proportion of poor people who live in the Northern and Eastern regions increased between 2006 and 2013 from 68 per cent to 84 per cent. The report further indicates that households in Uganda's Northern, Eastern, and Western regions have much lower levels of human capital, fewer assets, and more limited access to services and infrastructure than households in their counterparts in the Central region. For example, electricity is almost non-existent in the Northern, Eastern and Western regions, where the proportion of households with access stands at 3.7 percent, 5.8 percent, and 8.6 percent, respectively. This is far lower than the 32.3 percent recorded for the Central region. Also,

about 29 percent of households in Northern Uganda do not use any type of toilet facility, a much higher proportion than the corresponding figures of 8 percent, 2 percent, and 5 percent, respectively, for Eastern, Western and Central regions. Rapid population growth has the potential for exacerbating these levels of inequality, and creating a country comprising a predominantly impoverished northern sector and a much richer southern zone, as illustrated in Box 5.1.

Box 5.1 : North-South Divide

The discussion in the preceding paragraphs suggests that there exists in Uganda today a North-South divide where the Northern sector is much poorer than its southern counterpart. For example, at 44 percent, the incidence of poverty remains highest in the Northern region, and least in the Central region at 5 per cent. Also, the Northern poverty incidence is much higher than the national average of 19.7 per cent in the 2012/13 fiscal year. According to the Uganda Bureau of Statistics (2016, p. 41) there were 3.1 million and 2.5 million poor persons, respectively, in Northern and Eastern Regions, compared to only 0.4 million persons in Central Region. The scramble for available resources by the citizens and migrants from neighbouring countries especially South Sudan is also a factor in the North-South divide.

A Presidential Adviser has noted that efforts are being made to tackle this divide, including in the form of additional funds with livelihood components. For instance, under the Northern Uganda Social Action Fund (NUSAF), in September 2017, beneficiary sub-regions of Acholi, and Teso received sh5b each; Elgon and West Nile sh5.6b and sh3.1b, respectively; while four districts in Bukedi received sh2.5b and three districts in Bunyoro received sh3.8b.

However, it is likely that the divide will persist for some time because of the long gestation period of the funds to impact the population. Moreover, the high levels of incidence of poverty may require much more funds than those made available.

Source: CRM

545. The wetlands of the country are also at the mercy of high population growth. Stakeholder consultations strongly indicate that 30 per cent of wetlands have been lost within the last decade.
546. Most of this loss is attributed to expansion of the population in urban and peri-urban areas that has led to encroachment on these resources as a result of increased demand, and hence the construction of houses both for shelter and commercial purposes. While in Mbarara, the CRM, learned that increased population had led to encroachment on even protected lands.

547. Also, documentary evidence indicates that Uganda is experiencing more population pressure on its land than most of its neighbouring countries. There are 173 persons per square kilometre in Uganda, while the corresponding figures are 421 persons in Rwanda, 377 in Burundi, 74 in Kenya, 54 in Tanzania, and 18 in South Sudan. This population density is destined to get worse at the current rate of population growth, generating attendant consequences such as land conflicts between people with livelihoods in animal husbandry and agriculture.
548. At the public forums in Mbarara as well as in Mukono, the CRM was informed that the high growth rate is also putting undue pressure on educational resources, leading some stakeholders to questioning the efficacy of the public educational system, especially at the lower levels. The Uganda National Household Survey 2016/17 found that about half of school-age children and young people aged 6-24 years in Karamoja had never attended school, which may be due to a lack of confidence in the quality of education.
549. The rapidly growing population of Uganda has exerted extreme pressure on the existing health care delivery system as well, resulting in increasingly poorer service delivery. While this seems to have created an opportunity for private health care providers to try to bridge the gap, this has led to issues of affordability for the majority of people working in the formal or informal sectors.

5.4.4 Recommendations of the Panel

550. Based on the above analysis and findings, the Panel recommends that Uganda:
- Work with civil society organisations and intensify educational campaigns to raise the consciousness of citizens about the challenge of rapid population growth and its impact on growth, the environment and, ultimately, on peace and security in the country; (Government) and
 - Increase efforts in education and empowerment of girls in particular so as to enable them to take informed decisions about the number of children to have and the timing. (Government)

⁵³ The Uganda National Census 2014 recorded the following 17 minority ethnic groups, each of whose population is not more than 25,000 people: the Alibi, Banyabindi, Bahehe, Banyabutumbi, Basongora, Batwa, Gimara, Ik, Lendu, Mening, Mvuba, Ngikutio, Nyangia, Reli, Shana, Tepeth and the Venoma

5.5 Youth Unemployment

5.5.1 Introduction

551. Uganda's National Development Plan II (2014/15-2019/20) defines youth unemployment as the number of Ugandans between 18 and 30 years of age seeking work but unable to find work for a duration of more than three months in a given financial year. Based on this definition, the official youth unemployment is estimated at about 83 percent (CSAR 2017, p. 116).

552. Putting this in perspective, the global youth unemployment rate in 2013 was 13.1 percent, and that in Africa was estimated to be 51 percent (Uganda National Development Plan II, p. 93). These comparisons clearly underscore the depth of Uganda's youth unemployment challenge. Currently, many young people who graduate from tertiary institutions are unable to find work, which is a challenge and a threat to broader national security in the country.

5.5.2 Evolution of the Issue

553. The first country review report in 2008 (CRR 2008 (para. 785) identified youth unemployment as a key socioeconomic development issue and urged the Government to consider it as a matter of priority. While several reasons have been advanced for this high level of unemployment, the key ones are: rural-urban migration, mismatch of skills, lack of entrepreneurship and management skills, limited access to financial capital, low level of aggregate demand for labour in the economy, and a lack of parental guidance as well as career guidance at school. The Panel recommended in CRR 2008 that a specific National Youth Policy be designed and implemented to promote employment for the youth. It also recommended that Uganda develop comprehensive and relevant curricula for industrial training and skills development through a public-private dialogue platform involving the government, the private sector, young people, civil society organisations (CSOs) and the development community (CRR 2008, para. 793). To implement this recommendation, the country's subsequent NPoA called for the development of a policy and strategy, including the creation and support of employment opportunities for the youth in the public sector, as well as youth mobilisation by the National Youth Council (NYC).

⁵⁴2008 APRM Uganda CRR, P. 317

⁵⁵2017 CSAR, P. 394

554. In its 1st and 2nd Progress Reports, Uganda indicated that national and regional consultations were held with key stakeholders, mainly the youth and employers, to address the problem of youth under-employment and unemployment. The 4th Progress Report noted that the Ministry of Gender, Labour and Social Development, the Ministry of Local Government, the Private Sector Foundation, and the Uganda Investment Authority (UIA) were mandated to create and support employment opportunities for the youth.
555. According to CSAR 2017, Uganda has implemented a number of programmes to improve the situation. The National Employment Policy, cited as an ambitious attempt to create a comprehensive and integrated framework for employment creation, was launched in 2011. The policy outlined key policy objectives that span multiple Government sectors. They included: promoting macroeconomic policies and investment strategies for employment creation; and increasing productivity, competitiveness and employability in the labour force, especially for youth and other vulnerable members of the labour force; promoting skills development, training and apprenticeships and/or internships; promoting purposeful and functional vocational and technical skills training; the availability of reliable and timely labour market information; and promoting and protecting the rights and interests of workers in accordance with existing labour laws and fundamental labour standards.
556. The 2017 CSAR further explains that, as a result of these policies, various initiatives were undertaken, including (i) the Northern Uganda Social Action Fund (NUSAF) programme of 2003, (ii) the Youth Venture Capital Fund (YVCF) of 2011/12 to boost youth entrepreneurship and empower young people, and (iii) the Skilling Uganda Programme, which was launched in October 2012 and focused on the provision of hands-on technical skills, business skills development and entrepreneurship. A Youth Livelihood Programme (YLP) was also launched in 2014 while a youth apprenticeship programme was spearheaded by the Ugandan Investment Authority. In addition, the Ugandan Investment Authority (UIA) also conducted business registration clinics where up to 55 entrepreneurs from the Katwe Small Scale Association were facilitated to register businesses. To address skills mismatch within the labour market and increase the employability of young Ugandans, UIA created a small-medium enterprises (SME) database, where over 10,000 SMEs/businesses across the country were profiled.

557. The 2017 CSAR concludes that despite the existence of these interventions, youth unemployment is on the rise, with the formal youth unemployment rate standing at 83% (2017 CSAR, p. 116). According to the CSAR, such a high level of youth unemployment presents a major socioeconomic challenge for Uganda. It therefore recommended the creation of incentives for productive sectors of the economy to produce working and on-job training opportunities as part of skilling for sustainable employment and economic empowerment of the youth.

5.5.3 Analysis and Findings of the CRM

558. The development of quality human capital and employment creation, especially for the youth, are central to the national socio-economic development process in Uganda. It is at the core of the transformation vision of the country from a poor agrarian economy to a modern, prosperous and skilled society.

559. CRM consultations reveal that there is a perception that, although the government has invested in vocational training to address the issue of youth unemployment, demographic change and educational preferences are contributing to a growing mismatch between labour supply and labour demand. The CRM was reliably informed at a stakeholder-meeting in Mukono that although there are about three times as many vocational institutions as there are universities, the number of students graduating from the universities is five times those completing their schooling from the vocational institutions. This abnormality was attributed to Ugandans' preferring university degrees over vocational qualifications. During regional focus group interactions with stakeholders, the CRM was also informed that youth programmes were being politicised because many of them were often initiated as elections approached.

560. According to various discussions with stakeholders, the private sector - which is expected to be at the forefront of youth absorption in terms of job creation - has experienced slow growth in recent years. On the other hand, there have been limited employment opportunities in the public sector due to the privatisation of most state-owned enterprises and a prohibitive government wage bill. These are major challenges of employment creation for Uganda needing serious attention.

5.5.4 Recommendations of the Panel

561. Based on the analysis and findings, the Panel recommends that Uganda:

- Reconsider Uganda's educational policy to ensure that young people complete their schooling with skills that are in demand on the job market; (Government)
- Establish an effective monitoring and evaluation system which provides sufficient information on the labour market (economic sectors, enterprises creating jobs, information on labour demand in all geographic areas); (Government)
- Involve technical ministries and agencies as well as CSOs and the private sector in the design of the national education policy and the school curriculum; (Government) and
- From a long-term perspective, devise an integrated strategy for rural development, population policy and job creation. (Government)

5.6 Management of Diversity

5.6.1 Introduction

562. Management of diversity has been considered extensively in Chapter 2 on Democracy and Political Governance; this chapter discusses the same issue from the perspective of socio-economic development.

563. Many African states have experienced serious challenges with the management of diversity. Their constituent groups were forcibly and arbitrarily integrated by colonisation. This was accentuated by state-authored systems of discrimination and inequality by post independent governments in several countries, leading to agitation over the right to self-determination by ‘dominated’, ‘oppressed’, and ‘marginalised’ groups. The situation has been aggravated by gross inequalities among the constituent groups in many states in terms of development, resource endowment, territorial size, and population, thus generating in some States intense rivalry, competition and conflict among the groups over access to, and benefits from, scarce resources and public goods and services. Uganda, similar to many of these states, has its share of challenges of management of diversity some of which are dependent on such tensions and rivalry of different constituents in a modern state while others are of historical, tribal and regional perspective. The major aspects of management of diversity relating to Uganda considered for analysis in this report are: gender inequality and violence, refugee management, persons with disabilities (PWDs) and marginalised communities (also called ethnic minorities).

Gender-Based Violence

564. One of the main social ills in Uganda today is the prevalence of gender-based violence. Gender-based violence presents immense multi-dimensional challenges from the socio-cultural, legal, security, economic and public health aspects. Persistent and pervasive norms that encourage violence against women and girls continue largely unchecked. As documented in the Uganda Police’s Annual Crime and Traffic Road Safety Report 2013, domestic violence incidence increased by 18.4 percent and defilements by 15.8 percent between 2012 and 2013 alone. This may be due to the lack of effective laws as well as a robust enforcement framework including low capacity at

the level of police and other law and order institutions.

Refugee Management

565. Uganda sits in a region that has experienced violent conflict over the years, leading to millions of internally displaced citizens and others to seek refuge in neighbouring states. Uganda is no exception to this; its own internal conflicts particularly in the northern part of the country until recently caused internal displacement for thousands of its citizens, while the volatility of the sub-region has meant that Uganda hosts hundreds of thousands of refugees from neighbouring countries. Uganda has been commended for having one of the most progressive and generous refugee laws and policy regimes in the world. It is in the context of its status as a host to refugees that Uganda stands out not only in Africa, but also in the world as a model. By 2017, Uganda was hosting 1,252,470 refugees and asylum-seekers, making it the largest refugee hosting country in Africa and the third largest in the world (GoU and UNHCR, 2017), with most of these fleeing from conflicts in South Sudan, Burundi and the Democratic Republic of Congo.

People with Disabilities

566. Uganda's 2014 Population and Housing Census indicated that about 16 percent or at least 4 out of every 25 members of the population, are disabled. By this estimation, and given the country's current population of about 35 million, it is estimated that there are about 8.5 million disabled people in Uganda (CSAR 2017, p. 368). Similar to their counterparts in other African countries, people with disabilities face extreme conditions of poverty and have limited opportunities for accessing social services. By ratifying the Convention on the Rights of Persons with Disabilities (CRPD) in September 2008, the Government of Uganda has recognised the predicament of PWDs. It has committed to the understanding that PWDs are persons with special needs and require part of the national budget and planning guidelines for their well being, including education.

Ethnic Minorities

567. Historically, marginalised people or ethnic minorities have always found themselves on the margins of society, with very limited access to education, health, and other social development opportunities .

Worse still, many have lost their ancestral lands in the course of national development. The management of national diversity suggests that these populations be integrated into the national development agenda, including Vision 2040.

5.6.1 Evolution of the Issue

Gender Inequality

568. The 2008 APRM Country Review Report has observed that, despite the existence of weak institutional mechanisms for gender mainstreaming and implementation of gender policy (characterised by insufficient funds, weak monitoring and evaluation of gender programmes), Uganda had taken some noticeable steps in addressing gender inequality. The implementation of gender budgeting guidelines was regarded as a good initiative in mainstreaming gender needs and costs into the planning and resource allocation processes.

569. The 2008 Report further noted that Uganda had made some progress in addressing gender disparity in primary and secondary education with the proportion of girls in primary school improving from 44.2 percent in 1990 to 49.8 percent in 2006, and in secondary schools improving from 37.2 percent to 46 percent in 2006. The major reasons for the narrowing of the gender gap in enrolment, according to the report, included judicious engagement in affirmative action for girls, and the introduction of Universal Primary Education (UPE) and Universal Secondary Education (USE). However, the high drop out rates of girls from school particularly in higher primary level and higher secondary classes, because of lack of interest, early marriage, pregnancy, and domestic responsibilities, were identified as major challenges for achieving gender equality in the country. A further observation of the 2008 Report was that, despite some improvement in the access of women to land and credit, women still experienced difficulties in this area. Problems of lack of collateral, lack of market for their products, high interest loans, and high levels of illiteracy and lack of adequate skills were said to have contributed to these difficulties. The Report therefore recommended that appropriate steps be taken to rectify the high drop out rates of girls from school. It further suggested that the sensitisation on the importance of the girl-child staying in school; promotion of interventions that can address the domestic responsibilities of girls,

and laws that can discourage early marriages such as the Domestic Relations Bill which included clauses that would improve gender equality in ownership of matrimonial property including immovable assets such as land, be implemented. Additionally, Uganda was advised to accelerate the implementation of the National Action Plan on Women, and also step up efforts on gender budgeting in order to increase resource allocation to the gender sector.

570. According to the First APRM Progress Report after the first review, lobbying, training, and networking were undertaken in order to build the capacity of women representatives to perform their roles in conformity with the prioritised APRM National Programme of Action (NPOA) during the year under review. The 2nd and 3rd APRM Progress Reports acknowledge efforts undertaken in all the three years of the NPOA to build institutional capacity so as to increase women's participation in leadership. On its part, the Country Self-Assessment Report of 2017 (CSAR 2017) underscores that, due to some noticeable steps being taken in addressing gender inequality, Uganda's progress in gender equality reflected positively in an UNDP Gender Inequality Index, where it outperforms African countries such as South Africa, Zambia and Rwanda.

Gender-Based Violence

571. The 2008 CRR pointed out that some practices and norms such as Female Genital Mutilation (FGM), commonly practiced in the eastern parts of Uganda, support the violation of women's rights to reproductive health. The report also mentioned that Gender-based Violence (GBV), particularly violence against women, is widespread in various forms. The NPOA emanating from the 2008 CRR called upon government to enact the Domestic Relations Bill and Sexual Offences Bill and to design implementation mechanisms.

572. The First APRM Progress Report noticed that in 2008-2009, 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 Muslims (the Administration of Muslim Personal Law), and the other for concerns of the non-Muslims (The Domestic Relations Bill). These two bills were expected to be presented to Parliament for consideration before the end of the first year of implementation of the NPOA. Progress was also made 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 were expected to be finalised, presented to Parliament and enacted during the second year of implementation of the APRM NPOA.

573. The 2017 CSAR acknowledges impressive advances in the fight against GBV by stating that in 2014-15, the Government registered considerable achievements in enhancing activities related to addressing Gender Based Violence. For instance, programmes for the elimination of Gender-Based Violence (GBV) were implemented in 2,767 local governments. The Government also launched GBV Shelters in Gulu and Lira to rehabilitate and provide psychosocial support to GBV victims. A video documentary on traditional FGM, child marriage and Sexual and Gender Based Violence (SGBV) was produced. In addition, the government trained 95 health workers on FGM laws in Amudat, Kween and Bukwo Districts, and sensitized 180 local government and Civil Society Organisations on UN Resolutions and FGM related laws.

Refugee Management

574. The CRR 2008 builds on the 2008 Country Self-Assessment Report (CSAR) which noted that, in 2003, Uganda had a population of about 200 000 refugees from the conflict-prone neighbouring countries of Burundi, the DRC, Eritrea, Ethiopia, Rwanda, Somalia and Southern Sudan. The majority of these were women, children and people with disabilities. The CRR 2008 considered the Uganda Refugee Policy and the Refugee Act of 2006 as models of progressive legislation in the region. However, Government funding for refugees, which mainly comes from the UNHRC's country programme was limited. It is noteworthy that there has been a slow response in the international commitment to support the Ugandan Government in properly managing refugees .
575. The NPOA recommended enhancement in the capacity of institutions that have the mandate to promote and protect the rights of vulnerable social groups and ensure peaceful resolution of the armed conflict in neighbouring countries, and that, in the process of implementing post-conflict reconstruction and development programmes, specific interests and human rights of vulnerable groups be addressed and promoted.

576. The First APRM Progress Report noted that, under the cross-cutting issue of management of diversity, both Democracy and Political Governance and the Socio-Economic Development (SED) thematic areas articulated the need for promoting, providing for, and protecting the interests and welfare of different categories of vulnerable groups.
577. The Second and Third Annual APRM Progress Report (2009-2011) noticed that multi sectoral responses to disasters and epidemics, Disaster Risk Reduction (DRR) institutions and implementation mechanisms had been instituted, namely; The Office of the Prime Minister (OPM)/Ministry of Disaster Preparedness and Refugees; The Inter-Ministerial Policy Committee; The National Platform for DRR; The District Disaster Management Committees; and sub-county and parish chiefs' (DRR Focal Persons). By March 2010, the 22 disaster prone districts had established District Disaster Management Committees (DDMCs). One of the challenges in coordinating DRR is that legislation on policy for disaster preparedness was still in draft form but was ready for tabling in Parliament. The report further informs that there was an urgent need for establishing a one stop National Response Centre. The Sector Wide Approach (SWAP) was not well coordinated and equipped to respond to national disasters.
578. The Fourth APRM Progress Report states that Uganda's handling of refugees it hosts from the region was hailed by development partners in a recent report as exemplary and a good practice. The country has a long tradition of providing an environment for the peaceful co-existence of refugees with host communities including refugee access to services and freedom of movement.

Commendable Practice 5.1: Uganda and Refugee Integration

Uganda's experience of refugee management offers lessons for other refugee-hosting countries. The CRM learnt that refugees in Uganda live in settlements, rather than in camps, and are provided with plots of land for agricultural use so they can achieve a degree of self-sufficiency and integrate better with Ugandan society. This policy extends to all refugees, regardless of ethnicity or country of origin. The 2006 Refugees Act and the 2010 Refugees Regulations grant protection and freedoms to refugees including, amongst others, property rights, freedom of movement, the right to work, and the provision of services. These rights and entitlements offer refugees a pathway to establish their own livelihoods and attain some level of self-reliance, thereby becoming progressively less reliant on humanitarian assistance.

Source: CRM

People with Disabilities

579. The First APRM Annual Progress Report from 2008-2009 (p. 41) records that the Persons with Disabilities Act enacted in 2006 gives the government the discretion to put in place affirmative action measures to promote employment opportunities for persons with disabilities. Specifically, Section 13 (3) empowers the Minister to determine a quota or percentage of persons with disabilities to be employed in the workforce.
580. According to the Country Self-Assessment Report from 2017 (CSAR 2017), the Government (p. xxv) passed a National Social Protection Policy (NSSP) in November 2015 to ensure the rights of vulnerable groups. The CSAR maintains that, to protect the livelihoods of older persons, the Government introduced the Social Assistance Grants for Empowerment (SAGE) programme, and is planning to build infrastructure that is sensitive to PWDs. It is envisaged that by 2020, SAGE will provide 25,000 shillings per month per older person in selected districts in Eastern and Northern Uganda with a target of 650,000 beneficiaries.

Ethnic Minorities

581. The CRR 2008 noted that the grievances of ethnic minorities are potential areas of conflict. While there is a need to disaggregate the demands of the various ethnic minorities, participatory methods that will enhance their sense of belonging without politicising ethnicity, are needed. At the heart of the problem is the right to access, and benefit from, national resources
582. Under the Democracy and Political Governance and Socio-economic Development thematic areas, the Second and Third Annual APRM Progress Report (2009-2011) observed that the marginalisation of vulnerable groups in Uganda was rooted in the colonial system. It further asserted that after independence, the marginalization of ethnic, racial and other minorities continued, leading to gross inequalities between constituent groups in terms of development, resource endowment, territorial size and population.
583. The 1st APRM Progress Report confirmed the continuation of this marginalisation process as manifested in the form of intense rivalry, competition and conflict among the groups over access to, and benefits from, scarce resources and public goods and services. It

stressed that this happened in spite of the existence of an expansive legal framework in the 1995 Constitution, (especially under Articles 32, 36 and 37) that provides for the management of historical imbalances and diversities.

584. The 2017 CSAR highlights two critical factors that complicate the ethnic issue in Uganda. The first relates to the fact that, as part of the colonial legacy, administrative units are constructed on ethnic grounds. Secondly, lack of political inclusiveness at national and local levels often creates a feeling of marginalization by some communities. This feeling quite often solidifies the bond between the supposed marginalised communities against the power that is believed to be marginalizing them. Examples of such ethnic conflicts include, the Bagwere against Banyole over the Namatala wetland, and Bagwere against Bagisu over the same wetland.

5.6.2 Analysis and Findings of the CRM

Gender Inequality

585. The Country Review Mission has observed that Uganda has taken appreciable steps towards the implementation of the recommendations of the 2008 Report (2008 CRR). There has been increased recognition by the Government and civil society of the need to implement policies that meet the service needs of women, and redress social injustices towards them since 2007. This recognition has helped in planning in ways that have ensured that development programmes are gender sensitive from design to implementation. To support this process further, CSOs led by the Forum for Women in Democracy (FOWODE) developed a training manual in 2012 with funding from UN Women. This has since become a point of reference for a coherent approach to gender inequality while building the capacity of national stakeholders that are interested in gender responsive budgeting. The Ministry of Gender, Labour and Social Development (MGLSD) and women's groups launched various capacity building programmes for women. For example, the Uganda Women Parliamentary Association (UWOPA) provided and continues to provide a forum for MPs to discuss and share experiences as well as support activities that would enhance women's participation and effective leadership in political, economic and social activities in Uganda and beyond.

586. The Government of Uganda has passed a number of national laws and ratified some key conventions to protect and advance the rights of women through such policies. It has enacted some gender sensitive labour laws and regulations including the Labour Union Regulations; Workers' Compensation Regulations of 2012; the National Employment Policy of 2011; and Sexual Harassment Regulations, passed in 2012. The most significant achievement in the labour arena was the increase in Maternity Leave from 45 calendar days to 60 working days. A National Cooperative Policy introduced in 2011 has a key provision for strengthening the organisation and capacity of Savings and Credit Cooperative Societies (SACCOS), which are agricultural societies, often based in rural areas where many members are women. These policies have been geared towards the promotion of gender equality. The implementation of the gender budgeting manual has helped mainstream gender concerns into local and national policies and programmes.
587. Through these policies, some positive results have been generated. Major gains by women in local and national political representation in recent years can be attributed to several affirmative action policies of the Parliament of Uganda. While in 2005 women made up only 24.6 per cent in Parliament, they constituted 30.7 per cent in 2009 (CSAR 2017, p.401). At the time of the second review mission in October/November 2017, the 10th Parliament, 143 out of 427 MPs were women, i.e. 33 per cent of all members of Parliament, with a woman Speaker. However, Uganda like all the other States, did not meet the Southern African Development Community (SADC) Protocol on Gender and Development targets of 50/50 representation by 2015.
588. The positive developments, though still with room for improvement, have propelled the country onto a steadily improved performance in gender equality and women's empowerment. Uganda has gained a favourable and comparable position on gender equality scores at international levels. The Global Gender Gap Report of 2016 ranked Uganda 61st out of 144 countries with an overall score of 0.704. These indices, although lower than Tanzania's 53rd world ranking and score of 0.716, were higher than Kenya's 63rd ranking and total score of 0.702. Both the educational and political empowerment categories of women in Uganda were satisfactorily ranked. A tracking of Uganda's performance in these two categories as well as in health

and economic participation between 2006 and 2015 is presented in Table 5.3 which illustrates that Uganda performed better than either Kenya or Tanzania in the area of empowerment of women through education in the period. While its composite change index for women participation in the economy recorded a negative value within the period (because of low levels of female participation in the labour force) and was thus below that of Kenya, the index was higher than that of Tanzania. Uganda's index for women political representation was very close to Kenya's. The Vision 2040 Development Plan has reinforced these modest achievements by prioritising gender equality as a cross-cutting enabler for socio-economic transformation as well as highlighting the progress made in the legal and policy arena, in political representation, and in lowering gaps in education.

Table 5.3: 2006-2015 Cumulative Average Index Changes from 2006-2015: Uganda, Kenya and Tanzania

Country	Positional Index	Economy	Education	Health	Politics
Uganda	0.029	(-0.025)	0.071	0.004	0.064
Kenya	0.07	0.12	0.025	0.007	0.129
Tanzania	0.014	(-0.1)	0.034	0.012	0.112

Source: Compiled with Data from: The Global Gender Gap Report 2015 the 10th Edition, pp.219, 339 and 349.

589. The CRM was impressed by the perception of many private sector organisations that gender could have a bearing on increased disposable income. For example, the Executive Director of the Uganda Flower Exporters Association expressed the view that the Association was gradually beginning to appreciate the need for gender to be incorporated in its next strategic plan. The Director is an advocate for gender rights, and over time she has helped to convince the Association that there are gaps in their planning processes that could be attributed to lack of gender mainstreaming .
590. Nevertheless, in the area of women's access to justice, the CRM was informed that many existing laws are still discriminatory. For example, the pattern of inheritance that favour male ownership of property and title mean that women rarely own property in their own right, and this increases their dependency on male relatives, spouses and partners . Furthermore, widows and girls are systematically denied inheritance rights. This practice appears to correlate with their being

impoverished. Moreover, the formal justice system includes various user fees for legal processes, making it prohibitively expensive for women in this impoverished state to acquire legal services.

591. These and other bottlenecks suggest that the conditions for sustaining gender inequality in Uganda still remain salient and that there is room for improvement especially in the context of gender disparities in access and control over productive resources such as land; the limited share of women in wage employment in non-agricultural sectors; sexual and gender-based violence; and limited participation in community and national decision-making .

Gender-Based Violence

592. The CRM observed that one of the main social ills in Uganda, as related during stakeholder meetings, is the prevalence of gender-based violence. The CRM noted through multi-stakeholder meetings that gender-based violence continues largely unchecked. This may be due to the lack of effective laws as well as a robust enforcement framework, including low capacity at the level of police and other legal institutions.

593. The CRM observed that the practice of Female Genital Mutilation (FGM) is endemic in some districts in the Eastern region. However, the approach to end FGM in Eastern Uganda has so far demonstrated that it is possible to change mindsets and transform negative cultural practices through community dialogue. The CRM noted that Uganda has state mechanisms, religious leaders and NGOs, supplemented by international agencies such as the UNICEF, to train and sensitize law enforcement agencies as well as local communities on issues of gender- based violence, and more specifically, FGM.

594. Some international institutions such as the UNFPA and the Ministry of Gender, Labour and Social Development (MGLSD) have integrated their efforts in in the area of GBV, leading to the launch of the National Elimination of Gender-Based Violence Policy and Action Plan in November 2016 by H.E. Yoweri Kaguta Museveni, the President of Uganda .

595. Despite this high-profile action and the initiation of relevant programmes by institutions such as Uwonet to reduce vulnerabilities of women and girls experiencing violence, and improve access to justice, women and girls continue to suffer in silence because they

cannot afford court fees and transport to courts to testify. Some have lost hope in the justice system because of the lengthy court procedures .

596. During a meeting with the Judiciary, it was confirmed that prosecution of offenders remains low because of the high case backlog in the judiciary, and resource constraints faced by the Police Family Protection Units and Gender desks as well as Criminal Investigation and Intelligence Departments.

597. Although available data on GBV in the country is inconsistent, there is a developed impression of a disturbing picture of GBV. This picture may be even more alarming than it seems because of possible large numbers of unreported cases due to prevailing socio-cultural norms, and regrettably, there is no specialised court set up to deal with the issue of gender-based violence.

598. In a positive move, the Directorate of Public Prosecution has created a department to address gender-based violence and structural barriers to victims and survivors accessing justice. Nevertheless, the Directorate lacks commensurate material and financial resources to push through much needed institutional reforms .

Refugee Management

599. The CRM observed that the Uganda Office of the Prime Minister (OPM, Refugee Department), and UNHCR, facilitate inter-agency planning, coordination, implementation, and the overall response to the refugee emergency situation in Uganda. At the field level, local governments working closely with the UN and NGO partners in supplementing governmental efforts, form part of the response. The comprehensive refugee response (humanitarian component) in Uganda includes 61 partners, including the Government of Uganda's Refugee Department of the Office of the Prime Minister, 6 District Local Governments (DLGs), 9 UN agencies (FAO, IOM, UNDP, UNFPA, UNHCR, UNICEF, UN Women, WFP, and WHO), and 43 NGOs.

600. Joint efforts of the Ugandan Government and the UNHCR ensure favourable protection of the environment, guarantee fair protection processes and security from violence and exploitation, and provide basic needs and services to refugees. Refugees and asylum seekers are also fully integrated into communities where both refugees

and community members participate in the planning, delivery and monitoring of community services, education, anti-Sexual and Gender-Based Violence (SGBV), and self-reliance projects. They also help maintain communal resources, such as the environment, water resources, access roads and community centres.

601. Nevertheless, during the regional focus group discussions, the CRM found that the presence of refugees, especially their overflow from neighbouring countries such as South Sudan, DRC and Burundi, is triggering some complaints from local citizens who think that there is increasing competition from refugees over limited resources such as land and access to health centres. Furthermore, as voluntary settlement of refugees is undertaken, there is often no effort to clean up the environment. Similarly, a key issue is the uncertainty on the time frame for the life cycle of a refugee settlement.

People with Disabilities

602. The CRM has observed that significant effort by the Government of Uganda and development partners has been made towards promoting employment for persons with disability (PWDs).

603. The Ministry of Gender, Labour and Social Development has a number of programs to support vulnerable persons in accessing resources that lift them out of poverty and into a development stage. These include affirmative action programs for persons with disabilities, orphans and vulnerable children (OVC), youth, women and the elderly. For instance, in 2013/14 about 170 PWDs were equipped with employable skills.

604. Other organisations, for and of PWDs, and agencies such as the Federation of Uganda Employers have also been active in lobbying and advocating for the employment of PWDs in the formal sector.

605. Despite these efforts, evidence on the ground indicates that many PWDs, in spite possessing the requisite education and training qualifications for certain jobs, find it difficult to obtain employment. They face various challenges that impede their full integration into Ugandan society.

606. Furthermore, the current infrastructure for PWDs appears scanty to support the Government's commendable idea of rolling out 25,000 shillings per month per older person to 650,000 beneficiaries by 2020.

Therefore, more investments will be needed to support infrastructure designs and developments sensitive to the needs of PWDs.

Ethnic Minorities

607. During consultation, the CRM was informed that marginalised people (ethnic minorities) in Uganda mainly derived from nomadic or semi-nomadic hunter-gatherers or pastoralists, such as the Batwa, Benet, Karamojong as well as the Bamba, Babwisi, Bagwe, Bagungu, Bakenyi, Kebu, Nubi and the Ngikutio . As would be expected, most of them live in rural areas and are often among the most disadvantaged. Their situation and conditions are steadily deteriorating with increasing competition for natural resources in their areas, the effects of climate change such as drought, and growing impoverishment .

608. The impression formed by the CRM during consultations is that scant efforts have been made to address the economic and socio-cultural needs of these vulnerable populations. As a result, ethnic minorities live in small communities, have limited political representation, lack access to basic services , remain poorer than the average population, and face the risk of extinction.

5.6.4 Recommendations of the Panel

609. Based on the analysis and findings, the Panel recommends that Uganda:

Gender

- Judges be given regular training to understand and appreciate the critical issues involved in the field of gender mainstreaming so that they can interpret the laws in a manner that responds to the demands of the day; (Judiciary; Government)
- Government develop and maintain a solid GBV monitoring and evaluation framework and build capacity to implement it; (Government) and
- Government ministries and Members of Parliament together with Civil Society Organisations aim at raising awareness and addressing harmful cultural practices and violence against women and girls. (Government)

Refugee Management

- Given that most refugees in Uganda come from the Eastern African region, the Government of Uganda consider leading regional efforts to address lack of peace and security, which are the root causes of displacement and suffering of refugees; (Government) and
- Consider developing a strategy to defuse the growing sense of resentment among Ugandans towards refugees and other foreigners broadly due to the perception of unwanted competition for scarce resources such as land and basic public services, such as health and education; (Government) and
- Consider the views and opinions of Ugandans regarding competing with refugees over resources such as land and access to health services. These views have the potential for harming the country's unblemished refugee record. (Government)

People with Disabilities

- Sensitise employers about how to employ PWDs to inspire and impart greater confidence in their search for employment; (Government)
- Widely advertise job opportunities in various media and encourage disabled people with qualifications to apply. (Government)
- Provide disabled students with career guidance services starting from the early stage of their educational career to facilitate and enhance their employment prospects; (Government) and
- The Ministry of Gender, Labour and Social Development (MGLSD) consider developing a comprehensive programme to train persons with hearing impairment on sign language. (Government)

Ethnic Minorities

- Consider demarcating and preserving the areas of abode of ethnic minorities as heritage zones; (Government)
- Domesticated all relevant international conventions aimed at protecting the rights of ethnic minorities and comply with their obligations; (Government) and
- Promote the cultural wealth of Uganda's marginalised communities to preserve and enhance cultural diversity. (Government).

⁵⁶Konrad-Adenauer -Stiftung. (2017). Uganda's refugee management approach within the eac policy framework. http://www.kas.de/wf/doc/kas_23354-1442-2-30.pdf?170815163122. P.8

⁵⁷The 1st Progress Report, P. 143

CHAPTER SIX

6. Commendable Practices, Cross-Cutting Issues And Afterword From The Lead Panel Member

6.1 Overview

610. In conclusion, the Panel is highlighting the commendable practices, core governance and socio-economic development challenges and crosscutting issues identified from each thematic area. This chapter concludes with a focus on the linkages between the core challenges identified in the report and the bottlenecks to development as identified by Uganda at the Special Summit of the APR Forum of Heads of State and Government that took place in Nairobi on 26 August 2016.

6.2 Commendable Practices

611. The commendable practices identified in the review include the following:

- Medico-Legal services
- Youth Representation in National Parliament
- UIA One Stop Centre (OSC)
- Uganda's Approach to Management of its Oil Resources
- AskYourGov.ug
- Refugee Integration

Medico-Legal Services for Victims of Gender-Based Violence

612. Uganda's medico-legal service targets victims of GBV of all ages. The provision of Medico-Legal Services is of paramount importance in providing access to legal services, justice and redress for victims of gender-based violence (GBV). It combines the essential medical and legal aspects that address the situation of GBV survivors comprehensively, sustainably and holistically. It is designed with the objectives of supporting victims of GBV, providing treatment, legal redress and psychosocial support. It is a corrective measure for perpetrators who coarsen and assert power to maintain control over their victims.

Youth Representation in National Parliament

613. Article 78, section 2 of the 1995 Constitution of Uganda provides for special interest representation of women, youth, workers, the army and persons with disabilities. The current 10th parliament of Uganda includes of 5 youth representatives. Youth representation provides an opportunity for the youth, who represent the majority of the population in Uganda, to articulate their interests at the national legislative body.

The UIA One Stop Centre (OSC)

614. The Panel acknowledges the role of the Uganda Investment Authority (UIA) One Stop Centre (OSC) initiative in improving business registration and licensing processes. The OSC also assists in tax advice and registration, immigration and work permit issues, land acquisition and verification, as well as environmental compliance and approvals. The Panel observes that the OSC has helped to provide a conducive environment for doing business in Uganda and has helped maintain and enhance Uganda's competitiveness in a globalised world.

Uganda's Approach to Management of its Oil Resources

615. Uganda discovered commercial reserves of crude oil as early as 2006, but it is yet to start actual production. In an attempt to avert the all too frequent case of oil production destroying the rest of the economy, the Government of Uganda has taken some steps that place it apart from most other resource-rich countries. To mention a few examples, the Government decided to (i) build a refinery so as to add value to the crude rather than export it in its "raw" form; (ii) delay oil production until the refinery was built; and (iii) use oil revenues only for financing development projects to the exclusion of recurrent expenditure. As proven by the recent conclusion of an agreement with a consortium of companies to build the refinery demonstrates, this policy is already paying dividends, and this is a good practice for other African countries to follow.

AskYourGov.org

616. Building on the fact that every citizen has the right to access information held by public authorities, Uganda has established a website known as AskYourGov.org. By law, the Government should respond for information requests covered by the Access to Information Act, 2005. By November 2017, the website had covered

requests to 106 agencies from 1,213 requestors.

Refugee Integration

617. Uganda's experience in refugee management offers lessons for other refugee-hosting countries. Refugees based in rural areas in Uganda do not live in camps. Instead, they live in settlements and are provided with plots of land for agricultural use, to achieve self-reliance and integrate better in the host country. This policy extends to all refugees, regardless of ethnicity or country of origin. The 2006 Refugees Act and the 2010 Refugees Regulations Act grant protection and freedoms to refugees including in property rights, freedom of movement, the right to work, and the provision of services. These rights and entitlements offer refugees a pathway to establish their own livelihoods and attain some level of self-reliance, thereby becoming progressively less reliant on humanitarian assistance.

6.3 Cross-cutting Issues

618. The cross-cutting issues identified in the review include the following:

- Management of Diversity;
- Gender
- State of the Public Service;
- Land; and
- Youth Unemployment

i. Management of Diversity

619. Uganda is a multi-ethnic society, with the Constitution of the Republic of Uganda listing more than 65 indigenous communities in the country as at 1st February 1926. Historically, political competition in Uganda has been drawn along ethno-linguistic lines, with ethnicity politically mobilized for political advantage and hegemony. Due to their small populations, some indigenous peoples have suffered from forced removals from ancestral lands and exclusion from governance processes, and in consequence have been denied their full citizen rights under Chapter Four (Articles 32, 36 and 37] of the Constitution of the Republic of Uganda, and African and international standards and codes, such as the African Charter on Human and Peoples' Rights, and the United Nations Declaration on the Rights of

Indigenous Peoples.

620. Uganda's First APRM Review Report from 2008 (CRR 2008) noted that the Government of Uganda, despite signing relevant international instruments for the protection and promotion of minority rights, had not taken practical measures to integrate the concerns of minorities in its plans. The Report also observed that institutions, such as the Uganda Human Rights Commission that have the mandate of promoting and protecting the rights of minority ethnic groups and other vulnerable groups, lacked the resources and capacity, both financial and personnel. The Report called for service delivery programmes to ameliorate the plight of ethnic minorities and other vulnerable groups in Uganda. The CRR also recommended mainstreaming the rights of vulnerable groups in peace-building initiatives and post-conflict reconstruction and development programmes.
621. In the socio-economic development theme, management of diversity is noted as a challenge affecting gender inequality, refugee management, persons with disabilities (PWDs) and ethnic minorities. Under gender, it is observed that the 2008 country review report underlines some noticeable steps taken by Uganda in addressing gender inequality. It also observed that despite some improvement, women still experienced some difficulties in access to land and credit due to the challenges such as lack of collateral, lack of market for their products, high interest loans, and high levels of illiteracy as well as inadequate skills.
622. Uganda has taken steps to implement the recommendations of the 2008 Report. Since 2007, there has been an increased recognition by the Government of Uganda of the need to implement policies that meet service needs of women, and redress social injustices towards them. This recognition has helped planning in ways that have ensured that development programs right from design to implementation are gender sensitive. The Government of Uganda has also passed, ratified and enacted several national laws and ratified some key conventions to protect and advance the rights of women including the Labour Union Regulations; the Workers' Compensation Regulations (2012); The National Employment Policy (2011); and the Sexual Harassment Regulations (2012). These positive developments have propelled Uganda onto a steadily improved performance in gender equality and women's empowerment, with Uganda ranked

Uganda 61st out of 144 countries with an overall score of 0.704 in the 2016 Gender Development Index. Nevertheless, in women's access to justice, many existing laws are still discriminatory. Patterns of inheritance favour male ownership of property and title, with the result that women rarely own property and depend on male relatives, spouses and partners. Widows and girls are systematically denied inheritance rights, which renders them more dependent and impoverished. Moreover, the formal justice system includes various user fees for legal processes, making it prohibitively expensive for women in this impoverished state to acquire legal services.

623. These and other bottlenecks suggest that the conditions for sustaining gender inequality in Uganda remain salient, and that there is room for improvement especially in the context of gender disparities in access and control over productive resources such as land, the limited share of women in wage employment in non-agricultural sectors, sexual and gender-based violence, and the limited participation by women in household, community and national decision-making.

ii. Gender

624. Uganda has shown commitment to ensuring gender equality through the enactment of legislation and establishment of institutions. It has ratified and domesticated the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW). However, it has lagged in the area of state reporting. Regionally, the country has acceded to the Maputo Protocol. At the national level, Uganda has enacted crucial legislation for the promotion and protection of women's rights such as the Local Government Act of 1997, the Land Act of 1998, the Prevention of Trafficking in Persons Act of 2009, the Domestic Violence Act of 2010, and the Female Genital Mutilation Act of 2010.

625. Considering its constitutional provisions, Uganda has developed policies to further strengthen gender rights and mandate the protection of women. Such policies include the National Strategy for Girls' Education (2014-2019) of 2004, with the objective of harmonising the roles and activities of the Ministry of Education and its partners in the education of Uganda's girl-child, and the National Gender Policy of 2007, which declares as its objective gender equity, defined as fairness and justice in the distribution of resources benefits and

responsibilities between men and women and girls and boys in all spheres of life. Earlier, beginning from the 1990/1991 academic session, Uganda had introduced the 1.5 Point system, under which all female applicants to its public universities were to be awarded 1.5 to four bonus points as a form of affirmative-action type policy to increase the female student population at universities. Uganda also implemented gender budgeting guidelines which mainstreamed gender needs and costs in the planning and resource allocation processes.

626. Despite these achievements and the constitutional provisions against discrimination and violence against women, there are many areas where gender equality and women empowerment in Uganda are still lacking. There are discriminatory laws and prevalent socio-cultural and religious practices against women that continue to inhibit progress towards gender parity and equality. There are also practices and norms that encourage the violation of women's rights, including early marriages which tend to result in high dropout rates for the girl-child from school, female genital mutilation, which violates women's rights to reproductive health, repressive patriarchal values and attitudes, and eviction of wives from their matrimonial homes on the death of their spouses.
627. Critical to gender equality governance in Uganda is addressing the deficiencies in the Amended Land Act of 1998 which only affords women the right to access land use and the occupancy of land, while denying ownership rights, inadvertently, which perpetuates the feminisation of poverty. Also, not much has been done for women economic empowerment, especially at the sub-national grassroots level. Solutions to empower women at the local level should be prioritised as women at the grassroot level constitute the majority of workers engaged in agricultural production and cross border trading for the survival of their families.
628. Uganda should consider resolving and addressing contentious legislation such as the Marriage and Divorce Bill which has remained a bill since 1962. Furthermore, Uganda has ratified the Maputo Protocol but with reservations on the following articles: (i) Article

⁵⁸NB.: 1.00 = parity; 0.00 = imparity The World Bank. (2013). A Case Study of Gender Responsive Budgeting in Uganda. https://consultations.worldbank.org/Data/hub/files/grb_papers_uganda_updf_final.pdf ⁶⁰LASPNET. (2015). Access to justice for the women: the affordability of access to justice for women in Uganda & the plight of lasps and legal fees in case of having to pay fees after losing a case. A Presentation to FIDA–Uganda Advisory Committee 26th November 2015, Metroplote Hotel

14(1)(a), and (ii) Article 14(2)(c). These have a negative impact on the lives of women and curtail their reproductive and property rights.

iii. State of the Public Service

629. Uganda has several established policies and institutions that provide an enabling environment to bring about an accountable, efficient and effective public service. It introduced the Decentralisation Policy in 1993, which was later supplemented by fiscal decentralisation in 2003. The purpose of the decentralisation policy is to enhance citizen participation at all levels. Nevertheless, several factors point to the inefficient and unresponsive nature of the public service in Uganda. An example is a survey completed by the Uganda National Householed Survey (UNHS) revealing that communities have problems accessing health care services in the country; that health service delivery is characterized by the unavailability of medicines and supplies, long waiting times, long distances to health centres, a limited range of services, and under staffing (2017). In addition, the Uganda Demographic Health Survey shows a high rate of maternal deaths, with 368 deaths per 100,000 live births (2016). Furthermore, while Uganda has made efforts to provide education to its citizens, a UNHS survey of children in the age group 6 -24 records a school drop-out rate of 35.1 % for boys and 33.5% for girls, due to the inability of parents or guardians to afford the cost of maintaining student attendance in schools, even with free tuition.

630. Uganda' first country review report from 2008 (CRR 2008) expressed concern with the increase in the number of newly established districts in Uganda. The Report observed that the increase has placed huge constraints on the ability of local governments to respond to the public service needs and requirements of their citizens. The APRM Country Self-Assessment Report of 2017 (CSAR 2017) noted that the number of districts had further increased from 81 in 2008 to 117 districts in 2016, with the number of Municipal Councils increasing from 22 in 2008 to 34 in 2015. Stakeholders perceived the creation of new districts as largely due to partisan political ends, at a time when local governments were also experiencing a decline in their share of the national budget from 22.2% in 2007 to 15.6% in 2015. In fact, the Country Self-Assessment Report points out that the remaining revenue sources left with the local government, such as the Local Hotel Tax and the Local Services Tax, after the removal

of the Graduated Tax Services Tax, make local governments even more dependent on the central government, contrary to the spirit of political and fiscal decentralization.

631. In Economic Management, an effective management of public finances depends on adherence to processes that ensure there is value for money. Uganda has introduced some strong reforms in public financial management, however, there is still room for an additional and robust framework to make the system stronger for transparency, proper accountability and effective delivery of public services.
632. Corporate Governance, one of the main recommendations, in the 2008 Review Report was to “improve coordination of enforcement institutions and reduce bureaucracy.” The APRM National Programme of Action (NPOA) called for the development of institutional benchmarks and standards to improve coordination of enforcement institutions to reduce bureaucracy, and this led to the establishment of a one stop centre for business registration and licensing. The 2nd and 3rd APRM Progress Reports, for 2009-2011, disclosed that other regulatory agencies have taken initiatives to promote institutional coordination including the Capital Markets Authority that signed a Memorandum of Understanding with the Bank of Uganda and the Insurance Regulatory Authority to strengthen cooperation and information-sharing, and the Public Procurement and Disposal of Assets Authority that is collaborating with the Companies Registry and the Uganda Revenue Authority. The Country Self-Assessment report (2017) states that bureaucracy is responsible for the long delays in resolving employment disputes, and there is a proliferation of organizations in charge of regulation, control or execution of public policies for the private sector.

iv. Land

633. Land tenure in Uganda has evolved tremendously over the past century, resulting in four types of land tenure systems: customary tenure, with land owned and administered according to customary practices that is unregistered but legally recognized, accounting for 80% of Uganda’s land; (ii) the mailo land tenure system, which was introduced early in the colonial era and confers indefinite land ownership rights, similar to freehold over large areas of land (literary “miles” - mailo) to a few individuals; (iii) freehold and (iv) leasehold,

both of which are found mainly in urban areas, and a few selected rural areas especially in the southwest region. These two types of tenure systems are limited in scope and altogether cover only about 6% of the total land area in Uganda. There is also land which is publicly owned by the Government or its agencies including road, water, forest, wildlife and other authorities. This land is subject to encroachment, or grabbing, using economic or political power.

634. Land continues to be a most important resource to almost all Uganda's communities. It is a key investment strategic resource to the population, as well as a core primary factor for agricultural production, ecosystem stability, and climate change resilience. It is also an important factor in addressing poverty, inequality, investment, unemployment and sustainable and liveable urbanization. But the issue of land has additional dimensions and proportions in governance in Uganda.
635. The 2017 CSAR notes that the challenge for Uganda has been the inability of the land policy to effectively address the duality of land use and land ownership. The emphasis on the later has disadvantaged the landless citizens who entirely depend on land for their livelihoods.
636. Various steps have been taken by the government to address critical problems arising from the land question. For example, the Land Act was amended in 2010 to deal with security of occupancy for lawful and bonafide occupants. The National Land Policy 2013 was passed and widely disseminated. Furthermore, the Government has subsidised demarcation and land titling for vulnerable groups. The process involves adjudicating, surveying and issuing land titles to land owners in each administrative area to protect their land rights. A Land Fund is in place and UGX 37.5 bn already spent in Kibaale in Bunyoro, other parts of Toro, Buganda and Ankole involving 65,902 hectares.
637. In February 2017, the Government set up a Presidential Commission of Inquiry which seeks to consider the law, processes and procedures by which land is administered and registered in Uganda as well as the role and effectiveness of the Uganda Land Commission (ULC) in administering public land and land funds, the management of wetlands and forest reserves, and the role of traditional, cultural and religious institutions who own large tracts of

land with occupants, among others. The findings of this Commission are expected to point towards resolution of the many land conflicts taking place in the country.

638. The land dispute resolution mechanisms in the country are inadequate. The Judiciary is underfunded and understaffed and has not been able to fully discharge its duties such as dispute resolution especially on land matters, the protection of rights, ensuring access to justice to maintain peace and national security, and eliminate criminals from society as a way of resolving land conflict. Conflicts that find their way to the courts take very long to redress, and there is a general feeling that the use of money and political muscle determines the outcome of the case rather than merit.
639. There is a need to put in place measures to reduce the occurrence of conflicts and these include having proper land use plans, clear and transparent boundary demarcations, and public education on relevant land policies and laws.

v. Youth Unemployment

640. Uganda's National Development Plan II defines youth unemployment as the number of Ugandans aged 18-30 seeking work but unable to find any for a duration of more than one quarter in each financial year. Based on this definition, the official youth unemployment rate is 83.2 per cent. This clearly underscores the dimensions of Uganda's youth unemployment challenge.
641. While several reasons have been advanced for the high level of youth unemployment, the key ones include rural-urban migration, mismatch of skills, lack of entrepreneurship and management skills, limited access to financial capital, inadequate job matching, low level of aggregate demand for labour in the economy, demographic development/population growth, lack of parental guidance and career guidance at school, and the negative attitude of youth in Uganda.
642. The National Employment Policy launched in 2011 was an ambitious attempt to create a comprehensive and integrated framework for employment creation, and outlined six key policy objectives that span multiple Government sectors including macroeconomic policies and investment strategies for employment creation, increasing productivity, competitiveness and employability of

the labour force, especially the youth, and promoting in-employment skills development, training and apprenticeships and/or internships, especially for the youth.

643. The 2017 CSAR acknowledges that, as a result, various initiatives were undertaken, including (i) the Northern Uganda Social Action Fund (NUSAF) programme of 2003; (ii) the Youth Venture Capital Fund (YVCF) of 2011/12 to boost youth entrepreneurship and empower young people; (iii) the Skilling Uganda programme which was launched in October 2012 with emphasis on the provision of hands-on technical skills, business skills development and entrepreneurship; (iv) the Youth Livelihood Programme (YLP) which was launched in 2014; and (v) Ugandan Investment Authority programmes including a youth apprenticeship programme, business registration clinics where up to 55 entrepreneurs from Katwe Small Scale Association were facilitated to register businesses, and the SME database which addresses the skills mismatch within the labour market and increases the employability of young Ugandans. Over 10,000 small and medium-sized enterprises across the country are profiled in the SME database.
644. The CRM's findings through stakeholder discussion confirm that human capital quality development and employment creation, especially for the youth, is central to the national socio-economic development process in Uganda. It is at the core of the transformation of the country from a poor agrarian economy to a modern, prosperous and skilled society. Although the government has invested in vocational training to address the issue of youth unemployment, the private sector, which is expected to be at the forefront of youth absorption in terms of job creation, needs to experience higher growth, and should be supported to ensure that it provides the necessary employment opportunities.

6.3 Bottlenecks to Development and Perspectives

645. At the 23rd APR Forum held in Johannesburg in June 2015 as well as the 25th APR Forum held in Nairobi in August 2016, H.E. President Yoweri Museveni presented Eleven (11) bottlenecks facing Africa. The bottlenecks represented issues that needed to be addressed for Africa to launch itself on the path of sustainable transformation. President Museveni observed that these bottlenecks were “pertinent areas for review” under the APRM and “should be

discussed and considered as part of the [APRM] tool.”

646. The 11 Bottlenecks in the President’s list are listed in Table 6.1,

Table 6.1: Bottlenecks to Development

Bottleneck	Discussed in
Ideological disorientation	Discussed under “Management of Diversity” in Chapters 2, 5 and 6
Interference with the private sector	Discussed under “Business Regulation and Red Tape” in Chapter 4.
Under-developed infrastructure	Discussed under “Infrastructure Development” in Chapter 5.
Weak states, especially weak institutions such as the Army, Police, etc	Discussed under “The State of the Public Service” in Chapter 2.
Fragmented markets, market access and expansion	Discussed under “Economic Diversification, Market Access and Expansion” in Chapter 3 and in “Business Regulation and Red Tape” in Chapter 4.
Lack of industrialisation and low value addition	Discussed under “Economic Diversification, Market Access and Expansion” in Chapter 3
Under-development of human resources	Discussed under “Supporting entrepreneurship and tackling unemployment” in Chapter 4 and under “Youth Unemployment” in Chapter 5
Under-development of agriculture	Discussed with reference to value addition and export diversification under “Economic Diversification, Market Access and Expansion” in Chapter 3
Under-development of the services sector	

⁶¹UNDP. (2016). UNDP Uganda, Gender equality strategy: Investing in gender equality for Uganda’s socioeconomic transformation ⁶²UNFPA. (2016). Connect UNFPA Uganda annual report 2016. Available at https://uganda.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Annual%20Report%202016.%20web%20version_0.pdf ⁶³Daily Monitor. (2014). Gender-based violence biggest threat to our security after terrorism. <http://www.monitor.co.ug/OpEd/Commentary/Gender-based-violence-biggest--threat-to-our/689364-2544854-ig40krz/index.html>

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Under-developed infrastructure	Discussed under “Infrastructure Development” in Chapter 5.
Weak states, especially weak institutions such as the Army, Police, etc	Discussed under “The State of the Public Service” in Chapter 2.

along with two additional bottlenecks identified during the APR Forum meeting held in Nairobi In August 2016. Table 6.1 also summarises the topic under which the bottleneck is discussed in the thematic chapters of the review report.

647. The Panel is encouraged by the efforts and progress of the Uganda Government in developing Vision 2040. Vision 2040 provides a framework to ensure the transformation of the country from a predominantly low income to a competitive upper middle-income country by 2040.

648. Vision 2040 is being implemented by strengthening the fundamentals of the economy including infrastructure for energy, transport, water, oil and gas and ICT; Science, Technology, Engineering and Innovation (STEI); land; urban development; human resource; and peace, security and defence. It recognises the opportunities that Uganda faces in development of oil and gas, tourism, minerals, ICT business, abundant labour force, geographical location and trade, water resources, industrialisation, and agriculture. It identifies challenges to development including many of the bottlenecks identified by President Museveni at the 25th APR Forum held in Nairobi in August 2016, including

1. Ideological disorientation;
2. Low competitiveness (identical to the bottleneck on fragmented markets, market access and expansion);

3. Weak public-sector management and administration (identical to the bottleneck on a non-responsive civil service);
4. Low industrialisation and value addition;
5. Corruption;
6. Little government investment in strategic and emerging industries;
7. Slow accumulation of modern infrastructure (identical to the bottleneck on an under-developed infrastructure);
8. Inadequate human resources (identical to the bottleneck on an under-developed human resources);
9. Low level of saving and inadequate revenue collection (identical to the bottleneck on domestic resource mobilisation); and
10. An unfavourable demographics profile.

6.4 Afterword from Lead Panel Member, Bishop Dinis Sengulane, on Cross-cutting Issues and Reflections on the Second Review

Malaria

649. African Heads of States, confronted with many deaths caused by malaria in the continent declared 25th April as Africa Malaria Day. Some of us saw Malaria as a global threat and not only a threat to our beloved continent. Hearing this message coming from Africa which was saying that the global nature of the world, where people travel so fast and able also to take malaria to other non-malaria affected areas, the World Health Organization(WHO) decided to declare 25th April World Malaria Day, inviting all and each country to make Malaria a world and local concern.

650. In our public contacts in Uganda, malaria was not mentioned. Should not we, who are concerned with these things which are threatening our wellbeing, not include malaria as a health concern for the public of Uganda? From personal enquiry of health workers and other individuals about malaria, I note that it is definitely a concern.

651. If so, it is incumbent on us to include it as an issue threatening wellbeing and a health concern to the public of Uganda, and to see how to free Uganda from this scourge.

⁶⁵UWONET. (2016). Cluster on women's rights and gender equality; Inputs into the civil society UPR Report 2016

Religions in Uganda

652. As you travel around in Uganda, you cannot ignore the visible manifestations of religion or the peoples' connection with God. Majestic buildings for worship, namely churches, cathedrals, mosques, temples are present and built for the worship of God in "the beauty of holiness". Thousands of people can be seen making their way to worship during different days. The presence of well-trained Religions Leaders, choirs and worshipers who make legitimate use of radio, TV, newspapers and other means of public communication can be seen. The governance issues we are dealing with, such as domestic violence, discrimination of women, corruption, and injustice against children and young people, are the very same issues that give sleepless nights to religious leaders and lead them in their prayers to tears, and to undertake different programmes and projects to enhance life for the citizens they minister or care about. Indeed, the presence of religious leaders in our meetings could have been made more visible to do justice to the percentage of people who identify themselves with religion in Uganda.

653. During our meetings, the pledge "FOR GOD AND MY COUNTRY" seemed to mark the end of official speeches by many leaders and was an encouraging sign for me. May I humbly appeal to all Religious people to make themselves available to the activities of APRM, and commit themselves as people of good news to implement the recommendations of the second peer Review of Uganda.

Peace

654. We rejoice with and congratulate the people of Uganda for the peace enjoyed throughout the country, doing justice to the beauty of this pearl of Africa. Peace is beautiful to behold, cheap to maintain and positive in all aspects. Violence is ugly even to hear about, expensive to maintain or endure, and negative in all for all. Our heart hurts as we hear of domestic and other forms of violence in some communities. This is a sign that there are people who are armed in their minds. We need to disarm the minds of all our citizens. We humbly suggest two words that should be translated into concrete actions:

- Prevention, taking relevant and effective steps where we feel people are tempted to be violent against themselves, against their relatives in the family or friends and against any one in their community. Prevention is cheaper than putting off active fire of violence.

- Reconciliation, taking relevant and effective steps where we know that there are situations of conflict, of whichever nature, whether within the same religion or different religions, whether within those who rule and those who are ruled. Reconciliation will lead to harmonious progress.

God bless Uganda,
Guard her children with integrity,
Guard the sanctity of every human life,
Make all good stewards of your creation,
Maintain and improve her peace.

For God Almighty's sake
Amen

⁶⁵Report of the African commission's working group on indigenous populations/communities. (2006). http://www.achpr.org/files/sessions/43rd/mission-reports/uganda/misrep_specmec_indig_uganda_2006_eng.pdf

⁶⁶Daily Monitor. (2016). Minority ethnic groups battle to preserve their heritage. <http://www.monitor.co.ug/Magazines/PeoplePower/Minority-ethnic-groups-battle-to-preserve-their-heritage/689844-3203168-si57p5/index.html>

⁶⁷Ethnic Minorities in Uganda. (2011). Universal Periodic Review Joint Submissions for Uganda Submitted to the Human Rights Council by Minority Rights Group International, Jamiya Ya Kupatanisha, Center for Conflict Resolution, African International Christian Ministry.

⁶⁸<http://lib.ohchr.org/HRBodies/UPR/Documents/session12/UG/JS6-JointSubmission6-eng.pdf>

⁶⁹Ibid

AFRICAN PEER REVIEW MECHANISM



**GOVERNMENT OF UGANDA'S RESPONSE TO THE SECOND
COUNTRY REVIEW REPORT FOR UGANDA 2017.**



1.0 INTRODUCTION

1. The National Governing Council finalized the Second Country Self-Assessment Report for Uganda and hosted a team of APRM Experts for a Country Review Mission that took place from 29th October to 14th November 2017. The Second Country Review Report for Uganda is based on the findings in the Country Self-Assessment Report as well as outcomes of consultations conducted by the Country Review Mission with various stakeholders both State and Non State actors at national and regional levels.
2. Government of Uganda wishes to express its appreciation to the Country Review Mission, and in particular Bishop Dinis Sengulane who led the Mission, for the Report and recommendations there in. Most of the recommendations will be incorporated in the National Programme of Action which was drawn following the Country Self-Assessment carried out in 2017. Below is the government response to some of the key issues raised in the report.

2.0 DEMOCRACY AND POLITICAL GOVERNANCE THEMATIC AREA

Competition for Political Power

3. Implementation of Public Order Management Act (Paragraph 59): The report states that there is a diminishing political space that appears to curtail constitutionally guaranteed freedoms, such as those resulting from over-zealous enforcement of the Public Order Management Act of 2003. It is the position of Government that nobody's freedom of expression and assembly has been curtailed as long as he or she is operating within the law. Ugandans now enjoy the freedom of speech and assembly than at any other time in history of the country and the government will continue to ensure that this freedom is protected according to the law.
4. Access to public media (paragraph 59); the CRR states that a public media land scape in which a substantial proportion of the over 200 radio stations in the country appear to be concentrated in the hands of individuals connected to the ruling party. Government wishes to state that there is no law prohibiting possible investors in the radio industry whatever their political affiliations may be. Government wishes to state that there is no deliberate policy by the ruling party

to establish radio stations by people affiliated to the NRM party. The mushrooming of these radio stations is as a result of the liberalization of the media in the late 80's. Radios are established according to the law and whoever meets the requirements is allowed to establish one despite his or her party affiliation.

5. Debate on the removal of the Constitutional age limit for election of the President (Paragraph 77): the report recommended that there is need to handle the debate in accordance with the doctrines and spirit of rule of law and constitutionalism. We wish to state that the 1995 Constitution provides procedures for constitutional amendment and these procedures were followed to the letter. The matter was debated and procedures followed but unfortunately, the opposition resorted to unconstitutional means to express their displeasure than debating the Bill.

6. Separation of Powers (Paragraph 62): the report highlights the “people’s” concern about the political neutrality of the UPDF in Parliament. It argues that the presence of UPDF in Parliament breaches the principle of separation of powers. It further notes that their presence undermines civilian control over the military. First these arguments are not anchored in Uganda’s political history. It should be noted that the representation of the military in Uganda’s Parliament started with the UNLF government in 1979. In spite of it being a multiparty political dispensation, Uganda National Liberation Army had 10 representatives in the Uganda Parliament of 1981-1985. The current presence of UPDF officers was agreed on during the Constituency Assembly (1993-1994), prior to the promulgation of the 1995 Constitution. Besides, government wishes to state that there is provision for review of membership of each interest group in Parliament, including the army, after every 5 years. However, UPDF’s stay in Parliament has always been supported. On the issue of civilian control over the military, the Uganda government has put in place several institutional mechanisms to this effect. For example, Article 208 (2) of the 1995 Constitution clearly states that UPDF shall be subordinate to civilian authority. Secondly, the Defence and Internal Affairs Committee of Parliament has several oversight functions relating to all security forces. Besides, the Ministry of Defense has a big public service constituted by civilians, including a civilian permanent Secretary who handle several issues relating to the military including defense budgeting.

7. Weak Parliament (Paragraph 64): the report alleges that the Parliament is weak in the face of a strong Executive and that it turns out to be a helpless observer of unfolding political and governance events. Government wishes to state that this statement is not true. Uganda is a member of the Common Wealth Parliamentary Union and operates in the same democratic principles like any other Parliament in the world. The powers of Parliament are clearly spelt out in the Constitution, and the report does not indicate that Parliament has ever failed to perform these functions. Besides, Parliament has several oversight functions over the executive. It approves budget; it has several committees which monitor the performance of the executive; and it approves appointments of Cabinet Ministers and other government officials among other responsibilities. To this effect, many times Parliament has refused to heed to proposals from the Executive on a number of matters. A case in point is that many times when vetting political appointees, Parliament has rejected some of them or even refused to pass supplementary budgets.
8. Public funding for political parties (Paragraph 65); the Government notes the Report's findings that there was a "general" sentiment that current state funding is unfairly distributed among the political parties; and that there is need for the review of the law and the formula to make it more equitable. Government wishes to state that the formula currently being used for distribution of funding is according to the numerical strength in Parliament. This was passed by Parliament with the full participation of Members representing the opposition political parties. Secondly, whereas the report is pushing for "equality" the law followed the principles of "equity". Government is of the view that the party strengths in Parliament are in proportion to the corresponding public support in the country. This eligibility criterion is in line with the general democratic practice of most of the civilised countries in the World.
9. Curbing public debate on governance issues (Paragraph 72): the report states that there is a tendency of selective enforcement of the NGO Act and compliance difficulties encountered by NGOs and CSOs. Government notes that the CRM report does not provide evidence of the alleged selective application of the law. As far as Government is concerned, the NGO Act is being enforced across the board and relevant procedures are being followed in its implementation. Where the NGOs accept to push foreign interests

which are against Uganda's interest the government always protects the Ugandan interest.

10. Paramilitary groups during elections (Paragraph 75); the report states that during the 2016 general elections, different political actors established their own para-military groups which created an environment of fear and insecurity. The Uganda Police Force was in charge of keeping law and order and ensuring security of person and property during the elections. They were only assisted by the Uganda Peoples Defence Forces in line with Art 209 of the Constitution of the Republic of Uganda.

A dominant Executive and Weak Systems of Checks and Balances

11. Aura and power of patronage (Paragraph 105); the report states that the executive enjoys the aura and power of patronage especially through the power of appointments even when requiring the approval of other branches of Government. The report mentions that this has led to the appointment of "cadre judges" to influence adjudication of election disputes and petitions from presidential elections. This is not true because the appointing authority selects appointees only from names submitted to him by the Judicial Service Commission which is a professional body that does the vetting and quality assurance and ensures that the relevant qualifications, standards and set criteria are met before their submission to the appointing authority. In addition, Parliament has, on several occasions, refused to approve some appointments in the exercise of their oversight function. This includes ministerial appointees who failed to satisfy Parliament during the vetting process. Even on political basis, the judicial service commission does not use political affiliation in its criteria but even then we have had some judges who previously belonged to other political parties e.g the Justice Mulenga (RIP)

Management of Diversity

12. Fusion of Executive and Judicial Powers (Paragraph 121); the CRM report argues that there is fusion of executive and judicial powers at the district level. It further argues that this provides the environment for political interference in the work of the judiciary at that level, resulting in the dispensation of justice for partisan political ends. Government does not agree with these arguments. The Local Government Act Cap

264 was amended to separate the exercise of Executive and Judicial Powers. In addition, the Local Council (Executive Committee) Courts are established under the Executive Committees (Judicial Powers) Act.13. This Act enables these courts to handle light civil matters that arise out of daily activities in their areas of jurisdiction. It also handles matters arising out of infringement of byelaws duly made under the Local Government Act. There are three levels of these courts – “sub county” (level 3), “parish” (level 2) and “village” and appeals from the highest of the Committees, (Sub County executive) lie to the Chief Magistrate and, if the appeal involves a substantial question of law or appears to have caused a substantial miscarriage of justice, to the High Court.

13. Ethnic Minority Groups (Paragraph 142); in response to the alleged marginalization felt by the ethnic minority groups that is referred to in the report, it should be noted that Uganda treats all its citizens without discrimination. All Ugandans have equal rights irrespective of their ethnic identities. Besides, in fulfillment of the Constitutional mandate, every effort is being made by Government to integrate all the people of Uganda while at the same time recognizing the existence of their ethnic, religious, ideological and cultural diversity.
14. Protection and promotion of women’s rights (Paragraphs 148 -149) the report states that there are a number of laws that discriminate against women in addition to cultural and religious practices that are biased against women and continue to inhibit progress towards full gender parity and equality. Government has ongoing efforts to ensure gender parity and put in place the Uganda Law Reform Commission that continuously reviews laws. This is envisaged to address any gender biases in the laws. However under the current government Uganda has registered good progress on women’s right front.

State of Public Service

15. The fight against Corruption (Paragraphs 198 and 213); the Government notes the findings by the CRM that corruption is perceived to be rampant in all sectors of Uganda society. The report states that insufficient resources are allocated to institutions with the mandate to fight corruption. It further states that there is lack of demonstrated political will to combat corruption. Government wishes to state that it is committed to the fight against corruption as manifested by the legal and institutional framework in place for

example Inspectorate of Government and Internal Audit Department among others. Government further acknowledges existence of incidents of corruption, the perception increase in corruption could be a result of increased awareness created and exposure by the different anti-corruption institutions and not necessarily an increase in corruption. The government has introduced risk based measures intended not only to prosecute the culprits but also recover funds by confiscating assets acquired through use of stolen public funds. Nevertheless the government takes note of and will consider the recommendations made by the Panel in this regard.

3.0 ECONOMIC GOVERNANCE AND MANAGEMENT THEMATIC AREA

16. Policy Implementation and Monitoring (Paragraph 238); the Report proposes the need to develop an integrated strategy for human and institutional capacity for delivery of basic social services and calls upon the Ministry of Public Service, National Planning Authority, Ministry of Education and Sports to produce a National Human Resources plan. The report further highlights the fact that the Plan had since not been developed and the National Manpower survey not conducted. However, the Pilot manpower Survey was finalized in FY 2015/16 and the main Survey was completed in FY2017/18 with a dissemination of findings workshop in December 2017. Out of the six modules of the Survey, only two are still pending, namely, the Diaspora Module and the Unemployment Module. The process for the development of the National Human Resource Plan has begun. The results of the Manpower Survey are informing the Macro Model for the National Human Resource Plan.
17. Stable but dampened Economic Growth with low productivity in Agriculture (Paragraph 245): in the analysis of key findings of the CRR Report, it is mentioned that the recent dip in the rate of growth is forecast to continue with the projected rate dropping to an annualized 3.9% by the end of 2017. The difficult global economic environment, geo-political conditions in the region (instabilities in South Sudan, Burundi and DRC), volatile international commodity prices, impact of adverse weather conditions on the agricultural sector and a deceleration in the execution of public investment projects, all combined to affect the pace of economic growth. In spite of the unfavorable conditions, the economic fundamentals have remained strong; macroeconomic

stability has been maintained, with reasonable rates of growth, low inflation, and adequate international reserves. Going forward, the economy is projected to be stronger in FY 2017/18 and over the medium-term, driven by the anticipated recovery in private sector credit, increased efficiency and effectiveness in the delivery of public infrastructure investments, increased agricultural production and productivity and an increase in foreign direct investments.

18. Measurement of Poverty (Paragraph 246); the report states that the national poverty measure used masks the extent of poverty and fragility of recent success as the rate is based on a poverty line that was set over 20 years ago and may not fully reflect the reality of most Ugandans today. However the Uganda Bureau of Statistics used the absolute poverty line defined in Appleton (2001), obtained after applying the method of Ravallion and Bidani (1994) to the data from the first Monitoring Survey of 1993. The method focuses on the cost of meeting caloric needs, given the food basket of the poorest half of the population and some allowance for non-food needs. The poverty line was re-valued to 2009/10 prices using the CPI and compared with the adjusted household consumption data.
19. In light of the review team's concern, it is recommended that African Union develops standards upon which all African countries can base their poverty measures so as to ensure uniformity and credibility in assessment of poverty.
20. Decline of the importance of the agriculture sector; (Paragraph 249) and Budget Allocation to Agriculture (Paragraph 254; of the CRR states that the relative importance of the agricultural sector to the overall economy has declined in recent times. To the contrary, the Agriculture sector remains the backbone of the economy as most of the labour force is employed in agriculture and the country is largely rural. The importance of the Agricultural sector to the economy therefore remains paramount as indicated in the country's National Development Plan and other key policy documents. Investing in key sectors such as roads, water and electricity which complement agricultural production and market access has been a central focus of government. These should be taken into account when computing the Comprehensive Africa Agriculture Development (CAADP) Programme spending target of 10%. The decline in the contribution of agriculture to GDP from 26.1% in FY2011/12 to 24.9% in FY2016/17

is largely attributed to the increased diversification in the economy. Government has scaled up interventions aimed at stimulating agro-processing (under manufacturing) and improving market access for agricultural products (services). Policies and strategies like mechanization, commercialization and provision of infrastructure to facilitate production and marketing have been embarked upon by the government as well as programs like National Agricultural Advisory Services (NAADS), Operation Wealth Creation among others, to increase production, productivity and value addition to the agricultural sector.

21. The report also recommends that the budget allocation for Agriculture should at least be 10% of the National budget according to the Maputo Declaration. The non- budgetary allocations or incentives to agriculture like the tax exemptions on Agricultural equipment, irrigation, construction of gravel roads, rural electrification to boost value addition and provision of inputs should also be considered.
22. Funds Management (Paragraph 267); the report highlights the need to review the policy on the burgeoning size of government elaborated upon in the first annual progress report of the APRM. H.E the President has highlighted this issue and given a directive to responsible government agencies including the Ministry of Public Service, National Planning Authority and The Ministry of Finance, Planning and Economic Development (MoFPED), to undertake a review of the growing size of government institutions as well as their effectiveness in implementing their mandates in order to come up with reforms that can increase efficiency and effectiveness in public service delivery as well as minimize unnecessary expenditure. The team is currently undertaking the review and is due to submit the report to the President.

3.0 CORPORATE GOVERNANCE THEMATIC AREA

23. Red Tape (Paragraph 353); the report notes that "...the persistence of red tape, or over-governance, at the level of the regulatory architecture, due to proliferation of institutions which regulate, control or execute public policies affecting the business sector". We acknowledge this finding, however the report should note the establishment of a one-stop center at Uganda Registration Services Bureau (URSB) for business registration and licensing as a measure to improve coordination and reduce bureaucracy. Following this

setup, the time for registering a business in Uganda is now 30 days as opposed to 180 days as was before. A one-stop center has also been set up at Uganda Investment Authority to cater for all investment licenses, hence creating a favorable investment environment for both foreign and local investors.

24. Poor protection of Intellectual property (Paragraph 361); We agree to this finding, however, reference should be made to the National Intellectual Property Policy together with its implementation strategy that have been developed by Uganda with support from WIPO to ensure protection of Intellectual Property Rights in the country. Under this policy, sensitization of beneficiaries of intellectual property is addressed. In addition we are amending the investment code now at Parliament to further improve the environment.
25. Supporting Entrepreneurship and tackling unemployment (Paragraph 376-377); the report notes that one of the major factors that contribute to the high failure rate of start-up enterprises in Uganda includes a very weak entrepreneurial ecosystem. The government acknowledges this fact but implores the CRM to note the efforts of government in reviewing the curriculum for skilling workers to meet demands of the labor force in the country as well as introducing retooling trainings to encourage on job skills training.
26. Government wishes to state that the Investment regime is the same for both foreign and local investors in Uganda. Opportunities for investment are all governed under the same law, that is, the Investment Code Act.

4.0 SOCIO ECONOMIC DEVELOPMENT THEMATIC AREA

27. Health and other infrastructure (paras 493 and 494); the Report notes that Government expenditure on health sector has been declining since financial year 2011/2012 from 8.9 per cent of total government expenditure to an average of 8.4 per cent in the last five years. This undoubtedly is referring to the Government's direct expenditure to the Health Sector, particularly through the Ministry of Health. The Government made a strategic shift to lay more emphasis, and hence increasingly greater expenditure on the preventive approach to health. It must be appreciated that most of the social and environmental determinants of health that are being addressed in

this new approach lie outside the Health Sector. These include water and sanitation (Water and Environment Sector); Community Hygiene and Empowerment (Social Development Sector); infrastructure including access roads (Works Sector) electricity (energy sector); Food and Nutrition Security and sensitization (Agricultural and Social Development Sectors) and many others. So, although the direct share of health in Government expenditure may be declining, the overall expenditure on health is actually increasing and the expenditure on the social determinants will have greater health multiplier effects in the population through elimination of the bulk of preventable disease conditions. In the medium to long term, the target is to devote most of the health expenditure to higher-level and specialized medical care.

28. The government has also constructed referral Hospitals in the different regions as well as health centre IIs and IIIs which are found in different sub counties and this should be acknowledged in the Report.
29. Population growth (Paragraph 501): although Uganda's population growth rate is still high, it has declined to 3.0 per cent per annum and not "above 3 per cent per year..." The government has come up with measures to reduce the population growth rate among which is the Universal Primary Education (UPE) and Universal Secondary Education programs to ensure children stay longer in school.
30. Use of money to influence processes (Paragraph 516); it is reported, "... there is a general feeling that the use of money and political muscle rather than merit, determine the outcome of the case". The government through the Ministry of Justice and Constitutional Affairs (MoJCA) has created regional High Court Circuits to curb the vice of case backlog and this should be acknowledged in the Report. A Land Probe Committee to handle all land cases in Uganda was created and has initiated a process which will be followed through to address the land issues throughout the country.
31. North – South divide (Paragraph 536): It must be pointed out that Box 5.1 (pg. 132) highlights only income poverty. There are other areas such as nutrition security indicators where recent data shows the North performing better than some sub-regions in the South. The latest poverty statistics by UBOs indicates that the proportion of the poor people increased to only 21.4% in 2016/17 compared to 19.7% in 2012/2013. All regions registered an increase in poverty

except the Northern region which experienced a decrease in poverty from 43.7% in 2012/13 to 32.5% in 2016/17; in the Eastern region from 24.5% to 35.7%, western region from 8.7% to 11.4% and the central region from 4.7% to 12.7% respectively. The NDP II also acknowledges that there are regional inequalities with the Northern and Eastern Regions still lagging behind in terms of people living below the poverty line. This information can be traced in Chapter 17 of the NDPII on Page 237 (Paragraph 662).

32. Sustainable Environment and Natural Resource Management (Paragraph 519): The government agrees with this finding and in order to beef up the statistics to demonstrate the threat, reference should be made to the 2016/17 Water and Environment Sector Performance Report which reports that forestry coverage has declined from 24 percent in 1990 to 10 percent in 2016/17 while wetlands stand at 10.9 percent. A 2011 Report on the Contribution of Forestry Resources to Uganda's GDP indicates that deforestation is at 1.98 per annum.
33. Access to Education (Paragraph 540); the report asserts that half of the school-age children and young people of 6 – 24 years in Karamoja have never attended school and the Country Review Mission attributes this to lack of confidence in the quality of education. This statement is highly disputed and should be recalled since the factors inhibiting completion rates in Karamoja are well documented. The factors include socioeconomic factors where girls are married off early and boys are deemed to be more useful and productive through attending to the family flock than attending school among others. The government has also initiated various measures to improve the Karamoja region such as establishing a Government Ministry specifically for Karamoja affairs, providing meals for all children school. The Karamoja Integrated Development Programme (KIDP) was set up to address the unique context and development challenges in the Karamoja region with an objective to contribute to human security and promote conditions for recovery and development as part of the broader National Development Plan and the Peace, Recovery and Development Programme (PRDP).
34. Ethnic Minorities (Paragraph 559); highlights the plight of ethnically minority people, the Report should also capture that the NDPII has a section on inclusiveness and regional balanced development and

as such, implementation of the planned interventions therein will go a long way in ameliorating the plight of minority ethnic groups. (NDP II Page 232). The minority ethnic groups include the Benet, Karamojong, Bamba, Babwisi, Bagwe, Bagungu, Bakenyi, Kebu, Nubi, Ngikitio and the Batwa.

SPEECH BY

H.E. YOWERI KAGUTA MUSEVENI
PRESIDENT OF THE REPUBLIC OF UGANDA
ON THE OCCASION OF

THE 27TH SUMMIT OF
THE AFRICAN PEER REVIEW FORUM

ADDIS ABABA, ETHIOPIA 27TH JANUARY, 2018

His Excellency Uhuru Kenyata, President of the Republic of Uganda, His Excellency Alpha Conde, President of the Republic of Guinea, His Excellency Hailemariam Desalegn, Prime Minister of the Federal Republic of Ethiopia, His Excellency Moussa Faki Mahamat, Chairperson of the Commission of the African Union, The APR Panel of Eminent Persons, Distinguished Ladies and Gentlemen; On the occasion of this 27th Summit of the African Peer Review Mechanism Forum when our country is being peer Reviewed for the second time, I wish to commend Your Excellency Uhuru Kenyatta, Chairperson of the African Peer review (APR) Forum, for your able stewardship of the Forum and the revitalization of the Mechanism. I take this opportunity to extend our sincere gratitude to our host, His Excellency Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia, the Government and the people of Ethiopia, for their warm reception.

Allow me also to congratulate my brothers who are being Peer Reviewed today, His Excellency Omar El Bashir, President of the Republic of Sudan and His Excellency Ernest Bai Koroma, President of the Republic of Sierra Leone, for the successful completion of their APRM processes. It is gratifying to note that out of 36 APRM participating member countries, 18 have been Peer Reviewed for the first time and 2 have been Peer Reviewed for the second time, including Uganda. I wish to recognize the contribution of the APR Panel of Eminent Persons, especially Bishop Dinis Sengulane, Lead Panel Member for the Republic of Uganda, who also headed Uganda's Review, for the guidance, which has led to the success of the Uganda APRM process.

Your Excellencies, it is now my honour to share with you our response and the experiences in Uganda regarding the country review report. Firstly, I would like to appreciate the fact that this Forum has embraced the Major Strategic Bottlenecks facing Africa as part of our review mechanism and will be discussed today. The uni-dimensional approach to African issues, singling out one issue at a time, has been a mistake I have been watching since the 1960s. Your Excellencies, the Uganda Country Review Report highlights the achievements, challenges, commendable practices and the National Programme of Action. Allow me to comment briefly on some of these highlights. Commendable Practices, We thank the Panel for highlighting several commendable governance policies and practices in Uganda that have been selected for their perceived

potential to be of use to other APRM countries facing similar challenges including among others:

1. Refugee Integration:

We host these refugees out of our ideological orientation of Pan Africanism. We take it as our duty to host our brothers and sisters who have been displaced by different conflicts and other causes on the continent. As a continent, we should continue to devise strategies for resolving these conflicts on the continent.

2. Uganda's Approach to Management of its Oil Resources:

When we discovered that there was oil in our country, we took deliberate policy to train our own people in gas and oil exploration. We have taken time to enact relevant laws for better management of our oil. Working with our brothers and sisters from Tanzania, we are starting to build a pipeline. We are also in the process of developing a refinery. All these deliberate efforts are aimed at having a value addition approach to our God given natural resource and ensuring that this resource benefits the current and future generations. The proceeds of this resource will be applied for development issues rather than consumptive expenditure.

3. Youth Representative in National Parliament:

The Youth representative in parliament is part of our grand plan to give opportunities to special interest groups like women and the disabled among others, to participate in the national development of our country and lift those that have been oppressed by reactionary cultures and beliefs over time.

I now wish to make some brief response to some of the issues highlighted in the report.

1. Youth Unemployment as a critical challenge facing Uganda:
Before we come to unemployment of the youth, I wish to make a point on our population trends and its resultant effect. When our Government came to power, Uganda's population was relatively small. It was only 14 million. This was because our people were dying in large numbers. To

take one example, in 1991, infant mortality rate (children dying before their first birthday) was 122 per 1,000 live births. As we speak today, infant mortality has been considerably reduced by threefold and stands at 43 per 1,000 live births. Although no child should die, nonetheless this is good progress. We achieved this by prioritizing prevention in the health sector, e.g. immunization and the use of bed-nets for the prevention of Malaria. As a result of these low cost, high impact programmes, we stopped our children from dying unnecessarily from preventable diseases like Polio, Measles, Tuberculosis (TB), Whooping Cough, etc, etc. This partly contributed to the youth bulge. This, coupled with Universal Primary Education and Universal Secondary Education and access to University Education, has brought in a new situation of a high number of Educated Youth without jobs. This is a challenge but a good one.

Would it have been better to allow our children to die or not to go to school so as to have a smaller population or an uneducated population? Having many, healthy and educated youth, although unemployed, is better than these children dying in infancy or remaining uneducated. With the high population of the Youth in mind (78% of Uganda's population is under 30 years of age). The country has positioned itself to harness the potential of the Demographic Dividend by focusing on policies that ensure the youth bulge has the education, demand-driven vocational and technical skills, good healthcare and access to jobs to be the engine of our economic growth.

I wish to inform you that the NRM Government will continue to give priority to issues of our youth by empowering them so that they improve their welfare as well as contributing positively towards Uganda's development.

You cannot talk about youth employment without talking about the four sectors of the economy: commercial agriculture (away from traditional subsistence economy where 68% of our homesteads still are); industries (manufacturing); services; and ICT. These four sectors are being deliberately developed and there is a lot of idle capacity and, therefore, potential. You cannot, however, develop these sectors without developing infrastructure (the roads, the railway, the electricity, the ICT backbone, the piped water etc).

These infrastructure elements provide crucial inputs, in the form of utilities, to the four sectors. We need abundant and cheap electricity, low costs of transport, low costs of clean water etc., to support the four sectors: commercial agriculture, industry, services and ICT. Since 2006, by rejecting the temptation of being everywhere and ending up being nowhere, we concentrated funding on the roads and electricity.

We, finally, have a good network of the trunk bituminized roads – North to South, East to West.

With murrum roads, we have bought a large number of Japanese made road equipment. With more money for fuel, these will keep the murrum roads smooth, using Government departments to maintain the roads rather than squandering money with private companies. With electricity, we have moved from the shameful 60 mgws of 1986 to 2,600 mgws when Karuma, Isimba, Agago and the mini-hydros are ready. We are now dealing with the distortions created by the costly financing used by the Bujagali developers. We shall refinance Bujagali with cheaper money. The manufacturers must get electricity at US\$5 cents or less per unit and the others, possibly, at around 8 cents (American). We are also working on the railway and water transport. Why should a container come from China to Mombasa at US\$500 but require US\$3,500-4,000 to get it from Mombasa to Kampala?

The Peer Review Panel made a serious omission by not bringing out this great success by the people of Uganda. Africa may make further mistake by following the ideas of Non-Governmental Organizations (NGOs) of talking about social and political issues without linking them with the four sectors of the economy mentioned above (commercial agriculture, industry, services and ICT) and the infrastructure elements (electricity, roads, the railway, the ICT backbone, the piped water, etc.), to back the four sectors. How will unemployment be tackled if we do not deal with infrastructure and develop the four sectors?

By addressing peace, controlling crime, electricity, the railway, piped water and the ICT backbone, we are addressing the youth employment. Additionally, with Government funding, we shall easily turn our educated but idle youth from joblessness, propertylessness to manufacturers or

service providers and job-creators. We have already started on this. The huge import bill of Uganda, the wide – spectrum of the products we export raw (coffee, maize, skins, etc.) and the available export markets, provide the opportunities available to our youth in the fields of import-substitution and export opportunities.

Therefore, the high population rate of growth (3%) is not a problem at all. I am actually very happy with this. The population of Uganda, which was 14million in 1986, is now 40 million and will be 102 million people by 2050. Africa is 12 times bigger than India. Yet, even today when the population of Africa has grown from a mere 140 million in 1900 to 1.25 billion people, it is still smaller than the population of India. Therefore, population is not a problem and we should not waste time with recycled Malthusian theories on population.

The rate of population growth will decline as more and more of our young women join the middle-class. Middle-class women do not agree to having too many children. It is only the peasants that are in the habit of having too many children. With the global monetization of the economy, social discipline, in the matter of having many children, will improve. Many middle-class women do not agree to having their bodies over-stretched in the business of having babies. The birth-rate will therefore, come down systematically.

Last point on the issue of unemployed graduates, one factor to keep note of is the propensity for many students opting for Social Sciences (History, Political, Science, Literature etc. etc.) Graduates of these courses do not easily get jobs in the labour market. There was the “Africanization” policy soon after independence. This meant Ugandans taking over the administrative jobs that had been occupied by the British (District Commissioners, Town Clerks etc.)

Once those administrative jobs were filled and with the only need being gradual replacement of the retiring ones, Social Science graduates could no longer easily get jobs in the Public Service. Some, with business and accounting qualifications, can get jobs in the new companies (factories, hotels, insurance, etc). Otherwise, most of the available jobs are for Science graduates (Science teachers in Secondary Schools, engineers, doctors, nurses, geologists, computer scientists, veterinary scientist,

B.Sc. Agriculture etc.), technicians, machine operators, etc. Sometimes, these types of jobs are even more than the local qualified persons. That is how you find many Kenyans doing these jobs, not least in the tourism sector (hotel managers, etc). Where educators listen to my guidance and only offer courses that are market-oriented, the graduates get jobs more easily. One good example is Mbarara University of Science and Technology. They listened to my advice of only courses that are needed on the job market.

Hence, they only offer science subjects, medicine, Bachelor of Science in Nursing and Bachelor of Computer Science. Their graduates get jobs easily, either within Uganda or outside.

Nevertheless, educated but healthy youth, even in the social science fields, even if they do not get jobs in the public and private sectors, are still better than grave stones of those who died in infancy or those who survived childhood death but are illiterate. This educated, jobless or propertyless person, with some little capital, can run a maize-mill given to him/her as a loan or a grant, a milk - cooler, a tourism company, a transport business, a building material cutting company etc. The survival of those children and their education is, in itself, a huge success. Even the public service, still has many jobs but we have not filled them because of prioritizing the roads and power. The Police Force alone, requires an extra 40,000 people. The Local Governments are only at 67.4% manning level, etc.

2. Access to Public media;

The mushrooming of these radio stations is as a result of the liberalization of the media in the late 1980s. Radios are established according to the law and whoever meets the requirements is allowed to establish one despite his or her party affiliation. I wish, therefore, to inform you that there is no deliberate policy by my government to establish radio stations by people affiliated to the NRM party. Actually, many radio and TV stations are owned by anti-NRM, anti-Ugandan elements. Anyway, the law compels all media operators to be balanced. We have 290 radio and 30 TV stations.

3. Debate on the removal of the Constitutional age limit for election of the President:

We wish to state that the 1995 Constitution provides procedures for constitutional amendment and these procedures were followed to the letter. We fought for democracy. Democracy means that power belongs to the people and they will exercise it either through referenda, regular elections or through their representatives (the MPs, the Councillors, the Local Governments, etc.). Which articles of the Constitution did the amendment offend?

The political class in Africa needs to spend less time on the “who” but on the “what”. The recent awakening of realizing that politics is about the survival and prosperity of the African people, is a welcome development, which some of us have been struggling for in the last 50 years, in the track of our elders (Mwalimu Nyerere, Sekou Toure, Nkrumah, Madibo, Keita, Lumumba) whose efforts were blocked by the reactionaries. The recent illumination of the vulnerabilities of Africa in Libya, the Sahel, Somalia, Congo etc., have shown the Africans that the Pan-Africanists were correct and their opponents were wrong. That is why there is awakening on issues like CFTA for the continent, one air market etc. I hope there will be awakening on the issue of political integration. Therefore, for the sake of salvation for Africa, stop the disorientation of concentrating on the “who” and concentrate on the “what”. The “what will give you the “who”. The NRM should speak boldly and loudly about the economic integration of Africa, the Political Federation of East Africa and the assertion of our heritage as the African people on the continent and all Black people in the world. Having survived the 500 years of slavery and colonialism, we cannot accept nor afford the shallow politics of form without substance. All forms must be in harmony with substance-building Africa’s strength and insuring it forever against re-colonization or marginalization.

4. The Agriculture sector and budget Allocation:

The Agriculture sector remains the backbone of the economy as most of the labour force is employed in agriculture. However, agriculture should be looked at as an integral part of the whole economy. The key challenges that remain in the Agriculture sector are the dependency on rain fed agriculture, planting in seasons; and the big portion of the

population that is in subsistence farming – 68%. Investing in key sectors such as roads, water and electricity which complement agricultural production and market access has been a central focus of government. These should be considered when computing the Comprehensive Africa Agriculture Development Programme (CAADP) spending target of 10%. For the future of prosperity of Africa and food security, the African continent must shift from rain fed agriculture to irrigation. Our focus now is provision of solar powered pumps to our farmers. The good network of roads, the railway, the electricity, the valley dams, the peace are all part of agriculture. It is not serious to mechanically talk about the budget for agriculture but forget the roads, electricity, water dams, the peace, etc. Also failing to talk about the 68% of our people who are still in subsistence agriculture, as a major bottleneck in the process of socio-economic transformation, is a serious omission. The poverty indices in the areas where people have got out of subsistence farming are much better than the areas where people are still in subsistence farming or growing low-value crops on a small scale (without ekibaro) – Ekibaro means calculating profitability.

5. Poverty reduction:

Poverty level in 1986, before the revolution assumed leadership of the country, was at 56%. This was brought down in a single generation to 19.7% in 1991 and is now at 21.4% due to factors like drought. Where we brought down poverty, depending on subsistence farming continues to undermine our efforts. Our next step is to bring as many people as possible out of subsistence economy through organized commercial farming, irrigation, value addition, etc.

Coming back to the issues raised in the report regarding the high poverty rates in the northern region, I wish to inform my colleagues that this is due to the previous insecurity in the region.

The security situation has now normalized and the region, like many parts of the country is getting out of poverty. Uganda is quite deceptive. You do not have to be a hard worker to survive in Uganda. A lazy person can survive in Uganda because of the good soils and a social insurance system using the extended family network. Some people are, therefore, poor on account of attitude. The model projects we initiate are all aimed at attitude change but also at technology transfer.

There is, then the issue of land-fragmentation. Whenever, the patriarch of the family dies, the land is fragmented on account of the primitive inheritance practices. We cannot use law to stop land fragmentation. We try to use sensitization. The better method of sharing or inheriting is to use shares (emigabo). You keep the land and all the property (houses, cattle, crops, businesses, etc.) as a whole (100%) and allocate percentages to the beneficiaries.

After deducting costs, the beneficiaries can, then, share the profits. Divide the profits but not the land and the property.

The causes of poverty are, therefore, the following:

- Lack of education or mis-education;
 - Subsistence farming misusing the very fertile land of Uganda, for only producing food for eating in the traditional way and not producing for money
 - Bad (kibaro, cura) enterprise selection where families go for low value crops on a small scale: and,
 - Land fragmentation on account of primitive inheritance practices.
- The lack of jobs for many youth due to lack of appropriate skills, but also due to low-level of industrialization which was due to the bottlenecks of electricity, transport and the cost of money that are being addressed.

CONCLUSION:

Out of the recommendations and as part of our strategic plan, we have developed a 5-year Programme of Action and government is committed to its implementation through integrating it into our National Development Planning Process and the annual National Budgeting as we have done before. Our vision is clear.

In the end, the majority of Ugandans will be in industry, services and ICT. As the economy grows, the majority of the people will shift from agriculture to the three sectors; and the agriculture sector itself must eliminate the subsistence practices and go commercial.

We have had a 50-year struggle between the correct line of progress on the one hand and the wrong line at every historical junction. In the matter of socio-economic transformation, the debate has been on the correct way forward. Do we take a uni-dimensional approach or a multi-dimensional approach? – hence, deal with the strategic bottlenecks”. In the end, you will have to deal with all the ten (10) strategic bottlenecks, may be in batches because you may not have the resources to deal with

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all them at ago. Do you scatter resources or do you concentrate them? Our answer is: Concentrate resources in some foundation areas like defence, law and order, electricity, roads, the railways, the ICT backbone, education and water for production.

Other areas may not yet have been attended to sufficiently; but that is understandable. On account of this discipline of prioritization within prioritization, I am confident that soon Uganda will become a middle-income country. Amazingly, a group known as the Harvard Center for International Development recently made a forecast that by 2025, Uganda would be the fastest growing economy in the world followed by India. I was surprised about Uganda being among the fastest in the World because that is what I have been working for, especially ever since 2006. Here below is the Harvard Centre projection:

Economic Complexity Global Growth Projections- Growth by Region



Source: The atlas of Economic Complexity, 2015, Harvard Centre for International Development

I thank you.

ANNEXE II: NATIONAL PROGRAMME OF ACTION

THEME 1: DEMOCRACY AND POLITICAL GOVERNANCE

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Principles, Codes and Standards								
1.0 Sign, ratify, accede to, domesticate and popularize democratic principles, codes and standards	1.0.1 Identification of and ratification of relevant codes & standards to be ratified	<ul style="list-style-type: none"> Number of Codes and Standards identified, signed and ratified 		<ul style="list-style-type: none"> Codes and standards signed and ratified 	A Uganda which is Compliance with Regional and International Human Rights Instruments	3 years	Parliament MoFA Cabinet MoJCA UHRC	
	1.0.2 Ratify African Charter on Democracy, Elections and Governance (ACDEG)	<ul style="list-style-type: none"> African Charter on Democracy, Elections and Governance (ACDEG) 	<ul style="list-style-type: none"> Ratified ACDEG 					
	1.0.3 Domesticate the relevant codes and	<ul style="list-style-type: none"> Number of codes and standards domesticated 		<ul style="list-style-type: none"> Codes and standards domesticated 	Parliament MoFA, All relevant			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	standards						Ministries MoJCA, UHRC	
	1.0.4 Create awareness and popularize codes/standards	<ul style="list-style-type: none"> Number of Ugandans who are aware of the codes and standards Number of institutions created to create awareness 		<ul style="list-style-type: none"> Ugandans who are conscious and informed about the human rights codes and standards Existence of institutions which popularize human rights codes and standards 			MoFA MoJCA MDAs, LGs Civil Society Organizations	
Objective 1: Entrenching Constitutional Democracy and the Rule of Law								
1.1 Ensuring a political system that allows free and fair competition for power and the	1.1.1 Create an Independent Electoral Commission.	<ul style="list-style-type: none"> Composition of the Electoral Commission Representation of stakeholders across the 	Civic education conducted at the local level by the	An Independent Electoral Commission, which is	An Electoral Process which is free, fair and credible	2 years	Parliament; Electoral Commission; Uganda Human	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
promotion of democratic governance		<p>political spectrum</p> <ul style="list-style-type: none"> ▪ No. of Laws enacted aimed at ensuring that Members of Electoral Commission have a Security of Tenure ▪ Law to ensure the financial autonomy of the Electoral Commission enacted 	<p>Uganda Human Rights Commission; political parties, NGOs and civil society</p> <p>National Consultative Forum</p>	<p>financially autonomous, whose membership has a security of tenure, and whose composition is independent of the executive</p> <ul style="list-style-type: none"> ▪ Laws containing composition of EC with representation of stakeholders across a political spectrum, security of tenure and financial 			<p>Rights Commission;</p> <p>Ministry of Justice and Constitutional Affairs;</p> <p>Judiciary</p> <p>Uganda Law Reform Commission</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.1.2 Review the Public Order and Management Act focusing on the loopholes in implementation.	<ul style="list-style-type: none"> ▪ Number of loopholes in the implementation of the POM Act identified ▪ Reviewed POM Act ▪ Number of Political actors and security forces aware of the contents of the POM Act 	<ul style="list-style-type: none"> ▪ An amended Public Order and Management Act ▪ Security forces and political actors who are aware of the content of the POM Act ▪ Impartial implementation of POM Act 	<ul style="list-style-type: none"> ▪ A level playing field for all actors in Uganda's political process ▪ Reduced tension between the security forces and the political activists 			<p>Parliament; Electoral Commission; Ministry of Justice and Constitutional Affairs; Judiciary</p>	
	1.1.3 Disqualify candidates convicted of electoral malpractice from	<ul style="list-style-type: none"> ▪ Revised electoral laws and the Uganda Penal Code to exclude candidates who commit electoral offences from 	<ul style="list-style-type: none"> ▪ Revised Electoral Laws ▪ Qualified 	<ul style="list-style-type: none"> ▪ A reduction in electoral Crimes 			<p>Parliament; Ministry of Justice and Constitutional Affairs;</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	standing as candidate for the next 10 years.	participating in elections		candidates			Judiciary; Uganda Electoral Commission	
	1.1.4 Government should review and amend the Political Parties and Organization Act 2010	<ul style="list-style-type: none"> ▪ Revised electoral laws to mitigate the commercialization of elections ▪ Law with a cap on private contributions to finance individuals and political parties participating in elections enacted ▪ Revised electoral laws reducing the advantage given to the incumbent during the electoral process; ▪ Formula on financing of political parties revised to consider fairness and equity. 	<ul style="list-style-type: none"> ▪ Amended Political Parties and Organization Act 2010 putting a cap on private contributions to finance individuals and political parties participating in elections ▪ Less commercialized elections ▪ A new policy on funding 	<ul style="list-style-type: none"> ▪ A level playing field for all political actors in the electoral process 			Parliament; Ministry of Justice and Constitutional Affairs; Judiciary; Electoral Commission; Political Parties	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.1.5 Streamline the role of security agencies in the electoral process.	<ul style="list-style-type: none"> ▪ Training the Uganda Police Force in Democratic Policing ▪ Remove UPDF from any electoral activity ▪ Professionalization of the security forces 		<p>political parties</p> <ul style="list-style-type: none"> ▪ A Uganda Police Force which is skilled skills in democratic policing. ▪ Security forces, which are professional 	<ul style="list-style-type: none"> ▪ Security forces, which are non-partisan in the conduct of their activities 		Ministry of Defense and Veteran Affairs, Ministry of Internal Affairs, UPDF, Uganda Police Force; Parliament; MoJICA	
	1.1.6 Conduct Civic education in order to equip Ugandans with knowledge about our democracy, their rights and responsibilities as enshrined in	<ul style="list-style-type: none"> ▪ Fast track the approval of the civic education policy ▪ Incorporate civic education in the National Curriculum ▪ The Uganda Human Rights Commission 		<ul style="list-style-type: none"> ▪ Civic education Policy approved ▪ Civic education incorporated in the National Curriculum 	<ul style="list-style-type: none"> ▪ A Citizenry which is aware and conscious of their rights and responsibilities 		Ministry of ICT and National Guidance, Uganda Human Rights Commission, Ministry of Education	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	the Constitution	adequately facilitated to carry out civic education		<ul style="list-style-type: none"> ▪ A UHRC with the capacity to carry out civic education throughout the country 			and Sports	
	1.1.7 Strengthen the governance within political parties and Organizations.	<ul style="list-style-type: none"> ▪ Electoral Commission to ensure that political parties comply with article 71 of the 1995 Constitution and other laws relating to their operation 		<ul style="list-style-type: none"> ▪ Political Parties which have a national character, internally democratic, and which account for their sources and use of funds and assets 	<ul style="list-style-type: none"> ▪ Strong political parties and organizations, capable of effectively participating in Uganda's political processes. 		Uganda Electoral Commission; Political Parties	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.2 Establishment of the rule of law and supremacy of the constitution	1.2.1 Restore Presidential Term limits to a maximum of two 5-year terms.	<ul style="list-style-type: none"> Amended Constitution restoring presidential term limits 1995 	<ul style="list-style-type: none"> Amended Constitution restoring Term limits for the President 	<ul style="list-style-type: none"> A political System based on the Supremacy of the Constitution 	2 years	Parliament; MoJICA Uganda Law Society Uganda Law Reform Commission	68,776	
	1.2.2 Consider extension of the same limits to all elected political leaders	<ul style="list-style-type: none"> Elected political leaders with similar term limits as the President 	<ul style="list-style-type: none"> Amended Constitution restoring Term limits for the all other elected leaders at the different levels of government 		2 years			
	1.2.3 Increase the threshold for amending the provisions of the constitution.	<ul style="list-style-type: none"> Review Chapter 18 (articles 262) of the 1995 Constitution, which empowers Parliament to amend the Constitution without approval of the population through a referendum, or through 	<ul style="list-style-type: none"> Revised Chapter 18 of the 1995 Constitution providing for the amendment of the Constitution 			2 years		

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.3 Ensuring that the executive respects the rule of law	1.3.1 Identify and review articles in the constitution that grant excessive powers to the President	Articles in the Constitution amended to reduce the powers of the President	Constitutional Amendments proposed to the 1995 Constitution now before the 10th Parliament	Reduced powers of the president	A Political Executive, which is subordinate to the rule of law.	2 years	Parliament; Ministry of Justice and Constitutional Affairs	220,083
	1.3.2 Fast track the establishment of the Constitutional Review Commission	Functional Commission	Review	Review commission in place				2,104,540
Sub Total								
Objective 2: Upholding the Separation, checks and balances of powers								
2.1 Uphold the separation of	2.1.1 Constitutional	Number of Cabinet Ministers that are not	Constitutional	Article 113 of the 1995	A country, which	3 years	Parliament; Ministry of	687,758

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
powers between executive, legislature, and judiciary	amendment from Ministers barring MPs being	MPs <ul style="list-style-type: none"> Constitution with article 113 of the constitution amended 	Amendment processes before the 10 th Parliament	Constitution requiring the president to appoint Cabinet Ministers from among Members of Parliament reviewed.	upholds the principles of separation of powers		Justice and Constitutional Affairs Uganda Law Society	
2.2 Ensuring the independence and effectiveness of the judiciary.	2.2.1 Strengthen the Judicial Service Commission to effectively exercise its mandate.	<ul style="list-style-type: none"> No. of user standards developed and disseminated by Judicial Service Commission 	<ul style="list-style-type: none"> Mechanisms to expand legal aid and support to local courts to promote access to justice for all 	<ul style="list-style-type: none"> An Independent, effective and efficient Judiciary capable of administering Justice for all Ugandans Increased allocation to the Judiciary 	<ul style="list-style-type: none"> Enhanced access to Justice by the Uganda Population Reduction in Dispose-off the case 	5 years	JLOS Judicial Service Commission OAG Office of the Director of Public Prosecutions All JLOS Institutions Parliament	880,330
	2.2.2 Support the judiciary with the technical,	<ul style="list-style-type: none"> Amount of funds allocated to the judiciary 						

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
2.3 Ensure Independence and effectiveness of the legislature	logistical, and financial resources to perform their judicial functions.	<ul style="list-style-type: none"> No. of Judicial Service Officers and other technical staff serving the Judiciary recruited 		<p>Increased staffing levels</p> <ul style="list-style-type: none"> Reduction in Dispose-off the case backlog 	backlog			
	2.2.3 Fast track the Administration of Judiciary Bill	<ul style="list-style-type: none"> No. of JLOS institutions implementing the Bill 		<ul style="list-style-type: none"> Judiciary Bill implemented 				
2.3	2.3.1 Reduce the number of Members of Parliament (one male and one female per district).	<ul style="list-style-type: none"> Number of Members of Parliament 		<ul style="list-style-type: none"> Article 78 of the 1995 Constitution on the Composition of Parliament reviewed 	<ul style="list-style-type: none"> A thin, effective and efficient Parliament, which is autonomous from the Executive 	3 years	<p>Parliament; Ministry of Justice and Constitutional Affairs</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	2.3.2 Freeze the creation of districts by an agreed date	<ul style="list-style-type: none"> ▪ Number of districts created ▪ An instrument with a cap on the creation of new districts ▪ Number of Constituencies 		<ul style="list-style-type: none"> ▪ No districts created after the cap ▪ Fewer Districts ▪ Reduced number of Constituencies 	<ul style="list-style-type: none"> ▪ Districts which are cost effective 	2 years	Parliament; Ministry of Local Government	
	2.3.3 Review the representation of the UPDF in parliament.	<ul style="list-style-type: none"> ▪ Article 78 (c) of the 1995 Constitution, which provides for the Representation of UPDF in Parliament reviewed 		<ul style="list-style-type: none"> ▪ Amendments to the Laws constituting the number of UPDF representation in Parliament 	<ul style="list-style-type: none"> ▪ A political system, in which the military is subordinate to civilian authority 	2 years	Parliament; Ministry of Justice and Constitutional Affairs; Uganda Peoples' Defense Forces.	
	2.3.4 Change the rules regarding the selection and	<ul style="list-style-type: none"> ▪ Article 82 of the 1995 Constitution regarding the selection of the Speaker and his/her 		<ul style="list-style-type: none"> ▪ A Speaker and his/her Deputy who does not 	<ul style="list-style-type: none"> ▪ A parliament where the speaker or his/her 	2 years	Parliament; Ministry of Justice and Constitutional	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	qualifications of the Speaker of Parliament and his/her Deputy.	<p>Deputy reviewed</p> <ul style="list-style-type: none"> ▪ Article 82 of the 1995 the Constitution amended ensuring that a Speaker and his/her deputy are at a level of High Court Judge ▪ Speaker and Deputy Speaker with no constituency and with no membership to any Political Party 		<p>belong to the executive Committee of any political party</p> <ul style="list-style-type: none"> ▪ A Speaker and his/her deputy at a level of High Court Judge ▪ Speaker and Deputy Speaker with no constituency and with no membership to any Political Party 	deputy are not subordinate to any political party		Affairs	
Sub Total								1,898,212
Objective 3 Prevention and Management of Intra and Inter-state conflicts								

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.3 Addressing factors that generate conflict in Uganda	3.1.1 Develop the National Peace and Security Policy	<ul style="list-style-type: none"> ▪ National policy for Peace-Building and Conflict Prevention in place ▪ Peace Committees at regional and sub-government levels established 	<ul style="list-style-type: none"> ▪ National policy for Peace and security ▪ Local and regional Peace Committees ▪ Peace Architecture formed by the Inter-Religious Council of Uganda 	<ul style="list-style-type: none"> ▪ Reduced conflict in the country. 	3 years	Ministry of Internal Affairs; Ministry of Justice and Constitutional Affairs		
	3.1.2 Review, develop and implement coherent land policy and laws to address land conflicts, ownership, use and administration.	<ul style="list-style-type: none"> ▪ Land Act 2010 amended to enhance the security of occupancy of lawful and bona fide occupants on registered <i>land</i> in accordance with article 237 of the Constitution ▪ A local justice system 	<ul style="list-style-type: none"> ▪ A revised Land Act ▪ National Land Policy implemented to achieve sustainable and equitable 	<ul style="list-style-type: none"> ▪ Reduced Conflicts over land ▪ Sustainable land use 	3 years	Ministry of Lands, Housing and Urban Development Ministry of Justice and Constitutional Affairs	1,155,433	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
3.2 Effective mechanisms established for preventing, reducing and	3.2.1 Establish a national conflict early warning mechanism.	as well as traditional mechanisms in place to resolve land and other factors that permeate conflicts	<ul style="list-style-type: none"> Disarmament Operations in hostile 	<ul style="list-style-type: none"> A National Conflict Early Warning System in place 	<ul style="list-style-type: none"> Reduced conflict in the country. 	2 years	Ministry of Local Government	605,365
			<ul style="list-style-type: none"> Local justice mechanisms to resolve land conflicts in place 	<ul style="list-style-type: none"> A National Conflict Early Warning System 			Office of the Prime Minister MoDVA: Ministry of	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
managing conflict.	3.2.2 Strengthen the IGAD early warning mechanism (CEWARN) through increasing funding and its coverage to cover the entire country.	<ul style="list-style-type: none"> ▪ IGAD early warning mechanism operation ▪ Amount of funding to the IGAD early warning mechanism ▪ Number of LGs with the early warning mechanism 	<ul style="list-style-type: none"> ▪ communities Security meetings at district and national level ▪ Research on causes of conflict including land and remedies 	<ul style="list-style-type: none"> ▪ IGAD early warning mechanism ▪ Increased funding to the IGAD early warning mechanism ▪ LGs with the early warning mechanisms 			Internal Affairs; MoLHUD; Inter-Religious Council of Uganda CSOs and NGOs; and Security Agencies	
	3.2.3 Organize periodic national dialogues on matters important to the Unity and development of the country	<ul style="list-style-type: none"> ▪ Number of national Dialogue conducted 		<ul style="list-style-type: none"> ▪ National dialogues on governance and conflict resolution 	<ul style="list-style-type: none"> ▪ A united and peaceful Uganda 	5 years	Parliament; Interreligious Council	
	3.2.4 Strengthen traditional	<ul style="list-style-type: none"> ▪ A law on traditional justice system and 		<ul style="list-style-type: none"> ▪ Traditional Justice and 	<ul style="list-style-type: none"> ▪ A united and peaceful 	5 years	Parliament; Traditional	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	mechanisms of conflict resolution through empowerment of elders and cultural institutions to mediate the conflicts.	<p>alternative dispute settlement enacted</p> <ul style="list-style-type: none"> Number of conflicts mediated and handled by the elders and cultural institutions 		<p>conflict resolution mechanisms in place.</p>	Uganda		Institutions	
3.3 Involvement of sub-regional and regional institutions in resolving intra and inter-state conflict	3.3.1 Resolve existing border disputes between Uganda, Kenya, South Sudan, Tanzania and DRC using existing bilateral, regional and AU border dispute resolution mechanisms.	<ul style="list-style-type: none"> No. of border disputes resolved 	<ul style="list-style-type: none"> Ensuring an enduring peace and stability in Somalia under AMISON as well as part of the process to pacify 	<ul style="list-style-type: none"> Resolved border disputes 	<ul style="list-style-type: none"> A peaceful region 	5 years	Ministry of Foreign Affairs; Ministry of Defense and Veteran Affairs; Ministry of Internal Affairs; Security Agencies;	

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			<p>Somalia Central African Republic, Burundi and DRC</p> <p>Support of the UN effort to provide lasting solution to challenges facing South Sudan and other countries</p>					
Sub Total								2,035,901
Objective 4: Promotion and protection of civil and political rights as enshrined in the Africa and International Human Rights Instruments								
4.1 Promote and enforce liberties and observance of human rights.	4.1.1 Provide more human and financial resources to support the JLOS	<ul style="list-style-type: none"> ▪ Staffing levels of UHRC ▪ Allocation to the JLOS sector as a percentage of the national budget 	<ul style="list-style-type: none"> ▪ Uganda is implementing international 	<ul style="list-style-type: none"> ▪ An effective and efficient JLOS sector, with the capability to protect and 	<ul style="list-style-type: none"> ▪ Enhanced respect for human rights by government 	5 years	Ministry of Justice and Constitutional Affairs Uganda Law Society	577,717

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	particularly the UHRC to fully execute their roles.	<ul style="list-style-type: none"> JLOS sector staffing levels 	compliance with human rights instruments	promote human rights			NGOs and CSOs in the legal fraternity, Local Courts	
	4.1.2 Enhance the training of security agencies in human rights	<ul style="list-style-type: none"> Number of security agencies trained in HRs HRs training program for security agencies in place 		<ul style="list-style-type: none"> Human Rights Training program for Security agencies 	<ul style="list-style-type: none"> Security forces, that respect human rights 		UHRC, JLOS Uganda Law Society NGOs and CSOs in the legal fraternity, Local Courts	
	4.1.3 Civic education to increase awareness of rights and responsibilities.	<ul style="list-style-type: none"> Civic education curriculum in place Number of media campaigns conducted 	<ul style="list-style-type: none"> Number of trainings conducted within the security forces 	<ul style="list-style-type: none"> Civic education curriculum 	<ul style="list-style-type: none"> A population that is conscious of their rights and responsibilities 		Electoral Commission UHRC, JLOS MoLG	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
4.2 Facilitate the due process and equal	4.1.4 Translation and dissemination of Uganda's constitution, laws, regulations and policies	<ul style="list-style-type: none"> Number of languages the constitution is translated No. of LGS with the translated Constitution, Laws, Regulations and government policies in place 		<ul style="list-style-type: none"> Translated and disseminated Constitution, Laws, Regulations and government policies Popular version of the Constitution 	<ul style="list-style-type: none"> A population which is knowledgeable about the Uganda Constitution, Laws, Regulations and Gov't policies 		<p>Parliament, JLOS Uganda Law Society NGOs and CSOs in the legal fraternity</p>	
	4.1.5 Strengthen CSOs and FBOs, which are engaged in the promotion of advocacy and monitoring of human rights observation	<ul style="list-style-type: none"> Number of civil society organizations and FBOs engaged in the advocacy, promotion and monitoring of human rights. 		<ul style="list-style-type: none"> Reports by the CSOs and FBOs on Human Rights 	<ul style="list-style-type: none"> Strong and autonomous and FBOs 			<p>Ministry of Finance, Planning and Economic Development CSOs FBOs</p>
4.2.1 Put in place mechanisms to	4.2.1 Put in place mechanisms to	<ul style="list-style-type: none"> Number of cases disposed-off under the 	<ul style="list-style-type: none"> Uganda is implement 	<ul style="list-style-type: none"> Expanded justice system 	<ul style="list-style-type: none"> Access to justice by 	Annual	<p>MoJICA Uganda Law</p>	165,062

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access to justice for all	expand legal aid so that the poor are able to access justice and be fairly and equitably treated before the law	legal aid framework	ing international compliance with human rights instruments	and legal aid provision for all	the poor and the vulnerable groups		Society NGOs and CSOs in the legal fraternity, Local Courts	
	4.2.2 Fast track the approval of the National Legal Aid Policy	<ul style="list-style-type: none"> ▪ Approved National Legal Aid Policy 		<ul style="list-style-type: none"> ▪ Approved National Legal Aid Policy 		2 years		
4.3 A vibrant, independent and influential CSOs in Uganda	4.3.1 Review the NGO Act 2015 to enhance the independence of CSOs.	<ul style="list-style-type: none"> ▪ Amended NGO Act 2015 ▪ Number of CSOs effectively participating in the advocacy, promotion and monitoring of human rights observation. 	Various government institutions are working in partnership with CSOs at both national and local levels to	<ul style="list-style-type: none"> ▪ Amended NGO Act 2015 ▪ Civil society organizations independent of executive 	<ul style="list-style-type: none"> ▪ Vibrant civil society able to independently express itself through participatory assembly and implementation of own 	Annualy	Ministry of Internal Affairs, Ministry of Gender Labour and Social Development NGOs and CSOs	247,593

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			complement government programs	control	programs that complement government effort			
	4.3.2 Implement the Quality Assurance Mechanisms (QuAM) within the NGOs in order to enhance their credibility and effectiveness	<ul style="list-style-type: none"> Number of awarded Certificates 		<ul style="list-style-type: none"> NGOs, which are compliance with the QuAM framework 	<ul style="list-style-type: none"> Credible and effective NGOs 			
4.4 Extent to which the state respects and protects the rights of citizens' access to information	4.4.1 Review of the access to Information Act, 2005 to include more categories of information to be accessed.	<ul style="list-style-type: none"> Expand the categories of information to be accessed by the public Remove restrictions on the type of information to be accessed 	<ul style="list-style-type: none"> Uganda is implementing the Access to information Act (2005) which is now 	<ul style="list-style-type: none"> A revised access to Information Act Expanded categories of information to 	<ul style="list-style-type: none"> An increased social accountability and government transparency towards improved 	Annual	Ministry of ICT and National Guidance Media Houses NGOs, CSOs and the Private	41,265

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	4.4.2 Create awareness of access to Information Act, 2005, and the Access to Information Regulation 2014	<ul style="list-style-type: none"> Changes in the culture of secrecy which limits proactive release of information by public agencies and denial of citizens' requests for information. 	compliance by the National Communication Policy 2013	be accessed by the public	service delivery and greater citizen participation in governance and democratic processes		Sector, Academia and Research institutions, Political parties	
	5.1 Strengthen institutions for an efficient and effective public service.	<ul style="list-style-type: none"> Legal provisions, institutions and resource allocation for an efficient and effective civil service 	<ul style="list-style-type: none"> Uganda is implementing the review recommendations of 	<ul style="list-style-type: none"> Legal provisions on contracts Rewards and 	<ul style="list-style-type: none"> Accountable, efficient and effective public service delivery 	Annually	Public Service; MoFPED Public Sector Management	368,215
Sub Total								1,031,637
Objective 5: Ensuring Accountable, Efficient and Effective Public Service Delivery at the National and Decentralized levels								

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		<ul style="list-style-type: none"> Proportion of the public service work force that is professional. 	<p>the Public Sector Reform Program aimed at increasing the efficiencies of the public sector</p>	<p>sanctions mechanisms</p>	<p>system that is responsive to institutional challenges and service delivery needs</p>		<p>Working Group Local Governments Ministry of Public Service Public Service Commission</p>	
	5.1.2 Review and rationalize institutional structures to ensure effectiveness in public service	<ul style="list-style-type: none"> A Framework for integrating international standardization and certification in the qualification framework in place. 		<ul style="list-style-type: none"> Framework for rationalization of institutional structures 		2years		
	5.1.3 Enhance intra and inter agency coordination to achieve national objectives.	<ul style="list-style-type: none"> Functional sector wide groups. Harmonized results 		<ul style="list-style-type: none"> Nation 		2years		
	5.1.4 Ensure that the	<ul style="list-style-type: none"> Functional sector wide 		<ul style="list-style-type: none"> Reports with 		3years		

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	sector wide approach brings on board all relevant stakeholders (MDAs, CSOs, FBOs and private sector).	<ul style="list-style-type: none"> Number of stakeholders participating in the SWAp 		all stakeholder in				
	5.1.5 Ensure adequate human resource capacity in all government departments.	<ul style="list-style-type: none"> 100 percent Staffing levels across government 		<ul style="list-style-type: none"> Staffing levels 		5 years		
	5.1.6 Capacity building initiatives tailored to meet public sector specific needs.	<ul style="list-style-type: none"> No. of people retrained, trained to acquire new skills. Number of public officers that have undergone Leadership training 	<ul style="list-style-type: none"> People trained and retrained with new skills Training reports 			5 years		
5.2 Address corruption in the public sector.	5.2.1 Implement existing mechanisms on	<ul style="list-style-type: none"> Trends in case of corruption in public sector. 	<ul style="list-style-type: none"> Government is supporting 	<ul style="list-style-type: none"> Strong Institutions with the 	<ul style="list-style-type: none"> A country free from corruption 	Annual y	Equal Opportunities Commission	220,083

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	fighting corruption (National Anti-Corruption Strategy 2014 etc).	<ul style="list-style-type: none"> Numbers of public and private actors investigated, prosecuted and convicted of corruption. 	IG, DPP, Uganda Police, Accountant General OAG,	capacity to fight corruption			Procurement and Disposal of Assets Authority; Inspectorate of Government,	
	5.2.2 Strengthen the capacity of institutions mandated to fight corruption.	<ul style="list-style-type: none"> No. of Anti-corruption laws and institutions reviewed. Proportion of MDAs sensitized on corruption 	Anti-Corruption Court, Commercial Court and other institutions to fight corruption	<ul style="list-style-type: none"> Training needs assessment reports Staffing levels Level of financial 		5 years	Director of Public Prosecutions, Uganda Police, Anti-Corruption Court, Commercial Court	
	5.2.3 Implement the law that prohibits state officials convicted of corruption from taking any other public office including parliament	<ul style="list-style-type: none"> Proportion of public servants declaring their assets. Proportion of corruption cases investigated. 		<ul style="list-style-type: none"> No. of Anti-corruption laws and institutions reviewed. 		3years		
	5.2.4 Stimulate the political and social will to fight	<ul style="list-style-type: none"> No. of cases of maladministration, abuse of power or office 		<ul style="list-style-type: none"> No. of cases of maladministration 		2 years		

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5.3 Empower local communities to exercise political power offered through decentralization.	corruption.	by the public authorities adjudicated and concluded.		tion, abuse of power or office by the public authorities adjudicated and concluded				
	5.2.5 Institute Salaries Review Commission to rationalize pay for all public servants	<ul style="list-style-type: none"> A Salaries Commission to rationalize public pay for all public servants formulated 		<ul style="list-style-type: none"> A Salaries Review Commission to rationalize pay for all public servants in place 		1 year		
5.3	5.3.1 Reinstate graduated tax.	<ul style="list-style-type: none"> Proportion of LG staff trained in tax administration. New sources identified to increase local 	<ul style="list-style-type: none"> Government is implementing the National Local Economic 	<ul style="list-style-type: none"> Graduated tax re-instated. An Implemented National Local Economic 	<ul style="list-style-type: none"> Strong local governments, which can effectively and efficiently provide 	Annual	Ministry of Local Government, Local Government Finance Commission	1,788,171

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		<p>revenue</p> <ul style="list-style-type: none"> Graduated tax re-instated. 	<p>Development Policy to facilitate LGs to identify investment opportunities that create jobs and spread the local revenue base</p>	<p>Development Policy</p>	<p>services to the population.</p>		<p>National Planning Authority</p>	
	<p>5.3.2 Increase the percentage of national budget allocations to the LGs to 30 percent.</p>	<ul style="list-style-type: none"> Proportion of central government transfers to LG. 		<ul style="list-style-type: none"> Proportion of national budget allocations to the LGs. 		<p>1 year</p>		
	<p>5.3.3 Review the decentralization policy to</p>	<ul style="list-style-type: none"> Reviewed decentralization policy 		<ul style="list-style-type: none"> A revised decentralization 		<p>3 years</p>		

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	strengthen local governments.	<ul style="list-style-type: none"> No. of staff recruited and trained in LGs. 		<ul style="list-style-type: none"> in policy. LG staffing levels 				
	5.3.4 Freeze the creation of new districts to save more resources for LGs	<ul style="list-style-type: none"> Number of LGs created Legal instrument burying creation of districts 		<ul style="list-style-type: none"> LGs in place Legal instrument against creation of LGs 		3 years		
	5.3.5 Implement the National Local Economic Development Policy to support LGs to identify own investment opportunities that can generate revenue, create employment and make them less	<ul style="list-style-type: none"> Proportion of the LED Policy implemented. Local investments undertaken by local governments to generate locally raised revenues (per district and value) No. of Investment opportunities identified 		<ul style="list-style-type: none"> Investment opportunities identified 		5 years		

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	dependent on the central government.	by LG						
Sub Total								
Objective 6: Promotion and Protection of the Rights of Women								
6.1 Promote and protect the rights of women in the country	6.1.1 Review and repeal discriminatory clauses against women in legislation, particularly the Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act	Provisions in the Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act with discriminatory clauses against women reviewed and repealed		The Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act Revised	A country in which women and men have equal access to land and property		Ministry of Gender Labour and Social Development; Parliament; Equal Opportunities Commission	2,376,468
6.1.2 Strengthen the capacity of gender focal	Strengthen the capacity of gender focal	Number of focal points in MDAs trained in gender		Gender Focal Points recruited,	Effective, efficient and mutually		Ministry of Gender Labour and	

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	points in sectorial ministries with a view to mainstreaming gender in planning and the national budget	mainstreaming		trained and equipped with the capacity gender mainstream in their respective Ministries, Departments and Agencies	reinforcing gender-sensitive policies and programme s, including developme nt policies and programme s, at all levels that will foster the empowerm ent and advance ment of women.		Social Development ; Equal Opportunities Commission	
	6.1.3 Conduct education and sensitization campaigns across Uganda,	<ul style="list-style-type: none"> Number sensitization and capacity building programs at the grassroots aimed at increasing people's 		<ul style="list-style-type: none"> Sensitization and capacity building programs at the grassroots 	<ul style="list-style-type: none"> A population, which is knowledgeable about 		Ministry of Gender Labour and Social Development	

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	especially in rural areas and on the constitutional and legal rights of women	knowledge on the constitutional and legal rights of women in Uganda		in place	the constitutional and the legal rights of women.		Parliament; Equal Opportunities Commission; traditional institutions	
	6.1.4 Enforce the legal provision for women in the public and private sector and executive of at least 30 percent threshold	<ul style="list-style-type: none"> Number of Ministries, Departments and Agencies with women constituting 30% of their employees 		<ul style="list-style-type: none"> More women occupying positions both in the public and private sectors 	<ul style="list-style-type: none"> Equal access to jobs both in the public and private sector by both men and women. 		Ministry of Gender Labour and Social Development; Equal Opportunities Commission; Ministry of the Public Service	
	6.1.5 Implement women empowerment Programs especially at the grassroots	<ul style="list-style-type: none"> Number of women entrepreneurs trained in entrepreneurship skills Number of female students accessing skills development 		<ul style="list-style-type: none"> Skills enhancement programs for women put in place 	Economically empowered women	5 years	Ministry of Gender Labour and Social Development; EOC; MoFPED	

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	6.1.6 Review the structure of the women's council.	<ul style="list-style-type: none"> Reviewed structure of the women's council in place 	<ul style="list-style-type: none"> Review on going on the National Gender Policy to protect the rights of women as well as work done by NGOs and CSOs to ensure implementation 	<ul style="list-style-type: none"> A strong women's Council 	<p>A women's council capable of inspiring and promoting the women a spirit of unity and national consciousness and also capable of providing a unified and integrated system through which the women may communicate.</p> <ul style="list-style-type: none"> Elimination and prevention of all forms of violence 		Ministry of Gender Labour and Social Development	
	6.1.7 Support women access to justice	<ul style="list-style-type: none"> Number of women and girls with access to justice 		<ul style="list-style-type: none"> Women and girls with access justice 			Ministry of Gender Labour and Social Development	

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					against women and girls		t; Ministry of Justice and Constitutional Affairs	
Objective 7: Promotion and Protection of the Rights of Children and Young Persons								
7.1 Promote and protect the rights of children and young persons	7.1.1 Review the structure and increase funding for the children's council.	<ul style="list-style-type: none"> Amount of releases to the children's council Reviewed structure for the children's council 	Reinforcement of laws on children's welfare	<ul style="list-style-type: none"> Releases to the children's council Structure for the children's council 	<ul style="list-style-type: none"> Empowered youth aware of their rights and skilled to unleash their potential on the jobs market 	Annual	Ministry of Gender Labour and Social Development ; Ministry of Education and Sports; National Curriculum development center; Private sector organizations	5,502,063
	7.1.2 Domesticate ILO list of hazardous jobs for children to reduce child labour and exploitation.	<ul style="list-style-type: none"> Number of children engaged in hazardous jobs No. of technical and vocational institutions assessed based on the international assessment. 		<ul style="list-style-type: none"> List of ILO hazardous jobs domesticated International assessment criteria 				
	7.1.3 Adopt a skills-based	<ul style="list-style-type: none"> Number of schools implementing the skills- 		<ul style="list-style-type: none"> Skills based Curriculum 				

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	curriculum from primary to university.	based curriculum		used in schools				
	7.1.4 Promote coordination of public private partnerships to foster skills development and youth entrepreneurship.	<ul style="list-style-type: none"> Curriculum developed to establish linkages between institutions and the work environment 		<ul style="list-style-type: none"> Curriculum established to provide linkage between training institutions and the work environment 				
	7.1.5 Eliminate the mismatch between the labour market needs and the skills provided by the tertiary institutions.	<ul style="list-style-type: none"> No. of youth centers providing skills to youth. No. of organizations providing slots for internship and hands on training 		<ul style="list-style-type: none"> Organizations providing slots for internship and hand-on training 				

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	7.1.6 Restore the polytechnic institutions, modernize and equip existing vocational/technical institutions.	<ul style="list-style-type: none"> ▪ Number of polytechnic institutions restored. ▪ Number of existing vocational/technical institutions modernized and equipped 		<ul style="list-style-type: none"> ▪ Existing Polytechnic institutions restored, modernized and equipped 				
	7.1.7 Enhance the capacity of the child and Family Protection Unit of the Uganda Police Force and probation offices	<ul style="list-style-type: none"> ▪ No. of juvenile diverted from the criminal justice system. ▪ No. of child welfare officers employed. 		<ul style="list-style-type: none"> ▪ Employed child welfare officers 				
Sub Total								5,502,063
Objective 8: Promotion and Protection of the Rights of Vulnerability Groups, including IDPs, Refugees and PWDs								
8.1 Promote and protect the rights of vulnerable groups.	8.1.1 Review the structure and increase funding for the PWDs council.	<ul style="list-style-type: none"> ▪ % of resources allocated to the PWDs council ▪ No. of PWDs accessing Special Grant for PWDs 	Uganda continues to host refugees from across the region.	<ul style="list-style-type: none"> ▪ Increased resources allocated to the PWDs council ▪ PWDs with 	<ul style="list-style-type: none"> ▪ Reduced poverty and social incidences among vulnerable 	Annually	Ministry of Gender Labour and Social Development	9,628,611

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
			After 10 years of pilot the SAGE program will now be rolled out for 20 districts in FY 2017/18 and to another 20 districts by 2020.	<ul style="list-style-type: none"> access to Special Grants Reviewed structure for the PWDs Council 	sections of the population		Office of the Prime Minister Parliament UHRC Relevant MDAs	
	8.1.2 Ensure national roll out of the social assistance grants for empowerment (SAGE) to cover the older persons in all districts of Uganda	<ul style="list-style-type: none"> No. of recipients of the SAGE grants per district No. of senior citizens accessing grants. 		<ul style="list-style-type: none"> Reduction in social exclusion of vulnerable groups. 	Easier access to social care services for vulnerable groups			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	8.1.3 Continue the record of providing a hospitable environment for refugees.	<ul style="list-style-type: none"> No. of refugees in camps under care of host communities and Government 		<ul style="list-style-type: none"> Reduction in the influx of refugees Refugees living in harmony with the host communities 	Restored of peace and stability in the region leading to reduction on the refugee influx			
	8.1.4 Participate in the regional efforts to restore peace and stability to reduce the influx of refugees.	<ul style="list-style-type: none"> No. of missions engaged in the regional efforts to restore peace and stability to reduce the influx of refugees. 		<ul style="list-style-type: none"> Increased social care services to the vulnerable groups 				
	8.1.5 Support organizations like NUDIPU to support initiatives for PWDS	<ul style="list-style-type: none"> No. of laws, policies and programs promoting rights of the vulnerable groups enacted 		<ul style="list-style-type: none"> Laws, policies and programs promoting the rights of the vulnerable 				

ANNEXE II: NATIONAL PROGRAMME OF ACTION

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	8.1.6 Introduce affirmative-action measures to provide for further and better representation of ethnic minorities in Parliament and in executive departments and agencies	<ul style="list-style-type: none"> ▪ Number of affirmative action measures on affirmative action ▪ Proportion of ethnic minorities represented in Parliament 		<ul style="list-style-type: none"> ▪ Affirmative action measures ▪ Minority representation in Parliament 				
	8.1.7 Provide for the special needs of ethnic minorities	<ul style="list-style-type: none"> ▪ Special needs of ethnic minorities 		<ul style="list-style-type: none"> ▪ % increase in the protection and provision of social care services to vulnerable groups. 				
Sub Total								9,628,611

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Grand Total (DPG)								24,907,556

THEME 2: ECONOMIC GOVERNANCE AND MANAGEMENT

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Principles, Codes and Standards								
1.0 Ratify international Principles, codes and standards	1.0.1 Ratify the AU African Charter on Statistics (2000) that was signed on 22/01/2014.	<ul style="list-style-type: none"> Level of ratification of the AU African Charter on Statistics (2000) 	Uganda has adopted most of the principles within international codes, for example, Organization for Economic Cooperation and	<ul style="list-style-type: none"> AU African Charter on Statistics (2000) ratified 	Harmonized and reliable statistics in all fields in Africa	2 years	<ul style="list-style-type: none"> Parliament, UBoS, MOFPE D 	300,000

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			Development (OECD) Best Practices for Budget Transparency						
Objective 1: Design and Implementation of Economic Policies for Sustainable Development									
1.1 Ensure realization of the economic vision/policy of the country	1.1.1	Maintaining inflation within the target band	<ul style="list-style-type: none"> Inflation rate Employment rate, export as a % GDP 	<ul style="list-style-type: none"> Comprehensive National Development Planning Framework that is driving the production of 5-year NDPs aligned to the Vision 2040 	<ul style="list-style-type: none"> National Revenue policy All MDAs and LGs with aligned Plan At least 80% alignment of the Sectors, MDAs and LGs plans to the NDPII 	<ul style="list-style-type: none"> A sound and stable macro economic environment. 	5 years	National Planning Authority Ministry of Finance Planning and Economic, URA, BOU	7,000,000.00
	1.1.2	Maintain economic growth as per the NDPII targets	<ul style="list-style-type: none"> Real GDP growth rate; GNP per capita Fiscal deficit; domestic revenue % 						
	1.1.3	Increase							

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>1.1.4 Increase insurance penetration, financial literacy and consumer protection,</p> <p>1.1.5 Increase private sector credit,</p> <p>1.1.6 Increase</p>	<ul style="list-style-type: none"> ▪ of GDP ▪ Total budget allocation to social sectors ▪ Credit to the private sector ▪ Level of financial inclusion ▪ Insurance penetration 	<ul style="list-style-type: none"> ▪ Tax Revenue Expansion Program (TREP) ▪ Program Based Budgeting Approach ▪ National Export Promotion strategy has been Developed ▪ Assessment of Compliance of the National Budget to the National Development 					

ANNEXE II: NATIONAL PROGRAMME OF ACTION

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	employment rate, 1.1.7 Increase domestic revenue to GDP ratio,		ent Plan					
	1.1.8 Fully align the national budget with the NDP priorities.	<ul style="list-style-type: none"> Level of compliance of the National Budget to the National Development Plan 	<ul style="list-style-type: none"> Reviewing the Public Debt 	<ul style="list-style-type: none"> Compliance of the National Budget to the National Development Plan improved 	<ul style="list-style-type: none"> Attainment of the NDP goals and targets 	5 years	MoFPED, MDAs, LGs	3,333,333.33
	1.1.9 Gov't should maintain	<ul style="list-style-type: none"> share of domestic debt to total debt 	<ul style="list-style-type: none"> Reviewing the Public Debt 	<ul style="list-style-type: none"> PV of Public Debt to GDP < 55% PV of 	<ul style="list-style-type: none"> Sustainable debt 	5 years	MoFPED	2,000,000.00

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	<p>sustainable debt in line with international standards</p> <p>1.1.10 Improve Debt management as per the PDMF guidelines</p>	<ul style="list-style-type: none"> ▪ PV of Public debt to exports ratio, ▪ total debt to GDP ratio ▪ PV of External debt to GDP 	Management Framework	<ul style="list-style-type: none"> ▪ External debt to GDP < 40 ▪ Domestic Debt to GDP within PDMF Threshold 				
	1.1.11	<ul style="list-style-type: none"> • Level of Domestic arrears • %Domestic arrears to total budget 		<ul style="list-style-type: none"> • Reduced domestic arrears 	<ul style="list-style-type: none"> • Reduced domestic arrears 	5 years	MoFPED, MDAs	1,272,000.00

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.2 Develop and implement effective sectorial policies to promote economic growth & sustainable development.	1.2.1 Develop and implement policies that expand Uganda's economic growth and sustainable development	<ul style="list-style-type: none"> Number of key economic policies developed. 	<ul style="list-style-type: none"> Development of policies and laws e.g. pension sector law, local content 	<ul style="list-style-type: none"> Developed policies 	<ul style="list-style-type: none"> An enabling environment for sectors to effectively execute their duties and mandates. 	5 years	All sectors, Parliament,	6,666,666.67
	1.2.2 Promote inflow of remittances	<ul style="list-style-type: none"> Volume of remittance inflow % of personal 		<ul style="list-style-type: none"> Volume of remittance inflows increased % of 	<ul style="list-style-type: none"> Increased diaspora investment 	5 years	MoFA, MoTIC, UIA,	2,000,000.00

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		transfers to GDP		personal transfers to GDP increased	ments			
	1.2.3 Increase funding to the tourism sector	<ul style="list-style-type: none"> % change in funding to tourism sector % of tourism funding to GDP 		<ul style="list-style-type: none"> Funding to tourism sector increased % of tourism funding to GDP increased 	<ul style="list-style-type: none"> Increased receipts from tourism 		MoFPED, UTB, MoWTA	3,000,000
	1.2.4 Review of existing sectoral policies and regulations	<ul style="list-style-type: none"> Number of policies and laws reviewed. 	<ul style="list-style-type: none"> Review and implementation of some policies and laws e.g. NSSF act, 	<ul style="list-style-type: none"> Reviewed policies 	<ul style="list-style-type: none"> Updated sectoral policies and regulations 	5 years	MDAs, LGs, Sectors	1,666,666.67
	1.2.5 Increase high value addition in the	<ul style="list-style-type: none"> Number of industries established for agriculture 	<ul style="list-style-type: none"> Fruit Factory in Soroti 	<ul style="list-style-type: none"> Increased number of agriculture industries 	<ul style="list-style-type: none"> Increased agro-based industri 		MAAIF, MoTIC	4,000,000.00

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	agriculture sector in a bid to stimulate agro-based industrial growth	value addition			realisation			
	1.2.6 Local governments should be strengthened to undertake Local economic development	<ul style="list-style-type: none"> • % of LG revenue to total revenue • Number of LGs trained to incorporate LED into their planning and budgeting processes in line with 		<ul style="list-style-type: none"> ▪ Increased revenue from LGs ▪ LED incorporated in LG plans and budgets 	<ul style="list-style-type: none"> ▪ Increased self-reliance by LGs 		MoLG, NPA, MoFPED, URA, LGs	1,266,666.67

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		the NDP;						
	1.2.7 Exploit the gas and other minerals	<ul style="list-style-type: none"> Level of exploitation of oil and gas Number of minerals mined 	<ul style="list-style-type: none"> Development of infrastructure in the Albertine oil region 	<ul style="list-style-type: none"> Oil and gas extraction undertaken Increased number of minerals mined 	<ul style="list-style-type: none"> Increased oil revenues 		MEMD, URA, MoFPED, Private Sector,	2,000,000.00
1.3 Address challenges encountered in implementation of plan and projects	1.3.1 Ensure full and effective implementation of the programme based budgeting (PBB) to provide annual	<ul style="list-style-type: none"> Percentage of MDAs and LGs implementing program-based budgeting 		<ul style="list-style-type: none"> GAPR reports NDR Reports NDP Mid-term Review 	Robust and reliable M&E systems at district and national levels aimed at informing Government performance improvement.	Annually	Office of the Prime Minister; NPA, MoFPED, All sector MDAs Local Governments	16,000,000.00

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	data on outputs by votes and outcome data in the medium to long term.							
	1.3.2 Build capacity for routine monitoring reporting	<ul style="list-style-type: none"> ▪ Number of staff trained in M&E ▪ Number of MDAs and LGs Trained in M&E ▪ Number of MDAs and LGs Trained in implementing PBB 	;	<ul style="list-style-type: none"> • Increased number of staff with M&E skills • Increased number of LG M&E reports • Increased number of LGs and MDA using PBB 	<ul style="list-style-type: none"> • Aligned National Plans to budgets 		MoFPED, OPM, NGOs and CSOs and non-state actors, Ministry of Public service	2,133,333.33
	1.3.3 Follow-	<ul style="list-style-type: none"> ▪ Number of 	<ul style="list-style-type: none"> ▪ Approval 	<ul style="list-style-type: none"> ▪ Increased 	<ul style="list-style-type: none"> • Imple 		Parliament,	4,036,266.67

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	<p>up on recommendations as well as evaluations at national and District levels to review and appraise the public and private sector performance; (develop incentives to encourage</p> <p>1.3.4</p>	<p>recommendations from the NDR, BMAU, NDP-MTR reports implemented</p> <ul style="list-style-type: none"> ▪ Number of GARP recommendations implemented ▪ Level of implementation of recommendations from the certificate of compliance to the Annual budget 	<p>of MDA budgets by Parliament with consideration of the Certificate of Compliance performance sectors</p> <ul style="list-style-type: none"> ▪ 	<p>implementation of recommendations from M&E reports NDP evaluation report.</p> <ul style="list-style-type: none"> ▪ 	<p>mentat ion of government programmes as per the NDP and budgets</p>		MoFPED, MDAs, OPM	

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1.4 Strengthen government economic projections	1.4.1 Dissemination and adoption of national standard indicators	<ul style="list-style-type: none"> Level of dissemination of National standard indicators. Percentage of MDAs enrolled into the National statistical systems Percentage of LGs enrolled into the National statistical systems. 	<ul style="list-style-type: none"> Development of the National Standard Indicators (NSI) to integrate NDPII, SDG and MDALG Indicators 	<ul style="list-style-type: none"> NSI disseminated to all MDAs and LGs MDAs & LGs enrolled into the National statistical systems 	<ul style="list-style-type: none"> Standard indicators used by the entire country 	3	Uganda Bureau of Statistics (UBOS), MDS and LGs	3,186,666.67
	1.4.2 Improve the sources from where	<ul style="list-style-type: none"> Level of collection of administrative data by UBOS 		<ul style="list-style-type: none"> Collection of administrative data by UBOS increased 	<ul style="list-style-type: none"> Increase in administrative data 	5	UBOS, MDAs	2,266,666.67

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	data is obtained (compilation and collection)				collection			
	1.4.3 Development of robust macroeconomic frameworks to ensure accurate projections	<ul style="list-style-type: none"> Number of Macroeconomic Frameworks Developed and existing ones reviewed Level of divergence of government projections from outturn 	<ul style="list-style-type: none"> MoFPED in collaboration with key stakeholders have developed an integrated macroeconomic model for government 	<ul style="list-style-type: none"> Robust Macroeconomic Frameworks Developed Low divergence of government projections from outturn 	<ul style="list-style-type: none"> Reliable information systems supporting more accurate economic projections and decision 	5	Ministry of Finance Planning and Economic Development (MoFPED); National Planning Authority (NPA) EPRC, OPM and Consultants.	4,800,000.00

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	1.4.4 Enhance capacity in analysis of routinely collected data for use in modelling to enable the planning framework do better estimates of economic	<ul style="list-style-type: none"> ▪ Number of government staff trained in data analysis and macro-economic modelling 		<ul style="list-style-type: none"> • Increased staff trained in data analysis and economic modelling 	<ul style="list-style-type: none"> • Improved economic analysis and projects 		NPA, MoFPED, UBoS, BoU, EPRC	2,000,000.00

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1.5 Improve the management and prevention of the impact of internal and external economic shocks i.e. (inflation, fuel and energy costs and natural calamities, world prices of exports)	<p>ic performance projects.</p> <p>1.5.1 The Government should invest in irrigation as one of its top most priorities to guarantee food security and exports.</p>	<ul style="list-style-type: none"> ▪ Number of irrigation schemes developed ▪ Level of investment in irrigation ▪ Percentage Increase in agricultural production index. 		<ul style="list-style-type: none"> ▪ Irrigation schemes developed ▪ Increased investment in irrigation ▪ Increase in agricultural production index. 	<ul style="list-style-type: none"> ▪ Resilient economy to external shocks 	5 years	Ministry of Water and Environment, Ministry of Finance Planning and Economic Development, MAAIF	5,293,333.33

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	1.5.2 Fast track the approval of the National Irrigation Policy and strategy	<ul style="list-style-type: none"> Level of approval of the National Irrigation Policy and strategy 		National Irrigation Policy strategy approved	<ul style="list-style-type: none"> Reduced weather-related shocks in the agriculture sector. 		Ministry of Water and Environment, Ministry of Finance, Planning and Economic Development, MAAIF	2,000,000.00
	1.5.3 Prioritize the implementation of the National Export Development Strategy as a measure	<ul style="list-style-type: none"> Number of interventions in export promotion strategy implemented Value of manufactured exports as a % of the value of 	<ul style="list-style-type: none"> Launch of the National Export Development Strategy to boost exports and grow the economy 	<ul style="list-style-type: none"> Export promotion strategy interventions implemented Increased manufactured exports as a % of the value of total 	<ul style="list-style-type: none"> Increased in government receipts from exports 		Ministry of Trade, Industry and Cooperatives, EPB, Free zones Authority, UIA, BoU	6,120,000.00

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>to strengthen the exchange rate and stimulate economic growth.</p>	<ul style="list-style-type: none"> ▪ total exports. ▪ Number of value chains in the 12 priority commodities developed 	<ul style="list-style-type: none"> ▪ Free zones for key commodities 	<ul style="list-style-type: none"> ▪ exports value chains in the 12 priority commodities developed 				
	1.5.4 Increase the contingent funding	<ul style="list-style-type: none"> ▪ % increase of the contingency fund 		<ul style="list-style-type: none"> ▪ contingency fund increased 	<ul style="list-style-type: none"> ▪ Adequate fund to cater for shocks and calamities 		MoFPED, Parliament	6,333,333.33
	1.5.5 Improve early	<ul style="list-style-type: none"> ▪ Number of early 		<ul style="list-style-type: none"> • Communication made on 	<ul style="list-style-type: none"> ▪ Decrease in 	5	UNMA, MoWE,	2,000,000.00

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	warning systems	warnings communicate <ul style="list-style-type: none"> Number of early warning systems improved 		<ul style="list-style-type: none"> early warning signs Early warning systems improved 	the number of disasters occurrences			
	1.5.6 Fastrac the implementation of BUBU	<ul style="list-style-type: none"> Number of BUBU policy interventions implemented 	<ul style="list-style-type: none"> Launch of the Buy Uganda Build Uganda Policy 	<ul style="list-style-type: none"> BUBU policy interventions implemented 	<ul style="list-style-type: none"> Increased use of Ugandan products Increase in domestic investment 		<ul style="list-style-type: none"> UIA, Private sector, MEMD, MolC, 	6,000,000.00
	1.5.7 Develop	<ul style="list-style-type: none"> No of 		<ul style="list-style-type: none"> Insurance 	<ul style="list-style-type: none"> Insurance 		IRA, Private	3,000,000.00

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	ment of insurance mechanisms	insurance schemes developed		schemes developed	insurance cover for unexpected shocks		Sector, MoFPED	
1.5.8	Establish an effective mechanism for eradicating pests and diseases in crops and animals.	<ul style="list-style-type: none"> ▪ Number of agricultural research centers. ▪ % increase in funding to farmers for medicine for pest and diseases 		<ul style="list-style-type: none"> ▪ agricultural research centers opened. ▪ funding to farmers for medicine for pest and diseases increased 	<ul style="list-style-type: none"> ▪ Eradicating pests and diseases in crops and animals 		NARO, MAAIF,	2,000,000.00
1.6	Improve the energy, services, transport and communication	<ul style="list-style-type: none"> ▪ Level of implementation of the 	<ul style="list-style-type: none"> ▪ Securing land for the 	<ul style="list-style-type: none"> ▪ SGR completed ▪ The existing 	<ul style="list-style-type: none"> ▪ Improved 	4 years	Ministry of Works and Transport,	11,000,000

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infrastructure in Uganda.	entation of the rail network linking different towns and Uganda with its neighbors.	<ul style="list-style-type: none"> SGR Level of restoration of the old Railway system 	<ul style="list-style-type: none"> Standard Gauge Railway Project; Revival of the Uganda Railways 	railway system revived	National competitive systems <ul style="list-style-type: none"> Easy connectivity of Uganda with its neighbors 		URC,	
	1.6.2 Promote a diverse energy mix i.e. Renewable energy.	<ul style="list-style-type: none"> Level of usage of renewable energy sources 		<ul style="list-style-type: none"> Increased usage of Renewable Energy sources 	<ul style="list-style-type: none"> A diverse energy mix for citizens 	5 years	Ministry of Energy and Mineral Development ;	5,333,333.333

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	1.6.3 Establish all the navigational routes on Lake Victoria, Kyoga in the effort to promote marine transport as an alternative cheaper mean of moving cargo and persons within and outside the	<ul style="list-style-type: none"> ▪ Number of navigational routes established on water ▪ Tonnage of Freight on water 	<ul style="list-style-type: none"> ▪ Modernization of ferries on major water bodies to improve water transport 		<ul style="list-style-type: none"> ▪ Increased use of marine transport 	5 years	Ministry of Works and Transport, MoWE	40,000,000

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	1.6.4 Establish all relevant oil infrastructure as a measure to facilitate petroleum exploitation and commercialization by 2020.	<ul style="list-style-type: none"> Number of oil infrastructure established 	<ul style="list-style-type: none"> Construction of oil roads and refinery are underway ; 	<ul style="list-style-type: none"> Oil infrastructure developed 	<ul style="list-style-type: none"> Increase in Oil revenues 	5 years	Ministry of Works and Transport, MEMD, UNOC,	9,333,333.33
	1.6.5 Ensure completion of major hydropower dams	<ul style="list-style-type: none"> Number of hydropower dams completed 	<ul style="list-style-type: none"> 2 Construction of Karuma dam 	<ul style="list-style-type: none"> Hydropower dams construction completed ie. Isimba, Karuma, Ayago 	<ul style="list-style-type: none"> Increased electric generation 	5 years	MEMD, MOWT, ERA, UETCL, UEDCL	18,560,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>i.e Isimba and Karuma by 2019</p> <p>1.6.6 Increase electricity coverage to at least 30 percent of the population by 2021.</p>	<ul style="list-style-type: none"> % change in access to power (currently 30 %) 	<ul style="list-style-type: none"> Rural Electrification Agency is undertaking a drive to increase access to power in rural areas Free connection policy for people who are 90m from existing power grid 	<ul style="list-style-type: none"> electricity coverage increased 	<p>tion</p> <ul style="list-style-type: none"> electricity coverage increased to at least 30 percent of the population by 2021. 	5 years	MEMD, ERA, ERA, UETCL, UEDCL	6,000,000

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	1.6.7 Reduce power tariffs to less than 5 US cents per KWH to enhance national competitiveness	<ul style="list-style-type: none"> Cost of power per KWH (US cents) 		<ul style="list-style-type: none"> Reduce power tariffs 	<ul style="list-style-type: none"> Reduce power tariffs 	5 years	MEMD, ERA, ERA, UETCL, UEDCL, UMEME	9,600,000.00
	1.6.8 Roll out the national backbone infrastructure for fiber optic to all	<ul style="list-style-type: none"> Number of major growth centers with National backbone infrastructure for fiber optic 		<ul style="list-style-type: none"> Increased Number of major growth centers with National backbone infrastructure for fiber optic 	<ul style="list-style-type: none"> Reduce the cost of bandwidth. 	5 years	UCC, MOICT, PRIVATE SECTOR	15,333,333.33

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	major growth centers in the effort to reduce the cost of bandwidth.							
	1.6.9 Fast track the restoration of the national carrier to enhance Uganda's competitiveness.	<ul style="list-style-type: none"> Level of implementation of National carrier (Airlines) 	<ul style="list-style-type: none"> Expansion of Entebbe International Airport to boost air transport; Revival of National Airlines 	<ul style="list-style-type: none"> The National carrier operational 		3 years	CAA, MOWT, MOFPED, NPA	5,333,333.33

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.6.10 Focus on the quality of construction works and ensure value for money.	<ul style="list-style-type: none"> ▪ Kms paved roads ▪ Quality of road construction from value for money and audit reports 	<ul style="list-style-type: none"> ▪ Construction of strategic roads to improve intra connectivity across the country 	<ul style="list-style-type: none"> ▪ Increased Paved road network ▪ 	<ul style="list-style-type: none"> ▪ Improved intra-connectivity across the country 	5 years	MOWT, UNRA, MOFPED,	5,000,000.00
		<ul style="list-style-type: none"> ▪ Number of land reforms implemented. 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ land reforms implemented. 	<ul style="list-style-type: none"> ▪ Reduced delays in implementation of government infrastructure 	3 years	Parliament, MOLHUD,	3,000,000.00
	Sub-Total							229,568,266.67

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Objective 2: Facilitating the participation of key stakeholders in policy and programme discussion and implementation								
2.1 Ensure participation of key institutions, stakeholders in policy and Programme design and implementation	2.1.1 Ensure an all-inclusive and wide consultative process during the policy and programmes formulation, implementation, monitoring and evaluation for owners	<ul style="list-style-type: none"> Number of stakeholders participating in particular policy and programmes Descriptive participation in the planning and implementation process by all key stakeholders 	<ul style="list-style-type: none"> Increased number of stakeholders participating in particular policy and programmes 	Inclusive policy formulation and implementation	Annually	Ministry of Finance Planning and Economic Development , NPA, OPM and All MDAs CSOs, NGOs Private Sector Academia, Media, cultural and religious leaders and all citizens	2,320,000	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	hip, collaborative learning and improve ment.							
	2.1.2 Design and implement appropriate policies to address issues of regional inequalities.	<ul style="list-style-type: none"> ▪ Proportion of the most affected populations provided with incentives for economic empowerment. ▪ No of policies designed to address regional inequalities 		<ul style="list-style-type: none"> • Increased proportion of the most affected populations provided with incentives for economic empowerment • No of policies designed to address regional inequalities 	<ul style="list-style-type: none"> • Reduced regional inequalities. 	5 years	MoGLSD, Parliament, EOC, NPA,MDAs	2,000,000
	2.1.3 Broaden the	<ul style="list-style-type: none"> • Level of participation 		<ul style="list-style-type: none"> ▪ Assessment reports from 	<ul style="list-style-type: none"> ▪ Increased 	5 years	LGs, NPA, MDAs	1,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	participation of the private sector in public policy formulation by mobilizing their input through chambers of commerce, trade unions, producer associations and groups;	of the private sector in public policy formulation		the planning process	stakeholder participation during the planning process			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	2.1.4 Government should leverage the expertise of non-state actors especially civil society in mobilizing local input into project design tailored to meet local development needs,	<ul style="list-style-type: none"> Level of involvement of non state actors 		<ul style="list-style-type: none"> Increased involvement of non-state actors 	Increased participation of non-state actors mobilizing local input	5 years	NPA, MOFPED, PARLIAMENT, CIVIL SOCIETY, NGOS, CBO, MIDAS	1,500,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	before scaling them up to the national level;							
	2.1.5 Strengthen the partnership policy	<ul style="list-style-type: none"> Level of implementation of the partnership policy 		<ul style="list-style-type: none"> partnership policy strengthened 	<ul style="list-style-type: none"> Increased participation of non-government stakeholders in policy formulation and implementation 	5 years	PARLIAMENT, MDAS, CSOS, NGOS, PRIVATE SECTOR	500,000
	2.1.6 Improve participatory	<ul style="list-style-type: none"> Level of participation of key 	<ul style="list-style-type: none"> NPA is driving a process 	<ul style="list-style-type: none"> Assessment report from the LG during 	All-inclusive participation in the	5 years	NPA, LGS, MDAS	3,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	planning at local government level	stakeholders as per Assessment report from the LG during the planning process	to ensure that all plans at national and district levels are developed at after largely inclusive processes involving all key stakeholders <ul style="list-style-type: none"> ▪ Training on Planning guidelines being undertaken across LGs 	the planning process	planning and implementation process by all key stakeholders			
Sub-total								10,320,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Objective 3: Promoting Sound Public Finance Management								
3.1 Ensure sound public finance management	3.1.1 Government should meet its commitments under the PFM Act 2015 to ensure prudent use of public resources	<ul style="list-style-type: none"> Number of recommendations of the annual auditor General Reports as well as those of Parliamentary Public Accounts Committee implemented No of commitments under the PFM Act 2015 implemented 	Government implementing the Public Finance Management Act 2015	<ul style="list-style-type: none"> Reports from MDAs require the e.g. CoC, Audit Reports, Certificate of Gender and Equity, BMAU, etc Certificate of compliance to the annual budget 	<ul style="list-style-type: none"> Improved public financial reporting mechanism. Reliable public finance management systems. Compliance of annual budget to the NDP 	5 years	Ministry of Finance Planning and Economic Development ; Bank of Uganda, National Planning Authority, Parliament, Sector MDAs	5,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	3.1.2 Government should meet its commitments under the Partnership Policy to ensure zero tolerance to corruption	<ul style="list-style-type: none"> No. of commitments under the Partnership Policy implemented/enforced 		<ul style="list-style-type: none"> Commitments under the Partnership Policy implemented 	<ul style="list-style-type: none"> Prudent use of public and donor resources 	5 years	MOFPED, Development partners, MDAs	2,000,000
	3.1.3 More effort made to fully operationalize the Account	<ul style="list-style-type: none"> Extent in use of accepted (regional or international) accounting standards; No. of 		<ul style="list-style-type: none"> Increased use of accepted (regional or international) accounting standards; 	<ul style="list-style-type: none"> A standardized Financial management system 	5 years	MoFPED, OAG, MDAs	4,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>ants Act 2013 so that more certified personnel are appointed to occupy internal audit positions at key accountability levels in Government;</p> <p>3.1.4 Continue to implement the current reforms</p>	<ul style="list-style-type: none"> certified personnel appointed to occupy internal audit positions at key accountability levels in Government Proportion of LG allocation to total budget No.of reforms 		<ul style="list-style-type: none"> Increased No. of certified personnel appointed to occupy internal audit positions at key accountability levels in Government Reforms 	<ul style="list-style-type: none"> Improved efficiency in Audit and Financial management in government A fair and equitable allocation 	5 years	MoFPED, LGs, Sectors, MoLG	4,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	to ensure a fair and equitable allocation of resources to sectors and LGs (under fiscal decentralization).	implemented to ensure a fair and equitable allocation of resources to sectors and LGs	implemented to ensure a fair and equitable allocation of resources to sectors and LGs	formulation of resources to sectors and LGs				
	3.1.5 Government should also streamline	<ul style="list-style-type: none"> Ratio of budget allocation to priority sectors as 	<ul style="list-style-type: none"> Certificate of compliance to the annual 	<ul style="list-style-type: none"> Increased budget allocation to priority sectors 	<ul style="list-style-type: none"> Alignment of budget allocation to 	5 years	MoFPED, NPA	2,000,000

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	<p>ne allocations to various MDAs in ways that are more predictable, and in volumes that expand towards adequacy to meet the expenditure assignments they are expected to</p>	<p>compared to NDP planned allocation</p>	<p>budget</p>		<p>priority sectors to NDP planned allocation</p>			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>implementation;</p> <p>3.1.6 Government should restrict the issuance of supplementary budget to only fiscal shocks and emergencies</p>	<ul style="list-style-type: none"> Proportion of supplementary funding to overall government budget. 		<ul style="list-style-type: none"> Reduced proportion of supplementary funding to overall government budget 	<ul style="list-style-type: none"> Limited use of supplementary budgets 	5 years	MOPPED, PARLIAMENT	500,000
	3.1.7	<ul style="list-style-type: none"> Number of policies undertaken to minimize opportunities for fraudulent 	<ul style="list-style-type: none"> Use of mobile money for payment Online registration of 	<ul style="list-style-type: none"> Policies undertaken to practices minimize opportunities for best practice 	<ul style="list-style-type: none"> Efficiency in public financial management 	5 years	MOPPED, MoICT, PPDA, OAG,	2,500,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
3.2 Ensure a decentralized fiscal system	3.2.1 Rolling out the IFMS to the remaining LGs	<ul style="list-style-type: none"> No. of Regional best practice reports 	<ul style="list-style-type: none"> government suppliers and consultants 	<ul style="list-style-type: none"> reports 	<ul style="list-style-type: none"> Improved financial management across all LGs 	5 years	Ministry of Local Government, Local Government Finance Commission, Ministry of Finance Planning and Economic Development,	1,246,400.00

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	3.2.2	<ul style="list-style-type: none"> % real allocation to LGs across key decentralized functions against sector performance/ outcome indicators 		<ul style="list-style-type: none"> Increased financing of local government expenditure 	<ul style="list-style-type: none"> Enhanced decentralized service delivery. 	5 years	Ministry of Local Government, Local Government Finance Commission, Ministry of Finance Planning and Economic Development, and LGs	2,266,666.67
	3.2.3	<ul style="list-style-type: none"> % increase in Revenue generated from local 	<ul style="list-style-type: none"> Local economic development 	<ul style="list-style-type: none"> Increased Revenue generated from local 	<ul style="list-style-type: none"> Improved funding of 	5 years	Ministry of Local Government, Ministry of	2,000,000.00

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	on through building the local economy to	governments	initiatives	governments	local government from their revenues		Finance Planning and Economic Development, Local Governments, URA, Private Sector and development partners	
3.2.4	Enhance security of the automated financial system;	<ul style="list-style-type: none"> No. of measures taken to enhance security 		<ul style="list-style-type: none"> Measures taken to enhance security of the automated financial system 	<ul style="list-style-type: none"> Improved security of the automated financial system 	5 years	Ministry of Finance Planning and Economic Development	1,000,000.00
3.2.5	Address capacity gaps in terms of	<ul style="list-style-type: none"> No of LG staff recruited 		<ul style="list-style-type: none"> LG staff recruited LG staff 	<ul style="list-style-type: none"> Improved capacity 	5 years	Ministry of Local Government, Local	3,249,333.12

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	staffing, equipping and training at the local government level.	<ul style="list-style-type: none"> No. of LG staff trained in financial/fiscal management 		trained in financial/fiscal management	<p>Improved fiscal and financial management at the Local Government</p> <p>Increased efficiency through reduction of transaction costs</p>		Governments	
	3.2.6 Decrease the number of grants to LG since it increases efficiency through reducing transaction	<ul style="list-style-type: none"> % change in grants to LG 	Review of fiscal decentralization took place in 2012 and paved way for the implementation of fiscal reforms that has reduced the number of grants to LGs from 43 to 18 including	<ul style="list-style-type: none"> Grants to LGs decreased 	<ul style="list-style-type: none"> Increased efficiency through reduction of transaction costs 	5 years	Ministry of Local Government, Local Government Finance, Commission MDAs, Local Governments	2,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	ion costs		revisions to the allocation formulae under the Budget Reform Initiative					
	3.2.7 Roll out e-tax system to all Local governments	<ul style="list-style-type: none"> Proportion of LGs with e-tax system 	<ul style="list-style-type: none"> Tax payer registration and expansion program (TREP) and Digital tax stamps initiative 	<ul style="list-style-type: none"> Proportion of LGs with e-tax system increased 	<ul style="list-style-type: none"> Increased revenue collection from LGs 	5 years	URA, Ministry of Local Government, LGs	1,000,000
3.3 Develop predictable medium-term fiscal framework	3.3.1 Develop robust framework for fiscal projections	<ul style="list-style-type: none"> Number of fiscal frameworks in place. % deviation of medium-term fiscal framework 		<ul style="list-style-type: none"> Fiscal frameworks in place. Medium-term fiscal framework targets in line with outturn 	<ul style="list-style-type: none"> Improved fiscal projections 	5 years	MoFPED, NPA,	4,707,537.26

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		targets from outturn						
Sub-total								37,469,937.05
Objective 4: Fighting Corruption and Money Laundering								
4.1 Enhance the prevention, detection and elimination of corruption	4.1.1 Strengthen the capacity of investigation and prosecution function	<ul style="list-style-type: none"> % of anticorruption recommendations implemented. Number of grand or syndicated corruption cases registered Number of sanctions successfully carried out. Proportion of asset 	<ul style="list-style-type: none"> Anti-Corruption Agencies working with the SUGAR project are undertaking a number of initiatives across the Anti-corruption Chain e.g. development of 	Reduction in the incidence of Corruption.	<ul style="list-style-type: none"> Improvement in the Corruption perception index (%) Improved transparency 	Annually	IGG, DEI, FIA, IG, MoFPED	42,437,178

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		<ul style="list-style-type: none"> recovery orders executed Proportion of asset declarations verified by the IG 	<p>information sharing protocols and embedding them into internal processes between IG and FIA, Audit institutions, Attorney General, and MoFPED;</p> <ul style="list-style-type: none"> The IG established a Directorate of 					

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	4.1.2 Create Public awareness on corruption	<ul style="list-style-type: none"> No sensitization activities on NEVS conducted by Region 	Special Investigations to expeditiously carryout Investigations of grand and syndicate d corruption s for prosecution and punitive administrative sanctions.	Awareness programmes designed and implemented	Increased accountability and transparency	Annually	DEI	8,108,575

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4.2 Protect financial systems and the broader economy from the threats of money laundering and the terrorism financing of terrorism	4.2.1 Build the requisite expertise and technology to tackle aspects like cyber bank fraud.	<ul style="list-style-type: none"> No dissemination of activities equitably conducted on Anti-Corruption Laws and Policies Number of people apprehended for money laundering and financial fraud No transactions stopped for money laundering and financial fraud 		<ul style="list-style-type: none"> Increased number of people apprehended for money laundering and financial fraud Increased number of transactions stopped for money laundering and financial fraud 	<ul style="list-style-type: none"> Reduced money laundering cases and those on file Dispos ed-off expeditiously Improved detection 	Annually	Financial Intelligence Authority, MoFPED, BoU, URA	10,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
					on of money laundering and financial fraud			
	4.2.2 Building a cashless economy to reduce money laundering e.g. internet banking, credit card usage	<ul style="list-style-type: none"> No. of systems created to implement the e-cash system 	<ul style="list-style-type: none"> Mobile money payment of field work Online Registration of government suppliers 	<ul style="list-style-type: none"> Systems created to implement the e-cash system 	<ul style="list-style-type: none"> Reduced illicit financial flows and money laundering 	5 years	MoFPED, BoU, Private Sector	6,400,000
	4.2.3 Improve coordination	<ul style="list-style-type: none"> Number of Large Cash Transaction 		<ul style="list-style-type: none"> Large Cash Transactions Reports 	<ul style="list-style-type: none"> Improved detection 		FIA, MoFPED, BoU, IGG,	3,000,000

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	between agencies in charge of curbing money laundering and cyber crimes	<ul style="list-style-type: none"> Reports received No. of corruption cases reported 		<ul style="list-style-type: none"> received Corruption cases reported 	<ul style="list-style-type: none"> reduction of money laundering, corruption and cyber crimes 		OAG	
	4.2.4 Enforce the money laundering Act	<ul style="list-style-type: none"> Level of implementation of the money laundering Act No. of Money Laundering Act policies implemented 		<ul style="list-style-type: none"> Money laundering Act policies implemented 	<ul style="list-style-type: none"> Reduction in money laundering 		FIA, MoFPED, BoU, IGG, OAG	2,480,274
	4.2.5 Formali	<ul style="list-style-type: none"> No of 	<ul style="list-style-type: none"> URA 	<ul style="list-style-type: none"> Tax payer 	<ul style="list-style-type: none"> A 	5 years	URA,	10,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	ze the informal sector	informal tax payers included in the tax register	TREP initiative	register expanded	reduction in the informal sector		MOFPED	
	4.2.6 Improve and strengthen regulation of the new financial technology e.g. Bitcoin, cryptocurrencies and mobile money	<ul style="list-style-type: none"> No regulations in place to regulate financial technology Regulatory framework for new financial technology 		<ul style="list-style-type: none"> Regulatory framework for new financial technology developed Regulations in place to regulate financial technology 	<ul style="list-style-type: none"> Financial technology effectively regulated Reduction in financial fraud 	5 years	FIA, BoU, NPA, MoFPED	7,000,000
	4.2.7 Fastrack implementation	<ul style="list-style-type: none"> Level of implementation of e-procurement 	<ul style="list-style-type: none"> Implementation of e-governance 	E-procurement fully implemented	Reduced corruption in		PPDA, MOFPED, MDAS	3,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	of procurement	t	nt procurement		procurement			
Sub-total								
Objective 5: Accelerating and Deepening Regional Integration in the Monetary, Trade and Investment Domain								
5.1 Leverage the opportunities within the EAC and COMESA through agricultural modernization, value addition in agriculture, mineral beneficiation, manufacturing and	5.1.1 Promote private sector investment in value addition of the 12 prioritized commodities through PPP	• No. of functional value addition facilities established		Value addition facilities established through PPP	Improved agricultural production and productivity	Annually	MAAIF	25,205,479
	5.1.2 Build capacities	• No. of functioning		Agriculture physical	Increased provision of	Annually	NAADS, MAAIF	173,986,301

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	es of farmers, trades and processors in quality standards and market requirements of the 12 priority commodities	and certified agricultural marketing infrastructure.		infrastructures in place.	outputs of selected agricultural enterprises			
	5.1.3 Operate the commercialization fund	<ul style="list-style-type: none"> % increase in agro-processed products 		commercialization fund operationalised	Increased agricultural value-added commodities	Annually	MAAIF, MFPEd, BOU	21,917,808
	5.1.4 Promote investment	<ul style="list-style-type: none"> Percentage increase of smallholder 		Increase in number of small-scale farmers that	Reduced post-harvest	Annually	MAAIF	115,726,027

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	ent in storage infrastructures to reduce post-harvest losses	farmers practicing commercial agricultural production.		have adopted commercial agriculture.	losses			
5.1.5	Promote and encourage beneficiation and value addition in the priority minerals	<ul style="list-style-type: none"> No. of trainings and demonstrations conducted in mineral value addition. 		Mineral addition and beneficiation promoted.	<ul style="list-style-type: none"> Increased revenues from minerals 	Annually	MEMD	98,638,356
5.2	Deepen and accelerate the participation of Uganda in regional integration initiatives.	<ul style="list-style-type: none"> No. of recommendations from the report 	<ul style="list-style-type: none"> Uganda is in the process of passing 	Recommendations from the review of the Customs	<ul style="list-style-type: none"> Policies across the 	Annually	Ministry of EAC., MOTIC, UNBS, MDAs	10,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	recommendations of the report on the review of the Customs Union implemented	on the review of the Customs Union implemented	the Sanitary and Phytosanitary Standards Policy. This policy includes key aspects as the elevation of Uganda Bureau of Standards (UNBS) in order to align with the EAC SPS guidelines .	Union implemented	EAC region harmonised			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>global standards.</p> <p>5.2.2 Leverage Uganda's strategic location to supply goods and services and Reduce the cost of doing business especially energy and transport</p>	<ul style="list-style-type: none"> ▪ Value and volume of financial transactions between Uganda and other countries as well as value of bilateral and multilateral trade. ▪ Change in Uganda ease of doing business ranking 		<ul style="list-style-type: none"> • Improved volume and value of bilateral trade EAC facts and figures reports • Uganda Ease of doing business ranking improved 	<ul style="list-style-type: none"> • Increased volume and value in bilateral trade • Improved ease of doing business 	Annually	Ministry of EAC, MOTIC, UNBS, MDAs	10,100,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	t.							
	5.2.3 Strengthen the UNBS to become an effective player in quality assurance.	<ul style="list-style-type: none"> Proportion of budget allocation to UNBS 		<ul style="list-style-type: none"> Proportion of budget allocation to UNBS increased 	<ul style="list-style-type: none"> Effective quality assurance of goods for exportation 	Annually	MOFPED, UNBS	5,000,000
	5.2.4 Make Uganda's labor force competitive in the region.	<ul style="list-style-type: none"> Number of skilled personnel in key disciplines. <ul style="list-style-type: none"> Labor productivity Number of people retrained, trained to acquire new 		<ul style="list-style-type: none"> Skilled personnel in key disciplines Improved labour productivity Increased number of people trained to 	<ul style="list-style-type: none"> Improved competitiveness of Uganda's labour force 	Annually	MoGLSD, NPA, Private Sector, MoES,	8,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		skills.		acquire new skills				
5.2.5	Full implementation of the common market protocol	<ul style="list-style-type: none"> ▪ Level of implementation of the EAC common market protocol ▪ No. of Policies undertaken to implement the Common market Protocol 	<ul style="list-style-type: none"> ▪ Common External Tariff ▪ Joint border post with Kenya 	<ul style="list-style-type: none"> • EAC common market protocol implemented • Policies undertaken to implement the Common market Protocol 	<ul style="list-style-type: none"> • Free movement of goods and labour in the EAC region 	Annually	MoEAC, MoTIC, URA, MoFPED, NPA, MoGLSD,	12,000,000
5.2.6	Enhance awareness and public participation in	<ul style="list-style-type: none"> ▪ %age of Ugandans who are aware of the EAC integration progress. 	<ul style="list-style-type: none"> ▪ Comprehensive awareness program ▪ National communication 	<ul style="list-style-type: none"> • Increased no. of Ugandans aware of the EAC integration progress. 	<ul style="list-style-type: none"> • Full awareness of the EAC integration 	5 years	MoEAC, MoICT and National Guidance	5,000,000

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	regional integration		<ul style="list-style-type: none"> ▪ strategy on EAC issues ▪ Govt is equipping regional integration centres across the country 		process across the region			
5.2.7	Fastrack implementation of regional projects e.g SGR	<ul style="list-style-type: none"> ▪ Level of implementation of the SGR ▪ Level of implementation of the oil Pipelines ▪ Number of other EAC regional infrastructure developed. 	<ul style="list-style-type: none"> ▪ Oil Pipeline is being developed through Tanzania Land compensation for the SGR 	<ul style="list-style-type: none"> ▪ SGR Uganda completed ▪ Oil Pipeline completed EAC Infrastructure projects developed 	<ul style="list-style-type: none"> • Improved connectivity across the region • Ease of doing business across the 	5 years	MoWT, MoEMD, SGR, MoFPED,	10,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	5.2.8 Harmonizing national economic policies with those of the regional economic communities (RECs)	<ul style="list-style-type: none"> Number of regional policy frameworks domesticated 	<ul style="list-style-type: none"> Regional policy frameworks domesticated 	<ul style="list-style-type: none"> Progress towards further regional integration 	5 years	MoEAC, Parliament, MDAs	4,000,000	
	5.2.9 Increase volume of trade between Uganda and partners	<ul style="list-style-type: none"> Number of trade volume between Uganda and EAC Terms of trade between 	<ul style="list-style-type: none"> Increased trade volume between Uganda and EAC Improved terms of trade between 	<ul style="list-style-type: none"> Increased revenue from regional trade 	5 years	MoTIC, MoEAC, URA, Export promotion board, UIA	6,053,333	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	5.2.10 Support URA customs and UBOS staff with the necessary capacity to monitor the informal cross border transactions.	Uganda and EAC partner states <ul style="list-style-type: none"> No of staff trained to support customs services No of staff trained in collection of ICBT data 		Uganda and EAC <ul style="list-style-type: none"> Staff trained to support customs services Staff trained in collection of ICBT data 	<ul style="list-style-type: none"> Improved data collection and monitoring information cross-border trade 	Annually	Ministry of Trade Industry and Cooperatives , URA, Ministry of EAC and Ministry of Foreign Affairs, Private Sector	1,300,000.00
	5.2.11 Continue the construction of more	<ul style="list-style-type: none"> No of cross border markets constructed % change in 		<ul style="list-style-type: none"> Cross border markets constructed 	<ul style="list-style-type: none"> Increase in cross border trade 	5 years	MoFPED, URA, MoLGs	4,020,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	cross border markets to reduce the informality of ICBT	international trade taxes			revenues			
5.2.12	Sensitize informal traders on the importance of formalizing trade.	<ul style="list-style-type: none"> ▪ No of sensitization initiatives conducted for informal traders 		<ul style="list-style-type: none"> • Sensitization initiative conducted 	<ul style="list-style-type: none"> ▪ Increased knowledge of the advantages of formalizing trade 	5 years	URA, MoFPED, MoTIC	2,000,000
5.2.13	Incentivize informal traders so that they	<ul style="list-style-type: none"> ▪ No. of incentives given to informal traders ▪ Proportion 		<ul style="list-style-type: none"> • Incentives given to informal traders 	<ul style="list-style-type: none"> ▪ Reduction in the informal sector 			4,000,000

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	can formalize	<ul style="list-style-type: none"> ▪ of informal sector in the economy ▪ % change in informal cross border trade ▪ Volumes and value of cross-border informal trade; 						
	5.2.14 Increased construction of one-stop border posts	<ul style="list-style-type: none"> ▪ No. of more one-stop border posts constructed 	Uganda is part of the EAC Customs Union as well as COMESA and is implementing key commitments under Africa Union to support trade	<ul style="list-style-type: none"> • More one-stop border posts constructed 	<ul style="list-style-type: none"> ▪ Integration of customs services in the EAC 	5 Years	URA, EAC, MoEAC, MoFPED, MoTIC	3,000,000.00

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Sub-total								519,947,304.33
Objective 6: Developing and Implementing Trade and Investment Policies that Promote Economic Growth								
6.1 Lower the cost of credit as an incentive for private sector development	6.1.1 Implement the bankruptcy reform legislation	<ul style="list-style-type: none"> Level of implementation of the bankruptcy reform legislation 		Reduced lending rates in commercial banks	Commercial banks' willingness to lower their lending rates and improve loan recovery boosted.	Annually	BOU, MTIC	300,000
	6.1.2 Expedite policy to accept other collateral other than land as a way of	<ul style="list-style-type: none"> Level of implementation of policy to accept other collateral other than land % change in private 		<ul style="list-style-type: none"> Policy to accept collateral other than land implemented Increase in private sector credit 	Increased Private sector investment	5 Years	BoU, Private Sector	1,083,562

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	lowering credit	sector credit						
	6.1.3 Recapitalize UDB	<ul style="list-style-type: none"> Level of recapitalization of UDB Number of people/businesses accessing loans 		<ul style="list-style-type: none"> UDB Recapitalized Loans accessed by businesses 	<ul style="list-style-type: none"> Increased private sector credit and investment 	5 years	BoU, MoFPED	10,000,000
	6.1.4 Implement a policy on lowering interest rates	<ul style="list-style-type: none"> Average lending rate % change in average lending rate 		<ul style="list-style-type: none"> Average lending rate lowered 	<ul style="list-style-type: none"> Reduced cost of credit to the private sector 	5 years	BoU	1,000,000

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6.2 Provide alternative financing mechanism including	6.2.1 Avail medium to long-term development finance	Number of private enterprises accessing finance	Size of investment portfolio held by Development Banks	Increased private enterprise access to credit Increased Investment Portfolio of Development Banks	Improved private sector competitiveness	Annually	BOU, MFPED	19,041,096
	6.2.2 Create specialized funds at low interest rates targeting NDPII prioritized areas and channelled through	Number of businesses established using that fund.		Increased business establishment.		Annually	UDB	25,753,425

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	Uganda Development Bank Limited (UDBL) and Uganda Development Corporation (UDC).							
	6.2.3 Introduce Islamic banking	Functional Islamic banking		Islamic banking operationalized		Annually	BOU, MFPED	10,534,247
	6.2.4 Diversify and promote financial products and services that are tailored	Proportion of the population accessing new financial products		Gaps identified for redress by MFIs		Annually	BOU, MFPED	4,191,781

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	to the needs of population							
	6.2.5 Agricultural fund expanded	% change in funding agriculture finance		Funding agriculture increased	<ul style="list-style-type: none"> Increased value addition in agriculture 	5 years	ABI TRUST, BOU, MOFPED	2,000,000
	6.2.6 Strengthen microfinance support system	% change in Amount funding to micro finance		Amount of funding to micro finance increased	<ul style="list-style-type: none"> Increased private sector credit from micro finance institutions 	5 years	Microfinance Support Centre, MoFPED, BoU	3,000,000
	6.2.7 Creating awareness	No of businesses accessing funds from UDB		Increase businesses accessing funds	Increased private sector	5 years	UDB	2,000,000

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6.3 Develop local preference policies and regulation for tender allocation in order to nurture local business and promote its competitiveness (local content regulations)	6.3.1 Develop a National Local Content Policy	ess about the benefits under the recapitalized Uganda Development Bank.		from UDB	investment			
	6.3.2 Introduce a regulation to ban investors from hiring	Number of procurement legal frameworks aligned with the national local content policy Local people to foreigners employed (%)		A National Local Content Policy in place Local content regulations in place	Increased domestic investment	2 years 5 years	MTIC, UIA UIA	2,931,507 - 2,739,726

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6.4 Strengthen the criteria used for tax exemption and regulation	foreigners unless and otherwise it is proven to be locally available skill							
	6.4.1 Streamline the non-standard VAT tax exemptions	No. of businesses with tax exemptions.		Reduced exemptions	Widened tax base.	3 years	UIA	821,918
	6.4.2 Careful scrutinize tax exemptions before approval	No. of Tax exemptions approved.		Tax exemptions approved	Increased domestic revenue	3 years	Parliament	421,918

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	6.4.3	<ul style="list-style-type: none"> No of policies reviewed 		<p>Policies geared toward promoting investment reviewed</p>		5 years	UIA	400,000
6.5 Strengthen implementation of investment policies in facilitating economic growth.	6.5.1	<ul style="list-style-type: none"> % growth in GDP value added % of Manufactured goods to GDP Number of Agro-processing and manufacturing industries 		<ul style="list-style-type: none"> Increased growth in GDP % Manufactured goods to GDP increased Agro-processing and manufacturing industries established 	Domestic Production of high-quality products	5 years	<p>Ministry of Finance Ministry of Economic Development Ministry of Trade Ministry of Industry and Cooperatives , Private Sector, UBoS</p>	2,000,000.00

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	6.5.2 Establish effective value chains in priority commodities.	<ul style="list-style-type: none"> ■ established. ■ No. of agricultural value chains developed 		<ul style="list-style-type: none"> ● Integrated value chains in tea, maize, coffee, 	<ul style="list-style-type: none"> ● Increased agricultural productivity 	5 years	MAAIF, MoTIC,	3,006,666.67
	6.5.3 Provide supportive infrastructure such as industrial parks for export development and import substitution	<ul style="list-style-type: none"> ■ No of new industrial parks developed 	<ul style="list-style-type: none"> ● Some industrial parks have been developed e.g. Namanve 	<ul style="list-style-type: none"> ● 3 new industrial parks developed 	<ul style="list-style-type: none"> ● Increased industrial production for export development and import substitution 	5 years	MoTIC, UIA	2,000,000.00

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	6.5.4 ion. Implement the new investment amendment Act.	<ul style="list-style-type: none"> ▪ Level of implementation of the investment amendment Act. ▪ ranking on the World Bank Doing business index. ▪ Value of domestic investment 		<ul style="list-style-type: none"> • Investment amendment Act implemented • Improved ranking on the World Bank Doing business index. • Increased Value of domestic investment 	<ul style="list-style-type: none"> • Increased investment • Improvement in doing business 	5 years	MoTIC, UIA	1,300,000.00
	6.5.5 Prioritize implementation of the National Export Development Strategy	<ul style="list-style-type: none"> ▪ Value of Export revenue collected ▪ Proportion of manufactured exports to total exports 		<ul style="list-style-type: none"> • Increased value of Export revenue collected • Proportion of manufactured exports to total exports Increased • Increased 	<ul style="list-style-type: none"> • Improved foreign exchange from the country's export 	5 years	Export Promotion Board, MoTIC, UIA	4,500,000.00

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		<ul style="list-style-type: none"> ▪ export receipts as a proportion of GDP by source and enterprise and trade destination; 		<p>export receipts as a proportion of GDP by source and enterprise and trade destination;</p>	<ul style="list-style-type: none"> • Sustainable export development and export promotion 			
6.5.6	Ensure the implementation of BUBU and fast track the formulation of laws on local content.	<ul style="list-style-type: none"> ▪ Number of local investments established. ▪ Value of domestic investment to GDP 	Implementing the 'Buy Uganda Build Uganda' Policy and the National Export Development Strategy 2015/16 – 2019/20 to ensure Uganda opens up markets through negotiating	<ul style="list-style-type: none"> • Local investments established. • Increased value of domestic investment to GDP 	<ul style="list-style-type: none"> • Increased domestic investment 	5 years	MoTIC, Parliament, UIA	2,500,000.00

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	6.5.7	Strengthen embassies to engage in commercial diplomacy.	<ul style="list-style-type: none"> ▪ No of embassies trained in commercial diplomacy ▪ Value of FDI inflow 	<ul style="list-style-type: none"> • Embassies trained in commercial diplomacy • Increased value of FDI inflow 	<ul style="list-style-type: none"> • Increased foreign investment 	5 years	MoFA, UJA, MoTIC, Embassies	1,000,000.00
	6.5.8	Strengthen all the key investment support institutions and build their capacity to support	<ul style="list-style-type: none"> ▪ Performance of investment support institutions as documented in the certificate of compliance by the National Planning 	Government supporting Uganda Investment Authority which has now established a one stop center for investors registration and aftercare support	Increased FDI and domestic investments fostered by improved investment climate.	Annually	Uganda Investment Authority Ministry of Finance Planning and Economic Development Uganda Development Bank, Bank of Uganda, UJA MDAs	7,333,333.33

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	both local and international investors with investment promotion and support services	<ul style="list-style-type: none"> Authority of investor inflows Investor perception index 	services					
	6.5.9 Strengthen relevant Institutions to harness these resources optimally	<ul style="list-style-type: none"> % change in funding to oil and extractives industry No. of mining leases that are operational Number of mineral 	<p>Negotiations for the construction of an oil refinery are under way. Exploration of minerals in the rest of Uganda is continuing.</p>	<ul style="list-style-type: none"> Funding to oil and extractives industry increased Increased no. of operational mining leases Mineral testing laboratories 	<ul style="list-style-type: none"> Extractives industry institutions strengthen Increased export of 	Annually	<p>Ministry of Energy and Mineral Development Uganda Investment Authority Ministry of Finance Planning and Economic Development,</p>	<p>2,017,936.60</p>

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		<ul style="list-style-type: none"> testing laboratories staff trained. Number of mineral testing laboratories established Number of genetic resource permits issued 		<ul style="list-style-type: none"> staff trained. Mineral testing laboratories established Genetic resource permits issued 	<ul style="list-style-type: none"> valuable stones and minerals Increased revenues 		Ministry of trade and UNCST	
	6.5.10 Fast track the implementation of the ICGRL Act	<ul style="list-style-type: none"> Level of implementation of the ICGRL Act 		<ul style="list-style-type: none"> ICGRL Act implemented 		3 years		1,000,000.00
	6.5.11 Reinstatement of graduated tax	<ul style="list-style-type: none"> Progress on enactment of the graduated tax 		<ul style="list-style-type: none"> Graduated tax enacted 	<ul style="list-style-type: none"> Graduated tax enacted 	3 years	PARLIAMENT	6,000,000.00

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	to broaden the tax base				<ul style="list-style-type: none"> Increased revenue from local 			
	6.5.12 Generate income at the local level	<ul style="list-style-type: none"> % of revenue from local government to total revenues 	<ul style="list-style-type: none"> Tax payer registration and expansion project Upgrade of the e-tax system 	<ul style="list-style-type: none"> % revenue from local government to total revenues increased 	<ul style="list-style-type: none"> Increased revenue from local government 		URA, LG, MoFPED	7,000,000.00
	6.5.13 Reduce capital	<ul style="list-style-type: none"> % of capital 		<ul style="list-style-type: none"> Capital flight 	<ul style="list-style-type: none"> Reduced 	5 years	URA, FIA, MoFPED	9,561,493.12

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	flight	<ul style="list-style-type: none"> flight to GDP % change in capital flight 		decreased	<ul style="list-style-type: none"> ion in revenue losses 			
	6.5.14 Increase public and private savings and capital formation	<ul style="list-style-type: none"> % of savings to GDP Gross Fixed Capital formation % of GDP 		<ul style="list-style-type: none"> Savings to GDP increased Gross Fixed Capital formation % of GDP increased 	<ul style="list-style-type: none"> Increased savings Increased capital formation 	5 years	UBoS, MoTIC, MoFPED	8,000,000.00
	Sub-Total							143,438,607.72
	GRAND TOTAL							1,033,770,145

THEME 3: CORPORATE GOVERNANCE

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Principles, Codes and Standards								
1.0 Ratify international Principles, codes and standards	1.0.1 Amend Table F of the Companies Act (2012) to make it mandatory for all private companies and NGOs to incorporate in line with international best practices	<ul style="list-style-type: none"> ▪ Incorporation rate by private companies and NGOs ▪ Number of Companies registered 		Table F of the Companies Act 2012 amended	High incorporation rate by private companies and NGOs Accountability; and transparency;	5 years	MoJCA URSB PSFU NGO Board ICGU ULRC MTIC	133,520

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
					Enhanced efficiency			
	1.0.2 Adopt and domesticate the convention on International Convention on minimum wage No. 131.	<ul style="list-style-type: none"> ▪ Response to Cabinet regarding economic impact of the minimum wage ▪ Sector-specific minimum wages ▪ Revised minimum wage law 	<p>A number of labor conventions have been ratified by Uganda.</p> <p>Reviewed laws include; Employment Law, Workers Compensation Act and labour clauses in the Constitution.</p> <p>A single</p>	<p>Sector-specific minimum wages for Uganda approved by Government</p>	<p>Protection of workers against unduly low pay</p> <p>Reasonable standard of life for workers</p>	3-years	<p>MoGLSD</p> <p>NOTU</p> <p>COFTU</p> <p>PSFU</p>	537,812

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
			minimum wage rate of UGX136,000/= recommended by the Minimum Wage Advisory Board was considered by Cabinet, however it was referred back to MGLSD to provide more information on its implication on the economy, specifically: on investment and employment					

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
			and also to suggest sector specific minimum wages					
SUB TOTAL								671,332
Objective 1: Promoting an Enabling Environment and Effective Regulatory Framework for Business Organizations and other entities								
1.1 Create an enabling environment and effective regulatory framework for business organizations and other entities.	1.1.1 Form a consultative public-private sector forum to discuss key challenges confronting the business environment and address the weak PPP	<ul style="list-style-type: none"> ▪ No. of private sector for a held ▪ No. of staff in the Intellectual Property Enforcement Unit trained ▪ No. of 	Uganda has about 179 public sector entities and 1.5 million registered private entities and about 12,500 NGOs all expected to adhere to	<ul style="list-style-type: none"> ▪ A consultative public-private sector forum formed ▪ Intellectual 	Companies and organization full adherence to a corporate code of conduct as stipulated in the	5 years	Uganda Registration Services Bureau, Uganda Revenue Authority, Uganda	176,508

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>regime</p> <p>1.1.2 Strengthen the capacity of the Intellectual Property Enforcement Unit including financial resources and training</p>	<p>stakeholders sensitized</p> <ul style="list-style-type: none"> Budget of the Intellectual Property Enforcement Unit 	<p>corporate code of conduct as stipulated in the law</p> <p>Improvements registered in the financial services sector in as far as adherence to corporate practice; NGO Act (amended 2015) also in place to regulate conduct of NGOs</p>	<p>property rights protected</p> <ul style="list-style-type: none"> Increased awareness of intellectual property 	Companies Act 2012		<p>Investment Authority</p> <p>MoFPED</p> <p>ICGU</p> <p>Institute of Chartered Secretaries and Administrators (ICSA)</p> <p>ICPAU;</p> <p>Internal Auditor General</p> <p>MOES;</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.2 Enhance principles of corporate governance in all sectors of the economy.	1.2.1 Build capacity for enforcement particularly in relation to the Companies Act	<ul style="list-style-type: none"> Number of institutions adopting good governance principles. 	Capacity building corporate governance by some of the professional bodies (IIA, ICSA, ICGU, ICPAU etc.)	Sector specific Codes of Ethics and Codes of Conduct	Increased compliance with ethical codes and industry standards	5 years	MoH	727,060
	1.2.2 Develop sector specific Codes of Ethics and Codes of Conduct.	<ul style="list-style-type: none"> Number of sector specific Codes of Ethics and Codes of Conduct 		Administrative efficiency and effectiveness.			MoPS PSFU Capital Markets Authority ICGU BoU	
	1.2.3 Train all stakeholders in good corporate governance	<ul style="list-style-type: none"> Number of Board members and Management staff trained in both public and private 		Board members and Management staff trained in good corporate governance	Effective regulatory framework on corporate governance for all			

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.2.4 practices. Strengthen coordination among all stakeholders in relation to the quality of supervision and enforcement	agencies ▪ Number of public procurements with integrity pacts		practices Integrity Pact developed for public procurements	sectors. Economic growth/efficiency in all sectors		ICPAU;	
1.3 Take measures to support and improve governance in the informal sector	1.3.1 Facilitate, incentivize, or persuade all entities in the informal sector to register, for easy identification, regulation and	▪ No of entities in the informal sector that have been registered and supported with financial literacy and entrepreneurial skills development	Establishment of a MSME policy unit in MoFPED with a purpose to improve financial literacy and entrepreneurial skills	Increase in number of businesses registered	Gradual formalization of the private sector which is critical for expanding the tax base and regulating	2 years	Uganda Registration Services Bureau, Uganda Revenue Authority, Uganda	3,090,917

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	support. 1.3.2 Amend the laws to compel informal businesses to register.	services ▪ Number of informal businesses with TINs	development		the informal sector		Investment Authority MoFPED PSFU USSIA UNCCI	
1.4 Strengthen the role of the local population in business activities.	1.4.1 Build the capacity of entrepreneurs through business development and entrepreneurs hip training 1.4.2 Improve	<ul style="list-style-type: none"> ▪ No. of entrepreneurs trained ▪ Rate of Private sector credit ▪ Level of recapitalization 	<p>“Skilling Uganda” programme to equip young people with the requisite skills to be innovators and job creators</p> <p>The</p>	<p>Increased Private sector borrowing</p> <p>Increased local business with tax exemptions</p>	<p>Increased survival rate of new local enterprises</p> <p>Reduced informality of local business enterprises</p>	3 years	<p>Ministry of Trade Industry and Cooperatives</p> <p>MoFPED</p> <p>Uganda Investment</p>	3,754,497

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	access to finance for MSMEs.	<ul style="list-style-type: none"> of UDB Level of funding of UDC 	<p>Directorate of SMEs at MTIC trains local business owners at MTAC</p> <p>Cooperatives Act review is ongoing.</p>	<p>UDB adequately Capitalized</p> <p>Vibrant cooperatives movement</p> <p>Database for SMEs</p>	<p>Regulation of mobile payments</p>		<p>Authority</p> <p>BOU</p> <p>Uganda Manufacturers</p> <p>Enterprise Uganda</p> <p>Uganda Small Scale Industries Association</p> <p>Micro Finance support Center</p>	
	1.4.3 Streamline the institutional framework that supports SMEs.	<ul style="list-style-type: none"> Number of local businesses accessing financial services. 						
	1.4.4 Provide incentives for business linkages particularly between MSMEs and large enterprises, including Multinationals	<ul style="list-style-type: none"> Local content policy Revised Cooperatives Act % of SMEs with a loan or line of credit 	<p>Local content policy development ongoing</p> <p>Drafting of the National Payment system Bill is ongoing</p>					
	1.4.5 Finalize the	<ul style="list-style-type: none"> National 						

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	local content policy.	payment systems law						
1.4.6	Review tax exemption policies to include local business start-ups and Businesses						UDB UDC	
1.4.7	Fast track amendment of the Cooperatives act							
1.4.8	Enact a comprehensive national payment systems law that will							

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	address the legislative and regulatory gaps including in the high growth area of mobile payments							
SUB TOTAL								7,748,982
Objective 2: Ensuring effective leadership and accountability of organizations								
2.1 Provide mechanisms to ensure effective leadership of organizations.	2.1.1 Support corporate governance training in both public and private sector to appreciate the	<ul style="list-style-type: none"> ▪ No. of public and private entities fully constituted management boards ▪ No. of investors 	The National Employment Policy (2011) is under review by MGLSD	Corporate governance training Supported	Credible corporate leadership of public and private entities Increased	5 years	ICGU IGG OPM MoPS	2,136,940

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>fundamentals of prudent corporate ethics and accountability.</p> <p>2.1.2 Enforce the reporting requirement by the Civil Society Organizations to the NGO Board to ensure that they are accountable</p>	<p>attracted and sustained.</p> <ul style="list-style-type: none"> ▪ No. of CSO reports at the NGO Board 		<p>accountability reports</p>	<p>accountability of NGOs</p>		<p>URSB, NGO Board NGO Forum LGs Uganda Revenue Authority, Uganda Investment Authority MoFPED, PPDA, Bank of</p>	

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
2.2 Strengthen Corporate governance framework.	<p>2.2.1 ICPAU to regulate and ensure compliance with the Accountants Act 2013 including fast tracking of accounting guidelines for NGOs and Faith Based Organizations.</p> <p>2.2.2 ICPAU should provide</p>	<ul style="list-style-type: none"> ▪ No. of corporate entities whose staff complement includes at least one ICPAU certified professional ▪ No. of Management and Boards members trained ▪ Proportion of public and 	<p>Guidelines in place to regulate corporate entities, pension sector and financial intermediaries but more work needed to ensure more companies list on the USE</p> <p>Government is supporting corporate</p>	<p>Implementation of Audit Recommendations by Supervising Agencies</p> <p>Financial support for Corporate Governance training</p>	<p>More adherence to accountability standards</p>	3 years	<p>OPM</p> <p>MoPS</p> <p>Auditor General</p> <p>ICPAU</p> <p>IGG</p> <p>Uganda Registration Services Bureau,</p> <p>MoFPED,</p>	4,402,172

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>continuous development of the Accounting profession.</p> <p>2.2.3 Institutionalize training in corporate governance for Management and Boards</p> <p>2.2.4 Enforce timely, transparent and accurate accountability and disclosure of information on all matters in line with</p>	<p>private entities with platforms for timely, transparent and accurate disclosure of information regarding corporate performance</p> <ul style="list-style-type: none"> ▪ Number of users accessing MDA websites for statistics. 	<p>entities through various capacity building programs to provide routinely their books of accounts as well as non-financial information</p> <p>Policy to regulate FBOs</p>				<p>PPDA</p> <p>ICGU</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	Table F.							
2.3 Strengthen regulations in the practice of professionals in corporate governance.	<p>2.3.1 Enhance governance within individual professional regulatory bodies.</p> <p>2.3.2 Train professionals in good corporate governance.</p>	<ul style="list-style-type: none"> ▪ Proportion of Professions trained institution per ▪ Number of cases of professional Misconduct by Profession 		Corporate governance training within professional regulatory bodies	Increased compliance to corporate governance principles, codes and standards	5 years	<p>ICGU Uganda Law Society ICPAU;</p> <p>Uganda Institution of Professional Engineers: (UIPE); Uganda Bankers Association (UBA);</p>	

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
2.4 Strengthen shareholders' capacity to participate in Annual General meetings and to hold organizations to account.	2.4.1 Enforce corporate laws that compel entities to publicly disclose quarterly and annual performance	<ul style="list-style-type: none"> ▪ Proportion of public and private entities that disclose their financial statements publicly ▪ No. of individuals disclosing 	There were discussions about forming a shareholders' association but this has never started.	<ul style="list-style-type: none"> ▪ Increased awareness of corporate performance information by shareholders 	Legitimate rights and interests of minority shareholders protected	3 years	Uganda Society of Architects; Uganda Medical Associations; etc.	165,227

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	<p>data;</p> <p>2.4.2 Enforcing the holding of Annual General Meetings.</p> <p>2.4.3 Establish and/or enforce minimum qualifications for Board Members of public institutions.</p>	<p>assets and liabilities under the Leadership code Act in the public sector</p> <ul style="list-style-type: none"> % of MDAs with Financial Reports in compliance with Public Finance Management Act and regulations. 		<p>olders</p> <ul style="list-style-type: none"> Increased involvement of minority shareholders in decision making 			<p>Office of the Auditor General.</p> <p>Office of the Internal Auditor General</p> <p>ICGU</p> <p>PSFU</p>	

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2.5 Ensure adherence to national and international accounting and auditing standards and practices	<p>2.5.1 Provide training for entities to enhance applicability of auditing and accounting standards and practices by and within organizations.</p> <p>2.5.2 Undertake continuous development of internal auditors to comply with</p>	<ul style="list-style-type: none"> ▪ Trends in the number of public and private entities that uphold international accounting standards ▪ Publication of list of certified auditors 	ICPAU has since 1997 adopted the International Accounting Standards that has now become the International Financial Reporting Standards issued by the International Accounts Standards Board	List of certified public auditors	Increased level of compliance by companies to regional and international accounting standards	3 Years	Local Governments Office of the Accountant General Office of the Auditor General, ICPAU Inspectorate of Government Local	1,084,992

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	the Accountants Act 2013 including fast-tracking of accounting guidelines for NGOs and Faith Based Organizations						Governments Internal Auditor General	
2.6 Ensure that the corporate governance framework incorporates a risk management and effective internal control mechanism	2.6.1 Support corporate entities (especially those newly registered) to adopt a disciplined approach to evaluation and management	<ul style="list-style-type: none"> Proportion of corporate entities timely submission of both internal and external audits disclosing their risk portfolio 	Internal audit departments at central and local government level under obligation to ensure internal controls are in place to reduce fiducial	Support to Corporate entities to adopt a disciplined approach to evaluation and management of risk	Prudent entities that adhere to recommendations of internal and external audits	2 years	Internal Auditor General Office of the Auditor General,	2,274,531

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	<p>of risk through the institution of good corporate conduct and prudence.</p>	<ul style="list-style-type: none"> ▪ %age of clean Audit Reports ▪ % of Audit recommendations implemented by MDAs and LGs. ▪ Risk Registers ▪ Risk Management Manuals 	<p>risk</p>				<p>Inspectorate of Government</p> <p>Private Sector Entities at all levels</p> <p>Local Governments</p> <p>Business entities both public and private</p>	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Sub Total								10,063,862
Objective 3: Ensuring Ethical Conduct within Organizations								
3.1 Enforce standards within Organizations.	<p>3.1.1 Embed a philosophy where each individual contribution is valued and ethical codes embedded in workplace policies.</p> <p>3.1.2 Every profession/org anization develops ethical standards to</p>	<ul style="list-style-type: none"> ▪ Proportion of corporate entities aware and implementing the Code of Ethics for Private Sector 2014; ▪ Public sector entities supported to implement core values and principles that embed 	Government implementing the National Ethical Values Policy (2013); streamlining public procurement under PPDA Act and ensuring ethical conduct through the Companies Act 2012	Ethical codes of conduct developed at workplaces MDAs with client charters	Increased compliance to ethical codes of conduct High integrity of public procurement s	3 years	Directorate of Ethics and Integrity, Equal Opportunities Commission, Uganda Human Rights Commission Federation of Ugandan Employers	2,052,023

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	be complied with by all.	corporate conduct in their code and rules of conduct as part of their workplace policies.					Corporate entities both in the public and private sector	
	3.1.3 Enforce implement charters of responsibility/ client charters.	<ul style="list-style-type: none"> ▪ % of MDA & LGs where anti-corruption laws and National Ethical values are disseminated 		Integrity pacts developed and enforced for public procurements			Ministry of Public Service	
	3.1.4 Develop and enforce Integrity Pacts for each public procurement process to improve transparency and accountability in public procurement	<ul style="list-style-type: none"> ▪ % of Local Governments with functional District Integrity Promotion Forum (DJIFS). 						

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
3.2 Strengthen mechanisms to fight corruption	3.2.1 Review the institutional arrangements, mandates and competences of organizations formed to fight corruption to address overlap	<ul style="list-style-type: none"> ▪ Prosecution of offenders ▪ Number of anti-corruption laws and institutions reviewed ▪ Number of cases of maladministration, abuse of power or office by the public authorities adjudicated and concluded. 	Prosecution of offenders in the Anti-corruption court.	Institutional arrangements, mandates and competences streamlined	Increased efficiency in the fight against corruption	3 years	Directorate of Ethics and Integrity. OPM Parliament Judiciary.	61,530,837
	3.2.2 Enforce the 'whistleblowers Act' especially on procurement.	<ul style="list-style-type: none"> ▪ Proportion of MDAs sensitized on corruption. 	Reduction in number of corruption cases reported	Reduction in number of cases of abuse of office by the public authorities	Reduction in incidents of corruption reported		Inspectorate of Government Uganda Human Rights Commission.	
	3.2.3 Build capacity for early detection and voluntary	<ul style="list-style-type: none"> ▪ Number of 						

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	sharing of information on acts of corruption.	<p>corruption cases reported.</p> <ul style="list-style-type: none"> ▪ No. of policies, laws and regulations translated in local languages. ▪ Proportion of corruption cases investigated. 					Security agencies. Private sector at all levels.	
SUB TOTAL								63,582,860
Objective 4: Ensure that Organizations treat Stakeholders Fairly and Equitably								
4.1 Strengthen the mechanisms for ensuring equitable	4.1.1 Implement the provisions of the	<ul style="list-style-type: none"> ▪ Proportion of corporate entities whose 	Uganda in the process of reviewing the	Implementation of the provisions of	Stakeholder awareness levels of	2 years	Equal Opportunities	31,872,922

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treatment stakeholders of	Companies that support equitable treatment of all stakeholders. 4.1.2 Develop programs to educate stakeholders on their rights. 4.1.3 Strengthen the capacity of the Equal Opportunities Commission and the Uganda Human Rights Commission	stakeholders report on an annual basis to have been treated equitably by their organizations including equal treatment for women at the workplaces ▪ No. of sectors that have mainstreamed gender in their policies ▪ No. of sectors of local governments that have integrated sector specific	Labour Unions Act (2006) and is implementing	the Companies Act Stakeholders sensitized Financial and human capacities of EOC and UHRC strengthened	their rights improved Stakeholders (workers) ability to fully enforce their rights at the workplace enhanced and upheld.		Commission Uganda Human Rights Commission Ministry of Gender Labour and Social Development Ministry of Ethics and	

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	to effectively execute their mandate.	gender concerns in their policies, development planning and programmes					Integrity. Public and Private sector entities Labour Unions. Federation of Uganda Employers.	
SUB TOTAL								31,872,922
Objective 5: Ensure that Organizations Act as Good Corporate Citizens								
5.1 Put in place measures to encourage organizations in the	5.1.1 Develop and implement a National Framework or	<ul style="list-style-type: none"> ▪ No. of entities with CSR programs. 	A number of entities engaged in corporate	Coordinated CSR activities in line with the	Improved health and quality of life for	3 years	Ministry of Gender, Labour	2,303,859

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public, informal and non-profit organizations to act as good corporate citizens	<p>guidelines for CSR to enable alignment of CSR projects with development and community priorities</p> <p>5.1.2 Create awareness and advocacy programs on Corporate Social Responsibility.</p>	<ul style="list-style-type: none"> Alignment between the CSR projects and the national development plans Public, not-for-profit and other corporate entities reporting engagement in corporate social responsibility 	<p>social responsibility notable which is the annual MTN Marathon; Kabaka's Birthday Marathon, Cancer Run by Rotary International and Centenary Bank, among others</p>	national and community development priorities	communities, workers and other stakeholders.		and Social Development Department of Ethics and Integrity, Equal Opportunities Commission, Uganda Human Rights Commission	

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5.2 Ensure that organizations comply with environmental regulations, wildlife conservation as well as other natural resources	5.2.1 Strengthen the capacity of NEMA to coordinate and enforce corporate and industrial compliance with environmental laws, policies	<ul style="list-style-type: none"> Proportion of organizations both in the formal and in the informal sector embedding natural resource and environmental protection within their code of 	Uganda under the NEMA Act is implementing regulations that issue a requirement for environmental impact assessment	Financial and human capacities of NEMA strengthened	All corporate organizations include environmental and natural resource protection aspects in their	3 years	Federation of Ugandan Employers PSFU MTIC UJA	2,269,789

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	and standards. 5.2.2 Amend the NEMA Act to accommodate emerging challenges associated with the regulation of the oil and gas, chemicals management, climate change mitigation and adaptation	<p>conduct</p> <ul style="list-style-type: none"> ▪ No. of legal action against environmental degradation. ▪ No. of complaints from the public. ▪ Ratified initiative on Extractive industries and transparency. ▪ No. of environmental impact assessment certificates issued by NEMA for projects. 	<p>certificates for all projects at commencement</p> <p>The Policy for National Oil and Gas includes the need to ratify the extractive industries and transparency initiative.</p> <p>Stakeholders' technical review of the NEMA Act was initiated in 2016</p>		reporting and code of conduct		<p>Development</p> <p>Ministry of Foreign Affairs</p> <p>Ministry of Gender, Labour and Social development.</p> <p>Public and Private entities at national and subnational level</p>	
	5.2.3 Ratify the extractive industries and							

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Specific Objectives	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	<p>transparency initiative</p> <p>5.2.4 Enforce the implementation of the occupational health and safety laws and regulations.</p>	<ul style="list-style-type: none"> Amended NEMA Act 						
5.3 Involve youth and women in environmental protection activities.	<p>5.3.1 Develop and implement youth environment protection policy and programmes.</p>	<ul style="list-style-type: none"> No. of youth involved in environment protection activities and programmes. 		Implementation of youth environment protection programmes	Better environmental protection	5 years	NEMA Ministry of Gender Labour and Social development.	4,353,007

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
SUB TOTAL								8,926,655
GRAND TOTAL								90,993,691

THEME 4: SOCIO-ECONOMIC DEVELOPMENT

Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Principles, Codes and Standards								
1.0 Sign standards that the country has not yet signed within socio-economic development	1.0.1 Make recommendations on processes that take place before codes and standards are signed	Communication materials on processes that take place before codes and standards are signed		Principles, Codes & Standards implemented		3	MGLSD	
	1.0.2 Review and develop a plan to identify pending relevant socio-economic	Plan for to identify pending relevant socio-economic					All relevant sectors	
	1.0.3 Sign pending relevant socio-economic codes and standards	Number of pending socioeconomic codes and standards signed, ratified and domesticated						

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
Objective 1: Promoting an Enabling Environment and Effective Regulatory Framework for Business Organizations and other entities								
1.1 Develop policies and strategies formulated to promote and accelerate broad based sustainable socio-economic development	1.1.1 Establish a sector Monitoring and Evaluation system to track the implementation of key government policies, programs and projects.	<ul style="list-style-type: none"> Proportion of M&E findings from LGs that are followed up. Proportion of MDAs followed up for action on M&E findings annually 		Capacity for M&E systems built.		4 Years	National Planning Authority	325,478,168
	1.1.2 Review and align priority sector policies to the NDPII objectives and goals.	<ul style="list-style-type: none"> Number of policies aligned to NDPII priorities. 	Compliance assessment of sector MDA and LG Planning Frameworks to the National Plan	Sector policies aligned to the NDPII objectives and goals.				Ministry of Finance Planning and Economic Development Local Governments and

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.2 Build capacity to formulate, implement and monitor broad based frame work for socio-economic development	1.2.1 Establish mechanisms to enhance capacity for development of consistent sectoral and national development plans	Number of staffs trained		Capacity building plan in place	Capacity for policy formulation, research and M&E strengthened.	3 Years	non-state actors National Planning Authority	101,00,168
	1.2.2 Support continuous professionalization of economic management cadre across government and partner institutions	Number of staffs trained by gender		Framework for continuous professionalization of economic management cadre developed			Ministry of Finance Planning and Economic Development, Local Governments and non-state actors	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.2.3	Introduce measures to strengthen the capacity of sectors to prepare Bankable projects	<ul style="list-style-type: none"> Number of MDA and LG staff trained on the use of project preparation guidelines 	MDAs trained in project preparation and undertaking of feasibility studies			Development partners	
	1.2.4	Establish and operationalize a multi-sectoral (inter and intra) mechanism to coordinate and harmonize implementation of Government policies and programme	<ul style="list-style-type: none"> No of government programmes implemented as planned No. of staff recruited No. of research and innovation framework papers 	Gov't policies and programmes implemented				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
		<ul style="list-style-type: none"> % of budgeting and planning instruments aligned to the NDP II 		Certificate of Compliance Assessment				
1.3 Implement measures and strategies for raising financial resources for implementation of national development plan, programs and policies	<p>1.3.1 Recapitalize Uganda Development Bank Limited (UDBL)</p> <p>1.3.2 Create specialized funds at low interest rates targeting NDP II prioritized areas and channeled through Uganda Development</p>	<p>Level of recapitalization</p> <p>Number of businesses established using that fund.</p>	<p>UDB has been capitalized with 150 billion</p> <p>UDC has been strengthened as the investment arm of government</p>	<p>Uganda Development Bank Limited (UDBL) recapitalized</p> <p>Increased business establishments.</p>	<p>Increased domestic financing of the national budget</p> <p>Widened tax base.</p>		<p>National Planning Authority</p> <p>Ministry of Finance Planning and Economic Development</p>	<p></p> <p>210478423</p>

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	Bank Limited (UDBL) and Uganda Development Corporation (UDC).							
1.3.3	Develop and implement a policy on mandatory association membership for informal sector players	Tax to GDP ratio.		More domestic revenue collected.	Reduction in donor aid dependence		Bank of Uganda	
1.3.4	Rationalize the rental tax regime and integrate e-tax with utilities and other agencies	Proportion of Rental revenue to overall domestic revenue.		More rental, utilities and agencies revenue collected			Local Governments and non-state actors	
1.3.5	Streamline the non-standard	No. of businesses with tax exemptions.		Reduced tax exemptions			Development	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	VAT tax exemptions						partners	
	1.3.6 Develop mechanisms for exploiting capital gains tax	Proportion of capital gain revenue to overall Tax revenue.		Increased capital gain revenue.				
	1.3.7 Introduce measures to strengthen the capacity of sectors to prepare Bankable projects	Number of investment ready bankable projects	Capacity Building of MDA and LG staff in resource mobilization	Bankable projects in place				
	1.3.8 Harmonize all revenue, NTR and grants to government	Amount of Alternative Revenue		Alternative Revenue sources explored				
	1.3.9 Develop guidelines for all off beget,							

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
1.4 Establish and implement policies and strategies to enhance environmental management and protection for sustainable development	off MTEF inflows.							
	1.4.1 Enforce compliance with environmental and natural resources legislation and standards at all levels.	Number of enforcement regulations and laws in place.	Ban of polythene synthetics and other plastics in favor of biodegradable products	A functional legal framework to enforce environmental standards.	Increased level of restoration of environment degraded fragile ecosystem.	2 Years	Ministry of Water and Environment National Environmental Management Authority,	90231168
	1.4.2 Restore the degraded fragile ecosystems (river banks, bare hills, range lands and lake shores)	Number of mechanisms/guidelines developed and implemented	Afforestation under NFA	PES mechanisms /guidelines for forests and wetlands developed	Increased wetland cover.		National Forest Authority, Ministry of Lands Housing and Urban Development District Local Governments	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	1.4.3	Establish an appropriate institution for coordinating National Climate Change response.	Number of institutions with climate change response strategy	National Climate Change response institution established.			Private sector and non-state actors	
	1.4.4	Establish an appropriate Legal framework for climate change policy implementation and compliance.	Legal framework for climate change policy implementation and compliance established in place	An appropriate Legal framework for climate change policy implementation and compliance established				
	1.4.5	Integrate and implement the National Climate	Number of environmental monitoring reports produced.	National coordination, monitoring and				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	Change Policy (NCCP) including awareness creation in all MDAs, LGs as well as CSOs and the private sector.			reporting strengthened.				
	1.4.6 Strengthen national coordination, monitoring and reporting on the implementation of regional, international standards and commitments.	Number of trees planted and surviving (by category).(million)		Increased forest cover				
		Area (Ha) under community forests.						
1.5 Adopt measures to	1.5.1 Implement the	Number of Lead	Preserving	The capacity		3 Years	National	71,010,253

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
ensure environmental sustainability and accountability	green economy initiatives including integration of environmental sustainability into planning and implementation of development processes	Agencies trained, equipped and tooled and effectively implementing the plan	natural forest, Afforestation and reforestation	of key lead agencies in oil and gas sector developed			Environmental Management Authority, Ministry of Water and Environment District Local Governments	
	1.5.2 Promote	Level of environmental compliance within the Oil and Gas region	Reclamation of wetlands	The Oil and Gas environmental monitoring plan effectively implemented by all the responsible Lead Agencies				
		Area (Ha) of forest	Ecological	Natural				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	sustainable development of commercial forest plantations and industry including value addition.	plantations established by NFA.	management and protection	forests on protected and private land restored.				
	1.5.3 Promote implementation of sustainable management of forests through restoration of natural forests on protected and private land	Number of research findings and recommendations disseminated and adopted for forestry.		Research and development in forestry promoted.				
	1.5.4 Support the traditional/cultural institutional	Ha. Of private forests		Increased private forests				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	efforts in tree planting and environmental awareness.							
	1.5.5 Establish a national day for tree planting (At All levels; LGs, NEMA, NFA, NWSC,)	No. of trees planted		Increased private forests	Increased forest cover			
	1.5.6 Diversify the energy mix to increase the proportion of green energy especially community solar plants, geo thermal, bagasse (sugar cane) plants thermal energy in rural							

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	areas.							
	1.5.7 Promote and facilitate the use of renewable energy technologies like bio-fuels, wind, solar, and LPG at household and institutional level	Number of household /institutions/firms accessing power Proportion of other different energy sources (solar panels, Biomass)		Renewable energy technologies established				
Sub-Total								385,443,944
Objective 2: Encourage broad based participation in Development								
2.1 Promote and encourage stakeholder's participation in broad based sustainable	2.1.1 Develop and implement local content policy and strategy to	Number of local investments established		Increased Percentage of Local Content in Industrial	Increased public Participation in development	3 Years	Ministry of Finance Planning and Economic	100000000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
socio-economic development	increase local participation in industrial production			Production	Production programmes and projects		Development	
		Number of employment opportunities created		Increased Local Content in management of Industries			National Planning Authority (NPA)	
		% increase in income for local investors		Increased local investments			Office of the Prime Minister Office of the Presidency MDAs Private Sector Local Governments	
	2.1.2 Enhance participation of	No. of the SNE persons in the	Sector Wide Groups and	More participation			Media CSOs and	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	disadvantaged and marginalized groups in skills development	attaining skills training	Annual Sector Reviews that bring together various stakeholders per sector	of the vulnerable persons in skills development			NGOs as well as Development Partners	
	2.1.3 Establish a national and regional framework for youth participation in economic and social activities within the EAC region	No. of youth participating in EAC activities	Presidential Round Table with Investors	Increased participation of youth in economic and social activities within the EAC region				
	2.1.4 Enhance effective participation of the marginalized in social, economic and	Number of marginalized groups participating in decision-making process monitored and reports produced and shared with	Public forums like Barazas in communities	Participation of marginalized groups in decision-making process				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	political activities for sustainable and equitable development.	relevant authorities/stakeholders		monitored and reports produced and shared with relevant authorities/stakeholders				
		Number of MDAs and LGAs assessed on involvement of marginalized groups in decision-making processes		Involvement of marginalized groups in decision-making processes assessed within Parliament and LGs				
		Number of public awareness campaigns conducted		Public awareness campaigns on equal opportunities targeting the				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
				youth, older persons, women, PWDS and people living with HIV/AIDS conducted				
	2.1.5 Introduce measures to strengthen citizens and the public participation in parliamentary business.	No of people attending parliamentary sessions		Increased citizen and public participation in parliamentary business.				
	2.1.6 Implement programmes to strengthen civic participation and engagement in national	Percentage of eligible voters in the National Voters' Register.		Voter participation and engagement in national democratic processes strengthen				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	democratic processes.	Status of Register of Special Interest Groups (of the total registered voters).		d.				
2.2 Involve the private sector in the design, formulation and implementation of development policies and strategies	2.2.1 Promote private sector investment in value addition.	No. of functional value addition facilities established		Value addition facilities established through PPP	Increased private sector Participation in development programmes	3 Years	Ministry of Finance Planning and Economic Development	360,724,970
	2.2.2 Promote private sector investment in tourism skills development with focus on hospitality and wildlife management.	No of private institutions offering training in tourism and related courses		Increased private sector investment in tourism skills development			National Planning Authority (NPA) Private Sector Local Governments	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	2.2.3 Support the private sector in technical and entrepreneurship skills development.	No. of private sector players trained		Private Sector players trained in technical and entrepreneurial skills			Media CSOs and NGOs as well as Development Partners	
	2.2.4 Incentivize the private sector to invest in trade infrastructure development such as cold storage facilities, laboratories and community silos.	Number of cold storage facilities, laboratories and community silos		Financial credit for cold storage facilities, laboratories and community silos extended to private sectors and communities				
	2.2.5 Support and incentivize the	Percentage funding allocated to private		Innovation and				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	private sector to contribute to innovations, research and development.	sector researchers and innovators		Industrialization Fund established				
	2.2.6 Increase private sector involvement in the implementation of water for production facilities, including use of the Public-Private Partnership (PPP) arrangement.	Number of waters for production facilities constructed by the private sector		Private sector involvement in the implementation of water for production facilities increased.				
	2.2.7 Promote production and use of low-cost locally	% of low-cost locally assembled devices and applications by type		Increased production and use of low-cost locally				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	assembled devices in collaboration with the private sector			produced devices and applications				
	2.2.8 Support and strengthen partnerships between the public and private sector to provide education at all levels	No. of MOUs signed		Partnerships at all education levels supported and strengthened				
Sub-Total								1,360,724,970
Objective 3: Poverty, Unemployment and inequality								
3.1 Develop and implement policies and strategies to reduce poverty and inequality, particularly	3.1.1 Provide micro-credit to small business from Micro Finance Support center	No of women entrepreneurs provided with affordable credit and other financial services	Implementation of the Youth Livelihood programmes	Affordable credit and other financial services provided to	Empowered youth, women and the vulnerable persons	4 Years	Ministry of Finance Planning and Economic Developm	1,000,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
in terms of access to resources and basic services	under the for- investment proposals.			women entrepreneurs			ent; All MDAs, Local Governments, the Private sector	
	3.1.2 Provide skills livelihood support to the youth	No. of young people provided with employable skills		Skills among young people promoted				
	3.1.3 Improve people's Livelihoods and incomes	Proportion of the budget spent to social inclusion programmes Number of new businesses set up Number of business initiatives / ventures supported. Number of new jobs created		Social inclusion programmes implemented				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	3.1.4 Construct, operate and maintain appropriate community water supply systems in rural areas.	No. of water facilities constructed by technology		Access to rural water supply Increased				
	3.1.5 Target investments in water stressed areas abstracting from production wells as large GfS where appropriate to serve the rural areas.	No. of water facilities rehabilitated by technology		access to rural water supply Increased				
	3.1.6 Improve the regions road,	% of households connected to the national grid.		Improved infrastructure				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	electricity and water infrastructure to promote tourism and Mining (Karamoja, Northern Uganda, Teso, Bunyoro, Luwero-Rwenzori, Eastern, Busoga, West Nile Sub-Regions and Island communities)	% access to safe water Km of roads in fair to good condition						
3.2 Develop and implement Policies and strategies to combat social inequality in particular with regard to PWDS	3.2.1 Enhance effective participation of the marginalized in social,	Number of marginalized groups participating in decision-making process monitored and reports produced and shared with	The National Disability Policy 2006 and the National council for Disability Act	Participation of marginalized groups in decision-making process		4 Years	Ministry of Gender labor and Social Development	264,667,84 2.8

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	economic and political activities for sustainable and equitable development.	relevant authorities/stakeholders	2003 are in place and being implemented and person with disability act 2006. There are representative of PWDs in Parliament	monitored and reports produced and shared with relevant authorities/stakeholders Involvement of marginalized groups in decision-making processes assessed within Parliament and LGs			Ministry of Finance Planning and Economic Development	
		Number of MDAs assessed on involvement of marginalized groups in decision-making processes		Dialogues with LGAs-CAOs, DHOs, DCPS, Referral hospitals			Office of the Prime Minister	
		Number of dialogues held						

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
				and the public on Equal Opportunities held				
		Number of public awareness campaigns conducted		Public awareness campaigns on equal opportunities targeting the youth, older persons, women, PWDS and people living with HIV/AIDS conducted			Local Government, NGOs, CSOs and the Private Sector	
	3.2.2 Enforce the constitutional Article 21 and introduce sign language; the	No. of Media houses integrating Sign Language		Sign Language integrated			Development Partners	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	Business Technical Vocation, Education and Training Act.							
	3.2.3 Support the Adult Functional Literacy that includes PWD opportunities to read and write to increase their access to employment.	No of PWDs Employed		PWD opportunities created				
3.3 Develop and implement National programs, policies and strategies to reduce poverty (with focus on feminization of poverty)	3.3.1 Establish livelihood support initiatives to support the plight of women, children and	Number of economic empowerment and livelihood programs established in slums areas and new settlement areas.	Existence of programs like skilling Uganda, NUSAF, PRDP which empower the various groups	Reduction of urban poverty and increased economic livelihood for women, children and	Reduced gender-based inequality	2 Years	Equal Opportunities Commission	200,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	other vulnerable groups			other vulnerable groups in slums.				
	3.3.2 Set up a specific fund to support women in tourism sector to grow out of the informal to the formal status with clear e-market linkages	Number of women supported with resources from the set-up fund	Gender Audits through the Gender Equity Certificate	A specific fund to support women in tourism sector in place			Ministry of Finance Planning and Economic Development, Ministry of Gender labor and Social Development Local Governments	
	3.3.3 Increase entrepreneurs hip skills development for women	No. of female students accessing skills development		Gender parity in skills development			CSOs and NGOs	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
3.4 Develop and implement National programs, policies and strategies to reduce child mortality, improve maternal health and combat HIV/AIDS and malaria	and mentoring of girls							
	3.3.4 Strengthen the land rights for the poor and vulnerable groups.	Number of sensitizations on land rights, valuation and compensation held		Land rights for the poor and vulnerable groups strengthened			Development Partners	
	3.4.1 Maternal, Neonatal and Child Health							
	3.4.2 Scale up and sustain effective coverage of a priority package of cost-effective child survival interventions	% of facilities with no stock out of the lifesaving commodities		Priority package of cost-effective child survival interventions scaled up	Infant mortality rate	4 Years	Ministry of Health	
	3.4.3 Provide universal	% of facilities without stock out of tracer FP		Supply and distribution	Under five Mortality		Ministry of Finance	

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	access to family planning (FP) services	commodities		of FP commodities	Rate		Planning and Economic Development MDA, Local Government, NGOs and CSOs as well as Development Partners	
	3.4.4 Increase access to Skilled Birth Attendants (SBA), Emergency Obstetric Care (EmOC)	% of facilities offering basic obstetric care services (segregated by level)		Skilled human resources recruited	Maternal Mortality Ratio			
	3.4.5 Improve access to Goal oriented	% of pregnant women receiving ARVs for PMTCT	Implementation of prevention of mother-to-	Comprehensive ANC services	Under five deaths among			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	Antenatal Care (ANC), PNC and PMTCT		child transmission (PMTCT) 2011	provided at all levels	1,000 under 5 admissions in public and private health facilities			
		% of facilities without stock out of iron/folate			Maternal deaths among 100,000 deliveries (Institutional maternal deaths)			
	3.4.6 Develop and sustain collective action and mutual accountability for ending preventable maternal, new	% of maternal deaths occurring in the health facilities that were reviewed (MPDR)		Maternal and Perinatal Deaths, Surveillance and Response system functional.				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	born and child deaths; Maternal and Perinatal Deaths, Surveillance and Response.							
	3.4.7 Mass treatment of malaria for prevention	%age of population treated		Mass treatment of malaria for prevention carried out	% of deliveries in health facilities (Health Centers and Hospitals, Public and Private Not for Profit)			
	3.4.8 Mass distribution of long-lasting insecticide treated nets (LLINs)	Number of LLINs distributed	There is mass distribution of long-lasting insecticide treatment net (LLIN) and insecticides	LLINs distributed	OPD Malaria cases			

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
			residual spray (IRS)					
3.4.9	Insecticide distribution spraying to high transmission districts	IRS coverage in high transmission areas		IRS to high transmission areas	Under five admissions			
3.4.10	larvicide (Killing Mosquito Larvae)	Number of stagnant water bodies spread with larvicides		larvicide carried out on stagnant water bodies				
3.4.11	Scale-up the integrated community case management of malaria and other childhood illnesses	Number of districts implementing ICCM		ICCM scaled up				
3.4.12	Improve	% of malaria cases confirmed with		Improved parasite-				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	facility-based malaria case management	laboratory diagnosis (rapid diagnosis or microscopy)		based diagnosis				
	3.4.13 Scale-up to access antiretroviral therapy	% of eligible (from HC III upwards) health facilities providing ART % of ART sites without stock out of ARVs	Free HIV Testing and Counselling (HTC)	Health facilities accredited	New HIV infections among adults HIV related deaths			
	3.4.14 Test and treat children (<15 yrs) and pregnant women, sero-discordant couples, and people with TB/HIV co-infection.	Number counselled and tested for HIV within 12 months		ARVs procured and distributed HIV Counselling and Testing done for all vulnerable groups				
	3.4.15 Routine screening and	% age of HIV positive clients screened and treated for TB		HIV positive clients screened				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	treating of TB in all HIV positive clients.			and treated for TB				
	3.4.16 Scale-up HIV prevention interventions:	Number of health workers trained in HCT according to national standards in the past 12 months	Strengthened supply of both male and female condoms and consistent condom promotion	Skilled health workers available for HCT, SMC				
		Number of HIV Test kits procured and distributed		HIV test kits available				
		Number of SMC kits procured and distributed		SMC kits procured and distributed				
		Number of male condoms procured and distributed		Condoms procured and distributed				
	3.4.17 Develop	No. of strategies to		Strategies to				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	strategies to address gender related barriers that limit access and use of available HIV prevention and AIDS treatment services for all	address the barriers in place		address gender related barriers that limit access and use of available HIV prevention and AIDS treatment services for all developed				
	3.4.18 Establish and ensure access to HIV prevention and management programs for adolescent boys and girls.	No. of HIV prevention and management programs for adolescent boys and girls established		HIV prevention and management programs for adolescent boys and girls established				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
3.5 Develop and implement Policies and strategies put in place for combating unemployment particularly among the youth	3.5.1 Institutionalize internship and apprenticeship for hands-on training in both private and public organizations	No. of organizations providing slots for internship and hands-on training		Wider internship from both public and private organizations	Reduced unemployment rate	3 years	Ministry of Gender labor and Social Development	500,000,000
	3.5.2 Establish functional linkages between training institutions' curricula, potential employers and job opportunities	No. of students accessing training and employment		Linkages established between training institutions and the work environment	Improved welfare of the youths, women and vulnerable groups		Ministry of Finance Planning and Economic Development, Local Government, NGOs and CSOs	
	3.5.3 Establish employment information bureaus to	No. of people placed		employment information bureaus established and			Private Sector and Office of the Prime Minister	

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	facilitate access to jobs			operational				
	3.5.4 Embracing Youth Agenda and the vulnerable groups Agenda	No. of youth livelihood projects	Implementation and strengthening of the youth livelihood program targeting unemployed youth	Livelihood programmes supported.				
	3.5.5 Promote culture and creative industries.	No. of creative industries identified and mapped		Creative industries for job creation especially for young people established				
Sub-Total								2,464,667,842.80
Objective 4: Progress Towards Gender Equality, particularly access to education for girls at all levels								
4.1 Intensify measures to promote gender	4.1.1 Mainstream gender and	Number of sectors and local governments that	Review of the National Gender Policy	Gender sector-specific	Gender concerns mainstream	4 Years	Ministry of Gender Labour	500,000,000

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUTPUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
equality	rights in policies, plans and programmes in sectors and local governments	have integrated sector-specific gender concerns in their policies, development plans and programs	as well as the Manual for Gender based budgeting at all sector levels Advocacy work by various NGOs and CSOs to empower women and girls	concerns in various MDAs and local government identified and integrated in sector policies, plans	ed in sector polices, plans and programmes Improved livelihood for women and girls Gender Based Violence incidents reduced Gender disparity in access to opportunities and in control and ownership of resources reduced		and Social Development Private Sector and Office of the Prime Minister Ministry of Finance Planning and Economic Development, Local Governments NGOs and CSOs	
	4.1.2 Promote formulation of	No of sectors and LGs that have		Gender mainstreami				

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	gender sensitive policies, plans and programmes in all sectors and local governments with a focus on emerging areas of climate change and oil and gas	mainstreamed gender in their policies, plans and programmes		ing in sector and LGs policies, plans and programmes enhanced				
	4.1.3 Prevent and respond to Gender Based Violence	No of GBV incidences reported to GBV Service Points (Police, Probation & Social welfare, CDOs, Health facilities and BGV shelters		Increased number of GBV survivors/victims reporting in places of authority				
	4.1.4 Promote women	No of women entrepreneurs trained in entrepreneurship		Women economic empowerment				

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Specific OBJECTIVES	REQUIRED ACTION	MONITORABLE INDICATORS	ON-GOING ACTIVITIES	EXPECTED OUT PUTS	EXPECTED OUTCOME	TIME FRAME	IMPLEMENTING AGENCIES (LEAD FIRST)	Estimated Cost (US \$) Exchange rate 3635
	economic empowerment through entrepreneurs hip skills, provision of incentives, and enhancing their participation in decision making at all levels	skills No of women entrepreneurs provided with affordable credit and other financial services		nt enhanced Affordable credit and other financial services provided to women entrepreneurs				
	4.1.5 Formulate a National Sexual Harassment Policy	Number of stakeholders sensitised on Sexual Harassment Policy		National Sexual Harassment Policy developed, printed and disseminated				
4.2 Implement National programs, policies	4.2.1 Enforce laws against	No. of districts with by-laws against defilement	Revised National Strategy for	By-laws against defilement in	Narrowed gender gap between	4 Years	Ministry of Education and	1,546,139,556

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and strategies to eliminate gender disparities in education	defilement at school level.		Girls' Education (NSGE), 2010 The revised education sector strategic plan-ESIP (2007-2015)	place	girls and boys in education Improved retention and participation rates for girls in school		Sports, Ministry of Gender Labor and Social Development, Local Government, Private Sector NGOs and CSOs and Development Partners	
	4.2.2 Provide gender sensitive sanitation facilities that would address special needs of girls and boys	No. of schools with gender sensitive sanitation facilities		Gender sensitive sanitation facilities		4 Years		

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	4.2.3	Increase the number of scholarships for disadvantaged areas to enrol in higher education		Increased number of scholarships disadvantaged areas				
	4.2.4	Develop and implement programs targeted to disadvantaged communities, marginalized groups and students with special learning needs		Programs that target vulnerable groups and students developed and implemented				
	4.2.5	Develop and implement programmes that ensure a	No. of schools with safe, non-violent and inclusive learning environment	Programmes that ensure a safe, non-violent and inclusive				

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	safe, non-violent and inclusive learning environment in schools.			learning environment in schools in place				
Estimated Cost								3,092,279,119
Total Cost Theme 4								8,871,058,596.20

