



COMPENDIUM OF PUBLIC INVESTMENTS INDICATORS FOR UGANDA

January, 2023

BTTB	Background to the Budget
DC	Development Committee
ERA	Electricity Regulatory Electricity
FY	Financial Year
GDP	Gross Domestic Product
IBP	Integrated Bank of Projects
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
MDA	Ministries Departments and Agencies
NDP	National Development Plan
NPA	National Planning Authority
PFMA	Public Finance Management Act
PIMS	Public Investment Management System
PIP	Public Investment Plan
REA	Rural Electrification Agency
UBOS	Uganda Bureau of Statistics
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UNRA	Uganda National Roads Authority

Absorption Capacity	The rate at which project resources released by the Treasury are spent by the respective Votes.
Accounting Officer	A person designated or appointed in writing by the Secretary to the Treasury to be responsible for the Vote.
Budget Performance	It measures the predictability at which the treasury releases resources allocated in the Financial Year's budget. It measures the performance of the treasury.
Development Committee	A committee comprised of key PIM stakeholders in Government charged with the responsibility of undertaking the independent review role of projects and appraisal documents before they are approved for inclusion in the PIP and annual Budget.
Development Expenditure	Relates to any expenditure for the creation or acquisition of a fixed asset, inventory and other valuable physical stock required to facilitate economic growth.
Development Partner	A country or multi-lateral organization that offers assistance in form of funds, machinery, expertise among others.
Effectiveness	Access and quality of infrastructure and delivery of other desired result. This type of indicator measures results without cost considerations.
Efficiency	This indicator measures the cost efficiency of undertaking projects such as; Unit costs of infrastructure projects, cost per km road, cost per school, cost per hospital.
Expenditure	A non-repayable and a non-paying payment by Government whether requited or unrequited and whether for recurrent or capital purposes.
Gross Domestic Product	It is the monetary value of all the finished goods and services produced within a country's borders in a specific time period usually one year.
Integrated Bank of Projects	An on-line central repository of all information on public investments throughout the project life cycle (from inception to closure).

PIMS Framework	Tool that defines the scope of eligible public investments, the mandatory project life and establishes an institutional governance structure for consultative decision-making process throughout project cycle.
Productivity	This indicator measures the growth impact of public investment as a share to GDP. The indicator measures the productivity of public investments in the economic growth of the country.
Project	Government interventions designed to deliver public assets solve a transient development problem or challenge or harness an opportunity within a given time frame and logical systematic way.
Project Adjustment	Measures adjustment to project timelines and assesses whether the process allows purposeful adjustments to disbursements or termination of projects when internal or external circumstances change.
Project Appraisal	Measures the justification for or the need for project interventions by subjecting the project idea to thorough analysis to determine its strategic fit, technical, social, environment and economic viability. The indicator therefore, measures whether projects have followed the standard appraisal procedures and processes, the quality of project submissions and the efficiency of the appraisal process.
Project Completion	Measures whether performance is evaluated, lessons are learned and actions taken to improve performance and understudy for future intervention.
Project Budgeting	Measures the decisions undertaken on the overall level of public investment spending and management of potential fiscal risks emerging from management of infrastructure and the credibility of the budget processes. Specific measures related to development budget execution and medium-term multi-year commitments.

Project Implementation	Measures the rate projects completion on time, on budget and scope.
Project Selection	Measures the level of adherence to the conditions/ requirements in the Project Selection criteria before admission into the PIP and annual Budget.
Public Investment Plan	A central registry that provides an overview of all investment profiles for central Government Votes including Development Partner Funding.
Public Investments	Resources that Government spends in the delivery of key public goods and services.
Release	Central Government transfer of funds to MDAs (including supplementary schedule) from the consolidated fund.
Vote	These are institutions (Ministries, Departments, Agencies and Local Governments) which are the basis of the annual budget and appropriations made by Parliament, and the basis for accountability.

Public investment is a potentially growth-enhancing form of public expenditure requiring the most strategic, technical and optimal decisions to yield the desired outcomes. When poor investment choices are made, resources are wasted, public trust eroded and growth opportunities are constrained. Projects should therefore, go through a comprehensive project life cycle, starting from the identification of a project idea to the final handover to operations and ex-post evaluation stage.

In order to strengthen the preparation, selection, implementation, monitoring and ex-post evaluation of projects for maximised returns, Government through the Ministry of Finance, Planning and Economic Development (MFPED) formulated and adopted a comprehensive medium to long-term Action Plan for Public Investment Management which has been under implementation.

The Ministry further developed a comprehensive systematic annualised compendium of indicators to track the progress and measure the performance of the action plan at each stage of the project cycle. This will inform the policy recommendations on improving the efficiency and effectiveness of public investments.

The compendium of Public Investment Indicators was prepared by a technical team from the Projects Analysis and Public Investment Department and other Departments from the Ministry. I would like to extend our appreciation to Uganda Bureau of Statistics (UBOS) and other departments within MFPED for providing data that was used in compilation of this compendium.

I acknowledge and appreciate the contribution of our partners including World Bank, Foreign, Commonwealth and Development Office (FCDO), Economic Policy Research Centre (EPRC) for supporting efforts geared towards improving the performance of Public Investments.



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PERMANENT SECRETARY/SECRETARY TO THE TREASURY

A | INTRODUCTION

1. Over the past decade, the Government of Uganda has committed a considerable amount of resources towards investing in public projects in order to reduce the cost of production and doing business; widen and integrate markets; achieve economies of scale; encourage participation of the private sector; and attract foreign direct investment and technology thereby increasing the country's competitiveness and effective participation in regional and global value chains. Public investment therefore has an impact on the returns to private-sector productivity, GDP growth, and reduce budget deficit.
2. To this end, Government of Uganda through the Ministry of Finance, Planning and Economic Development has continued to undertake interventions aimed at strengthening Uganda's Public Investment Management Systems (PIMS) so as to ensure that public investments generate higher economic returns.
3. In 2016, Government undertook a diagnostic study on the Public Investment Management System (PIMS) of Uganda wherein a number of weaknesses were identified from project identification, appraisal, implementation and monitoring of development projects across Government institutions.
4. Accordingly, a number of reforms were recommended to strengthen the Public Investment Management System (PIMS) through an action plan developed in line with the 8 (eight) recommendations including; institutional setting, improvement of the entire project cycle, capacity building in the whole project cycle, development of the National Parameters, establishment of an Integrated Bank of Projects (IBP), improvement of project implementation, establishment of an ex-post monitoring and evaluation system and enhancement of the legal and regulatory framework
5. The Ministry of Finance, Planning and Economic Development has so far registered the following progress in the implementation of the PIMS Action Plan as discussed below:
 - i) Introduced a new Public Investment Management Framework governing the entire project cycle.
 - ii) Developed and disseminated the revised Development Committee guidelines, 2016 edition for review and approval of projects.
 - iii) Developed the Public Investment Manual for project preparation and appraisal.
 - iv) Expanded the composition of the Development Committee to

- include representation of key PIM stakeholders;
 - v) Established a web-based database of National Parameters & Commodity Specific Conversion Factors for use in the financial and economic evaluation of projects.
 - vi) Undertaken continuous capacity building of Officials from MDAs on key PIMS critical areas and reforms.
 - vii) Operationalised the first Phase of the Integrated Bank of Projects, which handles Project identification, Preparation and Appraisal.
 - viii) Developing the PIMS policy and manual for project Implementation and Monitoring and Evaluation Manual
 - ix) Developing the second Phase of the IBP to cover implementation, Monitoring and Evaluation.
6. The above action plan ought to be tracked to evaluate the progress on each milestone. As such, the Government of Uganda under the auspices of Ministry of Finance, Planning and Economic Development has come up with a compendium of indicators to track the performance of Public Investments Management System (PIMS) and the attendant institutions such as the Development Committee (DC)

B | OBJECTIVE OF THE COMPENDIUM

7. The compendium aims at a baseline of key PIMS performance indicators that can be used for measuring the efficiency of public investments and the effectiveness of the institutions put in place to manage public investments.

C | SCOPE OF THE COMPENDIUM

8. The study to compile this compendium covered the broad measures for the performance of public investment and Public Investment Management System (PIMS) between the periods FY 2015/16 to FY 2020/21.

D | METHODOLOGY

9. The indicators compiled focused on productivity, efficiency and effectiveness of public investments and Public Investment Management Systems (PIMS).
10. The data used in the report was sourced from UBOS publications, Integrated Financial Management System (IFMS), Programme Budgeting System (PBS), Integrated Bank of Projects (IBP) system, National Development Plan, Public Investment Plan (PIP), Vote/ Programme Performance reports and various Development Committee reports among others.

Measure	Definition
Productivity	This indicator measures the growth impact of public investment. The share of Public Investments to GDP has been employed to measure the productivity of public investments.
Effectiveness	Access and quality of infrastructure and delivery of other desired result. This type of indicator measures results without cost considerations. The initial set of indicators looked at access to roads and electricity, water, education and healthcare.
Efficiency	This indicator measures the cost efficiency of undertaking projects such as Unit costs of infrastructure projects (cost per km road, cost per school, cost per hospital).

- 11 The indicators for measuring efficiency and effectiveness of the public investment management system are structured around the project lifecycle stages as elaborated in table 2 below:

Table 2: Measures of effectiveness of the Public Investment Management System (PIMS)

Measure	Definition
Project Appraisal	Measures on the processes to justify the need of projects through analysis by determining project's strategic fit, technical, social and economic viability. The indicators therefore measure whether projects follow a standard appraisal procedure, the quality of project submissions and the efficiency of the appraisal process.
Project Selection Criteria	Criteria to ensure projects with greater returns to the economy and are ready for implementation are prioritised for admission into the PIP and the budget. It therefore provides a systematic procedure for projects to move from the pipeline of bankable projects to the PIP and the Budget.
Project Budgeting	Measures of prudent decisions on the overall level of public investment spending and management of potential fiscal risks emerging from management of infrastructure and the credibility of the budget processes. Specific measures related to development budget execution and medium-term commitments.
Project Implementation	Measures of whether projects are completed on time, on budget and to specification.
Project Adjustment	Measures of adjustment to project timelines to assess whether the process allows for purposeful adjustments to disbursements or termination of projects when external circumstances change.
Project Completion	Measures of whether performance is evaluated, lessons are learned and actions taken to improve performance

12. The data used in the compendium was sourced from UBOS, Integrated Financial Management System (IFMS), Programme Budgeting System (PBS), Integrated Bank of Projects (IBP) system, National Development Plan, Public Investment Plan (PIP), Vote/Programme Performance reports and various Development Committee reports among others.

MEASURES OF PUBLIC INVESTMENTS

	<u>Measures</u>	<u>Unit of measure</u>	<u>2014 / 15</u>	<u>2015 / 16</u>	<u>2016 / 17</u>	<u>2017 / 18</u>	<u>2018 / 19</u>	<u>2019 / 20</u>	<u>2020 / 21</u>	<u>2021/22</u>
A	<u>Measures of Productivity</u>									
A1	<u>National Accounts</u>									
1	GDP in constant prices	Ushs (Billion)	100,422	105,223	108,518	115,359	122,787	126,410	130,881	136,967
2	Total Public Investment in Constant Prices	Ushs (Billion)	4,466	2,962	4,724	6,692	7,310	7,632	10,199	9,509
3	Total Private Investment in Constant Prices	Ushs (Billion)	19,130	22,633	21,377	21,958	24,118	23,773	22,650	25,735
4	Public investment share of GDP in constant prices	Percent	4.4%	2.8%	4.4%	5.8%	6.0%	6.0%	7.8%	6.9%
5	Private investment share of GDP in constant prices	Percent	19.0%	21.5%	19.7%	19.0%	19.6%	18.8%	17.3%	18.8%
6	Total investment share of GDP in constant prices	Percent	23.5%	24.3%	24.1%	24.8%	25.6%	24.8%	25.1%	25.7%

MEASURES OF PUBLIC INVESTMENTS

	Measures	Unit of measure	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021/22
B	Measures of Effectiveness									
B1	Access to Water									
1	Percentage of population with access to Treated Water Urban (reported every 3rd year)	Percent	85%	-	92.30%	92.30%	92.30%	N/A	N/A	N/A
2	Percentage of population with access to Treated Water Rural (reported every 3rd year)	Percent	66.60%	-	74.90%	74.90%	74.90%	N/A	N/A	N/A
B2	Access to Education									
3	Number of Primary Schools	Number	18,889	19,718	20,305	N/A	N/A	N/A	N/A	N/A
4	Pupil Classromm Ratio	Ratio	63	54	55	N/A	N/A	N/A	N/A	N/A
5	Enrollment	Number	8,264,317	8,656,924	8,840,589	N/A	N/A	N/A	N/A	N/A
B3	Access to Healthcare									
4	Number of Public Functional Healthcare Facilities	Number	-	2,932	3,084	3,133	3,129	3,194	N/A	N/A
5	Number of Private Functional Healthcare Facilities	Number	-	1,202	2,337	2,795	2,793	1,809	N/A	N/A
6	Number of NGO Functional Healthcare Facilities	Number	-	873	947	1,009	982	1,229	N/A	N/A
B4	Access to roads									
7	Total paved national road network (kms)	Number	3,919	4,157	4,257	4,551	5,016	5,398	N/A	N/A
8	Proportion of paved national to total national roads	Ratio	19%	20%	21%	22%	24%	26%	N/A	N/A
B5	Access to Electricity									
9	Consumption of Electricity (billion Kwh per capita)	Ratio	91.44	92.79	97.31	100.30	100.30	108.80	N/A	N/A
10	Percentage of households with access to electricity (Lighting)	Percent	20%	-	22%	22%	22%	-	N/A	N/A
C	Measures of Efficiency									
11	Average unit cost of road upgrading	Ushs (Billion)			2.12	2.36	3.10	3.41	3.28	N/A
12	Average unit cost of road rehabilitation	Ushs (Billion)			1.12	1.96	1.80	2.16	1.96	N/A

MEASURES OF PUBLIC INVESTMENT MANAGEMENT

SN	Criteria	Units of measure	2017 /18	2018 /19	2019 /20	2020 /21	2021/22
D	<u>Project Appraisal</u>						
D1	Projects under preparation:						
35	Cumulative number of projects considered by the Development Committee	Number	86	206	222	187	179
D2	Number of projects that are approved at different stages						
36	Project Concept	Number	19	N/A	97	73	78
37	Profile	Number	13	N/A	10	20	36
38	Pre-feasibility Study	Number	3	N/A	5	7	16
39	Feasibility Study	Number	1	N/A	10	5	9
D3	Number of projects that are deferred at different stages						
40	Project Concept	Number	36	50	68	56	27
41	Profile	Number	1	10	7	19	36
42	Pre-feasibility Study	Number	2	4	3	2	16
43	Feasibility Study	Number	0	0	2	1	36
D4	Number of projects that are rejected at different stages						
45	Project Concept	Number	11	27	19	3	6
46	Profile	Number	0	0	1	1	0
47	Pre-feasibility Study	Number	0	0	0	0	0
48	Feasibility Study	Number	0	0	0	0	0
49	Number of new projects that have initiated (new concepts submitted) the DC process during the fiscal year	Number	N/A	N/A	183	90	104

MEASURES OF PUBLIC INVESTMENT MANAGEMENT

SN	Criteria	Units of measure	2017 /18	2018 /19	2019/20	2020/21	2021/22
50	Total number of projects that have completed the DC process/appraisal during the fiscal year (includes feasibility studies)	Number	2	16	12	4	
51	Total number of projects that have completed a feasibility study during the fiscal year	Number	1	12	10	3	
54	Average length of the DC process for projects that have completed a feasibility study during the fiscal year	Ratio	N/A	N/A	N/A	1.53	
55	Number of approved projects that require operation and maintenance budgets	Number	N/A	N/A	N/A	N/A	N/A
56	Value of required operation and maintenance budgets for approved projects	Ushs (Billion)	N/A	N/A	N/A	N/A	
D5	Project Selection (Projects entering the PIP)						
59	Number of Projects in PIP	Number	447	431	420	413	
60	Number of new projects added to the PIP	Number	76	17	39	136	62
61	The value of new projects included in the PIP	Ushs (Billion)	10,287	6,858	7,147	23,914	4,347
62	Number of new projects added to the PIP that have completed the DC process/appraisal	Number	28	6	16	12	4
62	Number of projects added to the PIP that require feasibility studies	Number	42	13	14	27	14
63	Number of new projects added to the PIP that have completed a feasibility study	Number	5	2	12	10	3
64	Number of new projects added to the PIP that have not completed the DC process/appraisal	Number	48	11	23	124	58
65	Percentage of new projects added to the PIP that have completed the DC process/appraisal	Percent	37%	35%	41%	9%	6%
66	Percentage of new projects added to the PIP that have completed a feasibility study	Percent	11.9%	15.4%	85.7%	37.0%	21.4%
67	Percentage of new projects added to the PIP that have not completed the DC process/appraisal	Percent	63%	65%	59%	91%	94%
68	Percentage of the value of new projects added to the PIP that have completed a feasibility study	Percent	21%	4%	44%	25%	30%

MEASURES OF PUBLIC INVESTMENT MANAGEMENT

SN	Criteria	Units of measure	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021/22
D	Project Appraisal								
D6	Project Budgeting:								
70	Recurrent Budget	Ushs (Billion)	8657.00	6999.00	9,074.00	9,513.00	16,490.00	19,787.19	21,154.04
71	Total Development Budget	Ushs (Billion)	9,654.80	10,843.90	11,349.90	12,963.50	17,304.10	18,004.80	14,865.41
72	Total budget (Excluding Statutory and Interest Payments)	Ushs (Billion)	18,311.80	17,842.90	20,423.90	22,476.50	33,794.10	37,791.99	36,019.45
73	Development Budget Share of Total Budget	Percent	40.3%	41.1%	39.1%	39.6%	42.7%	39.6%	32.7%
74	Development Expenditures Share of GDP current prices	Percent	5.0%	6.5%	5.9%	7.8%	8.3%	8.0%	8.5%
75	Development Budget Allocated - GoU	Ushs (Billion)	4,057	4,319	4,274.5	5,229.0	7,870.5	8,489.6	7,997.2
76	Development Budget Allocated - External Financing	Ushs (Billion)	5,598	6,525	7,075.4	7,734.5	9,433.6	9,515.2	6,868.3
77	Total Release	Ushs (Billion)	5,190	7,699	8,709	11,558	13,246	13,775	11,878
78	Development Release - GoU	Ushs (Billion)	3,697	4,306	4,425.7	6,087.5	7,907.7	9,258.3	7,560.5
79	Development Release - External Financing	Ushs (Billion)	1,494	3,394	4,283.4	5,470.3	5,338.1	4,516.5	4,317.7
80	Total Expenditure	Ushs (Billion)	5,017	7,104	7,077	10,265	11,635	11,854	10,195
81	Development Spend - GoU	Ushs (Billion)	3,613	4,267	4,391	5,988	7,857	8,917	7,267
82	Development Spend - External Financing	Ushs (Billion)	1,405	2,837	2,687	4,277	3,778	2,937	2,928
83	Overall Budget performance (Release Vs Allocation)	Percent	54%	71%	77%	89%	77%	77%	80%
84	Budget performance (Release Vs Allocation) - GoU	Percent	91%	100%	104%	116%	100%	109.1%	94.5%
85	Budget performance (Release Vs Allocation) - External Financing	Percent	27%	52%	61%	71%	57%	47.5%	62.9%
86	Overall Absorption Rate (Expenditure Vs Release) - GoU	Percent	97%	92%	81%	89%	88%	86%	86%
87	Absorption Rate (Expenditure Vs Release) - GoU	Percent	98%	99%	99%	98%	99%	96.3%	96.1%
88	Absorption Rate (Expenditure Vs Release) - External Financing	Percent	94%	84%	63%	78%	71%	65.0%	67.8%
D7	Project Implementation								
89	Number of Projects in PIP	Number	364	410	443	412	421	386	395
90	Total remaining cost of PIP/Total value of PIP	Ratio							63.6%
91	Completion ratio (cost to complete PIP divided by total annual budget allocation)	Ratio							52.0%
92	Average percentage completion rate of projects in PIP	Ratio							11.6%
93	Percentage of projects that have exceeded their original budgets	Percent							9.6%
94	Percentage of projects that have exceeded their original timelines	Percent							33.7%
D8	Project Adjustment								
95	Number of projects that have requested extensions	Number			57	81	131	128	
96	Value of projects that have requested extensions	Ushs (Billion)							
97	Number of projects granted extensions during the fiscal year	Number			56	74	120	118	
98	Number of projects that have requested rescoping	Number			-	0	0	3	
99	Number of projects granted rescoping	Number			-	0	0	3	
100	Number of projects exited from the PIP without completion due to fiscal constrains	Number			-	3	1	2	
D11	Project Completion and Evaluation								
100	Number of projects that have submitted a completion report	Number			0	1	-	2	0
101	Number of projects that have undergone a more detailed ex-post evaluation?	Number				-	-	-	0

