
Foreword

As the DPI Programme Political Leader, it gives me great pleasure to present, to all our stakeholders and to the general public, this second Budget Framework Paper BFP under the National Development Plan NDP III. In preparing this BFP, we respond to both the Programme Implementation Action Plan PIAP and emerging priorities arising from the Implementation of the NRM manifesto, Presidential directives and the semi annual review that was held in March 2021.

The goal of the DPI Programme is to improve efficiency in the implementation of the NDP III and to make the plan NDP III more effective in achieving its goal.

The Programme aims to increase efficiency and effectiveness in the implementation of the National Development Plan III, and targets to achieve at least 80 percent implementation of the Plan at the end of the 5 year period.

To support this, six 6 key objectives were selected:

1. Strengthening capacity for development planning
2. Strengthening budgeting and resource mobilization
3. Strengthening capacity for implementation to ensure a focus on results
4. Strengthening coordination, monitoring and reporting frameworks and systems
5. Strengthening the capacity of the national statistics system to generate data for National Development, and
6. Strengthening the research and evaluation function to better inform planning and plan implementation.

Ramathan Ggoobi

Permanent Secretary / Secretary to Treasury

Abbreviations and Acronyms

N/A

P1: PROGRAMME OVERVIEW**Snapshot of Medium Term Budget Allocations****Table P1.1 Overview of Programme Expenditure and Medium Term Allocations (Ush Billion)**

<i>Billion Uganda Shillings</i>		2022/23	MTEF Budget Projections			
		Proposed Budget	2023/24	2024/25	2025/26	2026/27
Recurrent	Wage	241.618	241.618	241.618	241.618	241.618
	NonWage	15,748.510	15,748.510	15,748.510	15,748.510	15,748.510
Dev't.	GoU	213.334	213.334	213.334	213.334	213.334
	ExtFin	26.612	0.000	0.000	0.000	0.000
GoU Total		16,203.462	16,203.462	16,203.462	16,203.462	16,203.462
Total GoU+Ext Fin (MTEF)		16,230.074	16,203.462	16,203.462	16,203.462	16,203.462
A.I.A		0.000	0.000	0.000	0.000	0.000
Grand Total		16,230.074	16,203.462	16,203.462	16,203.462	16,203.462

Programme Strategy and linkage to the National Development Plan

The goal of the Development Plan Implementation DPI Programme is to increase efficiency and effectiveness in the implementation of the National Development Plan. It contributes to the entire NDP III by putting in place mechanisms that will enable its effective implementation and ensure that at least 80 Percent of the plans targets are achieved. Its strategic objectives in this regards include strengthening capacity for development planning, budgeting and resource mobilization, capacity for implementation to ensure a focus on results, coordination, monitoring and reporting frameworks and systems, capacity of the national statistics system to generate data for National Development, research and evaluation function to better inform planning and plan implementation. NDP III outlines six key targets to be delivered under the DPI Programme as, Achieve at least 80 Percent of the NDP III targets, Increase the GDP growth rate from 6.3 Percent to at least 7 Percent per annum, Increase the Revenue to GDP ratio from 15.6 Percent to 18 Percent by 2025, Reduction in Domestic Arrears as a Percentage of total expenditure for FY N 1 from 1 Percent in FY2017/18 to 0.2 Percent, Increase the alignment between the Annual Budgets and the NDP III from 60 Percent to 85 Percent at national and Programme levels, Maintain the proportion of supplementary budget expenditure net of loan servicing within 3 Percent. DPI Programme Outcomes. NDP III has outlined nine Programme outcomes designed to ensure that government is focused on achieving the expected Programme results under NDP III. These outcomes provide strategic focus and reflect the desired development impacts DPI seeks to achieve, given governments policy priorities. Each outcome is clearly articulated in the Programme Implementation Action Plan PIAP in terms of measurable outputs and key activities to achieve the outputs. The nine outcomes under DPI are listed as Effective and efficient allocation and utilization of public resources, Effective Public Investment Management, Fiscal credibility and Sustainability, Improved budget credibility, Improved development results, Improved compliance with accountability rules and regulations, Improved service Delivery, Enhanced use of data for evidence based policy and decision making, Improved public policy debates and decision making. The key implementation reforms required to fully implement this Programme and realise expected goals in the next five years include, APEX platform that was launched in April 2021. This needs to be funded and operationalized to perform the oversight role and hence be accountable for delivery of results, Strengthening the capacity of the Office of the Prime Minister to lead the overall coordination and reporting on implementation of NDP III Programmes and implied results, Developing capacity of planning units along the entire value chain across government Developing a mechanism to capture off budget financing.

P2: Highlights Of Programme Projected Performance**Table P2.1 Programme Outcomes Indicators**

Programme Outcome	Sustainable economic growth and stability					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen budgeting and resource mobilization						
Programme Outcome Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Fiscal Balance as a percentage of GDP	2017/18	4.8%	5.3%	4.7%	3.7%	2.9%

Programme Outcome	Sustainable economic growth and stability					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen budgeting and resource mobilization						
	Performance Targets					
Programme Outcome Indicators	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
GDP growth rate	2017/18	4.7%	6%	6.5%	7.0%	7.4%
GDP growth rate	2017/18	4.7%	6.0%	6.5%	7.0%	7.4%
GDP growth rate	2017/18	4.7%	6.0%	6.5%	7.0%	7.4%
Nominal Debt to GDP ratio	2017/18	40.6%	53.1%	52.4%	51.2%	49.3%
Programme Outcome	Increased Budget self sufficiency					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen budgeting and resource mobilization						
	Performance Targets					
Programme Outcome Indicators	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Domestic revenue to GDP (%)	2017/18	14.6%	13.3%	13.79%	14.26%	14.73%
Revenue to GDP ratio	2017/18	12.95%	14.22%	14.72%	15.22%	15.72%
Programme Outcome	Effective and efficient allocation and utilization of public resources					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen capacity for development planning						
	Performance Targets					
Programme Outcome Indicators	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Percentage of budget released against originally approved budget.	2017/18	100%	100%	100%	100%	100%
Percentage of funds absorbed against funds released.	2017/18	99.2%	100%	100%	100%	100%
Programme Outcome	Improved alignment of the plans and budgets					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen capacity for development planning						
	Performance Targets					
Programme Outcome Indicators	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Budget compliance to the NDP, %	2017/18	60%	70%	75%	80%	90%
Budget compliance to the NDP, %	2017/18	60%	70%	75%	80%	90%
Programme Outcome	Improved development results					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen capacity for implementation to ensure a focus on results						
	Performance Targets					
Programme Outcome Indicators	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Proportion of NDP results on target	2017/18	NA	85	90	100	100

Programme Outcome	Improved budget credibility					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen coordination, monitoring and reporting frameworks and systems						
Programme Outcome Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Arrears as a percentage of total expenditure for FY N-1	2017/18	1.00%	0.7%	0.7%	0.7%	0.7%
Budget transparency index	2017/18	60%	70%	70%	70%	70%
National Budget compliance to Gender and equity	2017/18	55%	70%	70%	70%	70%
Supplementary expenditure as a percentage of the initial approved budget	2017/18	4.6%	3%	3%	3%	3%
Supplementary expenditure as a percentage of the initial approved budget	2017/18	4.6%	3%	3%	3%	3%
Programme Outcome	Evidence based decision making					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen the capacity of the statistical system to generate data for national development						
Programme Outcome Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Proportion of key indicators up-to-date with periodic data	2017/18	40	83	95	100	100
Proportion of NDPIII baseline indicators up-to-date & updated	2017/18	60	85	90	100	100
Programme Outcome	Enhanced use of data for evidence-based policy and decision making					
Programme Objectives contributed to by the Intermediate Outcome						
Strengthen the capacity of the statistical system to generate data for national development						
Programme Outcome Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Proportion of NDP results framework informed by official statistics	2017/18	30	100	100	100	100

Table P2.2: Intermediate Outcomes Indicators

Sub-Programme Name:	Development Planning, Research, Evaluation and Statistics					
Intermediate Outcome Indicators:	Effective and efficient allocation and utilization of public resources					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Budget alignment to NDP (%)	2017/18	60%	80%	90%	100%	100%
Percentage of budget released against originally approved budget.	2017/18	100%	100%	100%	100%	100%
Percentage of funds absorbed against funds released.	2017/18	99.2	100%	100%	100%	100%
Proportion of LG plans aligned to the NDP	2017/18	55%	70%	80%	85%	90%
Proportion of MDA plans aligned to the NDP	2017/18	60%	90%	95%	100%	100%

Sub-Programme Name:	Development Planning, Research, Evaluation and Statistics					
Intermediate Outcome Indicators:	Effective Public Investment Management					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Gross Capital formation (% of GDP)	2017/18	24.2%	27.08%	27.14%	27.7%	23.3%
Share of PIP Projects implemented on time (%)	2017/18	N/A	90%	95%	100%	100%
Share of PIP Projects implemented within the approved budget	2017/18	NA	75%	80%	90%	100%
Intermediate Outcome Indicators:	Enhanced use of data for evidence-based policy and decision making					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Proportion of key indicators up-to-date with periodic data	2017/18	40%	83%	95%	100%	100%
Proportion of NDP results framework informed by Official Statistics	2017/18	30%	100%	100%	100%	100%
Proportion of NDPIII baseline indicators up-to-date & updated	2017/18	60%	85%	90%	100%	100%
Sub-Programme Name:	Resource Mobilization and Budgeting					
Intermediate Outcome Indicators:	Fiscal credibility and Sustainability					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Domestic revenue to GDP (%)	2017/18	14.61	13.2%	13.79%	14.26%	14.73%
External resource envelope as a percentage of the National Budget.	2017/18	20%	15%	20%	23%	25%
Proportion of direct budget transfers to local government	2017/18	12.25%	13%	14%	15%	16%
Nominal Debt to GDP ratio	2017/18	40.6	53.1	52.4	51.2	49.3
Revenue to GDP ratio	2017/18	12.95	14.22	14.72	15.22	15.72
Tax revenue to GDP ratio	2017/18	13.1	13.32	13.79	14.26	14.73
Present Value of Public Debt stock /GDP	2017/18	28.5	33.4	32	34	34
Intermediate Outcome Indicators:	Improved Budget Credibility					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Arrears as a percentage of total expenditure for FY N-1	2017/18	1%	0.7%	0.7%	0.7%	0.7%
Budget transparency index	2017/18	60%	70%	70%	70%	70%
Compliance of the National Budget to NDP (%)	2017/18	60%	80%	90%	100%	100%
National Budget compliance to Gender and equity (%)	2017/18	55%	70%	70%	70%	70%
Supplementary as a percentage of the Initial budget	2017/18	4.6%	3%	3%	3%	3%
Green Economy (GE)Public expenditure Review (PER) grading	2017/18	Above Average	Above Average	Above Average	Above Average	Above Average

Sub-Programme Name:	Oversight, Implementation, Coordination and Monitoring					
Intermediate Outcome Indicators:	Improved development results					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Proportion of NDP results on target	2017/18	NA	85%	90%	100%	100%
Intermediate Outcome Indicators:	Improved Service Delivery					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
Government Effectiveness index	2017/18	-0.5%	0%	0.004%	0.01%	
Level of satisfaction of public Service by Service (Administrative and Legal Services)	2017/18	60	83	97	100	100
Level of satisfaction of public Service by Service (Electricity)	2017/18	61.8	85	92	100	100
Level of satisfaction of public Service by Service (Extension services)	2017/18	75	94	95	100	100
Level of satisfaction of public Service by Service (Water transport)	2017/18	69	85	90	100	100
Sub-Programme Name:	Accountability Systems and Service Delivery					
Intermediate Outcome Indicators:	Improved compliance with accountability rules and regulations					
Indicators	Performance Targets					
	Base Year	Base Line	2022/23	2023/24	2024/25	2025/26
External auditor ratings (unqualified)	2017/18	40%	71%	87%	95%	99%
Percentage of internal audit recommendations implemented	2017/18	65.5%	89%	100%	100%	100%
Proportion of prior year external audit recommendations implemented, %	2017/18	31%	46%	52%	55%	60%

P3: Medium Term Budget Allocations by Sub-Programme and Vote**Table P3.1: Proposed Budget Allocations and Medium Term Projections by Sub-Programme**

<i>Billion Uganda Shillings</i>	2022/23	Medium Term Projections			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
01 Development Planning, Research, Evaluation and Statistics	196.020	189.835	189.835	189.835	194.211
02 Resource Mobilization and Budgeting	15,810.596	15,802.710	15,802.710	15,802.710	15,802.710
03 Oversight, Implementation, Coordination and Monitoring	3.578	3.002	3.002	3.002	3.002
04 Accountability Systems and Service Delivery	219.880	207.915	207.915	207.915	203.539
Total for the Programme	16,230.074	16,203.462	16,203.462	16,203.462	16,203.462

Table P3.2: Proposed Budget Allocations and Medium Term Projections by Vote

<i>Billion Uganda Shillings</i>	2022/23	Medium Term Projections			
	Proposed Budget	2023/24	2024/25	2025/26	2026/27
001 Office of the President	6.794	6.794	6.794	6.794	6.794
003 Office of the Prime Minister	37.831	37.831	37.831	37.831	37.831
006 Ministry of Foreign Affairs	0.497	0.497	0.497	0.497	0.497
008 Ministry of Finance, Planning and Economic Development	295.118	268.507	268.507	268.507	268.507
011 Ministry of Local Government	0.613	0.613	0.613	0.613	0.613
023 Ministry of Kampala Capital City and Metropolitan Affairs	0.050	0.050	0.050	0.050	0.050
108 National Planning Authority(NPA)	11.874	11.874	11.874	11.874	11.874
122 Kampala Capital City Authority(KCCA)	1.326	1.326	1.326	1.326	1.326
123 National Lotteries and Gaming Regulatory Board	0.342	0.342	0.342	0.342	0.342
124 Equal Opportunities Commission	9.392	9.392	9.392	9.392	9.392
130 Treasury Operations (TOP)	15,264.260	15,264.260	15,264.260	15,264.260	15,264.260
141 Uganda Revenue Authority (URA)	525.328	525.328	525.328	525.328	525.328
143 Uganda Bureau of Statistics (UBOS)	67.834	67.834	67.834	67.834	67.834
147 Local Government Finance Commission(LGFC)	1.798	1.798	1.798	1.798	1.798
501 Uganda Mission at the United Nations, New York	0.148	0.148	0.148	0.148	0.148
502 Uganda High Commission in the United Kingdom	1.277	1.277	1.277	1.277	1.277
503 Uganda High Commission in Canada , Ottawa	0.110	0.110	0.110	0.110	0.110
505 Uganda High Commission in Kenya ,Nairobi	0.088	0.088	0.088	0.088	0.088
506 Uganda High Commission in Tanzania , Dar es Salaam	0.301	0.301	0.301	0.301	0.301
508 Uganda High Commission in South Africa , Pretoria	0.012	0.012	0.012	0.012	0.012
510 Uganda Embassy in the United States , Washington	0.736	0.736	0.736	0.736	0.736
511 Uganda Embassy in Egypt , Cairo	0.129	0.129	0.129	0.129	0.129
512 Uganda Embassy in Ethiopia, Addis Ababa	0.489	0.489	0.489	0.489	0.489
513 Uganda Embassy in China, Beijing	0.266	0.266	0.266	0.266	0.266
514 Uganda Embassy in Switzerland, Geneva	0.343	0.343	0.343	0.343	0.343
515 Uganda Embassy in Japan, Tokyo	0.100	0.100	0.100	0.100	0.100
516 Uganda Embassy in Saudi Arabia, Riyadh	0.520	0.520	0.520	0.520	0.520
517 Uganda Embassy in Denmark, Copenhagen	0.161	0.161	0.161	0.161	0.161
519 Uganda Embassy in Italy, Rome	0.035	0.035	0.035	0.035	0.035
523 Uganda Embassy in Germany, Berlin	0.096	0.096	0.096	0.096	0.096
524 Uganda Embassy in Iran, Tehran	0.252	0.252	0.252	0.252	0.252
527 Uganda Embassy in South Sudan, Juba	0.155	0.155	0.155	0.155	0.155
528 Uganda Embassy in United Arab Emirates, Abudhabi	1.600	1.600	1.600	1.600	1.600
535 Uganda Embassy in Algeria, Algiers	0.197	0.197	0.197	0.197	0.197
Total for the Programme	16,230.074	16,203.462	16,203.462	16,203.462	16,203.462

P4: PROGRAMME PRIORITIES IN LINE WITH INTERVENTIONS FOR FY2022/23

Programme Priorities FY2022/23	NDP III Programme Intervention aligned to
Revenue enhancement	Expand financing beyond the traditional sources
Implement the Local Government Revenue Management System	Implement electronic tax systems to improve compliance both at National and LG levels.
Budget Credibility, Controls and compliance	Integrate GoU Public Financial Management (PFM) Systems for integrated PFM systems.
NDP III Oversight, Coordination and Monitoring	Operationalise the High-Level Public Policy Management Executive Forum (Apex Platform);
Alignment of Budgets to NDP III	Strengthen capacity for development planning at the sector, MDAs and local government levels
Public Investment Management	Strengthen Public Investment Management across the entire government to be able to develop bankable projects on time
Implementing the Parish Model	Strengthen the planning and development function at the parish level to bring delivery of services closer to the people;

P5: GENDER AND EQUITY ISSUES AND INTERVENTIONS FOR FY2022/23

Slow implementation of the national development plans affecting delivery of services to vulnerable groups

Limited capacity in implementation planning at decentralized levels affecting service delivery for the most vulnerable groups

Weak public financial Management which increases inefficiency and ineffectiveness since there is no value for money thus hindering access to quality services by the most vulnerable

Weaknesses in Public Investment Management PIM leading to misallocation and mismanagement of government resource

Limited budget alignment to national development priorities leaving many gender and equity priority areas unfunded thus affecting the livelihoods of the most vulnerable

Poor budget credibility leads to inadequate planning and delayed implementation of programs thus affecting service delivery for the most vulnerable groups

Poor prioritization leads to interventions that do not address gender and equity issues.

Continued regional disparities in access to services and opportunities associated with extreme poverty levels in various parts of the country.

High taxes on pro- poor consumption goods making it unaffordable for the poor.

Limited financial inclusion of vulnerable groups leading to Persistent poverty and inequalities because of exclusion to financial services by the vulnerable groups.

A large share of the household population would go to retirement without any savings and therefore will be vulnerable to poverty

Limited physical tracking, Monitoring and Evaluation and inspection of government programmes and expenditure.

Rampant corruption and lack of value for money for public investments.