



**The Republic of Uganda**

**REPORT ON MONITORING & EVALUATION OF IMPLEMENTATION  
OF CABINET DECISIONS UNDER MINUTE 231(CT 2019) 3(4) ON  
MONITORING THE PERFORMANCE OF APPROVED LOANS TO MDAs  
AND MINUTE 360 (CT 2019) 4(3) ON THE PROGRAMMATIC  
APPROACH TO PLANNING**

***Compiled by:***

**Department of Policy Development & Capacity Building,  
Office of the President-Cabinet Secretariat  
KAMPALA**

***December, 2022***

# TABLE OF CONTENTS

FOREWORD .....	i
1.0 INTRODUCTION .....	1
2.0 BACKGROUND .....	1
3.0 PROBLEM STATEMENT .....	3
4.0 PURPOSE .....	4
5.0 OBJECTIVES .....	4
6.0 JUSTIFICATION .....	5
7.0 SCOPE .....	6
8.0 METHODOLOGY .....	6
9.0 FINDINGS .....	9
9.1 Minute 231(CT 2019) 3(4) .....	9
9.1.1 The Problem.....	9
9.1.2 Implementation of the Cabinet Decision .....	11
9.1.3 Changes in the Problem .....	25
9.1.4 Challenges.....	26
9.1.5 How the Challenges were addressed .....	28
9.1.6 Conclusion.....	29
9.1.7 Recommendations .....	30
9.2 Minute 360 (CT 2019) 4(3) .....	31
9.2.1 The Problem.....	32
9.2.2 Progress made on Implementation of the Cabinet Decision.....	33
9.2.3 Changes in the Problem .....	39
9.2.4 Challenges.....	41
9.2.5 How the Challenges were addressed .....	46
9.2.6 Conclusion.....	48
9.2.7 Recommendations .....	50

## **FOREWORD**

Cabinet Secretariat has a function of supporting Cabinet to execute its Constitutional obligation of determining, formulating and implementing the policy of Government. The function includes compiling, monitoring and following up on implementation of Cabinet Decisions and Directives across Government, and providing regular reporting on the status of their implementation. Monitoring and Evaluation of Cabinet Decision is conducted to ensure their implementation to address specific issues; to identify challenges that may be encountered during implementation; and to recommend remedial measures to address them.

Cabinet under Minute 231(CT 2019) 3(4) directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different Ministries, Departments and Agencies with a view to preparing and submitting reports to Cabinet.

Also under Minute 360 (CT 2019) 4(3), Cabinet approved the Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to Budgeting (PBBS) and synergize all Government activities.

These two Cabinet Decisions were selected for monitoring and evaluation to provide evidence on their implementation and to ascertain whether they had created the desired improvement. This would help in pointing out and fixing of gaps in a bid to address the citizens' needs for improved service delivery.

The findings from the monitoring and evaluation exercise indicate that despite efforts by the Minister of State in charge of Economic Monitoring and the team in regular monitoring of the performance of loans to the different MDAs and production of reports on the same to Cabinet, the envisaged results are yet to be achieved. The reports produced so far are largely post-mortem, and this is mainly attributed to inadequate information sharing among the key stakeholders. The problem of inefficient debt utilization thus still persists, as shown in recent reports. There is thus need to enhance coordination between the key stakeholders involved in debt management in Uganda; and to enhance capacity for implementation and monitoring of public projects and programs for more effectiveness and efficiency across the project lifecycle.

Implementation of the Cabinet Decision which approved the Programmatic Approach to planning to synergize all

Government activities for effective service delivery is still ongoing. There have been significant strides towards better coordination for more effective and efficient delivery of common outputs across Government. However the implementation of the Cabinet Decision is yet to be fully fulfilled, because of some implementation gaps especially at Local Government level; inadequate program planning capacity; and resource constraints as a result of the turbulence in the economy due to the effects of the Covid-19 pandemic. There is need for intensive sensitization and capacity building for all key stakeholders to understand the changes and embrace them. There is also need for innovativeness towards financing of the national priorities for realization of the envisaged benefits of the program approach to planning.



Deborah Katuramu

**DEPUTY HEAD OF PUBLIC SERVICE AND DEPUTY  
SECRETARY TO CABINET**

## **1.0 INTRODUCTION**

This Report is on monitoring and evaluation of implementation of two (2) Cabinet Decisions, that is; Cabinet decisions under: Minute 231(CT 2019) 3(4) which Directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different Ministries, Departments and Agencies with a view to preparing and submitting reports to Cabinet; and Minute 360 (CT 2019) 4(3) which approved the proposed Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to Budgeting (PBBS) and synergize all Government activities. The monitoring exercise was conducted in December, 2021. This report presents findings from the monitoring exercise.

## **2.0 BACKGROUND**

Cabinet is the highest policy making organ of Government and is responsible for determining, formulating, implementing, monitoring and evaluating the policy of Government. Cabinet Secretariat has a function of supporting Cabinet to execute its Constitutional obligation. The function includes compiling,

monitoring and following up on implementation of Cabinet Decisions and Directives across Government, and providing regular reporting by line Ministries on the status of implementation of Cabinet Decisions and Directives.

Monitoring and Evaluation of implementation of Cabinet Decisions is anchored in the Governance and Security Program of the National Development Plan III (NDPIII) and the National Policy on Public Sector Monitoring and Evaluation, 2011. Overtime, the need for Monitoring and Evaluation of Implementation of Cabinet Decisions has grown exponentially due to the increasing number of Cabinet Decisions and the highly dynamic nature of the policy environment. Monitoring and

The importance of Monitoring and Evaluation of Cabinet Decisions cannot be under estimated because information collected is used as an instrument for determining whether Cabinet Decisions in question have attained their intentions, made use of resources efficiently, and can withstand critical examination beyond Government. Monitoring and Evaluation of Cabinet Decisions is conducted to ensure their implementation

to address specific issues or problems; to identify challenges that may be encountered during implementation; and to recommend remedial measures to address them. It is against this background that Cabinet Secretariat carried out Monitoring and evaluation of the two Cabinet Decisions.

### **3.0 PROBLEM STATEMENT**

Cabinet Decisions are the main instruments through which the Executive provides strategic direction for both State and Non-State Sectors. In their weekly meetings, Cabinet makes a number of decisions and directives that ought to be implemented by the relevant Ministries, Departments and Agencies (MDAs). In 2019, Cabinet under Minute 231(CT 2019) 3(4) directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different Ministries, Departments and Agencies with a view to preparing and submitting reports to Cabinet. Also under Minute 360 (CT 2019) 4(3), Cabinet approved the Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to



Budgeting (PBBS) and synergize all Government activities. There was need for monitoring and evaluation of implementation of these Cabinet Decisions to provide evidence on their implementation and to ascertain whether they had created the desired improvement. This would help in pointing out and fixing of gaps in a bid to address the citizens' needs for improved service delivery.

#### **4.0 PURPOSE**

The purpose of the Monitoring & Evaluation exercise was to establish whether the identified Cabinet Decisions were implemented by the responsible MDAs and how the decisions had affected service delivery to guide Cabinet in coming up with better options where applicable.

#### **5.0 OBJECTIVES**

The objectives of the Monitoring and Evaluation were:

- i. To find out whether the selected decisions were implemented by the responsible MDAs.

- ii. To find out the effect of implementing the decisions on service delivery.
- iii. To identify the challenges faced in implementing the decision.
- iv. To propose solutions to identified challenges and make recommendations to Cabinet for further improvement.

## **6.0 JUSTIFICATION**

After Cabinet takes Decisions, they are sent to relevant Ministries, for relevant action to address identified issues. Monitoring and Evaluation of Cabinet Decisions is carried out to establish whether the Cabinet Decisions were implemented and were indeed addressing those issues for which they were made, for better service delivery to the citizens. Monitoring and evaluation of implementation of Cabinet Decisions is one of the key outputs for Office of the President under the Governance and Security Program of the NDP III. A structured framework for monitoring and evaluating implementation of Cabinet Decisions and Directives is in place. The framework constitutes a tool that is both structured and flexible intended to guide all

those who are called upon to monitor, evaluate and represent Cabinet decisions perspective to policy makers. This framework was applied in this monitoring and evaluation exercise to generate evidence on implementation and the relevance and effectiveness of the Cabinet Decisions.

## **7.0 SCOPE**

The scope of the monitoring exercise covered the Cabinet Decisions under Minute 231(CT 2019) 3(4) and Minute 360 (CT 2019) 4(3).. The institutions covered were Office of the President, Office of the Prime Minister, Ministry of Finance, Planning and Economic Development, National Planning Authority, Ministry of Agriculture, Animal Industry and Fisheries, and Ministry of Health. These were selected because they are some of the key institutions responsible for the implementation of the Cabinet Decisions.

## **8.0 METHODOLOGY**

A number of planning activities preceded the main field activity and entry meetings were also conducted between Cabinet Secretariat and the responsible implementing institutions. Data Capture Tools for collection of information for the monitoring

and evaluation exercise were also developed. The monitoring and evaluation activity involved eliciting of information from targeted key stakeholders using the tools and desk review of reports from various key stakeholders like Government MDAs and Development Partners.

The following were applied:

### **8.1 Sample and Sampling Method**

Purposive sampling method was applied to select key implementing institutions for the Cabinet decisions

### **8.2 Data Types and Sources**

The team used both primary and secondary sources. Primary data was the original data set collected from field specifically on implementation of Cabinet Decisions.

Secondary data was gathered from existing reports for comparability with primary data in order to derive a meaningful and objective interpretation of the findings.

### **8.3 Data Collection Methods and Tools**

Data was collected using an interview guide and self-administered questionnaires.

### **8.4 Data Analysis**

The data analysis methods used were content analysis and narrative analysis. Data was analyzed using Microsoft Word and Excel. Presentation of findings was through tables and narrative for better outlay and understanding.

## **9.0 FINDINGS**

This section highlights findings of the analysis of monitoring and evaluation of implementation of the two Cabinet decisions under Minute 231(CT 2019) 3(4), which directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different Ministries, Departments and Agencies with a view of preparing and submitting reports to Cabinet; and Minute 360 (CT 2019) 4(3), which approved the proposed Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to Budgeting (PBBS) to synergize all Government activities.

### **9.1 Minute 231(CT 2019) 3(4)**

Minute 231(CT 2019) 3(4) directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different Ministries, Departments and Agencies with a view of preparing and submitting reports to Cabinet.

#### **9.1.1 The Problem**

The problem intended to be addressed by the Cabinet decision was the continued presentation of loans to Cabinet by the Minister of Finance, Planning and Economic Development for approval without submitting the performance of the previously approved loans. This raised concern as to whether the previously approved loans had served the intended purpose. The best practice is that the Minister should first account for the previous approved loans before requesting for approval of new loans.

It was noted that, although loans are tabled by the Minister of Finance, Planning and Economic Development, the implementation was undertaken by individual Ministries, Departments and Agencies (MDAs) and therefore, the responsibility of accountability lied with those MDAs, thus all the MDAs that had benefitted from loans should prepare their loan performance and accountability reports and present them to Cabinet. In addition, the Minister of State for Economic Monitoring would regularly monitor the performance of the loans provided to the different MDAs with a view to preparing and submitting an unbiased report to Cabinet.

It was also noted that some of the loans acquired by Government were difficult to utilize since the offering banks put additional conditions after the loans have been approved. For example, World Bank loans take a year to mature and every withdrawal has to go through bureaucratic approvals which take up to six months leading to underutilization of the loans by Government Entities.

In addition, the Counterpart funding for some of the Projects had continued to be a challenge and some Projects ended up becoming white elephants, a case in point being construction of Busolwe Hospital that had stalled because of the failure by the Ministry of Finance, Planning and Economic Development to provide UGX 6 billion as Counterpart Funding.

### **9.1.2 Implementation of the Cabinet Decision**

#### **9.1.2.1 Awareness about the Cabinet Decision**

100% of the respondents affirmed that they were aware of the Cabinet Decision which directed the Minister of State, Office of the President (Economic Monitoring) to regularly monitor the performance of approved loans to the different MDAs with a



view to preparing and submitting reports to Cabinet. 100% of the respondents indicated that they received official communication and the Cabinet Extract from Office of the President, Cabinet Secretariat.

#### **9.1.2.2 Progress of implementation of the Cabinet Decision**

In terms of progress made on implementation of the Cabinet Decision, the monitoring exercise revealed the following:

- i. That the Minister of State, Office of the President (Economic Monitoring) through the Department of Socio-Economic Monitoring and Research (DSEMR), Office of the President was undertaking regular monitoring of the performance of approved loans to the different Ministries, Departments and Agencies with a view of preparing and submitting unbiased reports to Cabinet.
- ii. That five reports had been prepared so far, but of these, only one report had been submitted to Cabinet for consideration and further action.
- iii. That the biggest challenge in monitoring of the performance of approved loans to the different Ministries,

Departments and Agencies was inadequate information sharing among the various stakeholders.

- iv. That the outbreak of Covid-19 also hindered the monitoring activities especially in terms of information sharing, mobility and personnel.
- v. That operational inefficiencies are the leading challenge hindering loan project performance. These included:  
Contracting delays, mismatch in actual project earmarks and real time costs, delays in the commencement of works, institutional weakness in complying with internal processes coupled with inadequacy in staffing that has placed the Project Monitoring Units under enormous strain.
- vi. That there was need to improve the efficiency of project management, starting with an improved and well-coordinated project reporting, budgeting and activity monitoring system aligned to an updated Logical Framework Matrix.

The key stakeholders involved in implementation of the Cabinet Decision on regular monitoring of loan performance are presented in **Table 1**:

**Table 1: Roles of Key Stakeholders in implementation of the Cabinet Decision**

<b>Stakeholder</b>	<b>Role(s)</b>
Office of the President (DSEMR)	Regular monitoring of loan performance and report preparation
MoFPED	Provision of information on loan projects and access to loan monitoring systems
Implementing MDAs	Provision of information on implementation of programmes and projects
Cabinet	Receipt of reports for further decision making
Beneficiaries	Provision of information on effectiveness and impact of projects
District Local Governments	Provision of information on implementation of loan projects

A summary of the sampled reports on monitoring of loan performance is presented in **Table 2**.

**Table 2: Key Recommendations from Sampled Reports on Monitoring of Loans**

<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
A Spot on Joint Inspection Report on Externally Funded Projects	September, 2015	<p>Carry out an impact evaluation on the vegetable oil seeds development project.</p> <p>Undertake capacity building in the area of project and contract management in sectors to ensure proper planning and implementation of projects.</p> <p>Address the factors which led to stalling of projects to enable the responsible agency to complete the facilities, to benefit the intended beneficiaries and also</p>	NO

<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
		to realize value for money.	
Independent Ex-Post Evaluation of the Fisheries Development Project in Uganda (2003 – 2010)	2019	<p>It is prudent that at the design and appraisal stages, MDAs should always engage in articulating a Theory of Change (ToC) for the interventions reflecting a real-world environment before the final structure and content of the GoU project is agreed upon. This will increase the probability of success of an intervention by first tapping into the existing knowledge base about the intervention or related past projects.</p> <p>Future government</p>	NO

Report Title	Date of Preparation	Key Recommendations	Presented to Cabinet?
		<p>interventions should be based on in-depth baseline surveys to establish key initial conditions before the interventions. After the baseline surveys, GoU projects should be able to generate realistic targets around which to work in order to achieve project objectives. The SMART indicators at appraisal stage should be broken down into SMART measurable sub-components.</p> <p>Government of Uganda is called upon to always honour its commitment of counterpart funds in a</p>	

<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
		<p>timely manner since counterpart funds are always used to fund field operations for Quarterly monitoring, evaluation and supervision activities.</p> <p>Consider channelling future intervention into the Fisheries Sector towards completion of the fish landing centres and this time with full involvement of Local Governments where these centres are located. Alternatively, consider handing them over to the host Local Governments administration for alternative usage</p>	
Formative	August,	Reconstruction of the	NO

<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
Evaluation of Promoting Commercial Aquaculture in Uganda (PESCA Project)	2020	<p>Logical Framework Matrix (LFM) to inform effective and efficient implementation should be completed urgently.</p> <p>Need to fast-track the enactment into law of the Fisheries and Aquaculture Bill 2018. The Bill will help to regulate sectoral developments, whilst fostering sustainable food production.</p> <p>Need for MAAIF to lobby for further counterpart funding to support achievements of result area 3</p> <p>There is need to</p>	



<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
		<p>harmonize the implementation structure and to improve the coordination and communication modalities of the PESCA project.</p> <p>The project implementers should forge complementary partnerships with other structures like LGs, OWC among others to mobilize famers, project backstopping, extension services, direct support in form of inputs in order to sustain the activities of the project.</p>	
APEX Platform Issues Paper	September, 2020	As part of its oversight role, the Office of the President should	YES

Report Title	Date of Preparation	Key Recommendations	Presented to Cabinet?
<p>on Performance of Select Co-funded Agricultural Development Loans</p>		<p>develop mechanisms of identifying, accessing and appraising all proposals of pertinent projects that are due for submission to the government or partner funding before their approval. Furthermore, this will smoothen the oversight role that APEX has to play on these projects once they are going through the four different stages of the program/project life cycle.</p> <p>APEX through the Office of the President should develop a mechanism of ensuring</p>	

Report Title	Date of Preparation	Key Recommendations	Presented to Cabinet?
		<p>that all government MLGAs, in developing project proposals, undertake extensive feasibility studies that are beyond desk reviews. These should involve the communities and proposed beneficiaries of the project as this leads to better conceptualization and smooth implementation of projects and programs.</p> <p>APEX needs to ensure a central database for collection and indexing different project progress, interim, and monitoring and evaluation reports is</p>	

Report Title	Date of Preparation	Key Recommendations	Presented to Cabinet?
		<p>maintained.</p> <p>Information from these reports will be used for synthesizing evidence to inform the progress of the projects, identify gaps and challenges that need addressing, and synthesizing evidence to inform the APEX platform on different project related activities.</p> <p>There is a need to deliberately create and implement an extensive monitoring and evaluation tool and plan for project outcomes in line with the achievement of national goals and objectives, like</p>	

Report Title	Date of Preparation	Key Recommendations	Presented to Cabinet?
		<p>National Development Plans and Vision 2040. This is in light of the frequently seen project implementing teams and executing ministries monitoring project inputs and immediate outputs but not project outcomes or impact that are originally intended for them.</p> <p>APEX (and its pre-APEX phase) will benefit from the enforcement of the Access to Information Act, 2005. Without free access to information from different MGLAs (as often experienced</p>	

<b>Report Title</b>	<b>Date of Preparation</b>	<b>Key Recommendations</b>	<b>Presented to Cabinet?</b>
		during the compilation of this report), APEX's oversight role will be crippled.	

### **9.1.3 Changes in the Problem**

The problem of presentation of loans to Cabinet for approval without submitting the performance of the previous approved loans still persists. The Directorate of Socio-economic Monitoring under Office of the President had prepared several reports, but so far, only one had been presented to Cabinet. Most reports prepared on performance of loans were prepared at the end of the loan cycle, thus to a larger extent were 'post-mortem' reports. The inadequate preparation of loan performance reports was attributed to inadequate information sharing across Government due to silo mentality which hinders coordination of the different stakeholders in the loan cycle. As a result, there was inadequate evidence to show the

performance of existing loans; thus, it was difficult to ascertain whether the intended benefits from the loans were realised. The evidence from secondary data showed constant increment in the debt portfolio, which is also an issue of concern in itself. Reports indicated that the nominal debt to GDP as at December 2020, stood at 47.2%, compared to 38% as of December 2019 and at 42% as of June 2020. Public debt further increased by 14 percentage points to 49% of GDP in 2021 and the current estimates indicate that during FY 2022/23, public debt is projected to increase by 13%, mostly on account of domestic borrowing that increased by 20 per cent.

#### **9.1.4 Challenges**

The following challenges were experienced during implementation of the Cabinet Decision:

- i. There was inadequate information sharing among the stakeholders involved in the acquisition, utilisation and monitoring of loans. The DSEMR team usually faces delays in obtaining the required information from Ministry

of Finance, Planning and Economic Development and other implementing MDAs or sometimes the information is not availed at all. The limited information sharing among stakeholders has led to most monitoring exercises being post-mortem. By the time the reports are produced, the recommendations have already been overtaken by events, and there is limited room for improvement.

- ii. The monitoring team also faces a challenge of inadequate financial, human and technological resources to enable conducting of wider studies or to hire consultants in areas where more technical expertise is required. The scope of monitoring is in most cases limited by such constraints.

**Table 3** presents a summary of the resource gaps.

**Table 3: Resource gaps in implementation of the Cabinet Decision**

<b>Resource Type</b>	<b>Resources Needed</b>	<b>Available Resources</b>	<b>Resource Gap</b>
Human Resources	27 staff	17 staff	10 staff



Financial Resources	UGX 7 Billion	UGX 4 Billion	UGX 3 Billion
Technological Resources			Linkage of existing databases under a Management Information System for real-time access to loan information.

Source: Adapted from interview with DSEMR, Office of the President (2022)

### **9.1.5 How the Challenges were addressed**

- i. DSEMR has put in effort towards building partnership and synergy with the key stakeholders involved in the loan cycle in Uganda to ease information exchange for smoother monitoring of loan performance. More partnership and synergy with key MDAs like MoFPED,

academia and consultants is expected to bolster efforts towards more effective monitoring of loan performance across Government.

- ii. The Minister of State in charge of Socio-Economic Monitoring and the Directorate have also continued to lobby for more funding to enable acquisition of the necessary personnel and equipment to expedite the monitoring and reporting processes.

#### **9.1.6 Conclusion**

The Minister of State in charge of Economic Monitoring and the team from DSEMR have put in effort towards regular monitoring of the performance of loans of different MDAs and production of reports on the same to Cabinet. However, these efforts have yielded very minimal fruits due to the challenge of inadequate information sharing, which led to most reports being prepared at the end of the loan cycle, meaning that the recommendations are overtaken by events in most cases. The problem of inefficient loan utilization thus still persists, and could even be increasing, as shown in recent reports where the

debt to GDP ratio is constantly rising. There is thus need to enhance coordination between the key stakeholders involved in debt management in Uganda and to enhance capacity for implementation and monitoring of public projects and programs for more effectiveness and efficiency across the project lifecycle.

### **9.1.7 Recommendations**

- i. There is need to develop a platform that merges information from existing databases like the Uganda Aid Management Platform (UAMP), the Debt Management and Financial Analysis System (DMFAS), and the Public Investment Management System (PIMS) to further build upon the linkage between UAMP and DMFAS which was implemented in 2017. All key stakeholders should be given access to the integrated system according to their information needs. This would improve data accuracy, make information management more efficient, and enhance coordination between the key stakeholders in debt management in Uganda.

- ii. There is need to enhance awareness among the key stakeholders and the general public on public debt and its implications to national development. This will strengthen the capacity for monitoring, evaluation, accountability and learning in debt management across the country.
- iii. There is also need to enhance capacity for monitoring and evaluation of implementation of public projects and programs through more training and increasing resource allocation for the key stakeholders involved in monitoring of public projects and programs. This would go a long way in strengthening monitoring evaluation, accountability and learning across Government for better success of public interventions.

## **9.2 Minute 360 (CT 2019) 4(3)**

Minute 360 (CT 2019) 4(3) approved the Proposed Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to Budgeting (PBBS) to synergize all Government activities.

### **9.2.1 The Problem**

The problem intended to be addressed by the Cabinet decision was uncoordinated approaches to planning and poor programme and project implementation, often leading to interest rate payments incurred on borrowed funds before programme and project execution. This necessitated breaking down the silo approach to planning, budgeting and implementation through the introduction of a programme approach that brings together all stakeholders necessary to address a particular development issue.

Cabinet thus approved the Programmatic Approach to Planning so as to bring planning in line with the Programmatic Approach to Budgeting (PBBS) which had already been rolled out to synergize all Government activities. Cabinet also noted that despite the fact that the Programmatic Approach to Planning was the way to go to align plans to existing Program Based Budgeting System (PBBS), its implementation would be phased and likely to start in the Second Year of the National Development Plan III implementation.

The National Development Plan (NDPIII) is the third in a series of six NDPs that was intended to guide the nation in delivering the aspirations articulated in Uganda Vision 2040.

Implementation of the NDPIII started in Financial Year 2020/21, and it ought to end in Financial Year 2024/25.

### **9.2.2 Progress made on Implementation of the Cabinet Decision**

All respondents (100%) were aware of the Cabinet Decision which approved the Proposed Programmatic Approach to planning so as to bring planning in line with the already rolled out Programmatic Approach to Budgeting (PBBS) to synergize all Government activities.

All respondents (100%) indicated that they got to learn about the Cabinet Decision through official communication originating from the Ministry of Finance, Planning and Economic Development (MoFPED).

In terms of progress made on implementation of the Cabinet Decision, the monitoring exercise revealed the following:

- i. Uganda's third National Development Plan (NDPIII) 2020/21 – 2024/25 launched in 2020 introduced the new institutional framework with a shift from sector to programme approach to planning, budgeting, implementation and results reporting as approved in the Cabinet Decision. It took into account the programme and performance based budgeting approaches to address the persistent implementation challenges resulting from uncoordinated planning, weak harmonization, limited sequencing of programmes, and poor linkages between outcomes and outputs.
- ii. The new approach called for harmonization between agencies, so that in the event of different ministries having separate plans for a similar project, they would be able to implement it jointly.
- iii. The Programme Planning Approach (PPA) aims to focus implementation of the NDP III programmes on delivery of common results; strengthen the alignment of planning and budgeting frameworks to provide a logical framework for anchoring the Program-Based Budgeting System (PBS); enhance synergies across Ministries, Departments and

Agencies (MDAs), and Local Governments (LGs) and other actors to reduce the ‘silo’ approach to implementation; and provide a coordinated framework for implementation, monitoring and reporting for improving the delivery of results.

- iv. Originally, eighteen (18) National Programmes were identified with well-articulated results, objectives and interventions to achieve this goal. These were eventually expanded to twenty (20) programs in Financial Year 2021/22, following the allocation of independent Programs to the Judiciary and Parliament under the principle of separation of power to cater for the independence of the three arms of Government: Executive, Legislature and the Judiciary.
- v. The NDP III has 5 objectives, 20 strategies and 20 programs as shown in **Annex 1**. Each program is further divided into sub-programs and sub-sub programs which each vote is aligned to according to its mandate.
- vi. The Sector Working Groups (SWGs) were replaced by Program Working Groups (PWGs), which were formulated by grouping together MDAs with related interventions



aimed at similar results. This was aimed at resolving the silo and mandate mentality which had plagued the previous NDPs.

- vii. Another reform implemented was the Public Policy Executive Oversight Forum (APEX), which was established to co-ordinate planning, budgeting, programme implementation and monitoring to ensure seamless operations. The platform comprises the Ministry for Presidency, Office of the Prime Minister, Ministry of Finance, Planning and Economic Development, National Planning Authority and other key stakeholders. Their role is to ensure citizens receive improved services while providing value for investment by strengthening project preparation, implementation, monitoring and evaluation for sustainable results. The APEX Platform also provides oversight to ensure alignment between the plan and annual budgets to address funding gaps; establish a monitoring, evaluation and learning framework aligned to the NDPIII; and also develop a reporting framework for government agencies and local governments. It also has a reward and sanction mechanism for all Public Institutions and

individuals in a bid to eliminate wastage of government resources through corruption and poor quality services.

- viii. Implementation of the Programmatic Approach to Planning had delayed due to several challenges, but it fully commenced in the FY 2021/22. The major challenges hindering full implementation was the silo and mandate mentality among key stakeholders and the ravages of the lockdown due to Covid-19 on the economy, which led to slow down of economic activities.
- ix. In FY 2021/22, National Planning Authority (NPA) liaised with all key stakeholders to re-align the outputs in the Program Implementation Action Plans (PIAPs) for the Sub-programs under each Program from FY 2022/23 to 2025/26.
- x. NDP III adopted the Parish Development Model (PDM) as a strategy for rural socio and economic transformation. The Parish Development Model (PDM) is a strategy for organizing and delivering public and private sector interventions for wealth creation and employment generation at the parish level as the lowest economic planning unit.

- xi. The parish will be the epicenter of multi-sectoral community development planning, implementation, supervision, monitoring and accountability. The LC2 Chairperson and Parish Chief shall be responsible for political and administrative stewardship in the implementation of the parish model in their respective parishes with support from the Sub-county and District Technical Planning Committee (STPC and DTPC).
- xii. For FY 2022/23 a total of Ushs 1.113 trillion has been provided for full implementation of the Model. Each of the 10,594 Parishes in the country will receive Ushs 100 million as a revolving fund, earmarked for purchase of agricultural inputs by households still in subsistence.
- xiii. The Parish Development Model will be complemented by other Government programmes such as: Emyooga Fund under UDB; Microfinance Support Centre credit to other SACCOs and Village Savings Groups; Small Business Recovery Fund; and other wealth creation initiatives.

### **9.2.3 Changes in the Problem**

Some significant strides have been made towards implementation of the program approach to planning. The 20 Programs under the NDP III are currently functional, with their Program Implementation Action Plans (PIAPs) captured in the Program-based Budgeting System, which implies alignment of the National Budget to the program approach. The Sector Working Groups (SWGs) were replaced by Program working Groups (PWGs) to provide leadership to the Programs in delivery of the PAIP outputs. The PIAPs are program-based institutional strategic plans which provide each MDA with a clear results framework to inform the programme-based system.

However, for Local Governments (LGs), this arrangement has not played out clearly and they are yet to be aligned to the programme-based system due to their cross-cutting nature. Under the decentralisation system of governance which Uganda is implementing, the LGs ought to implement

projects and programs at the grass-root, thus their budgets ought to be aligned to the programme-based system as well.

Currently, no project is approved by the Development Committee under MoFPED without articulation of the key stakeholders and their role(s) in implementation of the project. There is also closer scrutiny of Submissions to Cabinet to ensure a whole of Government approach and adequate stakeholder consultation before adoption of a policy intervention.

However, despite the efforts towards implementation of the programme-based budgeting system, the problem of persistent implementation challenges resulting from uncoordinated planning, weak harmonization, limited sequencing of programmes, and poor linkages between outcomes and outputs still persists. The partnerships and synergies envisaged in the Program approach to planning, budgeting, implementation, and reporting are yet to be realised due to the delays in harmonization of activities and the continuation of the silo and mandate approach despite existence of the various programs and sub-programs under the NDP III.

## 9.2.4 Challenges

The implementation of the programme approach to planning, budgeting, implementation and reporting has had several challenges as follows:

- i. There were difficulties in consensus building since PWGs comprise of various votes with distinct legal mandates and competing needs. Changing the budget architecture, delayed because it required total reconfiguration of the budget and financial management systems (Chart of Accounts - COA, Integrated Financial Management System- IFMS and Program Budgeting System – PBS). Consequently, the full implementation of the programme based budgeting did not take place until the second year of the NPD III (2021/22). This is likely to hinder the achievements of the NDP III objectives.
- ii. The programme-based planning and budgeting introduction came when most LGs were still grappling with planning and budgeting reforms, such as the Output Budgeting Tool (OBT), which was introduced during FY 2008/09. Before

LGs mastered the OBT, Government adopted the Programme Based Budgeting (PBB) in 2018, which led to the establishment of the Program Budgeting System (PBS) that transformed the budget from output-based (OBT) to a more result and performance-based approach. The PBB was supposed to match the budget outputs, outcomes, measurable objectives, and performance measure for each programme. However, MDAs and LGs have not yet fully embraced the PBS due to inadequate programme planning capacity.

- iii. Another challenge with programme based planning and budgeting is the complexity of resource allocation and prioritization since votes cut across programmes. Thus, some MDAs and LGs budgets are not aligned with their programme objectives but still follow the sector structure. Also, since LGs are cross-cutting, they have to be included in all 20 programmes. It was not clear how LGs would be effectively represented in all the 20 PWGs, especially given the capacity limitations of personnel and funding.
- iv. There are systematic weakness around the operations and funding of Local Governments (LGs) in Uganda. The

expansion of districts with a diminished real value of resources does not provide adequate capacity for effective and efficient services delivery. Uganda has 10 Cities, 135 Districts; 231 Municipalities; 162 Counties; 2,184 Sub-counties, and 580 Town Councils. Increasing the number of LGs increases the operating costs of the entire LG administrative system. Whenever a new administrative unit is created, there is an automatic increase in the operational or overhead costs to cater for new buildings and other essential infrastructure required for the district's smooth running. These costs are supposed to be borne by the LGs themselves from their local revenues; however, this is not the case because none of them can raise substantial local revenues.

- v. The increase in the number of the LGs has not been matched with the increase in the share of the national budget allocated to LGs. The share of central government transfers to LGs declined from 23% in 2010/11 to 11.4% for FY 2020/21 and further to 10.6% for FY 2022/23. The decline is attributed mainly to the recentralization of fiscal functions and resources, which by law are mandated to be



implemented by LG. The re-centralization, especially of the fiscal aspects and ever-reducing authority of the LGs over their resources, including local revenue, is a significant challenge for service delivery, accountability and citizen empowerment.

- vi. There was also some resistance to the reform since some Government officials felt that the National Planning Authority (NPA) and the Ministry of Finance, Planning and Economic Development (MoFPED) were imposing a new approach on them. This negatively impacted their willingness and capacity to shift from sector budget mentality and implement the necessary changes due to inadequate ownership of the intervention by the stakeholders.
- vii. The outbreak of the COVID-19 pandemic had an unprecedented systemic impact which hindered implementation of Government programs. This was in part because efforts to limit and contain the spread of COVID-19 led to a slowdown in economic activity and people's ability to make ends meet for over 2 years and the after-effects are still being felt globally. The war between Russia

and Ukraine has also brought further disruptions in the global economy like escalating fuel prices, and disruption of value chains, which have affected implementation of the NDP III aspirations.

- viii. Further to that, the turbulence in the economy as a result of the Covid-19 pandemic and the war between Russia and Ukraine led to further reduction in funds available for implementation of Government Programs. Government resource mobilization is limited, leading to escalation of domestic and foreign debt. The rapid increment in public debt has further constrained funding for the priorities under the NDP III.
- ix. Despite the efforts made towards alignment of the National Budget to the NDP III through the integration of PIAPs into the IFMS/ Chart of Accounts and the Program-based Budgeting System (PBS), some interventions which are key in the NDP III are not yet part of the programme-based budget execution system for example the Parish Development Model (PDM). It is also unclear how the Local Governments will be linked to each of the 20

Programs under the NDP III, thus their Budget Framework Papers (BFPs) are yet to be programme-based.

- x. The Parish Development Model (PDM) implementation still has some hiccups where stakeholders are still having confusion about the guidelines issued. The functional structures at the grass root level are also inadequate to implement the intervention due to delays in recruitment of parish chiefs and inadequate technical capacity.

#### **9.2.5 How the Challenges were addressed**

- i. Government, through the Ministry of Finance, Planning, and Economic Development introduced a new Program-based Budgeting System, which has led to better co-operation between MoFPED and other MDAs and Local Governments that implement Government Programmes. Additionally, the automation of functions reduces the workload of users. The new system has also aligned budgets to national strategic objectives more closely and further improved budget estimates by providing checks

- that required the budgeting process to be completed sequentially.
- ii. NPA, MoFPED, MoLG and other key MDAs carried out capacity building, and sensitization activities for the key stakeholders to understand what is at stake and buy-in into the program approach. Several workshops and seminars were organised for key stakeholders to understand the NDP III and the attendant changes that came with it. This helped to build the capacity and to shift the mindset of stakeholders to embrace the program approach.
  - iii. In a bid to mitigate the impact of Covid-19 on Uganda's economy, NPA and MoFPED undertook re-prioritisation of the NDP III key interventions, projects and actions. Efforts were also undertaken to align the National Budget to NDP III by providing processes and guidelines aimed at linking the budget to the plan through the Program Implementation Action Plans (PIAPs).
  - iv. Government embarked on the process of restructuring its institutions. Following a presidential directive to the Prime Minister and a subsequent Cabinet decision on the

same, there was a decision to merge, disband or return to parent ministries, 146 public agencies. The plan was to have the number of Agencies reduced by half. However, the implementation is slow, with the Ministry of Public Services citing legal and technical issues, including how to handle the debts held by some MDAs.

- v. Government stepped up its revenue collection efforts through Uganda Revenue Authority with introduction of further taxation measures. There has also been increment in domestic borrowing in addition to the foreign debt obligations as a means to raise funding for implementation of the PIAP outputs under the NDP III.

### **9.2.6 Conclusion**

Implementation of the Cabinet Decision which approved the Programmatic Approach to planning to synergize all Government activities for effective service delivery is still ongoing. The adoption of the program approach to planning has gone a long way to create awareness among Ministries,

Departments and Agencies (MDAs) and other key stakeholders about the need to increase coordination for more effective and efficient delivery of common outputs. However, a lot of time was lost in the lockdown due to the Covid-19 pandemic, thus the implementation is behind schedule by almost two years. The implementation was largely affected by the Covid-19 pandemic and its impact on the global economy, in addition to many key stakeholders being still stuck in the silo and mandate mentality, which is contrary to the aspirations of the program approach.

There is also still a gap at the LG level, where the BFPs for LGs are yet to be programme-based. There is thus need for intensive sensitization and capacity building for all key stakeholders to understand the changes and embrace them for realization of the envisaged benefits of the program approach. There is also need to further re-prioritise the interventions in the various programs and to merge all cost centres where efforts are duplicated to suit the tight economic times and to realise the cost-effectiveness that was envisaged in the program approach to planning.

### **9.2.7 Recommendations**

- i. Successful implementation of such interventions requires the sensitization and buy-in of all stakeholders. Naturally, any such reform would encounter resistance, but NPA, MoFPED, MoLG and other key MDAs should provide more intensive capacity building, mentoring and sensitization. This will increase the willingness and capacity of stakeholders to shift from sector budget mentality to effectively implement the program approach.
- ii. Government must expedite the implementation of rationalisation of Ministries, Departments and Agencies as planned. This should be done in addition to reducing the number of Local Governments. Such an intervention would free resources that can be used to facilitate the effective delivery of services to citizens.
- iii. There is urgent need to review the various Sector Strategic Plans and develop Program Strategic Plans for the 20 Programs to align with the program approach. The Local Government Sector Strategic Plan that was developed following the First Review of Decentralisation in 2004,

should also be revised to align with the NDP III thrust. Also, the Governance and Security Program should urgently redefine an appropriate Review Mechanism for Decentralisation to match the current trajectory under the program approach.

- iv. There is need for further refinement of budgetary allocation across the various Programs to eliminate duplication of efforts and to align respective budgets to the Program Implementation Action Plans (PIAPs). This should be in addition to minimisation of allocation of resources to consumptive expenditure. These interventions will reduce Government expenditure to enable provision of funding for NDP III priorities and enhance partnership and synergy across Government. The global outlook shows high inflation and recession due to the after-effects of the COVID-19 shocks to the economy which are still persisting, in addition to the war between Russia and Ukraine.
- v. There is need for further improvement in ease of doing business and access to credit to enable the set-up of local investments for import substitution and job creation. This



will increase domestic revenue and provide employment for improvement in citizens' livelihood. This would also improve the country's balance of payments and terms of trade.

- vi. There is need for more intensive sensitisation and capacity building activities at the Local Government level to enable effective implementation of the Parish Development Model and for proper alignment of the various Local Governments to the 20 Programs under the NDP III. There is need to eliminate the confusion in implementation efforts especially at the grass-root level, which has delayed implementation of the interventions as envisaged in the NDP III.

## REFERENCES

1. Ministry of Finance, Planning and Economic Development (2022). Citizen's Guide to the Budget *FY 2022/2*. Ministry of Finance, Planning and Economic Development
2. Ministry of Finance, Planning and Economic Development (2022). *Guidelines for Transitioning to Programme Planning and Budgeting Approach*. Ministry of Finance, Planning and Economic Development
3. Bank of Uganda (2022) *Monetary Policy Statement for October, 2022*. Bank of Uganda

## ANNEX 1: NDP III OBJECTIVES, STRATEGIES AND PROGRAMS

OBJECTIVES	STRATEGIES	PROGRAMMES
Enhance value addition Growth Opportunities	1. Promote agro-industrialization	1. Agro-industrialization
	2. Increase local manufacturing activity	2. Mineral Development
	3. Promote mineral-based industrialization	3. Petroleum Development
	4. Harness the tourism potential	4. Tourism Development
	5. Promote export-oriented growth	5. Water, Climate Change and Environment and Natural Resources Management
Strengthen private sector and create jobs	1. Provide a suitable fiscal, monetary and regulatory environment for to drive growth of the private sector to Invest	1. Private Sector Development
	2. Increase local content participation	2. Manufacturing
		3. Digital Transformation
Consolidate & increase quality of Productive Infrastructure	1. Institutionalise infrastructure maintenance	1. Transport Interconnectivity
	3. Develop Intermodal transport Infrastructure	2. Sustainable Energy Development
	4. Increase access to reliable & affordable energy	3. Sustainable Urban Development
	5. Leverage urbanization for socio-economic transformation	
Increase productivity, inclusiveness and wellbeing of Population	1. Improve access and quality of social services	1. Human Capital Development
	2. Institutionalise HR planning	2. Community Mobilization and Mindset Change

OBJECTIVES	STRATEGIES	PROGRAMMES
	3. Enhance skills and vocational Development	3. Innovation, Technology Development & Transfer
	4. Increase access to social protection Promote STEI	4. Regional Development
	6. Promote development oriented mind set	
Strengthen the role of development	1. Increase Govt. participation in strategic sectors	1. Governance and Security
	2. Enhance partnerships with non-state actors for effective service delivery	2. Strengthening Public Sector transformation
	3. Re-engineer Public service to promote investment	3. Development Plan Implementation
	4. Increase Resource Mobilization	4. Administration of Justice
		5. Legislation, Oversight and Representation