THE NDPIV STRATEGIC DIRECTION

(2025/26–2029/30)

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1.0.INTRODUCTION

1. **This is the fourth of six National Development Plans (NDPs) to implement the Uganda Vision 2040 that cabinet approved in 2007 for transforming the Ugandan society from a peasant to a modern and prosperous country.** It was envisioned that by 2040, the economy would expand to a GDP of USD 581 billion, with a per capita of USD 9,500; and 90% of Ugandans fully integrated in the money economy. This implies a more than 10-fold increase in the current GDP of USD 50 billion in the remaining 15 years. However, as per the current performance of the first three plans, the country is lagging behind the desired socio-economic transformation targets *(Refer to Annex 1, 2 & 3).* Therefore, to accelerate the socio-economic transformation agenda, it requires something to fundamentally change in the remaining vision period. This necessitates among others; innovative and transformative policy actions, better prioritization, and closure of implementation gaps to yield double-digit growth and achieve the desired socio-economic transformation targets before 2040.

2. **This is also the last Plan to deliver the Global Agenda 2030 of the Sustainable Development Goals (SDGs).** While moderate performance has been made on some SDG indicators like: Good Health and Wellbeing (SDG 3); Industry, Innovation, and Infrastructure (SDG 9); Inclusive and Equitable Quality Education and Promotion of life-long learning opportunities for all (SDG 4); Access to basic Education (and life on land (SDG 15), Uganda is still lagging behind on majority of the indicators. Specifically, more needs to be done in areas of zero hunger (SDG 2), climate action (SDG 13), access to clean water and sanitation (SDG 6), eradicating poverty (SDG 1), fostering sustainable cities and communities (SDG 11), and decent work and economic growth (SDG 8). This further necessitates the need for faster growth.

3. **Accordingly, the NDPIV is developed to respond to unique circumstances, exploit available opportunities to fast track the realization of the desired socio-economic transformation aspirations towards the achievement of the qualitative leap.** Towards this, the proposed NDPIV strategic direction is informed by; H.E. the President's strategic guidance, Uganda's socio-economic and political history, Uganda Vision 2040, lessons learnt from the previous NDP implementation, research and evidence, stakeholder

engagements, Agenda 2030, Africa Agenda 2063, EAC Vision 2050, 10-fold growth strategy, and other regional and international commitments. Therefore, this strategic direction encapsulates: the consolidation of development gains; accelerated and collaborative implementation to close the implementation gaps from the previous plans; stronger follow up, management, and accountability for results; and leverages all existing opportunities, particularly defines transformative approaches to drive faster growth for socio-economic transformation.

2.0. LESSONS LEARNT FROM PREVIOUS DEVELOPMENT PLANNING PHASES IN UGANDA

4. **Uganda has adopted different approaches to development planning and economic development.** Development planning in Uganda pre-dates the pre-independence era and could be grouped in six major phases: The Pre-Independence Phase (1936-1960); The Immediate Post-Independence Phase (1961 -1976); Distortions Period and Slow Road to Economic Reform Phase (1977-86); The Fundamental Economic Reforms Phase/Recovery Phase (1986-1996); The Poverty Eradication Action Plan (PEAP) Phase (1997-2009), and; The Growth and Socio-Economic Transformation Phase (2010 - to date).

2.1. The pre-independence and immediate post-independence planning phases (1936 and 1986)

5. **During the pre-independence and immediate post-independence phases, Uganda developed six (6) development plans which largely focused on increasing distribution of resources and participation of Ugandans in the economy.** Among the issues that these plans focused on addressing included; low agricultural productivity; unskilled and semi-skilled labor; low wages; and regional inequalities. The Plans focused mainly on: primary production rather than tertiary industries; establishment of processing plants and development of cooperatives for agricultural marketing; accelerating economic growth; State Building; raising efficiency in the productive sectors; diversification the economy; a fair distribution of national resources; and creation of incentives for both domestic and foreign investors.

6. **However, the key development issues during these phases remained unaddressed due to distraction of wars, low human capital development causing shortage of skilled workers, and several economic distortions.** Therefore, going forward; peace, security, and macroeconomic stability became priorities for the next planning phases.

2.2.Economic Reform Phase (1986 – To date)

7. **The Economic Reform phase is divided into three major phases:** (i) fundamental Economic Reforms Phase (1986-1996); (ii) the Poverty Eradication Action Plan (PEAP) and Decentralization Phase (1997-2009), and; (iii) the Growth and Socio- Economic Transformation Phase (2010 – to date). The main focus of these sub phases was; addressing the fundamental bottlenecks of the economy and attaining sustainable peace, macroeconomic stability and socio-economic transformation.

8. **Overall, the country had high growth rates, notwithstanding the several constraints and challenges it faced, especially at the start of this phase.** Uganda registered impressive macro-economic performance, highlighted by high levels of growth due to strong gains in peace, security, macro-economic stability, and favourable private sector policies. Nonetheless, marginal development gains from peace, security and macro-economic stability were exhausted by 2010 and new sources of growth were required for the country to achieve both the Vision 2040 and SDG goals and targets. In particular, new bases of growth like improvement in productivity and competitiveness; consolidation of development gains; strengthened collaboration and coordination, strengthened follow-up; and improvement in Government efficiency and Value for money needed to be undertaken. Going forward, these should become priorities in the next planning periods.

2.2.1. The Fundamental Economic Reforms Phase (1986-1996)

9. **During the 1986-1996 period, focus was on economic recovery and growth as well as increasing effectiveness and efficiency in public expenditure and service delivery.** Targeted reforms and programmes were implemented to revive the collapsed economy through: the reconstruction and rehabilitation program; the liberalization of the foreign exchange market; the currency reform; the liberalization of commodity marketing;

privatization of state-owned enterprises; restructuring of Government; and introduction and operationalization of the Decentralization Policy in 1993. As a result, Gross Domestic Product (GDP) increased from UGX 43 billion to UGX 6.1 trillion and the per-capita income from USD 258 in 1986 to USD 282 in 1996.

2.2.2. The Poverty Eradication Action Plan (PEAP)[1] Phase (1997-2009)

10. **The Government focused on poverty eradication and expanded provision of public services to improve people's living standards, nonetheless, the economy remained less competitive.** The performance of the economy improved: (i) there was remarkable turnaround in economic performance and the economy grew at an average rate of 7.7 percent over the 1997-2007 period but declined by 1.4% between FY 2008/09 and 2009/10, (ii) during the period FY2001/02 to FY 2009/10, the private sector was strong, (iii) revenue from non-coffee exports increased by more than sixfold between 1997/98 and 2008/09, rising from \$189.6 million to \$1,199.6million, (iv) the share of industrial products in total exports increased from 43.8% in 2007/08 to 54.9% in 2008/09 and (iv) the proportion of the population living below the absolute poverty line declined from 56.4% in 1992/93 to 31.1% in 2005/06 and to 24.5% in 2009/10. Nonetheless, the economy was still less competitive due to key binding constraints including low human capital development and under developed infrastructure in form of energy, transport, STI and ICT. As a result, some of the development challenges in the previous plans remained, for example; low agricultural productivity, low value addition in all opportunities, unemployment persisted, and low export performance among others. Therefore, the next planning phase prioritized increasing competitiveness of the economy by addressing the binding constraints.

2.2.3. The Growth and Socio-Economic Transformation Phase (2010 - to date)

11. **This phase prioritized increasing competitiveness of the economy by strengthening fundamentals and harnessing opportunities to transform the economy from a peasant to a modern and prosperous country.** The Comprehensive National Development Planning Framework (CNDPF) approved by cabinet in 2007 provided the new framework for medium

[1] The PEAP played a major role to fight poverty and provided a starting phase for putting in place the CNDPF

to long term development planning in Uganda. This entails the implementation of six 5-year national development plans (NDP) to realize long term aspirations. So far, three NDPs have been implemented. The first three plans prioritized investment in infrastructure and human capital to address the binding constraints to lay a foundation for exploitation of growth opportunities.

12. **The NDPI was the first plan in the implementation of the Uganda Vision 2040 and its focus was on Growth, Employment and Socio-economic transformation for Prosperity.** The plan was designed basing on the Egg concept that aimed at harnessing inter-sectoral linkages, functional relationships and synergies among economic sectors which had received insufficient attention in the past. The concept identified primary growth sectors (sectors and sub-sectors that directly produce goods and services), complimentary sectors (sectors and subsectors that provide institutional and infrastructural support to primary growth and other sectors), Social service sectors (sectors and sub-sectors that provide services required to maintain a healthy and quality population, and human resources for effective engagement in rewarding economic activities), and Enabling sectors (sectors and sub-sectors that provide a conducive environment and framework for efficient performance of all sectors of the economy). While the Egg concept was relevant, it did not achieve its intended objectives because it captured almost everything with minimum prioritization, and investments were spread too thin to create the desired impact particularly in the development opportunities. Further, silos continued to exist within and between sectors which also affected coordinated implementation of the plan.

13. **The NDPII was the second plan in the implementation of the Uganda Vision 2040 and its focus was mainly to propel Uganda into a middle-income status economy by 2020.** The plan coincided with the start of the implementation of the SDGs and built on the lessons learnt during the implementation of NDPI. In particular, the plan sought to prioritize better by focusing on only three opportunities of: agriculture; tourism; and minerals, oil and gas, and two fundamentals of; infrastructure and human capital development. During this plan, the foundation for socioeconomic transformation was laid with significant investment in infrastructure and improvement in human capital development. However, due to implementation challenges, only about 50% of the plan was implemented and key results

were not realized particularly in achieving middle income status, attaining inclusive growth, and improving household incomes. Also, several implementation reforms were proposed but not implemented. Some of these include; performance contracts for political leaders, a moratorium on creation of new administrative units, elimination of implementation from Office of the Prime Minister and consolidation of off-budget support under the budget, among others. This substantially affected efficiency in delivery of planned results.

14. **The NDPIII is the third plan in the implementation of the Uganda Vision 2040 and its focus is on sustainable Industrialization for inclusive growth, employment and sustainable wealth creation to increase household incomes and the quality of life of Ugandans.** The plan builds on the foundation laid in NDPI and II particularly in addressing the binding constraints in infrastructure and human capital development to industrialize and increase household incomes. To bring households at the center of the development process, the plan introduced the Parish Development Model (PDM) as a delivery mechanism. Further, the plan introduced programme approach to increase focus on common results, strengthen alignment between planning and budgeting, address the silo approach that existed in the previous plans, and improve efficiency in the delivery of results. Implementation of the plan has been affected by: external shocks; constrained fiscal space; implementation gaps especially for public investments, and; weak follow up, performance management, and accountability for results. Also, like in the previous plans, several implementation reforms that were proposed have not yet been implemented.

15. **Overall, during the Growth and Socio-Economic Transformation Phase (2010 - to date) - (*NDPI, NDPII and NDPIII planning periods)*, growth performance stagnated around 5 to 6 percent below double-digit thresholds required to attain the Uganda Vision 2040 and SDG targets.** This is generally because unlike in the previous planning period, where peace, security, macro-economic stability and favourable private sector policies were enough to generate high growth rates, additional growth from these sources had been exhausted and new sources of growth were required. In particular, additional sources of growth like productivity and competitiveness have not been fully leveraged and hence need to take center stage for future planning periods.

16. **The key lessons learnt from the implementation of the previous plans include:**

i) Peace, security, and macroeconomic stability continue to be prerequisites for effective implementation of the plans.

ii) Macro level interventions need to be accompanied by planned micro level household-based planning and interventions with deliberate mobilization of the households to engage in market-oriented production and achieve a full monetized economy.

iii) Good Plans in themselves without collaborative implementation, sustained follow up, and accountability for results do not guarantee the realization of the desired change.

iv) Prioritization and sequencing of development interventions is key for generating impact from the constrained resource envelope.

v) Political will and commitment are critical for implementation of the key development reforms.

vi) Building domestic resilience is critical for insulating the economy from shocks. For example, the economy remained resilient throughout the COVID-19 shocks largely due to existence of food security and vulnerabilities were noted in areas where the economy largely depended on imports.

vii) Availability of financing alone without readiness for implementation is not sufficient in the delivery of development plans.

viii) The Programme Approach remains the most feasible way to solving implementation silos and attaining collaborative implementation and follow-up of results.

ix) Notably, the country's development challenges across the different development planning phases have remained the same.

17. These lessons have therefore informed the formulation of the strategic direction for the NDPIV articulated in Section Three.

2.3. Key achievements over the growth and socio-economic transformation period

18. The detailed performance is presented in Annex 3. Specifically, some of the key achievements realized during this phase are highlighted below:

i) Peace, security and macro-economic stability have been attained. These should be sustained;

ii) The economy has more than doubled from Shs. 64,760 billion in FY 2010/11 to Shs. 184,895 billion in FY2022/23. GDP per capita has increased from USD 894 in FY2010/11 to USD 1,093 in FY2022/23. This should be grown 10-fold to achieve the Vision aspirations;

iii) Domestic revenue collections have increased from Shs. 6,402 billion in FY 2010/11 to Shs. 25,209 billion during the FY 2022/23. This is below the 16 -18 percent threshold potential;

iv) The total paved road network has increased from 3,112.0 km in FY2010/11 to 6,229 km (30% of a total of 21,020 km) in FY 2022/23. This stock of road network needs to be maintained;

v) Installed electricity generation capacity increased from 595 MW in 2010 to 1,346.6 MW in FY 2021/22. This should be reliably and affordably transmitted to support value addition and industrialization;

vi) Access to electricity increased from an estimated 13.89 percent (on grid) in 2013/14 to 28 percent (on grid) and 29 percent (off-grid) in FY 2020/21;

vii) In-patient malaria deaths reduced from 36 per 100,000 in 2010/11 to 4.9 per 100, 0000 in FY 2021/22;

viii) The fertility rate reduced from 6.2 children per woman FY 2010/11 to 5.2 children per woman in the FY 2022/23;

ix) Life expectancy has improved from 50.4 in the FY 2010/11 to 67.7 years in the FY 2022/23 and so have several health indicators;

x) Poverty has decreased from 24.5 percent in FY 2010/11 to 20.3 percent in FY 2019/20 and the substance economy from 69 percent in FY2010/11 to 39 percent in the FY 2022/23. There is need to get more people into the money economy;

xi) Maternal mortality ratio per 100,000 live births decreased from 435 in FY 2010/11 to 336 in the FY 2021/22;

xii) Primary and secondary school enrolments have increased from 9,596,822 in 2010 to 12,758,909 in 2020. There is need to address the high dropout rates and the skills gap;

xiii) Access to tertiary education increased from 204,984 in 2010 to 359,642 in 2020;

xiv) There has been a reduction in the substance economy from 42 percent to 39 percent in the FY 2022/23;

xv) Forest cover increased from 10.7 percent of the total land area in the FY 2010/11 to 13.3 percent of the total land area in the FY 2019/20. There is need to invest in forestry value addition to sustain commercial forestry and conserve the environment;

xvi) The percentage of the population subscribed to the internet rose from 1.8 percent in 2010 to 53 percent in 2022; and

xvii) The National Backbone infrastructure has increased from 1,380 kms in 2010/11 to 4,300 kms in 2022/23. There is need to reduce the cost of internet and increase last mile connectivity.

2.4. Outstanding Development Challenges/Bottlenecks

19. **The following are the key outstanding challenges to economic growth and transformation in Uganda;**

i) Inadequate production, productivity and value addition in key growth areas

20. **There is low production across all sectors of the economy evidenced by low-capacity utilization.** Although 80 percent of Uganda's land is arable, only 35 percent is being cultivated. This is due to; varied and complicated land tenure system, low utilization of mechanization, high dependence on rain fed agriculture, pest and disease infestations, and limited access to affordable financing. Many industries and production units are operating below 50 percent of their installed capacity majorly due to low aggregate demand, high cost of production (driven by high cost of capital, electricity, regulatory compliance, logistics) which reduces their level of competitiveness. Also, lack of appropriate technology affects full exploitation of key opportunities in agriculture, minerals, and other natural resources. The low production in agriculture and industry also negatively affects the level of activity in the services sector.

21. **Factor productivity is low across all sectors.** Total factor productivity indices are less than one, just in like a number of other Sub-Saharan African Countries. Output per worker in agriculture was estimated at USD 945 against the target of USD 2,527. Generally, there is limited application of science, technology, and innovation. Agricultural yield is low due to limited use of fertilizer, low quality seeds and planting materials, lack of irrigation infrastructure, and limited knowledge of modern production practices due to limited

extension services. Industrial productivity is limited due to outdated technologies, inadequate knowledge on application of modern production techniques, absence of shared infrastructure for production (industrial parks, incubation centers etc.), and inadequately skilled and unethical labour force. There is low productivity in the service sector largely due to limited skills, large informality, low entrepreneurial acumen, and low competitiveness especially transport services, and the low application of ICT.

22. **The economy is still largely dominated by low-value primary products as value addition is low.** Uganda still produces and exports low-value primary commodities. In particular, the share of manufactured exports in total exports is only 13.5 percent due to low competitiveness of industrialization, limited access to value adding technologies, and low incentives for value addition. The low value-added exports imply that only a small fraction of the potential income and jobs are consistently hemorrhaged to already developed export destinations.

ii) Limited application of science, technology and innovation (STI) along the different value chains

23. **Investment in and application of Science, Technology, Engineering and Innovation (STEI) is too low to generate the required momentum for value addition, industrialization and transformation.** Uganda's spending on research and development is too low (0.14% of GDP in FY 2021/22) compared to Sub-Saharan average of 0.4%, Kenya at 1.1% of GDP (USD788 million) in the same period. Overall, Uganda is ranked 114 out of 131 states in terms of capacity for and success in innovation by the Global Innovation Index (GII), 2020. This ranking has been on a steady decline since 2016 when it was ranked 99th out of 128 states and 102nd out 131 states in 2019. In East Africa, Uganda has the lowest ranking, with Kenya, Tanzania, and Rwanda leading, respectively. This has been partly attributed to low inputs to research and innovation (ranked 103rd), weak institutions (ranked 89th), weak innovation infrastructure (ranked 102nd), weak human capital and research capacity (ranked 130th), and low business sophistication (ranked 115th). The above poor performance has significantly affected its knowledge and technology outputs (ranked 113th), and creative outputs (ranked 125th). Nonetheless, Uganda ranks better (63rd) in regard to market sophistication. Also, there has been lack of a coherent approach for integrating

science across the different sectors of the economy with science being domiciled in a single entity. Further, there has been low technology transfer.

iii) Limited exploitation of the available markets

24. **There is lack of capacity to sustain available regional and international markets with the required volumes and quality of products on a consistent basis.** Uganda has overtime failed to exploit the largest potential at the continental level (ACFTA) in sugar products, palm oil, meat, pharmaceuticals, milk and fish. Uganda currently only taps into 61 percent of its African market leaving an untapped potential of 39 percent. In addition, Uganda's utilization of some negotiated preferential markets is still limited both in volumes and quality. Uganda's trade under AGOA diminished with exports reducing from USD 3.3 million in 2010 to USD 1.15 million in 2014. Some of the outstanding bottlenecks to exploitation of the available markets include; low production of and value addition to the required products, the failure to meet standards, trade facilitation constraints, non-tariff barriers (NTBs), technical barriers to trade (TBTs) among others.

iv) Low domestic revenue generation

25. **Uganda's current domestic revenue collection is relatively low compared to other EAC countries.** Uganda's tax revenues averaged 13.3 percent of GDP in the past two years of NDPIII Implementation which is below the Government's medium-term target of 16 percent. This is also below the COMESA average of 15.9 percent, and also below other EAC countries, with Kenya at 18 percent, Rwanda at 16 percent, and Tanzania at 14.5 percent. This is largely due to a narrow tax base driven by a large informal sector, weaknesses in tax administration, tax exemptions, and low returns from public investment. This puts pressure on deficit financing which has worsened Uganda's debt position. As a result, Uganda's fiscal space is too low to finance the required development agenda.

v) Weak, uncompetitive and largely informal private sector

26. **Uganda's private sector is largely dominated by informal small and medium enterprises (SMEs), majority of whom collapse within the first year or remain small-scale and informal over their life time.** Uganda has over 1.1 million MSMEs that account for 60% of businesses, 80% of the country's GDP, and 90% of the private sector. These

SMEs are uncompetitive due to: lack of access to and high cost of financing; limited access to appropriate technology; uncompetitive business environment evidenced by high cost of electricity, logistics, and regulatory compliance; low business acumen; limited access to markets; and a weak framework for business incubation. In addition, with government being a key consumer of SME services, the failure to pay domestic arrears on time has contributed to the collapse of some enterprises.

27. **Further, inefficiencies within the judiciary in clearing commercial cases has worsened the business environment.** Currently, over UGX 7 trillion is locked up in commercial cases largely due to a long turnaround time (longer than 2 years) for disposing off commercial cases which has led to accumulation case backlog.

vi) High cost of capital

28. **Interest rates on loans continue to be high and have consequently made doing business in Uganda difficult for the private sector.** Interest rates in Uganda have averaged 22 percent in the last 5 years compared to EAC average of 16 percent. This is largely due to high cost of operations by commercial banks that use outdated technology and approaches, the high risk for many borrowers, the profit motive of the privately-owned financial institutions, government domestic borrowing that crowds out private sector credit, under capitalization of public banks, uncleared commercial cases (as discussed in para 26 above) and the low level of savings. Also, Uganda's financial market is largely dominated by short-term capital that cannot finance long term investments due to under developed development finance institutions.

vii) Weak institutions and high cost of public sector management, coordination and administration

29. **Public Sector Management and administration in Uganda is characterized by weak policy, legal and regulatory frameworks; weak institutional structures and systems; bloated public administration; weak civil society and civic participation; inadequate data and information; and inadequate standards and weak quality infrastructure.** This is exacerbated by a weak decentralisation system, slow implementation characterised by lengthy and cumbersome procurement cycles, poor enforcement of standards and

regulations, and ineffective monitoring and evaluation. Weak institutions have exacerbated corruption which remains one of Uganda's major challenges, increases the cost of doing business and negatively affects service delivery. According to the Transparency International's CPI 2020 Report, Uganda currently ranks 140 out of 180 countries surveyed, with a score of 27 out of 100. A lower score indicates higher perceived levels of corruption.

30. **The government and public service structure is still rigid to implement the programme approach to planning, budgeting, and implementation.** The Programme approach envisages a flexible structure that can easily respond to changes in priorities and strategy. However, the current structure is too rigid and bureaucratic to successfully implement the plans and budgets. This is so because there has never been attempts to adapt the government and public service systems inherited from the colonial government.

viii) Weak marketing and management of Uganda's Image to the World

31. **There are gaps in communicating and signaling about the positive developments and opportunities that Uganda has to offer to the world.** Uncontrolled negative reporting about isolated cases of violence or pockets of disease outbreaks has ramifications to Uganda's image as a favorable tourism and investment destination. Uganda has not leveraged GKMA as the face of the country due to inadequate investments in modern airports, urban roads and ICT. The metropolitan area suffers from high congestion, long travel times, pollution of all kinds, and petty crimes all of which affect the marketability of the country. Irresponsible reporting by the media provides the wrong signals that paint a negative picture about Uganda to the world.

ix) Underdeveloped human capital

32. **Uganda's human capital remains underdeveloped.** The future potential of labour measured by the human capital index is low (0.4). This implies that children born in Uganda today are likely to be 40 percent as productive when they grow up as they should have been if they had enjoyed complete education and full health. Children who start schooling at the age of 4 only complete 6.8 years of school by their 18th birthday compared to the Sub-Saharan average of 8.3 years. Further, Uganda's labour is inadequately skilled and is perceived to have a poor work culture. In addition, the Uganda's secondary school curriculum is perceived

to be too wide while the vocational education curriculum is deemed not dynamic i.e., it does not respond fast enough to the needs of the labor market. The higher education curriculum does not sufficiently incorporate practical work-based training as a form of preparation for the world of work and as a result employer spend significant amounts of work time and resources re-orienting, re-tooling and training new entrants into the job market.

x) Fiscal indiscipline in the form of poor prioritization and sequencing of public investment interventions, supplementary budgets, and accumulation of domestic arrears

33. **Failure to prioritize, sequence and manage public investments.** There has been excessive appetite to frontload spending on several public goods to meet immediate political and service delivery pressures. The result of which has been excessive borrowing that limits fiscal space for future well planned interventions. Also, there is increase in off-budget financing that diverts attention from implementation of priority Government Programmes. Further, public investment management is appalling characterized by poorly prepared projects, cost and time overruns, weak maintenance among others.

34. **There has been slow and/no implementation of core projects across all plans.** As of FY2022/23, out of the 69 core projects, only 7 (10 percent) are on schedule while implementation of 25 (36 percent) is behind schedule (See Annex 1). The poor implementation of core projects is due to; poor project planning and preparation which affects their readiness for implementation, low or no budget releases, budgets cuts, and lengthy and complex procurement processes. At the same time, there are complications in the acquisition of land for the core projects which causes further delays in the losses to the country.

35. **In addition, frequent supplementary budgets continue to undermine planning and budgeting processes.** Supplementary budgets are provided for under the PFM Act with a limit of 3 percent to the total approved budget but the ceiling is always violated. Supplementary requests increased from 177 in the FY 2017/18 to 1,011 in the FY 2019/20 and subsequently to 1,322 during the first half of the FY 2021/22. Total supplementary expenditure by Government increased from UGX 1,682.81bn in the FY 2017/18 to UGX

4,270.48bn in the FY 2021/22. Most (75 percent) of supplementary expenditures were predictable and could have been budgeted for. Supplementary budgets are largely administrative in nature and divert resources from productive sectors which distorts the spirit of targeted planning and budgeting.

36. **Domestic arrears have remained high due to fiscal indiscipline, poor financial management, and weak system controls.** Whereas there has been a reduction in the stock of domestic arrears from UGX 4.65 trillion in FY2020/21 to UGX 2.7 trillion, this is still high as it ties up private sector resources to drive growth. Domestic arrears are a risk to fiscal sustainability since they disguise the actual size of the fiscal deficit, reduce the impact of fiscal policy and pose a reputational risk that could affect the country's credit risk ratings.

xi) Rising public debt

37. **Rising public debt that raises debt servicing requirements hence limiting fiscal space for future development spending.** The debt ratios increased from 41 percent of GDP in FY 2019/20 to 48.4 percent of GDP in FY 2021/22 (MoFPED, 2022); which was above the NDPIII target of 45.7 percent. Of this 29.6 percent was externally sourced while 18.8 percent was domestically sourced. Relatedly, the ratio of debt servicing to revenue increased from 4.4 percent in FY 2014/15 to 27.7 percent in FY 2021/22 (MoFPED. 2023). This limits the available fiscal space to finance development since a lot of revenue is instead spent on debt servicing.

xii) Inadequate infrastructure amid weak maintenance culture

38. **Government has significantly invested in transport infrastructure, however, its largely biased to road transport and its interoperability is inadequate i.e., it does not seamlessly connect to one another in an efficient manner.** Development of transport infrastructure has been done in segments, without an overarching vision to increase interconnectedness between the road, rail, air and water transport systems and hence access to areas with potential for tourism, minerals, oil or agriculture among others. Relatedly, there is poor maintenance of the infrastructure.

39. **Government has designated sites for industrial parks in different parts of the country to promote value addition and exports, however; even though only eight of these are functional, none has been developed yet to the required standards of a functional industrial park to meet the intended purpose.** This is due to: uncoordinated planning prior to implementation and limited implementation capacities. Further, there is inadequate appropriate financing for most parks, access to infrastructure (roads and ICT) and difficulty in attracting quality investors.

xiii) Unsustainable use of natural resources and climate change vulnerability

40. **The unsustainable use of natural resources, including deforestation and land-use changes, has led to a reduction in forest cover, resulting in less absorption of carbon dioxide (CO_2) and increased release of greenhouse gases (GHGs), and incidence of floods and drought.** Forests, acting as carbon sinks, play a vital role in mitigating climate change by sequestering CO_2. Similarly, wetlands, which act as natural carbon sinks, are facing modification and loss of functionality due to human activities. This disrupts their ability to absorb and sequester greenhouse gases, contributing to the accumulation of GHGs in the atmosphere. Preserving and restoring both forests and wetlands are crucial for mitigating climate change and preserving biodiversity and ecosystem services.

xiv) Weak follow-up on development results and limited collaboration among development actors

41. **Overall, there is still weak follow-up on development results and implementation of National Development Plans.** Coordination of the implementation of the NDPs has been a complex challenge. There have been inherent challenges in undertaking timely monitoring and evaluation. Follow-up Reports are usually prepared at the end of the implementation when inefficiencies have already occurred and do not inform corrective action. The Technical Implementation Coordination Committee (TICC) (includes all Permanent Secretaries) under OPM is too large to be effective. Relatedly, the institutional framework reforms expected to improve the political ownership and leadership as well as the technical capacity to ensure seamless implementation of the NDPs were not fully executed. Further, the Office of the Prime Minister (OPM) is so stretched to undertake its monitoring role due to over engagement in implementation. Also, there is weak collaboration among

development actors. This limits the coordination and achievement of anticipated development results. The silo approach towards service delivery has persisted thereby limiting the intended purpose of the programme approach to national development planning.

xv) Regional imbalance

42. **Regional imbalances have remained despite the various affirmative programmes and projects implemented by Government.** The regional disparities are due to high income poverty levels; limited and underdeveloped regional value chains; inadequate economic and social infrastructure and services; and weak public sector management in some local governments.

3.0.THE NDPIV (FY2025/26 – 2029/30) STRATEGIC DIRECTION

43. Based on the above diagnosis; guidance by H.E. the President, including prioritization of commercialization of agriculture, industry, STI, ICT, services and wealth creation; Presidential Directives; the four principles of the NRM Government; the 10-point Program; the 10-fold growth strategy; the achievements registered during the implementation of the previous national development plans, and commitment to international agendas, the focus of NDPIV is **"*Sustainable industrialization for inclusive growth, employment, and wealth creation".***

44. **The NDPIV Theme is premised on the desire to exploit the primary growth anchors of Uganda's economy to catapult it towards ten-fold growth and development.** Particularly, this choice is as explained below:

    i) **Value addition and industry are the most appropriate driver of double-digit growth and the qualitative leap that should be ushered in during the NDPIV.** Additionally, it is vital that work in the prioritized industrial value chains is underpinned by a supportive STI Ecosystem. This includes requisite STI Infrastructure; STI Specialized Human Capital; Policy & Regulation; and Investment. In particular, sustainable industrialization is critical for late comer developers. It is critical to structural transformation that enhances productivity in the pursuit of accelerated rates of inclusive economic growth, employment and wealth creation. Industry can be the anchor to development of other sectors such as urbanization, infrastructure, social services in education and health for social, agriculture, science and technology etc. Beyond the direct benefits that value addition and industry provide, they create fruitful linkages and opportunities for all the other aspects of the economy. For example, industry requires input bases and markets like agriculture and minerals to thrive. It also requires educated, skilled and healthy people, who act as productive labour and market. Further industry, can't survive in a dilapidated environment, and therefore requires built and well-maintained infrastructure and services, and ICT among others, to thrive. Industry also needs other sectors like tourism that help it generate revenue, ultimately leading to increased aggregate demand, ultimately leading to increased profits. For countries like Uganda, value addition and industrialization are key solutions to address demographic pressures. Uganda will need to solve the unemployment problem and address constraints to inclusive growth, if it is to remain on course for realization of Vision 2040 and accelerate the attainment of the 10-fold growth strategy. Accelerated sustainable value addition and industrialization will be focus on: agriculture, mineral development, ICT, tourism, STI, and key services (such as financial, education, health, transport, and energy).

ii) **Agriculture in particular, is the dominant source of livelihood for the majority of Ugandans.** Indeed, value addition and Agro-industrialization are the foundation of industry which is critical in sustainable wealth creation, generating jobs, doubling GDP, and expanding manufactured exports. The backward and forward linkages between agriculture and industry are essential in sustainably transforming the agro-value chains required in ensuring sufficient supply of inputs/raw materials for domestic industries to drive the import substitution-industrialization and mass exports. In addition, agriculture guarantees food and nutrition security of the citizens.

iii) **Mineral development is central in facilitating resource-based industrialization.** In addition to their intrinsic and practical value as part of manufactured products, minerals also have a significant value to an economy from a financial, economic and an employment standpoint. Globally, the demand for minerals is increasing. Investing in mineral development will lower the cost of production, increase return on investment and boost the supply of locally manufactured products like cement, iron and steel, and fertilizers. NDPIV will focus on accelerated exploitation of and value addition to oil and gas to provide vital resources needed to fund the backlog of investments in other parts of the economy.

iv) **ICT is a business and job creator, accelerator, amplifier, and augmenter of socio-economic transformation.** It has a huge potential to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. ICT as an industry has the potential to produce low volume-high value goods to boost the country's exports and foreign exchange earning in addition to employment and wealth creation. It also provides an opportunity to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. There is potential to improve availability of digital content and e-products, automation of Government processes and inter-agency connectivity, innovation, bridging the gap between industry and the academia, and commercialization of research and development. This industry is expected to greatly contribute to the national GDP and create employment opportunities.

v) **Tourism is a vehicle to generate revenue and employment with high return on investment which are needed to drive the desired industrialisation.** Tourism has wide multiplier effects by developing not only primary industries but also secondary industries to support tourism e.g., agriculture, manufacturing, transport and services. Tourism is important for increasing forex earnings, creating jobs and alleviating poverty. It contributes towards inclusive growth and development of a country by: bringing numerous economic value and benefits; and, helping in building the country's brand value, image and identity. It is important for poverty reduction by providing employment and diversified livelihood opportunities. This in turn provides additional income or contributes to a reduction in vulnerability of the poor by increasing the range of economic opportunities available to individuals and households.

vi) **Finance** is a business, job creator, and a vehicle for sustainable financing of public and private investments, especially for industrialization.

vii) **Integration of Science Technology and Innovation (STI):** All the above will be leveraged through deepening the integration of STI and the knowledge economy. It's important to note that nations need Science, Technology and Innovation (STI) to solve their problems of poverty and underdevelopment through increasing value for sale and the way we live and do business. STI is a key driver of economic growth and a prime source of competition in the global marketplace with at least 50 percent of growth attributable to it. A correlation of STI and economic growth can be observed with countries such as South Korea, Israel, Singapore, Germany and Switzerland. Uganda which is richly endowed can more achieve transformation in a shorter timeline with a well implemented National Science, Technology and Innovation System.

45. **In particular, the NDPIV Strategic Direction has been tailored to address the above needs, while taking advantage of the lessons learnt and recommendations.** Particularly, this NDP IV Strategic Direction is anchored by the desire for: (i) consolidation of development gains of past NDPs; (ii) accelerated implementation to close the implementation gaps in the previous development plans; stronger follow up, management (particularly improved performance management of the Public Service), and accountability for results; (iii) innovative financing and planning financing for the Plan; (iv) deepened private sector involvement in development, cognizant of the local content considerations while leveraging all existing opportunities; (v) Building on investments in security, reducing cost of electricity, Standard Gauge Railway, and wealth creation; (vi) Prioritizing high impact projects/Programmes (Digitization; STI, GKMA, AFCON, Railway, Value addition & Industry, Petrochemicals); and (vii) Leveraging STI and ICT to drive growth in the public sector, industry, and services. The final aim is to deliver the Uganda National Vision of moving the country from a peasant society to a modern and prosperous country by 2040.

3.1. NDPIV Goal, Theme, and Objectives

46. **Based on the above, the proposed NDPIV Strategic Direction is as illustrated below.**

<u>**Goal:**</u> *Achieve higher household incomes and employment for sustainable socio-economic transformation.*

<u>Theme:</u> *Sustainable industrialization for inclusive growth, employment, and wealth creation.*

<u>Strategic Objectives</u>

The following are the strategic objectives of the NDPIV;

i) Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT and financial services,

ii) Enhance human capital development along the entire life cycle,

iii) Support the private sector to drive growth and create jobs,

iv) Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT, and,

v) Strengthen good governance, security, and the role of the state in development.

47. **To achieve these objectives, the Plan will prioritize the following:**

i) Value addition in Agriculture (including fisheries and commercial forestry), Tourism (including artists and creatives), Minerals, and Oil & Gas (ATMs);

ii) Interventions focusing on the knowledge economy including STI interventions, like Vaccine development and KIIRA Motors;

iii) Investment in Railways, so as to open up markets;

iv) Investments in maintenance of existing infrastructure;

v) Investments in reducing the cost of credit, especially through Uganda Development Bank (UDB) and Uganda Development Corporation (UDC);

vi) Continue with interventions focusing production and productivity, while using Parish Development Model (PDM) and EMYOOGA as vehicles;

vii) Revenue generating activities; and

viii) Improving implementation of the already existing interventions.

48. **In particular, the following high-level flagship investments will be prioritized.**

i) **Full implementation of the Parish Development Model (PDM).** This involves operationalizing the seven pillars (production, storage, processing and marketing, infrastructure and economic services, financial inclusion, social services, mindset change, parish-based management system and governance and administration;

ii) **Digitalizing Government services.** E-government and integration of systems to make government efficient and more productive, revolutionize service delivery, ease follow up, and improve accountability for results;

iii) **Railway infrastructure and services.** To ease the cost of doing business and improve competitiveness by connecting Uganda to regional and external markets;

iv) **Knowledge economy.** Integration of STI across the key growth industrial value chains for increasing productivity and new sources of growth;

v) **Investing in the Greater Kampala Metropolitan Area (GKMA).** To be positioned as Uganda's major logistical hub, a catalyst and springboard for increasing productivity in all aspects of the economy including FDI, tourism, efficient public services and highly improved quality of life;

vi) **Petrochemical industry** (EACOP, Refinery, Kampala Storage Terminal, and Kabalega Industry Park); and

vii) **African Cup of Nations (AFCON).** To be leveraged to increase market for domestic products, make strategic investments (tourism, health, infrastructure, MICE) and market Uganda to the world.

3.2.Alignment of NDPIV Objectives and Strategies

49. Based on the five strategic objectives as highlighted above, a number of key strategies have been developed to achieve the overall NDPIV goal of achieving higher household incomes and employment for sustainable socio-economic transformation. Table 1 shows the alignment of proposed strategies of the NDPIV with the strategic objectives.

Table 1: Summary of NDPIV Objectives and Strategies

S/N	Objectives	Proposed Strategies
1.	Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT and financial services.	1.1 Increase Production and Productivity in agriculture, minerals, oil & gas, tourism, ICT and financial services. 1.2 Increase Value Addition in agriculture, minerals, oil & gas, tourism, ICT and financial services
2.	Enhance human capital development along the entire life cycle.	2.1 Improve access, equity, and quality of education at all levels, 2.2 Improve Access, Equity and Quality of Healthcare at all Levels 2.3 Rehabilitate, Equip and Construct Health Infrastructure at all levels 2.4 Enhance access to water, sanitation, and hygiene. 2.5 Promote Community Mobilization and Mindset change 2.6 Expand Social Protection Safety nets 2.7 Institutionalize Manpower Planning and Promote Industry-driven Skilling and Training 2.8 Promote empowerment and livelihood programmes for youth, women, children, elder persons, and People with Disabilities (PWDs).; 2.9 Promote decent employment opportunities 2.10 Leverage the culture and creative economy for employment and domestic resource mobilization; 2.11 Promote Games and Sports; 2.12 Promote better nutrition for all
3.	Support the private sector to drive growth and create jobs.	3.1 Reduce the Cost of doing Business 3.2 Promote Local Content particularly for MSMEs 3.3 Increase Market Access and Competitiveness 3.4 Strengthen Public-Private Partnerships 3.5 Inculcate the entrepreneurship mindset and educate the population to invest in productive sectors like agriculture
4.	Build and maintain strategic Sustainable infrastructure in transport, housing, energy, water, industry and ICT	4.1 Prioritize Infrastructure Maintenance 4.2 Develop Inter-modal and Seamless Transport Infrastructure 4.3 Increase Access to Clean, Reliable and Affordable Energy 4.4 Increase Access to Reliable and Affordable ICT Services 4.5 Leverage Urbanization for Socio-economic Transformation
5.	Strengthen good governance, security, and the role of the state in development	5.1 Strengthen the Rule of law 5.2 Consolidate and Sustain Peace and Security 5.3 Increase Government (both central and local government) Investment and Participation in Strategic Areas 5.4 Improve Capacity and Accountability for Implementation of Public Programmes 5.5 Leverage Capacity of the Non-State Actors to Implement the National Plan

S/N	Objectives	Proposed Strategies
		5.6 Increase civic participation in the development process, decision making, democratic governance, and socio-economic development 5.7 Improve international relations and diplomacy. 5.8 Sustain a suitable Fiscal, Monetary and Regulatory Environment

3.3. Detailed Strategies to Achieve NDPIV Targets

50. **The details of the proposed NDPIV strategies summarized in Table 2 are elaborated.** This includes the key actions which will be implemented to achieve the NDPIV strategic objectives and the overall goal of achieving higher household incomes and employment for sustainable socio-economic transformation.

3.3.1. Objective 1: Sustainably increase production, productivity and value addition in agriculture, industry, tourism, minerals, and oil & gas

Objective one of NDPIV will be achieved through the two main strategies and their attendant sub-strategies and interventions/actions:

3.3.1.1. Strategy 1.1: Increase Production and Productivity in agriculture, industry, minerals, oil & gas, tourism, ICT and financial services

51. This strategy is mainly aimed towards increasing production and productivity along the development opportunities of NDPIV as identified in Vision 2040, that is: agriculture, minerals, oil & gas, tourism, ICT and financial services. The respective sub-strategies under this strategy are as highlighted below.

3.3.1.1.1. Sub-Strategy 1.1.1: Increase Agricultural Production and Productivity

52. **Agriculture is key to GDP (directly contributing 24% and indirectly supporting other sectors) and a dominant source of livelihood and employment (61%) in Uganda.** Accelerating agro-industrialization is key to increasing household incomes and ensuring food and nutrition security. Increasing agricultural production and productivity will be the basis of creating jobs along the value chain and ultimately increase export earnings from processed agricultural products. It will focus on consistent production of standard quality

agricultural products. Consistently producing the same standard of fresh products is more complex than adding value through machines. It requires an entire industry and science to consistently deliver to the market. As such, there is scope for structural transformation around industrialization of freshness.

53. The NDPIV proposes the following key actions to increase agricultural production and productivity:

i) Enhance appropriate research, technology generation and uptake;
ii) Undertake soil profiling and mapping;
iii) Strengthen the agricultural extension system;
iv) Produce, multiply, and improve access to quality seeds, planting materials and inputs;
v) Increase access to agricultural mechanization;
vi) Increase access to and use of small-scale irrigation for agricultural production;
vii) Fast-track development of multipurpose and bulk water for increased commercial agricultural production;
viii) Increase the use and application of fertilizers;
ix) Increase access to agriculture finance, insurance and contract farming;
x) Invest in appropriate post-harvest handling, storage and agro-processing facilities and technologies
xi) Strengthen farmer organizations and cooperatives ecosystems;
xii) Strengthen the institutional and financing mechanisms of the fisheries sub-sector;
xiii) Restoration and restocking of degraded fish habitats;
xiv) Increase access to and affordability of veterinary drugs and eliminate counterfeits;
xv) Invest in the production of livestock and aquaculture feeds;
xvi) Strengthen pest, vectorand disease management;
xvii) Improve market access through certification, adherence to standards, traceability, establishment of export quarantine facilities and certification laboratories;
xviii) Promote organic farming for responsible and sustainable use of energy, natural resources and increased access to premium markets for agricultural products;
xix) Improve food security for all;

xx) Provide training to farmers on modern agricultural techniques, financial literacy and business management and

xxi) . Strengthen coordination of public institutions in design and implementation of policies, monitoring and evaluation capacity

3.3.1.1.2. Sub- Strategy 1.1.2: Increase Tourism Production and Productivity

54. **Under the NDPIV, tourism will be leveraged as means of increasing foreign exchange, job creation and markets that create multiplier effects to all sectors of the economy.** This strategy will focus on improving, developing and diversifying the tourism products. Subsequently, this will increase tourism arrivals, revenues, and employment opportunities. By attracting more tourists to consume local products such as coffee at premium prices, tourism will promote Uganda's exports among tourists and increase foreign exchange earnings.

55. The key actions for increasing tourism production and productivity during the NDPIV include the following:

i) Prioritize investments in the country's priority tourism products in a sustainable way (Mt. Rwenzori, Mountain Gorillas, Source of the Nile, MICE and Culture);
ii) Develop and improve tourism infrastructure (hotels, airstrips, roads, internet connectivity, water transport & ports, and electricity);
iii) Address skills and capacity gaps in the tourism and hospitality industry;
iv) Promote and invest in Uganda's image and tourism brand;
v) Develop and diversify tourism products;
vi) Sustain security and safety of tourists and tourist attractions; and
vii) Promote conservation of Uganda's wildlife and culture;

3.3.1.1.3. Sub- Strategy 1.1.3: Increase Mineral Production and Productivity

56. **Mineral exploitation is critical for the industrialization process.** This strategy will entail increasing mineral production and productivity of mineral resources for job rich industrialization. The justification for mineral-based industrialization is derived from the need to diversify the energy sources and technology which will serve high-technology intensive companies and automotive manufacturers. Investing in mineral development will

lower the cost of production, increase return on investment and boost the supply of locally manufactured products like cement, iron and steel, and fertilizers. In addition to their intrinsic, practical value as part of a manufactured product, minerals will have a significant general value to an economy from both a financial, economic and an employment perspective. Furthermore, the strategy will emphasize the implementation of the Mining Act (2022) to overcome some of the challenges in this sub-sector which include development delays and income leakages instigated by speculators.

57. The following are the proposed key actions for harnessing mineral exploration, exploitation, production and productivity:

i) Invest in exploration, quantification and geological mapping of priority mineral resources (including iron ore, copper, phosphates among others);
ii) Monitor mining operations;
iii) Set up, capitalize and operationalize the National Mining Company;
iv) Implement the Mining Act (2022);
v) License artisanal miners and scale-up biometric registration system; and
vi) Fast-track the construction of water for industry facilities.

3.3.1.1.4. Sub - Strategy 1.1.4: Increase Production and Productivity in Oil & Gas Industry

58. **The strategy seeks to increase production and productivity in the oil and gas industry so as to spur economic development in a timely and sustainable manner.** The oil and gas industry has the potential to transform Uganda's economy. The industry is also central to sustainable development, as oil and gas are key pillars of the energy system and, as such, are drivers of economic and social development. Oil and gas have the potential to provide revenues to support productivity enhancement and competitiveness in other areas of the economy. The downstream economic activities include oil refineries, petrochemical plants, petroleum products distributors, and natural gas distribution companies and retail outlets. Oil and gas are critical to national development because of its potential generate additional incomes, open up opportunities for investment, open up external markets for petroleum and related products, create additional jobs, improve terms of trade and reduce dependency on foreign funding. Sustainable exploitation of petroleum resources is critical to maximize

returns for current and future generations. However, if not exploited in a sustainable manner, petroleum can exacerbate the challenges that all development agendas seek to address, mainly climate change and environmental degradation, population displacement, economic and social inequality, armed conflicts, gender-based violence, tax evasion and corruption, increased risk of certain health problems, and the violation of human rights.

59. The following are the proposed key actions for development of the oil and gas sub-sector:

i) Fast-track the construction of the oil refinery and refined products pipeline;
ii) Fast track the construction of the East African Crude Oil Pipeline;
iii) Capitalize the Uganda National Oil Company to fully participate in crude oil production; and
iv) Fast-track the construction of water for production and multipurpose water development facilities.

3.3.1.1.5. Sub - Strategy 1.1.5: Promote Sustainable Use of Natural Resources

60. **The strategy is aimed towards the promotion of sustainable use and management of natural resources.** Given that climate change poses significant risks to ecosystems, biodiversity, and natural resources, sustainable use will help in conserving and preserving these resources for future generations. In addition, sustainable use will ensure the long-term availability of essential resources such as clean water, fertile land, and a stable climate, which are fundamental for economic stability and growth. Investing in sustainable technologies and green initiatives will foster innovation and create job opportunities in sectors such as renewable energy, conservation, and environmentally friendly practices.

61. The following key actions will be undertaken to achieve the above strategy in NDPIV:

i) Protect and increase the forest and wetland cover;
ii) Upscale commercial forestry and exploit opportunities along its entire value chain so as to leverage on its economic benefits and to increase resilience to climatic changes;
iii) Strengthen sustainable land, water and soil management;
iv) Promote the circular economy, including waste recycling;

v) Strengthen regulation and enforcement against environmental pollution and degradation;
vi) Improve meteorological services and early warning signalling to mitigate risks;
vii) Build national capacity to leverage green financing for climate change responsive development;
viii) Promote bio-diversity conservation;
ix) Undertake natural resource valuation and accounting to establish existing stocks and future demands; and
x) Implement ecosystem and catchment management practices.

3.3.1.1.6. Sub - Strategy 1.1.6: Increase Production and Productivity of ICT Products and Services

62. **ICT is critical in development, especially because it is a development opportunity while also acting as an accelerator, amplifier, and augmenter of change.** Beyond being an economic opportunity itself to be harnessed, it has a huge potential to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. It is therefore a crucial driver of social and economic development. However, the ICT landscape is itself changing and government must take deliberate steps to keep this pace by increasing production and productivity of ICT products and services.

63. The following key actions will be undertaken to achieve the above strategy in NDPIV:

i) Introduce and expand electronic government services;
ii) Implement smart city projects that leverage ICT;
iii) Create a conducive environment for ICT innovation and start-ups;
iv) Integrate STI and ICT across all programmes;
v) Promote digital literacy training for citizens, Government entities and Businesses;
vi) Promote awareness of Government e-systems; and
vii) Establish and market Uganda as an information technology enabled services business process outsourcing (ITES BPO) destination hub.

3.3.1.1.7. Sub - Strategy 1.1.7 Develop and Increase the Range of Financial Products and Services

64. **Finance and Financing are crucial ingredients in the development process.** Finance and financial development improve capital allocation, by shifting resources from traditional (non-growth sectors) to modern (high growth sectors), and provide avenues for local communities and the developed world to support and catalyze both public and private investments. Beyond just being a development enabler, there are quite a number of opportunities that can be created along the finance products and services. It is therefore important to deliberately develop and increase the range of financial products and services during this planning cycle, beyond just looking at financing the Plan.

65. The following key actions will be undertaken to achieve the above strategy in NDPIV:

i) Promote development, transfer, and application of new financial products and services;
ii) Promote and adopt digital payment systems;
iii) Implement financial literacy programs;
iv) Develop and implement credit information systems to facilitate responsible lending and borrowing, promoting financial stability;
v) Utilize digital financial services for the efficient delivery of social protection programs, subsidies, and conditional cash transfers;
vi) Promote the integration of environmental, social, and governance (ESG) criteria in financial services to support sustainable development goals;
vii) Collaborate with international organizations and financial institutions to access funding, expertise, and support for financial inclusion and development initiatives; and
viii) Implement strong consumer protection measures, including regulations, dispute resolution mechanisms, and awareness campaigns to ensure the fair and responsible provision of financial services.

3.3.1.2. Strategy 1.2 Increase Value Addition in Agriculture, Tourism, Minerals, and Oil & Gas

66. **This strategy is mainly aimed towards increasing value addition in the country's development opportunities, that is: agriculture, tourism, minerals, and oil & gas.** Value

addition is concerned with the process of transforming a product or service from its original state to a more valuable state. Value addition will be deliberately pursued so as to leverage upon the products the services obtained from the earlier strategy on increasing production and productivity across these development opportunities. The respective sub-strategies under this strategy are as highlighted below.

3.3.1.2.1. Sub - Strategy 1.2.1 Increase Value addition in Agriculture

67. **Value-addition in agriculture is important for development.** It entails adding value on agricultural products and services, in a multiplicity of ways, which include, but are not limited to: sorting, grading, packaging, processing, packaging, branding, certification, preservation, nutrient enrichment, and quality and standardisation. Value addition helps to improve benefits and gains from the agricultural produce, directly improving household incomes and quality of life of citizens.

68. The following key actions will be undertaken to achieve the above strategy in NDPIV:

i) Increase agro-processing along key agricultural value chains;
ii) Improve market access through certification, adherence to standards, traceability;
iii) Establish export quarantine facilities and certification laboratories;
iv) Invest in appropriate post-harvest handling, storage and technology facilitates;
v) Increase financing for appropriate research for value addition; and
vi) Develop livestock & agricultural export processing zones and free zones.

3.3.1.2.2. Sub-Strategy 1.2.2. Increase value addition in tourism

69. **This entails adding value on the already existent tourism products and services while also developing other supportive amenities that will promote tourism.** This will be achieved through:

i) Market and promote Uganda’s tourist attractions;
ii) Position Uganda as a Meetings, Incentives, Conferences and Events (MICE) destination;
iii) Develop, implement and enforce standards for tourism products and services for improved service delivery and sustainability;

iv) Develop and enforce supporting tourism-related laws and Regulations;
v) Harness STI and ICT for increased tourism productivity;
vi) Increase the stock and quality of infrastructure in the GKMA and secondary cities to improve tourist experiences; and
vii) Promote the development of Tourism and Recreational Zones.

3.3.1.2.3. Sub - Strategy 1.2.3. Increase Value Addition in the Mineral Industry

70. **This entails adding value on the mineral products.** The key actions that will be undertaken to achieve this strategy in NDPIV include:

i) Incentivize the private sector to invest in mineral beneficiation for priority minerals;
ii) Support the operationalization of the national laboratory infrastructure to support export trade in value-added products;
iii) Harness Science, Technology and Innovation for increased mineral exploration, exploitation and value addition; and
iv) Implement an export-based incentive scheme for investors in the mineral beneficiation industry.
v) Undertake quantification of the priority minerals as a basis of attracting investment in the mineral subsector.
vi)

3.3.1.2.4. Sub - Strategy 1.2.4 Increase Value addition in Oil & Gas Industry

71. **This entails undertaking interventions and actions that help to add value on the oil and gas products.** The key actions that will be undertaken to achieve this strategy in NDPIV include:

i) Complete the Kabalega Industrial Park as the flagship zone for the Petrochemical Industry; and
ii) Fast track the construction of the fertilizer production complex to use some of the raw materials from the refinery.

3.3.2. Objective 2: Enhance Human Capital Development along the entire life cycle

Objective two of NDPIV is envisaged to be achieved through the following strategies and key actions:

3.3.2.1. Strategy 2.1: Improve Access, Equity, and Quality of Education at all Levels

72. **Education is the most reliable opportunity for equality in society.** A well skilled, educated population not only drives transformation but enables decent employment and increased life expectancy. In addition, quality education is a catalyst for innovation and progress as it fosters research and technological advancements which spill over to other key sectors of the economy. Additionally, society as a whole.

73. The strategy under NDPIV aims to improve access to adequate quality education services through the following key actions:

   i) Increasing access to integrated ECD services;
   ii) Construct primary and secondary schools in under-served parishes and sub-counties;
   iii) Rehabilitate schools to consolidate educational access gains across the four levels;
   iv) Integrate ICT into educational systems to improve access to quality education, enhance learning outcomes, and prepare students for the digital economy;
   v) Finance, empower and enforce appropriate quality assurance mechanisms across the four education levels (educational institutions management, educational management information systems; implementation of the new curricula, Amendment of UOTIA, 2001);
   vi) Regulate, streamline and enforce requisite Policies, Legislations, Laws, Regulations, Guidelines, standards and Schemes of Service critical for the development of education, across the four levels;
   vii) Increase and review the financing modalities of education across all levels and also exploit innovative financing mechanisms in education (capitation grants, SFG, Scholarships; Endowment Funds, PPPs);
   viii) Develop education and teaching standards;
   ix) Improve and increase training human resource across the four levels of education;

x) Rehabilitate, expand, equip, recruit and improve staff levels across the four levels of education;

xi) Establish and rehabilitate critical sports infrastructure (Hoima stadium, Mandela stadium, High Altitude Training in Teryet, Lugogo indoor, etc.); and

xii) Transform Makerere University into research led University.

3.3.2.2. Strategy 2.2: Improve Access, Equity and Quality of Healthcare at all Levels

74. **The strategy under NDPIV aims to improve access to adequate quality health services.** Better access to healthcare services and improved infrastructure directly leads to improved health outcomes, reducing morbidity and mortality rates, and enhancing overall quality of life for the population. In addition, better access to health care enables the health sector to implement preventive care and early intervention, thus reducing the prevalence of diseases and the need for costly, advanced treatments.

75. The following are key actions to be undertaken under this strategy:

i) Promote and implement integrated high impact interventions for the prevention, control and elimination of Communicable and Non-Communicable Diseases;

ii) Increase provision of high-quality sexual and reproductive health and rights services;

iii) Strengthen health planning, management and support services (functionality of HCIV, productivity of health workers, financing of health investments like blood banks, oxygen plants, incinerators);

iv) Leverage ICT to enhance healthcare accessibility, especially in remote areas, and improve overall healthcare outcomes (including aspects of Telemedicine; E-HMIS, and performance tracking of personnel);

v) Establish, operationalize the contributory national health insurance to increase access to health services;

vi) Expand the access to specialized health care services (like the Uganda Cancer Institute and Regional Centres; Construction of the Uganda Heart Institute and Regional Centers, National Trauma Center and other specialized hospitals for provision of quaternary services);

vii) Strengthen the National Ambulance System and Emergency Care and Referral System;

viii) Establish strong primary and community health services through development of a mixed community health worker and skilled health workforce; and implementation of the Community Health Strategy, hinged on the Parish Development Model Approach;
ix) Educate communities about balanced diets, food preparation, and the importance of nutrition, especially for children, pregnant women and elderly;
x) Review and/Develop Standards and Guidelines for health to ensure quality and responsiveness of health services to the needs and expectations of the population; and
xi) Institutionalize the Regional Supervisory mechanism to ensure regular support supervision.

3.3.2.3. Strategy 2.3: Rehabilitate, Equip and Construct Health Infrastructure at all levels

76. Under this strategy, the following will be undertaken:

i) Rehabilitate dilapidated hospitals and construct new ones, especially in the GKMA;
ii) Equip hospitals with modern equipment and sustainably maintain them;
iii) Construct and equip regional blood banks;
iv) Construct Health Center IVs (HCIVs) in constituencies without functionalization of Health Centre IVs;
v) Construct Health Center IIIs in Sub-counties without, based on catchment population and access; and
vi) Strengthen the quality assurance of medicines (through strengthening NDA);

3.3.2.4. Strategy 2.4: Enhance access to water, sanitation, and hygiene

77. **Access to clean water and sanitation is a fundamental right**. Water, sanitation and hygiene are key to wellbeing and are drivers of health outcomes. This contributes to numerous other goals including those relating to nutrition, education, poverty and economic growth, urban services, gender equality, resilience and climate change.

78. Under this strategy the following actions will be pursued:

i) Increase access to safe water supply in the lagging communities;
ii) Increase access to safely managed sanitation;

iii) Improve access to hygiene in the lagging communities;
iv) Improve maintenance and functionality of WASH infrastructure;
v) Improve WASH in institutions;
vi) Increase access to water and sewerage services to industrial parks; and
vii) Enhance WASH data management for improved decision making.

3.3.2.5. Strategy 2.5: Promote Community Mobilization and Mindset Change

79. Community mobilization and mindset change are critical in enhancing human capital. This will be achieved through the following:

i) Recruit, build capacity, and functionalize the Community Development Office;
ii) Leverage education, health, cultural, creative arts, family, and religious institutions for mindset change along the entire life cycle for development;
iii) Promote progressive values and attitudes to support socio-economic transformation;
iv) Develop and implement the Culture and Creative Industry;
v) Develop and implement a National Civic Education and community learning; and
vi) Develop and promote the National Service Program.

3.3.2.6. Strategy 2.6: Expand Social Protection Safety nets

80. **Policy-makers have recognized social protection as a core strategy for tackling poverty and vulnerability while strengthening communities against risks and shocks for inclusive social development and equitable economic growth.** These vulnerabilities are caused by inequalities due to income shocks, disasters, deprivation, lack of social insurance, and lack of mitigation in livelihood risks and shocks such as retirement, loss of employment, work related disability, and ill health.

81. To expand social protection safety nets, the following key actions will be undertaken in NDPIV:

i) Develop a functional Single Social Registry Management Information Systems to manage standardized information on beneficiaries;

ii) Provide targeted social care and support services to vulnerable children, persons with disabilities, older persons, and gender-based violence victims/survivors;
iii) Liberalize provision of social security services, including pension schemes; and
iv) Expanding Social protection coverage along the life cycle.

3.3.2.7. Strategy 2.7: Institutionalize Manpower Planning and Promote Industry driven Skilling and Training

82. **This strategy is aimed at promoting industry-driven skilling and training, and reducing skill mismatches in order to promote labor market efficiency in Uganda.** Manpower planning will entail identifying the current and future skills requirements of industries and the labor market. It will also ensure that the workforce's skills align with the needs of the economy during the NDPIV implementation. Given that a skilled and adaptable workforce is a crucial driver of economic growth, industry-driven skilling and training programs will equip individuals with the skills necessary to contribute to various sectors of the economy, leading to increased productivity, competitiveness, and overall economic development.

83. To institutionalize manpower planning and promote industry driven skilling and training, the following key actions will be undertaken in NDPIV:

i) Develop and implement comprehensive national and institutional human resource development plans;
ii) Develop and implement a framework for talent identification and development;
iii) Implement a National Central Admissions System for higher education;
iv) Link higher education admissions and financing to the critical skill needs of the country and external labour markets;
v) Develop and functionalize a Labor Market Information Management System;
vi) Re-orient the country’s excess labor force to acquire skills in occupational fields in high demand;
vii) Scale up the model of training, equipping and enterprising TVET trainees (similar to the Presidential Zonal Skilling hubs);
viii) Implement targeted informal skilling programs;
ix) Implement demand driven TVET curricula; and

x) Enhance apprenticeship and mentorship.

3.3.2.8. Strategy 2.8: Promote empowerment and livelihood programmes for youth, women, children, elder persons, and People with Disabilities (PWDs).

84. **Gender and equity are key to ensuring inclusiveness in empowerment of all vulnerable persons to participate in decision making, leadership and economic development.** This strategy seeks to create and promote targeted programmes for youth and women empowerment, persons with disabilities, marginalized communities, and the elderly. This is to ensure that these groups are provided with the necessary tools, opportunities, and support systems to participate meaningfully in decision-making processes, leadership roles, and contribute significantly to economic and societal development. The strategy will be achieved through the following key actions:

i) Increase access to affordable financing to women, youth, children, elder persons, and People with Disabilities (PWDs);

ii) Increase equitable access to social protection programs to vulnerable persons;

iii) Design and implement livelihood and economic empowerment programmes based on local opportunities;

iv) Enhance and implement social inclusive policies and programmes in all productive sectors; and

v) Mainstream and implement gender, equity, disability, and other inclusion aspects in all policy, legal, and institutional mechanisms, programmes, and projects.

3.3.2.9. Strategy 2.9: Promote decent employment opportunities

85. The strategy will be achieved under the following key actions:

i) Fast track the implementation of the National Employment Strategy;

ii) Strengthen compliance and enforcement of labour standards;

iii) Strengthen compliance and enforcement of Occupational Safety and Health (OSH); and

iv) Strengthen compliance and enforcement of labour externalization.

3.3.2.10. Strategy 2.10: Leverage the culture and creative economy for employment and domestic resource mobilization

86. **Culture and the creative economy are big contributors to employment and domestic resource mobilization.** The aim of this strategy is to harness the potential of the culture and creative economy in creating more jobs for Ugandans and contribute more to domestic revenues for national development. The culture and creative arts industry in Uganda have significant potential for job creation and economic growth. The creative industry entails a wide range of activities, including visual arts, performing arts, literature, music, film, fashion, design and crafts. The creative arts industry offers a diverse range of job opportunities including but not limited to: artists, musicians, writers, designers, actors, filmmakers, fashion designers and photographers. In terms of domestic resource mobilization, Uganda's rich cultural heritage can attract tourists interested in experiencing traditional music, dance, crafts, and other cultural expressions. This can lead to job creation in community tourism, including tour guides, event organizers, and hospitality services. The creative arts industry in Uganda, however, faces several policy, legal, financial and regulatory challenges that impact its growth and development. There is limited access to funding and financial support for creative projects which constrain the growth and innovation within the industry.

87. The following are the key actions that will be undertaken to develop the culture and creative economy during the NDPIV:

i) Fast-track the revision and enforcement of the Copyright Law;
ii) Build the capacity of practitioners in the culture and creative economy;
iii) Develop enabling infrastructure for the creative economy in Uganda;
iv) Provide common user facilities to the culture and creative economy;
v) Increase access to finance tailored to the culture and creative industry;
vi) Improve talent identification and skills development for the culture and creative industry; and
vii) Streamline leadership and institutional structures in the culture and creative industry.

3.3.2.11. Strategy 2.11: Promote Games and Sports

88. **The aim of this strategy is to harness the potential of games and sports sub-sector to stimulate economic growth, create jobs, and generate revenue during the NDPIV implementation.** The sports industry, including professional leagues, tournaments, and related businesses, can be a significant contributor to a country's economy. Hosting major sporting events and promoting tourism related to sports can stimulate economic growth, create jobs, and generate revenue. Harnessing the potential of the games and sports sub-sector for job creation and domestic revenues under the NDP IV will require a comprehensive and coordinated approach that includes investment in sports infrastructure, youth development programs, coaching and training, and promotion of sports at all levels of Uganda's society.

89. The strategy to promote games and sports during NDPIV include:

i) Build and upgrade sports facilities and infrastructure;
ii) Support the various respective sports Federations, and games;
iii) Promote sports Academies and talent nurturing centers; and
iv) Support Physical Education at all levels.

3.3.2.12. Strategy 2.12: Promote better nutrition for all

90. **Improving food security and nutrition in Uganda is a multifaceted challenge that requires a combination of interventions at various levels.** The existing food and nutrition security problems and constraints are related to low food production and post-harvest systems, livelihood and employment generation opportunities, purchasing power of households and intra-family distribution of food, responses to, and management of natural disasters, civil strifes and atrocities. The lack of harmonization and synchronization of these policies and their accompanying strategies and programs and imbalances in resource allocation and manpower capacities have impacted negatively on the overall nutrition and health status and well-being of the food insecure segments of the population.

91. Interventions to address this issue include:

i) Nutritional Education: Educate communities about balanced diets, food preparation, and the importance of nutrition, especially for children and pregnant women;
ii) Social Safety Nets: Establish social safety nets like food assistance programs for vulnerable populations; and
iii) Work with international organizations and NGOs to leverage resources, knowledge, and expertise.

3.3.3.Objective 3: Support the Private Sector to Drive Growth and Create Jobs

Objective three of NDPIV will be addressed through the following strategies and key actions:

3.3.3.1.Strategy 3.1: Reduce the Cost of Doing Business

92. **The high cost of doing business in Uganda is attributed to:** high lending rates, the high energy tariffs, bureaucratic business registration processes, inadequate skilled labour force, limited knowledge of business formalization procedures, and high transport related costs among others.

93. The following key actions are proposed:

i) Reduce the cost of energy;
ii) Increase access and affordability of financial services particularly for MSMEs;
iii) Strengthen and fully operationalize all the pillars of PDM;
iv) Roll out business development services (BDS) to support small and micro industrialists and business establishments;
v) Reduce the cost of ICT services and increase automation of end-to-end Government business processes;
vi) Capitalize and strengthen UDB, UDC and other public banks to provide low interest loans;
vii) Support the formation and organization of producers, farmers, local suppliers into appropriate cooperatives to improve their productivity, offtake, value addition and reduce the cost to manufacturers;
viii) Support the Uganda National Bureau of Standards (UNBS) to provide proactive and decentralized services to the private sector;

ix) Invest in programmes that handhold the private sector players to deliver standard goods and services;
x) Promote digitalization and e-commerce to improve efficiency; and
xi) Establishment of a National Payment Switch.

3.3.3.2.Strategy 3.2: Promote Local Content particularly for MSMEs

94. **Increased use of local content is key in enhancing value addition in Uganda's products and exports, increase competence of the national workforce as well as create jobs.** Over the course of NDPIV, Government will scale up interventions to increase use of locally procured goods and services through use of preference schemes and investment in supplier development programmes. Government will also partner with the private sector to undertake workforce development programmes to promote employment of local workforce. Increased use of local content will enhance value addition in Uganda's products and exports, increase competency of the national workforce as well as create jobs.

95. The following key actions are suggested to promote local content:

i) Support local producers particularly MSMEs to attain certification, testing and calibration of services;
ii) Fast track the enactment of the Local Content Act; and
iii) Build and strengthen capacity of local contractors and companies.

3.3.3.3.Strategy 3.3: Increase Market Access and Competitiveness

96. **Increase to market access and competitiveness of Ugandan products will improve terms of trade, create more jobs and increase household incomes as well as drive the industrialization process.** Uganda's efforts to improve market access and competitiveness for its exports need to align with regional integration efforts within the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA). Integrating into regional markets will create larger markets for Uganda's exports and reduce trade barriers. Promoting the competitiveness of Uganda's exports will significantly contribute to economic growth by generating foreign exchange earnings, reducing trade deficits, and diversifying the economy. Improving the competitiveness of Ugandan exports will result in higher-quality products, more efficient production processes, and lower costs. Access to new and diverse

markets will provide insurance against economic shocks. If one market experiences a downturn, Uganda can still rely on other markets, thus reducing its vulnerability to external economic fluctuations.

97. The following key actions will be implemented during the NDPIV:

i) Leverage economic and commercial diplomacy to negotiate targeted markets for the country's exports especially in the Middle East;
ii) Establish export guarantee schemes;
iii) Establishment of logistical centres and services such as storage and distribution to support value addition in key external markets;
iv) Strengthen regulation of and nurture the transport and logistics industry;
v) Establishment of modern packaging and branding industries and services to support marketing of exports;
vi) Strengthen financial inclusion modalities such as PDM and their linkages to production;
vii) Promote certification particularly for MSMEs for market access;
viii) Undertake strategic investments to de-risk trade in volatile markets like South Sudan, DRC; and
ix) Support the development of free zones and special economic zones.

3.3.3.4.Strategy 3.4: Strengthen Public-Private Partnerships

98. **Public-private partnerships attract additional funds to the public sector to help it to address the challenges that come with Government's narrow fiscal space and risk management and distribution.** In addition, strengthening public-private partnerships brings innovation, modern technologies, and expertise to public projects; leads to knowledge and skill transfer; Builds capacity; ensures the long-term sustainability of projects; stimulates economic growth; and create job opportunities. The essential purpose of the strategy is to strengthen public-private partnerships in line with the Public Private Partnerships Act, 2015.

99. During the NDPIV planning and implementation periods, the following key actions will be undertaken to strengthen the public-private partnerships:

i) Enhance capacity of the public and private sector in negotiating, designing, structuring, contracting and closure of PPPs; and
ii) Target quick wins for proof of concept for PPPs for example halls of residence in public universities.

3.3.3.5.Strategy 3.5: Inculcate the entrepreneurship mindset and educate the population to invest in productive sectors like agriculture

100. **This strategy aims at encouraging an entrepreneurial mindset and educating the population to invest in productive sectors like agriculture.** This diversifies the economy, promotes growth, creates jobs, ensures food security, and contributes to overall economic and social development. The strategy enhances a country's self-reliance and resilience while paving the way for sustainable and inclusive economic progress. To inculcate entrepreneurship, the following actions will be undertaken:

i) Integrate entrepreneurship education into school curriculum;
ii) Provide financial literacy training to help entrepreneurs manage their finances effectively;
iii) Foster partnerships between universities, research institutions, and private enterprises to encourage innovation;
iv) Establish mentorship programs where experienced entrepreneurs mentor and guide aspiring ones;
v) Organize networking events, conferences, and seminars to facilitate connections between entrepreneurs, investors, and industry experts;
vi) Establish and support business incubators and accelerators that provide entrepreneurs with resources, mentoring, and workspace;
vii) Create incentives for businesses to invest in innovative technologies and processes;
viii) Protect intellectual property rights to encourage innovation and creativity;
ix) Implement policies that allow small businesses to participate in government procurement contracts;
x) Promote social entrepreneurship by supporting businesses that address social and environmental challenges;
xi) Continuously assess the effectiveness of entrepreneurship development programs; and

xii) Implement targeted initiatives to empower these groups to become entrepreneurs.

3.3.4. Objective 4: Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT.

3.3.4.1. Strategy 4.1: Prioritize Infrastructure Maintenance

101. **Infrastructure efficiency and its lifetime is limited among others by the lack of a maintenance culture.** This strategy will focus on prioritizing regular scheduled maintenance of transport infrastructure to increase lifetime through, for instance, building the capacity of the local construction industry and establishment of local hire pools. The youth will be encouraged to form hire pools and will be given special consideration in the award of contracts. In addition, climate proofing the already existing transport infrastructure through, for instance, raising bridges and improving drainage systems will be carried out. Adequate provision will be made for operation and maintenance expenditure. Furthermore, audits of operation and maintenance activities will be strengthened to ensure value for money.

102. The following will be the key actions to effect infrastructure maintenance:

i) Prioritize maintenance and rehabilitation of transport infrastructure (roads & bridges, railways, ferries, airports, etc.);
ii) Enforce loading limits;
iii) Adopt cost efficient technologies for infrastructure maintenance;
iv) Scale up transport infrastructure and services information management systems;
v) Develop local construction equipment hire pools;
vi) Enhance the implementation of transport safety measures;
vii) Prioritize low-cost seal for upgrade of low volume roads; and
viii) Operationalize the second-generation Road Fund.

3.3.4.2. Strategy 4.2: Develop intermodal and seamless transport infrastructure

103. **The rationale of the strategy is to implement key actions in the transport network to further enhance seamless interoperability.** This will entail implementing a few but strategic interventions in the transport network to further enhance interoperability with the aim of harnessing the exploitation of opportunities, increasing exports and opening up export

opportunities in new markets. Therefore, investments in the transport sector will contribute towards lowering the cost and increasing the efficiency of the country's connections to regional and global markets as well as increasing inter-connectivity within the country.

104. The NDPIV will focus on the following key areas:

i) Implement an integrated multi-modal transport hub (railway-SGR & MGR, water, air, road);
ii) Implement an inclusive mass rapid transport system (light railway transport, mass bus transport, cable cars, etc.);
iii) Provide non-motorized transport infrastructure within urban areas;
iv) Strengthen local construction capacity (industries, construction companies, human resources, access to finance, etc.);
v) Implement cost efficient technologies for provision of transport infrastructure and services;
vi) Roll out the Express Highway System to leverage private financing for infrastructure, efficiency for maintenance and improvement in travel time;
vii) Promote research & development and innovations including design manuals, standards and specifications; and
viii) Acquire transport infrastructure/utility corridors.

3.3.4.3.Strategy 4.3: Increase Access to Clean, Reliable and Affordable Energy

105. **Access to affordable, reliable and stable power is critical to the industrialization process and decent domestic use.** As a key input to all other sectors of the economy, affordable and reliable energy directly and indirectly influences growth, job creation, productivity, and competitiveness. Although Uganda has a relatively advanced energy sector, low access to electricity, reliability of supply and high electricity prices continue to constrain productivity. One the key challenges for Uganda's energy sector is to stimulate productive use of electricity to take advantage of a surplus of generation. This is due to the fact that the expansion of the transmission network remains insufficient to evacuate the generation capacity from existing and newly developed power plants, with significant challenges in connecting some rural areas to the grid.

106. The key actions to be pursued during the NDPIV period include:

i) Lower the cost of electricity for domestic, commercial and industrial usage;
ii) Increase investment in transmission and distribution infrastructure & systems;
iii) Increase generation capacity to at least 3500MW;
iv) Increase investment in clean energy and efficient technologies; and
v) Increase access to the national grid to 80 percent of the population.

3.3.4.4.Strategy 4.4: Increase access to reliable and affordable ICT services

107. **There is need to prioritize investments in ICT services in order to increase coverage and usage.** Critical issues related to ICT include: high cost, slow & unreliable internet, unreliable electricity, high costs of communication services/devices and the digital divide between urban and rural. During NDPIV the following key actions will be pursued:

i) Increase last mile connectivity;
ii) Implement an appropriate fiscal regime for increased access and usage of ICT equipment and services;
iii) Promote ICT infrastructure sharing between public and private telecom operators;
iv) Implement the National Postcode and Addressing System;
v) Increase automation of end-to-end Government business processes;
vi) Increase the size of the Innovation Fund to take care of emerging technologies;
vii) Capitalize and promote Uganda Telecom Company Ltd (UTCL);
viii) Extend digital terrestrial television and radio broadcasting network;
ix) Enhance National Common core infrastructure (Data centre);
x) Invest in the development and maintenance of robust ICT infrastructure, including high-speed internet, telecommunications, and reliable power sources; and
xi) Fast track the natural gas construction project from Tanzania to Uganda.
xii)

3.3.4.5.Strategy 4.5: Leverage urbanization for socio-economic transformation

108. **Uganda has one of the fastest urbanization rates on the African Continent, 5.4 percent. Planned inclusive green cities create economic opportunities for all, including the urban**

poor. Urban areas are critical because they contribute 70 percent of the GDP, host 24 percent of population and provide relatively better social services. The NDPIV will focus on the key actions:

i) Deliberately invest in GKMA as Uganda's gateway to the world;
ii) Implement the National Physical Development Plan by developing the attendant lower level physical and detailed plans;
iii) Capitalize National Housing Construction Company and turn it into a National Corporation;
iv) Fast-track the formation of the Uganda Mortgage Re-financing Company;
v) Increase capitalization of Housing Finance Bank;
vi) Incentivize the private sector to invest in low-cost housing and other social amenities;
vii) Develop the Cities' Law and operationalize the newly created 10 cities;
viii) Sustainably invest in solid waste management infrastructure and systems;
ix) Develop and implement detailed satellite plans; and
x) Strengthen transport regulation and improve transport demand management measures.

3.3.5. Objective 5: Strengthen good governance, security and the role of the State in development

Objective five will focus on strengthening good governance, security and the role of the State in development through the following strategies and key actions.

3.3.5.1. Strategy 5.1 Strengthen the Rule of Law

109. **This strategy ensures that laws are fairly applied and enforced, and that justice is accessible to all citizens**. The rule of law is crucial for national development because it provides a stable and predictable environment for economic growth, investment, and social progress. It ensures that citizens have equal rights and opportunities, and that their rights are protected. It also fosters trust in the government and institutions, which are essential for a functioning democracy.

110. To promote the rule of law under the NDPIV, the following interventions will be implemented;

i) Promote the rule of law and due process;
ii) Strengthen legal and regulatory mechanisms tailored to enforcing court/judicial decisions;
iii) Promote the justice law and order, justice service delivery system;
iv) Enhance equitable access to Justice for socio-economic development; and
v) Enhance quality assurance in the administration of Justice.

3.3.5.2. Strategy 5.2: Consolidate and Sustain Peace and Security

111. **The strategy aims to enhance peace, security, and stability in the region.** Uganda has and continues to be an active participant in regional peace and conflict missions to promote peace and security as well as regional cooperation. Uganda continues to be the preferred refugee host country on the African continent. To consolidate peace and security, the following key actions will focus for the NDPIV:

i) Maintain modern and formidable armed forces, for security and emergencies;
ii) Enhance regional and continental security cooperation;
iii) Strengthen the capacity of the armed forces to contribute to national development; and
iv) Build a vibrant and productive military veterans society.

3.3.5.3. Strategy 5.3: Increase Government (both central and local government) Investment and Participation in Strategic Areas

112. **The Government plays a vital role in national development since it provides an enabling environment for the private sector to flourish, appropriate legal & regulatory frameworks, ensures safety of person & property and promotes good neighbourhood relationships.** Strategic areas, like defense and critical infrastructure, require government investment to ensure the security and sovereignty of the nation. These investments are essential to safeguard against external threats and emergencies. While government investment and participation in strategic areas can yield numerous benefits, it's essential that these activities are carried out with transparency, accountability, and a focus on the public interest. Effective governance, sound fiscal management, and regular evaluation of the impact of these investments will be critical to their success and the well-being of the nation during the implementation of the NDPIV.

113. During the NDPIV Government (both central and local government) will:

i) Increase the capacity of Government (both central and local government) to prepare investments for key strategic areas;
ii) Enhance local economic development;
iii) Invest in strategic enterprises (agro-industry, minerals, tourism, etc.);
iv) Partner with Non-state actors for investment and effective service delivery;
v) Re-engineer the public service to improve access to and delivery of quality services; and
vi) Improve resource mobilization.

3.3.5.4. Strategy 5.4: Improve Capacity and Accountability for Implementation of Public Programmes

114. **There is need to build and improve the capacity and accountability of the public sector to deliver adequate quality public services during the NDPIV period.** The strategy involves instituting measures to strengthen public sector management and administration by ensuring that the public officials are fully responsible and accountable for all the resources under their control. The key actions under this strategy include:

115. The strategy will focus on the following key actions:

i) Strengthen transparency, accountability and anti-corruption systems;
ii) Enhance budget credibility by linking the budgets to the plans;
iii) Strengthen coordination within and between programmes;
iv) Operationalize the Project Preparation Facility and implement the Public Investment Management System (PIMS) Reforms to improve readiness for implementation of public projects;
v) Build capacity in development planning, budgeting and project formulation; and
vi) Build capacity for loan negotiation and structuring to avoid unnecessary delays at implementation of projects.

3.3.5.5.Strategy 5.5: Leverage Capacity of the Non-State Actors to Implement the National Plan

116. **The strategy aims to leverage the capacity of non-state actors to implement the national plan.** Non-state actors are key players in national development and are a source of both financial (off-budget financing) and non-financial resources.

117. The key actions during the NDPIV period will include the following:

i) Strengthen the operational mechanism of the National Partnership Forum;
ii) Strengthen the partnership with the Non-State actors in the planning, budgeting, implementation, monitoring and evaluation processes;
iii) Build capacity of the NGO Bureau to promote alignment of NGO financing to national priorities;
iv) Consolidate partnerships with non-state actors for effective service delivery; and
v) Strengthen implementation of the Comprehensive Refugee Response Framework.

3.3.5.6.Strategy 5.6: Increase civic participation in the development process, decision making, democratic governance, and socio-economic development.

118. **This strategy aims to empower families, communities, and citizens to embrace national values and actively participate in sustainable development.** Overall, this strategy seeks to create an environment where citizens are actively engaged, informed, and empowered to participate in the decision-making processes that shape their lives and the development of their communities. It forms the foundation for an inclusive, democratic, and participatory approach to national development.

119. Encouraging civic participation and engagement is crucial for a vibrant and healthy democracy through:

i) Integrate civic education into school curricula to teach students about their rights, the political process, and the importance of civic engagement;
ii) Public Awareness Campaigns;
iii) Organize regular public meetings (Barazas) where citizens can voice concerns, ask questions, and engage with elected officials;

iv) Conduct workshops and seminars in schools and colleges to educate young people about civic responsibilities and how to get involved;
v) Develop mobile apps for citizens to report issues, provide feedback, and participate in surveys and polls;
vi) Collaborate with non-governmental organizations that focus on civic engagement to amplify outreach efforts;
vii) Engage local businesses and community organizations to sponsor civic events, awareness campaigns; and
viii) Establish awards or recognition programs for outstanding civic contributions to motivate individuals and organizations.

3.3.5.7.Strategy 5.7: Improve international relations and diplomacy

120. **This strategy aims at improving international relations and diplomacy.**

The specific actions to achieve this strategy include;

i) Promote Uganda's peace, security and development interests abroad;
ii) Provide diplomatic, protocol and consular services;
iii) Build capacity for negotiations for foreign missions; and
iv) Promote economic and commercial diplomacy.

3.3.5.8.Strategy 5.8: Sustain a Suitable Fiscal, Monetary and Regulatory Environment

121. This strategy focuses on creating an economic environment that is conducive to sustainable economic growth, job creation, and overall prosperity. It aims to strike a balance between ensuring economic stability through fiscal and monetary policies and fostering a dynamic, competitive, and innovative economy through a supportive regulatory environment. Sustaining a suitable fiscal, monetary, and regulatory environment is essential for fostering economic growth, ensuring stability, attracting investment, and promoting the overall welfare and competitiveness of a country. In addition, it helps safeguard against economic downturns and financial crises by promoting responsible economic management and governance.

122. In order to ensure sustainable fiscal, monetary and regulatory environment, the following key actions will be implemented:

i) Enhance domestic revenue mobilization through sustainable tax administration and expansion of the tax base;
ii) Maintain macro-economic stability;
iii) Increase access to non-traditional finance such as green finance, Islamic finance among others;
iv) Build capacity of all players to access non-traditional finance such as green finance, Islamic finance among others;
v) Enhance public project preparation and implementation for improved absorption and better development outcomes;
vi) Reduce domestic borrowing to minimize crowding-out private sector investment;
vii) Eliminate accumulation of domestic arrears;
viii) Enhance better coordination between fiscal and monetary authorities;
ix) Deliberately focus monetary policy towards growth and job creation; and
x) Strengthen the anti-money laundering mechanisms.

3.4.Proposed Development Targets in Key Areas

123. The successful implementation of NDPIV will contribute to the achievement of estimated outcomes indicated in **Table 2.**

Table 2: Proposed Key Performance Indicators for the NDPIV

Goal	Impact	Indicators	Baseline FY2022/23	Targets FY2029/30
Goal: *Achieve higher household incomes and employment for sustainable socio-economic transformation.*	Higher Household incomes	Real GDP growth rate	5.2	10.6
		Income per capita (USD)	1,051	2,008
		Population below the poverty line	20.3	15.51
		Gini Coefficient	0.43	0.37
		Average monthly nominal household income (UGX)	200,000	578,635
	Employment	Share of working population (%)	78.8	87.2
		Labor force participation rate (%)	57	68.6
		Share of national labor force employed less subsistence (%)	52	64.1
		Employment population ratio	43	59.8
		Labor productivity (GDP per worker, USD)-Agriculture	945	1,737
		Labor productivity (GDP per worker, USD)-Industry	7,542	13,866
		Labor productivity (GDP per worker, USD)-Services	3,150	5,791

Table 3: NDPIV Objective level – Key Performance Indicators

NDPIV Objective	KRA	Outcomes	Indicators		Baseline FY2022/23	Targets FY2029/30
1. Sustainably increase production, productivity and value addition in agriculture, industry, tourism, minerals, oil & gas, ICT and financial services		Increased production volumes and earnings by firms and households in agriculture, tourism, minerals, and oil & gas, ICT and financial services	Contribution to GDP	Agriculture	24	24.77
				Tourism	2.17	3.4
				ICT	1.54	2.20
				Service		47.40
				Mining	1.89	2.40
				Industry		28.40
				Oil & Gas	TBD	
				Financial Services	2.75	3.46
			Merchandise export to GDP ratio		11.4	18.7
2. Enhance human capital development along the entire life cycle	Education	Improved learning outcomes and acquired skills relevant to the job market	2.1 Literacy rates		53.4	
			2.2 Numeracy rates		51.2	
			2.3 Survival rates	Primary	34.2	
				Secondary	75	
			2.5 Quality adjusted learning Years of Schooling (QALYS		4.5	
			2.7 Employers satisfied with the TVET training (%)		40	
			2.8 Sports development index		TBD	
	Health	Improved quality of life	2.9 Maternal Mortality Ratio/ 100,000		336	
			2.10 Infant Mortality Rate/ 1000		43	
			2.11 U5 Mortality Ratio/ 1000		64	
			2.12 Neo-natal mortality rate (per 1000)		27	
			2.13 Total Fertility Rate	Total	5.4	
				Urban		
				Rural		
			2.14 Population growth rate		3	
			2.15 Life expectancy at birth in year		63.3	
			2.16 Human Development Index		0.54	
	Social Development	Improved access to services for social care, protection, safety and equity	2.17 Access to safe water supply	Rural	67	
				Urban	72.8	
			2.18 Sanitation coverage		79.5	
			2.19 Hygiene (Hand washing)		36	
			2.20 Proportion of population accessing social insurance (%)		5	
			2.21 Universal Health insurance coverage		2	
			2.22 Percent of population receiving direct income support		0.5	
			2.23 Proportion of eligible population with access to social care services		2.1	
			2.24 Gender Inequality		0.72	

NDPIV Objective	KRA	Outcomes	Indicators	Baseline FY2022/23	Targets FY2029/30
			proportion of the population that is food secure	78.3	
3. Support the private sector to drive growth and create jobs	Growth	Conducive environment for private sector investment is created, firms are competitive and meet national, regional and international standards	3.5 Manufactured Exports as a percentage of total exports	TBD	TBD
			3.11 Exports as a percentage of GDP	12.1	18.7
			3.10 Growth in Private sector credit	2.5	10.0
			3.4 Tax GDP ratio	12.9	15.7
			3.7 Savings as a percentage of GDP	20.54	25.0
			competitiveness index	48.94	
			3.9 Gross capital formation as a percentage of GDP	22.4	
			Percentage of the informal sector		
	Employment	Youth, women and other categories of the labour force are empowered, innovate, develop enterprises and create decent jobs	3.12 Youth unemployment	13	
			3.14 No of Annual Jobs created	39,511	
4. Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT; and	Roads	Improved transport services, connectivity and cost effectiveness usability	4.3 Proportion of paved national roads in fair to good condition	95.7	98
			4.4 Proportion of paved national roads in fair to good condition	73	90
			4.4 Percentage of District roads in fair to good conditions	69	83
			4.5 Travel time within GKMA (min/km)	4.1	3.5
	Air		4.6 Volume of international air passenger traffic	1,709,084	2,509,084
			4.7 Volume of domestic air passenger traffic	22,511	43,217
			4.8 Freight Cargo traffic in tonnes (air) - Exported	38,453	78,506
			4.9 Freight Cargo traffic in tonnes (air) -Imported	17,148	28,286
	Water		4.10 Freight Cargo on Lake Victoria (tonnes)	96,922	170,045
			4.11 Passenger traffic by water %		
	Railway		4.12 Freight cargo by rail %	10	60
			4.13 Travel time on railway network (in hours) -Mombasa-Kampala	20	15
			4.14 Travel time on railway network (in hours) - Mwanza- Dar-Kampala	12	10
	Energy	Increased access to clean, reliable, affordable and climate smart energies	4.4 Electricity consumption per capita		
			4.5 proportion of the population Households with access to electricity	56	
			4.6 Cost of electricity – Residential	23	
			Industrial large	9.8	

NDPIV Objective	KRA	Outcomes	Indicators	Baseline FY2022/23	Targets FY2029/30
			Industrial -Extra Large	8	
			Commercial	17	
			4.7 Energy generation capacity (MW)	1254	
	Water for production	Increased land under irrigation	4.8 Cumulative WfP Storage capacity (million m^3)	47.88	
	ICT	Increased penetration and usage of ICT services	4.9 Unit cost of internet (USD)	2.67	
			4.10 Internet penetration rate	24.6	
5. Strengthen good governance, security and the role of the state in development.		Increased Peace, Stability, accountability and civic participation	5.4 Global Peace index (scale 1 to 5)	2.3	
			Crime rate (per 100,000)	502	
			5.8 Corruption Perception Index (100 being the best)	26	
			5.3 Democratic index	4.94	
		Increased government effectiveness, access to public goods & services, and good image	Government Effectiveness index	0.57	
			3.8 Foreign Direct Investment (percent of GDP)	2.8	3.7
			5.2 Level of public satisfaction with service delivery		

The detailed outcomes and outputs as per the NDPIV Objectives are as articulated in the **Annex 4.**

3.5.NDPIV Delivery Approaches and Principles

124. **The following delivery approaches will be adopted during the NDPIV planning and implementation periods:**

i) Improving impact of NDP development key actions;
ii) Deepening the programmatic approach adopted in NDPIII;
iii) A Science, Technology and Innovations approach for value chains will be enhanced;
iv) Promoting value addition analysis along selected key value chains;
v) Mainstreaming job creation in all development key actions;
vi) Regional Planning;
vii) A business model for key actions and Government delivery will be enhanced;
viii) Deepening the quasi-market approach;
ix) Risk-based planning and implementation;

x) Amplifying the Parish Development model to deliver the NDPIV; and

xi) Improvement in factor productivity.

125. **The NDPIV development approaches are summarized in nine-fold, that is:**

(i) Consolidation of development gains. Consolidation relates to sustaining the ongoing development interventions while also strengthening, improving, fast-tracking and deepening their implementation;

(ii) Prioritization of value addition interventions

(iii) Development of the knowledge economy and STI

(iv) Improved allocative efficiency and innovative financing mechanisms.

(v) Reduce leakages to improve efficiency and acceleration of public service delivery;

(vi) Coordinated implementation;

(vii) Improved follow-up, monitoring and evaluation;

(viii) Improved performance management in the public service; and

(ix) Deepened private sector involvement in development, cognizant of the local content considerations.

126. **Particularly, Science, Technology and Innovations (STI) and knowledge will be integrated in all development interventions across the Plan.** Critically, Industrial development requires supporting both skills and infrastructure that can be used to uphold the industrial operations in terms of providing the necessary hands-on skills sets, centres for manufacture and repair of broken industrial parts and continuous upgrading of skills and machinery. These skills and infrastructure enable the country to produce its own machinery that can be used to drive the industrialization agenda, on top of producing human reason with the right industrial skills. Additionally, such centres become points of developing innovations into the necessary technology that can create new industries and support existing ones. Without these, the country remains a net importer of all its capital goods, thus keeping its forex expenditure high and also depending on other economies to drive its industrial agenda. The NDPIV will focus on a number of key actions, including:

i) Establishing technology development, engineering and innovation centres;

ii) Implementing the STI journey from idea to market and innovation highway concept in order to enable innovations translate into commercial products

iii) Supporting the legacy and path-finder projects like motor vehicle manufacturing, to become commercial entities in the region and beyond;

iv) Investing in strategic areas like space science, pathogen economy, Industry 4.0+ and nano technology, among others, which make the country competitive in the current 4th Industrial Revolution trend;

v) Implement the National Science Technology and Innovation System that brings all stakeholders together to strengthen the achievement of results in STI;

vi) Including STI interventions across all development Programmes.

vii) Leveraging STI and knowledge to drive productivity, growth and development; and

viii) Creating an enabling environment for STI and knowledge to thrive.

3.6.Proposed Key Implementation Reforms under NDPIV

The following key implementation reforms under NDPIV are proposed:

3.6.1. Reforms to Improve the Functioning of the Programme Approach under NDPIV

127. **The programme approach will continue to be the *modus operandi* for development planning and implementation under the NDPIV.** The program approach was adopted to address the challenges identified in the previous NDPs including: gaps in alignment, coordination & harmonization of planning, budgeting, implementation, monitoring & evaluation and inadequate prioritization & sequencing of key actions as well as low accountability and transparency. The Mid-Term Review (MTR) indicated that above issues have persisted in addition to external shocks and have partly led to the weak performance of the NDPIII. Despite the challenges above, some positive results have been recorded from the program approach including;

ix) Improvements in the alignment of planning, budgeting, and implementation to the NDPIII objectives, outcomes, and impacts;

x) Enhanced the focus on results, outcomes, and impacts rather than inputs and activities;

xi) Fostering synergies and complementarities among different key actions within and across programmes; and

xii) Strengthening partnerships and coordination among different stakeholders at different levels.

128. **The following reforms will be implemented to improve the functioning of the program approach in the NDPIV:**

i) **Decentralizing the formulation of the Programme Implementation Action Plans (PIAPS) to programmes.** To improve ownership, the formulation of the PIAPS will be decentralized to the Program Working Groups with continued supervision of the National Planning Authority. Programme working groups will be involved in all processes of the planning cycle including, planning, budgeting, implementation and M & E. Relatedly, local governments will also be involved in all stages of development planning cycle including formulating the program plans and the PIAPs;

ii) **Continuous capacity building of Program Working Groups:** To achieve the functioning of the Program Working Groups, capacity will be built or developed or enhanced for Programme Working Group staff. Further, Guidelines will be revised and disseminated to deal with emerging challenges in the implementation of Programmes;

iii) **Ensuring uniformity in costing goods and services based on the National Standard Indicators (NSI)**. During NDPIV costing, NPA will adequately guide programme working groups on cost drivers to ensure uniformity of costs of goods and services;

iv) **Improving the NDP Results Framework (**NDP-RRF)**:** For effective Monitoring and Evaluation of the NDPIV, the NDP-RRF will be based on the National Standards Indicator Framework. NPA will ensure that all indicators included as part of the NDPIV M&E framework are measurable and have reliable data to capture them;

v) **Implementing a Change Management Strategy for the Programme Approach:** A change management strategy will be developed as part of NDPIV planning and implementation; and

vi) **Re-defining Cross-cutting issues within the NDPIV:** Given that cross-cutting issues are many, they will be re-defined, clustered and clarified for better integration into the NDPIV.

3.6.2. Proposed Reforms for Improving the Implementation of NDPIV High Impact Growth Enhancing Projects

129. **Findings from the mid-term review indicated that implementation of the core growth enhancing projects has been slow thereby affecting the achievements of NDPIII mid-term growth targets.** The 69 planned core or flagship projects were too many to be implemented within the 5-year NDPIII period. Coupled with limited prioritization and slow implementation within the core projects, the inclusion of projects that were not ready for implementation as core projects to either attract budget resources towards programmes or for purposes of political correctness further contributed to the poor performance of projects that had been identified as core projects. Relatedly, bottlenecks like land ownership conflicts & land tenure issues, incompetence among some of the implementers of the core projects and financing gaps played a complementary role towards the poor implementation of the core projects.

130. **Under NDPIV, emerging priorities will be obtained from taking stock of what has been achieved under NDP I, NDPII and NDPIII, and looking forward to determine what key priorities are feasible in the prevailing resource-constrained environment.** Key flagship programs and investments with the potential to propel the economy back to double digit growth, coupled with generation of new jobs and incomes for the majority of Ugandans will be prioritized under an increasingly resource constrained environment in the short to the medium term.

131. **The following strategies will be implemented to improve the effectiveness and impact of core or flagship growth-enhancing projects under the NDPIV:**

    i) **As part of the NDPIV, prioritization will be undertaken to select few high impact-growth enhancing projects** whose benefits in terms of enhancing household incomes, wealth creation and job creation for Ugandans out-weigh the costs in terms of invested public funds;

    ii) **Improving the quality and readiness of projects included in the Public Investment Plan by implementing the Public Investment Management System (PIMS)**

reforms, improving governance of projects selection and re-forcing competitive processes to contractors and minimizing costs appendant to the lengthy and cumbersome procurement processes;

iii) **High impact projects for the NDPIV under the different programmes will be required to have reached a satisfactory and verifiable level of readiness for implementation** rather than including projects at the idea stage; and

iv) **The detailed criteria for selection of NDPIV core projects will consider projects that;**

a) directly contribute to the delivery of key results of the Plan,

b) have high multiplier effect on several aspects of the economy,

c) require concerted effort of a wide array of stakeholders outside the lead implementing agency/programme for execution and hence place high demands on the need for concerted efforts,

d) have large geographical coverage and create regional balance of interventions and results,

e) are project ideas of the Uganda Vision 2040,

f) require significant amount of investment and financing to be delivered, and

g) have progressed in the appraisal process and finished at least two stages of the Development Committee.

3.6.3. Collaborative Implementation, Monitoring and Evaluation

132. **The NDPIII MTR revealed the persistence of the silo approach despite the adoption of the programme approach, resulting in dis-jointed planning, budgeting and implementation.** This negatively affected the achievement of a number of development results due to failures to benefit from synergies that were envisaged to be brought in by the Programme approach. The Strategy is aimed to improve and galvanise collaborative monitoring and evaluation for better performance and results. During NDPIV, the following

key actions will be undertaken to ensure collaborative implementation, monitoring and evaluation:

i) Ensure collaborative implementation of critical projects and operationalization of industrial parks, with other critical players like Trade, Energy, Water, Works & Transport, UIA, NITA-U, ISO, Finance, MoGLSD, NPA, MoIA, and LGs;
ii) Implement collaborative monitoring and evaluation under the leadership of the OPM to leverage strengths of other critical institutions. Some of these include NPA, MoFPED, ISO, MoPS, MoIA, and MoGLSD; and
iii) Build capacity for collaborative implementation, monitoring and evaluation.

3.6.4. Implement Public Service Reforms and Strengthen Performance Management in the Public Service

133. **The performance, efficiency and productivity of the public service has a bearing to the access to and quality of services provided by MDAs and LGs.** During NDPIV, the public service will be strengthened to provide adequate and quality services through the following actions:

i) Develop and implement the National Service Program for the Public Service;
ii) Implement the Public Service Reform Model;
iii) Strengthen performance measurement through implementing the Balanced Score-Card performance measurement framework across the public sector.
iv) Undertake the Pay reform; and
v) Build capacity for performance measurement.

3.6.5. Financing and Domestic Resource Mobilization

134. **The following actions will be implemented to improve financing under the NDPIV:**

i) Align national budgets to the NDPIV;
ii) Re-purposing budgets and re-aligning the national budget to new and emerging priorities in the short to medium term. This will entail aligning the short and medium budgets to the emerging priorities for the NDPIV;

iii) Balance increased domestic revenue mobilization with equity in taxation in order to supporting private sector growth and consequently widen the tax base;

iv) Implement an effective governance framework for the exploration and development of the mineral sector to ensure transparency within mining activities and ensure accountability for revenues to government from loyalties and taxes from the mining sector;

v) Prioritize borrowing for only critical areas and implement the Public Debt Management Framework;

vi) Implement a proactive framework for managing and monitoring tax exemptions;

vii) Strengthen capacity to access innovative and alternative financing instruments including but not limited to infrastructural bond, green bonds, bilateral and multilateral agreements, Islamic financing, diaspora financing and climate financing through nature for debt swaps, resilient sustainable financing from the IMF and other Global financing arrangements. In regard to green and climate financing;

   a) Create an enabling framework for operationalization of innovative climate finance instruments such as carbon finance, parametric disaster/climate risk insurance, debt for nature/climate swaps and green bonds among others,

   b) Institute fiscal and policy incentives that unlock domestic and international private sector climate finance,

   c) Undertake targeted and continuous capacity building in preparing bankable project proposals aligned to major global climate finance windows, and

   d) Fast track the finalization of climate change budget tagging to ensure climate change responsive budgeting and reporting.

viii) Strengthen capacity for Public Private Partnerships (PPPs);

ix) Strengthen the capacity of public institutions to collect NTR; and

x) Leverage on stakeholder contributions such as corporate social responsibility, nongovernmental, civic society and charity organizations, crowdfunding, and philanthropic contributions.

3.6.6. Strategic Actions to Expand the Revenue Sources

135. **Expanding the revenue sources will require strengthening traditional and innovative financing sources.** NDPIV proposes policy actions required to double financing efforts which include:

i) **Tax revenue growth**

a) Generating additional resources derived from the expanded tax base due to the doubling of the GDP. In addition, the untapped revenue potential from the underperforming segments of commercial agriculture & agribusinesses, mining & mineral enterprises, creative arts, and informal sector enterprises will lead to generation of more revenue,

b) Rationalizing tax expenditure regimes to minimize revenue losses by reforming the incentives regime from the current 'anticipated-outcomes from the investment regime' which is subject to abuse in some cases to 'the realized-outcomes-based incentives regime,

c) Rolling out digital technologies to facilitate cashless transactions and improving accuracy in the filed tax returns and compliance,

d) Building tax administration capacity of URA in minerals, oil, and gas. In addition, capacity building around tax policy and administration of e-commerce can generate more tax revenue, and

e) Expanding tax audits in strategic industries such as mining, oil and gas, telecommunications, and professional service providers to increase compliance.

ii) **Borrowing**. This will continue to be used as a financing source but with caution and it should adhere to the Public Debt Management Framework thresholds to ensure fiscal sustainability. For domestic borrowing, longer-dated securities will be prioritized to minimize domestic debt refinancing risk and the crowding out of the private sector. External borrowing will on the other hand largely target concessional terms while discouraging commercial borrowing terms.

iii) **Foreign Direct Investment (FDI)**

a) FDI inflows will be tapped to boost investments in the minerals, oil and gas industry. Revenues will arise out of the commercialization of minerals and mines, increased formalization of the mining activities, as well as building the capacity of the National Mining Company, and

b) Leveraging on the e-mobility transition to attract green financing in form of FDI.

iv) **Climate Finance.** To unlock public and private climate finance from domestic and international sources, there is need to;

a) Create an enabling framework for operationalization of innovative climate finance instruments such as carbon finance, parametric disaster/climate risk insurance, debt for nature swaps and green bonds,

b) Institute fiscal and policy incentives that unlock domestic and international private sector climate finance,

c) Undertake targeted and continuous capacity building in preparing bankable project proposals aligned to major global climate finance windows, and

d) Fast track the finalization of climate change budget tagging to ensure climate change responsive budgeting and reporting.

v) Strengthen Public-Private Partnerships;

vi) Remittances. Undertaking a feasibility study on the viability of a diaspora bond is critical in tagging remittances to national investment priorities;

vii) Capital Markets. Market capitalization to boost resource mobilization will be attained by;

a) Providing for the legal regime that requires all tier-1 financial institutions to list as a precondition of dealing in treasury securities,

b) Providing for the legal regime that requires all commercially run public enterprises to undergo successful public listing,

c) Carrying out pension reforms by allowing private pension schemes, and transforming the public service pension scheme into a contributory scheme can increase the stream of patient capital for public investment, and

d) Incentivize collective investment schemes to grow household savings.

4.0.Conclusion

136. **Uganda's development aspirations as articulated in the Uganda Vision 2040 aim towards transforming the country from a peasant to a modern and prosperous country by 2040.** Industrialization for value addition, job creation and wealth creation are at the cemter towards achievement of this Vision. The Theme, Goal and Objectives presented in this Strategic Direction are consistent with this Vision and provide an effective and realistic framework for the utilization of the country's natural, human, and financial resources over the next five years. During the process of developing this Plan, care will be taken to strike a balance between top down and bottom-up planning to ensure ownership and buy-in from a broad range of stakeholders, so as to achieve the desired development aspirations.

Annex 1: Progress of the NDPIII Theme

Theme	KEY RESULT AREA	CATEGORY	INDICATOR	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation	Sustainable Industrialisation	Sectoral contribution to GDP	Sectoral contribution to GDP (Agriculture)	22.9	23.8	24.07	21.22	20.88	Achieved
			Sectoral contribution to GDP (Industry)	26.5	27.1	26.8	27.55	27.81	Not Achieved
			Sectoral contribution to GDP (Services)	43.4	41.5	41.8	44.18	45.07	Not Achieved
	Inclusive Growth	Reducing poverty and inequality	Population below the poverty line (%)	21.4	20.3	20.3	25.4	21.4	Achieved
			Income Inequality (Gini coefficient)	0.42	0.41	0.43	0.49	0.43	Achieved
			Gender Inequality Index (GII)	0.52	0.71	0.72	0.52	0.52	Not Achieved
	Employment	Total labor force	Share of working population (%)	79	78.8	78.8	80.6	82.2	Not Achieved
			Share of national labor force employed less subsistence (%)	47.5	52	52	48.5	49.4	Achieved
	Sustainable Wealth Creation		Population growth rate (%)	3	3.1	3	3	3	Achieved
			Total Fertility Rate	5.4	5.4	5.4	5	4.9	Not Achieved
		Sustainable use of natural resources and the environment	Forest cover (% of total land area)	12.4	8.1	8.1	12.5	12.8	Not Achieved
			Wetland cover (%)	8.9	3	3	9.08	9.2	Not Achieved

NDPIII MTR Performance at Goal Level

KRA	Development Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Household income	Income per Capita (USD)	864	936	1,042	936	991	Achieved
	Real GDP growth rate	6.2	3.3	4.6	4.51	5.99	Not Achieved
	Population below the poverty line (%)	21.4	20.3	20.3	25.4	21.4	Achieved
	Population below international poverty line ($1.9 per day)	41.7	41.8	41.8	49.47	30.71	Not Achieved
	Income Inequality (Gini coefficient)	0.42	0.41	0.43	0.49	0.43	Achieved
	Gender Inequality Index (GII)	0.52	0.71	0.72	0.52	0.52	Not Achieved
	Share of working population (%)	79	78.8	78.8	80.6	82.2	Not Achieved
	Share of national labor force employed less subsistence (%)	47.5	52	52	48.5	49.4	Achieved
Quality of Life	Human Development Index Score	0.52	0.54	0.54	0.56	0.58	Not Achieved
	Population growth rate (%)	3	3.1	3	3	3	Achieved

	Homicide rate per 100,000 people	11	10	11	10.54	10.08	Not Achieved

NDPIII MTR Performance at Objective level

Objectives	Key Development Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
Objective One Enhancing Value Addition in Key Growth Opportunities	Average monthly nominal household Income (UGX)	416,000	200000	200000	401667	482297	Not Achieved
	Sectoral contribution to GDP (Agriculture)	22.9	23.8	24.07311	21.22	20.88	Achieved
	Sectoral contribution to GDP (Industry)	26.5	27.1	26.8	27.55	27.81	Not Achieved
	Sectoral contribution to GDP (Services)	43.4	41.5	41.8	44.18	45.07	Not Achieved
	Manufactured exports as a % of total exports	12.3	13.5	13.5	13.53	14.88	Not Achieved
	High technology exports (% of manufactured exports)	3.54	2.1	2.1	3.89	4.28	Not Achieved
	Share of intermediate goods (inputs) in total imports (%)	18.6	18.6	18.6	22.14	22.97	Not Achieved
	Foreign exchange earnings from Tourism (USD billion)	1.45	1.2	1.32	1.584	1.631	Not Achieved
	Share of Tourism to GDP (%)	7.3	2.9	3.2	7.8	7.9	Not Achieved
	Contribution of ICT to GDP	2	9	9.8	2.67	2.89	Achieved
	Percentage of titled land	21	23	23	24	29	Not Achieved
Objective Two Support the private sector to drive growth and create jobs	Saving as a % of GDP	16	19	19.2	16.4	16.8	Achieved
	Foreign Direct Investment (% of GDP)	2.96	2.1	2.3	3.1	3.2	Not Achieved
	Gross Capital Formation as % of GDP	24.2	25.2	22.4	26.4	26.8	Not Achieved
	Private Sector Credit (%)	11.2	7.1	8.5	8.4	12.9	Not Achieved
	Private Sector Credit (% of GDP)	11.7	14.4	15.2	10.9	10.5	Achieved
	Exports as % of GDP (Merchandize)	12.7	11.4	12.1	14.3	14.8	Not Achieved
	Exports as % of GDP (Goods & Services)	26.24	14.4	16.7	28.7	29.5	Not Achieved
	Youth unemployment rate (%)	13.3	13	13	12.2	11.6	Not Achieved
	Net annual no. of Jobs created	424,125	32,007	39,511	412588	477262	Not Achieved
Objective Three Consolidate and Increase the stock and	Energy generation capacity (mw)	984	1254	1254	1884	1990	Not Achieved
	Households with access to electricity (%)	21	23	23	40	45	Not Achieved

Objectives	Key Development Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
quality of Productive Infrastructure	Cost of Electricity (Residential)	23	23	23	19.4	15.8	Not Achieved
	Cost of Electricity (Industrial - Large)	9.8	9.8	9.8	8	7	Not Achieved
	Cost of Electricity (Industrial -Extra Large)	8	8	8	7	6.5	Not Achieved
	Cost of Electricity (Commercial)	17	17	17	14.6	12.2	Not Achieved
	% of paved roads to total national road network	21.1	33	33	27	30	Achieved
	Travel time within GKMA (min/km)	4.14	4.1	4.1	3.98	3.86	Not Achieved
	Freight transportation costs (per ton per km) from coast to Kampala - USD	0.77	1.88	1.88	0.034	0.702	Not Achieved
	% age of District roads in Fair to good condition	61	69	69	64.8	68.6	Achieved
	Proportion of freight cargo by rail (%)	3.5	3.7	3.7	7.8	11.2	Not Achieved
	Travel Time on Railway network-Mombasa Kampala (Days)	19	15	15	17	15	Achieved
	Travel Time on Railway network-Mwanza -Dar-Kampala (Days)	20	6	6	20	19	Not Achieved
	Volume of international air passenger traffic (Mn)	1.7	0.6	0.6	1.8	1.9	Not Achieved
	Volume of domestic air passenger traffic	22301	3601	3601	28152	30967	Not Achieved
	Freight Cargo Traffic-Exported (tones)	39594	38941	38941	42166	44274	Not Achieved
	Freight Cargo Traffic-Imported (tones)	22499	25039	25039	21204	22264	Achieved
	Freight Traffic on Lake Victoria (tons)	45338	32216.5	32217	42723	46996	Not Achieved
	Proportion of area covered by broad band services	41	45	45	50.8	60.6	Not Achieved
	Internet penetration rate (internet users per 100 people)	25	46	46	30	35	Achieved
	Unit cost of internet (USD)	237	205	205	210.6	177.2	Not Achieved
	Water usage (m3 per capita)	30.27	41.5	41.5	41.82	42.9	Not Achieved
	Cumulative WfP Storage capacity (million m3)	39.32	41.5	41.5	54.3	55.7	Not Achieved
Objective Four Enhance the productivity and social	Labor productivity-Agriculture (GDP per worker - USD)	2212	945	945	2527	2656	Not Achieved
	Labor productivity-Industry (GDP per worker - USD)	7281	7542	7542	8162	8446	Not Achieved

Objectives	Key Development Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
wellbeing of the population	Labor productivity-Services (GDP per worker - USD)	3654	3150	3150	3925	4063	Not Achieved
	Labour Force Participation Rate (LFPR)	52.3	57	57	56	59.9	Not Achieved
	Employment Population Ratio	47.5	43	43	51.3	55.4	Not Achieved
	Life expectancy at birth (years)	63.3	63.3	63.3	64.6	66	Not Achieved
	Infant Mortality Rate/1000	43	43	43	41.2	39.4	Not Achieved
	Maternal Mortality Ratio/100,000	336	336	336	311	28 6	Not Achieved
	Neonatal Mortality Rate (per 1,000)	27	27	27	24	22	Not Achieved
	Total Fertility Rate	5.4	5.4	5.4	5	4.9	Not Achieved
	U5 Mortality Ratio/1000	64	64	64	42	39	Not Achieved
	Primary to secondary school transition rate	61	61	61	65	68	Not Achieved
	Survival rates-Primary	38	34.2	34.2	40	41	Not Achieved
	Survival rates-Secondary	77	75	75	79	82	Not Achieved
	Ratio of STEI/ STEM graduates to Humanities	0.09	0.082	0.087	0.09	0.13	Not Achieved
	Quality-adjusted years of schooling	4.5	4.5	4.5	4.6	5	Not Achieved
	Proportion of primary schools attaining the BRMS, %	50	52	52	54	58	Not Achieved
	Literacy rate (overall)	73.5	73.5	73.5	74.1	75.3	Not Achieved
	Proportion of the population participating in sports and physical exercises	40.9	40.9	40.9	43	45.1	Not Achieved
	Employers satisfied with the TVET training (%)	40	40	40	44	48.4	Not Achieved
	Electricity consumption per capita (Kwh)	100	108.8	108.8	150	200	Not Achieved
	Forest cover (% of total land area)	12.4	8.1	8.1	12.5	12.8	Not Achieved
	Wetland cover (%)	8.9	3	3	9.08	9.2	Not Achieved
	Safe water coverage-Rural	73	69	69	75.4	77.8	Not Achieved
	Safe water coverage-Urban	74	79.1	79.1	79.2	84.4	Not Achieved

Objectives	Key Development Indicators	Baseline 17/18	Actual 20/21	Actual 21/22	Target 20/21	Target 21/22	Rating
	Sanitation coverage (Improved toilet)	19	42.8	42.8	23	28	Achieved
	Hygiene (Hand washing)	34	40	40	36	38	Achieved
	Proportion of population accessing social insurance, %	5	5	5	7.5	10	Not Achieved
	Health insurance coverage	2	2	2	7.5	10	Not Achieved
	% of the population receiving direct income support	0.5	0.5	0.5	0.7	2.5	Not Achieved
	Proportion of eligible population with access to social care services, %	N/A	2.1	2.1	5	7.5	Not Achieved
	Extent of hunger in the population (%)	40	39	39	36	32	Achieved
	Stunted children U5 (%)	29	29	29	27	25	Not Achieved
Objective Five Strengthen good governance, security and the role of the State in development.	Tax Revenue to GDP ratio (%)	12.58	13	11.4	11.96	12.28	Not Achieved
	Public resources allocated to Local Government (%)	12.25	13.7	13.7	18.4	22.1	Not Achieved
	Cost of electricity for all processing and manufacturing enterprises (USD cents)	8	8	5	7	5	Achieved

Annex 2: NDPI Strategic Level Performance

NDP OBJECTIVES	Development Indicators	Specific Indicators	Base Year	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	STATUS
			2008/2009	2010/2011	2010/2011	2011/2012	2011/2012	2012/2013	2012/2013	2013/2014	2013/2014	2014/2015	2014/2015	Status
(i) Increasing household incomes and promoting equity	(a) Per Capita Income (US Dollars)		506	614	485	667	487	718	612	775	596	837		No Data
	(b) Proportion of people living below poverty line (%)		28.5	28	24.5	27.4	24.5	26.6	19.8	25.6	19.7	24.5		No Data
(ii) Enhancing the availability and quality of gainful employment	(a) Employment level	Percentage share of total national labour force employed	70.9	71.6	75.4	73.1		75.3	91.5	76.8		78.2		No Data
(iii) Enhancing human capital development	(a) Human Development Index	Life expectancy	50.4	51	53.7	51.3	54.1	51.6	54.5	52	54.4	52.4	63.3	Achieved
		Literacy	73.6	75.2	73.2	76.9	74.6	78.7	76.9	80.4	71	82.2	71	Not Achieved
		HDI (Score)	0.514	0.526	0.446	0.531	0.454	0.541	0.456	0.543		0.572	0.505	Not Achieved
		HDI (Rank)	(157th/183)	(152nd/183)	(119th/183)	(150th/183)	(123rd/183)	(148th/183)	(161th/187)	(146th/183)		(142nd/183)		No Data
(iv) Improving stock and quality of economic infrastructure	(a) Transport Indicators	Proportion of paved roads to the total road network	4.00%		16.3		15.8					5.30%	19	Achieved
		Proportion of freight cargo by rail	3.50%		9		10					17.80%		No Data
	(b) Energy Indicators	Proportion of households accessing power from national grid	11.00%		12		10		14.9			20%	17.2	Achieved
		Power Consumption Per Capita	69.5Kwh		63.9		59.8					674	215	Not Achieved
(v) Increasing access to quality social services	(a) Health indicators	DPT 3 pentavalent vaccine	85		90		79		87		87	87	100.5	Achieved
		Proportion of qualified workers	56.00%		56		58		63		57	85.00%	73	Achieved
		HCs without medicine stock outs	26		61.4		70		53			65	45	Not Achieved
		Deliveries in health facilities %	34		39		40		59			40	52.7	Achieved
		OPD utilization	0.8		1		1.2					1.5		No Data
		Infant mortality rate (per 1000 live births)	76				54				43.9	41		No Data
		Contraceptive prevalence rate	24									50	30	Not Achieved
		Under five mortality rate (per 1000 live births)	137				90		114			60	64	Achieved

NDP OBJECTIVES	Development Indicators	Specific Indicators	Base Year	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	STATUS
			2008/2009	2010/2011	2010/2011	2011/2012	2011/2012	2012/2013	2012/2013	2013/2014	2013/2014	2014/2015	2014/2015	Status
		Maternal mortality ratio (per 100,000 live births)	435				310/438					131	146	Achieved
	(b) Education Indicators	Net Enrolment rate primary (%)	93.2	93.3	97.5	95	95.5	95.6	95	96	97	96.4	97	Achieved
		Net Enrolment Rate – Secondary	23.5	25	25	28	23.2	30	35	32	26	35	22	Not Achieved
		Pupil-Teacher Ratio	(53:1)	(49:1)	47	(47:1)	53	(46:1)	43	(44:1)	46	(43:1)	43	Not Achieved
		Pupil-Classroom ratio	(72:1)	(68:1)	58	(66:1)	58	(64:1)	61	(63:1)	58	(61:1)	63	Not Achieved
		Student-Teacher Ratio	(18:1)	(19:1)	19				22		22		22	Achieved
		Student-Classroom ratio	(45:1)		(45:44)									No Data
		BTVET Enrolment (students)	185,430	215,181		249,705	21,180	289,768	23,498	336,258	24,000	390,208		No Data
	(c) Water and sanitation Indicators	Rural water coverage (%)	66		65.8		64		64		64	77	65	Not Achieved
		Urban water Coverage (%)	60		67		69		71		72	100	73	Not Achieved
		Sanitation Coverage (%)	62		68		69.6		73		71	77	74.6	Not Achieved
(vi) Promoting science, technology, Innovation (STI) and ICT to enhance competitiveness	(a) Proportion of budget dedicated for promoting STI and ICT	Ratio of national budget allocated STI (R&D) and ICT	0.30%									0.60%	0.1	Achieved
		Ratio of S&T to Arts Graduates	(1:5)				(1:5)					(1:3)		No Data
		ICT Sector Share of GDP			14.6		17.2							No Data
		Proportion of schools with Internet												No Data
		Proportion of urban centres with public internet access			36									No Data
	(b) Level of development of the industrial sector	Proportion of manufactured exports to total exports (%)	4.2		4.4		6		6				12	Achieved
		Ratio of manufactured exports to GDP												No Data
(vii) Strengthening good governance, defense and security	(a) Extent of improvement in good governance	Level of representation and participation of marginalized groups in development processes												No Data
		Level of transparency in public institutions												No Data

NDP OBJECTIVES	Development Indicators	Specific Indicators	Base Year	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	Targets	Actual	STATUS
			2008/2009	**2010/2011**	**2010/2011**	**2011/2012**	**2011/2012**	**2012/2013**	**2012/2013**	**2013/2014**	**2013/2014**	**2014/2015**	**2014/2015**	**Status**
		Level of implementation of regional and international protocols and standards												No Data
	(b) Level of modernization of defense and security	Level of R&D developed												No Data
		Level of core sector capabilities												No Data
		Level of capacity built for infrastructure development												No Data
(viii)Promoting sustainable population and use of the environment and natural resources	(a) Proportion of ecosystems restored	Number of wetlands gazetted and restored												No Data
		Level of forestation and re-afforestation												No Data
		Forest cover	13%				18		13%		10			No Data
		Wetland cover					10.9		10.9		10.9			No Data
	(b) Level of management of environmental resources	Level of water pollution												No Data
		Level of industrial pollution												No Data

Annex 4: NDPII Strategic Level Performance

KEY RESULT AREA	INDICATOR	Baseline	TARGET	TARGET	TARGET	TARGET	TARGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Status
		2012/13	2015/16	2016/17	2017/18	2018/19	2019/20	2015/16	2016/17	2017/18	2018/19	2019/20	
A. Growth	GDP growth rate	5.2	5.5	5.7	6	6.1	6.3	4.8	3.9	6.1	6.5	2.9	Not Achieved
	Per Capita GDP	743	833	888	931	982	1,033	671	773	724	825	910	Not Achieved
	Export proportion of GDP	16.1	9.49	9.91	9.88	9.82	9.95	9.7	11.46	12.93	14.6	10	Achieved
	Ratio of manufactured exports to total exports	6	8.5	11.1	13.8	16.4	19				16.4	16.4	Not Achieved
B. Competitiveness	Ease of doing business ranking	150/189	140/189	130/189	120/189	115/189	111/189	122/189	122/189	127/189		127/189	Not Achieved
	Global Competitive ranking	123/148	129/148	115/148	110/148	100/148	90/148	115/148	113/148	114/148		114/148	Not Achieved
C. Sustainable Wealth Creation	Share of manufacturing to GDP	8	9	9.5	11	12.5	14	8.2	9	8.2	9	9	Not Achieved
	Share of manufacturing jobs to total formal jobs	16.4	18.07	18.5	19	19.5	20				9	7.9	Not Achieved
	Forest Cover (% Land Area)	14	14.8	15.6	16.4	17.2	18	11	8	9	10.9	12.4	Not Achieved
	Pollution Index	61.78	62.5	63.5	64	64.5	65						No Data
	Wetland cover (% of total area)	11	10.9	11.3	11.65	11.8	12	10	10.9	10.9	10.9	10.9	Not Achieved
	Increase in the automation of climate monitoring network	20	22	25	30	35	40				40	40	Achieved
	Population growth rate	3.32	3.03	3	2.9	2.8	2.5	3	3	3.2	3.2	3.2	Not Achieved
	Total fertility rate	6.2	6	5.7	5.3	4.9	4.5	5.8	5.4	5.4	5.4	5.4	Not Achieved
D. Total and Sectoral Labour force	Total employment	9.4	20.8	18.3	21	22	22.5				78.8	78.8	Achieved
	Labour force in agriculture sector	33.8	2.1	2.9	3.5	3.4	3.1	68.4	68.4		68	68	Achieved
	Increase in labour force in industrial sector	21.1	6.5	4	3.5	3.3	6.4	7.4	7.4		25		No Data

KEY RESULT AREA	INDICATOR	Baseline	TARGET	TARGET	TARGET	TARGET	TARGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Status
		2012/13	2015/16	2016/17	2017/18	2018/19	2019/20	2015/16	2016/17	2017/18	2018/19	2019/20	
	Labor force in service sector	45.1	3.7	3.4	4.3	5.1	4	24.2	24.2		7	25	Achieved
E. Inclusive Growth	Proportion of persons living on less than a dollar per day	19.7	19.5	17.59	16.2	15.14	14.18	19.7	21.4	21.4	21.4	21.4	Achieved
	Income distribution (GINI Coefficient)	44.3	44.6	44.8	44.9	45	45.2	39.5	0.42	0.41	0.41	0.41	Not Achieved
	Child poverty	55	51.4	47.8	44.2	40.6	37						No Data
	Global Gender Gap Index	0.7086	0.7130 (40/136)	0.7200 (35/136)	0.7300 (30/136)	0.7400 (22/136)	0.7500 (20/136)						No Data

Annex 5: Core Projects Implementation Progress by Programme

S/No	Programme	Idea/Wish list	Concept	Preparation (Proposal, Profile, Pre-Feasibility, Feasibility)	Awaiting Financing	Behind Schedule in Implementation	On Schedule in Implementation	Total
1	Agro-industrialisation	6		3		3		12
2	Mineral Development				1			1
3	Sustainable Development of Petroleum Resources					3		3
4	Manufacturing						3	3
5	Tourism Development			2		2		4
6	Natural Resources, Environment, Climate Change, Land and Water Management			2		2		4
7	Private Sector Development	2					2	4
8	Energy Development			4		3	1	8
9	Integrated Transport Infrastructure and Services			1		11	1	13
10	Sustainable Urbanisation and Housing		2					2
11	Digital Transformation		1		1			2
12	Human Capital Development	4		4	1	1		10
13	Innovation, Technology Development and Transfer			2				2
14	Community Mobilisation and Mindset Change							
15	Regional Development	1						1
	TOTAL	**13**	**3**	**18**	**3**	**25**	**7**	**69**

Source: NPA Assessment