



Highlights of NDPII – Issues for LGs

PAPER FOR THE REGIONAL LG BUDGET FRAMEWORK PAPER PRESENTATION

August, 2015

Table of Contents

Section 1:	Second National Development Plan (NDPII)	3
1.1	Introduction	3
1.1.1	Key achievements of NDPI	3
1.1.2	Key Lessons	3
1.2	Strategic Direction.....	4
1.2.1	Goal.....	4
1.2.2	Development Objectives.....	4
1.2.3	Priorities of the Plan	5
1.2.4	NDPII Expected Results	6
1.2.5	Implementation, Monitoring and Evaluation	7
Section 2:	Key Messages for Local Government	7

Section 1: Second National Development Plan (NDPII)

1.1 Introduction

This National Development Plan (NDPII) is the second in a series of six five-year Plans aimed at achieving the Uganda Vision 2040 and covers the fiscal period 2015/16 to 2019/20. It builds on the achievements attained under NDPI, mitigates the challenges encountered during its implementation, and seeks to take advantage of regional and global development opportunities.

1.1.1 Key achievements of NDPI

- Poverty Reduced from 24.5 percent in FY2009/10 to 19.7 percent in FY 2012/13.
- Under five mortality reduced from 137/1000 live births in 2006 to 90/1000 live births in 2011.
- Electricity installed Generation increased from 595MW in 2010 to 825MW in 2012.
- Life expectancy at birth increased from 51.5 in 2009/10 to 54.5 years in 2011/12.
- Percentage of the population accessing electricity from the national grid increased from 10 percent in 2009 to 14 percent in 2013.
- The transition rate from P7 to S1 increased from 47 percent in FY2006/07 to 73 percent in FY 2013/14 largely due to the introduction of USE.
- Volume of national paved roads increased from 3,264 Km in 2011 to 3,795Km in 2013
- Per Capita income increased from USD665 in 2009/10 to USD 788 in 2013/14.
- ICT sector contribution to GDP increased to 8.1 percent in 2012/13 from 5.5 percent in 2009/10
- Macro-economic stability and growth
- Sustained peace and security across the entire country

1.1.2 NDPI Key Lessons

- Alignment of planning and budgeting instruments is necessary to ensure efficient and timely implementation, while keeping focus on national priorities.
- Conscious effort is required to address gaps in development across the district and population groups through specific programmes and interventions that are either mainstreamed within LG plans or are standalone programmes.
- Prioritisation of interventions / projects and sequencing their implementation is critical in guiding efficient allocation of resources to priority areas, while addressing the key constraints to development.
- Absence of strategic Spatial Framework negates inter-sectoral co-ordination and synergies. Therefore, there is need to introduce spatial aspects into planning.

- Lack of bankable projects affects absorptive capacity, wastes time and affects efficiency. Therefore, there is need to develop detailed project proposals and make projects bankable at the start of plan implementation.
- Weak sector wide approach to planning and implementation affects harnessing intersectoral linkages and efficiency gains. There is need to strengthen the sector wide approach to planning and implementation as well as sector re-clustering where required.
- Positive mindsets and commitment among the leaders, implementers, and the general population is critical for effective plan implementation.
- Need for stronger institutional capacity and improved public sector management.
- There is need for robust early warning systems and disaster preparedness plans to build resilience capacities in order to mitigate the impact of natural disasters on infrastructure and productivity.

1.2 Strategic Direction

1.2.1 Goal

The goal of this Plan is to propel the country towards middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth. This will be realized through strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth.

1.2.2 Development Objectives

The NDP II sets four objectives to be attained during the five year period. These are:

- (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.

In order to achieve these objectives, Government will pursue a number of development strategies including:

- (i) ensuring macro-economic stability with fiscal expansion for frontloading infrastructure investments;
- (ii) industrialization and export oriented growth through value addition, agro processing, mineral beneficiation, selected heavy and light manufacturing;
- (iii) An employment creation strategy through fast tracking skills development and harnessing the demographic dividend;
- (iv) Strong Public/Private Partnerships (PPPs) for sustainable development;
- (v) A private sector led growth and a quasi-market approach; and
- (vi) Strengthening governance mechanisms and structures.

1.2.3 NDPII Priorities

The NDPII prioritizes investment in three key growth opportunities which are: Agriculture; Tourism; Minerals, Oil and Gas, as well as in two fundamentals: Infrastructure and Human Capital Development. Investment in the five priority areas will follow the entire value chains, which have guided the identification of priority projects and interventions in these areas. This is intended to rally the various players along the value chains, while maximizing sectoral linkages and increasing efficiency in resource use.

In agriculture, emphasis will be placed on investing in 12 enterprises (Cotton, Coffee, Tea, Maize, Rice, Cassava, Beans, Fish, Beef, Milk, Citrus and Bananas), along the value chains. Focus will be on: Strengthening agricultural research; implementing the single spine extension system; technology adaptation at the farm level; increasing access to and effective use of critical farm inputs; promoting sustainable land use and soil management; increasing access to agricultural finance with specific options for women farmers; and strengthening agricultural institutions for effective coordination and service delivery.

Under the tourism priority area, the Plan will focus on improvement, diversification and exploitation of tourism products. Emphasis will be placed on: aggressive marketing; investment in tourism facilitating infrastructure (energy, water, and ICT); appropriate skills development and improvement in related services; increasing the quantity and quality of accommodation facilities; intensifying the provision of security and protection of tourists and tourist attraction sites; combating poaching and eliminating the problem of wildlife dispersal to ensure maximum exploitation of tourist attractions and amenities; capacity building, tourism management (Regulation and enforcement, grading and classification of hotels and restaurants) and; conservation of tourism sites and wildlife.

In the Minerals, Oil and Gas development priority area, six key minerals are earmarked for exploitation and value addition. These are: Iron ore, Limestone/Marble, Copper/Cobalt, Phosphates, Dimension stones and Uranium. In addition, the exploitation of an estimated resource of 6.5 billion barrels of oil with a recoverable potential of 1.4 billion barrels is prioritized. Key investments in this area will include: Development of geological surveys; investment in more survey and exploration; faster acquisition of land; construction of 3 pipelines to transport crude oil to Lamu and Mombasa; refined products to Kampala, Eldoret and Kigali, and Liquefied Petroleum Gas (LPG) to Kampala and Gulu; construction of an oil and gas refinery; and increased prospecting and processing of the selected minerals.

Investment in transport infrastructure will include: the Standard-Gauge Railway; and upgrading of strategic national roads from 3,795km to 5,295km. In line with this Plan's prioritization framework, strategic roads to support exploitation of minerals, oil and gas, tourism and decongestion of traffic in the city areas will be targeted. In addition, efforts will be geared towards increasing the volume of passenger and cargo traffic by marine traffic.

As regards to energy infrastructure, investment will be focused on exploitation of the abundant renewable energy sources including hydropower and geothermal, so as to increase power generation capacity from 825MW in 2012 to 2,500MW by 2020; expansion of the national electricity power grid network; and promoting energy efficiency and use of alternative sources of energy.

In the ICT area, priority is on extension of the National Backbone Infrastructure (NBI), construction of ICT incubation hubs/ centres and ICT parks.

Government will also invest in water for production infrastructure to boost commercial agriculture and industrial activities. Emphasis is on construction of large and small scale

water schemes for irrigation, livestock and rural industries, while increase cumulative storage from 27.8 to 55 Million cubic metres.

The human capital development priority area will focus on increasing the stock of a skilled and healthy workforce towards increasing the human capital to accelerate the realization of the Uganda Vision 2040. Human capital Development is a multi sectoral process comprising health, education and social development among others.

- Under Health, emphasis will be on: mass management of malaria (mass malaria treatment for prevention); National Health Insurance scheme; universal access to family planning services; health infrastructure development; reducing maternal, neonatal and child morbidity and mortality; scaling up HIV prevention and treatment; and developing a centre of excellence in cancer treatment and related services.
- The education component will focus on: Strengthening Early Childhood Development (ECD) with special emphasis on early aptitude and talent identification; Increasing retention at primary and secondary levels, especially for girls, as well as increasing primary-to-secondary transition; increasing investment in school inspection; reviewing and upgrading the education curricula.
- The skills development component will focus on: reforming of the curriculum at all levels to produce skills that are relevant to the market; expanding skills development to include formal and informal through strengthening coordination, regulation and certification of both formal and non-formal training; and establishing skill development centres of excellence in prioritized areas.
- In regards to the social development component, emphasis will be on: strengthening Labour Market Information System (LMIS) and Employment Services; implementing a national programme for women economic empowerment; promoting creative industries for job creation especially for young people; establishing and operationalize productivity centres at national and regional levels for improving the productivity of the Ugandan workers; developing and implementing a programme to inculcate positive values and mind-sets to produce “skilled and cultured people”; expanding access to contributory social security for workers in the informal sector and gradual roll-out of a non-contributory social pension scheme for older persons; and scaling up the youth livelihood programme.
- The water and sanitation component will focus on: increasing access to safe water and sanitation level in rural and urban areas.

1.2.4 NDPII Expected Results

Over the Plan period, Government will focus on attaining the following results: (i) Increasing per capita income from USD788 to USD1,033; Increasing GDP growth rate from 5.2 to 6.3 percent (ii) reducing the poverty rate from 19.7 per cent to 14.2 per cent, (iii) reducing the number of young people not in education, employment or training by at least 20 per cent; (iv) increasing manufactured exports as a percentage of total exports from 5.8 percent to 19 percent; (v) increasing the percent of the population with access to electricity from 14 percent to 30 per cent; (vi) increasing access to safe water from 65 percent to 79 percent in rural areas and from 77percent to 100 percent in urban areas; (vii) increasing the quantity of

total national paved road network from 3,795 kilometres to 5000 kilometres; (viii) reducing the Infant Mortality Rate per 1,000 live births from 54 to 44 and the Maternal Mortality Ratio per 100,000 live births from 438 to 220/100,000; (ix) reducing fertility from 6.2 to 4.5 children per woman; (x) reducing child stunting as a percent of under-5s from 31 percent to 25 percent; (xi) increasing primary to secondary school transition rate from 73 percent to 80 percent and Net Secondary Completion from 36 percent to 50 percent.

1.2.5 Implementation, Monitoring and Evaluation

To address implementation bottlenecks, existing institutional implementation arrangements will be strengthened and the following reforms are being implemented:

- Progress Reporting: (quarterly progress reports, field sport visits, Budget performance reports, quarterly financial reports from non-budget activities, etc)
- Annual Review of LGDP (joint annual reviews,
- Midterm Review (two-and-a-half years into the Plan's implementation)
- End of Plan/Term Evaluation (conducted after five years of the Plan's implementation)
- A Delivery Unit has been established in Office of the Prime Minister (OPM) with a fully functional technical team to fast track implementation
- Accounting Officers at national and local government level to sign performance contracts in line with NDPII results and targets
- The NPA will issue a Certificate of Compliance of MDA plans and budgets to NDPII before they are approved by Parliament
- Engage Private Sector/Civil Society in discussing progress in the implementation of the plans.

Section 2: Key Messages for Local Government

- Integration and Linkage of LG Development Plans with the NDPII. This will be a two-way scenario:
 - Integration of HLG development priorities and programs addressing peculiar needs of LGs into the NDP and the sector development plans (SDPs).
 - Adaptation of NDP/ national and sector development priorities in the respective HLG development plans including the specific targets and resources.
- In line with the planning guidelines, all LGs should by now have submitted their five year Development Plans aligned to NDPII. Failure to comply renders the budget prepared null and void.

- All LGs are required to submit their respective District Development Plans (DDPs) to NPA for review before finalisation. However, the status is as follows.

Item	Status
DDPs Submitted to NPA	41
MDPs submitted	05
Plans Reviewed	23
DDPs Not Submitted	70
MDPs Not submitted	17
LGs trained in use of LG guidelines	64
Municipalities trained in use of LG Planning Guidelines	10

Refer to Annex 1 for the detail districts

- Whereas Municipal Councils (M/Cs) are expected to have their plans aligned to the DDPs, they should also have them submitted to NPA for review.
- Align / link the DDPs / MDPs focussing them on key priority areas.
- Integration of cross cutting issues in DDPs / MDPs and budgets
- Concentrate resources to areas that create an impact along the value chain e.g. production grants
- For Operation Wealth Creation, the LGs should concentrate the funding on a few selected commodities
- LGs should also develop the DDP Results Framework for tracking progress of implementation of the Plan

Emerging issues

- Integration of Post 2015 Development Agenda and Sustainable Development Goals (SDGs) into Development Plans at both National and LG levels. NPA will support LGs in domesticating SDGs
- In order to ensure successful implementation of the NDPII, Section 13(7) of the Public Finance Management Act, 2015, requires NPA to issue a certificate of compliance of the annual budget of the previous financial year to accompany the annual budget for next financial year. According to Section 13 (6), the Annual Budget shall be consistent with the National Development Plan (NDP), National Budget Framework Paper (NBFP) and Charter of Fiscal Responsibility (CFR). In addition, the Act requires that the CFR and NBFP are consistent with the NDP. The process will involve ascertaining the extent of alignment of the SDPs/ MDA Strategic Plans /DDPs/AWPs to the NDP and assessing the consistency of the budget instruments, i.e. National/Sector/ MDA/LG BFPs and Annual Budgets with the NDP. Modalities are being worked out on how it will be applied to LGs.
- Cross cutting issues - integrating Human Rights Based approach in plans and budgets

Annex 1: Status of DDP/ MDP Finalization

S/N	DDPs Submitted	MDPs submitted	Plans Reviewed	DDPs Not Submitted	MDPs Not submitted	LGs trained in use of LG guidelines
1.	Buikwe	Masindi	Buikwe	Bukomansimbi	Arua	Buvuma
2.	Buvuma	Kasese	Jinja	Butambala	Busia	Kayunga
3.	Kayunga	Moroto	Kamuli	Gomba	Bushenyi-Ishaka	Lyantonde
4.	Lyantonde	Jinja	Namayingo	Kalangala	Entebbe	Kibuku
5.	Kibuku	Tororo	Ngora	Kalungu	FortPortal	Napak
6.	Napak		Serere	Kiboga	Gulu	Kiruhura
7.	Kamwenge		Adjumani	Kyankwanzi	Hoima	Bukedea
8.	Kayunga		Albetong	Luweero	Iganga	Budaka
9.	Bukedea		Arua	Lwengo	Kabale	Bulambuli
10.	Busia		Gulu	Masaka	Lira	Kamuli
11.	Bulambuli		Moyo	Mityana	Masaka	Namayingo
12.	Jinja		Otuke	Mpigi	Mbale	Serere
13.	Kaliro		Buhweju	Mubende	Mbarara	Abim
14.	Kamuli		Hoima	Mukono	Mukono	Adjumani
15.	Kibuku		Ibanda	Nakaseke	Ntungamo	Albetong
16.	Kumi		Kabale	Nakasongola	Rukungiri	Apac
17.	Namayingo		Kasese	Rakai	Soroti	Arua
18.	Ngora		Mbarara	Sembabule		Gulu
19.	Serere		Mitooma	Wakiso		Otuke
20.	Abim		Ntoroko	Amuria		Buhweju
21.	Adjumani		Rubirizi	Bududa		Buliisa
22.	Albetong		Mayuge	Bugiri		Kole
23.	Apac		Kiruhura	Bukwo		Hoima
24.	Arua			Butaleja		Kasese
25.	Gulu			Buyende		Kalungu
26.	Moyo			Iganga		Kiboga
27.	Otoker			Kaberaido		Lwengo
28.	Buhweju			Kapchorwa		Masaka
29.	Buliisa			Katakwi		Mityana
30.	Hoima			Kween		Mubende
31.	Ibanda			Luuka		Mukono
32.	Kabale			Manafwa		Amuria
33.	Kanungu			Mbale		Buyende
34.	Kasese			Namutumba		Katakwi

S/N	DDPs Submitted	MDPs submitted	Plans Reviewed	DDPs Not Submitted	MDPs Not submitted	LGs trained in use of LG guidelines
35.	Mbarara			Pallisa		Kween
36.	Mitooma			Sironko		Pallisa
37.	Ntoroko			Soroti		Tororo
38.	Rubirizi			Tororo		Agago
39.	Mayuge			Agago		Amolatar
40.	Kiruhura			Amolatar		Amudat
41.	Kyenjojo			Amudat		Amuru
42.				Amuru		Dokolo
43.				Dokolo		Kaabong
44.				Kaabong		Kitgum
45.				Kitgum		Koboko
46.				Koboko		Kotido
47.				Kotido		Lamwo
48.				Lamwo		Lira
49.				Lira		Maracha
50.				Maracha		Moroto
51.				Moroto		Nakapiripirit
52.				Nakapiripirit		Nebbi
53.				Nebbi		Nwoya
54.				Nwoya		Oyam
55.				Oyam		Pader
56.				Pader		Yumbe
57.				Yumbe		Zombo
58.				Zombo		Bundibugyo
59.				Bundibugyo		Isingiro
60.				Bushenyi		Kabarole
61.				Isingiro		Kibaale
62.				Kabarole		Kiryandongo
63.				Kibaale		Kyegegwa
64.				Kiryandongo		Masindi
65.				Kisoro		Municipal Councils
66.				Kyegegwa		Arua
67.				Masindi		Entebbe
68.				Ntungamo		FortPortal
69.				Rukungiri		Gulu

S/N	DDPs Submitted	MDPs submitted	Plans Reviewed	DDPs Not Submitted	MDPs Not submitted	LGs trained in use of LG guidelines
70.				Sheema		Hoima
71.						Lira
72.						Masaka
73.						Mukono
74.						Moroto
75.						Tororo