Social and Economic Rights in Uganda: Has the National Development Plan II (2015/16-2019/20) lived up to its Expectations?
Acknowledgements

The Economic and Social Rights Advocacy (ESRA) Brief is a publication of the Initiative for Social and Economic Rights (ISER) whose goal is create awareness, encourage and stimulate national debate around social economic rights as well as act as a knowledge exchange platform for stakeholders and the broader Ugandan populace.

To contribute to future editions of ESRA brief, email the editors at info@iser-uganda.org
ESRA brief is also available online at www.iser-uganda.org

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Introduction

Uganda’s Second National Development Plan (NDP II) 2015/16-2019/20 has as its theme ‘Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth.’ The NDP II is the second in a series of six five-year Plans aimed at achieving Uganda Vision 2040, which envisions ‘A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years.’ The NDP II has as its goal the attainment of middle-income status by 2020, pursuant of which the government implemented development strategies to strengthen Uganda’s competitiveness for sustainable wealth creation, employment and inclusive growth.

To this end the Plan set itself four key objectives: (i) increasing sustainable production, productivity and value addition in key growth opportunities; (ii) increasing the stock and quality of strategic infrastructure to accelerate the country’s competitiveness; (iii) enhancing human capital development; and (iv) strengthening mechanisms for quality, effective and efficient service delivery. There was also a commitment to adopt a Human Rights Based Approach (HRBA) to implement the NDP II.

The NDP II was expected to achieve results including: increasing GDP and per capita income; reducing poverty and inequality; reducing by at least 20% the number of young people not in education, employment or training; increasing urban and rural access to electricity and safe water; reducing the Infant Mortality Rate and the Maternal Mortality Ratio as well as child stunting in children under-5yrs, and; increasing the rate of primary to secondary school transition and Net Secondary Completion.

As the term of the NDP II nears conclusion, the Initiative for Social and Economic Rights (ISER) is pleased to publish the 10th Issue of its Economic and Social Rights Advocacy (ESRA) Brief on the theme: Social and Economic Rights in Uganda: Has the National Development Plan II (2015/16-2019/20) lived up to its Expectations?, which seeks to assess how well the NDP II has fared in fulfilling its objectives and attaining its anticipated results in relation to social and economic rights in Uganda.

In this issue of the ESRA Brief, we feature interviews (Q&As) with (i) Director Budget Ministry of Finance, Planning and Economic Development to appreciate the financing for the NDP II vis a vis the commitments, (ii) Office of the Prime Minister on monitoring the implementation of NDP II and (iii) National Planning Authority on lessons learnt from the development and implementation of NDP II that can inform NDP III. We also feature articles about funding for education and health under the NDP II, analysis of the progress made in reducing poverty and inequality and an evaluation of service delivery in the areas of health and education from the local government perspective.

This brief is timely and we hope it will contribute to the ongoing review of the NDP II as well as inform the development of NDP III.
Q&A with Mr. Kenneth Mugambe, Director Budget, Ministry of Finance, Planning and Economic Development about financing for the NDP II vis a vis its commitments

“We need to assign greater resources to social services”

Question: What is your assessment of the performance of the Ugandan National Development Plan (NDP II) vis a vis the objectives set out therein?

Answer: The National Development Plan (NDP) is, in my opinion, an important document. For a country at Uganda’s level of development you need to have a framework that guides you, in terms of the direction you are taking to achieve economic and social transformation etc. This is the major role played by the NDP. It also helps to ensure that the allocation of resources is focused on priority areas, which leads of course to helping the government to achieve its ultimate objective of national development. In that sense the NDP is an extremely important document.

With regards to the question of performance, an evaluation is currently being undertaken, which will give us an objective assessment of the extent to which the NDP II has achieved its set objectives. In my opinion, I think the NDP II might achieve more than the first. There are a number of reasons why I think it will:

1. A number of sectors have sectoral investment plans anchored on the NDP, which helps them to better coordinate their interventions and ensure that they are in line with the NDP II.

2. State budgets have shifted towards a programme-based approach, which helps with implementing the NDP since interventions are looked at from a holistic perspective and linked to the broad impacts which the NDP ultimately seeks to achieve.

3. Thirdly what were initially called flagship or core projects, many of which are already being implemented and have achieved reasonable progress (e.g. Karuma and Isimba dams, transmission lines, the national airline, roads etc.), form part and parcel of the NDP II.

For this reason, I am of the opinion that the NDP II achievements will supercede those of the NDP I.

Question: Funding allocated vis a vis commitments: Do you consider commitments in the NDP II in the process of planning and budgeting?

Answer: On the question of funding allocations and commitments, the Ministry of Finance, Planning and Economic Development progressively increases funding to different sectors on an annual basis. The increments are nominal; however, the one challenge encountered is that the percentage of the national budget set in the NDP II in most cases does not work. What we have realized, especially for the coming year (FY 2019/2020), is that we need to assign greater resources to social services because of the increased population. Population pressure places services under
considerable strain; we therefore need to increase allocations to reduce the deficit between population demands and available social service provision. We have, therefore, acquired a World Bank loan of USD 200m over three years, to be used to complete the construction of seed secondary schools in sub counties which currently do not have any (government policy requires at least one secondary school per sub county) and upgrading Health Center IIs to Health Center IIs in sub counties lacking the latter. This funding is thus facilitating improvements to Uganda’s education and health services more generally. Moreover, in terms of funding, we certainly take into account NDP commitments, in fact the NDP is our guiding framework and this is clearly discernible when you read our budget strategy.

However, there are a few emergent issues pertinent for, but not necessarily directly encapsulated in, the plan. The plan developed in one year assumes that factors will generally remain constant over the five-year duration of the plan, which is of course not necessarily the case. I was telling the team evaluating the NDP II that we never envisaged the CCTV camera project because at that time urban security was not as pressing a problem as it is now. And in response to this government determined that these cameras are needed and that resources should be allocated for their procurement. Such diversions from the NDP plan are the exception more than the rule, however: we use the plan to guide the budgeting; the budget is anchored on the NDP II plan.

**Question:** NDP II was celebrated for incorporating a Human Rights Based Approach (HRBA): To what extent did citizens participate in the implementation of NDP II considering that participation is a key element of HRBA?

**Answer:** Development of the budget unfolds in stages: preparation, approval, execution and oversight. If you want to understand whether and to what extent people are participating, it is necessary to examine these key stages. During the preparation stage, we consult and solicit the views of our key stakeholders; this consultation is largely facilitated through civil society engagement, and in this regard the Civil Society Budget Advocacy Group (CSBAG) – of which ISER is a member – has been instructive, serving as our main public consultation anchor. Budgetary approval is the responsibility of parliament and local government (through the councils of the latter). Execution entails the participation of civil society once more, but this time CSOs engage in monitoring and oversight, which is a budgetary audit function. Assessing these stages, I would venture that stakeholders, including civil society, do participate in and contribute to the budgetary process.

**Question:** Are the targets in NDP II too ambitious in the light of the resource envelope? Kindly elaborate on your response?

**Answer:** NDP II targets are not overly ambitious given available resources. If you consider NDP I, for example, the resources envisaged were provided and even exceeded in some instances. However, the pertinent question is whether the money is steered towards the exact areas targeted by the NDP because it may be that there is some misalignment. Thus, what is most critical is not the perceived or actual ambitious nature of NDP targets but rather whether or not the NDP is aligned to the appropriate sectoral strategies; where this is the case, then alignment to the budget is more likely (this is especially true of alignment at the micro rather than macro level) because macro is normally ok because it assumes that for example there is one hundred trillion but is that money financing the priorities?

**Question:** What strategies do you have for widening the resource envelope?

**Answer:** The Ministry of Finance, Planning and Economic Development is preparing a “domestic revenue mobilization strategy”, and undertaking stakeholder engagement on the same. The purpose of this exercise is to ensure that we increase our revenue to GDP ratio by 0.5% annually: right now 14% of GDP facilitates implementation of the NDP; however, we believe could be increased to 16%. We are striving to enhance our domestic revenues, which will increase our capacity to implement the NDP II.

The domestic revenue mobilization strategy is twofold: on the one hand we want to ensure that we enhance our domestic revenue; however, we also want to ensure that our debt remains at manageable levels.
Question: What accounts for the gap in service delivery? Do you believe there is value for money in resource allocations at local government level given the current status of service delivery?

Answer: While the misuse of funds has been detected at local government level, there is generally a vast improvement in accountability, which is attested to by the substantial reduction in qualified opinions by the Auditor General. The Finance Ministry has also strengthened its systems, improving accountability considerably. For example, every institution is now on the IFMS, which makes it possible to track all financial transactions; therefore, a paper trail that cannot be erased is created, which can be clearly followed in cases where funds are misappropriated. Manual systems are far more vulnerable and easily compromised. The entire budgeting system has been computerized, from local to central government levels; the Ministry is working to ensure that other spheres of government are similarly integrated. Therefore, I would say that there is overall improvement: The perception that there is no improvement is driven by people’s aspirations, because citizens are impatient to benefit from increased service delivery.

Question: Has the creation of more districts improved service delivery?

Answer: The creation of more administrative units has not improved services at all. In fact, it has increased administrative costs – money that could be going to service delivery. The position of the Ministry of Finance and the advice we give to government in this regard is clear: government should halt the creation of further administrative units because resources that could be used for service delivery are absorbed by administrative costs. Although the political motivation may differ to the position of the Ministry of Finance, from a technical perspective there is no evidence that the creation of more administrative units has or can improve service delivery.

Question: What lessons derived from financing of NDP II will inform NDP III?

Answer: The key lesson we have learned is the need, at the planning stage, to prioritize better alignment between the NDP, sectors and financing through a programme-based approach. There should also be greater focus on implementation of core projects (i.e. those identified as flagship projects), which focus should extend beyond implementation to tracking/monitoring progress and performing requisite follow up.
Q&A with Dr. Patrick Birungi, Director Development Planning, National Planning Authority on Lessons Learnt from the Development and Implementation of NDP II that can inform NDP III

“We are moving in the right direction, particularly in respect of social indicators, for poverty-regression.”

**Question:** What is your general assessment of the performance of the Uganda National Development Plan (NDP II) in terms of the objectives set out therein?

**Answer:** [In my view] the performance is fifty-fifty: we have performed well with respect to several objectives, but we have not achieved a hundred percent of what we planned. This is due to a number of challenges, which, in one way or another, inhibited our performance as a country.

**Question:** The term of NDP II is drawing to a close; do you think you will have realized its objectives by 2020?

**Answer:** I do not think we shall achieve the objectives as planned. For instance, we projected growth at an average of 6.2% over the NDP II period, but it is only in FY 2017/2018 that we attained 6.1% growth. In the initial two years of the NDP II, we performed below 5%. Due to that underperformance in growth, we cannot achieve all our set objectives. However, it should be noted that the spirit of the NDP is to drive people and the country forward, so if we set a per capita income target and do not achieve it but move towards it, it is still good inspiration [and evidence] that we are on the right track. The spirit is there and we can see a movement but to answer this question directly, no, we shall not achieve all the NDP II’s set objectives.

**Question:** Do you think we shall meet the targets for health, education, water, social security and poverty reduction by 2020? What was the status of these indicators at the start of the NDP II phase and what is their current status?

**Answer:** There is a positive movement for all of these indicators. For example, the baseline for under 5 mortality rate per 1000 live births was 90 per 1000 live births, but by FY 2017/2018 this had been reduced to 64 per 1000 live births. The target we had set ourselves was 51 per 1000 live births – whether we shall achieve this in the intervening year remains to be seen. When you look at maternal mortality per 100000 births, at the time of doing the baseline for NDP II we were at 438 and to date we are talking about 336 and the target is 320. It is also evident that on this indicator we are on track. Furthermore, when we look at the total fertility rate, which was 6.2 at baseline, to date we are talking about 5.4 and the target is 4.5 so this is encouraging.

Renovations of referral hospitals have taken place; however, equipment and staffing continue to pose a challenge. When you go to Mityana, Kiryandongo and other areas, you will meet bright shining facilities, but in some instances these are inadequately equipped and could benefit from an increased number of health workers. These are challenges that will need to be addressed in NDP III. But this does not detract from the fact that we are moving in the right direction, particularly in respect of social indicators.
In education, at the onset of NDP II, the primary to secondary transition rate stood at 73%, whereas we are currently at 78% against a target of 80%. The average number of years of schooling in education has improved from 5.7 to 6.1 years; though the target is substantially higher at 11.5 years. It is unlikely that we will achieve this target, but the right spirit is there hence we are making progress.

There are some indicators in respect of which we have not fared as well, for example poverty. When we started implementing the NDP II, a Uganda Bureau of Statistics (UBOS) survey reflected poverty as measuring 19.7%. A more recent UBOS survey provides a poverty measure of 21.5%, which is a regression. However, this is no cause for alarm: this retrogression is largely attributable to vulnerability, such as, for example, drought or other inclement weather factors, which have negatively affected a significant proportion of citizens, given the disproportionate reliance on agriculture for subsistence and livelihoods. Due to vulnerability of this nature, many people close to the poverty line can find themselves sinking below it on account of susceptibility to vulnerabilities. This puts our target of 14.5% very much in doubt.

**Question:** Are the initial NDP II indicators still relevant or have they been altered in the course of implementation?

**Answer:** The NDP is not a static document: some events occur that require immediate attention – you cannot say, “let them wait until the next phase.” For example, at the beginning of NDP II implementation, we did not imagine that we would receive a million refugees into the country. Such unanticipated occurrences definitely impact other services and setback the performance on those indicators.

**Question:** NDP II incorporated the Sustainable Development Goals (SDGs), which are coordinated by the Office of the Prime Minister whereas NDP II is coordinated by the National Planning Authority. How is coordination between these two entities?

**Answer:** In line with the Constitution, government programmes are coordinated by the Office of the Prime Minister (OPM) – this includes the SDGs, which are not a stand-alone program. In international fora it is encouraged to integrate SDG work into government planning systems. SDGs are not new or isolated; rather, they fit into everything government does. Hence, the OPM justifiably serves as the coordination mechanism for SDG implementation. The NPA forms part of this coordination mechanism, specifically, leading SDG planning and strategy (SDG implementation is thematically structured). The NPA’s responsibilities include among others, collating statistics, and serving as communications liaison on the different SDG themes. As part of the SDG coordination mechanism, the NPA handles the planning component of the mechanism, and together with other groups reports on progress through the OPM.

**Question:** NDP II was celebrated for incorporating a Human Rights Based Approach (HRBA): what aspects of NDP II implementation can you point to that exemplify the use of this approach?

**Answer:** The NPA has not conducted a specific review on this aspect (incorporation of HRBA). Currently we issue a certificate of compliance of the annual budget to the NDP, which process addresses human rights issues; however, we are yet to assess the extent and success of the HRBA approach for our processes. The NPA also intends conducting a midterm review of the NDP II, which will include HRBA-related criteria.

**Question:** What are the pros and cons of emphasizing private sector led growth in the NDP II?

**Answer:** The private sector is productive and efficient and therefore capable of delivering results faster than state entities. However Uganda’s private sector is still comparatively weak, which is why government is eager to strengthen the private sector to ensure that the country benefits from the value generated and results it delivers; hence we talk of a quasi-market approach, whereby government intervenes in the market – the Uganda Development Corporation is an example of one such intervention that seeks to stimulate private sector investment and engagement, particularly in under-stimulated areas. The private sector has done its part, but could benefit from government support.
However, notwithstanding the private sector’s efficiency, the services and value-generated come at a cost. For example, investors such as Aga Khan and an Italian company, intend establishing [private] hospital facilities in Uganda; but we know that private healthcare is prohibitive for the common citizen. Many Ugandans seek treatment in India – but this outflow of foreign exchange is not good for our economy. We should be encouraging members of the East African Community (EAC) to seek treatment in Uganda rather than India, which is why we acknowledge the need for these private facilities – but not at the expense of functional, public healthcare facilities for the broader populace. While it may not be feasible or sustainable for the services at such public facilities to be free, we would wish to see that they are heavily subsidized to ensure broader accessibility. The disadvantage of private-sector led growth is its profit motive, which puts services out of the reach of the general public.

**Question:** There is a big focus on infrastructure development in NDP II: How has this benefitted Ugandans, in particular the poor?

**Answer:** We previously had substantial infrastructure gaps and there was no way we could improve our competitiveness without investing in infrastructure. Has this benefitted the poor Ugandan? I would say: not to the extent that we would want to see - so more can and still needs to be done. But it is undeniable that there are indirect benefits to the poor; the roads we have constructed will be used by people to transport their produce to markets. Our focus now needs to be on helping citizens to increase their productivity. We now have the, infrastructure, roads and the power: how do we invest more in the people to produce the goods to put on the roads? In my opinion, this is the direction future investment needs to prioritize. We need to invest in storage facilities for perishable agricultural products to minimize spoilage and wastage.

**Question:** What challenges have you experienced in the implementation of the NDP II?

**Answer:** Unexpected events occur, prompting a reallocation of resources, which definitely affects set targets. Furthermore the certificate of compliance has shown that some sectors do not adequately assign resources during the planning stage as a result of which some MDAS do not have plans whose spending is linked to the NDP II.

**Question:** What lessons have you learnt from the development and implementation of NDP II that will inform NDP III?

**Answer:** We are on a learning curve, and consolidating lessons from NDP I. We have observed mindset changes and seen a greater number of stakeholders pay due attention to the NDP – including you at ISER, to the extent that you have even made the NDP II the focus of this publication.

We have also observed a paradigm shift in institutions, both government and non-government, which are increasingly linking their development perspective to that of the NDP.

We are also trying to see how best to work with the sectors to improve their planning, budgeting and spending patterns so that we have these initiatives well aligned.

We have also learnt that we have to be flexible to allow for the introduction of new interventions, motivated by challenges not foreseen at the time of planning.
Q&A with Mr. Joseph Muserero, Ag. Commissioner Monitoring and Evaluation, Office of the Prime Minister on Monitoring the Implementation of NDP II

“More synergies are needed in the design of targets and indicators”

Note: Mr. Joseph Muserero coordinates the Baraza program, which is implemented by government to facilitate communities’ engagement in participatory monitoring processes overseeing implementation of government programs and policies.

Question: In your assessment, how has Uganda’s National Development Plan (NDP II) performed, specifically with respect to set objectives?

Answer: Firstly, the NDP II, as a national strategy, builds on the successes and gaps of NDP I. So far, almost midway through the implementation of the NDP II, when you review the recently completed national assessment of the recently concluded cabinet retreat to review the annual national government report for FY 2016/2017, several indicators set by the NDP II have already surpassed their target, while others are at 50%. For example when you look at the rural electrification target in the NDP II, which envisaged that by 2020, Uganda should have 30% rural electrification coverage nationwide, this is currently at 22%. It is hoped that the current target of 30% will be surpassed by 2020. In terms of implementation status, there is a likelihood of achieving the set targets of the NDP II at a broad level. At the program outcome level, for example in the education sector, we see an improvement in enrollment rate as compared to the NDP I and previous financial years. There has been a big improvement in terms of increased classroom blocks, the teacher to pupil ratio, increased enrollment and the like. In the health sector, the maternal mortality rate has gone down considerably in comparison to previous years. I think the implementers have revised the methods of work to see that NDP II learns from the hiccups of NDP I.

Question: Are the indicators laid out in the start still relevant or they have been altered during the process of implementation?

Answer: When you critically analyze the targets and indicators set by the National Planning Authority (NPA), it is clear that better synergies are needed between the key public sector management institutions especially, Ministry of Finance, Office of the Prime Minister and NPA. They need to sit together and revisit these indicators, as some may not have been well thought out. I think when it comes to indicator profiling by the responsible institutions, there is a need to revisit these indicators and solicit additional contributions from other stakeholders. Having that said, I am happy that government already has the National Standard Indicator Task Force through which the Uganda Bureau of Statistics, Ministry of Finance and OPM are trying to upgrade these indicators into level 3 (i.e. outcome indicators at program level) and level 4 indicators (i.e. institutional or MDA level indicators which look at what is expected of an institution as its contribution) towards achieving the set targets of NDP II. Government wants to ensure that indicators are well profiled, well separated and avoid replication by MDAS and the sectors.

Question: The NDP II incorporated the Sustainable Development Goals (SDGs) and OPM is responsible for coordination. How do you coordinate with other MDAs to ensure smooth implementation?
**Answer:** Every national development plan of a UN member state must be aligned to the SDGs. OPM has a coordinating desk for the SDGs: we have recently commenced work to ensure that we document progress on each of the 17 goals. OPM has made presentations to other institutions on the progress of SDG coordination. With the support of the United Nations Development Program, we already have a component of institutional effectiveness and strengthening. Currently, all of the 16 sectors and MDAs must submit their work plans to OPM before they are submitted to Ministry of Finance, which is geared towards the realization of SDGs and NDP II. We are not doing anything outside of the NDP II - in fact the targets of NDP II are well aligned to the realization of any of the 17 SDGs.

**Question:** NDP II was celebrated for incorporating a Human Rights Based Approach (HRBA). What is the status of for example participation of citizens in the implementation of NDP II considering that participation is a key element of HRBA?

**Answer:** The HRBA empowers people to access information and know their rights. In enabling the NDP II to achieve this strategy, OPM has implemented a social accountability forum in the form of the Baraza program. Barazas are a mechanism by means of which to disclose to citizens information on government programs, contracts and the like; and on the basis of which citizens are mobilized to demand accountability from leaders. At the Barazas, citizens raise their concerns on issues pertaining to health, education, the judiciary and other sectors. Baraza have enabled OPM to bring on board civil society and conduct comprehensive follow up on the recommendations people make to government through this forum. This addresses the question of human rights, citizens’ rights to services, to be consulted and provide feedback, etc. This is an inclusive process involves citizens, civil society, development partners and of course government representatives.

**Question:** What, in your opinion, accounts for the gap in service delivery?

**Answer:** Currently, government is doing all it can to independently support evaluations of its programs. OPM has performed a number of evaluations, this function operates well. In fact, we recently hosted the African Evaluation Association Conference, which we intend hosting again next year. There is only one aspect of the evaluation function in terms of which we, as implementers and technocrats, would appreciate more support. This is the dissemination of evaluation findings and action plans for the responsible offices. Once evaluation is concluded and findings put on the table, the question of “what is the way forward?” is rarely satisfactorily answered. Recommendations from research and evaluation reports are usually not put into action, hence the continued gap in service delivery.

**Question:** What challenges have you experienced in the monitoring of the implementation of the NDP II?

**Answer:** Monitoring is an expensive task which needs resources and the support of stakeholders. As OPM we have geared our efforts towards participatory monitoring which is fundamentally affected by political interference. For example, if you visit a certain sub county and the councilor who is supposed to guide a person on a fact finding mission does not belong to the ruling government, he may have a bias and he may misinform whoever is doing monitoring. For example if a borehole was constructed very well by government and people are happy about it, he may still say that it was not well constructed. On the other side if you find a councilor belongs to the ruling government and even when have gone wrong he may only give you a rosy picture and you end up with wrong information. This political interference is a big challenge to monitoring.

**Question:** What lessons derived from developing and monitoring implementation of NDP II will inform NDP III?

**Answer:** More synergies need to be created, with sector heads and in-charges mandated to ensure that the design of targets and indicators (irrespective of where these are located in the results chain) is clearly undertaken. We are already happy with the National Standards Indicator Task Force, which is performing well. This entire process must be supported by government if we are to have smart indicators in the results chain for the implementation of NDP III.
There is need to build the capacity of the people and institutions responsible for the implementation and monitoring of government programs. Some government workers, for example Community Development Officers who disburse funding to youth livelihood programs, cannot provide follow up accounts. In the sub counties of Bunyango and Kabalore we learned that the only information CDOs are capable of providing relates to money (primarily the amounts issued) with little in the way of substantive reports on the progress of the funded groups. Some government workers need to be equipped with monitoring skills for the programs they implement.
Health Sector Funding During the Span of the NDP II 2015/16 – 2019/20: Lessons for NDP III

By Nona C Tamale, Masters of Laws Student at Harvard Law School

The Second National Development Plan (NDP II, 2015/16 – 2019/20) is the second of five cumulative phases towards Uganda’s longer-term Vision 2040, which seeks to achieve “a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years.”1 The NDP II is thus the current blueprint of plans and priorities set by the government of Uganda to transform the health sector, among others. It is timely, with a year and a half remaining to the plan’s expiry, to look back and reflect on NDP II commitments and funding targets for the health sector, while critically looking ahead to the upcoming plan, in order to take forward appropriate best practices while course-correcting for existing shortcomings.

The NDP II envisages the health sector as crucial for the enhancement of human capital development; hence the prioritization of universal health coverage, to be achieved through increased access to quality health services contributing to the country’s attainment of middle income status by 2020.1 The State currently contributes 17% towards health financing, while Health Development Partners contribute 41% and households’ private contributions make up 42% of the total health expenditure.2

Table 1: Health Sector Budgetary Allocations for the NDP II period 2015/16 – 2019/202

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<th>Financial Year</th>
<th>Total Approved National Budget (UGX) Billion</th>
<th>Approved Health Sector Budget (UGX) Billion</th>
<th>Health Sector Allocation % of Total Budget</th>
<th>Approved Health Sector Allocation % of GDP</th>
<th>NDP II Health Sector Target (UGX) Billion</th>
<th>Financing Gap between the NDP II Target and the Approved Health Sector Allocation</th>
<th>Health Sector Allocation % of GDP (NDP II Target)</th>
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</tbody>
</table>


The figures above demonstrate that to date the health sector budget allocations have fallen far short of the targets set by the NDP II. In fact, the proposed allocations appear idealistic in light of the constant refrain of drug stock-outs

countrywide. That the budgetary allocation for essential medicines and health supplies (EMHS) is not consistent with the populations’ needs is hardly newsworthy; however, this is inconsistent with the NDP II’s stance on “zero tolerance to stock out of EMHS.” The availability of essential drugs at lower level health facilities, especially in rural areas, is thus more likely to garner attention than reports of shortages.

Another critical illustration of the disparity between NDP II targets and the situation on the ground is presented by the state of emergency care in Uganda. Although the NDP II envisaged as one of the core projects of its timespan the establishment and countrywide operation of a National Ambulance System, with special consideration for hard to reach areas such as islands and mountainous areas, this project remains on paper. Residents of Sigulu islands and Amudat district, who face unique geographical barriers to healthcare access – worsened by the absence of health facilities within a 5km radius – and who remain largely unaware of proposed health interventions including those of the NDP II perceive commitments of this nature as over-idealised and unrealistic promises on the part of government.

The questionable manner in which allocated funds are expended within the health sector – corruption and leakages aside, and notwithstanding the undisputed fact that the health sector is underfunded – undermines the efficiency of health service delivery. It is thus important to consider what motivates the State to continue making commitments of this nature to its populace: is there sufficient political will to achieve these commitments and to address impediments to success? With the 2019/2020 financial year already underway, middle-income status remains highly elusive and thus little more than a hollow campaign slogan for most Ugandans.

Government should be guided by SMART indicators in the development of its plans so that it has strategic, measurable, attainable, realistic and time-bound targets by which to measure its progress. Such plans should be formulated so that they cohere with other government initiatives, making reasonable provision for the resources – including material, intellectual and human – required for their effective implementation.

As in the case of the NDP II, a plan which is not successfully implemented because it is detached from the reality it seeks to address on the ground, is bound to remain a plan committed to paper in perpetuity. Health sector budgeting has, over the years, remained out of step with the NDP II funding targets; for this reason, achieving the NDP II’s health commitments has remained a goal largely out of practical reach, with even the most marginal implementation efforts lauded as steps towards progressive realization.

With preparations for NDP III underway, a much deeper and critical analysis of previous NDPs is crucial. Energies must shift from simply creating a fantastic policy and reference document to addressing the recurrent and structural problems plaguing implementation of the policy for the benefit of the sector and country as a whole.

For instance, one probable feature of the NDP III will be health sector commitments and targets for the proposed national health insurance schemes introduced by the National Health Insurance Bill, 2014. This will bring to the fore many important questions and considerations, such as for example issues of structural discrimination and exclusion on the basis of poverty, as well as the related issue of compromised or undermined access to health services resulting from excessive out of pocket expenses. Rosy commitments that fail to materialize will only serve to further delegitimize state health services, posing a risk to government efforts to expand healthcare provision and improve the quality of public health services. Defined as “indigents” in the Bill, the enrollment of impoverished persons into the national health insurance scheme has proven highly contentious. For this reason, it is advisable for the NDP III to incorporate concrete

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5 NDP II (supra) at p. 190, 302 and 313.


8 Section 2 of the National Health Insurance Bill, 2014 defines indigents as “a person who has no visible or adequate means of income or who has nobody to support him or her and who is identified as such by the Board.” This threshold has been criticized for a lack of specific criteria to determine who is poor yet the certificate of financial implication from the Ministry of Finance, Planning and Economic development I provides that “10% of the indigents will be enrolled annually which will require ten years to cover all
and achievable steps in the short, medium and long term, to guide the formation of national health schemes and specify avenues for sustainable funding options. Failure to do so will entrench the status quo increasing the prospects of the NDP III following in the footsteps of the NDP II, to become a policy and legal blueprint with a lifespan of 5-years containing platitudes not intended to facilitate enduring and positive social change.

Analysis of the progress made in reducing poverty and inequality under the NDP II

By Aboneka Michael – Human Rights Advocate

One of the fundamental roles of any government is to facilitate an environment conducive to wealth creation, a good quality of life and the protection of citizens and their assets. The responsibility of citizens on the other hand is to participate in political and civic life and contribute to state revenues hence citizens’ expectations of effective service delivery. This is what ideal societies aspire to attain. Uganda has performed well in terms of policy formulation aimed at propelling citizens to middle income status; however, bottlenecks relating to policy implementation have impeded progress considerably.

Uganda formulated the second National Development Plan (NDP II) 2015/16-2019/20 with the objective of strengthening mechanisms for quality, effective and efficient service delivery and enhancing human capital development among others in order to achieve results including but not limited to increased GDP and per capita income; reduced poverty and inequality.

The NDP II is nearing conclusion, which motivates for an examination of the extent to which it has achieved its intended goal, particularly in relation to poverty and inequality reduction and service delivery mechanisms.

NDP II and Poverty

Poverty can be understood as a lack or insufficiency of resources by means of which to acquire basic needs, including food, clothing and shelter; it is, therefore, not merely a lack of money, but implies a lack of intellectual, social and other capital required to meet livelihood needs such as housing, water, education and health.

The NDP II set out to reduce Uganda’s poverty rate from 19.7% to 14.2%; however, according to the UBOS Household Survey 2016/17, the proportion of the population living in poverty increased from 19.7% in 2012/13 to 21.4% in 2016/17 – which equates to about 10 million people living below the poverty line.¹ While the poverty line is pegged at US$1/day, this continues to be challenged, with critics positing that it is no longer possible for a person to live on a dollar per day and that a more suitable benchmark is a base minimum of US$3 per day.

Uganda’s increased poverty levels were most prominent in the Eastern region which is consistently found to be the poorest region in the country. Specifically, poverty was highest in the sub-regions of Karamoja (60.2%), Busoga (37.5%) and Bukedi (43.7%); while Kampala (2.6%), Wakiso (2.7%) and Ankole (6.8%) districts recorded the lowest poverty levels. It is therefore evident that poverty has increased in absolute terms despite the plans and interventions that Government set out. The continuous breakdown of service delivery channels, famines, strikes, massive land evictions, etc. have left many homeless and with no means to contribute towards taxes and other poverty alleviation mechanisms in Uganda.

In addition to policy, government has also implemented several programmes, for example Operation Wealth Creation (OWC), in an effort to stimulate economic growth. However, these efforts² have not yielded much as there have been several complaints about the interventions-most of the items delivered are either defective or there is no sustainability plan for the same. There has, further, been an increasing trend by government of addressing emanating issues in a rapid response rather than concerted programmatic manner. The president has called on citizens to fight poverty by entering into agri-business, which is unfeasible for most Ugandans who do not have adequate access to land and consequently struggle just to fend for their families, living hand to mouth. Such a population will be incapable of producing sufficient crops for sale and embracing innovative, costly and large-scale agricultural initiatives.

Uganda needs to set clear priorities: the country should strengthen existing agricultural practices with a commitment to upscale farmer’s knowledge and access to markets to more effectively fight poverty. Agriculture should be prioritised because the majority of the population is dependent on this industry for both food and income-generation. Therefore, households should be supported to engage in sustainable agriculture for sustainable income generation. However, the current strategies and mechanisms in place are clearly ineffectual and require substantial revision to more successfully

¹ Provide a globally recognised/accepted definition of “below the poverty line.”
lift Ugandans out of poverty since the NDP II’s target goal on poverty is yet to be achieved.

**NDP II and Inequality**

The NDP II identifies inequality as one of the major impediments to economic growth and as such incorporates strategies to address and reduce inequality. While the NDP II does not contain strategies to concurrently address gender and income inequality, it is important for all role players to work towards comprehensive, substantial equality such that no one is left behind in line with SDG 10 which calls for an end to inequality in all forms.

Persistent corruption, a lack of transparency, and poor governance are flagged by the NDP II as some of the drivers of inequality. This is of concern because inequality in Uganda is increasing. An Oxfam report released in March 2017 claims that Uganda’s income inequality is on the rise, with the rich increasing their wealth as the poor become poorer. According to this report, 10% of Uganda’s population (estimated at 36 million people) owns just 35.7% of national income, which is estimated to be worth US$ 27bn (about UGX 97trn). In contrast, a mere 3.6 million Ugandans own over UGX 34trn (USD 9,206,010,000) of Uganda’s GDP. The agricultural sector, which employs 70% of the population, is growing at a dismal rate thus contributing to income inequality.

These figures are worrying and require interrogation. Is the continuing enrichment of the wealthy attributable to corruption? Is fraud, coupled with a lack of access to legal representation responsible for the poor’s continued downward economic trend? For example, what is the status of all the people affected by land evictions or displacements. Has the government played an adequate role in their resettlement and assisting them to identify and pursue alternative livelihood prospects? Recently, there was a court order that saw the eviction of over 550 residents in Lusanja, Wakiso District leaving people homeless, lacking income and lacking basic life needs. While the High court has quashed the eviction order issued by the lower court, calling it irregular, residents have already suffered considerable losses and damages, falling into the category of poor persons for whom the gap with the rich is widening. The mechanisms employed by government seem ad hoc, unsustainable and entirely unsuited to addressing the scale of this. Impoverished citizens continue to struggle to access safe drinking water and sanitation, healthcare services, education, etc. on account of compromised facilities, inadequate personnel and an unavailability of requisite resources. Inequality not only slows economic growth, but results in health and social problems, generating political instability.

To conclude, Uganda needs to continue investing significantly towards the development of policies, refining their implementation and committing resources to fight poverty and inequality in order to promote a healthy and wealthy nation.

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3 Oxfam Uganda, 2017: Who is growing? Ending Inequality in Uganda Provided report title/citation
Are we on Track? NDP II Education Budget Commitments and Actual Allocations

By Saphina Nakulima, Right to Education Program Manager, Initiative for Social and Economic Rights (ISER)

The Second National Development Plan (NDP II) 2015/2016 – 2019/2020 prioritizes five key growth drivers with the greatest multiplier effect including human capital development. This clearly speaks to the importance of education in supporting the government’s objective to achieve vision 2040. Human capital development, therefore, plays a critical role in the growth and development process; because it helps to ensure that citizens acquire the requisite skills to catalyse and bolster economic growth.

Under the NDP II, the following are the main education sector objectives for the five-year period: (i) the achievement of equitable access to relevant and quality education and training; (ii) the delivery of relevant and quality education and training; and (iii) enhanced efficiency and effectiveness of education and sports service delivery at all levels. The following are the targets over the plan period: an increase in primary seven completion rates from 70.3 percent in 2013/2014 to 85 percent in 2019/2020; an increase in secondary transition rates from 73 percent in 2013/14 to 83 percent in 2019/20; and an increase in net secondary completion rates from approximately 36 percent in 2012/13 to 50 percent in 2019/20.¹

Since the introduction of Universal Primary Education (UPE) in 1997 and Universal Secondary Education (USE) in 2007, access to education has been a critical core of education sector planning. However, the tremendous progress achieved by the sector, particularly with respect to increased enrollment and access has placed a strain on delivery inputs, including but not limited to classrooms, teachers (and by implication staff quarters), instructional materials, etc.² This has negatively affected the quality of education at all levels, undermined primary completion rates and exacerbated drop out rates, especially for the girl child.

Increasing public investment in education, to allow for more effective and efficient monitoring and supervision, improved school infrastructure, the provision of necessary school inputs, improved teacher remuneration, etc. can considerably improve the quality of education offered in Uganda. Such investment is consistent with the International Covenant on Economic Social and Cultural Rights (ICESCR), which enjoins each state party to undertake …to take steps, individually and through international assistance and co-operation - especially economic and technical – to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant (including the right to education) by all appropriate means, including particularly the adoption of legislative measures.³

The NDP II committed to progressively increase public spending to address the inefficiencies in the education sector-such as high head teacher, teacher and pupil absenteeism, overcrowding, poor infrastructure, limited capitation grants, high pupil/ textbook ratio, and high drop out rates, among others. The NDP II approximates Uganda’s total education sector funding to be UGX 23,632.7bn, which comprises 71.0% budgeted by the state (UGX16, 786.4bn) and 29% of private sector funds (UGX 6,846.4bn). A closer examination of the total public sector education costing since implementation of NDP II, enumerated in table 1 below, which makes a comparison between the projected and actual education sector allocations, reveals that the government has not lived up to its budget commitment:

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² Ibid para 121
³ Article 2(1) of the International Covenant on Economic Social and Cultural Rights (ICESCR), 1966
Table 1: Projected Public Education Sector Allocation vs Actual allocation

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Projected NDP II allocation (UGX Bns)</th>
<th>Actual allocation (UGX Bns)</th>
<th>Financing gap (UGX Bns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>2,029.1</td>
<td>2,029.10</td>
<td>0</td>
</tr>
<tr>
<td>2016/17</td>
<td>2,789.3</td>
<td>2,454.61</td>
<td>334.69</td>
</tr>
<tr>
<td>2017/18</td>
<td>3,105.7</td>
<td>2,501.20</td>
<td>604.50</td>
</tr>
<tr>
<td>2018/19</td>
<td>3,711.8</td>
<td>2,782.57</td>
<td>929.23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,635.9</strong></td>
<td><strong>9,767.48</strong></td>
<td><strong>1,868.42</strong></td>
</tr>
</tbody>
</table>

Source: ISER’s Compilations from NDP II, Education and Sports Sector Ministerial Policy Statements and Parliament Education Committee Reports.

Table 1 above highlights the financial gaps, which constrain the resources available for such critical costs as the recruitment and retention of teaching staff (see further table 2 below):

Table 2: Projected wage allocations vs Actual allocations

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Projected allocation (UGX Bns)</th>
<th>Actual allocation (UGX Bns)</th>
<th>Financing gap (UGX Bns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>1,192</td>
<td>1257.17</td>
<td>(65.170)</td>
</tr>
<tr>
<td>2016/17</td>
<td>1,568</td>
<td>1378.66</td>
<td>189.34</td>
</tr>
<tr>
<td>2017/18</td>
<td>1,958</td>
<td>1474.171</td>
<td>483.829</td>
</tr>
<tr>
<td>2018/19</td>
<td>2,271</td>
<td>1625.63</td>
<td>645.37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,989</strong></td>
<td><strong>5,735.631</strong></td>
<td><strong>1,253.369</strong></td>
</tr>
</tbody>
</table>

Source: ISER’s Compilations from NDP II, Education and Sports Sector Ministerial Policy Statements and Parliament Education Committee Reports.

Understaffing is the result of the limited wage allocations shown in table 2 above – for example, the primary sub-sector alone has a staffing shortage of 22,000 teachers.\(^4\) This, coupled with limited non-wage allocations as reflected in table 3 below, undermines the quality and provision of education and training in Uganda.

Table 3: Projected non-wage allocations vs Actual allocation

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Projected allocation (UGX Bns)</th>
<th>Actual allocation (UGX Bns)</th>
<th>Financing gap (UGX Bns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>452</td>
<td>449.980</td>
<td>2.020</td>
</tr>
<tr>
<td>2016/17</td>
<td>394</td>
<td>482.190</td>
<td>(88.190)</td>
</tr>
<tr>
<td>2017/18</td>
<td>482</td>
<td>477.380</td>
<td>(4.620)</td>
</tr>
<tr>
<td>2018/19</td>
<td>1,183</td>
<td>580.110</td>
<td>602.890</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,511.00</strong></td>
<td><strong>1,989.66</strong></td>
<td><strong>512.100</strong></td>
</tr>
</tbody>
</table>

Source: ISER’s Compilations from NDP II, Education and Sports Sector Ministerial Policy Statements and Parliament Education Committee Reports.

One of the inefficiencies the NDP II seeks to address is the weak monitoring and inspection of schools. However, the limited budgetary allocation to this non-wage component hampers the strengthening of monitoring and the supervision function of schools, resulting in the mushrooming of schools that do not meet the basic requirements and minimum standards set by the Ministry of Education and Sports.\(^5\) This limited non-wage allocation further undermines the prioritization of the training and capacitation of school management committee and Governing Board members, which contributes significantly to the strengthening of school governance and management. This is further compounded by limited budgets for construction, renovation and rehabilitation of infrastructure as shown in table 4 below:

Table 4: Projected Development expenditure allocations vs Actual allocations

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Projected allocation (UGX Bns)</th>
<th>Actual allocation (UGX Bns)</th>
<th>Financing gap (UGX Bns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>385</td>
<td>184.690</td>
<td>200.310</td>
</tr>
<tr>
<td>2016/17</td>
<td>827</td>
<td>153.270</td>
<td>673.730</td>
</tr>
<tr>
<td>2017/18</td>
<td>666</td>
<td>160.614</td>
<td>505.386</td>
</tr>
<tr>
<td>2018/19</td>
<td>257</td>
<td>239.93</td>
<td>17.070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,135.00</strong></td>
<td><strong>738.504</strong></td>
<td><strong>1,396.496</strong></td>
</tr>
</tbody>
</table>

Source: ISER’s Compilations from NDP II, Education and Sports Sector Ministerial Policy Statements and Parliament Education Committee Reports.

Limited development expenditure, which is highlighted in table 4 above, has resulted in schools grappling with inadequate essential inputs items such as books, staff quarters, classrooms, desks and so forth, as documented in the 2017 Auditor General’s Report on Local Authorities:

Table 5: Showing the compliance of UPE schools in district local governments to National Minimum Standards of Service

<table>
<thead>
<tr>
<th>Ratio</th>
<th>National Minimum Standard of Service Delivery</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Kibuku</td>
</tr>
<tr>
<td>Classroom pupil ratio</td>
<td>1:55</td>
<td>1:77</td>
</tr>
<tr>
<td>Teacher pupil ratio</td>
<td>1:55</td>
<td>1:71</td>
</tr>
<tr>
<td>Desk pupil ratio</td>
<td>1:3</td>
<td>1:6</td>
</tr>
<tr>
<td>Latrine pupil ratio</td>
<td>1:40</td>
<td>1:104</td>
</tr>
<tr>
<td>Houses teacher ratio</td>
<td>1:1</td>
<td>1:11</td>
</tr>
</tbody>
</table>

Source: ISER’s Compilation from the Auditor General’s report on Local Governments of 2017.

The non–compliance of several district’s schools with the national minimum standards of service delivery highlighted in Table 5 above is attributed largely to the meagre School Facilitation Grants availed for the construction and provision of school facilities. It is therefore imperative to increase school facilitation budgetary allocations if public education is to be improved.

In conclusion, state investment in education is recognized as desirable in the light of its importance to spurring social and economic development. However, the mismatch in NDP II education sector budget commitments with actual allocations has significantly undermined the delivery of relevant and quality education and training targets, which are essential for Uganda’s human capital development envisaged as necessary for achieving vision 2040. Efforts should therefore be made to ensure that NDP III gets this right.

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6 Committee on Economic, Social and Cultural Rights (CESCR), General Comment 13 (1999), paragraph 1
Challenges experienced in the implementation of the NDP II as regards health and education service delivery; the Local Government perspective.

By Dunstan Balaba, Chief Administrative Officer (CAO), Tororo

Government has since 2016 developed programmes and initiatives aimed at fulfilling the NDP II objectives including strengthening mechanisms for quality, effective and efficient service delivery. Looking at Local Government service delivery in the areas of health and education, on the whole, government has made tremendous strides towards achieving the health and education targets set out in the NDP II. However, a great deal remains to be accomplished in order for all targets to be met by 2020.

In 2016, H.E Yoweri Kaguta Museveni, President of the Republic of Uganda issued 23 directives to all Government Agencies, including Local Governments to guide the implementation of the NDP II. The Public Finance Management Act of 2015 requires the National Planning Authority to issue, on an annual basis, a certificate of compliance for all Ministries, Departments, Agencies and Local Governments’ annual budgets relating to the NDP II.

Since frontline service delivery happens at the local government level, a number of challenges are experienced which if not addressed will affect the realization of the targets set out in the NDP II. These include:

1. Inadequate funding to Local Governments which is where implementation of Education and Health sector programmes are anchored. For example in the 2016/17 financial year, every pupil was allocated an average of UGX 8000/= per year as Universal Primary Education (UPE) capitation funds. This translates to 2666/= per pupil per term. Under health, every health center II was allocated on average 500,000/= per quarter. This translates to about 166,000/= per month to run all services including immunization, payment of utilities like water and electricity etc.

2. Inadequate staffing: According to the Uganda Demographic Health Survey (UDHS) 2016, health sector staffing stood at 70%, however in some Local Governments the rate of staffing was found to be as low as 24%, implying that 76% of posts were vacant. Specialist divisions were most affected, for example radiography, dentistry, anesthesia, pharmaceutical dispensary, and Medical Practitioner positions etc., all of which are crucial to the attainment of NDP II targets.

3. High Population growth: The rate of Uganda’s population growth, according to the 2014 Population and Housing Census, is recorded as 3.0%. This population growth is not matched with a corresponding increase in resources, hence the strain on existing services and infrastructure and resultant challenges in the provision of appropriate access and quality services. Further, over 50% of the population is young and economically unproductive, which means dependence, including upon the state. Compounding this situation further is the high unemployment rate which disproportionately affects the youth cohort with many school-leavers struggling to secure employment and alternative income-generating opportunities.

Inflation further exacerbates this, with costs remaining high, leaving Local Governments with less spending power with which to serve the population, making it ever cumbersome to meet the NDP II targets.
In light of the above, the following recommendations are made to strengthen efforts to attain the NDP II targets by 2020:

• Strengthen the system of decentralization and ensure more financial resources are allocated to the key sectors of service delivery in Local Governments

• Ensure there is adequate staffing in LGs

• Continue mobilizing and sensitizing the population on their rights and obligations

• Emphasize health promotion and hygiene in homes

As the NDP II is implemented, there is need to remain focused on attainment of the targets set within this policy document. This calls for budgets to be aligned with this cause. Local Governments need to be strengthened and enabled to perform as expected because they are at the frontline of service delivery. There is need to have regular reviews and reporting to ascertain the level of achievement. There is also need to bring on board other actors, not restricted to NGOs, CBOs, CSOs and Development partners, to work together to fulfill the NDP II objectives of eradicating poverty and inequality to achieve a middle class Uganda by 2020.
Impact of limited Universal Primary Education (UPE) capitation grants and unregulated private school charges on access to basic education under NDP II.

By Mugoya Musa, Right to Education Program Officer, Initiative for Social and Economic Rights (ISER)

The second National Development Plan (NDP II), which came into operation in the financial year 2015/2016 started on a high note, articulating as it did the challenges hampering efficiency and effectiveness in all relevant sectors. Within the education sector, the NDP II identified several challenges affecting the delivery of quality and equitable basic education. These included inter alia increased enrolment numbers, which strained delivery inputs; the need to invest in school infrastructure, in particular classroom buildings and teaching staff quarters, as well as instructional resources. The NDP II also highlighted the need to reduce school dropout rates and pupil absenteeism, particularly that involving and affecting the girl child; and it identified the need for targeted recruitment of head teachers, and teachers more generally.1

To address these critical challenges, the NDP II outlined three key interventions: (i) the adoption of differentiated allocation formulae for capitation grants; (ii) the revision of capitation grants such that they are pegged to inflationary rates; and (iii) the development and implementation of a policy framework to regulate the school fees charged by primary private schools.2 NDP II implementation is scheduled to conclude in the financial year 2019/2020; however, the contention of this analysis is that implementation of these important commitments, which were geared towards enabling equitable access to quality education, have fallen far short of the initial target. Under the Universal Primary Education (UPE) programme, government allocates capitation grants to facilitate the running of schools. Capitation grant guidelines stipulate that funding should be allocated as follows: 50% of funds should be used to acquire instructional materials, 30% to facilitate co-curricular activities, 15% should support school management-related functions, school maintenance, and utilities payments, and 5% should support school administration functions.3 In FY2015/16, the first fiscal year of the NDP II implementation, UPE primary school capitation grants were UGX 6,860 per pupil per annum, a reduction from the UGX 8,000 allocated in 1997 – the year in which the UPE Programme commenced. Analysis of capitation grant allocations in the FY2015/16 reveals inconsistencies between the number of primary pupils stated and value of grants allocated by the Ministry of Education and Sports, as further elaborated in Table one below.

Table 1: Showing UPE capitation grants expenditure for FY2015/16 – FY2017/18

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Actual expenditure (UGX)</th>
<th>Number of pupils</th>
<th>Unit share per pupil</th>
<th>Expected Actual Expenditure as per UGX 10,000 unit cost (UGX)</th>
<th>Financing gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015/16</td>
<td>66,664,000,000</td>
<td>6,993,962</td>
<td>9,531.65</td>
<td>69,939,620,000</td>
<td>3,275,620,000</td>
</tr>
<tr>
<td>FY2016/17</td>
<td>66,310,000,000</td>
<td>7,028,163</td>
<td>9,435.9</td>
<td>70,028,163,000</td>
<td>3,971,630,000</td>
</tr>
<tr>
<td>FY2017/18</td>
<td>68,530,000,000</td>
<td>7,255,726</td>
<td>9,444.95</td>
<td>70,255,726,000</td>
<td>1,725,726,000</td>
</tr>
</tbody>
</table>

Source: ISER’s compilation from the Education and Sports Sector Performance Review Reports FY2015/16 – FY2017/18

As indicated in table one above, the increased capitation grant of Ten Thousand Shillings (UGX 10,000) per pupil per year is not borne out by actual expenditure figures, despite the annual inflationary rate increase from 5.41% in 2015 to 5.46% in 2016 and 5.63% in 2017, and notwithstanding the projected decline to 3.83% in 2018.4

1 NDP II page 35, para 121
2 Ibid, para 196
4 1,87 USD
5 Education and Sports Sector Ministerial Policy Statement FY2015/16 P. IX
6 Uganda: Inflation Rate from 2012 to 2022* (compared to the previous year). Available at https://www.statista.com/statistics/447810/inflation-rate-in-uganda/
The mismatch between the UPE capitation grant allocations and actual expenditure in districts such as Amudat, Kabong, Zombo and Nakapiripirit points to a financial retrogression. These districts are receiving a capitation grant of less than UGX 6000 per pupil annually, far less than the national unit cost of UGX 10,000; moreover, there are some districts, for example Jinja Municipal Council and Mbarara District, in which schools receive more than the national unit cost (UGX 11,058 and UGX 10,160 respectively).7

This discrepancy in capitation grant allocations is attributable to the formula used by the Ministry of Education and Sports, namely the fixed grant of UGX 150,0008 per school per month and a variable based on the number of pupils enrolled. With this formula, districts with high enrollment rates receive higher capitation grants compared to districts with low enrollment, this notwithstanding the challenges confronting the latter, such as being hard to reach, high rates of pupil and teacher absenteeism, poor academic performance and poverty, among others. The formula for capitation grant allocations has also failed to factor raising inflationary rates, despite the commitment in the NDP II to do so.

The differentiated formula of capitation grant allocations was supposed to take into consideration the abovementioned variables, i.e. poverty levels, accessibility of schools/hard to reach, performance, etc. Capitation grant allocations were also to be pegged to inflationary rates, to ensure that allocations retained their market value with respect to the true cost of education.

Failure to implement these commitments is attributed largely to limited budgetary provisions for the education sector.9 Indeed, NDP II implementation over the past four years highlights a significant discrepancy between the projected budgets and actual allocations, as shown in Table two below. This has negatively affected the resources available to finance essential education sector components, including UPE capitation grants.

### Table 2: Projected Public Education Sector Allocation vs Actual Allocation

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Projected NDP II allocation (UGX Bns)</th>
<th>Actual allocation (UGX Bns)</th>
<th>Financing gap (UGX Bns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>2,029.1</td>
<td>2,029.10</td>
<td>0</td>
</tr>
<tr>
<td>2016/17</td>
<td>2,789.3</td>
<td>2,454.61</td>
<td>334.69</td>
</tr>
<tr>
<td>2017/18</td>
<td>3,105.7</td>
<td>2,501.20</td>
<td>604.50</td>
</tr>
<tr>
<td>2018/19</td>
<td>3,711.8</td>
<td>2,782.57</td>
<td>929.23</td>
</tr>
<tr>
<td>Total</td>
<td>11,635.9</td>
<td>9,767.48</td>
<td>1,868.42</td>
</tr>
</tbody>
</table>

Source: ISER’s Compilations from NDP II, Education and Sports Sector Ministerial Policy Statements and Parliament Education Committee Reports.

As can be seen in Table two above, UGX 11,635.9bn is supposed to have been allocated to the education sector by the fourth year of NDP II; however, UGX 9,767.48bn was allocated, a substantial gap of UGX 1,868.42bn. This has meant a reduced budget for items including capitation grants, notwithstanding an increase in enrollments.10

The government has not only failed to fulfill its commitment on capitation grants but also the formulation and implementation of a policy framework to rationalize the school fees charged by private schools (the drafting of this policy was initiated as NDP II implementation was nearing conclusion).11 It is also important to note that Uganda is currently implementing a liberalization policy in the education sector, which gives private actors – both local and international individuals and companies – scope to open and operate schools. As a result of this policy the number of private schools in the country has increased, in some instances outnumbering public schools – as is the case, for example, in the secondary sub sector.12 This has not only resulted in a proliferation of high-cost private schools, but also low-fee/social enterprise private schools, many of which operate illegally, not conforming to basic requirements and

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7 Auditor General’s Value for Money Report, 2016 at [please insert page citation]
8 Approx 41USD
9 (n 9) supra
10 According to the Budget Speech FY2018/19, primary school enrolment currently stands at 10.2m pupils, with the majority of pupils enrolled in UPE schools.
11 Education and Sports Sector Ministerial Policy Statement FY2018/19
minimum standards. This undermines the quality of education delivered to the pupils enrolled in such schools.

Government’s failure to ensure that capitation grants correspond to and address the basic needs of schools, has resulted in UPE schools charging non-tuition fees to reduce the gap created by limited capitation grants. This has pushed children from poor backgrounds out of school, defeating the purpose for which UPE was intended, i.e. providing every child with the opportunity to access education. The situation cannot improve whilst private school charges remain unregulated. Currently, 35% of school dropouts are attributed to high school charges.

Enabling every child to access quality education and training, in particular basic education, the provision of which is a state obligation, remains an essential vehicle by which to tackle poverty and inequality, which are on the rise. To effectively advance education as a social good and reverse trends of social exclusion and vulnerability in Uganda will require government to prioritize the increase of capitation grant allocations on the basis of variables such as minimum cost to educate a primary pupil, ease of school accessibility, academic performance, poverty levels, etc.; inflation-adjustments of allocations; and effective and efficient regulation of school charges.

13 Ibid
15 National Budget Framework Paper FY 2018/19 – FY 2022/23, p.21
16 General Comment No. 13 on the Right to Education
17 Uganda Bureau of Statistics: The National Household Survey 2016/17 reports increase in poverty levels from 19.7% in 2012/13 to 21.4% in 2016/17
About the Initiative for Social and Economic Rights

ISER is a registered national Non - Governmental Organisation (NGO) in Uganda founded in February 2012 to ensure full recognition, accountability and realization of social and economic rights primarily in Uganda but also within the East African region.

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