



PUBLIC SECTOR MANAGEMENT

SEMI-ANNUAL BUDGET MONITORING REPORT

FINANCIAL YEAR 2019/20

APRIL 2020

Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
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ABBREVIATIONS AND ACRONYMS

APF	Agro Processing Facility
ASAP	Adaptation for Smallholder Agricultural Program
CAO	Chief Administrative Officer
D/CAO	Deputy Chief Administrative Officer
DLGs	District Local Governments
DSC	District Service Commission
DRDIP	Development Response to Displacement Impacts Project
EAC	East African Community
FGDs	Focus Group Discussions
FY	Financial Year
GoU	Government of Uganda
HR	Human Resource
IDA	International Development Agency
IDB	Islamic Development Bank
IDPs	Internally Displaced People
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IPF	Indicative Planning Figure
IPPS	Integrated Personnel and Payroll System
ISFD	Islamic Solidarity Fund for Development
KCCA	Kampala Capital City Authority
LGFC	Local Government Finance Commission
LGs	Local Governments
LGMSD	Local Government Management Service Delivery Programme
LRDP	Luwero Rwenzori Development Project
MDAs	Ministries, Departments and Agencies
MEACA	Ministry of East African Community Affairs
MFPEd	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MPS	Ministerial Policy Statements
MSP	Market Stakeholder Platforms
NDP II	National Development Plan
NPA	National Planning Authority
NARC	National Archives Records Centre
OPD	Out Patient Department
OPM	Office of the Prime Minister
PFT	Project Facilitation Team
PHRO	Principal Human Resource Officer

FOREWORD

The Government strategy this Financial Year 2019/20 is to promote import substitution and export promotion, and incentivize private sector development. It is envisioned that this will be achieved through industrialization anchored on agriculture and agro-industrialization, manufacturing, and mineral potential. This will also ensure inclusive growth and the creation of jobs, while promoting development of other key primary growth sectors.

According to findings shared by the Budget Monitoring and Accountability Unit (BMAU), majority of the sectors monitored got over 50% of their budget releases, however fair performance was noted in terms of service delivery. This is attributed to the persistent challenges of delayed procurement and poor planning which must be dealt with as the country moves to implement the third National Development Plan.

This report is produced at time when the whole world is affected by the novel coronavirus disease (COVID-19). It is prudent that the sectors devise cost effective means to ensure that their stakeholders will still benefit from the government programmes/projects.



Keith Muhakanizi

Permanent Secretary and Secretary to the Treasury

EXECUTIVE SUMMARY

This report presents findings of a review conducted on selected key Votes within the Public Sector Management (PSM) sector based on approved plans and significance of budget allocations to the votes. Emphasis was placed on programmes with large development expenditures, although some recurrent expenditure was also tracked.

Projects selected for monitoring were based on regional representation, level of capital investment, planned annual outputs, and value of releases during Financial Year 2019/20. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations on site. Physical performance was rated using weighted achievement of the set output targets by 31st December, 2019.

Overall performance

The Public Sector Management (PSM) budget allocation of the eight Votes for FY 2019/20 was Ug shs 929.71billion (inclusive of external financing in Office of the Prime Minister and Ministry of Local Government) of which Ug shs 495billion (53%) of the budget was released and Ug shs 206billion (42%) spent by 31st December, 2019; which was good release and fair absorption.

The PSM overall sector performance for semi-annual, FY 2019/20 in terms of output delivery was fair at 55%. Fair performance was observed under Public Service Commission (PSC), Disaster Preparedness and Refugees Management Programme under OPM, Inspection and Quality Assurance Programme under Ministry of Public Service (MoPS), Regional Integration under Ministry of East African Community Affairs (MEACA), Coordination of Local Government Financing under Local Government Finance Commission (LGFC), and National Planning Authority (NPA). The Kampala Capital City Authority (KCCA) registered poor performance.

Highlights of sector performance

Decentralized Payroll Reforms

The performance was fair and this was attributed to slow absorption and accountability by some Ministries, Departments and Agencies (MDAs) and Local Governments (LGs), overpayments, duplicate submissions, pension and gratuity shortfalls, lengthy recruitment procedures, some entities did not spend arrears released during the two quarters while others had huge unspent balances. The constant wage shortfalls in the Education Sector including universities remain a challenge.

Under **wage**, the approved budget for FY 2019/20 for Central and Local Governments was Ug shs 4,672.95 billion, of which Ug shs 2,417.19 billion (52%) was released and Ug shs 2,299.67 billion (95%) spent by 31st December 2019.

For **monthly pension**, the approved budget for FY2019/20 for both Central and Local Governments was Ug shs 364.8billion, of which Ug shs 186.3billion (51.1%) was spent by 31st December, 2019. An average of 73,605 pensioners were processed amounting to Ug shs 147.6billion.

For **gratuity**, the approved budget for FY 2019/20 was Ug shs 214.7billion, of which Ug shs 127.7billion (59.9%) was released and Ug shs 83.1billion (65%) spent by 31st December, 2019 with an unspent balance of Ug shs 44.6billion.

For **salary, pension and gratuity arrears**, the approved budget for FY 2019/20 was Ug shs 83.862billion which was all released and Ug shs 55.123billion (66%) spent by 31st December, 2019.

Public Service Selection and Recruitment: A total of 23 out of 50 District Service Commissions (DSCs) were monitored and technical guidance tendered by PSC. The DSC appointed 1,087 out 1,471 staff. A total of 119 of 134 (88.8%) districts had functional DSCs, however 16 of 134 (11.9%) districts had non-functional DSCs which affected wage expenditures and service delivery in LGs.

Disaster Preparedness and Refugees Management Programme: A total of 140 houses for disaster victims were constructed in Bulambuli District. Relief food including 112,650 bags of 100kgs of rice and assorted non-food commodities including 22,026 pieces of non-food items were distributed to 167,650 disaster affected households across various sub-regions in the country. Through the Infrastructure Component of the Development Response to Displacement Impacts Project (DRDIP) 110 out of planned 900 classrooms and staff houses, 15 planned wards (outpatient and paediatric wards), 181km out of 200km of community roads in seven refugee hosting districts of Moyo, Kamwenge, Hoima, Kiryandongo, Koboko, Kyegegwa and Isingiro districts were constructed. There was slow implementation of the other components.

Under the Sustainable Environmental Management Component, capacity building of 3,924 beneficiaries in afforestation and agroforestry, institutional greening, soil and water conservation and irrigation was undertaken at district and sub-county levels. Under the Livelihoods Component 44 community facilitators and district technical officers were trained on conducting value chains and market assessment.

Affirmative Action Programme: Under the OPM, procurement of agricultural inputs was ongoing, while iron sheets and cattle were distributed to beneficiaries. Civil works for the regional office under Support to Teso were ongoing, while civil works for one primary school were complete. There was ongoing training of 116 out of 417 Parish Community Associations (PCAs) in Busoga regions. About Ug shs 6 billion meant for PCAs in most districts visited was still on the district accounts.

Human Resource Management Programme: Under Ministry of Public Service, MDAs and LGs were supported to implement the Balanced Score Card Initiatives and client charters; decentralization of pension and gratuity was undertaken in 127 Votes. Capacity building for 1,151 out of 3,000 (38%) officers in procurement and contract management, financial management, supervisory skills, discretionary skills enhancement and strategic leadership for senior managers were delivered in the Civil Service College. Under the National Archives and Records Centre, 20 records and archives trainers were trained; the Integrated Human Capital System was implemented in 60 Votes on pilot basis, however a progress report was yet to be submitted.

Civil works for a One-Stop Centre in Kasese District were ongoing at 75% physical progress and quality of works was good. It was noted that the development budget covers unplanned capacity building initiatives for first degrees, long-term courses and travels abroad contrary to the Development Committee guidelines. The Civil Service College and National Records Archives are under recurrent budgets which is affecting the administrative and financial functionality of both reforms.

Regional Integration: The MEACA popularized the National Policy on East African Community integration, and coordinated the bilateral negotiations between Uganda and East African Community Partner states.

Local Government Administration and Development: The civil works of markets in the districts of Arua, Soroti, Busia, Tororo, Mbarara, Lugazi, Entebbe, Masaka, Moroto and Kasese under Markets and

Agricultural Improvement Project (MATIP-2) averaged at 82% against a time progress of 88%. Civil works on shelters to house the value addition equipment in Arua and Busia districts were ongoing with an average physical progress of 90% against a time progress of 60% and installations were at 75%.

The PRELNOR project enhanced capacity for agricultural extension services of 600 farmer groups in the nine districts of Acholi region, installed pilot mechanization technologies for 500 farmer groups in 20 sub-counties, and construction of 48 Lots (606km) of CARs was ongoing with physical progress at 60%. For Support to MoLG, progress of Busega Market was at 38%, against a time progress of 83%. Training to incorporate Local Economic Development (LED) activities into LG planning and budgeting was conducted in Kyankwanzi District.

Coordination of Local Government Financing: Sector conditional grant negotiations between ministries and LGs were conducted to ensure that planned indicative planning figures and budget guidelines for the various sectors cater for youth, women, children and the disabled in the various grants. Revenue databases were carried out and support was provided to exploit the local revenue potential in 8 out of 20 districts and their respective urban councils.

Development Planning: The third National Development Plan and the Human Resource Development Framework were developed. Sector Development Plans for MDAs and their planning instruments were aligned to the NDP III.

Local Government Management Service Delivery: Kampala Capital City Authority (KCCA) registered poor performance. Despite having a strategic plan, they had no clear quarterly performance work plans, targets, and progress/capacity building reports and had duplicated work plans under the recurrent and developed activities under Human Resource Development and Legal Affairs. In addition, there were unplanned recruitments not cleared by MoPS, thus distorting the wage bill and did not account for the pension arrears released.

Key implementation challenges

- i. Constant wage and pension shortfalls still remain a challenge in LGs especially in the Education Sector with Ug shs 56.831 billion for primary teachers, and Ug shs 14.971 billion for secondary teachers arising out of salary enhancement of teachers that led to adjustment of payrolls by Accounting Officers in LGs. The situation is worsened by recruitments of staff without clearance from MoPS and uncoordinated posting of secondary teachers to LGs by the Education Sector.
- ii. The LGs are constrained by shortage of staff; inadequate funding, inability to attract and retain highly qualified personnel. Average staffing is at 54%, making it difficult to ensure optimum service delivery. The departments largely affected are Engineering, Health, Community, Environment, Planning, Finance, Audit, Human Resource, and upgraded sub counties.
- iii. Inadequate resources have affected implementation of the Local Economic Development (LED) programme. This is exacerbated by the capacity gaps, lack of coordination amongst the technical staff and stakeholders, and few staff in LG's commercial departments.
- iv. Non-functionality and insufficient facilitation for some DSCs owing to the low revenue base in LGs. In some instances, the DSCs expired and had not been renewed, thus delaying recruitments especially in the Education Sector leading to return of monies meant for recruitments to the Consolidated Fund.
- v. Project managers and other staff in both Central and LGs lack capacity in agile project management.

Recommendations

- i. The MFPED should sanction accounting officers and human resource managers that have fail to pay salary, pension and gratuity funds without clear reasons.
- ii. The MFPED should coordinate with MoPS, MoES to address the issue of constant wage, pension and gratuity shortfalls. The MoES should address issues of uncoordinated posting of secondary teachers without consulting accounting officers in LGs.
- iii. The MoPS should review the job descriptions and staffing structures in line with the various reforms implemented in LGs. Most LGs have constantly advertised jobs in UIE and failed to attract staff.
- iv. The MFPED should revise the budgets of the Public Service Commissions, DSCs and LED programmes in LGs.
- v. The MoPS should carry out a human resource audit of all project management staff to develop a capacity building plan and encourage managers to have certified qualifications in project management.

CHAPTER 1: BACKGROUND

1.1 Introduction

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is, “*To formulate sound economic policies, maximize revenue mobilization, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development*”. It is in this regard that the ministry gradually enhanced resource mobilization efforts and stepped up funds disbursement to Ministries, Departments, Agencies and Local Governments in the past years to improve service delivery.

Although some improvements have been registered in citizens access to basic services, their quantity and quality remains unsatisfactory, particularly in the sectors of health, education, water and environment, agriculture and roads. The services being delivered are not commensurate to the resources that have been disbursed, signifying accountability and transparency problems in the user entities.

The Budget Monitoring and Accountability Unit (BMAU) was established in FY2008/09 in MFPED and is charged with tracking implementation of selected Government programmes/projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through Semi and Annual field visits to verify receipt and absorption capacity of funds by entities. Where applicable, beneficiaries are sampled to establish their level of satisfaction.

BMAU prepares Semi and Annual monitoring reports of selected Government programmes/ projects. The monitoring is at the level of inputs, intermediate outputs and outcomes in the following areas:

- Accountability
- Agriculture
- Infrastructure (Energy and Roads)
- Industrialization
- Information and Communication Technology
- Social services (Education, Health, and Water and Environment)
- Public Sector Management
- Science, Technology and Innovation

1.2 Sector Mandate

The mandate of Public Sector Management (PSM) is to promote sound principles, systems, structures and procedures of managing the Public Service. The Vision is accessible, timely, reliable, affordable and competitive Public Service, while the Mission is to establish a sector able to design and promote mechanisms to strengthen the capacity of PSM in readiness to anticipate and deliver public service reforms that will promote relevant and competitive Public Service.



1.3 Strategic Objectives and Outcomes

The sector objectives are to: (i) Promote development planning, (ii) Prioritize management and institutional development of Sciences in Government, (iii) Streamline talent management, (vi) Strengthen monitoring, evaluation and learning.

The sector outcomes are: (i) Harmonized government policy formulation and implementation at Central and Local Government levels; (ii) improved institutional, human resource management at Central and LGs; and (iii) coordinated monitoring and evaluation of policies and programmes at Central and LGs.

The sector priorities as avenues of contributing to the National Strategic Objectives and Vision 2040 are;

- i. Reviewing the architecture of Government service systems to act as a unit, harness synergies and deliver competitive public services.
- ii. Harmonizing policies, laws and regulations at the local government, national, regional and international levels.
- iii. Taking the lead in developing and implementing public service reforms and reviewing performance of the previous reforms leading to a better service delivery.
- iv. Pursuing policies aimed at kick-starting areas of human resource management, and development in the public sector management.
- v. Spear heading comprehensive and integrated development planning at Local and National levels.
- vi. Reviewing and strengthening the foreign policy to enhance collaboration in accordance with the existing and future agreements, standards and protocols within the EAC.
- vii. Contributing to enhancing Uganda's importance and constructive regional role in especially within the EAC framework and great lakes region.
- viii. Developing mechanisms for Local Government Financing.
- ix. Reviewing the architecture of Local Governments to enable them carry out the central role of delivering competitive services to the people.

Financing of the Sector is through nine votes consisting of: (1) Vote 003- Office of the Prime Minister (OPM), (2) Vote 005- Ministry of Public Service (MoPS), (3) Vote 011-Ministry of Local Government (MoLG), (4) Vote 021- Ministry of East African Community Affairs (MEACA), (5) Vote 108- National Planning Authority (NPA), (6) Vote 122- Kampala Capital City Authority (KCCA), (7) Vote 146- Public Service Commission (PSC), (8) Vote 147- Local Government Finance Commission (LGFC), and (9) Vote 501-850- 133 Votes in the Local Governments (LGs).



CHAPTER 2: METHODOLOGY

2.1 Scope

The report presents semi-annual performance for selected PSM programmes for FY 2019/20. Monitoring visits covered 16 projects/programmes from eight Votes as shown in Annex 1. Selection to visit was based on a number of criteria:

- Budget allocations to votes in sector budgets with a focus on large expenditure programmes.
- The programmes that submitted progress reports for FY2019/20 were followed up for verification against output achievements.
- Projects/Programmes that contribute to Sector and National priorities.
- For completed projects, the visits focused on the quality, value for money and beneficiary satisfaction.

2.2 Methodology

Physical performance of projects was assessed through monitoring a range of outputs and linking the progress to expenditure. Across all the projects/ programmes visited, the key variables assessed included: performance objectives, targets, inputs and outputs.

2.2.1 Sampling

A combination of random and purposive sampling methods were used in selecting projects from the Ministerial Policy Statements and performance reports of the respective departments. Priority was given to monitoring outputs that were physically verifiable. In some instances, multi-stage sampling was undertaken at three levels: i) Sector programmes/ projects ii) Local Governments and iii) beneficiaries.

Outputs to be monitored were selected so that much of Government of Uganda (GoU) development expenditure and physical performance was monitored during the field visits. Districts were selected based on regional representation.

2.2.2 Data Collection

This was collected from various sources:

- Review of Secondary data including: Ministerial Policy Statements for FY2019/20; National and Sector Budget Framework Papers; Sector project documents and performance reports from the Programme Budgeting System (PBS), Sector Quarterly Progress Reports and work plans, District Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.
- Review and analysis of data from the Integrated Financial Management System (IFMS) and IPPS; quarterly performance reports (Performance Form A and B) and bank statements from some implementing agencies.



- Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government levels.
- Field visits to project areas for primary data collection, observation and photography.
- Call-backs in some cases to triangulate information.

2.2.3 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Comparative analysis was done using the relative importance of the outputs and the overall weighted scores.

Relative importance (weight) of an output monitored was based on the amount of budget attached to it; thus the higher the budget the higher the contribution of the output to the sector performance. This was derived from the Approved Annual budget of each output divided by total annual budget of all outputs of a particular programme/project. The weight of the output and percentage achievement for each output were multiplied to derive the weighted physical performance. The overall programme/project performance is a summation of all weighted scores for its outputs. On the other hand, the overall sector performance is an average of individual programme performances that make up the sector.

The performance was rated on the basis of the criterion in Table 2.1.

Table 2.1: Assessment guide to measure performance of projects monitored in FY2019/20

SCORE	COMMENT
90% and above	Very Good (Most of the set targets achieved and funds absorbed)
70%-89%	Good (Some core set targets achieved and funds absorbed to 70%-89%)
50%- 69%	Fair (Few targets achieved and funds absorption is 50%-69%)
Less than 50%	Poor (No targets achieved and or funds absorption is less than 50%)

2.3 Limitations of the Report

- Limited access to acquire information on analysis for the decentralised payroll reforms from Ministry of Finance, Planning and Economic Development and Ministries of Public Service and Local Government.
- Lack of detailed procurement details on items procured from the project coordinators.
- Lack of detailed performance work plans in line with the project objectives, targets, progress and field reports.



CHAPTER 3: SECTOR PERFORMANCE

3.1 Overall Sector Performance

Financial Performance

The approved budget for the eight votes (inclusive external financing in Office of the Prime Minister, and Ministry of Local Government for FY 2019/20 was Ug shs 929.71billion (exclusive of Local Governments, taxes and arrears) of which Ug shs 495billion (53%) was released and Ug shs 206 billion (42%) spent by 31st December, 2019. This was good release and poor absorption.

The Public Sector Management accessed funding from the World Bank (WB) to finance development projects under OPM; African Development Bank (ADB), Internal Fund for Agricultural Development (IFAD), and one grant Adaptation for Small Holder Agricultural Program (ASAP) to support the Markets and Agricultural Improvement Project (MATIP II); and Project for the Restoration of Livelihoods in the Northern Region under MoLG. The detailed GoU performance is shown in Table 3.1.

Table 3.1: PSM Semi-Annual Performance as at 31st December, 2019 in Ug shs, billions

Institution	Budget	Releases	Expenditures	% Budget released	% Release Spent
Office of the Prime Minister (OPM)	618.371	374.061	106.02	60.5	28.3
Ministry of Public Service (MoPS)	31.373	14.093	10.368	44.9	73.6
Ministry of Local Government (MoLG)	178.432	41.57	31.674	23.3	76.2
Ministry of East African Community Affairs (MEACA)	52.242	39.006	35.956	74.7	92
National Planning Authority (NPA)	33.567	18.075	15.662	53.8	86.65
Kampala Capital City Authority (KCCA)	2.057	1.115	0.367	54.2	32.91
Public Service Commission (PSC)	8.857	4.663	4.006	52.6	85.91
Local Government Finance Commission (LGFC)	4.814	2.493	2.374	51.8	95.23
TOTAL	929.713	495.076	206.427	53.3	41.7

Source: PBS, MFPEd, July-December 2019



Physical Performance

The PSM semi-annual performance for FY 2019/20 in terms of output delivery was fair at 55%. There was partial implementation of planned outputs in all programmes monitored except those that had operational challenges such as lengthy approval of supplementary budgets released to districts; ongoing procurement processes, late disbursement of funds for the donors and GoU. The wage short falls still remain a challenge in Local Governments (LGs) especially in the Education Sector including public universities. This is also coupled with monthly and gratuity shortfalls mostly in LGs. Overpayments and duplicated submissions still persist in some LGs such as Nakasongola, Mayuge and Kabarole, Tororo, Arua.

Detailed performance of PSM at Vote level as at 31st December, 2019 is shown in table 3.2.

Table 3.2: Overall Performance of the PSM Votes as at 31st December 2019

Vote		% Programme Performance
003	Office of Prime Minister	56
005	Ministry of Public Service	63
011	Ministry of Local Government	51
021	Ministry of East African Community Affairs	50
108	National Planning Authority	55
122	Kampala Capital City Authority	41
146	Public Service Commission	64
147	Local Government Finance Commission	56
	Average performance	55

Source: BMAU field findings

3.2 Vote 003: Office of the Prime Minister

The mandate of Office of the Prime Minister (OPM) is to lead Government business in Parliament and coordinate Government policies across Ministries, Departments, Agencies and other Public Institutions. The Vote consists of three programmes namely: Strategic Coordination, Monitoring and Evaluation; Disaster Preparedness and Refugees Management; and Affirmative Action.

3.2.1 Strategic Coordination, Monitoring and Evaluation

The programme objective is coordination and implementation of Government Policies, Plans, Programmes and Projects; and to lead and coordinate harmonized monitoring and evaluation at the National and Local Government levels. The sampled project/sub-programmes and outputs monitored under this programme were: (i) Policy implementation and coordination; and (ii) Government evaluation facility project.



Performance

The approved budget for FY 2019/20 for the sampled projects was Ug shs 1.284billion, of which Ug shs 0.636 billion (50%) was released and Ug shs 0.386 billion (61%) spent by 31st December, 2019. This was good release and fair absorption. The detailed programme performance at output level is shown in Table 3.3.

Table 3.3: Performance of Strategic Coordination, Monitoring and Evaluation as at 31st December, 2019

Project-Sub programme	Output	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
17: Policy Implementation and Coordination	01: Government policy implementation coordination	0.70	0.34	2.9	2.1	39.044	The Nutrition Paper for NDP III was developed.
1294 Government Evaluation Facility Project	06: Functioning National Monitoring and Evaluation	0.59	0.30	5.6	1.8	14.765	(i) A study for process evaluation of the Green Jobs Programme was conducted; (ii) 4 evaluation reports for Government evaluation Facility (GEF) archiving were reviewed and approved.
	Total	1.28	0.64			53.81	Fair

Source: IFMS data/OPM Project report/ field findings -February 2020

Conclusion

The overall programme performance was fair at 53%. This was attributed to lack of clear performance work plans, targets and progress reports. The activities implemented are not in line with the Programme Objective. The key policies under PSM that deepen implementation of NDP II objectives include: (i) The National Policy of East African Integration, 2015; (ii) Decentralization Policy, 1997;(iii) National Policy on Public Sector Monitoring and Evaluation, 2013; and (iv)Framework for attracting and retaining hard to reach areas, 2010. None of the above policies have effectively been coordinated to determine effectiveness.

Recommendations

- The OPM Planning Unit should realign activities to the program objective.
- The Ministry of Finance, Planning and Economic Development (MFPED) in consultation with OPM should review the Government Evaluation Facility (GEF) project under OPM which is more of recurrent in nature than development.



3.2.2: Disaster Preparedness and Refugees Management Programme

The programme objective is to strengthen capacities for mitigation, preparedness and response to natural and human induced disasters, and to lead and enhance National response capacity to refugee emergency management. The Humanitarian Assistance and Development Response to Displacement Impacts Projects (DRDIP) were monitored.

Performance

The approved GoU budget for the Humanitarian Assistance for FY 2019/20 was Ug shs 11.898 billion, of which Ug shs 4.852 billion (41%) was released and Ug shs 2.616 billion (54%) spent. This was fair release and absorption.

The approved budget for DRDIP was Ug shs 110.663 billion, of which Ug shs 30.643 billion (28%) was released and all spent by 31st December, 2019. This was poor release but good absorption. The detailed programme performance is shown in Table 3.4.

Table 3.4: Performance of the Disaster Preparedness and Refugees Management Programme as at 31st December, 2019

Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project:0922 Humanitarian Assistance	03 IDPs returned and resettled, Refugees settled and repatriated	5.098	1.818	1782.5	2590	4.191	A total of 2,590 out of the planned 5,000 Internally Displaced Persons (IDPs) affected by floods and landslides were resettled in over 69 districts; A total of Ug shs 1.1 billion was spent of which Consultancy services took the highest expenditure ((Ug shs 515 million). No report was availed.
	04 Relief to disaster victims	3.700	0.935	63,153	162,650	3.041	Relief food and assorted non-food commodities were distributed to 162,650 out of the planned 250,000. The rice was a donation from the Government of China.
	72 Government Buildings and Administrative Infrastructure	2.200	2.100	3.8	0.3	0.142	A total of funds worth Ug shs 300 million was disbursed to the Uganda Red Cross Society for the construction of a Health Centre III facility; and Ug shs 500 million to the Uganda Police Construction Unit to construct the Phase I of a primary school facility in the settlement. Access roads (17km) were also opened up.



Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project: 1499 Development Response for Displacement IMPACTS Project (DRDIP)	Refugees and host community livelihoods improved	11.215	4.596	812.6	346	3.925	Monitoring and Supervision activities for (i) 10 Community groups in 3 districts supported with funds for value addition facilities in Grain milling, cassava processing and soya/pea nut processing; (ii) 1,315 households supported with funds for implementing non-traditional livelihood activities (bee hives and fish ponds; and 3,206 households with funds to cater for traditional livelihoods (agriculture); and (iii) Civil works on infrastructure such as health facilities, classroom blocks and roads were undertaken and most are complete and commissioned.
	Transfer to other Government units	97.786	24.552	0.3	0.15	48.019	Disbursed funds to 14 refugee hosting districts for: (i) Construction of 110 Classrooms; 15 OPDs at HCs; 181kms of community access roads; and mapping and protecting 44 water shades. (ii) Supported 10 community groups to procure value addition facilities such as grain millers, cassava, soya and peanut processing machines.
	Government Buildings and Administrative Infrastructure	0.0383	0.006	0.2	0.1	0.010	Funds worth Ug shs 6 million spent on procurement of furniture.



Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
	Purchase of Motor Vehicles and Other Transport Equipment	1.623	1.490	13.8	9	0.872	8 Double Cabin Pick-ups ,1 Station Wagon, in Kikuube, Koboko, Kiryandongo, Kyegegwa, Isingiro, Hoima, Arua.
	Total	121.662	35.496			60.20	Fair

Source: IFMS data/OPM Project report/ field findings

Conclusion

The Disaster Preparedness and Refugees Management was fair at 60%. A total of 162,650 households were supplied with relief food and non-food items, however the rice was a donation from China. The highest expenditures were on consultancies, although reports were not readily available. Under DRDIP, component one, there was evidence of completed and ongoing civil works in refugee hosting districts; there was however slow implementation of the other components that will affect achievement of project objectives.

1) Sub-Programme: Humanitarian Assistance

Background

The project objective is to coordinate timely response to disasters, provide and distribute food and non-food relief to disaster victims in 194 districts. The relief food items included maize, beans, rice and other assorted foods while the non-food items included tarpaulins and blankets. . The project period is from 1st July 2015 to 39th June, 2020.

The districts of Bulambuli, Kyegegwa, Masaka, Mbarara, Kabarole, and Ngora were visited. The refugees settled and repatriated outputs and relief to disaster victim's outputs were assessed.

Findings returned and resettled, Refugees settled and repatriated: Activities for this output were implemented in Bulambuli District. Contracts for civil works for phase II commenced in August, 2019 and were awarded to Uganda Police; Uganda Peoples Defence Forces (UPDF); and Uganda Prisons Service. A total of Ug shs 7.272 billion with value of each house costing approximately Ug shs 51 million was allocated for constructions. By 31st December 2019, civil works for all the planned 140 housing units were completed, pending electricity, solar power and water connection installations. Quality of civil works was good.



Completed housing units under Phase II in Bunambutye Town Council, Bulambuli District

Preparations for resettlement of 138 disaster affected households were completed. It should be noted however that constructions of the health facility and the school were to commence in Quarter Four.

Relief to Disaster Victims: A total of 112,650 bags of 100kgs of rice (food items) that was a donation from China Government and 22,026 pieces (non-food items) including blankets, simsim, buckets, spades and fortified foods were distributed to households affected by disasters across the country. According to the districts officials and beneficiaries of Bulambuli, Sironko, Omoro, Mbarara, Masaka, Ngora, Bukedea, Kyegegwa, Mayuge, and Arua, the items were received and distributed. The distribution of relief food and non-food items is shown in Table 3.5.

Table 3.5: Distribution of Food/ Non-Food Items by Region by 31st December, 2019

Sub- regions	Rice (bags of 50kgs) Donation	Non- food commodities (Assorted pieces)	No. of districts
Acholi	10,960	7,776	5
Ankole-Kigezi	12,300	-	7
Bugisu	15,500	1,400	7
Busoga	3,500	-	2
Central	22,050	-	15
Eastern	8,400	-	3
Karamoja	10,100	-	5
Lango	1,800	-	2
Others	420	-	2
Sebei	500	-	1
Teso	7,720	12,850	6
Toro-Bunyoro	6,800	-	5
West Nile	11,400	-	7
Western	1,200	-	2
Total	112,650	22,026	69

Source: Humanitarian Assistance Progress reports; field findings



Ngora District confirmed receipt of 600 bags of rice in November, 2019 to be distributed to over 100 vulnerable homesteads (widows, sick, elderly and child headed households) in four counties. Of these, 573 bags had so far been distributed. District officials indicated that each household would get between 7-10kgs of rice depending on the number of people per household. The district was in the process of distributing the remaining 27 bags.



Twenty-seven bags of 100kgs of rice kept in stores awaiting distribution at Ngora District

Sironko District received 600 bags of rice, 100 blankets, 50 buckets and 100 spades that were distributed to over 230 homesteads in eight sub-counties that were affected by floods, mudslides and landslides. Omoro District got 600 bags of rice, 360 pieces of blankets, 100 jerrycans, 30 cartons (240 pcs) of soap, 100 buckets, 100 spades and 500 mats for over 208 homesteads in six sub-counties affected by heavy rains.

Challenges

- Lack of clear structures and financial support for handling disasters at the district level and as a result there are delays in verifications and distribution of items in LGs.
- The non-relief and relief items in most cases are too meagre to cater for families affected by disasters.
- Shortage of a geographical information system and remote sensing experts making coordination difficult.

Recommendations

- The OPM should institute a fully-fledged and effective district disaster preparedness structure with budgetary provisions.
- The Government should provide more funding to the Disaster Department to purchase assessment equipment and recruit and train GIS experts.

2) Sub-programme: Development Response to Displacement Impacts Project (DRDIP)

Background

Government of Uganda secured a loan from World Bank towards the Development Response to Displacement Impacts Project (DRDIP). The five year Project (2017-2021) seeks to improve access to basic social services, expand economic opportunities, and enhance environmental management in 14¹ refugees hosting districts and is coordinated by the Office of the Prime Minister (OPM).

¹ Adjumani, Arua, Hoima, Isingiro, Kamwenge, Kikuube, Kiryandongo, Koboko, Kyegegwa, Lamwo, Madi-Okollo, Moyo, Obongi, and Yumbe



The project has four components: (i) Social and Economic Services and Infrastructure (SESI); (ii) Sustainable Environmental Management (SEM) through Integrated Natural Resources Management (INRM) and access to Energy; (iii) Livelihoods Programme (LP) through Support to Traditional and Non-Traditional Livelihoods and Capacity Support of Community-Based Organizations for Livelihoods; and (iv) Project Management, and Monitoring and Evaluation.

Performance

The five-year donor budget was US\$50 million, of which US\$ 33.896 million (67%) was utilized as at 31st December, 2019. The summary of funds disbursed and utilized by districts as at 31st December 2019 is shown in Table 3.6.

Table 3.6: Sub-Project Disbursements to Districts as at 31st December, 2019

District	SESI	LSP	INRM	ENERGY	
	Ug shs	Ug shs	Ug shs	Ug shs	USD
Adjumani	5,797,140,000	619,700,000	660,000,000	197,034,861	1,974,932.76
Arua	4,708,000,000	625,600,000	1,118,640,000	212,945,888	1,809,667.36
Hoima	3,264,500,000	162,580,000	70,500,000	67,500,000	963,537.73
Isingiro	11,160,788,214	669,523,200	541,246,680	632,897,019	3,514,727.10
Kamwenge	11,346,100,000	653,200,000	354,800,000	469,200,000	3,465,766.12
Kikuube	400,000,000	448,800,000	570,000,000	177,000,000	431,298.50
Kiryandongo	7,355,240,123	652,800,000	874,000,000	243,500,000	2,466,368.90
Koboko	6,510,000,000	511,000,000	503,500,000	315,000,000	2,118,789.51
Kyegegwa	7,881,500,000	603,100,000	617,766,872	275,730,854	2,534,627.85
Lamwo	8,502,500,000	568,500,000	1,180,000,000	208,000,000	2,826,764.39
Moyo	8,203,000,000	317,800,000	450,000,000	235,000,000	2,488,060.77
Obongi	0	258,000,000	0	0	69,729.92
Yumbe	11,463,000,000	511,700,000	1,720,000,000	100,000,000	3,745,404.68
TOTAL	86,591,768,337	6,602,303,200	8,660,453,552	3,133,808,622	28,505,425.04

Source: DRDIP Progress reports, December, 2019

The districts of Arua, Koboko, Hoima, Kikuube, Kiryandongo, and Kyegegwa were sampled and components monitored included; Social and Economic Services and Infrastructure (constructions, procurement of vehicles); Sustainable Environmental Management and Livelihoods Programme (aquaculture, crop farming, livestock farming, livestock trade, metal fabrication, produce trade, salon, secretarial services, value addition).



Findings

Social and Economic Services and Infrastructure Component: A total of 173 sub-projects worth Ug shs 83.6bn (US\$ 23.7m) were funded. Sub-projects were in education, health, roads and water infrastructures - 45% were completed, 20% were 70%-90% complete and the remaining 35% were below 50% and mainly under the third disbursement. Most of the completed subprojects under the first disbursement were commissioned for use. A total of 8 double cabin pickups, 23 motorcycles, computers and filling cabinets were procured and distributed to implementing districts.

According to field findings and interactions with the district engineering departments and project staff, there was evidence of completed and ongoing civil works on health, roads and Education. Observations showed that the quality of works on completed infrastructure was good. However, the delays in disbursements and the weather affected the completion of some civil works. Some of the ongoing works included: an operating theatre and OPD block at Kyegegwa HC IV; general ward at Lobule HC III and 2 blocks of 3 classrooms in Koboko; two blocks of 2 classrooms in Omugo Primary School in Arua and an OPD block at Kabwoya Health Centre III in Hoima. The completion dates of these incomplete structures was March 2020.

Contractual Obligations: The total amount of contractual obligations for civil works on 45 contracts for the second disbursement was Ug shs 17,566 billion, of which Ug shs 11,921 billion was paid out to contractors, whereas 28 contractual obligations for the third disbursement was Ug shs 12.361 billion, of which Ug shs 3.512 billion was paid out by 31st December, 2019. The contractual obligations of selected sites visited between January and February, 2020 is shown in Table 3.7.

Table 3.7: Contractual Status of Completed and Ongoing Projects visited as at 31st December, 2019

NO.	CATEGORY	CONTRACTOR	CONTRACT AMOUNT (Ug shs)	CUMMULATIVE PAYMENTS (Ug shs)	PROGRESS \TODATE
1.	Construction of general ward at Lobule HC III, at Lobule HC III, Lobule Sub-county, Koboko district	M/S Big G General Stores	547,953,500	348,185,575	Civil works were at 80% completion with a project start date of 02/8/2019 for a period of six months.
2.	Construction of an operating theater and OPD block at Kyegegwa HC IV	AZU Properties Limited	1,063,391,975	NIL	Work progress at 20% complete. The first certificate was being processed for payment.
3.	Construction of three in one classroom block, 5 stances drainable latrine, supply of furniture and installation of two tanks of 10,000lts stainless steel at Nyamahasa primary school Kiryandongo district	M/s Big G General Stores	345,297,700	310,767,930	Project was completed under defects liability period.



NO.	CATEGORY	CONTRACTOR	CONTRACT AMOUNT (Ug shs)	CUMMULATIVE PAYMENTS (Ug shs)	PROGRESS (TODATE)
4.	Full rehabilitation of Migongwe-Migamba-Rwentuaha-Kazinga 24km, Kyegegwa District	Infratech (U) Limited	743,346,764	427,400,176	Project was complete and under defects liability period. The last payment certificate was being processed.
5.	Construction of a Three in one classroom blocks, 5 stance drainable latrines and 10,000 Ltr capacity stainless steel rainwater harvesting tanks for each block in Kasenyi Lyato Primary School, Hoima district	Kingstar construction Ltd	401,151,500	200,575,500	Project was complete and under defects liability period. The balance of payment was being processed.

Source: DRDIP progress reports, December 2019, field findings

Sustainable Environmental Management Component: A total of 520 sub-projects covering access to energy, afforestation and agroforestry, institutional greening, soil and water conservation and irrigation worth Ug shs 21.7bn were funded and implementation had commenced in all the beneficiary districts.

Livelihoods Programme (LP) Component: The project disbursed funds worth Ug shs 6.6bn for 330 sub-projects to districts and implementation was ongoing. Training on value chains and market assessment to further guide the Community Facilitators (CFs) and district technical officers was implemented.

Environmental and Social Safeguards: A system was developed and rolled out for identification of adverse environment and social impacts and their management.

The project rendered technical support to DRDIP Community Facilitators (CFs) in South-western districts of Isingiro, Kamwenge, Kyegegwa, Kikuube and Hoima.



Newly constructed three in one classroom block in Kasenyi Lyato Primary School, Hoima District



Students attending a lesson in one of the new classrooms



Old classroom block in Kasenyi Lyato Primary School, Hoima DLG



Sensitization of stakeholders on DRDIP activities by Chief Administrative Officer of Kyegegwa District

Implementation Challenges

- Most activities implemented were civil works; minimal activities were implemented in the Sustainable Environment and Livelihood Support components, and as a result the objectives of the project may not be met.
- In some instances, the bad weather and poor road networks, procurements, corruption hampered implementation on schedule.
- Capacity gaps for some districts and communities especially in the Western region slowed project implementation.

Recommendations

- The project coordination teams should implement activities in the other components, if the objectives of the project have to be met.
- The districts should institute disciplinary procedures against district engineers frustrating the project in host communities and community leaders should be encouraged to monitor these projects.
- The DRDIP should work with the NUSAF-III Community Facilitators and Community Business Agents to build capacities of DRDIP CFs and communities.

3.2.3 Affirmative Action Programme

The overall programme objective is to coordinate and monitor the implementation of Government affirmative action programmes in disadvantaged regions. Four sub-programmes were sampled and visited and these included: (i) Post-War Recovery and Presidential Pledges; (ii) Support to Bunyoro Development; (iii) Support to Luwero Rwenzori Development Programme (LRDP); and (iv) Support to Teso Development Project.

Performance

The FY 2019/20 budget for the sub-programmes was Ug shs 43.727 billion, of which Ug shs 14.412 billion (33%) was released and Ug shs 10.217 (71%) spent by 31st December, 2019. This was poor release and good funds absorption. The overall programme performance by output is shown in Table 3.8.

**Table 3.8: Detailed Performance of Affirmative Action Programme as at 31st December, 2019**

Project-Sub programme	Out put	Annual (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project:0932 Post-War Recovery and Presidential Pledges	01 Implementation of PRDP coordinated and monitored	2.376	1.093	3.2	0.5	0.844	No reports were availed yet high expenditures were on travel inland (Ug shs 62 million) and Guard and Security services (Ug shs 132 million).
	06 Pacification and Development	0.955	0.699	5.1	0.1	0.043	Procurement process for handhoes; iron sheets; maize mills; cassava chippers; sunflower oil extracting and ground nuts/simsim grinding machines; and bicycle repair kits) were ongoing.
	07 Restocking Programme	19.550	4.688	4460.5	3856	38.650	A total of 3,856 (86%) out of 4,460 cattle (half year target) were procured and distributed to 6 districts.
	72 Government Buildings and Administrative Infrastructure	0.900	0.508	1.1	0	0	Funds worth Ug shs 58 million were spent on procurement related costs such as adverts and calling for bids from contractors for the construction of the chiefs complex in Lira.
Project:1252 Support to Bunyoro Development	06 Pacification and development	0.229	0.117	5629.6	900	0.084	900 iron sheets were distributed to upgraded sub-counties and churches in the Bunyoro sub-region. There were no distribution lists for the hoes provided.
	51 Transfers to Government units	0.200	0.200	1	0.01	0.005	OPM records showed that Ug shs 172 million was spent on 34 micro projects in six districts, not all districts and vulnerable groups benefitted.



Project-Sub programme	Out put	Annual (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project:0022 Support to Luwero Rwenzori Development Programme	06 Pacification and development	3.545	1.205	6801.1	1.5	0.002	<p>A total of 83 Parish Community Associations (PCAs) in 10 districts of Busoga and Luwero Rwenzori sub-region were established and trainings were ongoing. However, no training reports were available even at LG levels.</p> <p>High expenditures were on workshops and seminars (Ug shs 552 million and travel inland (Ug shs 275 million).</p> <p>The 10,000 hand hoes, and iron sheets were not procured.</p>
	51 Transfers to Government units	13.820	5.034	0.4	0.17	14.745	<p>(i) Funds worth Ug shs 5 billion were disbursed to 12 districts for the establishment of 116 out of the planned 453 PCA groups in districts of Luwero-Rwenzori and Busoga sub-regions. However, beneficiaries had not accessed funds. The funds were still on district accounts.</p>
	78 Purchase of Office and Residential Furniture and Fittings	0.100	0	0	0	0	<p>No funds were released and spent under this output.</p>
Project 1251: Support to Teso Development Project	01 Implementation of PRDP coordinated and monitored	0.050	0.025	0.5	0.05	0.011	<p>This activity was not implemented instead funds worth Ug shs 20 million were used to pay salaries for contract staff based at the Soroti Regional Office, which has only support staff.</p>



Project-Sub programme	Out put	Annual (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
	06 Pacification and development	0.990	0.328	6,871	750	0.247	A total of 750 ox-ploughs were procured and kept in OPM stores.
	51 Transfers to Government units	0.312	0.312	1	0.5	0.357	Funds worth Ug shs 312 million were used to complete payments for a completed 4- classroom block at Kaler Primary School in Ngora District; Ministry of Water and Environment was also given an advance payment of Ug shs 146 million for the construction of a valley tank.
	72 Government Buildings and Administrative Infrastructure	0.700	0.200	0.3	0.04	0.225	No funds had been spent under this output, however civil works for the Soroti Regional Office were at 32% physical progress.
	Total	43.727	14.412			55	Fair

Source: IFMS data/OPM Project report/ field findings - February 2020

Conclusion

The Affirmative Action Programme performance was fair at 55%. There was partial implementation of planned outputs and in some instances the activities implemented were not in line with the planned outputs. A lot of funds are being spent on Parish Community Associations (PCAs) under Support to LRDP however on the ground, implementation is limited. The reason being fronted every year is that the district councils had not approved the supplementary budgets and funds are on district accounts.

1) Sub-programme: Post-War Recovery and Presidential Pledges

Background

The project objective is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Northern Uganda and Karamoja regions and reducing vulnerability of women, youth, PWDs, children, ex-combatants, and the elderly by supporting them out of poverty. The coverage includes 55 districts and nine municipalities in the greater North covering eight sub-regions of West Nile, Acholi, Bunyoro, Lango, Teso, Karamoja, Elgon and Bukedi. The project period is 1st July, 2009 to 30th June, 2020. 7



Performance

The approved GoU budget for FY 2019/20 was Ug shs 24 billion, of which Ug shs 6.988 billion (29%) was released and Ug shs 3.349 billion (48%) spent as at 31st December, 2019. This was poor release and fair absorption. This absorption was attributed to procurements which had not yet performed such as hand hoes, maize mill, and cassava chippers, ground nuts/simsim grinding machines and motorcycle, bicycle repair kits. The districts of Arua, Bukedea and Lira were sampled to assess date and receipt of animals, quality and distribution according to OPM guidelines.

Findings

Restocking Output: The objective of the restocking programme is to enhance household incomes in West Nile, Acholi, Lango and Teso sub-regions; and to contribute towards the depleted livestock population in these sub-regions. For FY 2019/20, a total of Ug shs 3.464 billion was spent on procurements of 3,805 heifers and 51 bulls. The total number of animals procured during quarters one and two for the six districts, per unit cost and suppliers is shown in Table 3.9.

Table 3.9: Number of animals supplied per unit cost as at 31st December, 2019

No.	District	Supplier	No. of animals supplied	Unit cost (Ug shs)	Total
1	Arua	M/s OPED Ltd	650	870,000	565,500,000
			190	890,000	169,100,000
2	Lira	M/s Teso Investment Limited	500	900,000	450,000,000
		M/s Rato Enterprises (U) Ltd	396	901,000	356,796,000
3	Bukedea	M/s Sirann Mixed Farm Ltd	300	900,000	270,000,000
		M/s Rato Enterprises (U) Ltd	126	901,000	113,526,000
4	Amuru	M/s OPED Ltd	442	870,000	384,540,000
5	Agago	M/s Combined Brothers Holding services	400	906,300	362,520,000
		M/s Olal and Brothers Co. Ltd	274	911,600	249,778,400
		M/s Drescot	152	920,000	139,840,000
		M/s Agri suppliers	44	980,000	43,120,000
6	Nebbi	M/s Kabim Ltd	331	870,000	287,970,000
		M/s OPED Ltd	51	1,400,000	71,400,000
	Total		3,856		3,464,090,400

Source: PRDP districts, field findings

The District Veterinary Officers (DVOs), beneficiaries and sub-county officials in Arua, Lira and Bukedea districts acknowledged receipt of the animals. Young heifers were distributed to women, elderly, youth, vulnerable, widows, veterans, ex-combatants and persons with disability and were appreciated by the beneficiaries. Two sub-counties and one town councils were visited to ascertain the quality, gender and equity in the distribution. Distribution details are shown in Table 3.10.

**Table 3.10: Distribution of heifers in sub-counties visited as at 31st December, 2019**

No.	Categories	Dadamu sub-county	Lira sub-county	Bukedea Town Council
1	Vulnerable	-	17	-
2	Elderly	24	10	20
3	Youth	15	6	12
4	Female Heads	4	4	7
5	Widows/Widowers	15	9	7
6	Persons with Disability	3	5	-
7	Ex combatants	-	-	2
8	Veterans	1	4	-
9	Orphans	-	1	-
	Total	62	56	48

Source: Arua, Lira and Bukedea DLGs; field findings

The elderly were the highest beneficiaries in Dadamu sub-county and Bukedea Town Council, whereas Lira sub-county recorded the vulnerable as the highest beneficiaries. The categories that did not benefit were considered during the previous FY 2018/19.

Challenges

- Theft of cattle supplied: some of the animals supplied to beneficiaries in Arua District were stolen and taken to Congo and others were sold off for survival.
- The young heifers take two or three years to mature hence the objective to fight poverty at household is yet to be realized. Additionally, the beneficiaries cannot afford the drugs.

Recommendations

- The OPM and beneficiary Districts should continuously sensitize communities on benefits of cattle keeping especially the districts that border the neighboring countries so that they can appreciate the restocking activity.
- The OPM should carry out an evaluation study on restocking of animals to assess its impact on the target groups and the programme.



PRDP cow belonging to Arima Apein Primo of Arua Municipality



2) Sub Programme: Support to Bunyoro Development

Background

The project objective is to support households to improve the livelihoods and socio-physical infrastructure in the districts of Hoima, Kibaale, and Bullisa, Masindi, Kiryandongo, Kagadi and Kakumiro. The project period is from 1st July 2010 to 31st December 2020 and it is coordinated by OPM.

Performance

The approved GoU budget for FY 2019/20 was Ug shs 429 million, of which Ug shs 317million (74%) was released and Ug shs 242 million (76%) spent. This was good release and absorption.

The districts of Hoima, Masindi, Kibaale, Kiryandongo, and Kagadi were sampled to assess progress.

Findings

Pacification and Development: The identification of beneficiaries was from top to bottom and not directly benefitting the vulnerable in the region. For instance, a number of iron sheets were distributed to upgraded sub-counties in Kigoroby sub-county that had not been planned for and neither ready to use them. As a result the iron sheets were kept in the stores waiting for sub-counties to purchase land for construction. A total of 900 iron sheets against the planned 2,500 were purchased by OPM and distributed to mostly churches. Masindi Kitara Diocese got Ug shs 199 million to purchase iron sheets, while 350 iron sheets were given to Bullisa District; 100 to Kagadi; 100 to Bunyagabu District; and 350 iron sheets to Hoima District. There were no distribution lists for the hoes at the districts.

Transfers to Government Units: A total of 50 micro projects were supported for livelihood enhancement targeting vulnerable groups. Ug shs 172 million was released to support various projects such as piggery, SACCO, catering, bodaboda associations, poultry farming and tree planting in the region. The money was to be apportioned as follows: Masindi District - Ug shs 65,125,000; Kagadi - Ug shs 10 million; Hoima Municipality - Ug shs 15 million, and Kakumiro - Ug shs 3 million. The other districts had not benefitted by 31st December 2019.

Districts visited had not received the money as the district councils were in the process of approving supplementary budgets and most beneficiaries had not been consulted on opening up bank accounts. Mr. Isingoma, a beneficiary of MK Poultry Farm was visited in Masindi Municipal Council. He already has 500 birds and produces 10 trays a day. The proceeds have educated his children. Other beneficiaries were visited in Hoima Municipality and Bombo sub-county in Kigoroby Town Council.

In Bombo sub-county, the councillors kept the iron sheets in the stores since they had not planned for them. The priority here was purchase of land to construct the new sub-county office.



Mr. Insingoma's poultry farm in Masindi District



The stored iron sheets belonging to Bombo sub-county, Kigoroba Town Council

Challenges

- Poor planning and budgeting which is top-bottom (beneficiary lists come from OPM) without consulting the respective district technical staff and political leadership. The few beneficiaries of the micro projects are selected from OPM. The vulnerable especially the elderly women over 80+ in the Bunyoro region are disadvantaged and not benefitting from this project.
- The Bunyoro Coordinating Office is managed by a secretary and an office attendant.

Recommendations

- The MFPED should consider remitting all funds for this project to the respective District Local Governments depending on the workplans and projects appraised and approved by Accounting Officers and sub-county chiefs in the respective LGs. OPM should interject at Policy level.
- The MFPED in consultation with OPM should consider operationalizing the Bunyoro Coordinating Office with full time project staff to coordinate the project and develop better productive projects to alleviate the vulnerable from poverty.

3) Sub Programme: Support to Luwero Rwenzori Development Programme (LRDP)

Background

The project objective is to enhance household incomes and is implemented in 13 districts² in the sub-regions of Luwero and Rwenzori Triangle. The project period is from 1/7/2009 to 30/06/2021.

² Butambala, Lwengo, Mukono, Wakiso, Kayunga, Kasese, Luwero and Kabarole, Kyenjojo, Kyegegwa, Mubende, Mityana and Nakaseke



Performance

The approved GoU budget for FY 2019/20 was Ug shs 17.465 billion, of which Ug shs 6.241 billion (36%) was released and Ug shs 5.968 billion (97%) spent by 31st December 2019. This was poor release but good absorption.

The districts of Kiboga, Mityana, Mubende, Kyenjojo, Wakiso and Mayuge were sampled and visited to ascertain receipt and utilization of funds for Parish Community Associations (PCA).

Findings

Transfers to Government Units: The PCA model provides funding modalities to farmers and other groups within a Parish in a coordinated manner of self-regulation, appraisal, supervision and monitoring of funding to their members. It also seeks to bring gender and equity (SACCO, civilian, veterans, youth and women) with an aim of ensuring that their activities in a Parish are harmonized to create synergy for development

Field findings revealed that funds for PCAs were disbursed to the districts in late November, 2019 however, by January 2020, the funds were still on the General District Accounts. The district councils were in the process of approving supplementary budgets. The PCA disbursements for districts is shown in Table 3.11. A total of 83 PCAs in 10 districts of Busoga and Luwero Rwenzori sub were established and trainings were ongoing. However, no training reports were available even at LG levels. High expenditures were on workshops and seminars (Ug shs 552 million and travel inland (Ug shs 275 million).

Table 3.11: PCA Disbursements for District as at 31st December, 2019

No.	Districts	Funds disbursed in Ug shs Millions	No. of PCA groups
1	Mityana	315	10
2	Mubende	283	9
3	Wakiso	94.5	03
4	Mayuge	457	15
5	Kiboga	472.5	15
6	Kamuli	315	28
	Total	1937	80

Source: Support to LRDP progress Reports; field findings

Challenges

The PCA funds disbursed to districts by OPM are received during the FY when LGs have already submitted their annual budgets to MFPED, and as such funds have to first be approved through supplementary budgets before they are released to beneficiaries. This lengthy process delays implementation on schedule.

- The Support to LRDP Coordination Office in Luwero District has not been operational for three financial years (FY 2016/17- FY 2019/20).



Vacant Support to Luwero-Rwenzori Regional Office at Luwero District headquarters

Recommendations

- The MFPED should hold Accounting Officers liable for holding funds on district accounts instead of releasing them to beneficiaries. These funds should be released against clear work plans and reports.
- The OPM and MFPED should recruit project staff for the Support to Luwero Rwenzori Coordination Offices constructed in Luwero District to manage this project.

4) Sub Programme: Support to Teso

Background

The project objective is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Teso region and focuses on two major components: supporting households to improve their livelihoods and improvement of socio-physical infrastructure. It is being implemented in Kumi, Ngora, Bukedea, Serere, Katakwi, Kaberamaido, Soroti and Amuria. Districts. The project period is five years (1st July 2015 to 30th June 2020).

Performance

The approved GoU budget for FY 2018/19 was Ug shs 2 billion, of which Ug shs 0.865 billion (43%) was released and Ug shs 0.658 billion (76%) spent as at 31st December 2019. This was fair release and good absorption.

Soroti and Ngora districts were sampled and visited to ascertain receipt of funds and progress on implementation of planned outputs.

Findings

Pacification and Development: A total of 750 ox-ploughs were procured under the Development Budget in December 2019 and were still stored in the OPM stores in Kampala. These were meant to be distributed through Members of Parliament to the vulnerable households and farmer groups within the Teso sub-region during the first planting season (March-May 2020). The 12 beneficiary districts included Kaberamaido, Kalaki, Soroti, Amuria Kapelebyong, Kumi, Katakwi, Serere, Bukedea, Ngora, Pallisa and Butebo,



Government Buildings and Administrative Infrastructure: The Support to Teso Regional Office under construction is located in Soroti Municipality. The contract was awarded to M/s Dapican Engineering Limited at a contract sum of Ug shs 911 million. The contract period is from 08th August 2019 to 07th August, 2020. By 31st December 2019, civil works were at 32%. This slow progress was attributed to the heavy rains which halted construction works between October and December 2019. Of the Ug shs 200 million released under this output, no payments to the contractor had been effected by 31st December 2019. The contractor delayed to submit a request for payment certificate worth Ug shs 150 million, however discussions with the Project Coordinator indicated payments were effected in Quarter Three.

Transfers to Government Units Output: By 31st December 2019, funds worth Ug shs 312 million were spent, of which Ug shs 146 million was transferred to Ngora DLG for payments for construction of a four in one classroom block at Kaler Primary School, Ngora sub-county which was completed pending painting. The contract period was August 2019 to January 2020. The quality of works was good. The Ministry of Water and Environment (MWE) was advanced Ug shs 166 million for construction of a valley tank in Kaberamaido District, however works had not yet commenced, awaiting site location.



Incomplete Support to Teso Regional Office in Soroti Municipality



Completed classroom block at Kaler Primary School in Ngora District

Challenge

- There were no clear performance work plans, targets and evaluation reports for this project. The project is yet to achieve its objectives as most of the funds are spent on civil works instead of supporting the vulnerable in the districts to eradicate household poverty in the Teso sub-region.

Recommendation

- The OPM project should develop clear performance work plans with clear targets in tandem with the project objectives.



3.3 Vote 005: Ministry of Public Service

Background

Ministry of Public Service (MoPS) is mandated to: (i) develop, manage and supervise implementation of human resource policies, management systems, procedures and structures for the entire Public Service. The MoPS delivers its mandate through four programmes. These include: Inspection and Quality Assurance, Management Services, Human Resource Management, and Policy, Planning and Support Services. The programmes contribute to the sector outcome of Improved Institutional and Human Resource Management at Central and Local Government level.

The districts of Omoro, Arua, Koboko, Soroti, Ngora, Gulu, Lira, Bukedea, Kabarole, Kasese, Masaka, Jinja and Mayuge, Mityana, Mbarara, Mukono and Entebbe Municipal Council, and the Civil Service College were sampled and visited.

3.3.1 Inspection and Quality Assurance

The programme objective is to promote compliance with policies, standards, rules, regulations and procedures in order to enhance efficiency and effectiveness of MDAs and LGs.

Performance

The FY 2019/20 budget for the sub-programmes was Ug shs 1.428 billion, of which Ug shs 0.649 billion (19%) was released and Ug shs 0.353 billion (55%) spent by 31st December 2019, which was fair release but good absorption. Detailed programme performance is shown in Table 3.12.

Table 3.12: Performance of Inspection and Quality Assurance as at 31st December 2019

Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% Physical performance	Remarks
06 Public Service Inspection	02 Service Delivery Standards developed, disseminated and utilized	0.368	0.177	19	7	9.622	Compendium of delivery standards for lands sector was documented; and Service Delivery Standards for 6 LGs were disseminated.
	03 Compliance to service delivery standards enforced	0.221	0.088	58	55	14.819	PAIPAS was rolled out to 2 MDAs and 24 LGs; Annual compliance inspections was carried out in 2 MDAs and 27 LGs; and reports were Produced/ disseminated.



Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% Physical performance	Remarks
	06 Demand for service delivery accountability strengthened through client charter	0.0623	0.028	17	15	3.981	Feedback Mechanism was Institutionalized in 9 LGs; Technical support on development and implementation of client charters was undertaken for 6 DLGs.
08 Records and Information Management	04 National Records Centre and Archives operationalized	0.394	0.203	31	12	10.567	Archival records were acquired from 2 MDAs; and 2 LGs; Technical support was rendered to 3 institutions of higher education of Records; Capacity of Records and Archives Trainers built and developed in Training of Trainer skills; 4 Institutions sensitized in records and archives management.
	05 Development and dissemination of policies, standards and procedures	0.382	0.154	24	22	24.346	The records management systems introduced in 1 newly created LGs (Kwania); audited and streamlined in 4 MDAs and 17 LGs.
	Total	1.428	0.649			63	Fair

Source: IFMS data; MoPS Progress Report and field findings

Conclusion

The performance for planned outputs was fair at 63%. Although the client charters were developed, in most LGs the charters were on shelves and not implemented; there was no feedback mechanism to realise the impact on service delivery; also there was no disaggregated data in the charters. Most activities implemented lacked detailed field reports in the LGs visited.

Recommendations

- The MoPS and MFPED should coordinate and carry out baseline surveys to determine the impact of client charters on service delivery in public service.
- The MoPS and implementing departments should produce detailed field reports on activities implemented in LGs and provide feedbacks to the respective LGs.



3.3.2 Management Services

The programme objective is to develop and review management and operational structures, systems and productivity practices for efficient and effective service delivery.

Performance

The FY 2019/20 budget was Ug shs 2.189 billion, of which Ug shs 0.864 billion (40%) was released and Ug shs 0.673 billion (78%) spent by 31st December 2019 which was fair release but good absorption. Detailed programme performance is shown in table 3.13.

Table 3.13: Performance of Management Services Programme as at 31st December 2019

Project-Sub programme	Output	Annual Budget (Ug shs billion)	Cumulative \receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
07 Management Services	01 Organizational structures for MDAs developed and reviewed	1.531	0.523	14	10	51.102	Technical support on the implementation of structures to 10 LGs was undertaken.
	02 Review of dysfunctional systems in MDAs and LGs	0.368	0.201	2	0.5	5.119	Agricultural Extension Services System; and Uganda National Identity Card acquisition and renewal system were reviewed.
	03 Analysis of cost centers/ constituents in MDAs and LGs	0.291	0.139	17	6	4.775	Job descriptions and person specifications for three MDAs; and Schemes of Service for 3 cadres in public service were developed and reviewed.
	Total	2.189	0.864			61	Fair

Source: IFMS data; MoPS progress report and field findings

Conclusion

The programme performance at output level was fair at 61%. The LGs still had issues of structures, most strategic positions were not filled because of the rigid staffing structures lacking positions at Principal level especially in Finance, Audit, Education, Community Development, Environment, Water, Engineering, Commercial departments and this affected service delivery in most LGs.

Recommendation

The MoPS should review the job descriptions for the strategic positions and salary enhancements to attract competent staff in DLGs.



3.3.3 Human Resource Management

The programme objective to initiate, formulate and plan policies and management of human resource functions for the entire public service.

Performance

The FY 2019/20 budget for sub-programmes was Ug shs 7.257 billion, of which Ug shs 2.984 billion (41%) was released and Ug shs 2.557 billion (86%) spent by 31st December 2019 which was good release and absorption. Detailed programme performance is shown in table 3.14.

Table 3.14: Performance of Human Resource Management and Policy Programme as at 31st December 2019

Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts per output	Adjusted annual planned quantity/target	Cum. Achieved Quantity	Weighted Score (Outputs) % physical performance	Remarks
03 Human Resource Management	01 Implementation of the Public Service Pension Reform	0.732	0.352	68.7	95	10.084	Full decentralization of pension processing in 95 Votes was undertaken.
	03 MDAs and LGs Capacity Building	1.885	0.828	46.1	41	23.083	(i) Support supervision for implementation of HR policies was provided to 3 LGs and 14 MDAs; (ii) Technical support and capacity building of 10 LGs provided; Technical support to HR managers on human resource planning in 3 MDAs and 11 LGs.
	04 Public Service Performance management	0.587	0.301	38.2	20	4.234	(i) Implementation of Performance Management initiatives in 5 MDAs were monitored; 2 LGs (ii) Refresher training in Performance Management for Post Primary and Secondary School Teachers in 13 schools.



Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts per output	Adjusted annual planned quantity/target	Cum. Achieved Quantity	Weighted Score (Outputs) % physical performance	Remarks
	06 Management of the Public Service Payroll and Wage Bill	0.203	0.087	1.3	1	2.168	(i) Technical support and guidance was provided to 95 out of 144 votes on the management of decentralized payroll.
	07 IPPS Implementation Support	3.850	1.415	0.7	0.35	25.275	Technical and functional support provided to 21 Votes with recurrent problems on IPPS.
	Total	7.257	2.984			65	Fair

Source: IFMS data; MoPS progress report and field findings

Conclusion

The programme performance at output level was fair at 65%, however, most activities implemented lacked detailed field reports in the LGs visited.

Recommendation

The MoPS and implementing departments of activities in LGs should endeavour to produce field reports and share with the respective LGs.

3.3.4 Policy Planning and Support Services Programme

The programme objective is to ensure effective and efficient deployment utilization of human, financial, and material resources to achieve the Ministry mandate.

Performance

The FY 2019/20 budget for sampled sub-programmes was Ug shs 4.913 billion, of which Ug shs 2.189 billion (45%) was released and Ug shs 1.020 billion (47%) spent by 31st December 2019, which was good release but poor absorption. Programme performance is shown in table 3.15.

**Table 3.15: Performance of Policy Planning and Support Services Programme as at 31st December 2019**

Project-Sub programme	Output	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project: 1285 Support to Ministry of Public Service	03 MDAs and LGs Capacity building	0.549	0.296	7.6	14	11.170	14 staff were sponsored for career development courses/ long term training.
	11 Ministerial and Support Services	0.472	0.202	1.7	0.5	2.806	Quarter two political monitoring of Ministry initiatives was undertaken in Mulago and Kawempe National Referral Hospitals.
	72 Government Buildings and Administrative Infrastructure	2.574	1.145	1.8	1.4	41.210	Construction of Kasese Service Uganda was at 75% completion; and remodeling of Block B at the MoPS Headquarters to provide for a ramp was 95% complete;
	76 Purchase of Office and ICT Equipment, including Software	0.518	0.240	1.9	0.5	2.845	Funds worth Ug shs 20 million were spent on repairs of computers and procurement of 3 Units of CCTV; 27 desk top computers and other ICT accessories were under procurement.
	78 Purchase of Office and Residential Furniture and Fittings	0.800	0.305	83.8	0.1	0.019	90 units of mobile shelves; and 20 units of workstation furniture were under procurement
Total		4.913	2.189			58.1	Fair

Source: IFMS data; MoPS progress report and field findings

Conclusion

The programme performance was fair at 58%. There was lack of clear planned outputs and targets. The output of Capacity Building was still duplicated under Human Resource Development, Human Resource Management, Human Resource Planning, and the Civil Service College. The Civil Service College placed under policy and planning is not realigned to the programme outcome and its impact on achievement of NDP strategic objectives is minimal.



Recommendations

- The MoPS Planning Unit should realign the programme outputs and outcomes to achieve the NDP II and PSM objective of improved public service management, operational structures and systems for effective and efficient service delivery.
- The MoPS through the Human Resource Planning and Development Department and National Planning Authority (NPA) together with the Uganda Civil Service College should take lead and carry out a strategic comprehensive training needs assessment and develop a National Capacity Building Plan. This will minimize duplications and wastage of public resources.

Findings

A. Construction of Service Uganda Centres

Background

Government of Uganda embarked on a reform to transform service delivery in the Public Service through establishment of Service Uganda Centres. This is in response to the current increased demand world over to focus Government reforms on Citizen-Centric Service delivery strategies.

The focus of Service Uganda Centres is improving the efficiency and effectiveness of service delivery in Government, and increasing customer satisfaction, by delivering outcomes based on citizens' needs, expectations and preferences, at a much less or same cost.

Currently, service delivery in the Public Service is characterized by complicated and cumbersome service delivery systems; overlapping and duplicated efforts by MDAs and LGs; lack of transparency; corruption; long queues at service delivery centres; inaccessible and costly services (in terms of money and time); delayed response to clients; un-coordinated movements between and within (MDAs) and (LGs); difficulties in sharing relevant information; and mandates focused services delivery, with little regard to the service recipients. Establishment of Service Uganda Centres is a deliberate effort by Government to address these challenges.

The new reform aims at:

- Improving customer satisfaction, by delivering outcomes based on citizens' needs, expectations and preferences, at a much less cost.
- Enhancing Government visibility, accessibility and credibility in the eyes of the citizens of Uganda.
- Fighting Corruption; and Implementing the provisions of the existing policy and legal Framework at National, Regional and International Level (i.e. World Agenda-SDGs (2015); Integration of Public Services at EAC level as provided in the EAC Treaty and various Protocols; Vision 2040; NDP II2015/16-2019/20); NRM manifesto (2016-2021; Policy Paper on the Transformation of Public Service (2011) among others.



Mbale, Jinja, Entebbe and Kasese Municipalities were earmarked to pilot the concept.

Kasese Service Centre was sampled.

Findings

The approved budget for the construction of Kasese Service Uganda Centre was Ug shs 1.69 billion, of which Ug shs 850 million was released and spent by 31st December, 2019. The contractor was M/s Muge Services. By February 2020, the building was at 75% completion.



Ongoing civil works at Kasese Service Centre, Kasese Municipality

Some of the institutions to be housed under the one stop centre include: Uganda Revenue Authority, Uganda Registration Service Bureau, National Social Security Fund, Operation Wealth Creation, Microfinance Support Centre, and SACCOs. The people will be able to access payslips and basic information on building plans by the physical planner. So far 1,000 clients are received on a monthly basis and the communities are aware of the project through radio talks.



Current residence of the Kasese One Stop Centre



Functional One-Stop Centre at the Ministry of Public Service, Kampala

Challenges

- Inadequate funding to construct more service centres for the hard-to-reach areas and economically marginalized segments of the population in remote regions who would otherwise be the target are excluded.
- Lack of sensitization workshops and seminars, publications on the current Uganda Centers amongst stakeholders in central and local governments.

Recommendation

The MFPED should consider revising the budget of this good Government initiative to address challenges mentioned.



B. Decentralized wage, monthly pension and gratuity and status of payment of salary, pension and gratuity arrears

Background

The main objective of the decentralization of the payroll is to ensure salaries and pension are paid on time, weed out invalid records on the pension payroll including ghost employees, and promote ownership, transparency and accountability of the pension payroll by the respective institutional payroll managers.

Financial Performance

The total wage budget for FY 2019/20 was Ug shs 4,672.95 billion, of which Ug shs 2.556 billion was for Central Government Votes and Ug shs 2.116.51 billion for LG Votes. The details are shown in Table 3.16.

Table 3.16: Half Year Wage releases and Payroll Performance FY 2019/20 (Ug shs billion)

Category	Approved budget	Q1 limits	Q2 limits	Exp limits issued	Limits perf	Payroll payments	Payroll perf
	A	B	C	D=(B+C)	E=(D/A)	F	G=(F/A)
Central Government	851.48	212.78	218.51	431.29	50.65%	378.02	44.40%
CG Cash Limited Votes	1,704.96	441.32	443.22	884.54	51.88%	884.54	51.88%
Sub-total CG	2,556.44	654.10	661.73	1,315.83	51.47%	1,262.56	49.39%
Local Government	2,116.51	530.67	570.69	1,101.36	52.04%	1,037.11	49.00%
TOTAL	4,672.95	1,184.77	1,232.42	2,417.19	51.73%	2,299.67	49.21

Source: MFPEP Reports

According to table 3.16; out of a total of Ug shs 2,417.19bn released for Q1 and 2, only Ug shs 2,299.67bn was spent representing 49.21% leaving a balance of Ug shs 117.52bn.

Findings

- The reasons for the poor performance from interviews with officials from MDAs and LGs were;
- Non- adherence to timeliness of submissions of by the LG Accounting Officers to the Ministry of Public Service for clearance coupled with lengthy recruitment procedures.
- The MFPEP uses same Indicative Planning Figures against submission. In the process of submitting payrolls in the system to MoPS by LGs some names are dropped, while others are posted to other DLGs. The process of transferring staff to the original payroll takes time.
- Uncoordinated postings of secondary school teachers to LGs by Ministry of Education resulted in delays by the newly recruited secondary school teachers to access payroll. In addition, the need to eliminate the problem of ghost appointments and postings means that LGs have to verify all



appointments and postings with the Education Service Commission to confirm the minutes before a staff accesses the payroll. This was evident in all LGs visited for example Mityana, Masaka, Kikuube, Mukono, Kabarole and Hoima.

- Staffing structural issues where districts have re-advertised positions in U1E and have failed to attract staff because of lack of positions at Principal Level especially positions of District Engineers, District Health Officers and Planners. Most districts have failed to attract district planners in U1E because of lack of the position at Principal level and this has affected service delivery.
- Delay by the MoPS to separate payrolls arising from the need to migrate staff from old to newly created districts.
- Late submission of names of DSC members by the District Executive Committees for approval by the Public Service Commission (PSC), inadequate allocations affects operations, abetted by corruption tendencies result in delayed recruitments and expenditure on wage.

C. Monthly Pension

Financial Performance

A total of Ug shs 364.8bn was approved for monthly pension in FY 2019/20, of which Ug shs 231bn was for central government and Ug shs 133.8bn for LGs. As at 31st December, 2019 Ug shs 186.3bn (51.1%) had been released. Following the decentralization of pension, so far 126 votes have been decentralized.

An average of 73,605 pensioners were processed on the IPPS amounting to Ug shs 147.5 bn, a 40% performance of which Central Government votes performed at 37% (Ug shs 85.6bn) and LGs at 46.3% (Ug shs 61.9bn) of the approved budget as indicated in Table 3.17; the unspent balance was Ug shs 38.7bn.

Table 3.17: Payroll Pension Performance as at 31st December, 2019 in Ug shs, billions

Entity	Approved Budget	Expenditure Limits	July	Aug	Sept	Oct	Nov	Dec	Payroll perf
CG	231	117.9	15.7	14.5	14.2	13.8	13.7	13.7	85.6
LG	133.8	68.4	11.7	10.1	10.2	9.9	9.8	10.2	61.9
TOTAL	364.8	186.3	27.4	24.6	24.4	23.7	23.5	23.9	147.5

Source: MFPE Reports

The first quarter had an average number of 75,555 pensioners, while the second had an average of 71,655. The decline in number of pensioners was attributed to the dropping of pensioners off the payroll that were not paid, with 822 for Uganda Police; 459 Ministry of Health; and Uganda Prisons with 325. The details are shown in Table 3.18.

**Table 3.18: Number of Pensioners on the Payroll as at 31st December, 2019**

Entity	July	Aug	Sept	Oct	Nov	Dec
CG	42,935	43,045	42,641	40,433	40,561	40,762
LG	32,585	32,624	32,835	30,826	30,889	31,494
TOTAL	75,520	75,669	75,476	71,259	71,450	72,256

Source: MFPEP Reports

Findings

- Non-adherence to IPFs submitted by LGs by MFPEP and return of unprocessed files to votes by MoPS upon full decentralization.
- Enhancement teachers and judges' salaries increased the monthly pension requirement for retirees for FY 2019/20.
- Delays to process pension in the MoPS still persist and at times names are dropped with unclear reasons thus causing delays in payments.
- Clearance of dates of birth by MoPS causes delays in payments.

D. Gratuity

Financial Performance

The approved budget for gratuity was Ug shs 214.7billion, of which Ug shs 113.9billion was for CG and Ug shs 100.8 billion for LGs. As at 31st December 2019, a total of Ug shs 127.7billion had been released, however only Ug shs 83.1billion spent leaving a balance of Ug shs 44.6 billion (Table 3.19).

Table 3.19: Gratuity Performance as at 31st December, 2019 in Ug shs, billions

Entity	Approved budget	Releases	Expenditure	% Performance
CG	113.9	77.3	34.3	30
LG	100.8	50.4	48.8	48
TOTAL	214.7	127.7	83.1	39

Source: MFPEP Reports

Challenges

- Inadequate funding despite the budgets submitted in most LGs visited. In Mayuge District, only Ug shs 767,468,623 was released against so many pending files. This applies to other LGs like Kagadi DLG which has accumulated arrears now to the tune of Ug shs 215 million.
- Delayed issuance of supplier numbers thus causing delays in payments – almost a three month delay.
- Death gratuity is not planned and budgeted for. In Mityana DLG three teachers died and their death gratuity had not been budgeted for.



Recommendations

- The MFPED and MoPS with the respective LGs should address the problem of inadequate funding by respecting the IPFs submitted from districts to avoid accumulation of arrears.
- The Accountant Generals Office should make follow-ups on the delays in issuing supplier numbers.
- The MFPED and MoPS with the respective LGs should address the planning and budgeting for death gratuity which is also attracting arrears in LGs.

E. Salary, Pension and Gratuity Arrears

Financial Performance

In FY2019/20, a total of Ug shs 8.429 billion and Ug shs 75.432 was allocated and released to various votes during the first and second quarter. The absorption capacity for salary arrears in LGs was fair, while for CG) was poor. For pension and gratuity arrears, the expenditure for CG was still poor compared to LGs. There were unspent balances of Ug shs 26.026 billion.

The biggest allocations of pension and gratuity arrears to LGs were as follows; Tororo DLG -Ug shs 5,904,420,905, Soroti DLG - Ug shs 4,193,894,542, Ntungamo DLG - Ug shs 1,080,559,623, Arua DLG - Ug shs 1,908,960,953, Gulu DLG - Ug shs 1,282,453,125, Kabarole DLG - Ug shs 953,976,668 and Jinja Municipal Council - Ug shs 635,452,826.

The absorption capacity in most LGs was fair, but with slow accountability attributed to delayed submission of bank statements from claimants, and lack of accountability formats as claimed by the Mukono HR district team. Votes that had fully accounted included; Kasese, Kibaale, Mbarara Municipality, while Soroti and Arua had partial accountability. The details are summarized in the Table 3.20.

Table 3.20: Salary, Pension and Gratuity Arrears budget for FY 2019/20 in Ug shs, billions

Entity	Salary arrears				Pension and Gratuity Arrears				Balance
	Budget	Release	Expenditure	% spent	Budget	Release	Expenditure	% spent	
CG	1.035	1.035	0.997	96	20.925	20.925	9.308	44	11.617
LG	7.394	7.394	4.722	64	54.508	54.508	40.096	74	14.412
TOTAL	8.429	8.429	5.719	68	75.433	75.433	49.404	65	26.029

Source: MFPED Reports

Most LGs that did not fully spend salary arrears had staff that had been paid earlier; others had wrong computations with overpayments; others had wrong titles. Ministry of Internal Affairs, and districts of Bugiri, Kamwenge, Luweero, Mayuge, and Lyantonde did not spend salary arrears. High unspent balances for pension and gratuity were noted in Ministry of Water and Environment, Ministry of East African Community Affairs, Arua, Bushenyi, Kabarole, Mayuge, Kotido, Nakasongola, Mukono, Tororo, Kibuku, Koboko, plus Masindi and Ibanda municipal councils.



- Following the decentralization of pension payroll management the Ministry has inherited files worth Ug shs 7 billion that had not been budgeted for; this was evident in the Ministry of Water and Environment and Mayuge DLG with over Ug shs 2,362,673,541 billion as pension and gratuity arrears; In Entebbe Municipal Council files of parish chiefs retrenches of 1992 worth Ug shs 2 billion were not budgeted for.
- In some LGs cases were still under investigation. In Kasese, Kabarole and Mayuge districts where there were cases of pensioners who were paid and had not accessed the pension payroll; while others had been overpaid. In Kabarole DLG, so far only 19 claimants out of 59 had been paid; Mayuge DLG had not displayed the beneficiaries on the notice boards.
- In some LGs there were cases of duplicate names and overpayments. These included Tororo, Kabarole, Arua, Lira districts. In Kabarole, a teacher appeared with Ug shs 72 million instead of Ug shs 720,000million; Estate of Masure John appeared with Ug shs 37 million instead of Ug shs 19million. A one Winnie Bagamba an Education Assistant was paid 3 times and with no justification of payments.
- Some beneficiaries had earlier been paid in some LGs such as Kabarole, Soroti and Wakiso District Local Governments.
- Others pensioners had amounts not commensurate with their titles; others had earlier on been paid; others lacked correct account details. This was evident in Soroti, Arua, Kabarole, and Mayuge districts.
- In most LGs, claims for salary arrears were not supported by certified claims by heads of departments. This could be an entry point of fraud if not checked by accounting officers.

Recommendations

- The MFPED and MoLG should sanction Accounting Officers who have not spent any arrears without justifiable reasons.
- The MFPED should be vigilant in ensuring that arrears are paid only to staff on pension payrolls. Some districts like Kabarole and Kaseses had paid pension arrears to staff that had not yet accessed the monthly pension payrolls.
- The MFPED should not base payments of the salary arrears on only the claims forms but consider supportive certified documents by heads of departments and accounting officers. In most LGs visited, the human resource officers could not justify the claims.

3.4 Vote 011: Ministry of Local Government

The mandate of the Ministry of Local Government (MoLG) is to guide, harmonize, mentor and advocate for all Local Governments in support of the vision of Government to bring about socio-economic transformation of the country. The vote consists of the Local Government Administration and Development and General Administration, Policy, Planning and Support Services Programmes.

3.4.1 Local Government Administration and Development Programme

The sub-programmes monitored included: Markets and Agricultural Trade Improvement Project (MATIP-2) and Project for Restoration of Livelihoods in Northern Region (PRELNOR).



Performance

The MoLG accessed funding from the African Development Bank (AfDB), Internal Fund for Agricultural Development (IFAD), Adaptation for Smallholder Agricultural Programme (ASAP), and World Bank to finance development projects and programmes on loan and grants.

For FY 2019/20, the GoU budget for sampled sub-programmes/projects was Ug shs 20.390 billion, of which Ug shs 19.505 billion (96%) was released and Ug shs 12 billion (72%) spent by 31st December 2019, which was a good release but fair absorption. Detailed performance of the GoU Local Government Administration and Development Programme is shown in table 3.21.

Table 3.21: Performance of the Local Government Administration and Development Programme as at 31st December 2019

Project-Sub programme	Out put	Annual Output Budget (Ug shs billion	Cumulative receipts per output	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
1360 Markets and Agricultural Trade Improvements Programme (MATIP 2)	01 Monitoring and Support Supervision of LGs	1.926	1.401	6.5	3.4	3.625	Routine monitoring visits and review workshops were conducted, however most funds were spent on consultancy services, travel inland and abroad.
	72 Government Buildings and Administrative Infrastructure	0.506	0.6	4.5	2	0.814	Average physical progress of 10 markets was at 82% whereas installations of value addition machines at Arua and Busia were at 75%.
	77 Purchase of Specialized Machinery & Equipment	10.156	10.156	3	2.7	33.123	Funds were spent on purchase of machinery for the three value addition facilities in Arua, Soroti and Busia districts.
	79 Acquisition of Other Capital Assets	7	7	1	0	0	Funds were not spent.



Project-Sub programme	Out put	Annual Ouput Budget (Ug shs billion	Cumulative receipts per output	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
1381 Restoration of Livelihoods in Northern Region (PRELNOR)	01 Monitoring and Support Supervision of LGs	0.603	0.369	1.8	0.9	1.070	Funds were used to monitor and supervise construction of civil works for Community Access Roads (CARs) in all nine districts in Acholi sub region.
12 Local Economic Development Department	01 Monitoring and Support Supervision of LGs	0.140	0.056	0.8	0.6	0.383	Monitoring of LED programme under Lira, Gulu, Masaka Mbarara, under MATIP I was undertaken.
	03 Technical support and training of LG officials	0.060	0.019	0.3	0.3	0.217	LG training needs Assessment for LED was Conducted in Kyankwanzi DLG reports
	Total	20.390	19.505			53.10	Fair

Source: IFMS data; MoLG progress report and field findings

Conclusion

The overall programme performance was fair at 53%. The average physical progress of the 10 markets under MATIP II was 82% against a time progress of 88%, whereas installation process of the agro-processing machines in Arua and Busia were at 75% progress. There was continuous capacity development of farmer groups and vulnerable households under PRELNOR. Institutions and mentored households were benefitting from renewable energy technologies and construction of 606Km CARs were at 60% physical progress. Technical support and training of LG officials on LED activities was initiated.



1) Markets and Agricultural Trade Improvement Project

Background

The Markets and Agricultural Trade Enhancement Project (MATIP-2) is one of the Government strategic investments aimed at improving market place economic and social infrastructure. The objective of the programme is to contribute to Poverty Reduction and Economic Growth in Uganda through enhanced commercialization of agricultural produce and other merchandise. MATIP-2 which is an extension of MATIP-1 was launched in March 2016 and is being implemented over a period of seven years (revised from five years) (2015 -2022).

The MATIP-2 has three components namely: Market Infrastructure Development; Value Addition and Trade Facilitation; and Capacity Building and Project Management. The project was originally designed to re-develop markets in 11 municipalities of Busia, Masaka, Kasese, Arua, Soroti, Mbarara, Entebbe, Moroto, Tororo, Lugazi and Kitgum, but later added Kabale Central Market after realizing savings on the loan. The project team conducted routine supervision across the 12 Municipal Councils and it is continuous.

ADB Loan Performance

The absorption capacity for the ADB loan was at 38%. This was attributed to delays in certification of completed civil works. The disbursement from July 2019 to June 31st December 2019 is shown in table 3.22.

Table 3.22: ADB loan statement of comparative annual budget and actual amount from July 2019 to June 31st December 2019 (Ug shs, billions)

Category	Budget (Annual)	Actual	% Performance	Remarks
Goods	13,020,000,000	7,033,444,918	54	Funds were for construction of markets. Under performance was due to delayed certification of electrical and mechanical works on most sites.
Works	84,000,000,000	30,417,151,294	36	Works were below quarterly target of 25% due to the onset of advance recoveries on contracts.
Services	5,890,000,000	2,187,087,415	37	Funds were tagged to supervision of markets and staff salaries. Low performance is attributed to slow progress of civil works.
Operating Costs	1,050,000,000	330,212,319	31	Under performance was due to non-implementation of activities of progress review workshop and IPC meeting.
Total	103,960,000,000	39,967,895,946	38	Poor

Source: MoLG, MATIP 2 Progress Reports, 2019



GoU Financial Performance

The approved budget for FY 2019/20 was Ug shs 8.140 billion, of which Ug shs 7.624 billion (7394%) was released and Ug shs 0.259 billion (3.4%) spent as at 31st December 2019. This was a good release but poor absorption. Poor absorption was as a result of non-expenditure of some line items.

Findings

Market Infrastructure Development: The average physical progress of works for the 10 markets was 82%. For the markets monitored; Kitoro was at 92%, with finishing works at advanced stages; Kasese market (92%) with ongoing internal and external finishes; Soroti market (75%) with ongoing works that included terrazzo works on walkways and ramps, fitting of metallic doors. Roof covering and finishing works were ongoing for Arua market which was at (75%); whereas Masaka market was at (70%); ongoing works included casting concrete for 2nd floor and car park, block works for lock-up works on retaining walls.

It should be noted that the completion date for the markets was February 2020, however due to implementation challenges such as heavy rains, change in scope of works, an extension for completion for markets affected was initiated and granted.

Contractual obligations: The total contract sum for the 12 markets - Kabale and Kitgum inclusive was Ug shs 235,117,370,260, of which Ug shs 114,049,370,740 (51%) was paid by ADB. The total consultancy sum for the 12 markets and two value addition facilities was Ug shs 31,039,202,135, of which Ug shs 6,904,376,045 (22%) was paid by 31st December 2019. The detailed contractual obligations and payments by ADB as at 31st December 2019 is shown in table 3.23.

Table 3.23: Contract details for monitored markets as at 31st December 2019

Lot No	Market Name	Contractor	Total Contract Sum (ADB)- Ug shs	Cumulative Payments to date	Financial Perf (%)	Start Date	Expected Contract end Date
1	Kitoro -Entebbe Market	M/S. Seyani International Co. Ltd in joint venture with Seyani Brothers and Co. (Kenya Ltd)	24,684,949,043	13,397,798,506	54	14/02/2018	14/02/2020
2	Kasese Central Market	China New Era and Engineering Group Co Ltd	12,706,543,724	9,014,943,738	79	19/02/2018	19/02/2020
3	Masaka Central Market	M/S. Multiplex Ltd – Alshams for Contracting JV	15,300,500,275	6,038,529,599	43	14/02/2018	14/02/2020
4	Soroti Main Market	M/S. Techno Three Uganda Ltd in Joint Venture with PS Constructions	19,803,801,338	10,398,904,236	57	14/02/2018	14/02/2020
5	Arua Main Market	M/S. Sadeem Al Kuwait for General Contracting and Co. and Dott Services Ltd JV	29,611,132,224	16,795,801,460	57	19/02/2018	19/02/2020

Source: MoLG, MATIP 2 Progress Reports July-December, 2019



Completed lockup shops in the market in Kasese Municipality



Newly constructed hall in the market in Entebbe Municipality

Value Addition and Trade Facilitation:

Construction works on shelters to house the high-level value addition equipment for Arua market was ongoing with 95% physical progress, whereas the procurement of a contractor to supply and install the value addition facility at Soroti had just been concluded. The recruited staff at the Arua Value Addition Facility were being trained on machine operations. The contractual progress of value addition facilities by 31st December 2019 is shown in table 3.24.



Internal finishes on Soroti Main Market

Table 3.24: Progress on Construction of 3 High level Value Addition Facilities

Urban Council	Contractor	Facility Type/ Capacity	Contract Sum (Ug shs billion)	Amount Paid by ADB	Financial Performance (%)	Physical Progress (%)	Remarks
Arua	China Huangpai Food Machinery (u) ltd	500 Metric Ton Mult Grain Pre-Cleaning, Processing & Storage Complex	7.283	2.549	35	95	Machine installation and training on operation was ongoing
Busia	Hebei Pingle Flour Machinery Group Co. Ltd	3000 Metric Tons Capacity Pre-Cleaning Drying & Storage Complex	12.812	4.484	35	95	Machine Installation was ongoing
Soroti	Coronation Developers (U) Ltd	-	15.597	0	0	-	Procurement of a contractor to supply and install the value addition facility has been concluded.
Total			35.692	7.033	20		

Source: MoLG MATIP-2 Progress Reports February 2020, Field findings



Ongoing works at Busia High Value Addition Facility



Machine installation in progress at Arua Agro Processing Facility

2) Project for Restoration of Livelihoods in Northern Region (PRELNOR)

Background

The project objective is increased sustainable production and climate resilience of smallholder farmers with increased and profitable access to domestic and export markets. It is comprised of three components: Rural Livelihoods; Market Linkages and Infrastructure; and Project Management and Coordination. It is implemented in Gulu, Kitgum, Lamwo, Agago, Pader, Amuru, Nwoya, Omoro and Adjumani districts. It became effective on 05th August 2015 and ends 31st December 2020.

Donor Financial Performance

The project is financed by the GoU, International Fund for Agricultural Development (IFAD) loan, an Adaptation for Smallholder Agricultural Programme (ASAP) grant and beneficiaries' contributions (Table 3.25). IFAD is financing 70.8% of the project costs (US\$ 50.2 million); the ASAP grant financing 14.1% of total costs (US\$ 10 million); GoU is financing the taxes and duties (US\$ 9.2 million, representing 13% of total costs). The MoLG coordinates and manages the GoU, IFAD loan and ASAP grants funds which are unified and mainstreamed through all the planned activities. The financial performance for the PRELNOR project as at 31st December 2019 is shown in Table 3.25.

Table 3.25: Financial Performance in Ug shs as at 31st December, 2019

FUNDERS	RECEIPTS	EXPENDITURE
Balance brought forward	309,884,494	-
Replenishments from IFAD	30,347,315,709	22,414,953,584
Direct Payments from IFAD	6,636,159,340	-
ASAP GRANT	990,235,232	4,999,139,939
GoU	3,581,336,152	3,574,320,729
TOTAL	41,864,930,927	30,988,414,252

Source: PRELNOR progress report February, 2020

By 31st December 2019, 74% of the funds were absorbed.



GoU Financial Performance

The FY 2019/20 budget was Ug shs 0.500 million, of which Ug shs 0.266 million (53%) was released and Ug shs 151 million (57%) spent as at 31st December 2019. This was good release but fair absorption. The funds under GoU are contributions for payments photocopying and binding, travel inland, travel abroad, fuel, lubricants and oils, maintenance of vehicles.

Findings

The detailed physical progress of the PRELNOR is shown in table 3.26.

Table 3.26: Progress of PRELNOR activities as at 31st December 2019

	Indicator	Planned Activities	Remarks
Component A. Rural Livelihoods			
A.1. Community Planning and Capacity Development			
Output A.1.a. Capacity of Farmer Groups to plan and implement group activities built	Farmer groups graduate from capacity building	Community Based Natural Resource activities implemented	420 Community Based Natural Resource Managers were funded and implemented
Output A.1.b. Capacity of vulnerable households to identify and solve their problems strengthened.	Vulnerable HHs graduate from mentoring and provided with food security grants worth USD120	100 new HHMs identified	300 HHMs were identified
A.2. Priority Climate Resilient Crop Production Systems			
Output A.2a: Sustainable Land Management (SLM)	People engaged in NRM and climate risk management activities	Technical backstopping of implementing partners in SLM practices	9 SLM technologies were demonstrated in replicates of 28 demonstration sites
Output A.2.b. Natural Resource Management (CBNRM) initiatives which complement resilient crop production systems implemented	Institutions and mentored HHs benefitting from renewable energy technologies	20 solar PV systems disseminated to 20 institutions	35 solar systems were disseminated in 35 beneficiary institutions



	Indicator	Planned Activities	Remarks
Output A.2.c. Agro- metrological information routinely collected, analysed and disseminated	Automatic weather stations (AWS) installed and 6 AWS rehabilitated	Technical backstopping of extension staff in capturing data from the rehabilitated weather stations	Capacity of 91 extension staff was enhanced in data capture, analysis, and dissemination was undertaken.
Component B: Market Linkages and Infrastructure			
B.1. Market Access process			
Output B.2.a. Existing community access roads upgraded or new roads constructed in underserved areas	1,550 km roads constructed/ rehabilitated	Batch A CARs - Construction of 48 lots of CARs (606Km)	60% physical progress of works on CARs were executed
Output B.2.b. Market structures constructed at selected strategic sites	8 Satellite Markets and 3 Bulk Markets constructed	Inception Report and preliminary Design layouts for strategic and satellite Markets was submitted.	A needs assessment report and a preliminary draft design was submitted to funders for Review.

Source: PRELNOR Progress Report – July- December 2019; field findings

The districts of Omoro and Gulu were sampled. The monitoring focused on the Rural Livelihood, and the Market Linkages and Infrastructure Components.

Component A. Rural Livelihoods: A total of 4,333 members including market stakeholders, farmer group marketing committee members and group leaders of farmer groups were sensitized on formation of cooperative societies as a market management modality; trained in farming as a business; and post-harvest handling. In Gulu District 43 farmer groups were trained on post-harvest handling and value addition.



The training focused on timely harvesting, transportation methods, proper drying and drying methods, how to determine moisture content, threshing and sorting, pest and disease control, proper storage methods and stages and causes of post-harvest losses. The objective of this trainings was to ensure that farmers reduced loss of produce and protected produce from pest and diseases. This would lead to improved quality assurance resulting in food safety and better market opportunities.



Members of Bed Ki Gen FG in Pagik parish, Paicho sub-County, Gulu District threshing and sorting their beans on taplin

Renewable Energy Technologies (RETs): Installation of 30 institutional cook stoves in 30 beneficiary institutions were on-going, making an accumulated total of 56 improved cook stoves in 56 institutions. This will result in 151 institutions cumulatively benefiting from the RETs intervention.



Twin kitchen improved energy cooking stove constructed at Alero Senior Secondary School, Nwoya District

Component B: Market Linkages and Infrastructure: For Strategic and Satellite Markets, the Consultant had so far submitted the Inception Report and completed a Needs Assessment Report that provided Criteria for Design including sizing, space allocation, and market facilities.

Rehabilitation of Community Access Roads: The construction of Batch (A) Community Access Roads (CARs) totalling to 606km commenced in March 2019 and cumulatively construction works were at 60% physical progress. The districts of Gulu, Omoro were visited to assess progress of works on CARs.

Omoro District

The Ocim Corner-Agula-Dino 35.5km CAR was monitored. The contract for rehabilitation was awarded to M/s Upland enterprises Ltd and by 31st December, 2019 civil works were at 95% completion. The CAR connects the communities to Malaba Market. It has now enabled farmers easily transport their produce to other communities. The pending works included tree planting along the road.



Rehabilitated Ocim Corner-Agula-Dino Community Access Road in Omoro District



Gulu District

The project was rehabilitating CAR roads totalling to 204km in 3 Batches. Period of construction works under Batch A was March 2019 to September 2019. However, by 31st December 2019 civil works on monitored roads was ongoing, but behind schedule. This was attributed to heavy rains which delayed completion as per the planned date of September 2019. Two out of nine contracts under Batch-A CAR in Paicho and Bungatira sub-counties were monitored. Details of contracts on Community Access Roads is shown in Table 3.27.

Table 3.27: Progress on Batch- A CARs in Gulu district as at 31st December, 2019

No.	Contractor	Project	Physical progress	Elapsed time
Paicho sub-county				
1	Lina Construction Ltd	Rehabilitation of Arut Central – Laminto (13.8km)	95%	78%
2	Wileng Enterprises Limited	Rehabilitation of Cwero – Wilul – Paibona (16.9km)	65%	70%
Bungatira sub-county				
3	Namorotot General Enterprises	Rehabilitation of Bardege – Lalem (9km)	50%	70%
4	Brottos (U) Ltd	Rehabilitation of Cetkana – Palyec (5.7km)	78%	78%

Source: Gulu DLG, field findings

Civil works consisted of rehabilitating and upgrading CARs, constructing bridges, installing culverts, road alignment, site clearance works and gravelling. For the rehabilitated Arut Central – Laminto (13.8km) CAR in Paicho sub-county, the contractor had installed pipe culverts, completed constructions of box culverts on some sections of the road, concluded road alignment and gravelling. For the Cetkana – Palyec (5.7km) CAR, completed works on rehabilitated road included road alignment, earthworks and filling of marram on the roads, and gravelling.

Challenges

- Heavy rains and flooding affected timely completion of civil works on the rehabilitated Batch-A CARs in Gulu District.
- Some DLGs were not adhering to the agreed technical implementation arrangements in regards to the budget lines and this negatively affected implementation. Some districts delayed procurement of planned technologies for demonstrations such as maize shellers for harvesting maize, but instead carried out capacity building. This impends the benefits of the project.



Twin kitchen improved energy cooking stove constructed at Alero Senior Secondary School, Nwoya District



Recommendation

- The DLGs should utilize the project funds disbursed to procure planned technologies such as the maize shellers to benefit the farmer groups.

3) Local Economic Development (LED)

Background

Following Government's adoption of the promotion of Local Economic Development (LED) as a sixth objective of the Decentralization Policy and a subsequent development of the Uganda National Local Economic Development Policy of 2014. The Ministry of Local Government created the Department of Local Economic Development to help support Local Governments to attract investments basing on their natural and strategic competencies. This will go a long way in deepening the decentralization process, eradicating poverty and ensure inclusive, sustainable and equitable economic growth. Through the LED Department, the Ministry specifically aims to:

- Support to LGs to incorporate LED activities into the LG planning and budgeting.
- Promote of employment and wealth creation through support to the development of new industrial/business parks to promote skilling of women and youth, production and wealth creation.
- Re-orient LGs from a consumptive nature into business orientation and investment through enhanced production with a view to expanding local revenue generation by LGs.
- Support to the development of public infrastructure to boost production and market accessibility.
- Supporting intra-private sector dialogues, cooperation and networks to encourage experience and sharing,
- Facilitating private investments through linkages with MDAs and other regulatory bodies.
- Creating awareness within LGs aimed at causing a paradigm shift from consumptive nature into business orientation and investment

Performance

The FY 2019/20 budget was Ug shs 200 million, of which Ug shs 74 million (37%) was released and Ug shs 55.9 million (75%) spent as at 31st December, 2019 on monitoring and support supervision; and technical support and training of LG officials. This was fair release but good absorption.

Findings

Under the Monitoring and Support Supervision of LGs output; three districts with markets developed under MATIP I including Lira, Gulu, Masaka, were monitored for LED implementation. With technical support and training of LG officials output; one LG training needs assessment for LED was conducted in Kyankwanzi District. Despite all funding released, there were no field reports availed to the team.



Challenges

- Lack of clear institutional frameworks to spear head LED initiatives in the LGs.
- Lack of technical staff to spear head the LED initiatives in the Commercial Departments in LGs.
- Lack of a clear capacity building plan in LGs on the LED initiatives.
- Non- involvement of the political leadership and resource LED pools in LGs.

Recommendations

- The LGs should be assisted to create proper LED institutional setups with efficacious frameworks of participatory planning involving key actors and stakeholders for effective LED implementation.
- A capacity building and capacity development programme on LED should be designed and implemented using the district planning units as the fulcrum of those activities and extending that capacity training to all other actors
- A governance framework with appropriate local and institutional systems should be worked out to allow the sharing of information for participatory planning, resource mobilization and resource allocation for development

3.4.2: General Administration, Policy, Planning and Support Services

The programme outcome under this vote is effective and efficient ministry administration and support services; and strengthened and coordinated policy and planning processes. The Support to Ministry of Local Government Project and related outputs were monitored to assess progress.

1) Support to Ministry to Ministry of Local Government (MoLG)

Background

The project objectives are to provide facilities to support effective implementation of the decentralization policy, and ensure coordinated and effective delivery of service at the local levels.

Performance

The approved budget for FY 2019/20 was Ug shs 16.699 billion, of which Ug shs 10.224 billion (61%) was released and Ug shs 4.290 billion (42%) spent as at 31st December 2019. This was good release but poor absorption, attributed to ongoing procurement of vehicles, office and ICT equipment; and office and residential furniture. The detailed performance as at 31st December, 2019 is shown in table 3.28.



Table 3.28: Performance of General Administration, Policy, Planning and Support Services as at 31st December 2019

Project-Sub programme	Output	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% Physical performance	Remarks
Project: 1307: Support to MoLG	19 Human Resource Management Services	0.647	0.468	1	0.4	1.072	Funds worth Ug shs 318 million were spent on staff capacity building on cross cutting issues in the ministry and training courses for staff. However no training reports were availed.
	21 Policy, planning and monitoring services	0.200	0.110	0.55	0.3	0.653	Top Management and Ministry staff of Local Government were facilitated to monitor implementation of Government programmes. A total of Ug shs 91 million was spent.
	22 Ministry Support Services (Finance and Administration)	0.500	0.242	0.5	0.3	1.853	Funds worth Ug shs 90 million were spent on reviews of LG Sector Strategic Plan and operationalizing the LG Sector Secretariat.
	24 LGs supported in the policy, planning and budgeting functions	0.400	0.275	1.4	1	1.742	Funds worth Ug shs 96 million were spent on supporting LGs in the policy, planning and budgeting functions; however the highest expenditure (Ug shs 60 million) was on workshops and seminars.
	72 Government Buildings and Administrative Infrastructure	8.902	4.509	1	0.5	26.308	Funds worth Ug shs 2.572 were spent on payments for contractual obligations on Busega Market; and 02 sub counties to construct infrastructure in Mpigi and Kabale.
	73 Roads, Streets and Highways	0.300	0.300	3	0.1	0.060	Procurement of a contractor was ongoing.
	76 Purchase of Office and ICT Equipment, including Software	0.200	0.200	1	0.1	0.120	Procurement of ICT equipment was ongoing



Project-Sub programme	Output	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% Physical performance	Remarks
	78 Purchase of Office and Residential Furniture and Fittings	0.200	0.120	0.6	0.1	0.200	Procurement of furniture and fittings was ongoing.
	79 Acquisition of Other Capital Assets	5.350	4.000	0.7	0.4	17.140	80 TCs were supported to undertake startup activities.
	Total	16.699	10.225			49.15	Poor

Source: IFMS data/MoLG progress report, field findings January 2020

Conclusion

The performance was poor at 49%. The Support to MoLG Oproject lacks clear performance work plans and targets in line with the project objective. Most funds were spent on unplanned capacity building initiatives that lacked training reports and duplicated activities on policy planning and monitoring. No reports were availed to justify the expenditures.

Recommendation

The Ministry of Local Government should review the activities of Support to MoLG Project in line with the Project Objective and the overall mandate of the Ministry.

Findings

Busega Market in Rubaga Division, Kampala, Capital City Authority

Background

Busega Market under Kampala Capital City Authority was constructed under Urban Markets and Marketing Development of Agricultural Products (UMMDAP) with funding from Government of Uganda and Arab Bank for Economic Development in Africa (BADEA). The completion of existing but incomplete Market Structure (Phase I) commenced in February 2015 and ended 20th March 2019. The contract for Phase II was then awarded to M/s China National Complete Plant Import and Export Corporation Ltd starting 25th April and ending 25th December 2019 but the completion date was revised to 25th April 2020. The supervising consultant is M/s Joadah Consult.



The contract sum was Ug shs 13,532,361,596 VAT inclusive for a period of 12 months of which Ug shs 3,646,993,769 was advanced to the contractor by 31st December 2019.

The scope of works for the market included: (i) finishes to staircases and balustrades, timber door frames and shutters, steel doors and windows; (ii) External and internal finishes (wall and ceiling plasters, floors screeds, floor tiles and terrazzo, painting ceiling and wall surfaces); (iii) Cabling from main distribution to sub-main distribution; (iv) Power supply and firefighting installations; (v) Internal plumbing and sanitary fittings and completion of external works.

The planned facilities included; fresh fish stalls, meat butchery lockups; fruit/vegetable stalls, retail lockups; market offices; community hall; clinic; police post with a holding area, office; day care centre and washrooms.

Performance

By February 2020, overall physical progress stood at 38 % against time progress of 83%. The contractor had completed plastering of internal and external walls including the ceiling of the market structure; installed metallic doors for lock ups which was at 60%; completed finishing works on the stalls which were at 80%; and cabling from main distribution to sub-main distribution including installation of pipes.



Internal view of Busega Market



External view of Busega Market

Challenges

- The project was behind schedule by four months due to late procurement of a project consultant in July 2019 yet the contractor's start date was April 2019. Actual construction of civil works began in August 2019.
- The delay by Ministry of Local Government to process the consultant's fee for five months in turn delayed review and updating of the working drawings, a process which was still ongoing.

Recommendation

The MoLG should ensure timely payment for both the supervising consultant and contractor to enable timely execution of works.



3.5 Vote 021: Ministry of East African Community Affairs

Background

The Mandate of the Ministry of East African Affairs (MEACA) is to steer Uganda's regional integration agenda in accordance with the objectives of the Treaty for Establishment of East African Community. The project period is from 01/7/2007 to 30/06/2020. The programmes under this vote include: (i) Regional Integration, and (ii) Administration, Policy and Planning.

3.5.1: Regional Integration

The programme objective is to provide policy coordination and strategic leadership on matters of East African Community integration with a view of ensuring; market access, competitiveness, joint decision-making and collaboration.

Performance

The approved budget for both development and recurrent was Ug shs 0.835 billion, of which

Ug shs 0.442 billion (53%) was released and Ug shs 0.357 billion (81%) spent by 31st December 2019. This was a good release and absorption. The detailed performance of MEACA as at 31st December, 2019 is shown in table 3.29.

Table 3.29: Performance of Regional Integration Programme as at 31st December 2019

Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
sub-programme: 02 Political Affairs; 04 Economic Affairs and 06 Social Affairs	01 Regional Policies, Laws and Strategic Frameworks domesticated	0.203	0.101	1.5	0.9	14.592	(i) Reports on the EAC Regional Experts' consultations on the EAC Political Confederation Constitution; and (ii) Common Market Protocol were prepared and shared with the relevant stakeholders. The highest expenditures were on travel abroad.
	02 Compliance with implementation of EAC decisions and directives Monitored and Evaluated	0.141	0.071	1.5	1	11.296	(i) A Report on implementation of the Common Market Protocol related to Free Movement of Goods and Services and Capital was produced. Funds were spent on workshops and seminars and travel inland.



Project-Sub programme	Out put	Annual Budget (Ug shs billion)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
	03 Strategic leadership, Guidance and Support for EAC regional Integration strengthened	0.387	0.194	1.5	0.7	21.652	(i) National consultations on EAC initiatives were conducted; and (ii) 6 country position reports on regional integration were produced. Funds were spent on workshops and seminars, and travel abroad and inland.
Project 1005: Strengthening Min of EAC	76 Purchase of Office and ICT Equipment, including Software	0.060	0.060	1	0.2	1.445	Funds worth Ug shs 7 million were used to procure ICT equipment.
	78 Purchase of Office and Residential Furniture and Fittings	0.020	0.004	1	0	0	There was inadequate release to implement this output.
	Total	0.835	0.442			50	Fair

Source: IFMS data/MEACA progress report; field findings

Conclusion

The performance for the Regional Integration Programme was fair at 50%. The MEACA popularized the National Policy on EAC integration through regional policy sensitization meetings with LGs and coordinated the implementation of the Common Market Protocol. Public awareness and public participation in EAC regional integration was enhanced through dissemination of research reports on political, economic, social, production and Infrastructural affairs programmes.

Challenges

- The MEACA is still facing challenges of slow absorption of funds for pension due to difficulties in locating pensioners that do not have life certificates, documentation such as appointment letters, conformation letters, promotions and postings; as well as accessing letters of administration.
- There are still delays from the Ministry of Public Service transferring/decentralizing some pensioners to MEACA.
- The MEACA is till underfunded to effectively meet the obligation and requirements of the Ministry



Recommendations

- The MoPS should enhance the process of transferring files of pensioners to allow timely payment.
- The MFPED should release adequate funds to MEACA to implement its planned outputs.

3.6: National Planning Authority

Background

The mandate of the National Planning Authority (NPA) is to produce comprehensive and integrated development plans for the country elaborated in terms of the perspective vision and the long term and medium plans. The programmes under this vote include: Development Planning; Development Performance; and General Management, Administration and Corporate Planning with an outcome of efficient, effective and inclusive institutional performance.

Performance

The approved budget for both development and recurrent outputs for the three programmes was Ug shs 21.735 billion, of which Ug shs 11.703 billion (54%) was released and Ug shs 11.521 billion (94%) spent by 31st December 2019. This was a good release and funds absorption.

3.6.1: Development Planning Programme

The programme objective is to establish and strengthen functional systems for comprehensive, participatory and inclusive integrated development plans and frameworks. The overall programme performance as at 31st December 2019 is shown in table 3.30.

Table 3.30: Performance of Development Planning by 31st December, 2019 (Ug shs billions)

Project-Sub programme	Output	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
Program 1325 Development Planning	01 Functional Planning Systems and Frameworks/ Plans	3.264	1.508	1.4	0.9	28.159	The (i) National Human Resource Development Planning Framework; (ii) a zero draft of the NDPIII were developed. Most funds were spent on workshops and seminars (Ug shs 394 million); consultancy services (Ug shs 496 million).
08 Sector Planning	02 Strengthening Planning capacity at National and LG Levels	3.206	1.608	2	0.9	19.106	Sectors were supported to develop their 3 rd Sector Development Plans.



Project-Sub programme	Output	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
09 Local Government Planning	02 Strengthening Planning capacity at National and LG Levels	1.057	0.528	1	0.4	5.616	Consultations with 134 districts and 41 municipal councils on Local Government priority issues for NDPIII were undertaken.
	Total	7.526	3.644			52.88	Fair

Source: IFMS/NPA progress report; field findings

Conclusion

The performance for Development Planning Programme was rated fair at 53%. The National Human Resource Development Planning Framework is in place. NDP III is in draft form and the Sectors and LGs were also supported to develop their development plans. The percentage of Sector Development Plans (SDPs) /MDAs aligned to the NDP III stood at 94% (16/17 MDAs).

3.6.2: Development Performance Programme

The objective of the programme is to provide evidence based public policy advice and inform public policy debates; monitor and evaluate the effectiveness and impact of development policies, plans and programmes on the well-being of all Ugandans and performance of the economy of Uganda. The overall programme performance as at 31st December 2019 is shown in table 3.31.

Table 3.31: Performance of Development Performance by 31st December 2019 (Ug shs billions)

Project-Sub programme	Output	Annual Budget (Ug shs) billions	Cumulative receipts	Adjusted Annual target	Cum. Achieved Quantity	% physical performance	Remarks
Program 1326 Development Performance	01 Functional Think Tank	9.795	5.056	3.1	1.7	54.866	The maps for NDP III Core Project were developed. The Second Self Country Assessment Report was disseminated in Western and Eastern regions; The highest expenditures were on consultancy services; under Governance (Ug shs 306.5 million); No reports were availed.
		9.126	4.944			55	Fair performance

Source: IFMS/NPA progress report; field findings



Conclusion

The performance for Development Performance Programme was rated fair at 55%. Most funds were spent on consultancies to develop the APRM reports and yet NPA has technical staff recruited to develop such reports.

3.6.3: General Management, Administration and Corporate Planning

The programme objective is to strengthen the capacity of the Authority to efficiently and effectively deliver its mandate in a participatory, equitable and gender responsive manner. The programme outcome is efficient, effective and inclusive institutional performance. The performance as at 31st December, 2019 is shown in table 3.32.

Table 3.32: Performance of National Planning Authority by 31st December 2019

Project-Sub programme	Output	Annual Budget (Ug shs billions)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
Project: 0361 National Planning Authority	05 Functional Planning Systems and Frameworks /Plans	0.200	0.070	0.4	0.2	2.589	The Function Analysis Report for NPA was prepared
	19 Human Resource Management Services	0.400	0.180	0.5	0.3	0.027	The highest expenditure (Ug shs 120 million) was on trainings for NPA staff. No report was availed.
	72 Government Buildings and Administrative Infrastructure	0.423	0.055	0.1	0.1	7.318	NPA House was renovated.
	75 Purchase of Motor Vehicles and Other Transport Equipment	2.893	2.200	8.4	5	39.174	Two motorcycles, 9 Board and management vehicles; were procured.
	76 Purchase of Office and ICT Equipment, including Software	0.198	0.198	1	0.7	3.140	Funds were spent on purchase of office and ict equipment, including software
	78 Purchase of Office and Residential Furniture and Fittings	0.300	0.300	1	0.6	4.078	Funds were spent on procurement on office and residential furniture and fittings
	Total	4.414	3.003			56.33	Fair

Source: IFMS/NPA progress report; field findings



Conclusion

The performance for General Management, Administration and Corporate Planning Programme was fair at 56%. There are no clear performance work plans and performance targets, reports in line with the program objectives.

Recommendations

- The NPA Planning Unit should develop clear work plans, performance targets and planned outputs in line with NPA strategic plan.
- The NPA should develop internal capacity of staff to reduce engagement of expensive consultants in doing routine work of technical staff.

3.7 Vote 122: Kampala Capital City Authority

The mandate of Kampala Capital City Authority (KCCA) is to govern and administer the Capital City on behalf of the Central Government. The programme under this vote is Economic Policy Monitoring, Evaluation and Inspection.

3.7.1: Economic Policy Monitoring, Evaluation & Inspection

The programme objective is to coordinate and monitor policies, planning processes in the capital city in order to ensure improved service delivery. Project 0115 Local Government Management Service Delivery Programme (LGMSD) was monitored to assess progress.

1) Local Government Management Service Delivery Programme

Background

The objectives under PSM are to; i) build capacity of KCCA staff; and (ii) retooling of KCCA. The Local Government Management Service Delivery Programme (LGMSD) was initiated to support implementation of the decentralization policy and enable LGs to provide services to the communities. The project period is from 1/7/2015 to 30/06/2020.

Performance

The approved GoU budget was Ug shs 2.057 billion, of which Ug shs 1.327 billion (65%) was released and Ug shs 0.660 billion (47%) spent as at 31st December 2019. This was good release and fair absorption. The detailed performance of LGMSD as at 31st December 2019 is shown in table 3.33.



Table 3.33: Performance of Economic Policy Monitoring, Evaluation and Inspection as at 31st December 2019

Project-Sub programme	Output	Annual Budget (Ug shs)	Cumulative receipts	Adjusted annual target	Cum. Achieved	% physical performance	Remarks
Project: 0115 LGMSD (former LGDP)	37 Human Resource Development; organizational restructuring	1.360	0.713	0.5	0.25	31.517	Though funds worth Ug shs 252 million were spent on trainings, there were no capacity building plans and training reports availed to the team.
	41 Policy, Planning and Legal Services	0.364	0.281	0.8	0.3	6.877	Although Ug shs 53 million was spent on consultancy and hire of venue and chairs, funds spent are not in tandem with outputs.
	71 Acquisition of Land by Government	0.170	0.170	1	0	0	No funds were released for this activity.
	76 Purchase of Office and ICT Equipment, including Software	0.163	0.163	1	0.4	3.170	Funds worth Ug shs 72 million were spent on retooling of machines and equipment (connecting water supplies, unblocking the drainage manholes, plumbing works, window and door fixtures)
		2.057	1.327			41	Poor

Source: IFMS data; KCCA progress report; field findings

Conclusion

The overall programme performance was poor at 41%. Despite KCCA having a strategic plan, there were no clear quarterly work plans, targets, and progress/capacity building reports. With unplanned recruitments and poor accountability of pension funds and duplicated outputs.

Recommendation

The Auditor General should audit all human resource management issues in the KCCA right from



entry of staff to exit. Funds under the Human Resource Development and Legal Affairs should be fully investigated since outputs are being duplicated.

3.8: Vote 146: Public Service Commission

Background

The Public Service Commission (PSC) is a complementary Statutory Body under the Ministry of Public Service but with institutional autonomy. It performs the function of advising the President, processing appointments, confirmations and promotions in Public Service and disciplinary control over public officers; among others. Its mission is to provide Government with competent human resources for effective public service delivery. The programme under this vote is Public Service Selection and Recruitment.

3.8.1: Public Service Selection and Recruitment Programme

The programme objective is to provide Government with competent human resources for effective and efficient public service delivery.

Performance

The approved budget for FY 2019/20 was Ug shs 2.404 billion, of which Ug shs 1.226 billion (51%) was released and Ug shs 1.122 billion (92%) spent which was good release and absorption. The performance of the project by 31st December 2019 is presented in table 3.34.

Table 3.34: Performance of Public Service Selection and Recruitment Programme as at 31st December, 2019

Project-Sub programme	Output	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
02 Selection Systems Department	02 Selection Systems Development	0.521	0.267	51	48	20.329	GRE aptitude tests were administered to a total of 3,395 applicants; 22 out of 40 selection instruments were developed and administered for various posts; 10 out of 20 draft competence job profiles were developed; Selection exams were administered to 16 out of 40 DSCs.



Project-Sub programme	Output	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
03 Guidance and Monitoring	05 DSC Capacity Building	0.779	0.400	134	57	13.746	A total of 04 out of planned 150 members from DSCs were inducted; 07 out of 10 DSCs were visited and respective Secretaries mentored; 23 out of 50 DSC Monitoring visits conducted and 7 out of 10 DSCs with appeal cases were handled; Performance Audits carried out in 11 out of 25DSCs.
	06 Recruitment Services	0.920	0.492	1	0.4	20.586	The Commission appointed 89 Graduate Officers; and 1,471 cases were confirmed, of these 1,085 were appointments.
0388 Public Service Commission	76 Purchase of Office and ICT Equipment, including Software	0.100	0.025	1	0	0	Office and ICT equipment, including software were under procurement.
	78 Purchase of Office and Residential Furniture and Fittings	0.084	0.042	0.5	0.3	1.752	Assortment of furniture was procured
	Total	2.404	1.226			64.41	Fair

Source: IFMS data/PSC progress report; field findings

Conclusion

The overall programme performance was fair at 64%. By February 2020, 119 of 134 (88.8%) districts had functional District Service Commissions (DSCs), whereas 15 of 134 (11.9%) districts had non-functional DSCs. A number of DSCs such as Kikube, Kasanda, Kwania, Bugweri, Nabilatuk, and Kapelebyong are not yet functional.

Challenges

- Some LGs could not recruit staff because of expired DSCs and as a result the funds for recruitments were returned to the Consolidated Fund. Most district had made the submissions to PSC for approval.



- Increased number of districts and municipalities has also increased the workload of the PSC yet its budget is constant.
- Political interference, coupled with nepotism and failure to adhere to human resource management rules, policies and procedures affects the work of DSCs.
- The DSCs in LGs are falling prey to compromises due to poor facilitation and underfunding resulting into corruption, bribery and recruiting unqualified staff in key positions. This was evidenced in Busia, Mayuge, Nakasongola, Kabarole districts.

3.9 Vote 147: Local Government Finance Commission

Background

The mandate of the Local Government Finance Commission (LGFC) is advising Central and Local Governments on issues of fiscal decentralization. The programme under this vote is Coordination of Local Government Financing.

3.9.1: Coordination of Local Government Financing Programme

The programme objective is to promote adequate financial resources for service delivery by Local Governments.

Performance

The approved budget for FY 2019/20 was Ug shs 4.205 billion, of which Ug shs 2.201 billion (52%) was released and Ug shs 2.108 billion (96%) spent as at 31st December 2019. This was good release and absorption. The overall programme performance is shown in table 3.35.

Table 3.35: Performance of Coordination of Local Government Financing Programme by 31st December, 2019

Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
01 Administration and support services	05 Institutional Capacity Maintenance and Enhancement	2.889	1.480	1.5	0.7	31.286	This output is recurrent in nature. The commitments and expenditures were on general operations and management of the commission.



Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
02 Revenues for Local Governments	03 Enhancement of LG Revenue Mobilization and Generation	0.428	0.249	19.3	16	8.447	(i) 8 LGs were assessed to migrate to the automated local revenue collection using Integrated Revenue Administration; (ii) and support provided to exploit the local revenue potential in 8 districts.
	04 Equitable Distribution of Grants to LGs	0.522	0.268	1	0.47	11.370	(i) Sector Conditional Grant negotiations between LGs and sector ministries were conducted. The Education Sector communicated to the LGs on funds released to Special Needs Education schools had been decentralized to the special needs.
							(ii) LGFC followed up on the Agriculture sector to ensure equitable recruitment for extension workers in the country. (iii) The Health Sector carried out affirmative action for Health Centers in hard to reach and hard to stay LGs in regards the health sector wage grant.
03 Research and data management	02 LGs Budget Analysis	0.210	0.101	5.3	5	4.732	(i) Feedback on the findings from the budget analysis was provided in 5 LGs regarding compliance with legal requirements was provided.



Project-Sub programme	Out put	Annual Budget (Ug shs)	Cumulative receipts	Adjusted Annual target	Cum. Achieved	% physical performance	Remarks
0389 Support LGFC	76 Purchase of Office and ICT Equipment, including Software	0.157	0.103	0.7	0	0	Procurement for 5 printers, 7 computers, 1 shredder, 1 laptop and 2 iPad, 6 office desks, a boardroom table, 10 boardroom chairs for members of staff was initiated.
	Total	4.205	2.201			56	Fair

Source: IFMS data; LGFC progress report; field findings

Conclusion

The performance was fair at 56%. The Commission is facing the challenge of increasing number of new LGs plus their urban councils and administration units amidst declining resources.

Recommendation

- The MFPED should increase the budget for the Commission to cater for recruitment.



CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The sector's overall physical performance was fair at 55%. Under the decentralized payroll reforms, MDAs and LGs received and paid salary, pension and gratuity arrears; however, some LGs had substantive unspent funds on wages and pension arrears released and those spent had not accounted for the funds by February, 2020. The lengthy recruitment procedures affected performance on wage. A total of 651 positions were cleared in 15 LGs and 213 positions in Central Government by MoPS. However, wage shortfalls in the Education Sector remains a challenge in LGs this includes public universities. Monthly pension and gratuity shortfalls as well remain a challenge to LGs.

Fair performance was observed under Public Service Selection and Development Performance Recruitment under PSC; Policy Planning and Support Services Programme, Human Resource Management, Management Services and Inspection and Quality Assurance under MoPS; Strategic Coordination, Monitoring and Evaluation; Disaster Preparedness and Refugees Management; and Affirmative Action under OPM; Coordination of Local Government Financing under LGFC; General Management, Administration and Corporate Planning; and Planning under NPA; General Administration, Policy, Planning and Support Services and Local Government Administration and Development under MoLG; and Regional Integration under MEACA.

Poor performance was registered under Economic Policy Monitoring, Evaluation and Inspection under KCCA. Despite having a strategic plan, there were no clear quarterly work plans, targets, and progress/capacity building reports. In addition the sub-programmes of Policy, Planning and Legal Services are duplicated which results to wastage of resources and unplanned recruitments and lack of accountability of pension funds released.

Sector performance was hampered by: the top to bottom planning and budgeting and politicization of projects under OPM which constrained achievement of project objectives in most LGs, delayed initiation of procurements; inadequate staffing in LGs and politicisation of recruitments in LGs; Project coordinators that are more of traditional managers than agile managers, poor human resource planning, and inadequate resources for implementation of LED activities in LGs; additionally, 364 sub-counties and 352 town councils across the country are not operational due to lack of funds.

4.2 Recommendations

1) The MFPED and MoLG should task Accounting Officers that do not spend salary, pension and gratuity arrears released to LGs. They should also be accountable for the slow accountability and continued accumulation of salary arrears. The MoLG should include payroll reforms as a measure of performance in the performance appraisal.



- 2) To address the issue of constant pension and wage shortfalls MFPED and MoPS, MoES should coordinate and critically analyze submissions of IPFs and recruitment plans from LGs. Additionally, the MoES should coordinate with LGs on the issue of adhoc posting of secondary teachers and recruitments of primary teachers.
- 3) The MoPS should carry out a business process re-engineering of the lengthy processes of recruitment processes, carry out a comprehensive job evaluation in line with NDP III.
- 4) The MFPED in liaison with LGs and MDAs should carry out a comprehensive human resource audit of all project managers in the public sector and develop a comprehensive training plan to build skills and capacity.
- 5) The MFPED in liaison with MoLG and the Ministry of Trade should revise the budget of LED programmes in LGs in order to achieve the NDPIII. For instance the commercial departments in LGs are under staffed, while other staff lack the skills and capacity to implement LED.



REFERENCES

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Strategic Plans for Ministry of East African Community Affairs, Local Government Finance Commission, Public Service Commission, National Planning Authority and Kampala Capital City Authority.

National Planning Authority Strategic Plan FY 2015/16-FY 2019/20

Integrated Financial Management System data for FY 2019/20

National Development Plan II, 2015/16-2019/20



ANNEX

Annex 1: PSM Programmes monitored for semi-annual FY 2019/20

Vote	Project/Programme	Sampled institutions/ districts
Vote 003: Office of the Prime Minister	Project 0922: Humanitarian Assistance	Bulambuli, Kabarole, Omoro, Gulu, Mbarara, Hoima, Soroti, Bukedea, Mayuge
	Project 1499: Development Response for Displacement IMPACTS Project (DRDIP)	Arua, Koboko, Kiryandongo, Kyegegwa, Hoima, Kikuubbe
	Project 0932: Post-war Recovery and Presidential Pledges	Arua, Lira, Bukedea
	Project 1251: Support to Teso Development	Soroti, Ngora
	Project : 1252 Support to Bunyoro Development	Hoima, Masindi, Kikuubbe, Kibaale
	Project 0022: Support to Luwero-Rwenzori Development Programme	Luwero, Mityana, Mubende, Wakiso and Mayuge
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Ministry of Public Service Headquarters
	Public Service Reforms under MoPS: the Civil Service College; NARC, Public Performance Management; Management of the Public Service Payroll and Wage Bill and decentralized payroll reforms under MFPED.	Soroti, Gulu, Bukedea, Kasese, Jinja Districts. Mityana, Mbarara, Entebbe Municipal Councils, Hoima, Masindi, Kikuubbe, Arua, Koboko, Luwero
Vote 011: Ministry of Local Government	Project 1381: Project for Restoration of Livelihoods in Northern Region (PRELNOR)	Gulu, , Omoro
	Project 1360: Markets and Agricultural Trade Improvements Programme (MATIP 2)	Kasese, Masaka ,Entebbe, Arua, Soroti Municipal Councils
	Project 1307: Support Ministry of Local Government	Ministry of Local Government Headquarters; Busega Market under KCCA
Vote 021: East African Community	Project 1005: Strengthening Ministry of EAC Affairs	Ministry of EAC Affairs Headquarters



Vote	Project/Programme	Sampled institutions/ districts
Vote 108: National Planning Authority	Project 0361: National Planning Authority	National Planning Authority and all planning units in all the above LGs
Vote 122: Kampala Capital City Authority	Project 0115: LGMSD (Local Government Management Service Delivery)	KCCA Headquarters
Vote 146: Public Service Commission	Project 0388: Public Service Commission	Public Service Commission and all DSCs in the above LGs
Vote 147: Local Government Finance Commission	Project 0389: Support Local Government Finance Commission (LGFC)	Local Government Finance Commission and all above LGs

Source: Authors' Compilation



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