



# TWENDE MBELE

20/08/2023

## CURRENT USE OF M&E EVIDENCE IN DEVELOPMENT PLANNING AND BUDGETING PROCESSES IN THE SIX TWENDE MBELE COUNTRIES: OPPORTUNITIES FOR ENTRENCHMENT : THE CASE OF UGANDA

The purpose of this research report is to understand the current use of performance monitoring and evaluation evidence (data) in the planning and budgeting processes of the government of Uganda and to develop a guideline on how to entrench the use of M&E evidence in the public sector planning and budgeting processes in Uganda. The aim is to ensure that these two crucial functions are informed by the best available performance data on existing development plans, policies, programmes and projects of the government of Uganda.

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BUDGETING PROCESSES IN THE SIX TWEDE MBELE COUNTRIES:  
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**THE CASE OF UGANDA**

**FINAL REPORT**

**BY**

**PROF. AUGUSTUS NUWAGABA**

**August 2023**

## FOREWORD



Rt. Hon. Robinah Nabbanja

The Government of the Republic of Uganda works to improve the material conditions of its citizens as articulated in the Uganda Vision 2040, seeking to transform Uganda into a modern and prosperous country. To operationalize and incrementally implement this normative socio-economic development vision, Uganda implements five-year National Development Plans (NDPs), of which the Government has undertaken a medium-term review of the incumbent NDP III (2020/21-2024/25). At the center of government implementation of these national development frameworks is the central and subnational monitoring and evaluation (M&E) system that is meant to monitor and evaluate Government's implementation and performance vis-à-vis NDP targets. To date, the Office of the Prime Minister (OPM), working with other public institutions, has developed, and continues to strengthen, the whole-of-government monitoring and evaluation system.

In December 2022, the Office of the Prime Minister, working with Twende Mbele, its technical and financial partner in the sphere of M&E systems learning and strengthening, commissioned and undertook an applied research study on the use of performance M&E data in public sector planning and budgeting cycles and processes. This Report and its accompanying Guideline on improving use of M&E data in government planning and budgeting processes is therefore the output of this joint research. The Government of Uganda is looking forward to using the recommendations in the Report and the Guideline to bridge the gap between M&E data producers and planning and budgeting stakeholders who can use this data to inform their respective processes.

I, therefore, call upon all Programmes, Ministries, Departments and Agencies to take up this task of ensuring that M&E evidence informs key planning and budgeting decisions for better development planning and resource allocation. M&E evidence is an important tool that can help the country to realise Uganda Vision 2040 and its implementation instruments in the form of NDPs.

A handwritten signature in blue ink, appearing to be 'RN', written over a light blue grid background.

Rt. Hon. Robinah Nabbanja

**PRIME MINISTER OF THE REPUBLIC OF UGANDA**



## **ACKNOWLEDGEMENT**

The Directorate of Monitoring, Evaluation and Inspection, Office of the Prime Minister (OPM), in the Republic of Uganda would like to thank Professor Augustus Nuwagaba for his role in leading this national level research study on use of M&E evidence-use in public sector planning and budgeting. This research report also benefitted from the expertise of a Steering Committee and validation workshop constituted by officials from across Uganda’s public institutions. Primary data collection was made possible through the interest and cooperation of our respondents from across sampled Ministries, Departments and Agencies of the Government of the Republic of Uganda. Likewise, the OPM would like to acknowledge the technical and financial support provided by Twende Mbele throughout the life-cycle of this research report: conceptualization, planning and facilitation.

**With technical and financial support from**



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## Abbreviations and acronyms

BCC	Budget Call Circular
BFP	Budget Framework Papers
BMAU	Budget Monitoring and Accountability Unit
BOU	Bank of Uganda
CLEAR-AA	Centre for Learning on Evaluation and Results-Anglophone Africa
CNDPF	Comprehensive National Development Planning Framework
COSASE	Committee on Statutory Authorities and State Enterprises (of Parliament)
DRMS	Domestic Revenue Mobilization Strategy
GAPR	Government Annual Performance Report
GEF	Government Evaluation Facility
ICT	Information Communication Technology
IDEV	Independent Evaluation Unit of the African Development Bank
IFMS	Integrated Financial Management Information System
KCCA	Kampala Capital City Authority
KII	Key Informant Interviews
LGAC	Local Governments Accounts Committee (of Parliament)
LGs	Local Governments
M&E	Monitoring and evaluation
MDAs	Ministries, Departments and Agencies
MFPED	Ministry of Finance Planning and Economic Development
MoES	Ministry of Education and Sports
MoPS	Ministry of Public Service
MoWE	Ministry of Water and Environment
MPC	Monetary Policy Committee
MPS	Ministerial Policy Statements
MTEF	Medium Term Expenditure Framework
MTR	Medium Term Review
NAPR	National Annual Performance Report
NDP	National Development Plan
NPA	National Planning Authority
OAG	Office of Auditor General
OPM	Office of the Prime Minister
PAC	Public Accounts Committee (of Parliament)
PBM	Programme-Based Monitoring
PBS	Programme Budgeting System
PFMA	Public Finance Management Act
PIAP	Programme Implementation Action Plan
PWGs	Programme Working Groups
RBME	Results-Based Monitoring and Evaluation
SDGs	Sustainable Development Goals (of the UN)
UBOS	Uganda Bureau of Statistics

## **Executive summary**

### **1. Background**

This report has been prepared as the key output from a study commissioned by Twende Mbele, which is a multilateral peer-learning initiative between six (6) African countries (Benin, South Africa, Uganda, Kenya, Ghana and Niger) and two regional partners (The Centre for Learning on Evaluation and Results - Anglophone Africa (CLEAR-AA) and the Independent Evaluation Unit of the African Development Bank [IDEV]). The study focused on Uganda.

### **2. Purpose of the study**

The purpose of this research report is to understand the current use of performance monitoring and evaluation evidence (data) in the planning and budgeting processes of the government of Uganda, and to develop a guideline on how to entrench the use of M&E evidence in the public sector planning and budgeting processes in Uganda. The aim is to ensure that these two crucial functions are informed by the best available performance data on existing development plans, policies, programmes and projects of the government of Uganda.

### **3. Findings on key themes of the study**

#### **3.1 M&E function in government**

- a) **Presence of M&E:** The evidence obtained from the survey of government Ministries, Departments & Agencies (MDAs) and Local Governments (LGs) shows that all government institutions are required to have an M&E function. A number of Ministries and Agencies now have M&E Departments and specific staff. Some MDAs have Units or Sections under the Planning Unit in charge of M&E. The process of institutionalization of M&E has started but is not yet fully achieved.
- b) **Structures and architecture of M&E in government:** The major public sector M&E stakeholders include (i) Central government ministries, departments & agencies and Local Governments); (ii) Oversight & accountability institutions (e.g. Parliament oversight committees & Office of Auditor General-OAG); (iii) Budget execution monitoring (Budget Monitoring and Accountability Unit [BMAU] of MoFPED); (iv) Overall government performance (Office of the Prime Minister through GAPR process); and, (v) Apex Platform (Office of the President, OPM, MFPEP and NPA).
- c) **Key M&E processes:** There are about 6 levels including: (i) Routine monitoring/ reporting, (ii) Periodic reporting, (iii) Annual reporting (Joint Annual Reviews), (iv) Annual reporting (OPM GAPR, now known as National Annual Performance Review [NAPR]), (v) Midterm Review, and (vi) End of term evaluation. Most critical among the several processes is the Government Annual Performance Assessment by OPM under GAPR process and the Programme-Based Monitoring (PBM) by BMAU. The NAPR is conducted by the OPM which then produces the Performance Report (GAPR) on Government's performance and the

results of public spending for the financial year under review. For the PBM, it is conducted by the BMAU of the Ministry of Finance, Planning and Economic Development (MoFPED) to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs) of the third National Development Plan (NDPIII).

- d) **Most critical actors:** While the M&E framework in government is very broad, encompassing several actors, institutions and stakeholders, among the most critical are the President’s Office, Office of the Prime Minister (OPM), Ministry of Finance Planning and Economic Development (MOFPED) and the National Planning Authority (NPA).
- e) **Capacity and facilitation for M&E function:** The M&E function was found to be not well capacitated, characterized by unskilled and inadequate staff numbers (1-4 staff on average), inadequate tools and a meagre budget. The critical gap in the M&E function is inadequate digitalization of data. There are very few MDAs with Enterprise Resource Planning (ERP) software system, minimal establishment and utilization of Data analytics/Data architects/ dashboards, Data Engineers and programmers. Similarly, very few (if any) MDAs are aware of the application of Balance Score Card and Dash Board as tools in monitoring and Reporting.

### **3.2 Critical challenges and gaps faced by M&E Units across government**

- a. Inadequate capacity and funding of M&E function.
- b. Shortage of specialized and appropriate skills & experience in M&E systems.
- c. Digital gaps, including lack of the modern tools and applications for collection, processing and analysis of M&E data;
- d. Inadequate appreciation of the importance of M&E at high levels of government, leading to marginalization of the M&E function in the government and limited evidence-based planning and budgeting.
- e. Corruption/ transparency deficit, perpetrated by errant officials who tend not to fully cooperate with requirements of M&E systems.
- f. Lack of proper records keeping/maintenance, which undermines accurate M&E, especially in local governments.
- g. Frequent transitional shifts in policy and government structures, where Government frequently changes structures of government, policies and priorities hence, complicates the M&E function as it impacts earlier plans and targets;
- h. Lack of evidence-based planning and budgeting means that budgets do not ‘speak’ to plans hence implementation of disjointed action plans with minimum impact.

### **3.3 Planning systems and application of M&E information in planning**

- a) **Planning framework:** Government planning in Uganda proceeds from the Comprehensive National Development Planning Framework (CNDPF), adopted by Cabinet in 2007, leading to the formulation of the National Vision and the National Development Plan (NDP). The NDP is Uganda’s policy blueprint for actualizing the National Vision 2040, which is “A

*transformed Ugandan society from a peasant to a modern and prosperous country within 30 years*". The NDP comprises of a successive series of six five-year rolling plans over the 30-year period of the vision.

- b) **Paradigm shift and current systems for planning:** Government planning processes under the NDP I (2010/11 – 2014/15) and NDPII (2015/16 – 2019/20) were based on the sector approach, but this has changed to a programmatic approach under the NDP III (2020/21-2024/25). The aim is to harnesses synergies from previously independent sectors and promote efficiency. The NDP III has 18 programmes across 5 objectives.
- c) **Three tier planning hierarchy under the programmatic approach:** These are: (i) National Development Plan (NDP) by the National Planning Authority (NPA) that operationalizes the national vision across 30 years and sets objectives and targets over a series of 5-year rolling plans; (ii) Programme Implementation Action Plan (PIAP) by the Programme Working Group (PWG) under the Lead Ministry, which operationalize the 18 respective NDP III programmes by providing details of the activities and resources required; and (iii) MDA/ LG Strategic Plan by the Ministries, Departments and Agencies (MDAs) as well as the Local Governments (mainly Districts and Urban Authorities) translating the NDPIII goal, objectives and interventions to 5 year MDA/ LG level strategic plans.
- d) **Key external stakeholders in the planning processes:** At all the 3 tiers of planning, the major actors and stakeholders include: National Planning Authority (NPA), Office of the President, Office of the Prime Minister (OPM), MoFPED, Uganda Bureau of Statistics (UBOS), Development Partners, Local governments, Civil society and private sector organizations.
- e) **Demand and application of M&E information in planning:** Despite notable improvements over the last decade, there is currently still a significant deficit on the level of demand and application of M&E information in government planning. This varies among government institutions. However, available data shows little evidence-based planning across MDAs, leading to development plans that are not 'spoken' to by the budget, hence implementation paralysis of most action plans.

### **3.4 Factors undermining the demand and full application of M&E evidence in planning**

- a. Inadequate appreciation of full institutionalization of M&E function across MDAs.
- b. Lack of adherence to data quality standards for M&E evidence, which could culminate in misleading actions.
- c. Huge informal sector which dominates the economy and undermines predictive projections due to lack of official data.
- d. Strong voices and political expediency which sometimes overrules scientific and objective planning promoted under M&E processes.
- e. Inadequate alignment and harmonization of data needs and indicator definition, leading to failure to conduct comparative analysis across MDAs.

### 3.5 Budgeting systems and application of M&E information in budgeting

- a) **Budgeting framework:** In principle, government budgeting moves in tandem with government planning. However, while the fundamental planning frameworks (NDPs at the national level, PIAPs for programmes, strategic plans for MDAs and LG plans) normally span a period of 5 years, with no clear annualised targets yet, the fundamental government budget (regardless of the ‘costed’ fundamental 5-year plans) is not only annual, but is also a cash budget, implying that un-utilised budget is remitted back to Treasury at the end of the Financial Year, June 30<sup>th</sup>.
- b) **Governance and legal provisions for budgeting:** The government budgeting framework is mostly provided for under the Public Finance Management Act of 2015. The PFMA provides for critical issues relevant for this analysis including the Budget Framework Paper, the roles of the Minister and the Secretary to the Treasury in the budgeting process, government expenditures, and supplementary budgets, among others.
- c) **Policy shift under the programmatic approach:** Under the Third National Development Plan (NDPIII), government has shifted away from the sectoral to Programme-Based Budgeting (PBB). For each of the 18 programmes, the budget process has to feed into the Budget Framework Papers (BFPs) and Ministerial Policy Statements (MPS) under which Ministries, Departments, Agencies (MDAs) and Local Government (LGs) have to specify measures and allocate budgets to address the different needs.
- d) **Key budget cycle process and timelines:** 1. Budget Call Circular (September); 2. Sector & Programme Budget Framework Papers (BFPs) to MFPED by 15<sup>th</sup> November; 3. National Budget Framework Paper (BFP) to Parliament by 31<sup>st</sup> December; 4. BFP consideration and approval by Parliament by 1<sup>st</sup> February, plus Ministerial Policy Statements (MPSs) by 15<sup>th</sup> March; 6. Annual National Budget estimates submission to Parliament by 1<sup>st</sup> April; 7. Budget consideration and approval by Parliament by 31<sup>st</sup> May; 8. Official presentation (reading) of approved National Budget by 30<sup>th</sup> June; 9. Budget implementation commences 1<sup>st</sup> July.
- e) **Demand and application of M&E information:** There is currently a fundamental gap in the demand and application of M&E information in government budgeting. The budgeting process is well structured, but sector allocations do not derive from needs identified in M&E function. The budget does not derive from what sectors have been flagged. Rather, the budget is largely pre-determined through ‘earmarked’ expenditure centres, largely salaries of staff, leaving MDAs with no discretionary budget lines. The problem is exacerbated by persistent deficit financing with significant outlays prioritized by debt payment. Currently, this [debt payment] comprises 30% of the national budget, implying that in actual sense of budgeting, there is very little funds to budget for.

### 3.6 Factors impeding the demand and full application of M&E evidence in budgeting

- a. Inadequate appreciation & full institutionalization of M&E function.
- b. Political influence and stronger voices in budget allocations e.g. poor households, the majority, are engaged in agriculture, but the sector gets a paltry 3% to 4% of the national

budget, while the bulk goes to the more powerful voices in security / defence, state house and public administration.

- c. Planning and budgeting dichotomy where the key strategic plans (though costed) have a span of 5 years, but budgeting is basically an annual function with a cash budget.
- d. Common fiscal and budgetary indiscipline, evidenced by a spiralling national debt (52% of GDP) and revenue shortfalls (collections are only about 13% of GDP).
- e. Rampant supplementary budgeting, sometimes for unclear ‘emergencies’, yet only 3% of National Budget is provided for under PFMA of 2015.
- f. Constrained National Budgets and resources hence, budget allocations and releases increasingly become like a ‘fire-fighting’ exercise, hence application of M&E information has little relevance.
- g. External shocks e.g. COVID-19 and the Russia-Ukraine war undermine objective budgeting, regardless of the earlier long term evidence-based budget projections.
- h. Development aid conditions - where Government budgets are financed from both the domestic resources but also substantially from development partners - mean that such aid conditions have a very big influence on the budget decisions, rather than the M&E application by the government.

#### **4. Lessons learnt and best practices on M&E in government planning and budgeting**

- a) **Attitude and appreciation:** The most critical issue is the demand and application of M&E information across MDAs. The level of recognition of M&E evidence is a powerful tool in formulating impactful action plans.
- b) **Credibility, timeliness and reliability:** The efficacy of M&E evidence in planning and budgeting is very much compliant with the ‘garbage in, garbage out’ principle. Data should not only be accurate but also timely if it is to serve as an evidence source in budgeting, planning and the implementation of action plans.
- c) **Objectivity and political neutrality:** M&E information works best for planning and budgeting processes when objectivity is allowed to transcend political expediency.
- d) **Data needs and stakeholders` prior input:** M&E evidence needs to be responsive to the needs of the users in the planning and budgeting processes; otherwise data collected may not necessarily be useful for these processes.
- e) **Timely data collection and dissemination:** The usefulness of M&E information in planning and budgeting processes greatly depends on the gathering of the data well in time, and also the prompt dissemination of results to the users (planners/policy makers), before they make the plans, budgets and policies.
- f) **Digitization, standardization and accessibility:** Effective M&E data use depends on ease of access by the users and convenient platforms for the data across government. This requires robust information systems rolled out across government.

## 5. Recommendations to improve utilization of M&E in planning & budgeting

- i. **Cultivate a mind-set change towards appreciating M&E function**, through a 5-year change management programme targeting the key planning/budgeting officials across government MDAs and LGs , including design of appropriate messages, preparation of materials, and delivery of the materials/messages.
- ii. **Consolidate the institutionalization and capacity of the M&E function** by upgrading the M&E functional structures from small, marginalized units to sizeable sections, as well as more internal allocation of more resources and facilitation.
- iii. **Leverage ICTs and digital systems for M&E data**, through initiatives towards interconnectivity between the various institutions, electronic data sharing, timely access and the establishment of an Enterprise Resource Planning (ERP) system, electronic information dashboards and Balanced Score Cards (BSC) for the performance-based staff contracts.
- iv. **Enhance M&E data quality, timeliness and credibility** through multiple interventions including: ensuring that M&E data outputs are aligned and harmonized with the planning and budgeting information needs; acquaintance with planning and budgeting cycles to ensure that key M&E evidence is generated and disseminated in a timely manner; ensuring professional data generation processes, and UBOS to ensure high quality, standardized and accessible data for all government data users.
- v. **Improve fiscal discipline and political accountability**, through renewed fiscal prudence and respect for evidence based planning and budgeting at the highest levels of government. Such measures enhance domestic revenue mobilization efforts by the Uganda Revenue Authority (URA), while maintaining government expenditure within reasonable confines that reflect prudent management of government debt, and keeping supplementary budgets to a bare minimum and only for justifiable causes, and generally trying to spend within government means.
- vi. **Reign in external distortions of government plans and budgets**, including improved negotiation for aid at reasonable development aid conditions, ensuring domestic resource self-sufficiency in the long term; and proactive disaster management and resilience against potential external shocks through a reasonable disaster response contingency plan.

# **1** INTRODUCTION

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## **1.1 Background**

Twende Mbele is a multilateral peer-learning initiative between six (6) African countries (Benin, South Africa, Uganda, Kenya, Ghana and Niger) and two regional partners (The Centre for Learning on Evaluation and Results-Anglophone Africa [CLEAR-AA] and the Independent Evaluation Unit of the African Development Bank [IDEV]). The core aim of Twende Mbele is to develop, strengthen and sustain public sector performance monitoring and evaluation systems that improve development policy and programme performance. An added value of effective public sector M&E systems is that it leads to horizontal accountability among government institutions whose mandates are advancing the socio-economic development needs of African populations. Likewise, M&E systems also have potential to build a culture of vertical government accountability to citizens. To this end, Twende Mbele facilitates projects and activities geared towards the improvement of government M&E systems, policies, tools, and procedures based on shared experiences and understanding of local needs. Moreover, Twende Mbele supports the measurement of progress towards implementing the UN Sustainable Development Goals (SDGs) through activities designed to support the performance of government vis-à-vis National Development Plans.

## **1.2 Purpose of the study**

Improving the use of M&E and other forms of evidence in development planning and budgeting is a key priority work area for Twende Mbele for the years 2022-2024. Development planning and budgeting are permanent core functions for governments worldwide, as these functions help governments pursue their mandate of delivering a better life for their citizens. Development planning is defined as a public management tool whose primary aim is to pursue development objectives, typically over a 5-year period. A budget is a financial plan detailing expenditure on a series of activities that are meant to achieve defined goals. Budgeting is therefore the process by which a government or other organization creates and approves a budget. Given the vitality of the two governance processes of development planning and budgeting, the use of performance monitoring and evaluation data is crucial to ensuring that the two processes are informed by performance evidence.

The purpose of this proposed research study is to understand the current use of performance monitoring and evaluation evidence (data) in the planning and budgeting processes across MDAs. Through this research study, Twende Mbele seeks to develop a guideline on how to entrench the use M&E evidence in the public sector planning and budgeting processes in

Uganda, making sure that these two crucial functions are informed by the best available performance data on existing development plans, policies, programmes and projects of the government of Uganda. The research study will also provide key avenues through which Twende Mbele and the Ugandan government can implement activities to improve the use of performance evidence in development planning and policymaking, and/or help development planners make crucial decisions on how to improve the design or implementation of development interventions, or alternatively, to decide whether to terminate such interventions. The use of M&E evidence in the budgeting process can likewise help stakeholders involved in the budgeting cycle to make budget allocations based on information on current and previous expenditure and intervention performance information vis-à-vis existing development plans, policies, programmes and projects. Such evidence can help budgeting process stakeholders make informed decisions on what resources to allocate to various development plans, policies, programmes and projects based on implementation performance and expenditure information thereof.

### 1.3 Key themes and scope of the study

The study was guided by three broad themes, respective sub-themes and critical questions for interrogation across the planning and budgeting functions in government. Table 1.1 presents the scope of the themes:

**Table 1.1: Themes of the study**

Theme	Sub -themes	Critical questions
<b>Policy narratives</b>	<ul style="list-style-type: none"> <li>• Foundational or structural factors</li> <li>• Rules of the game</li> <li>• Stakeholder interests and constellations of power</li> </ul>	<ul style="list-style-type: none"> <li>• How does planning and budgeting in selected MDAs work and why?</li> <li>• What kinds of factors are more or less significant in shaping planning and budgeting in that selected MDA and why?</li> <li>• Where does evidence fit into planning and budgeting?</li> <li>• Is planning and budgeting a minor or a major factor?</li> </ul>
<b>Narrative on evidence systems</b>	<ul style="list-style-type: none"> <li>• Structural issues that determine the character and credibility of data used in planning and budgeting</li> <li>• Macro level incentives that shape the processes that help</li> </ul>	<ul style="list-style-type: none"> <li>• What evidence system exists in MDAs? (Alternatively, does the MDA have an evidence system?)</li> <li>• What consists of the ecosystem of M&amp;E data (evidence) actors (producers and users) within the selected MDA (M&amp;E frameworks, directorates, research directorates, statistical units etc.?)</li> <li>• How do all these M&amp;E data (evidence) actors relate to each other, both formally and informally?</li> </ul>

Theme	Sub -themes	Critical questions
	inform policy decision making • Evidence actors and relationships • Registers of credibility and how M&E is improving the cost effectiveness of the program budgets	• Where are those relationships strong and where are they weak? • What does this imply for how different pieces of M&E data are regarded in terms of their quality, credibility, and legitimacy? • Whose voices are strong in the planning and budgeting process and whose are weak?
<b>Understanding stakeholder interests and capacities</b>	• Authority (capacity to collect) • Acceptance (need) • Ability to use (AAA)	• How is M&E data used within the selected MDAs? • Who consumes M&E data and where is it being delivered? • What organizational factors shape the types of evidence data that are prioritized and put forward to guide planning and budgeting? • What does this suggest in terms of the authority, acceptability, and accountability within each of the selected MDA in relation to the use of evidence in planning and budgeting?

#### 1.4 Approach and methodology

The consultant employed both quantitative and qualitative approaches to conduct the assessment. Three main methods were employed to gather the required data namely, document review, field survey of selected central government MDAs and local governments, and Key Informant Interviews (KIIs) with key planning and budgeting officials.

Document review involved the collection of relevant secondary data from both electronic and physical literature, focusing on government documents, research papers, project and program reports to establish the status quo in regard to the country's government-wide M&E system, planning system and budgeting system. The key documents reviewed are detailed under the attached list of references. Quantitative primary data was collected through a field survey of selected government MDAs and local governments, where senior officials were interviewed to gather primary data. A *questionnaire* was the main tool used for the survey. Key Informant Interviews (KIIs) were used to gather extra primary data from government officials with rich information and knowledge of government planning and budgeting processes, including the application of M&E in these processes. An *interview guide*, structured for purpose per respective institution, was used for the purpose. All the study tools were shared under the inception report. Attached is the list of the respondents engaged during the field data collection (quantitative survey and KIIs), including their respective institutions (Annex 1).

Data collected was processed and analyzed to generate evidence-based results. Secondary data from document review was taken through the content analysis process. Qualitative data from KIIs was analyzed by thematic procedures, all based on the emerging dominant threads along the lines of relevant themes of the assessment. In general, data was analyzed at three levels i.e., descriptive, explanatory and predictive where necessary. The synthesis process for all the data sources involved triangulating the information from the key informants and the quantitative survey with the contextual situations from the literature to ensure harmonized inferences.

### **1.5 Structure of the report**

This report has been structured in line with the scope of the study and the expected output. Chapter One provides the background to the assessment, the purpose and the context of subsequent analysis. Chapter Two presents the study findings under the aspect of institutionalization and capacity of the M&E function in government Ministries, Departments and Agencies (MDAs), including the critical challenges and gaps faced by the M&E Units across government. Chapter Three examines the planning systems and application of M&E information in planning processes of government, both at the central and local levels. Chapter Four discusses the study findings on the budgeting systems and the use of M&E evidence in budgeting processes of government. Finally, Chapter Five wraps up the report with recommendations on how to improve utilization of M&E in planning and budgeting in government ministries, departments and agencies.

## **2 INSTITUTIONALIZATION AND CAPACITY OF THE M&E FUNCTION IN GOVERNMENT**

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### **2.1 Overview of the Monitoring & Evaluation concept and its rationale**

According to the World Bank, monitoring is a continuous function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. On the other hand, evaluation is the systematic and objective assessment of an ongoing or completed project, program, or policy, including its design, implementation, and results (Kusek & Rist, 2004). Therefore, monitoring and evaluation (M&E) refers to the processes of reviewing the progress of implementation of plans, projects and programmes, and the measurement of results against the targets or intended objectives. M&E is very critical, both in private institutions and also in government operations. While the importance, merits and benefits of M&E are wide in scope, some of the most critical ones for purposes of context for this assessment, include the following:

- a) Proactive identification and addressing of implementation challenges and gaps to improve efficacy;
- b) Timely resource re-allocations in case of identified need, hence value for money and efficiency;
- c) Provides mechanism for oversight, transparency and accountability, hence more seriousness and professionalism by implementers on the ground;
- d) Provides a framework for assessment of results and effectiveness of interventions;
- e) M&E findings provide evidence for informed future planning, budgeting and programming for better results;
- f) M&E evidence further helps in policy advocacy (convincing high level policy makers) and funds mobilization (e.g. development partners) for ongoing and/or future programmes.

The emerging dominant thread from the above is that indeed, the M&E function is very critical in ensuring the efficient, effective and successful management of organizations and institutions, whether of a public or private nature. While the efficacy that comes with M&E has for ages been deemed critical in private businesses since they can easily collapse and the owners count their losses, governments (especially in the developing world) have for long ignored M&E to improve efficiency and effectiveness, instead insisting on following lengthy guidelines, bureaucratic processes and procedures, often at the expense of results. Over the last three decades, however, there has been more clamour for efficiency in government, reduction of bureaucracy, accountability and performance measurement. This process has been hastened by the increased role of development partners, especially through the design

and implementation of non-state projects/programmes, based on clear goals and targets, and including M&E frameworks and functions. As a result, governments across the developing world have increasingly adopted the project/programme approach in their planning, complete with the adoption of M&E mechanisms.

This Chapter attempts to assess the status of the Government of Uganda in this context. The assessment starts from examining the presence of the M&E function in government institutions, both at the central government Ministries, Departments and Agencies (MDAs) level as well as the local governments (Districts and Municipal/Urban Authorities). The assessment then proceeds to examine the architecture or structures of the M&E function in the government institutions, and then the implementation of the function or operations of the M&E structures in government. The assessment under the Chapter also examines the capacity and resource facilitation for the M&E structures, including personnel and funding. Critical challenges and gaps faced by the M&E units are also unmasked and examined.

### **2.2.1 Presence of M&E function in government**

The evidence obtained from the study of MDAs and LGs shows that efforts have been made to ensure that all government institutions have an M&E function, in one form or another. This finding is buttressed by the requirement under the NPA guidelines, that all government institutions must have a planning and also M&E function. Box 2.1 presents a summary of the status of M&E in government as per information obtained through Key Informant Interview (KII) with the Office of the Prime Minister (OPM).

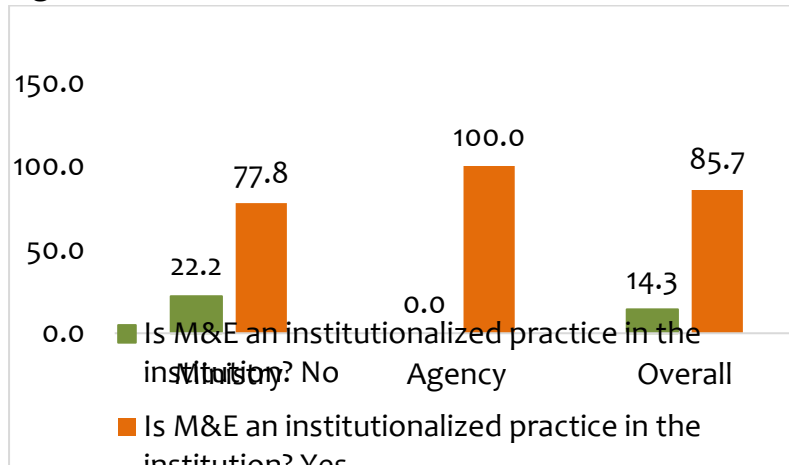
#### **Box 2.1: Institutionalization of M&E in government**

“The process of institutionalization of M&E has started but is not yet fully achieved. A number of Ministries and Agencies now have M&E Departments and specific staff designated from M&E officer level to Commissioner and even Director (e.g. OPM, OP, MoES, MoPS, MoWE, UBOS, NPA). Some MDAs have Units or Sections under the Planning Unit in charge of M&E. In accordance with the provisions of the Monitoring and Evaluation Policy, OPM has already engaged the Ministry of Public Service for structured full institutionalization of M&E”.

**Source:** Key Informant Interview, OPM, 2023

One of the key issues interrogated during the field survey of MDAs was whether “M&E is an institutionalized practice in the institution”. Overall, the majority of the respondents (85.7%) responded in the affirmative while only 14.3% said that it is not. Figure 2.1 presents the capacity findings;

**Figure 2.1: Institutionalization of M&E in the MDAs**



As shown in figure 2.1, it was established that all agencies interviewed indicated that they have M&E institutionalized within their operation. This was not the case for ministries where 77.8% had M&E institutionalized.

Information from OPM indicates that M&E is now a standard part of government operations, and staff at all levels have been trained to carry out these activities. It exists as a set of activities that take place at the policy and operational levels, and it is part of the core functions of government. OPM has an M&E Directorate which serves as a central hub for the implementation of all M&E projects. Public sector M&E is governed by a variety of institutional arrangements, including legislation, regulations, administrative procedures and policy guidelines. The institutional arrangements of public sector M&E can be classified into the centralized and decentralized types. The Ministry of Finance, Planning and Economic Development (MFPED) provides guidance on public sector M&E through its annual budget.

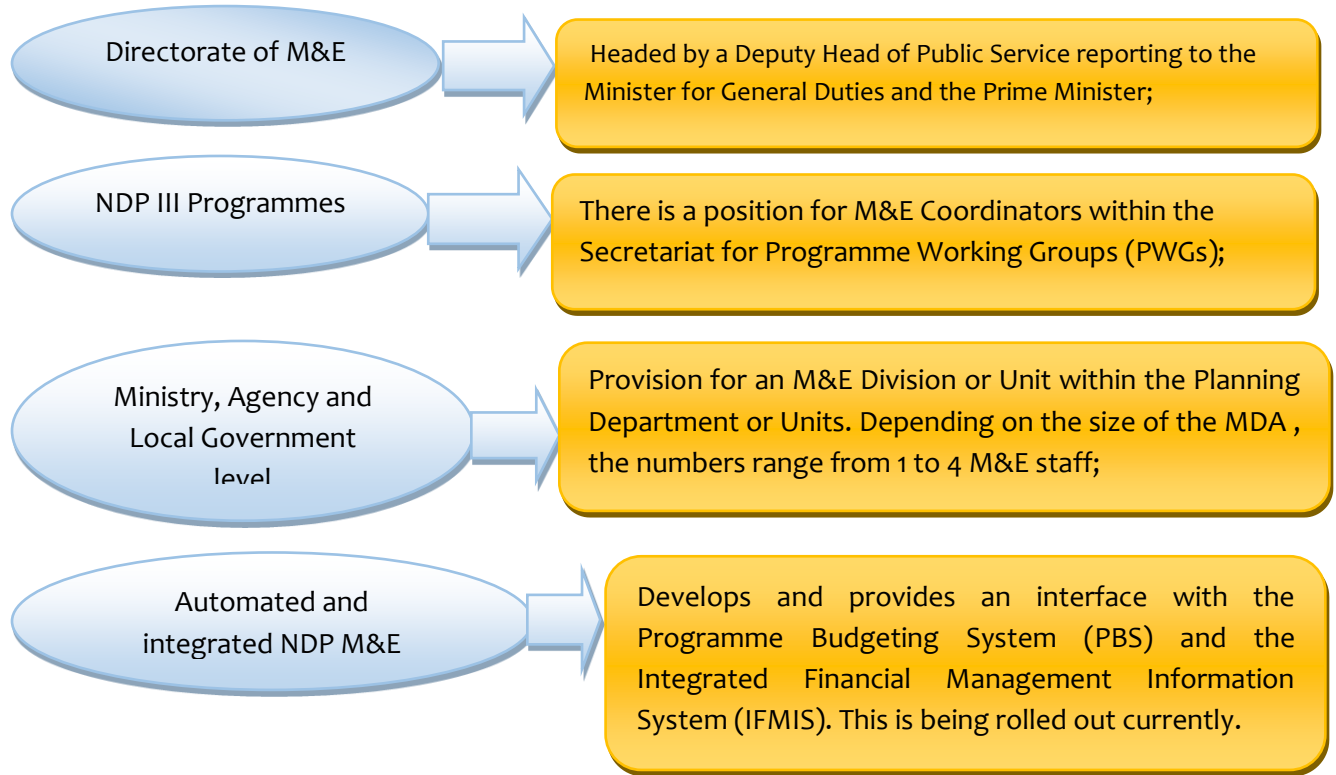
The M&E system has been steadily developing over the past decade as a result of initiatives to strengthen it, including efforts by Twende Mbele and other donors. The government has also started to develop a National Strategy and Plan for M&E. The National Planning Authority (NPA) is currently engaged in implementing an integrated M&E system across all MDAs, which will bring together all existing systems into one comprehensive framework that can be used to measure progress.

Therefore, the emerging key point is that in terms of presence across government, the M&E function is yet to be fully institutionalized across government, both central and local, but the process is well underway.

### 2.2.2 Architecture and structures of M&E in government

The presence of the M&E across government institutions is universal, however, not uniform in terms of structure. Some of the key elements of the M&E structures and hierarchy are shown in figure 2.2:

**Figure 2.2 Architecture and structures of M&E in government**



Information from the Office of the Prime Minister (OPM), which conducts most of the M&E in government institutions, indicates that the OPM uses a Results-Based Monitoring and Evaluation (RBME) system to monitor MDAs. The RBME system employs a comprehensive approach and focuses on tracking program results and outcomes, rather than just inputs and outputs. It involves setting targets for program outcomes and tracking progress towards those targets using a set of common indicators to assess their impact and effectiveness. The system includes capacity-building measures for MDA staff, including training in M&E concepts and tools. The RBME system also includes regular reporting requirements, which help to ensure that program performance is tracked and reported in a timely and transparent manner.

The evidence obtained from the survey of MDAs and LGs shows that the architecture of the M&E function is of various forms and categories. The major ones are presented in Table 2.1 below:

**Table 2.1: Major categories of M&E structures in Government**

Category	Key mandate/ aims of M&E	Elaboration of structure	Remarks
<b>1.Self-appraisal (MDAs &amp; LGs)</b>	Monitor timely implementation of planned activities; establish implementation challenges/ gaps Establish performance (results vs targets); & recommend actions for redress	(i)All the MDAs/LGs have internal M&E functions. Some have fully fledged independent units while others have them as subunits/sections under bigger departments.  (ii)MDAs/LGs also have internal audit functions. Sec 47 of the PFMA provides for an Internal Auditor General for Government responsible for internal audit strategy, policies, rules, standards, etc. Every national budget vote must have an internal auditor (Sec 48), and also an audit committee (sec 49) for each sector of Government/ LG.  (iii)Function starts at planning stage by establishing an M&E framework (goals/objectives, targets, indicators, etc.). Then conduct continuous monitoring of plan implementation; conduct end of financial year (annual) field exercises & desk reviews to evaluate performance against targets; consolidate results into annual M&E reports for the institution.	Sometimes this self-appraisal is biased due to failure to appreciate internal weaknesses. The internal-audit function seem to be weak across MDAs and LGs. Internal audit is a marginalized function as reflected in grossly inadequate financing and sometimes outright lack of independent budget.
<b>2.Oversight and accountability (Parliament oversight committees and Office of Auditor General-OAG)</b>	Monitor timely implementation of planned activities; scrutinize Auditor General’s reports and probe any accountability gaps perceived; and recommend actions for redress against errant government officials	(i)OAG is a statutory body mandated to audit government accounts. They pass on the findings to parliament oversight committees for further scrutiny and follow up  (ii)Parliament oversight committees include COSASE (statutory agencies and state enterprises), PAC (Ministries and Agencies) and LGAC (Local Governments) .They are all chaired by opposition MPs, but comprise mixed party members. The committees obtain Audit reports of Auditor General on MDAs, LGs and State Enterprises; scrutinize Auditor General’s reports; compile a report and present findings and recommendations to parliament plenary	Parliament oversight committees are active, but with limited impact. The recommendations of Parliament are rarely acted on by the executive.

		(iii) Parliament plenary then considers the report and make final recommendations for further consideration and action by the executive	
<b>3.Overall budget execution monitoring (Budget Monitoring &amp; Accountability Unit - BMAU of MoFPED)</b>	Undertake Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs) of the third National Development Plan (NDPIII)	(i)The MoFPED spearheads government budgeting. It also monitors budget execution by the MDAs & LGs, which is carried out by the BMAU, starting FY 2021/22 (ii)Conduct Semi-Annual and Annual field monitoring of government programmes and projects. (iii)Verify receipt and application of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved, and the level of gender and equity compliance in the budget execution processes. (iv)Review coherency in implementing the PIAP interventions; the level of cohesion between sub-programmes. (v)Establish budget implementation challenges/ gaps and recommend actions for redress. (vi)Consolidate results into semi-Annual and Annual reports for each NDP III programme, across government.	The BMAU plays a crucial role in ensuring adherence to budget lines across MDAs
<b>4.Overall government performance (Office of the Prime Minister-OPM)</b>	Traditionally, OPM is mandated, as head of government business, to undertake Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs) of the third National Development Plan (NDPIII)	(i)Conduct continuous monitoring of plan implementation for all NDP III programmes by MDAs and LGs, especially through desk review of the reports of various units. (ii)Conduct end of financial year (annual) field exercises and desk reviews for all activities and units to evaluate performance against targets. (iii)Consolidate M&E results for all NDP III programmes/ government institutions, and produce the NAPR (National Annual performance Report). The NAPR is discussed in detail further below.	The OPM is adequately mandated as LOCUS for M&E across government but is also heavily bogged down by implementing programs on refugees and other vulnerable sectors such as Karamoja, Bunyoro and Luwero areas. If OPM implements, then who monitors OPM?

<b>5.Apex Platform (Office of the president, OPM, MFPED &amp; NPA)</b>	This is a recent (2021) creation and it's a high level executive decision making forum under the Office of the President to facilitate/ inform high level executive decision making	(i)Conduct field monitoring / inspection exercises, independent studies, dialogues, etc. (ii)Hold meetings under the forum (President's office, OPM, MOPFED & NPA) to review program implementation. (iii) Under the platform, the Office of the President presents a results report (outcomes and impact) on development interventions to the President before Cabinet, Permanent Secretaries, etc. The Report is a result of field monitoring / inspection exercises, independent studies, dialogues, etc.	The Office of the President has been active in anti - corruption, health facility monitoring which has significantly helped in service delivery. However, it should be noted that the Office of the President has intervened in M&E, largely due to weaknesses in sector monitoring.
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**Sources:** Public Financial Management Act, 2015; Key Informant Interviews, 2023

As demonstrated above, the structures of M&E in government vary. They include internal units within the MDAs and LGs, as well as external oversight functions which serve to supplement and also cross check the internal structures.

### 2.2.3 Implementation of the M&E in government

Findings from the assessment indicate that the implementation of the M&E function across government is closely related to the structures and categories elaborated in the immediate section above. The government MDAs under the NDP III programme approach operate based on Programme Implementation Action Plans (PIAPs). These are required to have a Monitoring and Evaluation (M&E) strategy to enable stakeholders to regularly and systematically track implementation of selected priorities, and assess progress of the plan with regard to the agreed objectives and outcomes.

The M&E strategy aims to help the Programme Working Groups (PWGs) to answer the following: were the planned activities implemented as planned? Were resources made available and used timeously as planned? Did implementation of activities result in the planned outputs? Did the outputs result in the expected outcomes? To this end, the development of the strategy entails the following critical aspects:

- i Development of performance indicators that are SMART;
- ii Setting performance targets that will be used to assess performance;
- iii Earmarking methodologies, participants and tools to be used in conducting different M&E activities;
- iv Setting the timeframes for different M&E activities/ events;

- v Identifying centres for receiving information generated by M&E activities.

The guidelines issued by the National Planning Authority (NPA)<sup>1</sup> provide the M&E implementation, frequency and reporting arrangements for the MDAs and LGs. Table 2.2 presents a summary:

**Table 2.2: M&E implementation and reporting arrangements**

<b>Level</b>	<b>Elaboration</b>
<b>1. Routine monitoring/ reporting</b>	Programme and MDA/ LG plan implementation is to be monitored on a routine basis through structured meetings and other activities, based on the set targets and indicators.
<b>2. Periodic reporting</b>	Periodic (e.g. quarterly) performance reports are produced as a basis for reviewing progress, examining problems and constraints and recommending corrective action. MDA-specific reports are used as input into the programme reports.
<b>3. Annual reporting- Joint Annual Reviews</b>	During the last quarter of the fiscal year, each NDP III programme prepares a consolidated annual performance report based on input from implementing MDAs, and is the focus the Annual Performance Review Meeting with stakeholders, which then informs the preparation of the Operational Plan and Budget of the following year. It is from these reviews that sectors and NDP III programmes derive input for their subsequent plans.
<b>4. Annual reporting – GAPR</b>	The National Annual Performance Report (NAPR) provides a comprehensive assessment of Government’s performance and the results of public spending of the Financial Year. The Report by the Office of the Prime Minister (OPM) focuses on the performance of MDAs against output targets across all programmes and progress made in the implementation of key actions agreed during the last Government performance retreats. More detailed discussion of NAPR is presented under the proceeding section.
<b>5. Midterm Review</b>	The PIAPs are subject to midterm evaluation to draw lessons from implementation of the plan and inform the remaining plan period. Ideally, this should be done at least six months prior to the independent MTR undertaken by NPA. The programme MTR provides data for inputting into diagnostic studies for NDP, NDR and MTR reports. The MTR for 5-year PIAPs is normally conducted 2 ½ years into the implementation plan.
<b>6. End of term evaluation</b>	The final performance report and evaluation studies aim to look back at the plan as a whole. The focus of the final review, and of the Final Review Meeting with stakeholders, is on final impact and outcomes, their relevance, cost-effectiveness and sustainability, as well as analysis of reasons why certain results have been achieved and not others and to derive lessons for possible policy revision and for preparing the next PIAP.

*Source: NPA Guidelines for the Development of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg. 24 - 29)*

<sup>1</sup> NPA; Guidelines for the Development Of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg 24 - 29)

Further elaboration of M&E in government is illustrated through elaboration of the Government annual performance assessment (GAPR by Office of the Prime Minister) and the program based budget monitoring through the Budget Monitoring and Accountability Unit (BMAU) of the Ministry of Finance, Planning and Economic Development (MoFPED).

**(a) Government annual performance assessment by OPM**

The government performance assessment is conducted by the Office of the Prime Minister (OPM) which then produces the Government Annual Performance Report (GAPR). The GAPR provides a comprehensive assessment of Government's performance and the results of public spending for the financial year under review. The aim of the GAPR is to provide a basis for accountability of the resources used and the results achieved for the financial year under review. The Report further provides a basis for policy discussions within Government, addresses service delivery challenges and constraints, and guides decisions on resource allocations for the subsequent financial year (OPM, GAPR 2018/19, Pg. vii)<sup>2</sup>. The GAPR normally focuses on four aspects:

- (a) Extent of delivery of results through the public finance investment;
- (b) Progress made on planned outcomes, outputs and the use of resources;
- (c) Explanation for the performance levels achieved; and
- (d) Recommended key actions to improve performance.

Beyond government Ministries, Departments and Agencies (MDAs), the scope also includes the Local Governments Performance Assessment (LG PA) which mainly covers over 160 District and Municipal Local Government budget votes. The focus is especially on three dimensions: (i) accountability and budget requirements; (ii) crosscutting and sector functional processes and systems for LGs; and (iii) service delivery results. The report provides findings constraining service delivery in local governments and also proposes recommendations to address them.

The GAPR assessment employs mixed methods. It relies on both primary and secondary data provided by MDAs, Sectors / programmes, and LGs. It also gets financial information from the government Integrated Financial Management System (IFMS) and related systems; and additional data from BMAU (Budget Monitoring and Accountability Unit) and UBOS (Uganda Bureau of Statistics). OPM also collects some of the data directly from the field. The above data is eventually validated by OPM for completeness and also triangulated. Sometimes, some of the assessments may be conducted by private firms contracted by OPM but with quality assurance from another independent firm. The data is eventually validated by OPM for completeness, and where

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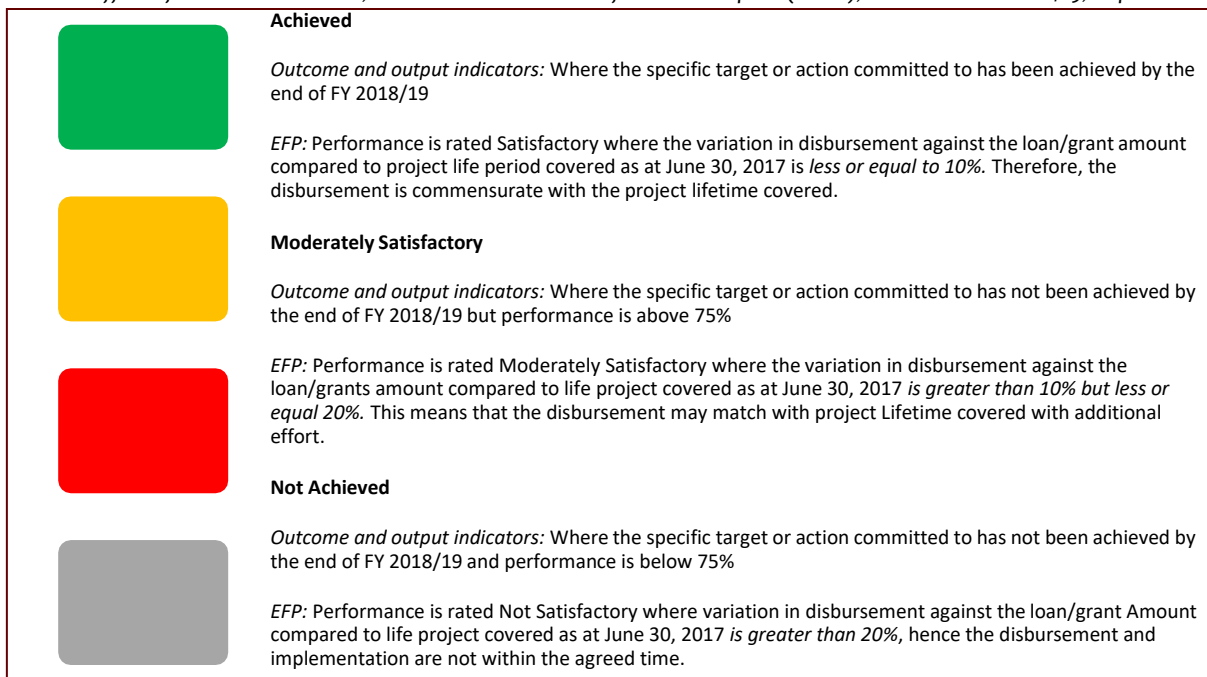
<sup>2</sup> Office of the Prime Minister; Government Annual Performance Report (GAPR); Financial Year 2018/19; September 2019

possible, accuracy, through triangulation against previous years' performance, on spot checks through field monitoring visits and other sources of information. While OPM takes the lead in producing GAPR, this report also includes assessments on the State of the Economy by Bank of Uganda (BoU) Ministry of Finance Planning and Economic Development (MoFPED), and National Planning Authority (OPM, GAPR 2018/19; pg.25).

The GAPR gives a comprehensive assessment of all performance indicators outlined in Sector Budget Framework Papers and associated Ministerial Policy Statements. It also details the assessment of the performance of projects both externally funded as well as GoU Capital Development. The report focuses on fiscal as well as the physical performance of the projects in the key sectors of the economy highlighting the opportunities, challenges and the extent of delivery of result. Normally, the traffic light rating system is applied to the analyses for both sector outcomes and outputs (OPM, GAPR 2018/19; pg. 24). Figure 2.3 provides an illustration of the 2018/19 rating framework.

### Figure 2.3: Government performance rating under GAPR

Source: Office of the Prime Minister; Government Annual Performance Report (GAPR); Financial Year 2018/19; September 2019



pg. 24)

Sector/ programme reports are subsequently compiled into an overall national performance

report for the Rt. Hon. Prime Minister to present to the Government Performance Retreat. The Report is designed and timed to guide key policy makers on areas that call for a policy shift, emphasis and where resources need to be placed in the coming Financial Year for better service delivery (OPM, GAPR 2018/19; pg. 23). The actions and recommendations derived from the GAPR are followed-up with individual Ministries and Agencies to ensure that actual performance improves.

In general, the Office of the Prime Minister (OPM) employs a mixture of monitoring & evaluation systems to guide planning, budgeting and implementation of programmes. Table 2.3 presents a summary;

**Table 2.3: Evidence systems employed by OPM**

<b>System</b>	<b>Description</b>
<b>1. Government Annual Performance Assessment Review (GAPR)</b>	This a robust government wide performance assessment system that employs a rating and ranking system for all Government programmes, Ministries, Departments and Agencies as well as Local Governments based on their performance against the outcomes and outputs. A government annual performance report is prepared at the end of each financial year, and it is presented to Cabinet. It also informs the National Budget conference where priorities for planning in the subsequent Financial Year are discussed.
<b>2. NDP 3 Web based Monitoring and Evaluation System</b>	The system currently being rolled out includes a data base of all National Standard Indicators as well as the indicators for all the NDP III Programmes, MDAs and LGS. It is the tool that MDAs and the NDP III programmes will be using for submitting quarterly and annual performance reports.
<b>3. Local Government Management of Service Delivery</b>	It is a comprehensive compliance monitoring framework that assesses Local Government service delivery processes and systems at 3 levels i.e. i) Central Government in terms of its support to LG service delivery; ii) LG processes and systems in management of services, and iii) Lower Local Government and facility level (primary schools and health facilities) assessment. The assessment results inform allocation of part of the development grants to LGs, LLGs and facilities and also Performance Improvement Plans for lowest performing LGs.
<b>4. Government Evaluation Facility</b>	The Government Evaluation Facility (GEF) was established as a function under the Evaluation Sub-Committee (ESC) of the Technical Working Group. The tasks of the GEF are to (i) design, conduct, commission, and disseminate evaluations on public policies and major public investments, as directed by Cabinet or demanded by sectors, and (ii) to oversee improvements in the quality and utility of evaluations conducted across Government at a decentralized level.
<b>5. The Community Sub-county Information Fora (Barazas)</b>	This is a robust Community Accountability system that facilitates extensive interaction between the citizens and their local leaders on the utilization of public resources to provide services to the citizens.

*Source: Key Informant Interview, OPM*

It is evident that the OPM is arguably the most active institution in the government M&E structures, and it is employing a combination of mutually reinforcing systems to ensure the use of evidence to enhance efficacy in government planning, and budgeting.

### **(b) Programme-Based Monitoring (PBM) by BMAU**

The Budget Monitoring and Accountability Unit (BMAU) of the Ministry of Finance, Planning and Economic Development (MoFPED) undertakes Programme-Based Monitoring (PBM) to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs) of the third National Development Plan (NDPIII). Semi-Annual and Annual field monitoring of government programmes and projects is undertaken to verify receipt and application of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved, and the level of gender and equity compliance in the budget execution processes. The monitoring also reviews the coherency in implementing the PIAP interventions; the level of cohesion between sub-programmes; and the challenges of implementation. This started in the financial year 2021/22.

The methodology employed by the BMAU includes consultations and key informant interviews with project managers in implementing agencies, desk review of key documents (e.g. PIAPs, Ministerial Policy Statements, National and Sector Budget Framework Papers, Performance Reports, etc.), review and analysis of systems data (e.g. Integrated Financial Management System [IFMS], Programme Budgeting System [PBS] etc.), and field visits to project areas for primary data collection, observation and photography (*BMAU-MFPED, Human Capital Development Programme report, pg.3*)

The MoFPED through its Budget Monitoring and Accountability Unit (BMAU-AI) tracks implementation of programmes/projects by observing how values of different financial and physical indicators change over time against stated goals, indicators and targets. The BMAU work is aligned to budget execution, accountability, service delivery, and implementation of the Domestic Revenue Mobilization Strategy (DRMS) (BMAU-MFPED, *Agro Industrialization Programme report, p. 1*)<sup>3</sup>. The Unit produces a report for each of the 18 NDP III programmes for consideration and action by the respective responsibility centers across government, and also application in planning and budgeting processes for subsequent financial years.

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<sup>3</sup> *Agro-Industrialization Programme; Semi-Annual Budget Monitoring Report Financial Year 2021/22, April 202 ? year?; Budget Monitoring and Accountability Unit, Ministry of Finance, Planning and Economic Development*

In general therefore, the emerging picture about M&E in government is that there are indeed very elaborate and substantive M&E processes and functions across various levels of government.

#### 2.2.4 Key stakeholders in Government M&E

The M&E processes in government as undertaken at various levels have been well elaborated. This section attempts to tie up and connect the dots among the key stakeholders. Table 2.4 presents the stakeholder mapping, including the reporting frameworks, which then enable the application of M&E information by the recipients.

**Table 2.4: M&E stakeholders and reporting frameworks**

Institution	Framework	Key features
Annual Apex Platform (President's Office, OPM, MFPEd & NPA)	High level Synthesized Oversight Programme and Monitoring report	<ul style="list-style-type: none"> <li>The High-level Synthesized Oversight Programme and Monitoring report will assess the outcomes and impact derived from socio-economic and development interventions by programme/MDA. It will facilitate the executive to take informed and action focused decisions to address development challenges.</li> </ul>
The National Planning Authority (NPA)	The National Development Report	<ul style="list-style-type: none"> <li>The National Development Report is an annual report produced by NPA to provide information on the country's current development status and the progress made against NDP indicators at all levels of the Plan's results framework. The report also covers the contribution of non-state actors.</li> </ul>
	Certificate of Compliance Report (COC)	<ul style="list-style-type: none"> <li>The certificate of compliance is an annual assessment of the annual budgets to the SDP/MDA plan and NDP. This certificate is crucial because it is an adherence tool and a control in implementation of programmes across MDAs.</li> </ul>
Office of the Prime Minister (OPM)	Government Annual Performance Report	<ul style="list-style-type: none"> <li>The Government Annual Performance report assesses performance of Government MDAs and Local Governments against key objectives outlined in the National Development Plan, and the medium terms objectives and budget spending across main government MDAs implementing the NDP. This is critical as it keeps MDAs and LGs accountable.</li> </ul>
	Annual National Assessment	<ul style="list-style-type: none"> <li>Annual Assessment of Minimum Conditions and Performance Measures ascertains Local Government performance against basic services and functions. The assessment also gauges the level of compliance of local governments to the provisions of the laws and national guidelines.</li> </ul>
Programme Working Group	Programme Review Meetings	<ul style="list-style-type: none"> <li>PWGs will hold bi-annual or annual joint programme reviews where progress against PIAP and budget commitments are assessed and specific undertakings for improvements are adopted including roadmaps to implement them.</li> </ul>

Institution	Framework	Key features
Programme Secretariat	Semi-annual & annual programme report	<ul style="list-style-type: none"> <li>• Coordinate the preparation of half annual and annual programme reports, for collecting and compiling data on all aspects of the programme; action plan, key results performance indicators, etc.</li> <li>• Manage contracts related to external experts for various studies, including for the mid- term review, and organize all evaluation events.</li> <li>• Maintain a database for all indicators under each of the programmes to aid tracking and reporting</li> </ul>
Programme Line Ministries	Programme Management information Systems (MISs) (HMIS, EMIS, etc.), Ministerial Policy Statements and Annual Reports	<ul style="list-style-type: none"> <li>• Most programme line ministries have got established MISs that regularly capture and communicate information regarding performance of the main services and functions that these ministries are supposed to deliver in local governments, the challenges and emerging issues experienced in the process of implementing annual programme budgets.</li> <li>• These programme MISs are key in informing the annual programme performance reports that are produced and presented to parliament by line ministries.</li> </ul>
Ministry of Finance Planning and Economic development (MoFPED)	Budget Monitoring and Accountability Mechanisms	<ul style="list-style-type: none"> <li>• MoFPED has got a Budget Monitoring and Accountability unit that tracks financial flows to MDAs and LGs and monitors inputs, outputs and progress of implementation of government programmes and projects included in annual budgets of government MDAs.</li> </ul>
	Performance Contracts	<ul style="list-style-type: none"> <li>• Through Performance Contracts, MoFPED obliges all Government Accounting Officers to report against commitments made in the annual Performance contracts. This reporting is done quarterly.</li> </ul>
Ministry of Public Service (MoPS)	Client Charters	<ul style="list-style-type: none"> <li>• The Ministry of Public Service (MoPS) has started the process of developing client charters which define service standards and expectations between public bodies, and between service providers and users. Similar charters have been developed and agreed to by local governments.</li> </ul>

*Source: NPA; Guidelines for the Development of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg. 24 - 29)*

It is very critical to note is that the ‘Apex Platform’ was initiated by Cabinet in 2018 under the Office of the President and officially launched in early 2021. It is a high-level forum just below cabinet in the NDP III program implementation hierarchy. The forum comprised 4 core institutions: Office of the president (executive oversight), Office of the Prime Minister (implementation coordination), MoFPED (resource mobilization and allocation) and the NPA (alignment of interventions to the ND goals). Under the platform, the Office of the President presents a results report (outcomes and impact) on development interventions to the president before cabinet, permanent secretaries, etc. The Report is a result of field monitoring

/ inspection exercises, independent studies, dialogues, etc. It is intended to facilitate/ inform executive decision making.

In summary, it is evident that while the M&E framework in government is very broad encompassing several actors, institutions and stakeholders, among the most critical are the President`s Office, Office of the Prime Minister (OPM), MoFPED and the NPA.

### **2.3 Capacity and resource facilitation for the M&E Units of MDAs**

The assessment attempted to evaluate the funding and existing capacity of the M&E Units in the government institutions. According to information obtained from the OPM, the M&E function in government is fairly well resourced and facilitated, to a level that is favourably comparable to international jurisdictions. OPM asserted as follows:

#### **Box 2.2: Funding of M&E in government**

*“We have undertaken a study which established that the percentage of resources budgeted for M&E ranges from 1% to 3% depending on the MDA. This is consistent with global practice. A 3% budget allocation out of the overall programme, project or policy implementation cost is significant for effective M&E.”*

**Source:** Key Informant Interview, OPM, 2023

However, the study also established that overall, the M&E Capacity in government is still constrained. The OPM estimates that only about 25 percent of the established staff positions for M&E in government are filled and that of the positions filled, only about 40 percent of the staff in place have the necessary training and experience to manage the tasks. The numbers of staff range from about 1 to 4. For the funding, the study established that M&E budgets are often subjected to budget cuts as they are presumed to be consumptive items (e.g. fuel, travel inland, workshops and seminars, research, etc.).

The study findings indicate that there is a human resource gap coupled with individual capacity gaps among some of the personnel in government MDAs. For example, Information from Kampala Capital City Authority (KCCA)<sup>4</sup> shows that while they have a whole M&E unit responsible for M&E, the technical staff available are not sufficient enough to handle all the five City divisions, and that there is a need to elevate the M&E from Unit to Department level, and each City Division should have its own M&E unit. Similarly, the MoFPED estimates that

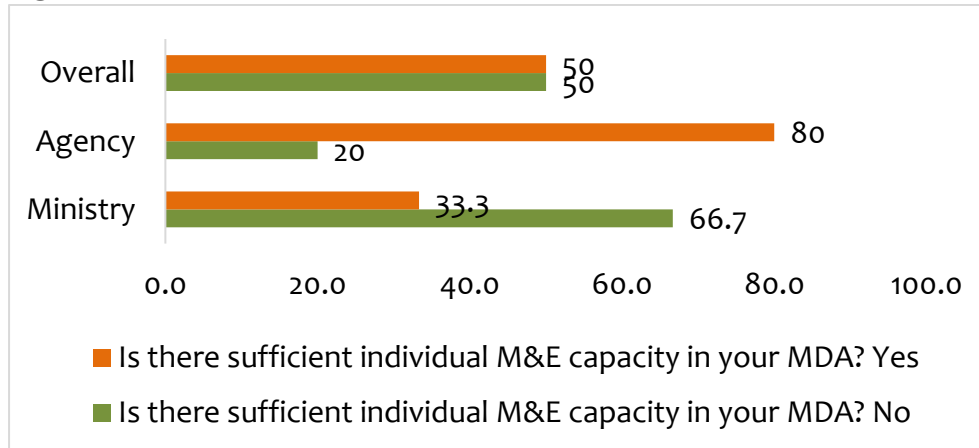
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<sup>4</sup> Key Informant Interview, KCCA

there are about 1,560 people working in M&E at central and local Government levels, which is indeed a very limited number.

The field survey of MDAs established that on the issue of the sufficiency of M&E capacity, the institutions were evenly split with half (50%) affirming to be sufficient while the other half pleaded capacity gaps. Figure 2.4 presents the capacity findings:

**Figure 2.4: Sufficiency of M&E capacity in MDAs**



As shown in figure 2.4, a majority of the Agencies (80%) of government indicated that they had sufficient individual M&E capacity. On the contrary, a majority of the ministries interviewed indicated that they do not have sufficient individual M&E capacity. The most common M&E capacity gaps established from the MDA respondents during the field survey include: understaffing / human resource capacity for M&E, parallel monitoring units with staff not properly aligned to the main stream M&E unit, inadequate budget/ funding for M&E, lack of a M&E unit, lack of human capacity building plan, lack of statistical analysts, lack of skills/ limited M&E knowledge and skills, and lack of mechanism to coordinate all stakeholders to facilitate exchange of information among stakeholders.

In general, evidence shows that most of the M&E units in government are just reasonably funded but overall, the facilitation to conduct their functions and their capacity (e.g. staff numbers, staff skills, transport for M&E field missions, data collection and analysis tools, among others), are well below the optimum levels.

#### **2.4 Critical challenges and gaps faced by the M&E Units across government**

The assessment established a multiplicity of challenges and gaps which impede the proper functioning of M&E across government institutions. The major ones include the following:

- a) **Inadequate capacity and funding:** This has been extensively demonstrated in the immediate section above. Most of the M&E units are inadequately staffed (about 1 to 4 staff), lack other facilitation like transport, and a small budget for the necessary field activities. In most cases, even the staff available are short on M&E skills & experience. Some institutions just post unqualified staff to carry out M&E when they lack the necessary skills, competencies and experience e.g. statistics, digital analysis of data and report writing. For example, information from KCCA<sup>5</sup> indicates that due to lack of funds, monitoring of some projects is conducted only biannually instead of quarterly.
- b) **Digital gaps and inadequate coordination:** The use of Information Communication Technologies (ICTs) in M&E has been increasing exponentially and the available evidence shows that most of the government institutions have found it difficult to match the pace. There is lack of the modern tools and applications for collecting, processing and analyzing M&E data. Information from the NPA and the OPM (KIIs, 2023) indicates that the available systems are largely disjointed and are characterized by weak linkages with the PBS, IFMIS and other government systems. There is also inadequate coordination and collaboration among the actors;
- c) **Inadequate appreciation at high levels of government:** Despite its importance, M&E is still widely considered as a peripheral function by many senior government officials. Many of them try to accommodate it as a government requirement rather than regarding it as a very useful internal function. As a result, it is often marginalized in the establishment structures. The voice of M&E is generally weak and it is difficult to argue their case within the institutional structures;
- d) **Corruption/ transparency deficit:** The available evidence<sup>6</sup> indicates that there is lack of transparency and widespread corruption in public institutions. As such, errant officials tend not to fully cooperate with auditors or even the standard M&E officials trying to monitor and evaluate performance. There is a tendency of refusal to provide the required data or simply providing wrong information which undermines the M&E function.
- e) **Lack of proper record keeping and maintenance:** In some cases, proper records which are necessary for M&E follow up are simply not available; and, in some cases, some organs of government still use paper based record keeping. While this aspect has been improving over time, some cases still exist, especially in local governments, police, among others and, as a result, the quality of data (accuracy, completeness, reliability, relevance and timeliness) is variable.

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<sup>5</sup> Key Informant Interview , KCCA, 2023

<sup>6</sup> Annual Auditor Generals` reports, press revelations, etc

- f) **Frequent transitional shifts in policy and government structures:** The Uganda Government is characterized by frequent changes in structures of government, policies and priorities<sup>7</sup>. This tends to complicate the M&E function as it impacts earlier plans and targets, and sometimes leads to duplication of mandate or undermining the smooth implementation of follow up evaluation frameworks. For instance, the study established that the recent shift from Sector to Programme Planning and Budgeting under the NDP III has come with some issues including: (i) the transition has been complex and taken longer for the different arms of government to internalize and harmonize their plans with the NDP III plan; (ii) the budget has not fully been synchronized with the programme plans; and (iii) there are many constraints to developing comprehensive results frameworks. It is also important to note that joint programme implementation that is highlighted in the NDP III requires different monitoring and evaluation approaches such as the use of a Joint Results and Accountability Framework (JRAF) where all implementers are monitored.
- g) **Lack of monitoring frameworks at planning stage:** Meaningful M&E presupposes the existence of a framework to guide the monitoring of implementation and evaluation of performance. The framework should be part of the planning and all parties, including the implementers, should be aware of the targets, indicators, performance measures and how the measurement will be done, among others. While the frameworks are now widely applied within government as part of the strategic plans, the findings show that some of the government institutions implement programmes without conducting baseline studies or feasibility studies which would be used to understand the situation on the ground, and act as a base for setting targets.

In general, it becomes clear that despite some improvements over time, M&E in government still faces several challenges and gaps. Given the critical importance of the M&E function in government, it is of paramount importance to urgently address these challenges so as to enhance the operations of the M&E Units, such that they are able to generate the necessary, reliable, complete and timely data to guide the formulation and implementation of plans and future programming by policy makers in government.

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<sup>7</sup> Examples include frequent creation of new administrative units (e.g. districts and cities/urban authorities); new semi-autonomous government agencies with separate budget votes; and even development policy shifts like the flagshipping of infrastructure projects and the adoption of the programme approach under NDP III as opposed to the previous sector approach.

### **3: PLANNING SYSTEMS AND APPLICATION OF M&E INFORMATION IN GOVERNMENT PLANNING PROCESSES**

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#### **3.1 Overview of the development planning framework and processes in Uganda**

Guidance by the National Planning Authority (NPA)<sup>8</sup> asserts that the overarching policy framework for development planning in Uganda is the Comprehensive National Development Planning Framework (CNDPF), which was adopted by Cabinet in 2007. The CNDPF outlines instruments and systems guiding development planning at national, sectoral and local government levels. It further articulates principles and practices to be followed in developing national and decentralized long term to medium term plans. The CNDPF is the overall strategic document guiding the country towards achievement of the Uganda Vision 2040 through a series of NDPs.

At the next level, there is the National Human Resource Development Planning Framework. This is followed by a number of Complementary Planning Frameworks (e.g. nutrition, population and other cross cutting issues<sup>9</sup>); and then the key Global and Regional Development Agenda (e.g. 2030 Agenda for Sustainable Development; Africa Agenda 2063; The Istanbul Program of Action; East African Vision 2050; and Sendai Disaster Risk Management [DRM] framework [2015-2030]). In addition to the international development agenda, MDAs have to identify and integrate protocols and conventions signed and/or ratified by government that are relevant to them.

The CNDPF provides for the development of a 30-year Vision to be implemented through: three 10-year plans; six 5-year National Development Plans (NDPs); Sector Investment Plans (SIPs); Local Government Development Plans (LGDPs), Annual work plans and Budgets. Thus, the National Planning Authority in consultation with other government institutions and other stakeholders developed a Uganda Vision 2040 to operationalize the national Vision statement which is *A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years* as approved by Cabinet in 2007. It aims at transforming Uganda from a

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<sup>8</sup> NPA; *Guidelines For The Development Of Programme Implementation Action Plans And Ministry, Agency And Department Plans*; Second Edition; December, 2020 pg. 7)

<sup>9</sup> The National Planning Authority (*Development Plans*) Regulations, 2018 defines cross-cutting issues to mean issues that require action from more than one sector. They can contribute to accelerating or derailing the progress of development. It is therefore prudent that they are prioritized. They include; gender, environment, human rights, equity, disability, nutrition, governance, accountability and anti-corruption, population and development and science, innovation and information and communication technology. Others are child health, social protection, climate change, HIV/AIDS, culture, and disaster preparedness. (pg. 39/ 40)

predominantly peasant and low income country to a competitive upper middle income country (*Uganda Vision 2040, pg. ix*)

The National Development Plan (NDP) is Uganda’s policy blueprint for actualizing the National Vision 2040. The NDP comprises of a successive series of six five-year rolling plans over the 30 year period of the vision. The First National Development Plan (NDP I) covered the 5 year planning period 2010/11 – 2014/15, the second (NDPII) from 2015/16 – 2019/20; and now the running NDP III (2020/21- 2024/25). The NDP framework is a very elaborate planning structure drawing from the achievements registered and lessons learnt from implementation of the previous edition, and then setting out clear objectives and focus areas of the successor plan.

The critical thread for purposes of this assessment is that while the government planning processes under the NDP I and II were based on the sector approach, this has changed to a programmatic approach under the NDP III. Government believes that this helps to harness synergies from a number of previously independent sectors and avoids duplication of resources, thus more efficiency<sup>10</sup>. Therefore, this current programmatic approach will be the main base for this assessment. The NDP III has 18 programmes across 5 objectives as per Table 3.1 below.

**Table 3.1: NDP III Objectives and programs**

NDPIII Objectives	NDPIII Programs	Lead Ministry
1.Enhance value addition in Key Growth Opportunities	1.Agro-Industrialization 2.Mineral Development 3.Sustainable Development of Petroleum Resources 4.Tourism Development 5.Natural Resources, Environment, ClimateChange, Land and Water Management	1.MAAIF 2.MEMD 3.MEMD 4.MoTWA 5.MoWE
2.Strengthen private sector capacity to drive growth and create jobs	6.Private Sector Development 7.Manufacturing 8.Digital Transformation	6.MoFPED 7.MoTIC 8.MoICT&NG
3.Consolidate and increase stock and quality of Productive Infrastructure	9.Integrated Transport andInfrastructure Services 10.Sustainable EnergyDevelopment 11.Sustainable Urbanizationand Housing	9.MoWT 10.MEMD 11.MoLHUD
4.Increase productivity, inclusiveness and	12.Human CapitalDevelopment 13.Community Mobilizationand Mindset Change 14.Innovation, Technology Development & Transfer	12.MoES 13.MoGLSD 14.MoSTI

<sup>10</sup> *Agro-Industrialisation Programme; Semi-Annual Budget Monitoring Report Financial Year 2021/22, April 202; Budget Monitoring and Accountability Unit, Ministry of Finance, Planning and Economic Development (pg vii)*

NDPIII Objectives		NDPIII Programs	Lead Ministry
wellbeing of Population		15.Regional Development	15.MoLG
5.Strengthen the role of the State in development		16.Governance and Security Strengthening 17.Public Sector Transformation 18.Development Plan Implementation	16.OP 17.MoPS 18.MoFPED

**Source:** National Planning Authority (NPA); *Guidelines for Transitioning to Programme Planning and Budgeting Approach* (pg. 2-3 & 13)

According to NPA guidelines<sup>11</sup>, the programme approach was adopted because it enables formulation of national priority development objectives and to realize these objectives through corresponding national programmes<sup>12</sup> formulated and implemented in a coherent, coordinated and participatory manner to ensure sustainability. The programme approach to planning also helps to focus implementation of the NDPIII programmes on delivery of common results; strengthen alignment of planning and budgeting frameworks to provide a logical framework for anchoring the Program-Based Budgeting System (PBS); enhance synergies across Ministries, Agencies and Local Governments (MALGs) and other actors to reduce a ‘silo’ approach to implementation; provide a coordinated framework for implementation, monitoring and reporting for improving delivery of results; and foster collaboration and breakdown Government MALGs ‘silos’ because it provides a framework for inter and intra-Ministerial coordination.

However, the OPM advises<sup>13</sup> that while the merits of the approach are well appreciated, there is need for careful implementation and monitoring to address the potential challenges and risks. Some of the challenges that need to be addressed include: lack of technical capacity among government officials and stakeholders to implement the new system effectively; limited flexibility to respond to emerging needs and priorities; risk of duplication and fragmentation of programs; challenges in defining and measuring programme outcomes and impacts; and potential for political interference and bias in program selection and prioritization.

<sup>11</sup> National Planning Authority; *Guidelines for Transitioning to Programme Planning & Budgeting Approach* (Pg .1)

<sup>12</sup> A Programme is defined as related interventions/outputs intended to achieve similar outcomes in a specified period of time. Similarly, the NDP III defines programmes as the general delivery channels through which some specific results will be realized. Further, that these programmes constitute various packages of interventions and how they will be organized for the delivery of the intended results. To that effect, the programmatic approach has led to merger or splitting of sectors. (BMAU, Gender & Equity 2022 Report, pg. 2-3)

<sup>13</sup> Key Informant interview, OPM,2023

Development planning<sup>14</sup> in government under the programmatic approach can be summarised under a 3 - tier hierarchy as follows: -

1. **National Development Plan (NDP):** Operationalizes the national vision across 30 years and sets objectives and targets over a series of 5-year rolling plans. Presently at NDP III (FY 2020/21- 2024/25) which is modelled under 18 programs across 5 objectives (Table 3.1 above). The National Planning Authority (NPA) is responsible for long-term planning. In 2010/11, NPA developed a national vision (Uganda 2040) and subsequently three National Development plans (NDP I, 2010/11 – 2014/15; NDP II, 2015/16 – 2019/20; and NDP III, 2020/21 – 2024/25).
2. **Programme Implementation Action Plan (PIAP):** A PIAP is a results-oriented actor-specific plan for achieving the objectives of a respective NDPIII programme. It provides details of the activities and resources required to deliver the NDPIII programme results. A PIAP operationalizes the 18 respective NDP III programs and each PIAP provides details of the activities and resources required to deliver the programme targets. PIAPs are the responsibility of the Programme Working Group (PWG)<sup>15</sup> under the Lead Ministry for each programme and the National Planning Authority (NPA) provides technical input.
3. **MDA/ LG Strategic Plan:** The planning and implementation Units in government are the Ministries, Departments and Agencies (MDAs) at the central government level and then the Local Governments (mainly Districts and Urban Authorities) under the decentralized system of government. Each of these is required to formulate 5 year strategic plans. The MDA/ LG plan translates the NDPIII goal, objectives and interventions to MDA/ LG level goals, objectives and outputs, through their MDA/ LG Strategic Plan. It is then inked to the PIAP and serves as a basis for preparing an annual budget.

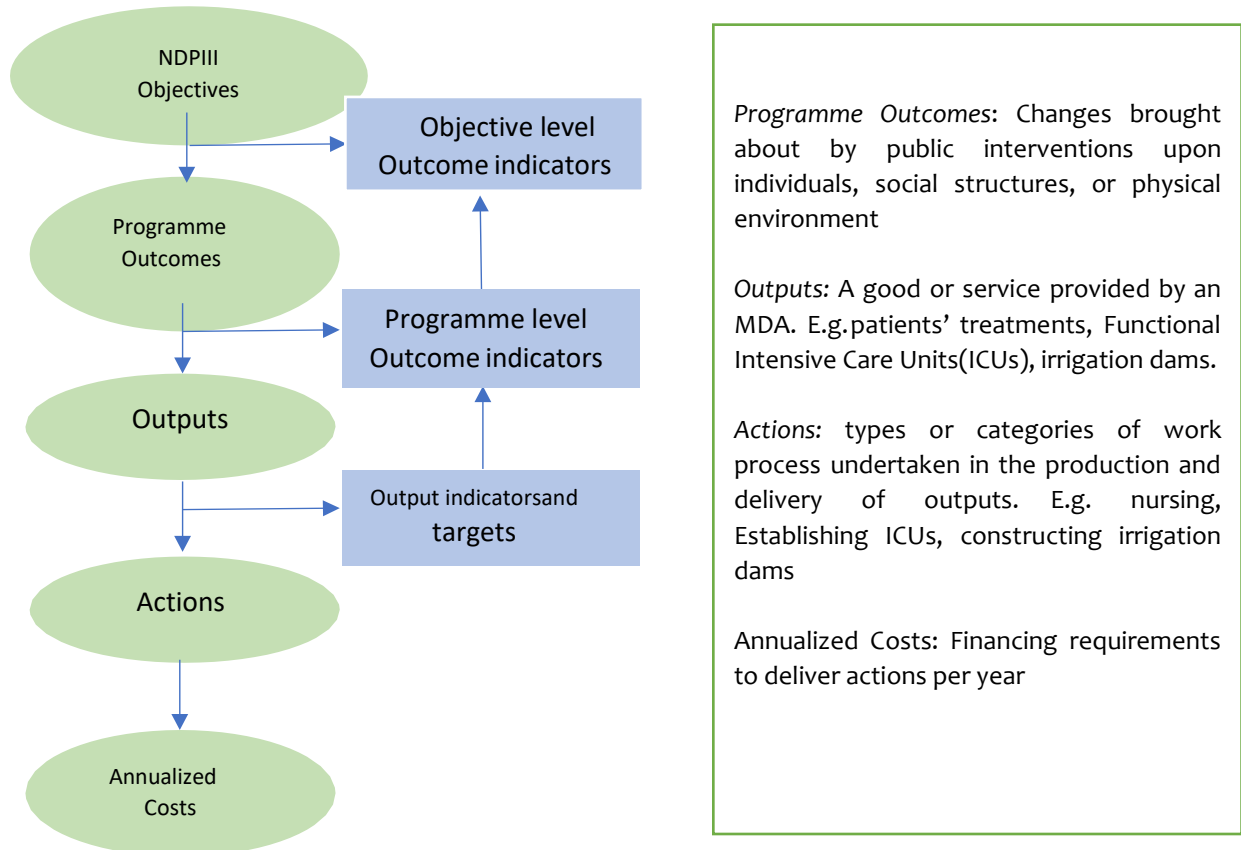
Under the NDP III programmatic approach, the PIAP (tier 2 above) is very critical for ensuring more coordinated, efficient and effective implementation as opposed to the previous focus on the ‘silo model’ MDA/ LG Strategic Plan (tier 3 above). It is therefore important to appreciate further key elements of the PIAP results chain (figure 3.1);

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<sup>14</sup> Defined under NPA guidelines as “the process of identifying problems, needs, priorities, resources as well as designing action plans with a view of improving the welfare of the people. The development planning process includes plan formulation, implementation, monitoring and evaluation” (pg.iv).

<sup>15</sup> PWGs are technical working fora under the NDPIII programme approach, to discuss planning, interventions, resource allocation; delivery of services; M&E, etc. They replace Sector Working Groups(SWGs) and are led by the Minister of the lead Agency, and include representatives of participating agencies: Permanent Secretaries (Chairpersons); Heads of Planning (Secretaries); Accounting Officers (Members), Desk Officers/MoFPED; Heads of departments/NPA; Development Partners, Civil Society and other Non-State Actors. PWGs to meet regularly, but in any case, not less than once a quarter (NPA guidelines; pg.14)

**Figure 3.1: Key Elements of the NDPIII PIAP Results Chain**




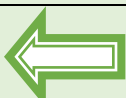


Source: National Planning Authority; Guidelines for Transitioning to Programme Planning and Budgeting Approach (Pg. 6)

The PIAPs and the MDAs / LGs strategic plans all have to be linked to the NDP III programmes. The approved PIAP is continuously reviewed by NPA to ensure alignment to the NDP process. The MDAs have to prepare strategic plans that are in line with their respective NDP III PIAPs. The MDAs plan set out the direction the institution intends to take in order to reach its intended goal and should specify the Directorate and Department linked to the relevant NDP III programmes with operational objectives. It will adopt/adapt the PIAP interventions, outputs and activities. Table 3.2 demonstrates the linkages:

**Table 3.2: Linking NDP III Programmes to PIAPs and MDA Plans**

PIAP	Linkages	MDA Strategic Plans
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Programme Goal		MDA Goal
Programme Objectives		MDA Objectives
PIAP Interventions		MDA adopted/adapted Interventions
Activities		Adopted/adapted activities

**Source:** National Planning Authority (NPA); Guidelines for Transitioning to Programme Planning and Budgeting Approach (Pg. 24)

The development of the MDAs strategic plans is guided by the timelines which are integrated within the NDP calendar. The cycle starts immediately after the national strategic direction is provided by the National Planning Authority (NPA) through the issuing of the Planning Call Circular (PCC). Table 3.3 presents the timelines for the key milestones;

**Table 3.3: Timelines for key milestones in the strategic planning cycle**

#	Process Activities	Responsibility	Time Line
<b>Phase 1: Consultation and Data collection</b>			
1.	Issue of Planning Call Circular (PCC) to MDAs	NPA	End of 4 <sup>th</sup> Year of NDPII
2.	MDAs constitute Planning Task Teams to steer plan formulation process	Permanent Secretary/ Chief Executive of the MDA	Two (2) weeks after receipt of the PCC by MDAs
3.	MDA communicate Planning Call Circular information to the departments	Permanent Secretary/ Chief Executive of the MDA	One (1) month after receipt of the PCC by MDAs
4.	Consultations and data collection to inform the planning process	Planning Task Team	Within two (2) months after receipt of PCC
5.	Provide guidance to District Planning Forums for LGs to capture relevant issues for input into the MDA planning process	Permanent Secretary/ Chief Executive of the MDA	Within two (2) months after receipt of PCC by MDAs
<b>Phase 2: Plan Formulation</b>			
6.	Review of the previous plan	Permanent Secretary/ Chief Executive of the MDA	Third month after receipt of PCC by programmes/ MDAs

#	Process Activities	Responsibility	Time Line
7.	Carry out situation analysis for development of the new MDA plan	Permanent Secretary/ Chief Executive of the MDA, Planning Task Team	Third month after receipt of PCC by programme/MDAs
8.	Carry out analysis of cross cutting issues	Permanent Secretary/ Chief Executive of the MDA, Planning Task Team	Third month after receipt of PCC by programme /MDAs
9.	MDAs set the Strategic Agenda (Vision, Goals & Objectives) based on the analysis in steps 7 & 8 and the consultations above	Permanent Secretary/ Chief Executive of the MDA, Planning Task Team.	Fourth month after receipt of PCC by programme /MDAs.
10.	MDAs articulate the Strategies, Programs and Projects	Planning Task Team, Heads of departments	Fourth month after receipt of PCC by MDAs
11.	Compilation of the draft plan	Planning Task Team, Heads of departments	Fifth month after receipt of PCC by MDAs
12.	Validation of the draft plan	Permanent Secretary/ Chief Executive of the MDA, Planning Task Team	Fifth month after receipt of PCC by MDAs
<b>Phase3: Plan Approval and Submission</b>			
13.	Submission of draft plan to NPA for review and Certification	Permanent Secretary/ ChiefExecutive	Sixth month after receipt of the PCC by the MDA
14.	MDA Strategic Plan approval top sector based committee.	Top management committee	End of sixth month after receipt of the PCC by the MDA.
15.	Submission of approved MDA plan to NPA	Permanent Secretary/ ChiefExecutive	End of sixth month after receipt of the PCC by the MDA
<b>Phase 4: Execution, Monitoring and Evaluation</b>			
16.	Developing Annual work plan and budgets	Permanent Secretary/ ChiefExecutive	Beginning of each FY on implementation of the SDP
17.	Monitoring and Evaluation	Permanent Secretary/ ChiefExecutive	Continuous throughoutthe plan period.

**Source:** NPA; *Guidelines for the Development of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg. 30- 31)*

The NPA advises that in general, the government planning process under the NDP III should be guided by key principles<sup>16</sup>, including ensuring that a plan is goal/outcome based in line with

<sup>16</sup>Source: National Planning Authority (NPA) 2020; *Guidelines for the Development of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg. 13)*

the overarching NDP III; realistic and measurable; involves extensive stakeholder participation and consultations; and inclusivity, especially for vulnerable groups. The process should, therefore, start with stakeholder consultations and then proceed to formulation and, finally, approval. The National Planning Authority (Development Plans) Regulations of 2018 also encourage consideration for cross cutting issues e.g. gender, environment, human rights, equity, disability, nutrition, governance, accountability and anti-corruption, population and development and science, innovation and ICT, child health, social protection, climate change, HIV/AIDS, culture, and disaster preparedness.

### 3.2 Roles of key stakeholders in the government planning processes and systems

The National Planning Authority (NPA) is responsible for long-term planning. In 2010/11, the NPA developed a national vision (Uganda 2040) and as a result, the NPA has developed three National Development plans (NDP I, 2010/11 – 2014/15; NDP II, 2015/16 – 2019/20; and NDP III, 2020/21 – 2024/25). All the government plans, whether at the central government (MDAs) level or the local government level must draw and conform to the NDPs. The NPA is a government agency under the Ministry of Finance, Planning and Economic Development (MoFPED), which is a key stakeholder that also coordinates other government Ministries, Departments and Agencies (MDAs) in the execution of the plans through the annual budget process. The planning processes across government for PIAPs (programme level), strategic plans (MDAs) and LG Plans (Local governments) are driven from within the respective institutions e.g. Board of Directors, Top Management, Finance Committees, programme working groups, LG Councils, among others.

However, the process also involves input by external stakeholders and participants from Government, Development Partners, Civil Society and Private sector. Table 3.4 presents the process stakeholder mapping:

**Table 3.4: Stakeholder mapping in government planning**

Institution/stakeholder	Key roles/responsibilities
1. National Planning Authority (NPA)	<ul style="list-style-type: none"> <li>• Providing overall guidance and technical support to programme development planning process</li> <li>• Offering capacity building to programmes, MDAs, LGs where necessary</li> <li>• Monitoring effectiveness of PIAPs and strategic plans through the issue of a Certificate of Compliancy</li> </ul>

2. Office of the President	<ul style="list-style-type: none"> <li>• Take overall leadership and oversight of implementation of the NDP to ensure its attainment</li> <li>• Timely communication of cabinet decisions</li> <li>• Mobilizing the population towards achievement of the plan</li> </ul>
3. Office of the Prime Minister (OPM)	<ul style="list-style-type: none"> <li>• Offering leadership to the programmes</li> <li>• Coordination of overall implementation and monitoring</li> </ul>
4. Ministry of Finance, Planning and Economic Development (MoFPED)	<ul style="list-style-type: none"> <li>• Providing financial resources</li> <li>• Providing technical guidance and mentoring on budgeting for implementation of plans and budgets</li> <li>• Monitoring utilization of resources disbursed for strategic plan implementation</li> </ul>
5. Uganda Bureau of Statistics (UBOS)	<ul style="list-style-type: none"> <li>• Providing reliable data for planning</li> <li>• Giving technical advice and capacity building in data collection and management</li> </ul>
6. Development Partners	<ul style="list-style-type: none"> <li>• Provide technical support to MDAs in planning and implementation of plan interventions</li> <li>• Providing financial resources</li> <li>• Integrating some aspects of the plans into their programming</li> </ul>
7. Local governments	<ul style="list-style-type: none"> <li>• Providing input into the strategic plans</li> <li>• Aligning their LG plans to the strategic plans</li> <li>• Implementing relevant aspects of the strategic plans</li> </ul>
8. Civil society and private sector organizations	<ul style="list-style-type: none"> <li>• Participating in PWG activities as co-opted members</li> <li>• Providing information about their on-going and planned development activities to the MDA for input into the strategic plans</li> <li>• Contributing to the implementation of the strategic plans</li> <li>• Participating in M&amp;E of strategic plans</li> </ul>

*Source: National Planning Authority (NPA) 2020; Guidelines for the Development of Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg 47/ 48)*

The NPA guides that in order to ensure harmonization of the diverse views from key stakeholders, consultations should target top policy makers (e.g. Ministers, Permanent Secretaries and Directors), MDA/LGs top policy management committees/councils, Technical Officers (in MDAs & LGs); Special Interest Groups (e.g. Women, Youth and PWDs); top Policy Ministries and Agencies (e.g. MoFPED, NPA, OPM, UBOS, MoLG); non-state actors (e.g. Development Partners, CSOs, Private Sector and Media); and Research and Academia (NPA guidelines 2020; pg. 34). The critical point to note from stakeholder mapping is that while MDAs, LGs and the Programme Working Groups (PWGs) take the lead in planning for their respective institutions under NDP III programmes, there exists an elaborate framework for ensuring wide consultations, proper coordination and guidance in the formulation and implementation of the plans.

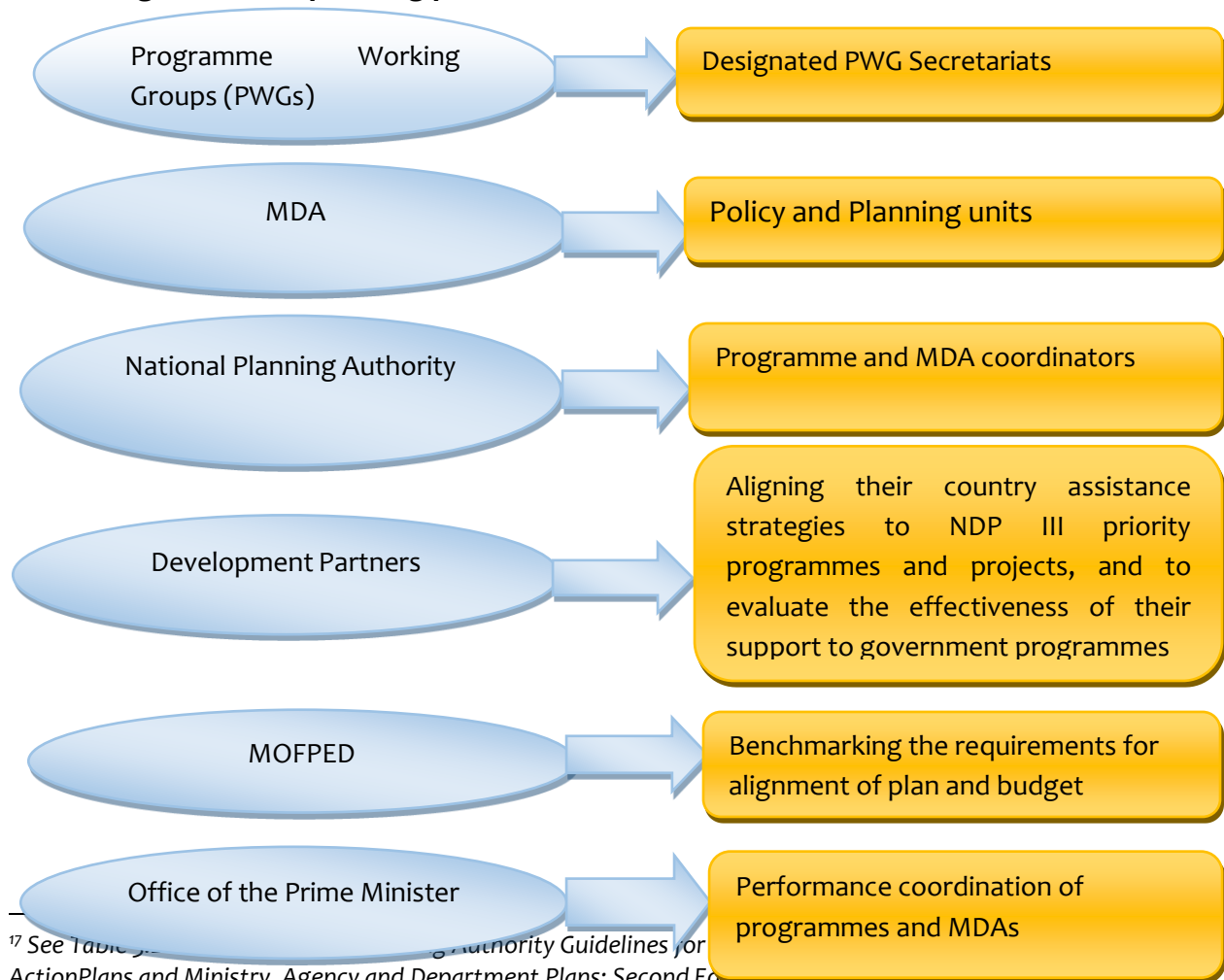
### 3.3 Demand, delivery and application of M&E data in government planning processes

One of emerging issues from the discussion of the M&E function in government under Chapter 2 is that M&E evidence is very critical for an effective development planning process. Further, the opening sections of this Chapter 3 have elaborated the government development planning framework and processes, including the roles of key stakeholders and their roles. The frameworks emphasize the need for coordinated planning and the use of evidence. This section attempts to assess the extent to which M&E information is demanded and applied in the government planning processes.

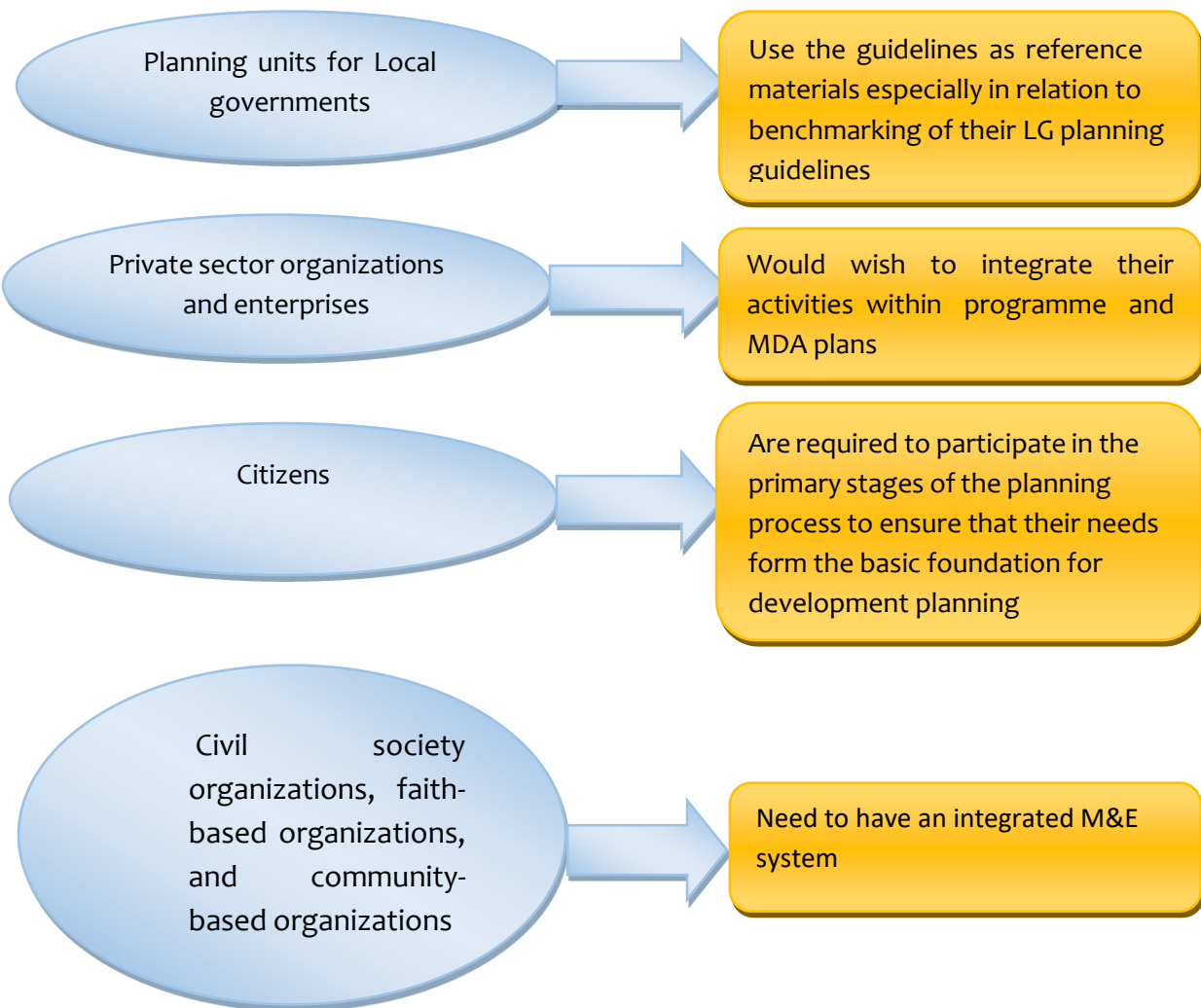
#### 3.3.1 Demand and delivery of M&E data

A logical starting point is to recap the responsibility centres and other stakeholder participants in the government planning process<sup>17</sup>. They include the following:

**Figure 3.2 Recap the responsibility centres and other stakeholder participants in the government planning process**



<sup>17</sup> See Table 3.1, National Planning Authority Guidelines for the Preparation of National, Sectoral, Regional, Provincial, District, and Local Government Action Plans and Ministry, Agency and Department Plans; Second Edition, 2007, p. 18.



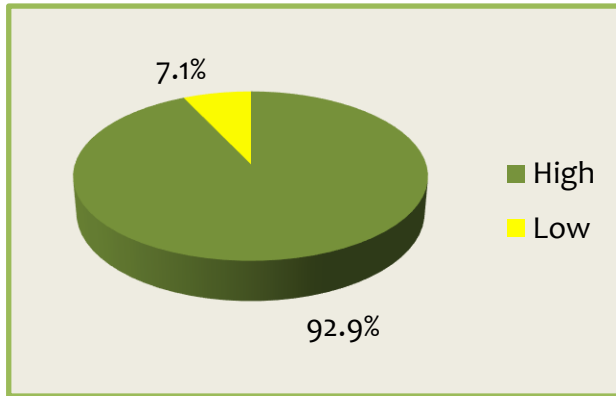
According to OPM<sup>18</sup> which is among the main generators of government M&E information, there is growing demand for M&E evidence because many of the decisions taken by MDAs/LGs are based on evidence from multiple sources. They need the evidence in order to understand how well its policies and programmes are performing; to plan new ones or improve existing ones; to determine if resources are being used effectively; and to improve public service delivery. However, the demand varies among the institutions.

According to the findings from the field survey of MDAs, the level of demand for M&E evidence/ data for planning by the institutions is very high. The majority of the respondents

<sup>18</sup> Source: Key Informant Interview, Office of the Prime Minister

(92.9%) responded in the affirmative (high) while only 7.1 % reported low demand. Figure 3.3 presents the capacity findings:

**Figure 3.3: Level of demand for M&E evidence for planning at the institution**



In addition, the findings from the MDAs survey also established that the main consumers of the M&E data (and/or where the data generated is delivered) by the MDAs (which allowed for multiple responses as per each MDA) include: programme/project officers (64.3%); planning and budgeting unit/ department (64.3%); sister government ministries and agencies (64.3%); private sector (85.7%); and development partners (85.7%).

The M&E sector has been growing at a rapid rate over the last few years fuelled in part by the fact that the Ministry of Finance planning and Economic Development (MoFPED) has recently developed a new medium term expenditure framework which requires evidence on programme performance to make informed decisions around budget allocation. The main consumers of M&E data include: Planning Units, Permanent Secretaries, Cabinet Ministers, Heads of Departments, Top Management Committees, The Committee of Permanent Secretaries, Cabinet, Parliamentary Committees, development partners, and civil society organizations, among others. The OPM adds that the data is often delivered through various means, including periodic reports, dashboards, scorecards, presentations and online platforms. The specific delivery methods may vary depending on the intended audience and the nature of the data being shared. The general public also access M&E data through various channels, such as government websites, reports, and public hearings.

### 3.3.2 Application of M&E data in planning

The assessment of the demand and application of the M&E evidence across the various government planning centres and stakeholders is conducted through some selected cases of government institutions which were surveyed. The cases are presented in turn.

#### **Case 1: Bank of Uganda**

- Bank of Uganda (BOU) is the national Central Bank.
- Its key mandate is monetary policy management. It collects various types of data/information for planning purposes e.g. daily statistics on currency issued from all commercial banks; monthly data on inflation is collected and used by the Monetary Policy Committee (MPC) that meets monthly to

determine the Central Bank Rate (CBR) and Inter Bank Rates; in order to help regulate money supply.

- For bank supervision and regulation of financial institutions, BOU conducts Financial Stability studies (against set indicators) which inform decisions on the required action, if any, by the Financial Stability Committee.
- The Bank manages government debt and collects regular data on domestic debt (treasury bills and bonds) and external debt (e.g. from World Bank, IMF, AfDB, EU and Bilateral Agencies). BOU obtains data through independent surveys as well as external sources e.g. Uganda Bureau of Statistics (GDP, inflation); Uganda Revenue Authority (international trade / customs data inflows and outflows); and Commercial Banks (monetary statistics/mandatory audited accounts). The level of domestic revenue generation determines the fiscal space and the service level agreements required to balance the economy while the data on inflation determines monetary policy transmission mechanisms such as CBR and Inter Bank Rates.
- In general, it is evident that the Central Bank has a high appetite for the use of evidence, and even more critical is that the evidence is applied in their planning and operations.

### **Case 2: Uganda Bureau of Statistics**

- The Uganda Bureau of Statistics (UBOS) is the official national statistics institution.
- It is a semi-autonomous statutory body under the Ministry of Finance, Planning and Economic Development (MoFPED).
- UBOS collects various types of data/information for national planning purposes e.g. National Housing and Population Census (per 10 years), National Household Surveys (per 2 years), Demographic and Health Surveys (per 4 years), National Service Delivery Surveys, Business Enterprise Surveys and many others. UBOS conducts prior meetings with MDAs to determine data needs.
- Data collected is analyzed and reports are produced and published for dissemination to MDAs and other stakeholders and survey report summaries are also published in newspapers to facilitate wide circulation and sharing of information.
- Since 2019, all MDAs are required to submit their data collection tools to UBOS for approval in a bid to standardize the tools, and also to ensure viability of information collected.
- In summary, it is evident that the UBOS is the official leader in the generation and supply of statistical/administrative information to all government planning centers and other planning stakeholders. UBOS is also a key user of the same information in their contributions to government planning.

### **Case 3: Office of the Prime Minister (OPM)**

#### **Mandate of OPM in M&E of MDAs**

- The OPM has the mandate to oversee and coordinate monitoring and evaluation (M&E) activities of all government ministries, departments, and agencies (MDAs). This includes setting M&E standards

and guidelines, providing technical assistance and support, and ensuring compliance with M&E requirements;

- Conducting the performance assessment of Government policies, programmes and projects to inform Cabinet;
- Training and capacity development on Monitoring, Evaluation and Learning in the Public sector;
- Coordination of the involvement and participation of academia, civil society and the private sector on MEL;
- Dissemination of M&E products and communication on evidence and results;
- Advocacy and leadership in Monitoring and Evaluation.

**Demand and use of M&E evidence within OPM is for the following purposes:**

- All MDAs are now required to justify the performance report information submitted to OPM and MoFPED on a quarterly basis;
- In addition, all MDAs have to prepare Ministerial Policy Statements, which basically is the annual performance report summary and work plan budget for the subsequent financial year;
- MDAs also need evidence to develop policy papers and for designing new projects, where the guidelines for the Development Committee that vets new projects entering the budget has stringent requirements for justification for projects backed by a strong evidence base;
- Identification of priorities in preparation of the National Development Plans and programme or sectors investment plans;
- For preparation of annual work plans or ministerial policy statements and annual budgets;
- Informs the design of government projects and policies;
- Used in the determination of outcome and output targets;
- The Planning Unit, together with the M&E division, have a very strong and influential voice, because they generate the draft plans and budgets for every entity, all of which are eventually validated and approved;
- For preparation of policy briefs and performance reports to top management;
- For preparation of the Annual Performance Reports described under the GAPR and NAPR above;
- For Government Annual Performance Reports (GAPR) that are discussed during the biannual Government retreats of Cabinet Ministers, Ministers of State, Permanent Secretaries, Heads of Government Agencies, and Local Government representatives in March and September respectively;
- For planning the improvement of implementation of public projects evaluation; for example, the Baraza programme has been decentralized after an impact evaluation by IFPRI and Associated evaluators recommended this;
- For informing the process of indicators profiling and target setting for all programmes and MDAs to be included in the National Results and Performance Framework;
- OPM, NPA, UBOS AND MoFPED have established a committee supported with funding from the EU through the REAP Project to review and clean up the Results Framework of the NDP 3 following the recommendations of the mid-term review. M&E evidence can inform the Results Framework.
- Evaluation of the PEAP, by Office of the Prime Minister and the Oxford Policy Management led to the preparation of the National Development Plan 1 following several recommendations on priority areas and political economy issues;
- The evaluation of the National Strategy for Private Sectors Development 2016-2021 by OPM and REEVS Consult informed the design of phase 2 of the Strategy 2023/20208;

- The impact evaluation of the Youth Livelihood Support Programme and the Youth Opportunities programmes informed the revision of the implementation strategy of the programme;
- The evaluation of NUSAF 2 informed the design of the Northern Uganda Social Action Funds (NUSAF 3) and 25 percent of recommendations were adopted from NUSAF 1 and NUSAF 2;
- Evaluation of the Agriculture Cluster Development Project (ACDP) which was established in 2019 to promote agricultural productivity and commercialization revealed that it was not effectively reaching its target beneficiaries, hence it was reviewed, including the integration of smallholder farmers into value chains, increasing access to finance and markets, and strengthening institutional capacity.

#### **Case 4: National Planning Authority (NPA)**

##### **Coordination and harmonization of the government planning role**

- Draft a strategic direction involving the macro-modeling forecast for the medium term
- Consult H.E. the President for input in the Plan
- Present to Cabinet for input on the strategic directions
- Request Programmes or Sectors to submit issues paper to inform Planning
- Request LG through the regional fora to provide input to the strategic direction
- Work with MDA/LGs in the preparation of Chapter specifically based on an agreed framework and key issues to be addressed in the medium term
- Prepare results and reporting framework
- Through validation at the Centre and LGs, the plan is validated to cover ideas from the DPs, academia, youth, non-state actors among others
- Draft plan is presented to the Permanent Secretaries, DPs, private sector, Cabinet, LGs for validation

##### **M&E data used within the NPA for the following purposes:**

- Progress assessment
- Evaluations
- Feasibility studies
- Inform Planning and budgeting
- Compliance assessment

##### **Main consumers of NPA M&E data**

- Oversight institutions (Parliament, OAG, other GoU institutions)
- APEX (Presidents` Office, OPM and MFPED)
- Researchers
- Non-state actors

##### **Use of NPA M&E evidence:**

- The MTR has informed the reprioritization of the budget and preparation of the successor plans at all levels
- Databases and MISs aid generation of policy statements and informs the budgets

#### **Case 5: Kampala Capital City Authority (KCCA)**

##### **Mandate of KCCA in planning**

- KCCA conducts participatory planning, right from the parish to division level. Each division submits its priorities, but should fit within the overall annual framework for the institution

**Demand and use of M&E evidence**

- M&E is very important to help inform decision making and a lot of data is collected and used to inform the major areas which require immediate intervention e.g. economic empowerment, education; health and service delivery.
- By the time development plans, programs and projects reach the implementation stage, all M&E data has already been visited and verified.
- M&E data fits into the planning and budgeting in KCCA throughout the cycle, right from the preparation and submission, approval, execution and during audit and evaluation.

Among the most commonly reported applications of M&E data by the MDAs, as established from the MDA respondents during the field survey (which allowed for multiple responses as per data applications by each MDA), include: informing the planning process for decisions on current and future development plans (78.6%); informing the budget formulation process (71.4%); providing benchmarks for demonstrating achievements (64.3%); and providing project and program accountability (57.1%). These responses demonstrate the increasingly high levels of application of M&E evidence across government.

Further, the field survey of MDAs sought to establish if “any M&E data led to the review of any development plans, policies, and programmes”. Encouragingly, a reasonable majority of the MDAs (57.1%) responded in the affirmative, while 42.9% responded with a “No”. Evidently, the latter proportion is quite significant and the implication is that there is yet more work to be done to ensure that M&E takes centre stage in shaping policy and development programmes, and that the MDA staff can be in position to embrace fully such changes.

To wrap up the question of demand and application of M&E information in government planning processes, the emerging dominant thread is that currently, there is still a substantial deficit in the demand and application of M&E information in government planning. However, there has been significant improvement in the demand and use over the last decade. While the demand and application varies between different planning institutions and other participating stakeholders, the common thread is that across the board, the M&E sector in government MDAs and LGs has been growing. Information obtained from the OPM (*Key informant interview, OPM, 2023*) summarises the current status aptly. OPM notes that the growth has especially been driven by the government policy shift from sector planning and budgeting to program-based planning and budgeting, which are largely based on the use of M&E data. The new approach places more emphasis on results-based management, which requires the use of M&E data to monitor progress and evaluate the effectiveness of

programmes. As a result, there is now greater demand for quality data to inform decision-making and improve programme performance. Additionally, the new approach has created more opportunities for stakeholders to participate in the planning and budgeting process, including civil society organizations and development partners, which has led to greater transparency and accountability. However, there are still challenges in terms of capacity building for M&E and ensuring that data is used effectively to inform decision-making. Generally, the shift to programme-based planning and budgeting has created a more conducive environment for the use of M&E data in planning and budgeting for programmes. The shift has had a positive impact on the use of M&E data in planning and budgeting for programmes, leading to more effective and efficient use of public resources to achieve development outcomes.

### **3.4 Factors undermining the demand and full application of M&E evidence in planning**

The foregoing discussion on the M&E function in government has demonstrated that, indeed, the demand and use of M&E evidence in planning has increasingly taken root. However, the findings from this assessment indicate that the ideal level of full appreciation and application of M&E evidence in planning is yet to be attained. This deficit is due to a number of factors, including the following:

- a) **Inadequate appreciation and full institutionalization of M&E function:** The recognition of the importance of M&E in Government is a process. While it has been gaining momentum and more recognition over the years, there is still some attitude deficit among officials. Some of the institutions still view M&E as an imposition by government guidelines and, in turn, do not take the M&E information very seriously while planning.
- b) **Lack of adherence to data quality standards:** The information available to planners through M&E is sometimes not accurate. It has been argued that available data is in most cases either inaccurate, incomplete, not readily available, or irrelevant. Under these circumstances, policy makers may be in some form of doubt, hence reluctant to use M&E information at the time. For instance, according to the OPM<sup>19</sup>, there is stronger accountability and better implementation of projects in the departments where the investment in data collection and analysis is stronger. There is also stronger credibility in the performance reports and accountability of departments and projects with higher investment in M&E and data, and the performance rating of MDAs which have stronger data management systems are often higher than the sectors that are weak on data and monitoring and evaluation activities. The OPM also opines that the ‘stronger voices’ of

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<sup>19</sup> Key Informant interview, OPM

M&E technical officers can sometimes override the feedback from the beneficiaries of interventions on the ground, which can then skew the M&E reports.

Similarly, in terms of timeliness, government planning cycle is very definitive in term of time and for M&E data to be employed, it has to be generated in time. In some cases, this is not possible and there are data lags. For instance, the shift to programme based planning and budgeting under the NDP III has resulted in higher demand for M&E data but has also led to new data demands which may not be readily available at the time. According to information from the OPM<sup>20</sup>, performance data on the outcomes of the programmes is not yet generated as the programmes have to invest afresh in the generation of this data which will require at least one year of implementation. Planning and budgeting for programmes has been more difficult and to date, the programmes have very unrealistic budgets in the Programme Implementation Action Plans (PIAPs).

- c) **Huge informal sector:** One of the most critical features of Uganda`s economy is the predominance of informality, estimated at about two thirds. There is a huge subsistence and non-monetary sector; agriculture is dominated by numerous smallholder households relying on rain-fed agriculture while industry and trade are characterized by many Small and Micro Enterprises (SMEs). Often, such an economy defies intervention programming based on ‘scientific metrics’ like M&E evidence. Such an economy is very unpredictable and availability of accurate data is also doubtful. Many of the seasoned policy makers are aware of these shortcomings<sup>21</sup> and sometimes ignore the M&E ‘scientific’ information.
- d) **Inadequate embedment of M&E in annual performance measurement:** Government institutions mostly run on 5-year strategic plans most of which actually have provisions for M&E, including targets and expected results. These are then supposed to be translated into annual plans for implementation. However, there is often a gradual disconnect between the annual performance measurements (both for an institution and the staff) and the overall 5-year plan. There is also inadequate linkage of the continuous performance monitoring and the broader 5-year objectives.
- e) **Strong voices and political expediency:** The planning process in government is sometimes influenced by political considerations, often in contradiction of the available M&E evidence, or sometimes without waiting for appropriate M&E data to inform some

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<sup>20</sup> Key informant interview, Office of the Prime Minister(OPM)

<sup>21</sup> Examples include: commercial bank interest rates which always remain very high regardless of adjustment of the Central Bank rate; agriculture smallholders have refused and/or failed to take up modern technologies despite huge government efforts and clear evidence that it enhances productivity/incomes; COVID-19 relief funds are still lying in Uganda Development Bank unaccessed by intended SME beneficiaries; agriculture production projections are largely a function of the weather; etc.

decisions. One case in point is the recently launched Parish Development Model (PDM) which appears to be a noble programme intended to improve the livelihoods of poor households across the country. However, government has ignored pleas from some circles<sup>22</sup> that appropriate data on the potential beneficiaries, intervention activities and other critical evidence, first be obtained to guide the programme. There is even no framework against which M&E will be used to follow up on implementation and assess the performance of PDM; and planning centres have just been instructed to include PDM in their plans going forward. There are also indications that ‘strong political voices’, rather than ‘scientific and objective’ M&E evidence, often determine where and which big projects (e.g. roads or hospitals) are constructed.

- f) **Inadequate data sharing:** According to the NPA<sup>23</sup>, there is limited data sharing among different arms of MDAs; and that those that happen to share M&E reports require digging deep to make sense of the data. This calls for use of a dashboard (graphical user interface) that provides data at-a-glance for a user, making it very convenient for planning and budgeting teams. The OPM notes that there is inadequate collaboration and coordination in the M&E evidence ecosystem implying that users always have to go to different data resource generating centres, which can be cumbersome and time consuming.
- g) **Inadequate alignment and harmonization of data needs and M&E information outputs:** While the M&E function in government institutions has increasingly taken root, especially over the last 10 years, there are still some gaps between the evidence generated and the kind of information that would be very useful for the subsequent planning cycles. The OPM attributes this anomaly mainly to lack of alignment and harmonization by the various actors at the initial planning stage.

The emerging picture is that there is indeed increasing demand and application of M&E evidence in government. It is also true that this step up is, at least in part, due to the laid down guidance of government for all government institutions to embrace M&E and apply the information it generates. Nonetheless, there is still some way to go. The gains made thus far need to be consolidated. This will require the appreciation of the factors impeding the demand and application of M&E as discussed above, and then make concerted efforts to mitigate against them.

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<sup>22</sup> E.g. some members of Parliament and Uganda Bureau of Statistics (UBOS)

<sup>23</sup> Key informant interview, National Planning Authority(NPA)

## **4: BUDGETING SYSTEMS AND THE USE OF M&E INFORMATION IN BUDGETING PROCESSES OF GOVERNMENT**

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### **4.1 Overview of the government budgeting framework and processes**

In principle, government budgeting moves in tandem with government planning. Indeed, one of the key features and requirements of government plans at the various levels is that they should be *costed* i.e. the proposed interventions and activities under the plans are assigned a cost. However, while the fundamental planning frameworks (NDPs at the national level, PIAPs for programmes, strategic plans for MDAs and LG plans) normally span a period of 5 years, the fundamental government budget (regardless of the *costed* fundamental 5 year plans) is annual. Therefore, the fundamental plans are normally broken down in phases and implemented through annual work plans to match the budgeting cycle. Chapter 4 attempts to address the function of government budgeting separately from Government planning which has been extensively discussed under Chapter 3.

The government budgeting framework is mostly provided for under the Public Finance Management Act of 2015. The PFMA provides for critical issues relevant for this analysis including the Budget Framework Paper, the roles of the Minister and the Secretary to the Treasury in the budgeting process, government expenditures, and supplementary budgets, among others. The PFMA defines a *budget* as “the Government plan of revenue and expenditure for a financial year and *budgeting* as the process by which Government sets levels to efficiently collect revenue and allocate the spending of resources among all sectors to meet national objectives”. The government budget is the vehicle for implementation of development policies through provision of public goods and services.

Under the Third National Development Plan (NDPIII), government has shifted away from the sectoral to Programme-Based Budgeting (PBB) as has been discussed under planning. Information obtained from interviews with OPM indicates that Government shifted from input-based budgeting to output-oriented budgeting in FY 2008/09 and from sector-based budgeting to programme-based budgeting in FY 2017/18. The shift to PBB was intended to enhance coordination and collaboration among different sectors and agencies, improve accountability for results and outcomes, and simplify the budgeting process with more focus on outputs and outcomes. OPM emphasizes that the new PBB approach is intended to promote greater collaboration and coordination among different MDAs, enhance accountability for results and outcomes, and simplify the budgeting process with more focus on outputs and outcomes<sup>24</sup>. Government also adopted an ex-ante analysis of the budget to



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<sup>24</sup> Key informant interview, OPM, 2023

proactively address various issues of public and development interest in their Budget Framework Papers (BFPs) and Ministerial Policy Statements (MPS). Ministries, Departments, Agencies (MDAs) and Local Government (LGs) have to specify measures and allocate budgets to address the different needs.

The annual national budget is a culmination of various processes and activities at various points of decision making in the budgeting process, which are bound by strict timelines as spelt out under the PFMA. Table 4.1 presents the flow of the budgeting process and the timelines (normally of the financial year preceding that to which each budget relates).

**Table 4.1: Budget process, key actors and timelines**

Deadline	Activity
<b>September</b> <b>(1st call)</b>	<b>Budget Call Circular:</b> <ul style="list-style-type: none"> <li>• Addressed to all technical program heads and accounting officers</li> <li>• Provides guidance for preparation and submission of Sector Budget Framework Papers (BFPs), and Ministerial Policy Statements (MPSs)</li> <li>• Later, 2<sup>nd</sup> call circular to finalize the budget estimates by providing budget ceilings for detailed populating; and fiscal and administrative guidelines for finalizing the budgeting and MPSs</li> </ul>
	
<b>15th November</b>	<b>Budget Framework Papers (BFPs):</b> <ul style="list-style-type: none"> <li>• Programme BFPs prepared by Lead Minister, consolidating the relevant sector BFPs</li> <li>• Lays down medium term forecasts and key intervention areas, plus major activities proposed for financing over the next financial year</li> <li>• Submit to MFPED</li> </ul>
	
<b>31st December</b>	<b>National Budget Framework Paper (BFP)</b> <ul style="list-style-type: none"> <li>• Prepared by MFPED, with wide consultations at central and LG levels</li> <li>• Consolidates the programme/sector/vote BFPs and ensures consistency with NDP and the Charter of Fiscal Responsibility</li> <li>• Lays down medium term macroeconomic and fiscal forecasts, charter of fiscal responsibility, expected resource envelope and</li> </ul>

	<p>key intervention areas, and major activities proposed for financing over the next financial year</p> <ul style="list-style-type: none"> <li>• Considered and approved by cabinet</li> <li>• Submit to Parliament</li> </ul>
	
<b>1st February</b>	<p>BFP - consideration and approval:</p> <ul style="list-style-type: none"> <li>• Speaker refers BFP to relevant committee of Parliament for consideration</li> <li>• Parliament reviews and approves BFP</li> </ul>
	
<b>15th March</b>	<p>Ministerial Policy Statements (MPSs):</p> <ul style="list-style-type: none"> <li>• Prepared by Minister (MFPED) and heads of other votes</li> <li>• Specifies performance of previous year by the respective ministry, and policy, goals/targets and major activities for next financial year, all aligned with NDP III, SDGs and other government commitments</li> <li>• Submit to Parliament</li> </ul>
	
<b>1st April</b>	<p>Annual National Budget:</p> <ul style="list-style-type: none"> <li>• President causes preparation of proposed annual budget (<i>in effect by MFPED and heads of other votes</i>)</li> <li>• Country wide budget consultations and consolidation of all proposals (MFPED)</li> <li>• Put before Parliament by Minister MFPED on behalf of the President</li> </ul>
	
<b>31st May</b>	<p>Budget - consideration and approval:</p> <ul style="list-style-type: none"> <li>• Speaker commits proposed budget to the Budget Committee of Parliament and to each sectoral committee the relevant part of the budget for consideration</li> <li>• Parliament reviews and approves the budget (<i>and other budget related bills e.g. Appropriation Bill</i>)</li> </ul>
	
<b>30th June</b>	<p>Official presentation (reading) of approved national budget:</p> <ul style="list-style-type: none"> <li>• Presentation/reading of approved budget in Parliament to entire nation</li> <li>• Harmonized with EAC Partner States</li> <li>• By the President (<i>traditionally delegated to Minister- MoFPED</i>)</li> </ul>
	
<b>1st July</b>	<p>Budget implementation:</p> <ul style="list-style-type: none"> <li>• Implementation takes effect on 1<sup>st</sup> day of financial year</li> </ul>

**Sources:** *The Public Finance Management Act, 2015; MFPED, Ministerial Policy Statement For VOTE 008: Ministry of Finance, Planning and Economic Development; March 2020; National Budget Framework Paper FY 2023/24 – FY 2027/28; Ministry Of Finance, Planning and Economic Development; December 2022; Key Informant Interviews, 2023*  
The key emerging points of note include the following:

- a) Government budgeting is primarily the mandate of the Ministry of Finance, Planning and Economic Development (MoFPED). The MoFPED coordinates other government Ministries, Departments and Agencies (MDAs) and other votes, in the execution of their plans through the annual budget process.
- b) The government budgeting process involves a robust consultation process aimed at gathering input for the National Budget Framework Paper. For instance for the FY 2018/19, the MFPED provided an extensive list of institutional centers consulted, including *Local Governments, Regional Referral Hospitals, Public Universities, Uganda Manufacturers Association, Stakeholders in the Tourism Sector, the Private Sector Foundation as well various discussions by Government Ministries, Departments, Agencies and Development Partners under the auspices of Sector Working Groups*<sup>25</sup>. This ideally aims to produce a ‘democratic’ national budget. However, our analysis established that, while the budget cycle is clearly elaborate on collecting data for input into the budgeting process, there was little evidence that the National Budget allocations are themselves a result of this evidence-based data. It was clear that the budget allocations are largely pre-determined with minimum room for input from any piece of evidence of needs (across MDAs). Similarly, there was little room for maneuver by the various MDAs.
- c) Another critical point of emphasis is the issue of conformity and alignment of the budget to the overarching national plans (NDP/Vision 2040). The PFMA obliges<sup>26</sup> the NPA to issue a Certificate of Compliance (CoC) each Financial Year to ensure that the National Budget, comprising the programme, MDA and Local Government (LG) budgets focus on implementation of the NDPs, in terms of national priorities, programmes, objectives, outcomes, interventions and outputs. The essence of CoC is that once a given MDA has not complied in the previous quarter, then it should not receive the subsequent quarter release.
- d) The budgeting process at the government institution level proceeds from the 5-year plans (PIAPs/MDA/LG plans) which are required to be ‘costed’ on an annual basis. They are guided to identify all quantity of input required for each activity, estimate the cost per unit,

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<sup>25</sup> MFPED; *National Budget Framework Paper FY 2018/19 – FY 2022/23; Ministry of Finance, Planning and Economic Development; December 2017*

<sup>26</sup> *Public Finance and Management Act (PFMA) 2015, Section 13 (7)*

and calculate the implied costs<sup>27</sup>. This is then reinforced by a resource mobilization and financing strategy (NPA, pg. 45/46). Preparation of the BFPs then feeds from these base guides, aligned in terms of sub-programmes, outcomes and sub-outputs.

- e) The PFMA specifies the roles of the accounting officers for the government budget votes which include: controlling the regularity and proper use of money appropriated to a vote; authorizing any commitment made by a vote; controlling the vote resources; putting in place effective systems of risk management, internal control, including internal audit; and under the annual budget performance contracting with the Secretary to the Treasury to deliver on the activities in the work plan of the vote for a financial year (PFMA, sec 45).

It is clear from the above that while the government institutions (PWGs, MDAs, LGs and other votes) take the lead in the hands on budgeting for their respective institutions and NDP III programmes, the MoFPED manages the budget, under financial releases on a quarterly basis, when the resources available allow. The implication is that this often results in unfunded priorities.

#### **4.2 Demand and application of M&E information in government budgeting processes**

This section attempts to supplement the cases presented under sec 3.3 to demonstrate the demand and use of M&E evidence in government planning. To reiterate, it will be recalled that government planning and budgeting normally go hand in hand, and that the separation in this context is just for purposes of standalone analysis of the two related functions of ‘planning’ and ‘budgeting’. While the functions are intertwined, they face different challenges and require different interventions, and therefore deserve separate analysis for better focussed proposals for improvement, especially in their respective use of M&E data. To this end, it will be recognized that the cases presented under ‘planning’, also mostly apply to ‘budgeting’. Therefore, this section will try to avoid unnecessary repetition and add some extra demonstrations of the demand and application of M&E information in budgeting. The presentation will be in form of referenced information and other evidence obtained from the findings of the study.

##### **(i) MoFPED - National Budget Framework Paper (NBFP)**

Desk review information obtained from a MoFPED publication indicates that the preparation of the NBFP, which is critical in the budgeting process, is guided by M&E data from various

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<sup>27</sup> NPA; *Guidelines for the Development Of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020*

reputable sources. For instance, for the FY 2018/19 National Budget Framework Paper, MFPED asserts that:

**Box 4.1: Use of M&E data in preparation of BFP**

*“The preparation of the National Budget Framework Paper was also guided by the results of the Uganda National Household Survey (UNHS) 2016/17, the Doing Business Survey, the Economic Growth Forum that was held in September 2017 and the review of Economic and Sectoral Performance for Quarter One (Q1) FY2017/18”.*

*Source: MFPED; National Budget Framework Paper FY 2018/19 – FY 2022/23; Ministry of Finance, Planning and Economic Development; December 2017; (pg. 4)*

**(ii) Presidential Economic Council (PEC) – Marshalling funding for plans**

Desk review information obtained from NPA guidelines indicates that the PEC generates M&E data which can be critical for informing the funding of plans for MDAs/LGs. The PEC is a body under the Presidency charged with the task of dealing with strategic issues bearing on the realization of the Vision 2040 and the NDP. It is headed by NPA and members include Government MDAs and the private sector, among others. PEC advises the President on economic matters relating to macro and sector/programme performance; researches, plus analyzes and prepares briefs to facilitate H.E the President’s decision making on economic matters. The NPA guidelines assert as follows:

**Box 4.2: Use of M&E data to help marshal high level buy-in at the PEC**

*“Given the direct link with the principal leadership of the country [The Presidency], PEC provides a rare opportunity for MDAs to obtain inputs and buy-in of the political leadership of the country into the strategic plans... and this makes it easier for the plans to attract the required resources for their implementation”.*

*Source: NPA; Guidelines for the Development of Programme Implementation Action Plans and Ministry, Agency and Department Plans; Second Edition; December, 2020 (pg.10)*

**(iii) Budget Monitoring and Accountability Unit**

The Budget Monitoring and Accountability Unit (BMAU) of MoFPED monitors implementation of the NDP III programmes by government agencies. Its half year report on the Agro-Industrialization Programme for FY 2021/22 up to 31<sup>st</sup> December 2021 notes “very good half

year release and fair expenditure performance”. Among several other issues however, it establishes some non-conformity to the PBB as follows:

**Box 4.3: Instances of failure of M&E data use in budget execution**

*“Despite the fair performance, there was a weak focus on programme-based planning, execution and implementation of the value chain approach that would promote agro-industrialization. Most spending agencies were still functioning in the silo mode, with funds spent on discrete interventions and projects that were not contributing fully to the achievement of the programme and sub-programme objectives”.*

**Source:** BMAU, Agro-Industrialization Programme; Semi-Annual Budget Monitoring Report Financial Year 2021/22, April 2022; Budget Monitoring and Accountability Unit, MFPED, April 2022 (pg.viii)

**Note:** This case demonstrates some instances of non-conformity in budget execution for some institutions as well as some of the driving factors.

**(iv) Office of the Prime Minister (OPM) – Key Informant Interview**

OPM is mandated to coordinate, monitor and evaluate the implementation of Government policies, programmes, and projects across Ministries, Departments and other Public Institutions, in line with Article 108(A) of the Government of Uganda Constitution (1995). Efforts made under this study to obtain the OPM views on how M&E data is applied across government budgeting process returned the following response:

**Box 4.4: Use of M&E data in budgeting**

*“M&E data plays a crucial role in budgeting. It helps to inform decision-making and ensure that resources are allocated to programs and projects that are making a positive impact. By using M&E data, planners and budget makers can identify areas that need improvement, target resources where they are most needed, and measure the effectiveness of interventions over time”.*

*“Local Government Performance Assessment Reports are also used for resource allocation of UGIFT grants to Local Governments. ... M&E evidence is used in development of the Medium-Term Expenditure Framework (MTEF), which is a three-year rolling plan that outlines the government's expenditure priorities. M&E evidence is used to inform the prioritization of expenditures and budgeting process to ensure that resources are allocated to programs and projects that have a proven track record of achieving results and are likely to yield the greatest impact, which helps to improve the effectiveness and efficiency of government spending”.*

**Source:** Key informant interview, OPM, 2023

#### (v) Office of the Prime Minister (OPM) – GAPR report

The Government Annual Performance Report (GAPR) by OPM and its role has been extensively discussed under the previous chapters on M&E, as well as planning in government. This reference is, therefore, just limited to its linkage to budgeting at the highest level of government. Secondary information obtained from the desk review of the recent GAPR for the FY 2020/21 asserts its use in budgeting at the highest level of government as follows:

##### **Box 4.5: Use of GAPR M&E data in high level government budgeting**

*“On 7th-8th September 2021, OPM held a two-day retreat of Ministers, Permanent Secretaries, and Heads of Government Agencies and District leadership to discuss this report (GAPR FY 2020/21) in detail. The discussion focused on existing gaps in service delivery, and strategies for improvement with a view of reaching the population at the grassroots level. The retreat was followed by the budget conference for FY2022/23 on 9th September 2021; and agreed actions from the three-day discussions informed the National Budget Strategy for the FY2022/2023”.*

**Source:** OPM; Government Annual Performance Report; Financial Year 2020/2021; October, 2021; (pg. xxv)

The GAPR/NAPR reports are produced by OPM biannually and cover all the 18 NDP III programmes) implemented by MDAs and 177 Higher LGs (Cities, Districts & Municipalities), among others. They are discussed during the biannual Government retreats of Cabinet Ministers, Ministers of State, Permanent Secretaries, Heads of Government Agencies, and LG in March and September respectively (OPM, GAPR 2020/21, pg.1). The critical emerging issues are identified and these constitute the agenda items for the subsequent GAPR. However, the critical issue is that while the OPM is clearly mandated to co-ordinate MDAs and also function as a locus for M&E across MDAs, OPM is also heavily engulfed in implementation of programmes (Karamoja, refugees, Bunyoro among others). This poses questions about who monitors, as OPM implements programmes in these areas\*.<sup>28</sup>

#### (vi) MoFPED - Budget Preparation, Execution and Monitoring Programme

This is a case reference from the Ministerial Policy Statement (MPS) of MoFPED and demonstrates the budgeting tools and systems and initiatives promoting use of M&E in budgeting, both by the Ministry and also across government.

##### **Box 4.6: Use of M&E systems and initiatives in government budgeting**

*“Under this Program, the Ministry ensures efficient allocation of resources as well as monitoring resource utilization at all levels of Government. Under the Programme, the Ministry undertook further implementation of the Performance Based Budgeting (PBB) and capacity building on the Performance Budgeting System (PBS). The Ministry also continued implementation of the Budget Transparency Initiatives (BTI), conducted regional budget consultative workshops and prepared the National Budget Framework Paper for FY 2020/21 as well as other documents required in the budgeting process..... MoFPED has recently developed a new medium term expenditure framework which requires evidence on programme performance to make informed decisions around budget allocation”.*

**Source:** MFPED; Ministerial Policy Statement for VOTE 008: Ministry of Finance, Planning and Economic Development; March 2020 (pg. xii/xiv)

### (vii) Kampala Capital City Authority – M&E in budgeting process

Kampala Capital City Authority (KCCA) is the biggest urban Authority in the country. Under the decentralized system, it is self-accounting with its own government budget vote. Information obtained from an interview with the Authority demonstrates the use of M&E data in the budgeting process for the institution:

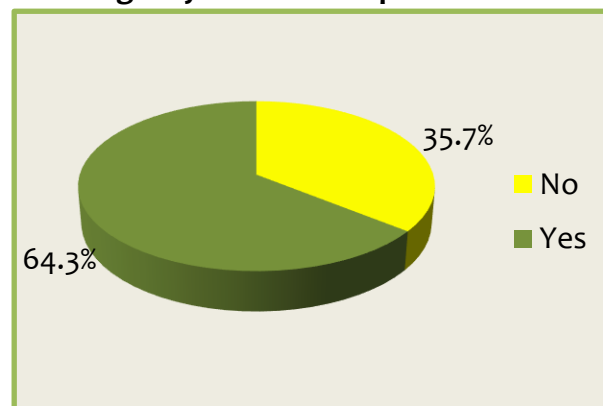
#### **Box 4.7: Demand and use of M&E data in KCCA**

*“KCCA conducts participatory planning and budgeting. This is done right from the parish to Division level. Each Division submits its budget priorities but must fit within the overall institutional budget framework for the respective year. So in all the areas of intervention, M&E is very important to help inform decision making during the budgeting process. For example, we use M&E data in key priority areas like Economic empowerment, Education, Health and Service delivery. A lot of data is collected and used to inform the major areas which require immediate intervention. M&E data is applied throughout the budget cycle, right from the preparation and submission, approval, execution and during audit and evaluation.”*

**Source:** KCCA, Key informant Interview, 2023

The field survey of MDAs also sought to establish whether the “MDAs have a strategic phase in the budget cycle that incorporates M&E”. Most of the MDAs (64.3%) responded in the affirmative while a significant 35.7 % replied in the negative. The former category should be encouraged to maintain and even step up their use of M&E in budgeting while the latter category should be supported to embrace M&E data. Figure 4.1 presents the capacity findings.

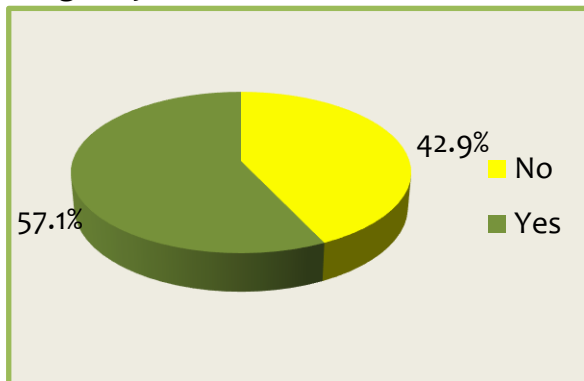
**Figure 4.1: Presence of strategic phase in the budget cycle that incorporates M&E**



Further, the field survey of MDAs also interrogated whether the “MDAs have tools or procedures in place to promote alignment between the use of evidence and budgetary allocations”. A slight majority of the MDAs (57.1 %) responded positively, but a significant 42.9

% said that they do not have such procedures. More effort is required to ensure that all MDAs across the board have the tools and procedures. Figure 4.2 presents the capacity findings:

**Figure 4.2: Presence of tools and procedures to promote alignment between the use of evidence and budgetary allocations**



The field survey of MDAs also established that many of the MDAs have endeavoured

to ensure that their budgets are increasingly evidence based, through a number of reported initiatives (which allowed for multiple responses as per each MDA) including: ensuring a complete inventory of currently funded programs (57.1%); ensuring that the MDA justifies budget requests with rigorous research (57.1%); and ensuring that evidence is incorporated in the contracts (64.3%). Regrettably however, a significant proportion (35.7%) reported “none”. This latter category needs to be innovative and promote M&E in their budgeting process.

In summary, it is evident that as a twin process to government planning, the budgeting process is almost at similar status levels with planning in terms of the demand and use of M&E data. Similar diagnosis applies that currently, there is still a fundamental deficit in the demand and application of M&E information in government budgeting though there has been significant improvement in the demand and use over the last decade. For the case of budgeting however, the deficit is further complicated by budget execution issues which are often exacerbated by inadequate funds and other persistent issues. These issues are discussed at length in the proceeding section.

#### **4.3 Persistent factors impeding demand and application of M&E evidence in budgeting**

Government has officially embraced the use of M&E evidence across all MDAs and guidance has even been provided to that effect. Indeed, the assessment indicates that the demand and application of M&E information in government has been gaining traction over the last 2 decades. However, a number of factors continue to constrain progress in this respect. The most critical of these persistent factors are presented below:

- a. **Inadequate appreciation of full institutionalization of M&E function across MDAs:** This point applies both to planning (as already discussed sec 2.4) and also on this dimension of government budgeting. In fact, for budgeting, the findings from the survey indicate that it is even worse. The attitude among the decision-making officials on the relevance of M&E information for budgeting purposes is largely negative, regarded just a directive from government. Otherwise, very few take it seriously while budgeting.
- b. **Political influence and stronger voices in budget allocations:** This issue also applies both to planning (as already discussed sec 2.4) and also to government budgeting. There are indications that strong senior government officials influence budget allocations much more than M&E generated information. The most basic indication is that, while for years all the 'scientific evidence' from M&E reviews shows that socio economic transformation must address the issues of poor households the majority of whom are engaged in agriculture, yet this sector has for several years been allocated only 3% to 4% of the national budget<sup>29</sup>, while the bulk goes to the more powerful voices in security/defence, state house and public administration. Peddling of political influence in the allocation of budgets for development projects (e.g. roads, extension of electricity grid, etc.) has also been cited.

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<sup>29</sup> This is well below the 10% recommended under international commitments like the Maputo declaration, of which Uganda is a signatory.

- c. **Planning and budgeting dichotomy:** The government planning and budgeting processes and arrangements have been elaborately discussed. The critical element here is that while the key strategic plans have a span of 5 years, budgeting is basically an annual function. In essence, the annual budgets in relation to the 5 year strategic plans are just *ad hoc* and tend to rhyme more with the challenges of the day rather than the more rigorous and evidence based 5 year strategic plans (and the projected indicative budgets). As a case in point, the BMAU April 2022 monitoring report on the Human Capital Development Programme under NDP III observed *poor alignment of the PIAP commitments into the Annualised Budgets to ensure attainment of programme objectives, poor prioritisation and sequencing of outputs, and poor absorption of funds* (BMAU, Human capital development programme report 2021/22, pg. ix). This greatly undermines M&E.
- d. **Fiscal indiscipline:** Over recent years, government fiscal discipline has declined sharply. This is evidenced by a spiralling government debt and debt repayment commitments<sup>30</sup>, over expenditure beyond the budget ceiling and budget deficits exacerbated by revenue shortfalls, among others. While it is recognized that government has borrowed largely to close the infrastructure gap, this indiscipline inherently implies ignoring the available glaring evidence (e.g. M&E data), characterized by numerous expert voices warning government about the debt crisis. However, government has continued to insist that the debt management is still ‘under control’.
- e. **Rampant supplementary budgeting:** Supplementary budgets are provided for under the PFMA Act (Sec 25)\* to cater for emergencies, natural disasters, serious floods, landslides, pandemics, unforeseen priorities and such other urgent issues. Often, however, this provision is abused. In FY 2018/19, supplemental budget took up 10% of the budget; while in FY 2022/23, it has shot up to 12% (MoFPED).<sup>31</sup> In many cases, the supplementary budgets are for ‘classified expenditure’ where the details are not divulged and the urgency is therefore not clear. Further, the timing can sometimes be very suspicious e.g. towards the end (or even beginning) of a financial year, or near elections. The provision for supplementary budgeting rides on a related provision for a contingency fund (PFMA, sec 26) where the former is supposed to be drawn, but often the fund is itself not funded. In such a state of affairs, the use of M&E evidence to rationalize the scarce resource allocations is severely undermined.

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<sup>30</sup> Presently, the debt is estimated at about UGX 80 Trillion (close to USD 20 billion) which is almost 50% of GDP and allocations for debt repayment in the FY 2022/2023 are projected at about 17% of the total budget.

<sup>31</sup> \*The PFMA provides for 3% supplementary budget and up to 0.5% contingency requirement in case of emergency (PFMA 2015).

- f. **Constrained national budgets and resources:** Government budgeting is characterized by constrained resources. Budget allocations and releases therefore increasingly become like a ‘fire fighting’ exercise. For instance, the BMAU April 2022 monitoring report on the Manufacturing Programme under NDP III observed that *less than 50% of the interventions in the Manufacturing Programme PIAP are funded and executed. The key challenges included: delayed completion of key infrastructure projects that causes cost overrun, inadequate Government counterpart funding, limited synergies, collaboration and coordination between public sector agencies, budget suppression and inadequate funding of the programme interventions (BMAU, Manufacturing Programme report, pg. vii/viii ).* BMAU reported similar issues with the Mineral Development Programme report (pg. v) where it was noted that performance was hampered by inadequate funding which affected activities and budget release was less than 20% for Quarters 1 and 2. In such a scenario, which has become common, the application of M&E information has little relevance as compared to the availability of resources during budgeting.
- g. **External shocks:** Over the last few years, the government budgeting process has been severely impacted by serious international shocks. These include COVID-19 and the Russia-Ukraine war. As a result, the Government resource envelope has been impacted by deficits in local revenue mobilization and also inadequate inflows from foreign sources. Government budgeting and expenditure has largely been re-directed to priorities like recurrent expenditure (salaries) while capital expenditure has been shelved, regardless of the earlier long-term evidence based budget projections.
- h. **Development aid conditions:** Government budgets are financed from both the domestic resources but also substantially from resources mobilized from abroad. The foreign sources include grants and concessional loans, among others. Such financing often comes with some terms and conditions like the required sectors to spend (e.g., health or education); intervention activities (e.g. roads construction); and sometimes geographical location (e.g. marginalized districts). Clearly, therefore, such aid conditions have a very big influence on the budget decisions rather than the M&E application by government. While the development partners can actually employ M&E to determine the most vulnerable areas to focus on, they are not bound by the available evidence and they often put their money into areas that drive their own agendas.

- i. **M&E systems data gaps:** According to the NPA<sup>32</sup>, some MDAs do not have functional MISs yet and hence just use the available databases. The BMU<sup>33</sup> of MFPED also indicates that some Ministries have budget execution data which does not match what is in the government Integrated Financial Management System (IFMS), while other data is also undermined by late releases, delayed procurements and low absorption. The BMAU April 2022 monitoring report on the Natural Resources, Environment, Climate Change, Land and Water Resources Management Programme under NDP III established significant information gaps, and advised that the responsible MDAs should plan to bridge information/data capacity gaps for specific programme indicators (pg. ix). There are gaps in the frequency and timeliness in the collection of data and sharing to feed the budgeting process.
  
- j. **Data authority, acceptability and accountability issues:** There are multiple actors involved in the M&E data collection and management process, which can impact upon its credible use as evidence. As information from OPM<sup>34</sup> indicates, multiple actors can lead to conflicting priorities and interests, and have an impact on objective decision-making. On the other hand, multiple actors can provide checks and balances, and foster evidence-based decision-making. For instance, development partners can provide a form of external oversight, ensuring that government programs are aligned with national development priorities and international best practices. Therefore, the challenge is not multiple actors per se, but rather that evidence-based decision-making is transparent and accountable.

In conclusion, it is clear that while the demand and use of information generated under the M&E processes in government budgeting has registered some substantial gains over the last decade; there is still a widespread deficit in the demand and application. The persistent factors that account for this deficit have been well articulated above and it will be prudent to address them holistically, in order to enhance M&E evidence-based budgeting across government.

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<sup>32</sup> Key Informant Interview, NPA, 2023

<sup>33</sup> BMAU report 2021/22, Human Capital development programme(pg. ix)

<sup>34</sup> Key Informant Interview, OPM, 2023

## **5: RECOMMENDATIONS ON HOW TO IMPROVE UTILIZATION OF M&E IN PLANNING & BUDGETING IN GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES**

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### **5.1 Lessons learnt and best practices on M&E in government planning and budgeting**

Key lessons and best practices on the use of M&E evidence in government, both from within the country and also from comparable jurisdictions, include the following:

- a. **Attitude and appreciation:** Perhaps the most critical issue in the demand and application of M&E information in government planning and budgeting processes is the level of recognition of M&E evidence as a powerful tool in these processes.
- b. **Credibility and reliability:** The efficacy of M&E evidence in planning and budgeting is very much compliant with the ‘garbage in, garbage out’ principle.
- c. **Objectivity and political neutrality:** M&E information works best for planning and budgeting processes when objectivity is allowed to transcend political expediency.
- d. **Data needs and stakeholders` prior input:** M&E evidence needs to be responsive to the needs of the users in the planning and budgeting processes; otherwise just any data collected may not necessarily be useful for these processes.
- e. **Timely data collection and dissemination:** The usefulness of M&E information in planning and budgeting processes greatly depends on the gathering of the data well in time, and also the prompt dissemination of results to the users (planners/policy makers), before they make the plans, budgets and policies.
- f. **Digitization, standardization and accessibility:** Effective M&E data use depends on ease of access by the users and convenient platforms for the data across government. This requires robust information systems (ERP, balanced Score Card, Dash Board) rolled out across government.

### **5.2 Recommended guidelines and avenues to improve demand and use of M&E information in government development planning and budgeting**

The planning and budgeting processes in Uganda are largely intertwined. As a result, most of the proposed interventions for enhancing the use of M&E in these twin processes tend to apply to both. Therefore, they are presented in tandem to avoid non value adding repetitions. The recommendations are presented thematically, where each theme contains a number of related lines of mutually reinforcing interventions.

- i **Cultivating mind-set change towards appreciating M&E function:** All interventions will come to nothing if top decision-making government officials continue to under appreciate the M&E function. The focus will be on the sensitization and re-education of key officials across government to fully appreciate the critical role of M&E data in planning and budgeting. Changing perceptions and attitudes cannot be achieved

overnight and hence the proposed intervention should be sustained over a period of time (5-year change management programme) targeting the key officials across government MDAs and LGs. The 3-step programme will include: (a) Design of appropriate messages to help the officials embrace M&E; (b) Preparation of materials; (c) Dissemination and delivery of the materials/messages;

- ii **Consolidating the institutionalization and capacity of the M&E function:** The proposed intervention is a double pronged approach geared to ensuring that all MDAs and LGs continue to build on the gains of the last decade to strengthen the M&E Units/Sections in terms of both: (a) Upgrading the M&E functional structures (e.g. from small marginalized units to sizeable sections), as well as (b) Internal allocation of more resources and facilitation to M&E (e.g. more adequate staff with the required skills, funding for field work activities, transport and data collection and analysis tools);
- iii **Leveraging ICTs and digital systems for M&E data:** ICTs and electronic systems provide enormous opportunities for the generating, management and sharing of information to government planning and budgeting officials. While the present efforts and systems have been recognised in the discussions in this report (e.g. NDP M&E system, Programme Budgeting System (PBS), Integrated Financial Management Information System (IFMIS), Results-Based Monitoring and Evaluation (RBME) system), there is need for the consolidation of these systems and efforts, especially towards interconnectivity between the various institutions, electronic data sharing, timely access and the establishment of a planning /budgeting data centre in each MDA, Enterprise Resource Planning (ERP) systems, electronic information dashboards, Balanced Score Cards (BSC) for the performance based staff contracts, among others;
- iv **Enhancing M&E data quality:** The present deficits in all these aspects have been extensively discussed and there is need for action in the quest to improve the data demand and use by planning officials across government. The proposed interventions are multiple but mutually reinforcing, including: (a) All M&E units across government should ensure that their data outputs are aligned and harmonized with the planning and budgeting information needs as per NDP III guidelines and programme targets/indicators; (b) M&E units across government MDAs/LGs should acquaint themselves with the planning and budgeting cycles and ensure that key M&E evidence is generated and disseminated in a timely manner; (c) M&E units across government should ensure that the data generated is professionally generated(methodologies, sampling and analysis); (d)The Uganda Bureau of Statistics (UBOS) should exercise its

mandate of ensuring high quality central statistics, standardized data collection and management across government, professional guidance and serve as a focal point for all government data users;

- v **Improving fiscal discipline and political accountability:** The key issues to cure here have been elaborated and include ‘strong political voices’, a spiralling national debt, and rampant supplementary expenditures, all of which tend to undermine the role of M&E data in the planning and budgeting processes. The proposed prescription is a combination of interventions including: (a) Adopting renewed fiscal prudence and respect for evidence based planning and budgeting at the highest levels of government, starting with the Executive/Cabinet; (b) Implementation of measures enhancing domestic revenue mobilization efforts by the URA (e.g. new or under taxed sectors like rental tax, agriculture, oil and gas) while maintaining government expenditure within reasonable confines that reflects prudent management of government debt; (c) Keeping supplementary budgets to a bare minimum and only for justifiable causes, and generally trying to spend within government means. Parliament, as an independent arm of government with an oversight mandate, should help to reign in the executive and the powerful politicians on the merits of evidence based planning/budgeting and the dangers of *ad hoc* programmes that tend to derail, or undermine, objective planning/budgeting processes.
  
- vi **Reigning in external distortions for government plans and budgets:** The key issues are external and include the ‘strings’ that come attached to some of the development aid, international shocks, natural disasters and other unforeseen occurrences. Interventions here should include: (a) Improved negotiation for aid and ensure reasonable development aid conditions in the short/medium term, and domestic resource self-sufficiency in the long term; and (b) Proactive disaster management and resilience against potential external shocks, through ensuring a reasonable proportion of the annual budget for purposes of prompt disaster response<sup>35</sup>, hence maintaining planning/budgeting stability and promoting the use of objective M&E data rather than ‘panic mode’ resource allocations due to unforeseen disasters and shocks.

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<sup>35</sup> A portion of about 1% is provided for under the 2015 PMA but government hardly ever sets aside any meaningful amount. Hence, disasters and other shocks (e.g. COVID-19, Ebola outbreaks, Ukraine war, floods, etc) always catch government ‘unawares’ and thus disrupt the scientific evidence based planning/budgeting processes.

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### **Annex 1: List of respondents**

<b>MDA</b>
Bank Of Uganda
Ministry Gender, Labor and Social Development
Ministry of Agriculture, Animal Industry and Fisheries.
Ministry of Education and Sports
Ministry of Finance, Planning and Economic Development
Ministry of Justice and Constitutional Affairs
Ministry of Lands, Housing and Urban Development
Ministry of Local Government
National Planning Authority
Office of the Prime Minister
Uganda Bureau of Statistics
Uganda Investments Authority



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The Oval Building, University of the Witwatersrand  
2 St David's Place, Parktown, Johannesburg  
Telephone: +27 11 717 3157; Fax: +27 86 765 5860



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