



REPUBLIC OF UGANDA

OFFICE OF THE PRIME MINISTER

EVALUATION OF PUBLIC SECTOR ORGANISATIONS IN UGANDA

JUNE 2017



EXECUTIVE SUMMARY

Background

This evaluation covered 20 Public Sector Organizations (PSOs) in Uganda. The evaluation was commissioned and implemented by the Government of Uganda through the Office of the Prime Minister (OPM). The Government identified the need to evaluate the performance of public sector organizations in order to understand their effectiveness and efficiency but also to set clear performance indicators for their contribution to the overall results framework of government.

Objectives of the evaluation

The evaluation was guided by the following objectives: -

1. Assessing the relevance, effectiveness, and efficiency of sampled public sector organisations in Uganda.
2. Establishing the best practices and lessons in the performance of PSOs and applying some of the lessons learnt from the 2017 study on conducting assessments of PSOs.
3. Identifying lessons from the rationale of the PSO establishment, their management, capacity and financing strategies, and provide recommendations on the form and function of PSOs in the future.
4. Documenting suggestions for improvement to the attention of SAPI implementers; determine the value and worth of the SAPI interventions; and to describe the quality and effectiveness of the SAPI by documenting impact.

Key findings

PSO relevance

The assessed PSOs have been in existence for more than 10 years except one. Crested Crane Institute was less than 10 years Old (3years) and the National Housing and Construction Company had existed longest at 54 years. None of the PSOs assessed however has developed a sustainability plan.

PSOs assessed have legal and institutional frameworks establishing their existence although these need changes to harmonize them with the current development agenda of the country.

80% of the respondents surveyed for this evaluation believed some functions of the PSOs were being duplicated. The increased duplication of functions increases government wastage of resources.

The majority of PSOs still rely on government as the major source of financing. While some PSOs are evidently relevant because of their core functions, some PSOs functions could be effectively executed in the parent ministries. The functions of the National Youth Council and Transport licensing Board could be effectively executed in their parent ministries or other agencies with a similar or related mandate.

The relevance of some PSOs like National Genetic Resource Centre, Non-Performing and Assets Recovery, and Transport licensing board had been identified as a key issues that needed government attention in the 2009 efficiency and effectiveness study but all recommended actions have not been implemented to date.

There is continuous creation of new agencies (authorities) by government without extensive feasibility assessments being conducted which is likely to further disaggregate government systems and this will increase the duplicated mandates.

The relationship and detailed contribution of individual PSOs to the sector and national results agenda is not clear due to limited reporting systems that demand a systematic reporting on key performance indicators of sectors and government in general.

PSO effectiveness

In terms of general survey findings regarding Effectiveness of the PSOs, 54% of the respondents only believed there was moderate effectiveness of the PSOs was moderate.

The evaluation found re is evidence of some PSOs are not not complying with to regulatory requirements like the obligations stipulated by of the Equal Opportunities Commission on gender equity budgeting, mischarge of votes and unmet obligations.

There evaluation found weak management systems in some PSOs which affected their effectiveness. There was found a general is a tendency by of CEOs to over-centralize processes and some key decision making structures. Delegation of functions was not very effectively undertaken.

There is general failure by PSOs to provide useful information relating to the number of times the board sat in a financial year and the associated financial implications associated with this activity.

The evaluation found re is evidence on mis-charged on items which did o not reflect the nature of the expenditure despite recommendations in the previous audit reports. Mischarge of expenditure influencedsd the credibility of the financial statements since the figures reported therein dido not reflect true amounts expended on the respective items.

There is a general disparity across the assessed PSOs regarding the composition of in terms of numbers, gender, professional specialisations and this affects the effectiveness of PSOs. Some councils like the NCHE was composed of serving officials in universities who were regulated by the same body. This created huge conflict of interest.

There is disparity in the number of established structures and the positions filled in most PSOs. There is also a clear variation in the remuneration systems of staff and senior management across the assessed PSOs which has an effect on the effective performance of their duties. The perceived lack of equity of remunerations affects the overall performance of staff. This scenario is more problematic when compared to employees in mainstream public service.

There is lack of a written policy regarding constituting boards and policy regulating board size, composition, and membership and performance benchmarks. This area is often left to individual statutes, laws, and acts establishing the PSOs. This has created imbalances in remuneration and payment of benefits and these have implications on the effectiveness of their roles.

The interface between the public-staff-PSOs is still low. While most PSOs report a number of achievements in their sector annual reports, these are often not reported beyond this level. The assessed PSOs lacked general functioning websites and those that have existed were not regularly updated.

PSO efficiency

There is reported improvement in financial resource management as derived from the number of PSOs that had unqualified audit reports. However, some PSOs have not implemented all actions recommended in audit reports.

Most PSOs have a finance and audit committee of the governing body which is a key structure for enhancing oversight of the financial resources of the organizations. The assessed PSOs also have audit structures and a functional internal audit department.

The evaluation found from the opinions of respondents that only 54% believed on their moderate Efficiency of the assessed PSOs. The review of secondary sources of information also confirmed existence of institutional challenges in the systems, styles of leadership, shared values, skills, structures, strategies and processes which affected efficiency of operations.

The evaluation found re is a variance between planned and actual revenue performance for the assessed PSOs. Most PSOs at the end of the financial year are unable to implement all the planned activities due to discrepancy between budgeted and released.

Some PSOs report on achieved outputs in sector reports but there is lack of a clear linkage of the outputs and resources used to attain

them. It is thus not clear from available evidence whether the attained outputs were a directly results of the spent resources or other actors could have had a contribution. The attribution effect is therefore not well understood and appreciated.

There are self-financing PSOs like National Drug Authority and Post Bank. These PSOs run on commercial basis and demonstrate the role PSOs with specific mandates could play in reducing the financial burden of government through innovative business strategies.

The evaluation found that almost all assessed majority of the PSO lacked a Resource Mobilisation Strategy and a sustainability plan which are critical for promoting efficiency.

Conclusion from the evaluation

The evaluation concludes as follows:-

1. There is reported duplication of mandates and functions among PSOs which leads to resource wastage and coordination challenges.
2. There are challenges relating to effective board Governance which translates to effective performance of among the PSOs remain an issue. There is no harmonized framework for board composition and performance across government.
3. There is also a variation in allowances payable to boards across the sector. While the Ministry of Finance came up with a harmonized position in February 2017, the implementation appears not to have taken effect but even then it covered only 19 of the PSOs.
4. There is lack of a uniform board governance model in Uganda's PSO sector. Some boards have executive functions as per their establishment while others are expected to provide oversight functions only.
5. Most assessed PSOs have been in existence for a relatively long period. Despite the years of existence, they lack sustainability plans beyond reliance on development partners or Government for funding their activities.
6. The PSO sector still grapples with a number of management and leadership weaknesses. These weaknesses do not contribute to the public good expected of the PSO sector. The sector is expected to demonstrate the highest levels of efficiency and effectiveness.
7. Some CEOs are too bureaucratic and unresponsive to the expectations of a delated management style. The persistency of bureaucratic control systems denies PSOs a chance to groom leadership from within the PSOs but also creates workload on CEOs hence inefficiency.
8. Public-staff interface and customer care is still low below the expected performance benchmarks for a well performing PSO sector environment. Personnel in the agencies appear unresponsive to the needs and expectations of effective customer loyalty and an attitude to serve.
9. Poor websites and a weak culture of information sharing affects the contribution of PSOs to the government results agenda and creates a perceived attitude of absence of good public services to the citizenry.
10. Some autonomous PSOs like NDA have been self-financing their activities. This implies that innovative leadership can address the financing problems of most PSOs through undertaking activities in the mandate of each PSOs. The PSOs are required to be run on business-like styles of management.
11. PSO do not produce annual reports beyond the PSO sector sections in the sector annual reports. The lack of reporting denies government an opportunity to measure the exact contribution of each PSOs to the results agenda. The individual PSO annual reports are also a form of accountability to stakeholders and it enables easy access to information on activities of a PSO.

Key Recommendations

The following key overall recommendations are suggested:-

1. While Board composition tends to be aligned to the technical activities of the PSOs and as provided for by the instruments of establishment, there is need to have a broad policy framework at government level regarding board composition and performance. This framework should detail the composition, the competences, the modes

- of nomination and appointment, standard size of boards, standard remuneration and performance requirements of all members of boards. The system should allow annual review of performance of boards of PSOs.
2. A deep analysis of mandates and functions of PSOs is suggested by a multi-task force to ensure there is reduced duplication of mandates among the PSOs across government. This analysis should see those with clear duplication merged or functions transferred to parent ministries. PSOs could be created to oversee the specific sectors identified and clustered by the National Development plan. Government should also review its policy of creating new PSOs. .
 3. There is a need to design a comprehensive action follow-up implementation framework to monitor and report on implementation of recommended actions on individual PSO by various government investigative agencies, research studies and consultancy reports that have been specifically commissioned to provide solutions to an identified need. This framework should be able to produce the status report on a quarterly basis and the reports should be discussed up to cabinet level. The Parastatal Monitoring Unit in the Ministry of Finance, Planning and economic Development should be strengthened and equipped to execute this task.
 4. A massive scheme of updating all PSOs websites as a non-financial strategy to show case the accomplishments of PSOs and their relevance to government results agenda is urgently needed. Interns in information systems and fresh graduates can be deployed on volunteer basis or at minimum cost by PSOs to re-design, upgrade and update PSOs websites.. This will require a policy directive from the responsible government organs about the urgency of this requirement. Such an effort will provide an up-to-date performance of agencies which will have a net effect on performance of government. The National Information Technology Authority and Ministry of ICT should champion this cause by December 2017.
 5. There is need to have mandatory production of PSO annual reports beyond what has been happening where PSOs only report through sector reports. Government should expect annual reports from each of the PSOs and later the sector annual reports would follow. There is need to design and circulate a common reporting template for all PSOs depending on the information needs of government. This should be implemented effective the 2017/18 financial year as a strategy of promoting accountability. In addition, there should be annual board performance reports submitted quarterly by the chairpersons of Boards in line with a directive by Minister of Finance to 19 PSOs
 6. There is need to phase out, merge and restructure some PSOs whose relevance is no longer justified or those with duplicated roles and responsibilities. Retention of PSO should be based among others on the constitutional relevance, financial independency and comprehensive sustainability plans.
 7. There is further need to strengthen monitoring and evaluation systems by Government to track the performance of each of the PSOs. The targets for each PSOs need to be modified and updated based on the changing government results agenda. A need to establish fully fledged M and E unit in each PSOs needs to be fast-tracked.
 8. Implement the recommendations of the 2017 Rapid assessments alongside the above recommendations

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LIST OF ACRONYMS

GOU	Government of Uganda
NPM	New Public Management
OPM	Office of the Prime Minister
PSOs	Public Sector Organizations
ROM	Results-Oriented Management
SAPIs	Semi-Autonomous Public Institutions
RAs	Rapid Assessments
NIMES	National Integrated Monitoring and Evaluation System
PEAP	Poverty Eradication Action Plan
NCHE	National Council for Higher Education
SWG_s	Sector Working Groups
ERA	Electricity Regulatory Authority
NMS	National Medical Stores

1.1. INTRODUCTION TO THE EVALUATION SUBJECT

This report concerns the outcome of an evaluation of 20 Public Sector Organizations (PSOs) in Uganda. The evaluation was commissioned and implemented by the Government of Uganda through the Office of the Prime Minister (OPM). The Government identified the need to evaluate the performance of public sector organizations in order to understand their effectiveness and efficiency but also to set clear performance indicators for their contribution to the overall results framework of government. This is part of the broader global expectations of results-based public sector management systems.

In the last three or so decades, the government has sought to address the performance of the public sector through ambitious public service reform programmes. In the early 1990's substantial progress in downsizing the public service and increasing pay was made. A number of executive agencies with specialized public service functions were established the incentive to these reforms was the desire to ensure the efficiency and effectiveness of public sector institutions. Initiatives such as Results-oriented Management (ROM) and Staff Performance Appraisal systems, the use of targets and performance indicators in the formulation and implementation of public sector programmes were viewed to be central to this goal. Predicting beforehand, and measuring afterward, the relative economy, efficiency, effectiveness and impact of public sector programmes and policies should facilitate better decision-making within government.

In government performance measurements systems, results can be effectively assessed through coordinated activities of planning, budgeting, implementation, monitoring & evaluation. The outcomes of these activities should feed into effective decision-making at PSOs level, Sector level and Government level. This is a key philosophy of results-oriented public sector management. In this conception, Objectives of all PSOs and their performance thus need to be aligned to a common purpose and mission of government-results. In addition to these requirements, the governance and operational environment of PSOs needs to be improved. PSOs need to have robust systems and structures, competent staff with appropriate skills, shared values among all stakeholders, commonly agreed upon strategies, and styles for undertaking planned activities. The governance members need to set a tone for the senior executives who also have to preside over a team of committed workforce to produce results.

The strategies chosen by Government and PSOs in sector plans should have clearly defined output indicators and targets, as outputs help define the specific actions and inputs required to achieve outcomes. It is in this respect most progress and performance of PSOs has to be undertaken. Sector plans ought to take different approaches to the identification of outputs indicators and targets, which reflects the differences in the nature of sectors, and also different interpretation of the classes of results. The interrelationship between sectors' outputs, and the achievement of sector outcomes is often not given much attention. There tends to be a haphazard use of outcome, output and input indicators whilst planning, budgeting and during implementation, which makes it difficult to ascertain the relationships between them. It is therefore difficult to assign responsibility for achievement of results to specific agencies, and their constituent departments. An evaluation modelled around an understanding of these linkages was found appropriate.

The evaluation was conducted among 20 Public sector organizations which were sampled based on the cluster of sectors used to classify the PSOs as per government development results-framework. Each of the PSOs was evaluated based on the key evaluation questions of relevance, efficiency, and effectiveness. Impact and sustainability questions were excluded during the inception meetings and future impact evaluation studies are expected to deal with issues of changes at outcome and impact levels. Primary and secondary information was collected and analyzed as explained in the second chapter to answer each of the evaluation sub-questions under the evaluation criteria.

1.2. THE EVALUATION CONTEXT

The contextual genesis of this evaluation was conceived from the previous comprehensive attempts by Government in assessing the performance of the Public Sector and the current trends of intervention in the area. The first comprehensive effort was a 2009 diagnostic review of the efficiency and effectiveness of public sector organisations in Uganda commissioned by the Ministry of Finance, Planning and Economic Development. The review identified several issues that

were affecting the performance of the PSOs IN Uganda including several governance, organisational and operational challenges that hindered the promotion of efficiency and effectiveness. For example, the review found out that of one hundred and nineteen (119) PSOs assessed, about 16% had Board Audit Sub-committees, and only 55% had submitted audited accounts for up to 2006, and 14 of PSOs had submitted their accounts up to 2005, 13 up to 2004, and 6 had submitted their accounts up to 2003.

The study reported a noticeable duplication of functions among PSOs, others had complimentary roles and yet some PSOs were simply dormant. These organizational and legal issues certainly affected the performance of the sector towards attainment of government development agenda. Improvement of operational efficiency of PSOs could be achieved through merging, downsizing, and transfer of functions of PSO with complimentary roles, duplication and overlaps, those whose relevance has diminished or whose functions can be contracted / privatized and downsizing those whose functions can be performed elsewhere or by other arms of government.

There were found PSOs whose mandates were different but their organizational objectives could compliment and add value to each other, through enhanced information sharing, joint venture on specific projects, managed together or even merged. The study also found that the PSO sector establishment had total of 21,539 approved posts, whereas the actual number of persons employed was 24,149, indicating that there was 2,610 persons occupying unapproved posts. At the same time, there were 3,081 vacancies against the approved positions, which implied that some PSOs were understaffed. The PSOs had a total annual wage bill of shillings 230 billion and this implied the average gross expenditure on personnel was 30% (Shillings 409 billion) of the average annual budget (Shillings 1, 620 billion).

The diagnostic review found that there was no comprehensive and coordinated monitoring and evaluation system for the PSO Sector. PSOs were not included in the National Integrated Monitoring and Evaluation System (NIMES) under the Office of the Prime Minister, which is responsible for monitoring and evaluation of Government programmes aimed at assessing progress towards achieving the PEAP targets. Government lacked a central data bank of information about PSO performance and how they contribute to the overall national social-economic performance. Further, the continued sustainability of PSOs was found to be heavily dependent on capacity to enhance collection of internally generated revenue. Out of one hundred nineteen PSOs assessed, nine depended on donor support for over 60% of their annual budgets and thirty financed their annual budgets by over 70% from internally raised revenues.

The findings of the diagnostic study were not implemented for reasons which have been found unclear by the 2017 rapid assessment report. Moreover, several changes have emerged since the finalisation of the study and as a result, some recommendations have been overtaken by events due to decisions of Government. For example, New Public Sector organisations have continued to be created including the National Registration Authority, the Uganda Retirements Benefits Authority, the Financial Intelligence Authority, Free-Zones Authority and many more others. The National Population Council whose initiation functions were under the population secretariat that had been recommended for merging with the National Planning Authority (NPA) due to what the diagnostic team found to be duplicated functions has been now established under an Act of Parliament as a fully-fledged PSO. Several other changes have taken place in the public sector organisation. There was found an urgent need to measure the performance of PSOs in this changing context.

In the 2017, the Office of the Prime Minister Commissioned a Rapid assessment study of 13 selected PSOs across various sector working groups. The purpose of this assessment was to develop a common instrument for measuring the performance of PSOs and to develop guidelines for conducting Rapid assessments of Public Sector organizations in future. The assessment used the results-oriented public sector framework where it examined the linkages between the functions of planning, budgeting, implementation, monitoring and evaluation. The review generally found that there were risks in the performance of PSOs and based on the sample assessed, most of the PSOs were inefficient.

The 2017 study identified a trend of risks relating to performance of PSOs in Uganda. The trend of issues in performance of PSOs progress as indicated below: -

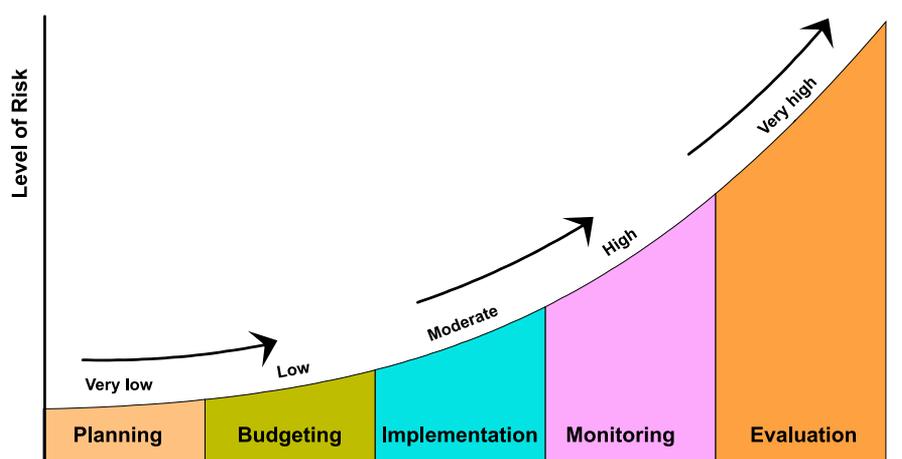


Figure 1: Activity of PSO

The rapid assessment proposed a model for assessing the performance of public sector organizations. The model required examining the systems, structures, processes, staff competences and skills of public sector actors. To further test this proposed model and to have a deeper appreciation of the challenges faced by the PSOs in Uganda was found to be needed beyond the sample of 13 where the rapid assessment was conducted. A new study to cover an additional 20 public sector organizations was commissioned by the OPM.

1.3. OBJECTIVES OF THE EVALUATION

The evaluation was guided by the following objectives: -

1. Assessing the relevance, effectiveness, and efficiency of sampled public sector organisations in Uganda.
2. Establishing the best practices and lessons in the performance of PSOs and applying some of the lessons learnt from the 2017 study on conducting assessments of PSOs.
3. Identifying lessons from the rationale of the PSO establishment, their management, capacity and financing strategies, and provide recommendations on the form and function of PSOs in the future.
4. Documenting suggestions for improvement to the attention of SAPI implementers; determine the value and worth of the SAPI interventions; and to describe the quality and effectiveness of the SAPI by documenting impact.

1.4. EVALUATION QUESTIONS

Specifically, the Evaluators/Consultants provided answers to the following evaluation questions (i) effectiveness; (ii) efficiency; and (iii) relevance. The questions are:

Relevancy and appropriateness, focusing on the extent to which the objectives of the PSOs are consistent with Sector and parent Ministry's current requirements, priorities and policies

Analysis will focus on the following:

- Extent to which each PSO has been consistent with and supportive of the policy framework of the Sector and parent Ministry
- PSO's coherence with current/ongoing initiatives within the Sector and the parent ministry
- Extent to which stated objectives of the PSOs correctly address the identified problems (at inception) of PSOs and clarity and internal consistency of the stated objectives
- Extent to which the nature of the problems originally identified (at inception) has changed (were the problems identified during the design of the PSOs still relevant?)
- Stakeholder participation in the design and in the management/implementation of the PSOs
- Realism in the choice and quantity of financial, human and administrative resources/inputs towards the fulfillment of their mandate

- Assess the extent to which activities and targets have been achieved.

Effectiveness, focusing on the extent to which PSOs objectives and results have been achieved

Analysis of effectiveness could focus on the following:

- How effective has the implementation of the PSO been in terms of achieving its objectives and results as stated in the results matrix
- Extent to which the planned benefits have been delivered and received
- Extent to which the outputs and outcomes of the PSO contributed to the outcomes of the Sector and the parent Ministry
- Degree to which the changed institutional arrangements and characteristics have produced the planned improvements
- Degree to which the balance of responsibilities between PSO, the Sector and parent Ministry was appropriate
- Areas the PSO has had the least achievements and what were the constraining factors? How could they be overcome?
- Whether any shortcomings were due to a failure on part of management and whether these could have been foreseen and managed better; should any remedial action be taken?
- Extent to which the public is aware of PSOs activities and taking advantage of the benefits of the PSOs
- Whether the PSOs have well established strategic plans aligned to the applicable sector and Ministry objectives towards achieving focused outcomes
- How effective have the monitoring systems been used during the implementation of the PSO's strategic plans, including those concerning the integration of cross cutting issues? Have monitoring results been documented? To what extent have they affected joint learning of all actors/institutions involved, in its strategic planning cycle in particular?

Efficiency, focusing on soundness of management and value for money, and how well the various activities of the PSOs transformed the available resources into the intended results in terms of quantity, quality and timeliness.

Analysis of efficiency could focus on the following:

- Extent to which resources (finances, human, time, expertise) have been allocated strategically to achieve PSOs outcomes
- Comparison against what was planned (have the finances budgeted for annually been used and if there was a variance what was the reason?)
- Quality of operational work planning and implementation (input delivery, activity management, delivery of outputs, management of the budget, asset management, coordination with parent Ministry and other stakeholders)
- Quality of information management and reporting (extent to which parent Ministry and other stakeholders have been kept adequately informed of PSOs activities)
- Extent to which PSO's management has provided appropriate solutions and developed capacity within the PSO to define and produce results
- How efficient and transparent has the implementation of PSO's plan been?

2.1. EVALUATION ASSESSMENT MODEL

The evaluation and assessment of the 20 PSOs was facilitated by the use of the Results-oriented model for measuring performance of the public sector alongside the model for public sector performance management proposed by the 2017 rapid assessment study. This model suggests that Results of PSOs can only be attained through coordinated activities at planning, budgeting, implementation, monitoring & evaluation levels.

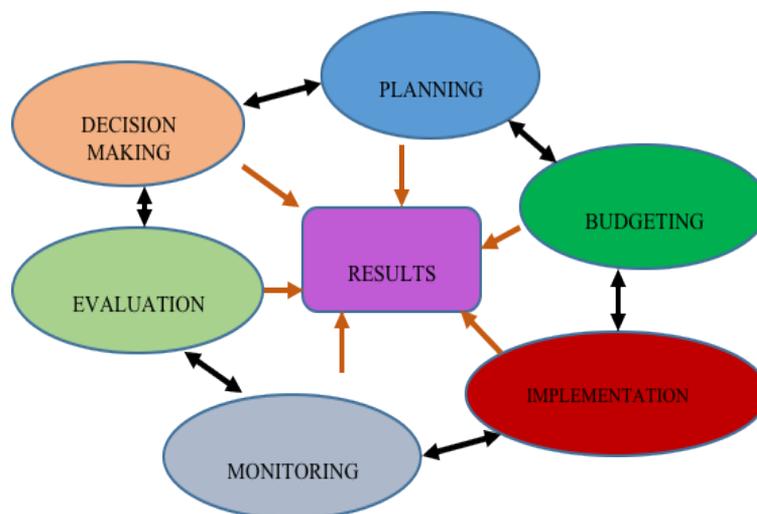
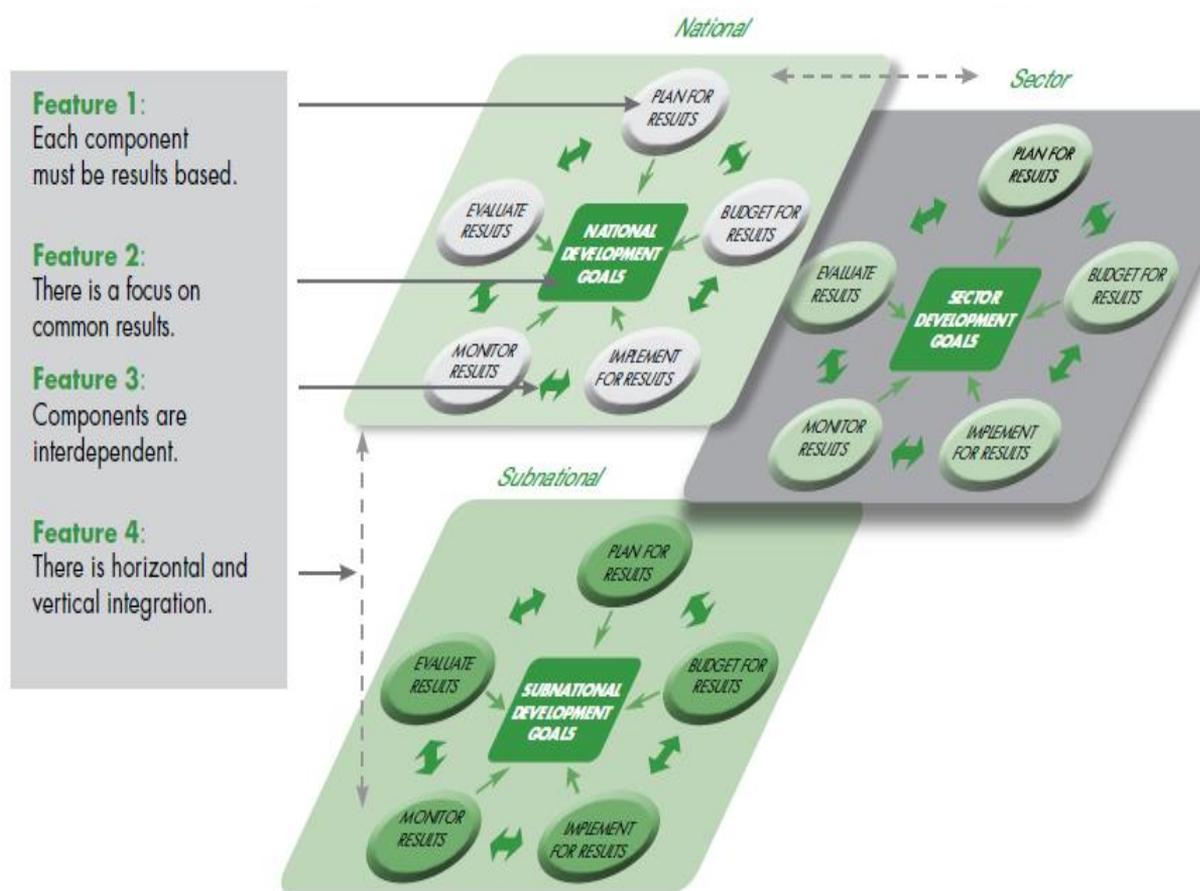


Figure 2: Results-Oriented Model of Public sector assessment

The linkages and interdependencies among the elements of planning, budgeting, implementation, monitoring, evaluation and decision making were assessed both horizontally and vertically. The relationship between PSOs and their sector working groups as well as how PSOs contributed to broader national goals were also assessed.

The consultants conducted a detailed assessment and review of the dynamics of the implementing organizations on each of the five indicators based on a set of questions that will be developed through a consultative process under the guidance of the OPM. Questions that focus on the policy instruments, the service delivery mechanisms, the management practices and the linkages among the five elements of planning, budgeting, implementation, monitoring, evaluation and decision making will be carefully analysed.

The evaluation comprehensively assessed the activities of PSOs (inputs) and whether or not the target were achieved (outputs); and determined whether the intermediate outcomes and ultimate goals (impact) the Authorities hoped to achieve had been achieved; what impact they have had on improving the performance in their areas of regulation, and to look at their individual and relative efficiency and effective. We reviewed the causal linkage between the establishment and the final outcomes. We took into account the analysis at the national as well as the sector level based on four features as depicted in the model below:-Figure 2: Results-Oriented Model of Public sector assessment



Source: Asia-Pacific Community of Practice on Managing for Development Results. 2011. *Framework for Results-Based Public Sector Management*. Manila.

Figure 3: Four Features of Results-Based Public Sector Management

2.2. METHODOLOGY

The following steps were followed in evaluating the public sector organizations

Activity/step	Description of what is involved
1. Entry meeting.	The meeting was used to make initial contacts and seek final clarifications on the contractual obligations. Key documents for reference were requested by the consultant from the client.
2. Determination of PSOs	The consultants in consultation with OPM agreed on the exact 20 PSOs to be evaluated. This view was informed by the existing state of PSOs and the emerging data on the public-sector environment from the Rapid assessment.
3. Preliminary document Review	The consultants conducted a preliminary review of selected documents and reports to gain context background information about the selected PSOs.
4. Inception Report	The consultants developed an inception report based on the outcomes of the entry meetings and the findings from preliminary review of documents. The inception report formed a basis for further inception meetings with OPM.
5. Scoping Review Analysis	The consultants guided by the scoping review which was conducted by OPM synthesized the findings that related to the 20 PSOs where applicable. The purpose was to contextualize knowledge in terms of identifying the state of PSOs; the sorts of things government appeared to know about PSOs to be evaluated and those that appeared not known as well as getting a snapshot of the teething problems or areas of concern around the PSOs.
6. Evaluation instruments	The 2011 framework for public sector management developed for Asia-pacific community of practice for managing development results was adopted for conducting the evaluation of PSOs in Uganda. In addition, the guidelines developed from a rapid assessment exercise were used to develop final survey instruments for evaluating PSOs in Uganda. The institutional survey tool was cleaned to remove items that were found unnecessary during the RA exercise. The Rapid assessment questionnaire was also tailored to sections as contained in the evaluation questions.
7. Data Collection	Both secondary and primary data collection techniques were used by the various survey teams. Each PSO was assigned to a team of senior researchers as well as a team of research assistants.
8. Data analysis	The collected data was analyzed both qualitatively and quantitatively using a detailed data analysis plan that was developed as part of the inception planning stages. The quantitative data analysis was restricted to basic statistical techniques while for qualitative data analysis it was themed under the key evaluation criteria sections. For quantitative analysis, some relationship and trend analyses were done to relate expenditure and planned activities and some efficiency ratios were examined.
9. Draft Report	The consultants developed a draft evaluation report structured under four main chapters namely introduction, Approach and methodology, Evaluation findings, conclusions and recommendations.
10. Internal Review	At the consultancy level, there was a joint review of all products by the panel of experts from the various themes. The deliverables were internally validated jointly and agreed by teams before submission to the client.
11. Client Review	The developed reports and other deliverables were shared and presented to the client for comments. Appropriate corrections were made into the deliverables and a fairer copy developed ready for validation.

12. Stakeholder validation Workshop	The final report was submitted for validation to the Monitoring and evaluation working group as well as other range of stakeholders from evaluated PSOs.
13. Final report	The feedback from the validation workshop enabled consultants to make final corrections on the report. The final report was then submitted to a language expert and once this expert had completed the review, the final report had to undergo formatting by experts before it was submitted to the client.
14. Exit meeting	Finally, there will be an exit meeting with the client. The meeting will be used to share some of the emerging observations that affected or facilitated the evaluation and rapid assessment exercise and a discussion on how future interventions could be designed and implemented.

2.3. The 20 PSOs sampled

The basic requirement for an organisation to be categorized as a PSO, is having a specific legal framework establishing such organisation, where the Government of Uganda holds shares or those established by a cabinet decision and Administrative Instruments. There will be a sample of 20 PSOs to be evaluated. The client has proposed the following PSOs:-

	SWG
1	National Drug Authority
2	Diary Development Authority
3	National Forest Authority
4	Uganda Investment Authority
5	Non-Performing Assets Recovery Trust
6	Post Bank
7	Transport Licensing Board
8	National Agricultural Genetic Resources Centre
9	Uganda Wildlife Education Centre
10	Uganda Aids Commission
11	Health Service Commission
12	Uganda Printing and Publishing Corporation
13	National Council for Higher Education
14	National Youth Council
15	Crested Cranes Hotel and Tourism Training Institution
16	Uganda Industrial Research Institute
17	National Housing and Construction Company
18	Uganda Air Cargo
19	Tax Appeals Tribunal
20	Kinyanyara Sugar Works

Table 1: Sampled PSOs

2.4. Primary Data Collection methods

The evaluation used different survey instruments to collect data from a wide range of respondents concerning the performance of the public sector organizations. First was an institutional survey instrument which was meant to be filled by the heads of finance, human resources, board affairs and CEO of each of the sampled organization. The second instrument was a rapid assessment survey that was to be filled by senior staff of each PSOs, the staff in the parent ministries and members of the governing bodies. For this latter category however, there was an interview protocol that was applied.

2.5. Secondary Data Collection Methods

The evaluation relied on a range of secondary sources to generate data. There was a review of PSO sector performance reports where they existed, a review of the PSOs policy documents and strategic plans, a review of selected government agency performance reports and financial performance records. The auditor generals' reports were examined to identify the various issues that related to the particular sector. The reports of the Inspector General of Government, the Equal Opportunities Commission, sector working groups, and budget framework papers as well as Ministerial policy statements were analyzed. The Government annual assessment reports for a selected number of years were also reviewed to identify the performance trends of the PSOs that were being assessed.

2.6. Data analysis

Data analysis was done for both primary and secondary data. Even within each of these broad typologies, specific analysis was done to provide information to answer the evaluation questions. For the quantitative survey findings from the rapid assessment instrument, the analysis relied on percentages and frequencies as well as cross-tabulations. The quantitative data from the institutional survey was analyzed using trend analysis. Computations of efficiency ratios was also done to measure the overall efficiency ratio of the sampled PSOs. For some secondary and interview data, matrices were used to conduct analysis. Further qualitative data was analyzed using thematic techniques where the interrogation of respondent's views was based on the themes derived from the evaluation questions

CHAPTER 3: EVALUATION FINDINGS

3.1. Introduction

The chapter reports the evaluation findings of 20 Public Sector Organizations. The findings aim at answering the evaluation questions of the relevance, efficiency and effectiveness of the PSOs assessed. Before these findings are presented, the background characteristics of respondents from the survey instrument as part of the primary data collection efforts are presented. These are central in providing an appropriate context for the interpretation and analysis of evaluation results. The chapter presents findings from both primary and secondary sources. The chapter gives a general synthesis of the PSO performance after this analysis.

3.2. Background information

Analysis of the survey findings revealed that most of the respondents (37%) were affiliated to the Tourism Trade and Industry sector, followed by the health sector at 18% while those from the security and education sectors were each at 1% of respondents as illustrated below.

N=94

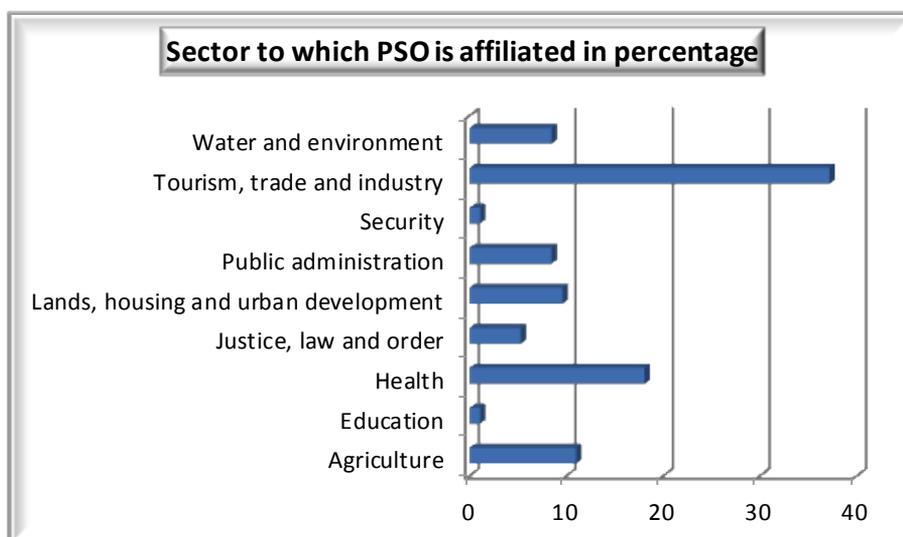


Figure 4: Sector of Affiliation for the PSO

The data below represents information collected from 15 PSOs out of the 20 sampled PSOs for review, giving a non-response rate of 25% with PSOs such as UIRI. Transport licensing board, National Youth Council and NPART yet to respond to the survey instruments among others.

N=94		
Public Sector Organisation	Frequency	Percentage
Crested Cranes Hotel and Tourism Training Institute	10	10.6
Diary Development Authority	8	8.5
Health Service Commission	7	7.4
Kinyara Sugar Works	2	2.1
National Agricultural Genetic Resource Centre	1	1.1
National Council for Higher Education	1	1.1
National Drug Authority	2	2.1
National Forest Authority	8	8.5
National Housing and Construction Company	9	9.6
Tax Appeals Tribunal	5	5.3
Uganda Aids Commission	8	8.5
Uganda Air Cargo	1	1.1
Uganda Printing and Publishing Corporation	8	8.5
Uganda Wildlife Education Centre	9	9.6
Total	94	100.0

Table2: Sampled Data for 15 out of the PSO

The data suggests that the majority of the respondents were in (40-49) age category comprising of 36% (25male, 9 female), the (30-39) age category had 29% of respondents (16male, 11female) closely followed by the (50-59) age category with 28% (22male, 4female). The least number of respondents were from the (60+) age category at 1% with only a single male as illustrated below.

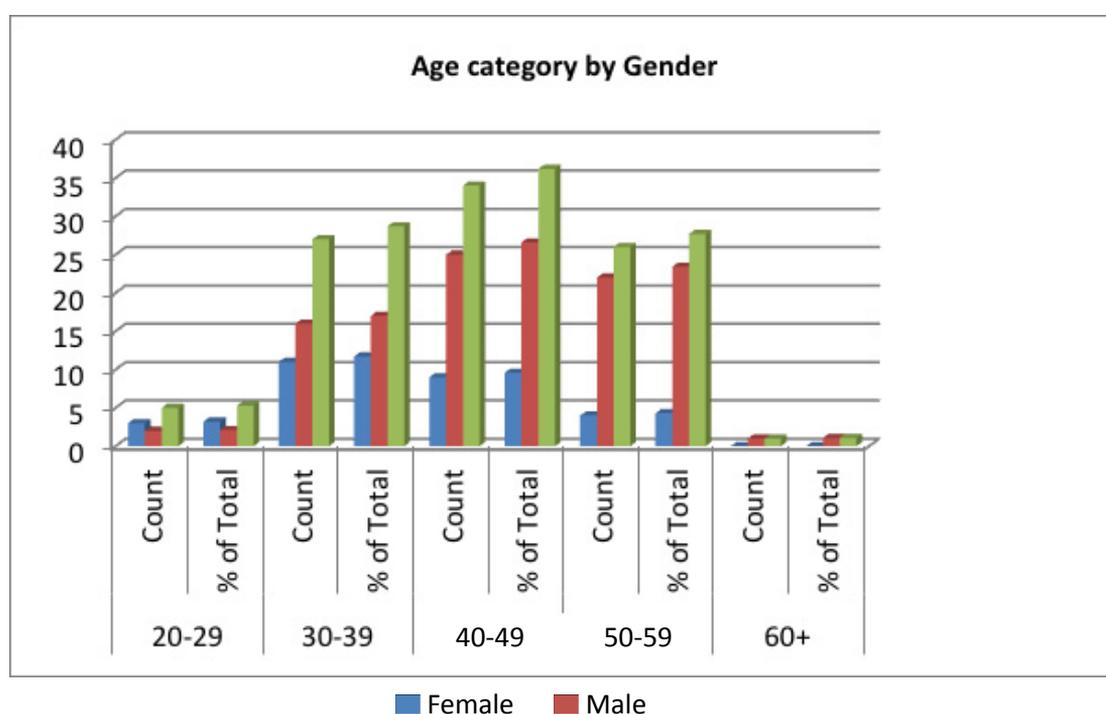


Figure 5: Age Category by Gender

N=94

In terms of religious affiliations, the majority of respondents at 82% (51, 26) were Christians while 10% of those surveyed were the Hindus (9 all male) and Muslims were at 7% as compared to the Seventh day Adventists who were at 1%.

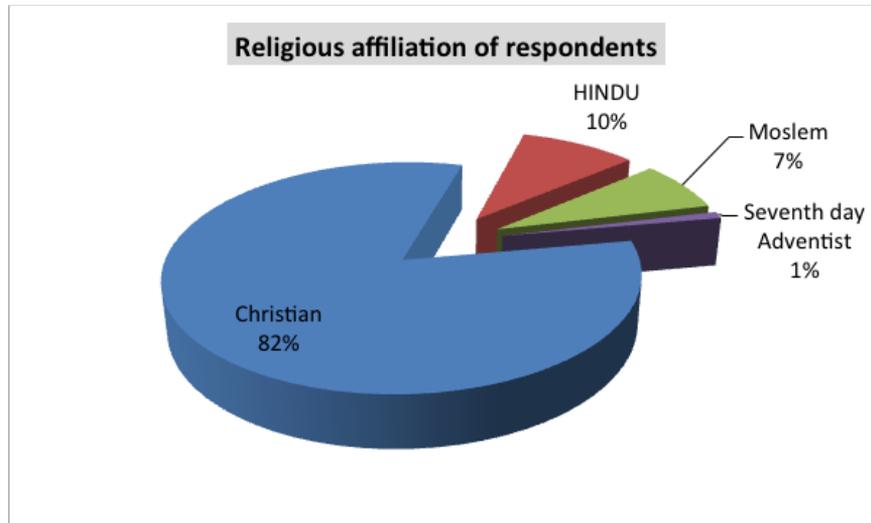


Figure 6: Religious Affiliation of Respondents

Analysis showed that the majority of respondents were in senior management at 35% (24male, 9female) 30% (20male, 8female) were technical staff, the heads of directory were 29% (17male, 7female). The CEOs were at 2% (1male, 1female) will the board members were 4% (4male) as illustrated below.

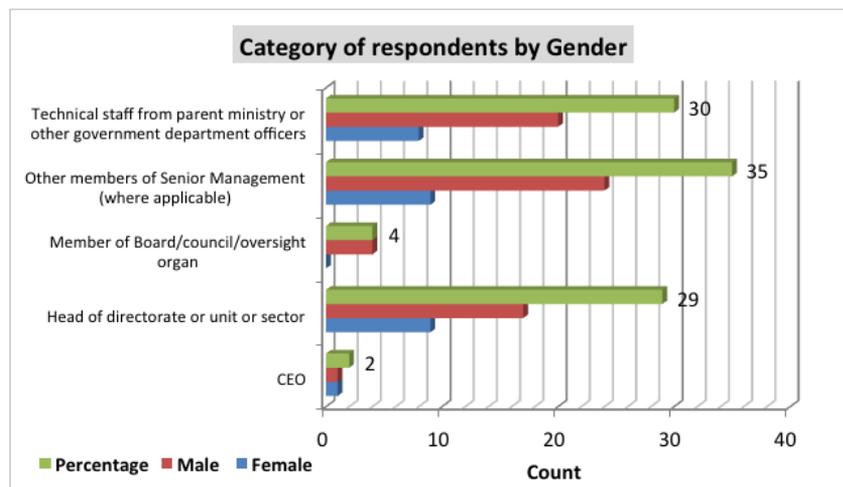


Figure 7: Category of Respondents by Gender

N=94

The data collected suggested that the majority 32% (20male, 10female) of respondents had masters, 29% (19male, 7female) had bachelor's degree. There was only one respondent at PhD level. 19% (14male, 4female) of the respondents had postgraduate qualification as illustrated below.

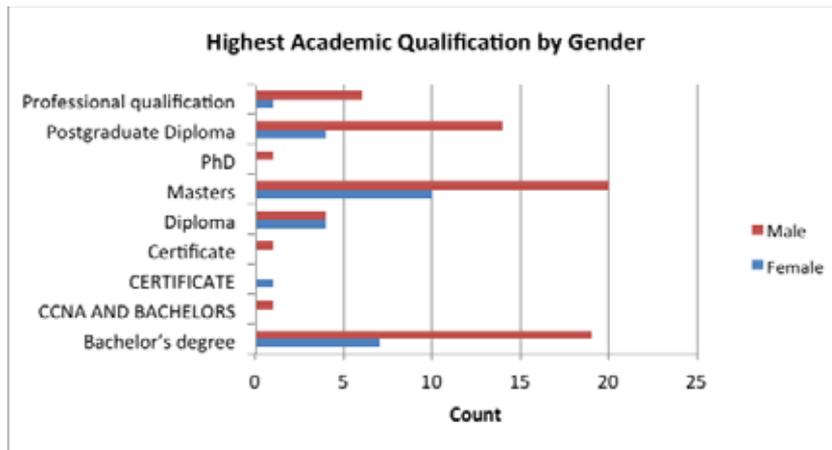


Figure 8: Highest Academic Qualification by Gender

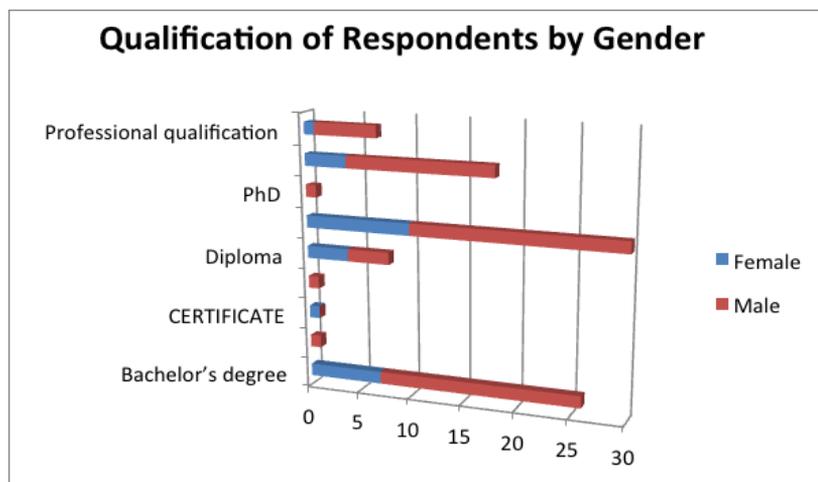


Figure 9: Qualifications of Respondents by Gender

The data suggests that the majority of the respondents were in (40-49) age category comprising of 36% (25male, 9 female), the (30-39) age category had 29% of respondents (16male, 11female) closely followed by the (50-59) age category with 28% (22male, 4female). The least number of respondents were from the (60+) age category at 1% with only a single male as illustrated below.

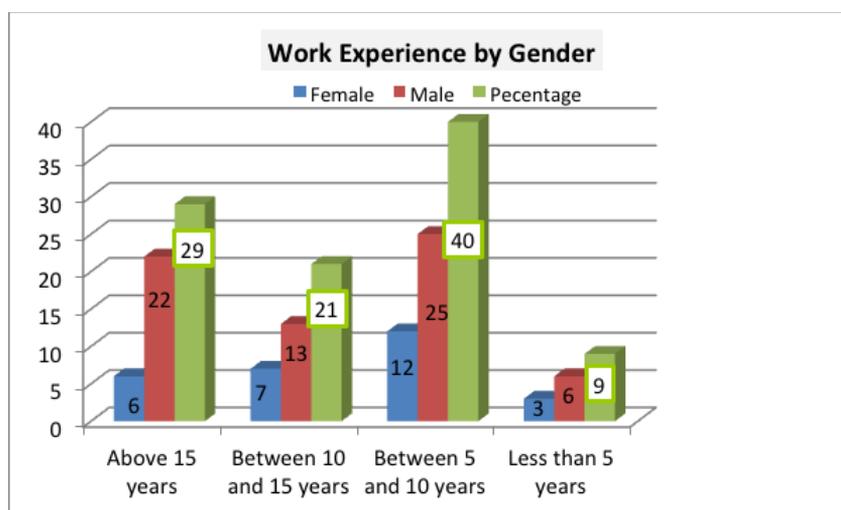


Figure 10: Work Experience by Gender

3.3. Evaluation of Public Sector Organizations (PSOs)

3.3.1. Introduction

To ensure consistency, results are presented for each PSO in terms of relevance, efficiency and effectiveness. The general findings that cut across all PSOs are then finally presented. There is no specific order preferred of which PSO is presented first or last.

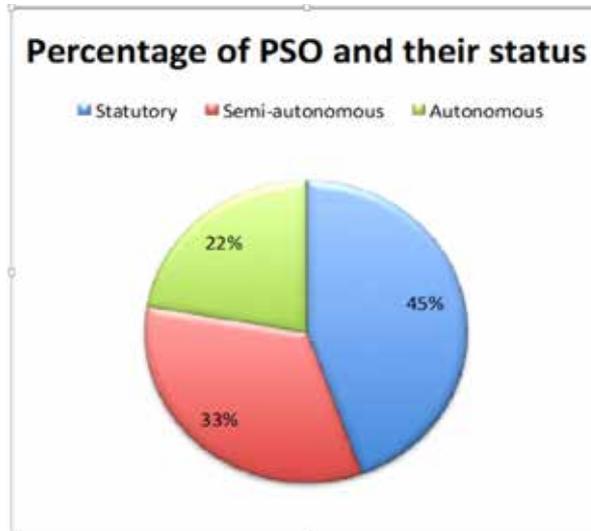


Figure 11: Status of PSOs

The majority (45%) of the PSO that submitted the institutional survey instrument were statutory compared to 33% that were semi-autonomous and 22% which were autonomous. With these findings, PSOs assessed had a high degree of autonomy to apply best management practices as opposed to traditional bureaucratic processes. In terms of the number of years of their existence, as can be seen below, only Crested Crane Institute was less than 10 years Old (3years) and the National Housing and Construction company had existed longest at 54 years. Its sustainability had been therefore tested.

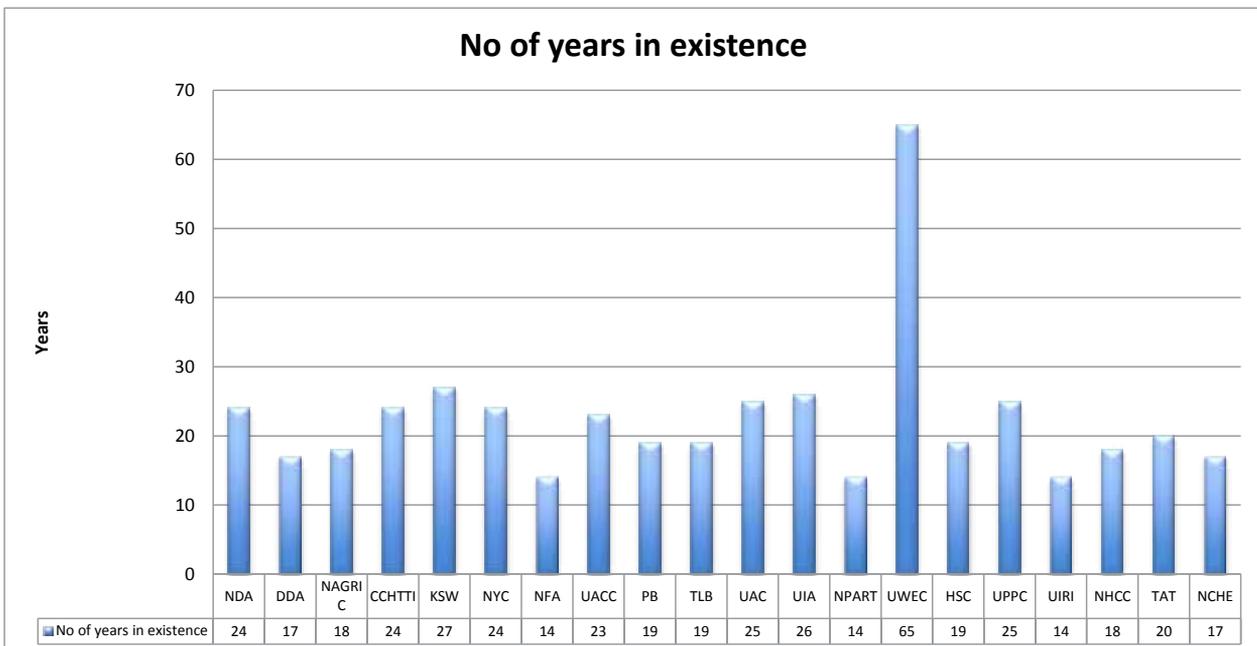


Figure 12: Number of Years of Existence for the PSO

Within the context of the length of period PSOs had been in existence, it was the view of the evaluators that such organizations by any standard need to have appropriate systems and structures for managing the various resource categories of PSOs. In our view, such PSOs ought to have established appropriate resource mobilization skills rather than demonstrating financial reliance on government for financing their activities. Therefore any PSO that has existed for more than 10 years and continues to depend on government as the only available source of funding is more of a liability to government than an asset.

The review assessed the capacity and Resources within the Sampled PSO in terms of staff and infrastructure. The emerging findings from those PSOs that filled the institutional assessment questionnaire were as indicated below:-

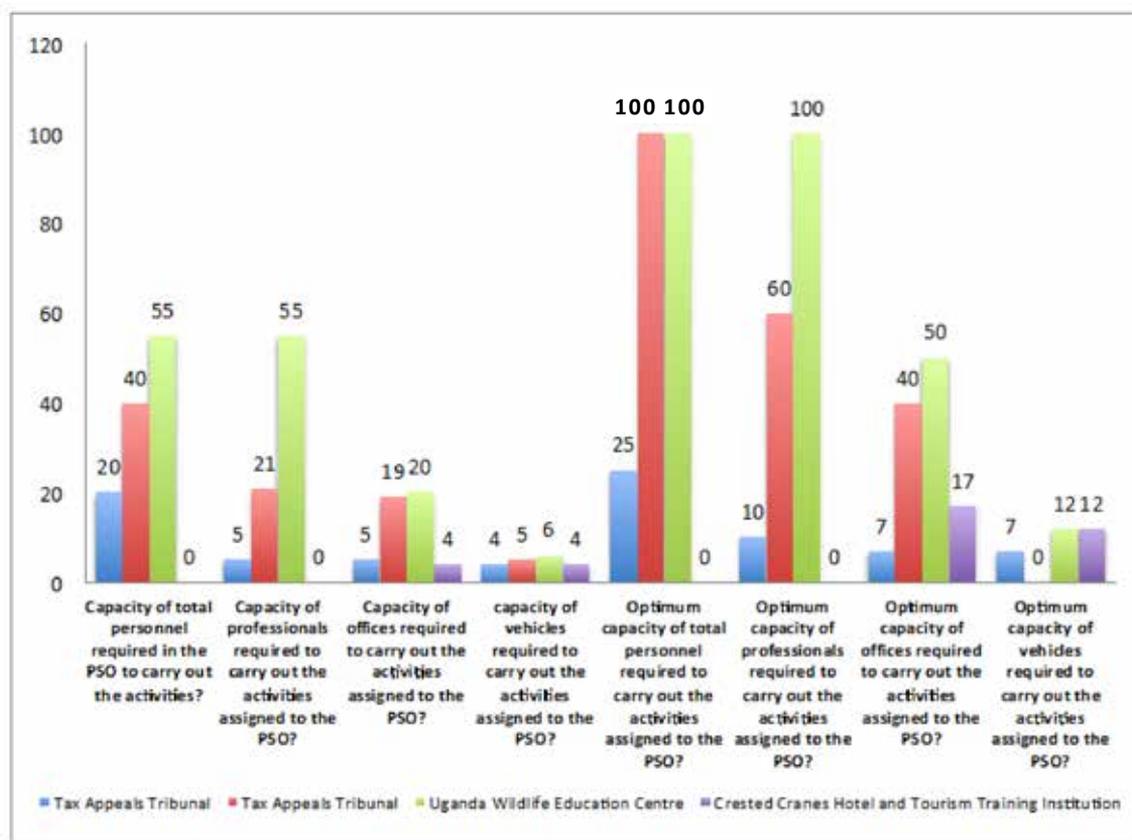


Figure 13: Capacity and Resources of Sampled PSOs

It should be noted that as compared to the personnel required and the personnel actually available within the PSO, there is a very big variance. This indicates under staffing within the PSOs sectors. The number of professionals currently within the PSO as implied from the emerging findings is half of what is needed. The current infrastructure for the PSOs such as offices and vehicles that are necessary for them to undertake the day to day activities are also almost half of what is duly required.

In terms of relevance of PSOs, the generic responses to aspects of relevance from the opinions of those who filled in the survey instrument favored the retention of the PSOs. The following findings emerged when the question was posed to sampled respondents. Generally, the surveyed respondents believe that to a moderate extent, PSOs are relevant (51%) while 30% are of the view that to a great extent the PSOs are relevant.

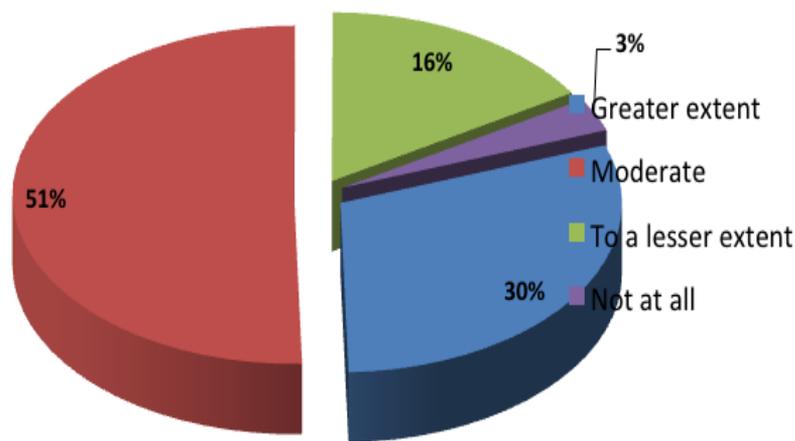


Figure 14: Perception of Respondents on PSO Relevance

From the sampled PSOs, 80% of the survey of key stakeholders believed that in some functions of the PSOs were being duplicated in various roles and mandates as compared to only 14% who never agreed that duplication was in existence. This finding is in line with the findings of the 2009 diagnostic study which found a reasonable number of duplicated mandates and lack of synchronisation of PSOs mandates established before 1997 with the new national agenda framework of the country.

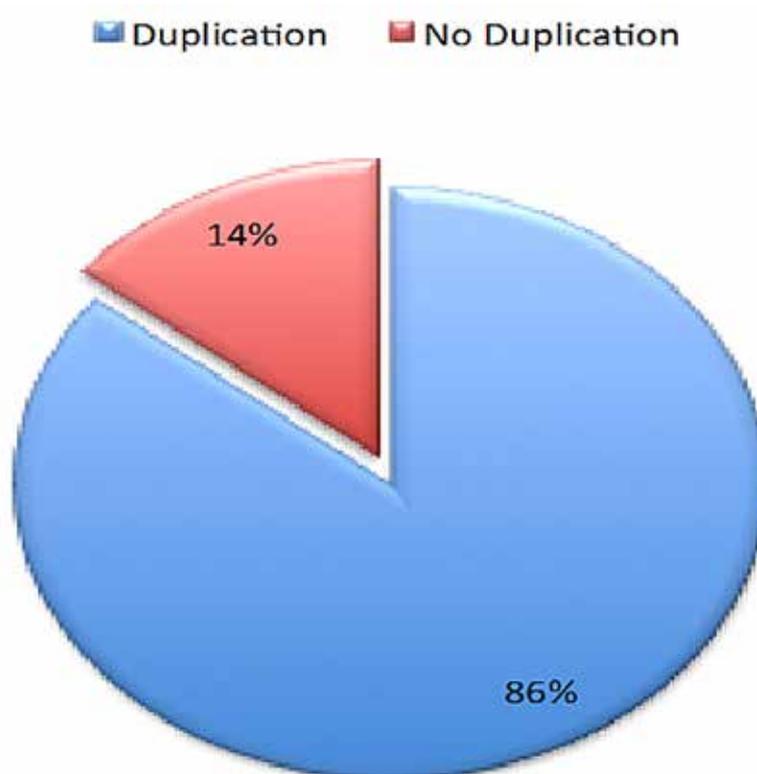


Figure 15: PSO Duplication

The increased duplication of functions increases government wastage of resources. It is therefore recommended that all these PSO with their roles being duplicated should be merged to create a common synergy among the PSO sector. Some of the functions can be effectively performed by the parent ministries through creating specialised departments or directorates.

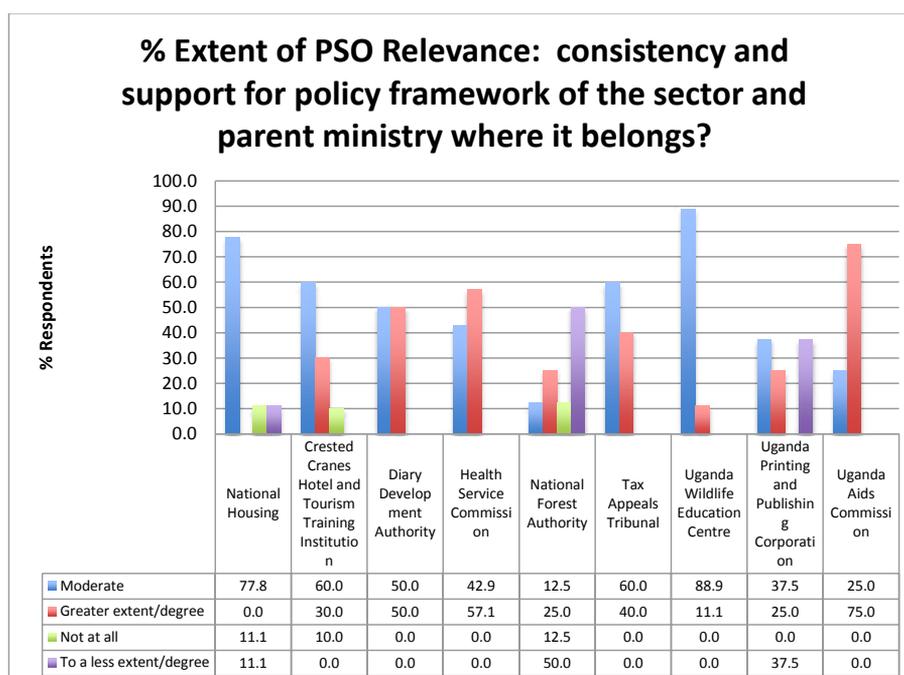


Figure 16: Extent of PSO Relevance to Consistency and Support for Policy Framework of the Sector and Parent Ministry where it belongs

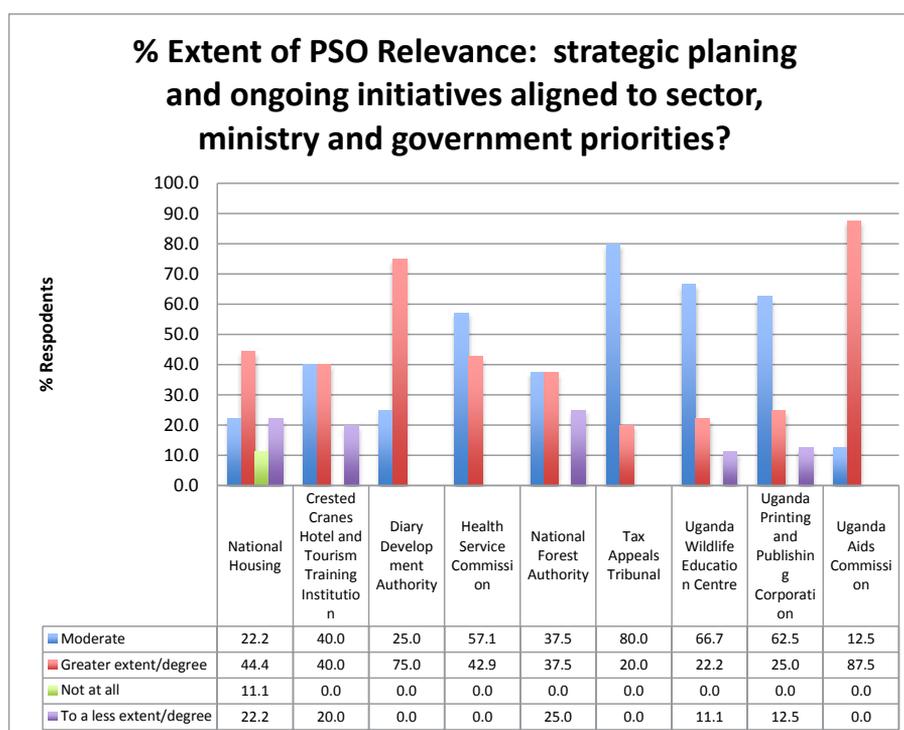


Figure 17: Extent of PSO Relevance to Strategic Planning and ongoing initiatives

A close look at the data suggested that the Uganda Aids Commissions registered the highest number of ratings in terms of PSO relevance at 70%, and National Agriculture Genetic Resource was rated at 57% in the greater extent category. The National Council for Higher Education and Tax Appeals Tribunal registered 86% and 71% respectively in the moderate category regarding relevance. On the other hand the National Housing and Construction Company recorded the highest at 13% in the Not at all relevant category as illustrated below. While these ratings could be associated with the actual number of respondents who filled in survey instrument from each of the sampled PSOs, the findings give an opinion that is used to measure the stakeholder views about a PSO.

Public Sector Organisation	N	Percentage responses			
		Greater extent	Moderate	To a less extent	Not at all
Crested Cranes Hotel & Tourism Training	10	26	59	11	3
Diary Development Authority	8	36	52	12	
Health Service Commission	7	41	55	4	
Kinyara Sugar Works	16	40	52	8	
National Agriculture Genetic Resource	1	57	43		
National Council For Higher Education	1	14	86		
National Drug Authority	2	29	35	29	7
National Forest Authority	8	18	32	41	9
National Housing and Construction Company	9	11	45	31	13
Tax Appeals Tribunal	5	26	71	3	
Uganda Aids Commission	8	70	30		
Uganda Air Cargo Corporation	1	14	57	29	
Uganda Printing & Publishing Corporation	8	13	44	36	7
Uganda Wildlife Education Centre	9	17	67	16	

Table 3: PSO Relevance Rating

In terms of general survey findings regarding Effectiveness of the PSOs, 54% of the respondents only believed the effectiveness was moderate.

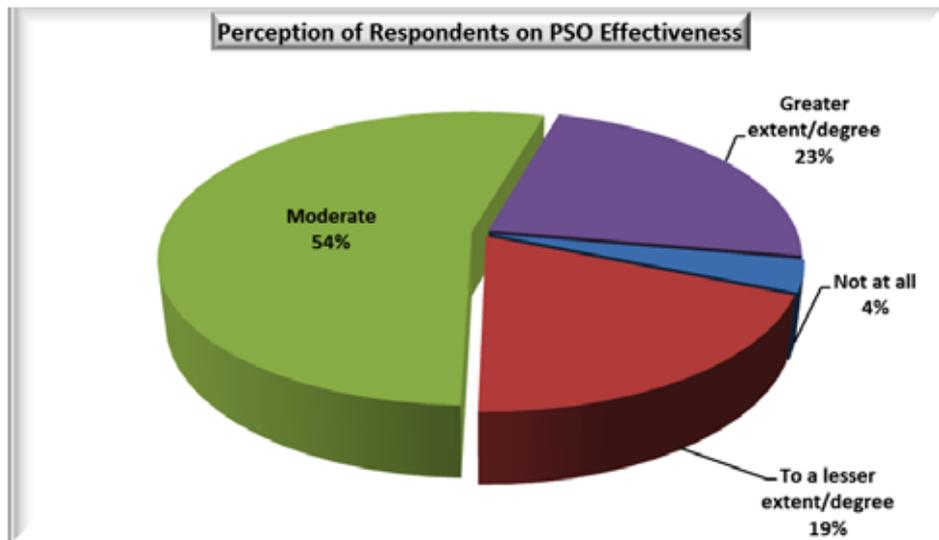


Figure 18: Perception of Respondents

A close look at the data suggested that the Uganda Aids Commissions registered the highest in terms of PSO effectiveness at 40%, and Kinyara Sugar Works at 36% in the greater extent category. The National Council for Higher Education and Health Service Commission registered 80% and 71% respectively in the moderate category. On the other hand the National Housing and Construction Company and National Drug Authority recorded the highest at 13% and 10% respectively in the Not at all relevant category as illustrated below.

Public Sector Organisation	N	Percentage responses			
		Greater extent	Moderate	To a less extent	Not at all
Crested Cranes Hotel & Tourism Training	10	14	59	23	4
Diary Development Authority	8	34	43	21	1
Health Service Commission	7	26	71	3	
Kinyara Sugar Works	16	36	60	3	1
National Agriculture Genetic Resource	1	30	60	10	
National Council For Higher Education	1	20	80		
National Drug Authority	2	5	70	15	10
National Forest Authority	8	19	32	40	9
National Housing and Construction Company	9	11	47	29	13
Tax Appeals Tribunal	5	30	54	16	
Uganda Aids Commission	8	40	51	9	
Uganda Air Cargo Corporation	1	50	30	20	
Uganda Printing & Publishing Corporation	8	5	47	42	6
Uganda Wildlife Education Centre	9	16	64	19	1

Table 4: PSO Effectiveness

	Public Sector Organisation	SECTOR PERFORMANCE (%)						PSO PERFORMANCE (%)						Variation (Bn)
		SECTOR APPROVED (BN)	SECTOR RELEASED	SECTOR SPENT	% OF BUDGET RELEASE	% OF RELEASE SPENT	% OF BUDGET SPENT	SECTOR APPROVED	SECTOR RELEASED	SECTOR SPENT	% OF BUDGET RELEASE	% OF RELEASE SPENT	% OF BUDGET SPENT	
1	CCHIT	80.27	80.25	71.68	100.0	89.3	89.3	2.78	2.78	2.78	100	100	100	4%
2	DDA	353.9 2	348.38	342.16	98.4	96.7	98.2	5.04	3.92	3.91	77.7	77.5	99.7	1%
3	HSC	813.9 7	838.93	811.14	103.1	99.7	96.7	4.27	4.66	4.52	109.0	105.8	97.1	1%
4	KSW	80.27	80.25	71.68	100.0	89.3	89.3	130.21	130.21	134.6 1	100	100	103.3	188%
5	NAGRC	353.9 2	348.38	342.16	98.4	96.7	98.2	4.15	3.89	3.89	93.8	93.8	100	1%
6	NCHE	1,808 .59	1,818.0 2	1,813.4 8	100.5	100.3	99.8	2.39	3.49	3.49	146.1	146.1	100.0	0%
7	NDA	813.9 7	838.93	811.14	103.1	99.7	96.7	30.58	30.58	30.58	100	100	100	4%
8	NFA	210.2 0	192.61	191.63	91.6	91.2	99.5	7.46	14.47	14.47	194	194	100	8%
9	NHCC	71.17	65.27	63.23	91.7	88.8	96.9	2.39	3.49	3.49	146.1	146.1	100.0	6%
10	TAT	907.1 0	852.86	840.74	94.0	92.7	98.6							0%
11	UAC	813.9 7	838.93	811.14	103.1	99.7	96.7	7.75	7.24	7.10	93.4	91.6	98	1%
12	UIA	907.1 0	852.86	840.74	94.0	92.7	98.6	375.589						0%
13	UACC	1,073 .83	1,347.0 1	1,345.8 3	125.4	125.3	99.9							0%
14	UPPC	753.6 5	898.35	894.65	119. 2	118. 7	% 99.6							0%
15	UWEC	80.27	80.25	71.68	100.0	89.3	89.3	5.48	5.46	5.46	99.7	99.7	100	8%
16	NPART	907.1 0	852.86	840.74	94.0	92.7	98.6							0%
17	UIRI	80.27	80.25	71.68	100.0	89.3	89.3	14.24	13.23	13.14	92.9	92.9	99.3	18%
18	POSTBAN K	907.1 0	852.86	840.74	94.0	92.7	98.6							0%
19	TLB	2,064 .12	1,863.5 5	1,841.1 0	90.3	89.2	98.8							0%
20	NYC	91.23	74.91	74.83	82.1	82.0	99.9							0%

Table 5: Annual Budget Performance (Government of Uganda & Non-Tax Revenue)* FY2015/16

Regarding the opinions of respondents on the Efficiency of the assessed PSOs, against 54% of those surveyed believed the efficiency was only moderate.

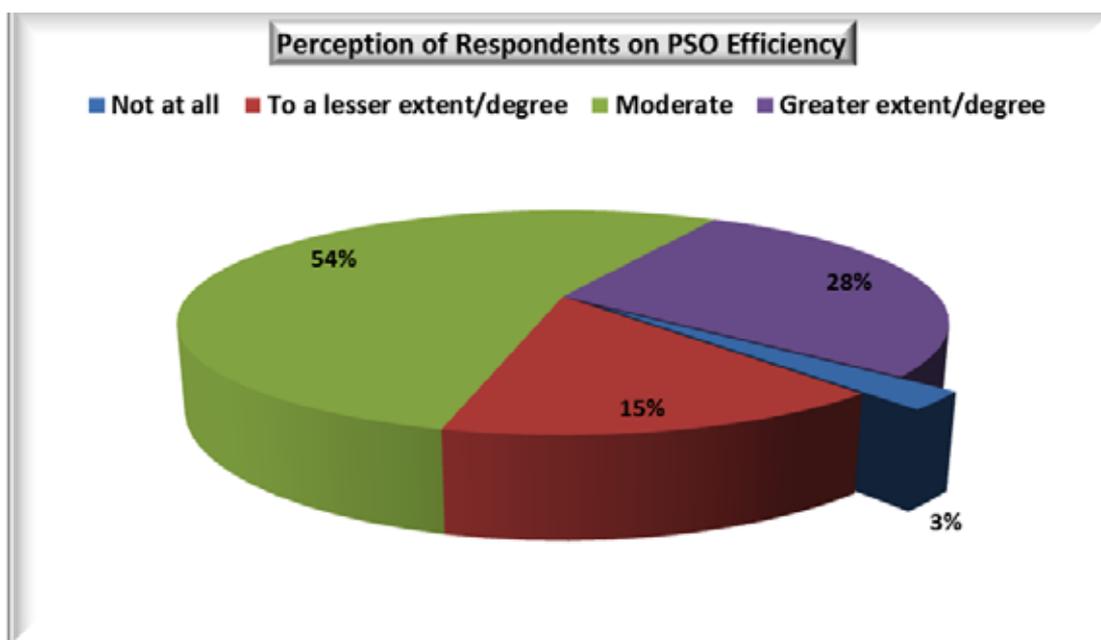


Figure 19: Perception of Respondents on PSO Efficiency

A close look at the data showed that the National Council for Higher Education registered the highest in terms of PSO effectiveness at 100%, and National Agriculture Genetic Resource at 67% in the greater extent category. The National Drug Authority and Health Service Commission registered 67% and 81% respectively in the moderate category. On the other hand the National Housing and Construction Company and Uganda Printing & Publishing Corporation recorded the highest at 11% and 6% respectively in the Not at all relevant category as illustrated below.

Public Sector Organisation	N	Percentage responses			
		Greater extent	Moderate	To a less extent	Not at all
Crested Cranes Hotel & Tourism Training	10	15	58	23	3
Diary Development Authority	8	46	46	8	
Health Service Commission	7	17	81	2	
Kinyara Sugar Works	16	36	62	2	
National Agriculture Genetic Resource	1	67	33		
National Council For Higher Education	1	100			
National Drug Authority	2	17	67	16	
National Forest Authority	8	4	40	52	4
National Housing and Construction Company	9	26	43	20	11
Tax Appeals Tribunal	5	38	59		3
Uganda Aids Commission	8	58	42		
Uganda Air Cargo Corporation	1	33	67		
Uganda Printing & Publishing Corporation	8	13	52	29	6
Uganda Wildlife Education Centre	9	15	61	24	

Table 6: PSO Effectiveness

Governance of the PSOs was a key variable assessed during the evaluation. The generic perception of respondents on Governance issues of PSOs as seen from the graph 20 and table 7 below suggests respondents surveyed believed effective governance of PSOs assessed was only rated moderately.

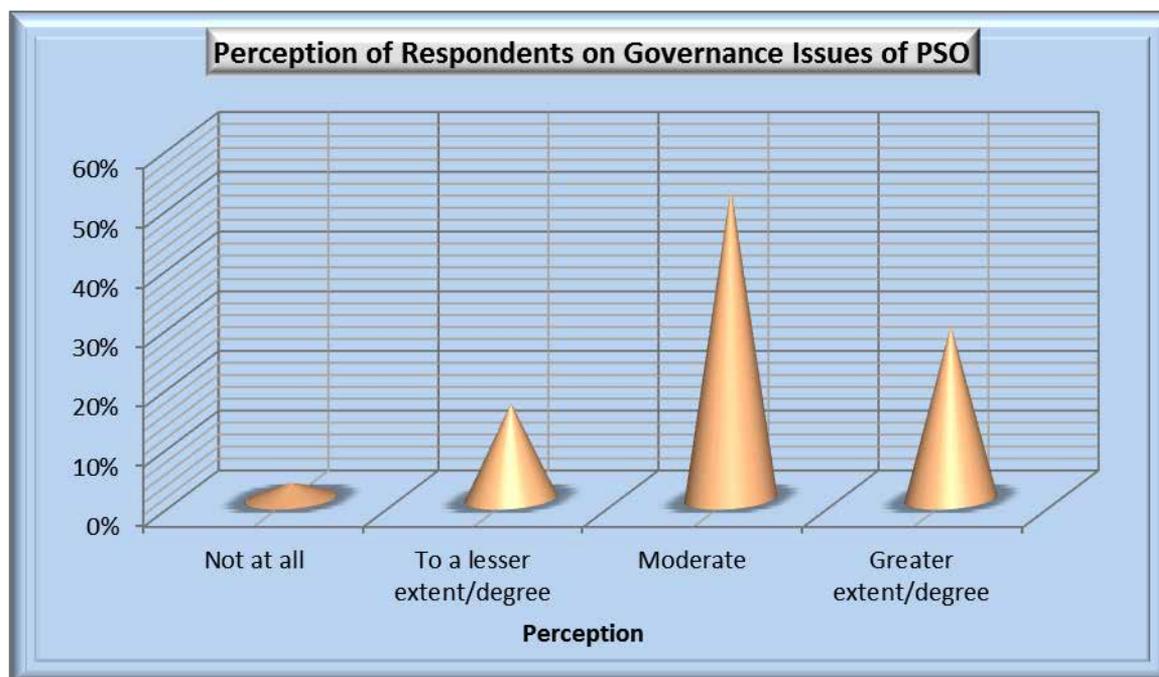


Figure 20: Perception of Respondents on Governance Issues of PSO

Public Sector Organisation	N	Percentage responses			
		Greater extent	Moderate	To a less extent	Not at all
Crested Cranes Hotel & Tourism Training	10	17	56	23	4
Diary Development Authority	8	39	36	19	6
Health Service Commission	7	9	91		
Kinyara Sugar Works	16	34	61	4	1
National Agriculture Genetic Resource	1	25	75		
National Council For Higher Education	1	25	50	25	
National Drug Authority	2	6	81	12	
National Forest Authority	8	9	44	47	
National Housing and Construction Company	9	40	35	14	11
Tax Appeals Tribunal	5	25	65	10	
Uganda Aids Commission	8	80	20		
Uganda Air Cargo Corporation	1	25	50	25	
Uganda Printing & Publishing Corporation	8	28	42	24	6
Uganda Wildlife Education Centre	9	11	63	26	

Table 7: Respondents Issues on Governance of PSO

3.3.2. Performance of PSOs on Gender and Equity Compliance requirements

The Equal Opportunities Commission is a body corporate established by the Equal opportunities Commission Act, 2007 in accordance with Article 32(3) of the Constitution of the Republic of Uganda to give effect to the State's constitutional mandate to eliminate discrimination and inequalities against any individual or group of persons on the ground of sex, race, colour, ethnic origin, tribe, creed, religion, social or economic standing, political opinion, disability, gender, age or any other reason created by history, tradition or custom.

It was revealed that the commission examined the extent to which the MPSs and BFPs have taken care of Gender and Equity in an effort to ensure same treatment or consideration for women, youth, People With Disabilities, ethnic minorities and older persons in the enjoyment of rights and freedoms, attainment of access to social services or the participation in social, cultural, economic and political activities regardless of sex, age, race, colour, ethnic origin, tribe, birth, location, creed, social or economic standing, political opinion or disability. The pass mark for Gender and Equity Assessment was placed at 40% to provide for progressive learning in the planning and budgeting processes. The financial year (2015/2016), 37 MDAs submitted their MPSs after the deadline and 8 never submitted at all.

No.	Name of Agency	2014/15	2015/16
1.	Uganda Aids Commission	54	54
2.	Dairy Development Authority	40	40
3.	National Forest Authority	25	47
4.	Uganda Industrial Research Institute	11	40
5.	National Animal Genetic Resource Centre		44
6.	Health Service Commission		41
7.	National Council for Higher Education		
8.	Non-Performing Assets Recovery Trust		
9.	Uganda Air Cargo Corporation		
10.	National Housing & Construction Corporation		
11.	National Youth Council		
12.	Uganda Investment Authority		
13.	Kinyara Sugar Works		
14.	National Drug Authority		
15.	Uganda Wildlife Education Centre		
16.	Transport Licensing Board		
17.	Tax Appeals Tribunal		
18.	Crested Cranes Hotel and Tourism Training Institution		
19.	Post Bank		
20.	Uganda Printing And Publishing Corporation		

Table 8: Gender and Equity Compliance

3.3.3. Mischarge of Expenditures

According to the Auditor General's Annual report June 2016, a total of UGX.168Bn was overall charged on items which do not reflect the nature of the expenditure despite recommendations in the previous audit reports. Mischarge of expenditure influences the credibility of the financial statements since the figures reported therein do not reflect true amounts expended on the respective items.

Some PSO with Mischarge of expenditure by MDAs 2015/16

No.	PSO	Expenditure
1.	Uganda Aids Commission	132,886,739
2.	Diary Development Authority	6,686,869
3.	Uganda Industrial Research Institute (UIRI)	65,181,828
	Total	204,755,436

Table 9: PSO Mischarge of Expenditure

3.3.4. Under-performance on Non Tax Revenue

Failure to collect all the budgeted revenue undermines the implementation of planned activities and is an indication of weak internal procedures used in the collection of revenue. Analysis of local revenue collection trends out of the twenty five (25) entities audited by the auditor general revealed that there were shortfalls in NTR collections for the year 2015/16. Of the 25 entities audited, three PSOs under review had issues as illustrated in the table below.

No.	Entity	Budget	Actual	Variance	%age
1.	National Animal Genetic Resource Centre & Databank	800,000,000	684,756,900	115,243,100	14.4
2.	National Council for Higher Education	8,573,600,000	5,801,715,753	2,771,884,247	32
3.	National Forestry Authority	17,125,612,017	8,550,675,887	8,574,936,130	50
	Total	26,499,212,017	15,037,148,540	11,462,063,477	

Table 10: Underperformance on non Tax Revenue

3.3.5. Outstanding Commitments

Analysis showed that a number of government entities continued to enter into commitments beyond the available funds. This is contrary to the commitment control system which requires the accounting officer to commit Government within the provided funds. In general, a total amount of domestic arrears increased during the year from UGX 216,289,941,996 in 2014/2015 to UGX, 551,475,676,520 in 2015/2016. Below is an illustration of the PSOs under review that had outstanding commitments with NFA at over UGX. 9 billion and UIRI at just over UGX 42 million.

No.	Entity	Amount
1.	Uganda Industrial Research Institute (UIRI)	42,415,714
2.	National Animal Genetic Resources Centre & Data Bank	524,882,268
3.	National Forestry Authority	9,658,256,000
4.	Uganda Air Cargo Corporation	1,985,156,420
5.	Uganda Printing and Publishing Corporation	3,554,603,433
	Total	15,765,313,835

Table 11: Outstanding Commitments (Source: Auditor General's Report June 2016)

3.3.6. Outstanding Receivables

The outstanding receivables may well lead to delayed settlement of obligations and/or failure to implement planned activities for a given entity. The period 2015/16 recorded receivables of UGX.1,675,729,489,749 that remained uncollected by the various Government Agencies by 30th June 2016. Below is an illustration of the PSOs under review that had outstanding receivables with Post Bank at over UGX. 168billion and DDAI at just over UGX 282 million.

No.	Entity	Amount
1.	Post Bank Uganda	168,166,739,000
2.	Uganda Investment Authority	19,752,010,447
3.	Uganda Air Cargo	10,831,652,164
4.	Dairy Development Authority	282,469,640
	Total	199,032,871,251

Table 12: PSO Outstanding Receivables

3.3.7. Audit Opinions issued on State Enterprises under review

Document review showed the total number of audits made on government agencies was 349 over a period of 2012/13-2015/16. It was revealed that 66% had the “audit opinion” Unqualified, 31% had Qualified and 3% had disclaimer. The basis used to arrive at the audit opinion was described in the separate reports issued on individual entities. An unqualified audit opinion is issued when the Auditor is able to express an opinion and concludes that the financial statements of an audited entity give a true and fair view or are presented fairly, in all material respects, in accordance with the stated financial reporting framework and the various Acts and Statutes establishing the State Enterprises, Statutory Authorities and Commissions.

An Auditor expresses a qualified opinion when: (a) The Auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in aggregate, are material, but not pervasive, to the financial statements; or (b) The Auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the Auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

The Auditor disclaims an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the Auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive. The Auditor shall disclaim an opinion when, in extremely rare circumstances involving multiple uncertainties, the Auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

Document review showed that out of the sampled and audited entities between 2012/13-2015/16, 63% of them had the “audit opinion” unqualified, 31% had qualified opinion and 6% disclaimer opinion as illustrated below.

General Audit Opinion 2012/13-2015/16

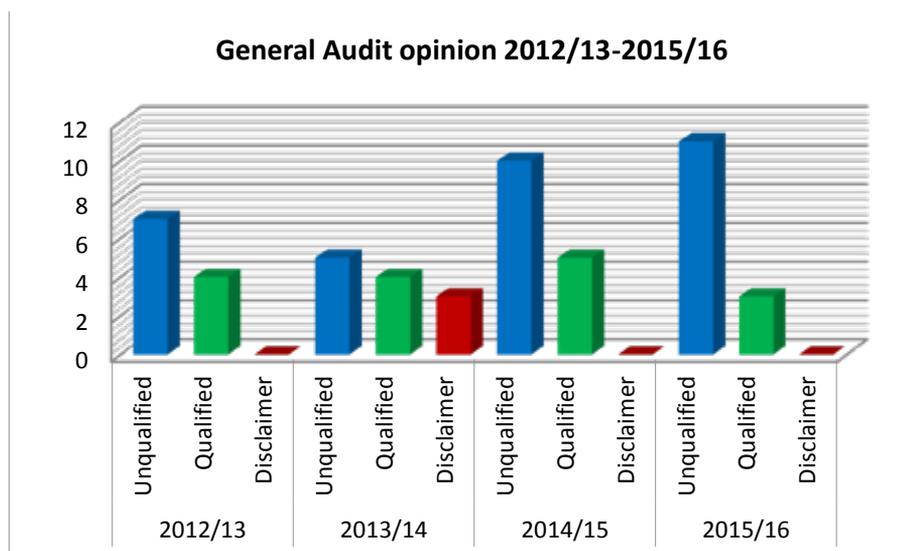


Figure 21: General Audit Opinion 2012/13-2015/16

Below is a summary of the audit opinions issued on State Enterprises over the period 2014/15 and 2015/16.

No	Entity	2012/13		2013/14			2014/15		2015/16	
		Unqualified	Qualified	Unqualified	Qualified	Disclaimer	Unqualified	Qualified	Unqualified	Qualified
1.	National Council for Higher Education	✓		✓				✓	✓	
2.	Uganda Printing and Publishing Corporation		✓	✓				✓		✓
3.	Uganda Wildlife Education Centre	✓		✓			✓		✓	
4.	National Housing & Construction Co.		✓		✓			✓	✓	
5.	National Youth Council		✓		✓			✓		✓
6.	Uganda Investment Authority	✓			✓		✓		✓	
7.	Post Bank	✓					✓		✓	
8.	Dairy Development Authority		✓		✓		✓		✓	
9.	National Animal Genetic Resource Centre & Data Bank (NAGRIC)	✓			✓		✓			
10.	Uganda Air Cargo Corporation	✓		✓			✓		✓	
11.	National Forestry Authority	✓			✓			✓		✓
12.	Uganda Industrial research institute			✓			✓		✓	
13.	National Drug Authority				✓		✓		✓	
14.	Health service commission						✓		✓	
15.	Uganda Aids commission						✓		✓	

Table 13: Summary of Audit Opinions issued on State Enterprises under review

The following observations were made about the PSOs in terms of their governance, available policies, and key objectives and whether these objectives had changed since their establishment

Name of PSO	Governance of PSO	Available Policies	Key Objectives of the PSO	Objectives changed since inception?
Tax Appeals Tribunal	TAX APPEALS TRIBUNALS ACT.CAP 345	Human resource manual, Financial manual, Internal audit manual, Board Governance Manual/ document, Strategic Plan, Procumbent Plan	Provide an equitable and just opportunity to tax payers to seek redress against taxation decision	Yes
Diary Development Authority	Dairy Industry Act, 1998 CAP 85	Human resource manual, Financial manual, Strategic Plan, Sector Investment Plan, Procumbent Plan, Resource mobilisation strategy	To guide the development and regulation of the dairy sector in Uganda	Yes
Kinyara Sugar Works	1. NATIONAL SUGAR POLICY 2. NATIONAL SUGAR BILL	Human resource manual, Financial manual, Internal audit manual, Strategic Plan, Sector Investment Plan, Procumbent Plan, Resource mobilisation strategy	1. Ensure Uganda is self-sufficient in sugar production 2. To address the sugar demand within Uganda & across the region 3. Contribute to the economic growth of Uganda through taxes & employment	Yes
NCHE	Universities and Other Tertiary Institutions Act, 2001	Human resource manual, Financial manual, Internal audit manual, Board Governance Manual/ document, Strategic Plan, Procumbent Plan	Regulate, Accredite Institutions and Programs of Higher Education Institutions and Equate Qualifications	Yes
National Housing and Construction Company	Act of Parliament Statute NO.2 of 1992	Human resource manual, Financial manual, Internal audit manual, Board Governance Manual/ document, Strategic Plan, Sector Investment Plan, Procumbent Plan, Resource mobilisation strategy	Create the reality of home ownership in well planned and permanent built environment by providing affordable and well-built housing	Yes
Uganda Wildlife Education Centre	Uganda Wildlife Conservation Education Act, 2015	Human resource manual, Financial manual, Internal audit manual, Sector Investment Plan, Procumbent Plan	Conservation education in Uganda Rescue and rehabilitation of wildlife Captive breeding of endangered wildlife species and animals Edutainment	No

Crested Cranes Hotel and Tourism Training Institution	Uganda Hotel and Tourism Training Institute Act, 2015	Financial manual, Internal audit manual, Strategic Plan, Procumbent Plan	To provide studies, training or research in subjects relating to tourism, hotel management and catering To develop technical social skills and correct attitude through flexible research based or practical pro-tourism curriculum	No
Uganda Air Cargo	Uganda Air Cargo Corporation Act(Cap) 1994	Human resource manual, Financial manual, Internal audit manual, Board Governance Manual/ document, Strategic Plan, Sector Investment Plan, Procumbent Plan, Resource mobilization strategy	To establish, provide, develop and operate safe, efficient, adequate, economical and properly coordinated air transport services	Yes
National Agricultural Genetic Resource Centre	The Animal Breeding Act, 2001	Human resource manual, Financial manual, Internal audit manual, Sector Investment Plan, Procumbent Plan	-Play a leading role in the gradual commercialization of; breeding activities including procurement and distribution of semen and associated equipment training of artificial insemination technicians training of embryo transfer technicians training of farmers in fish breeding techniques liquid nitrogen production and distribution cryo-preservation of semen and embryos and their distribution -To carry out any other activities incidental or conducive to the foregoing	Yes

Table 14: PSO Governance and availability of Policies

It was observed that the PSOs assessed had the key policies in place to help them in effective running of the organisation. Also all the PSO's key objectives had a clear mandate on what was required to be undertaken but it was surprising that these objectives had never changed since the inception for at least the 3 PSO. This meant that some PSO had objectives that were out-dated and needed changing. From further analysis it was found that majority of the PSO did not have a Resource Mobilisation Strategy with them which is a key document for self-sustenance. Some PSO like Crested Cranes Hotel and Tourism Training Institution did not have several policies that are required of an organisation. This was a clear sign of weak management structures as it was difficult to run without key policy documents.

3.4. Performance of Individual PSOs

3.4.1. National Drug Authority

a) Board Composition

The authority has 18 members of the Board with the Chairperson (Dr Medad Bitekyerezo) being a former member of parliament in the 9th Parliament and a Medical professional. He was appointed after failure to get re-elected for the Mbarara Municipality member of Parliament. The board has 6 (33%) of the members being females compared to 15 (67%) who are males. NDA's Board consists of the chairperson and the following other persons:

- the Director of Medical Services;
- the Commissioner for Veterinary Services;
- the Commissioner for Trade;
- the Director, Criminal Investigation Department;
- the Chief of Medical Services, Ministry of Defense;
- the Chief of Pharmaceuticals and Health Supplies;
- the Head of the Natural Chemotherapeutics Laboratory;
- the Director, Mulago Hospital;

A representative of each of the following:

- the National Medical Stores;
- the Uganda Medical Association;
- the Pharmaceutical Society of Uganda;
- the Uganda Veterinary Association;
- the Head of the School of Pharmacy, Makerere University;
- the Uganda Herbalists;
- the Uganda Dental Association;
- the Joint Medical Store;
- the Director General of the Uganda AIDS Commission;
- two other persons appointed from the public.

A review of the composition reveals that those in the medical profession dominate the board of this PSO. There is lack of legal, financial, management and corporate governance specialists which in our view could be a hindrance to effective board governance. It is our view that the two persons appointed from the public should be reserved within the current board structure to legal and management specialist. A known transparent mechanism of nominating such members should be known.

b) Relevance

The National Drug Authority (NDA) was established in 1993 by the National Drug Policy and Authority Statute which in 2000 became the National Drug Policy and Authority (NDP/A) Act, Cap. 206 of the Laws of Uganda (2000 Edition). The Act established a National Drug Policy and National Drug Authority to ensure the availability, at all times, of essential, efficacious and cost-effective drugs to the entire population of Uganda as a means of providing satisfactory healthcare and safeguarding the appropriate use of drugs.

Vision: A world class drug regulatory agency effectively protecting and promoting public health.

Mission Statement: To ensure access to quality, safe and efficacious human and veterinary medicines and other healthcare products through the regulation and control of their production, importation, distribution and use.

Core values; Caring for the People of Uganda, Taking Pride in What We Do: Building a Workplace Community: By being accountable for our values and their integration in our work, we lay the foundation for excellence at NDA.

The functions of the Drug Authority are stated under Section 5 of the NDP/A Act, Cap. 206. These are:

1. Deal with the development and regulation of the pharmacies and drugs in the country;
2. Control the importation, exportation and sale of pharmaceuticals;
3. Control the quality of drugs;
4. Promote and control local production of essential drugs;
5. Encourage research and development of herbal medicines;
6. Establish and revise professional guidelines and disseminate information to the health professionals and the public;
7. Provide advice and guidance to the Minister and bodies concerned with drugs on the implementation of the National Drug Policy; and
8. Perform any other function that is connected with the above or that may be accorded to it by law.

c) Effectiveness

The effectiveness of NDA was implied from the existing government reports regarding the degree to which the authority was executing its mandate and within the context of its mission which is to ensure access to quality, safe and efficacious human and veterinary medicines and other healthcare products through the regulation and control of their production, importation, distribution and use. Evidence of their effectiveness was also implied from their ability to provide requested information during this evaluation exercise and the researcher's observation of the existing systems and processes during data collection.

Document analysis showed that there was non-compliance with the National Drug Policy and Authority Act Cap 206. According to the Auditor General's report (June 2016), of the 51 pharmacies sampled and visited across the country, 42 had dusty or untidy premises, 26 had no temperature control mechanism in place, 14 did not display their licence at the premises and 6 had no prescription books among others. This performance is against the effective dream as contained in the authority's mission statement and core values. The level of compliance as observed in the Auditor General's report is summarised as below:-

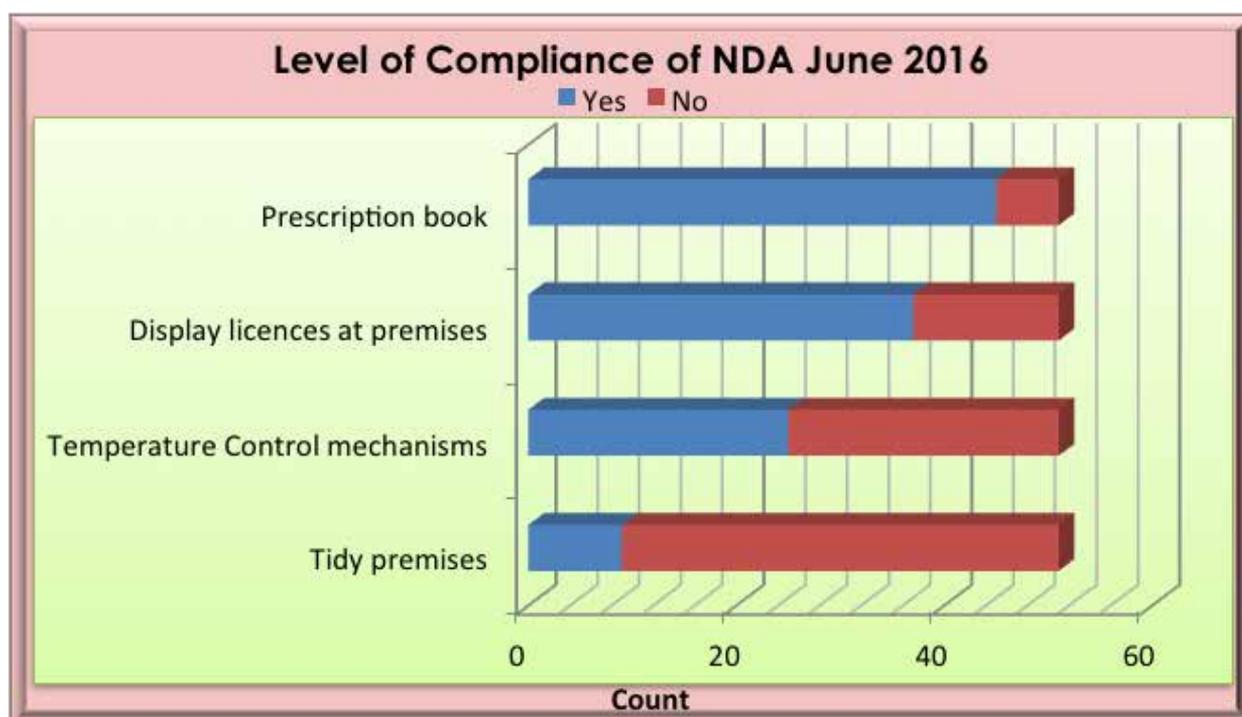


Figure 22: Level of Compliance of NDA June 2016

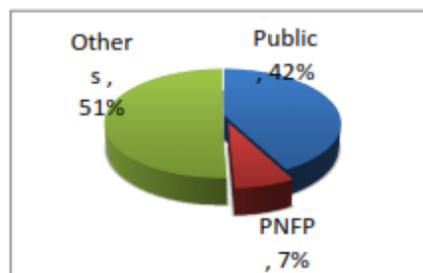
The cases on non-compliance were mainly attributed to inadequate supervision and enforcement efforts by NDA. Management of the authority acknowledged the observations and also attributed the noncompliance in the pharmacies to inadequate supervision by licensed in-charge pharmacists, a matter which had been taken up by the respective professional body, PSU. To further improve regular inspection and sensitization, management is in the medium term (2016/2017) increasing the regional inspectors from two (2) to four (4) per region with a further gradual future scale up.

Further review of documents revealed that the some border entry points in Mirama hills, Katuna, Elegu and Oraba have no NDA officials to carry out the inspection of consignment of drugs contrary to Section 9 (2) of the National Drug Policy and Authority (Importation and Exportation of Drugs) Regulations, 2014 although NDA has been collaborating with URA for a couple of years to overcome this matter. Some consignments of drugs (Importer: City Pharmacy, Custom entry No. C22935; Invoice No. 50745 & 56159; Consignment of assorted medicines) entered the country without NDAs approval/no release letters by NDA from the ports of entry.

The poor supervision could be related to funding challenges, the management inefficiency or the general lack of adequate health professionals in the country. A review of the organisational practices during data collection demonstrated controlled information processes which could affect efficiency of the organisational processes. In terms of staffing, the 2015/2016-health annual sector report found poor and uneven distribution of staffing the public and private sectors within the health sector. The following statistics were reported:-

FIGURE 3: DISTRIBUTION OF HEALTH PROFESSIONALS BY EMPLOYMENT STATUS

42% (35,083) of registered health professionals are currently employed in the public sector, and at least 7% (5,887) are employed in the PNFP sector. About half of the registered health professionals (42,030) are either private practitioners, employed by NGOs, unemployed or have emigrated. Thus it is reasonable to conclude that there is a large pool of health professionals in the labormarket, many of whom may not be in full-time employment.



d) Efficiency

Efficiency was measured by reviewing the trend of financing to the authority. The review notes that there has been an upward trend in funding of the PSOs activity in terms of budgeted and actual funds released. The amount budgeted and released in the period 2011/12 was doubled in the period 2015/16 as illustrated below.

Funding (Ushs. Bn)	2011/12		2012/13		2013/14		2014/15		2015/16	
	Budget	Actual								
GOU	-	-	-	-	-	-	-	-	-	-
Donor	0.380	0.323	3.062	0.978	3.657	0.365	4.886	0.392	0.545	0.684
Internal	17.193	21.533	23.586	22.848	24.249	27.539	28.024	30.023	34.728	41.366
Other (Interest Income)	-	0.000	-	0.000	-	0.013	0.600	0.205	0.600	0.324
Total	17.573	21.857	26.648	23.826	27.906	27.917	33.510	30.621	35.874	42.373

Table 15: PSO Budget and Actual Release

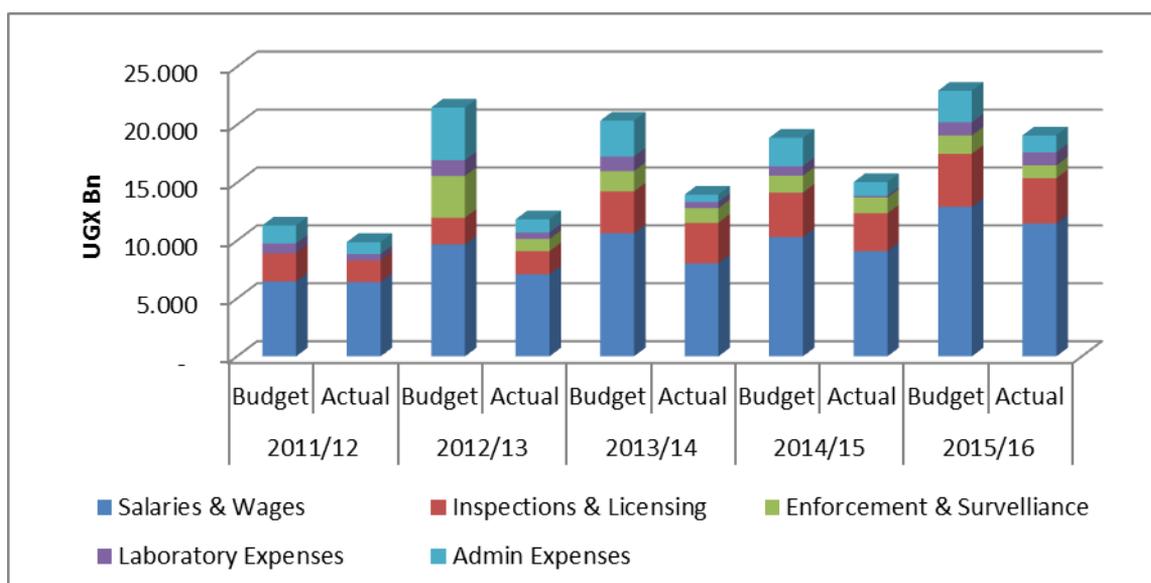


Figure 23: Summary of National Drug Authority Highest Expenditure (Ushs. Bn) 2011/12-2015/16

The main expenditure for the period 2011/12-2015/16 were salaries at 60% amounting to UGX 42Bn, Inspections & licensing was 21% (UGX 14 Bn), Administration expenses were 8% (UGX 5Bn), enforcement & surveillance 7% (UGX 5Bn) and Laboratory expenses were 4% (UGX 3Bn).

The health system, including service delivery in Uganda is financed by a multiplicity of stakeholders namely; Government, Private firms, Households and Health Development Partners (HDPs). Service delivery and developments in public facilities were mainly financed through Government grants, concessional loans and grants from HDPs. Government continued to support service delivery in the PNFP facilities by way of grants and seconding personnel (Annual Health Sector Report, 2015/2016). The trend in allocation of funds to the health sector shows that there has been a steady increase in Government allocation to the over the last five years. The increments are majorly on account of the rising wage bill and

the ongoing Development Partner supported projects in the sector. This trend can be derived from the table below:-

Year	GoU Funding (Ushs bns)	Donor Projects and GHIs (Ushs bns)	Total (Ushs bns)	Per capita public health exp (Ushs)	Per capita public health exp (US \$)	GoU health expenditure as % of total government expenditure
2010/11	569.56	90.44	660	20,765	9.4	8.9
2010/12	593.02	206.10	799.11	25,142	10.29	8.3
2010/13	630.77	221.45	852.2	23,756	9	7.8
2010/14	710.82	416.67	1,127.48	32,214	10	8.7
2010/15	748.64	532.50	1,281.14	37,130	13.5	8.5
2010/16	818.86	451.94	1,270.8	36,830	11	6.4

Table 16: Trends in Government Allocation to the Health Sector 2010/11 to 2015/16

General Government allocation for health as percentage of the total Government budget has been averaged at about 8% from 2010/11 to 2015/16, which is 1.8% short of the HSDP target of 9.8%. This translates into a Government contribution of US \$ 12 per capita expenditure on Health.

Institution	Approved budget	Release	% of budget released
Health	101.04	105.89	105%
Uganda Aids Commission (Statutory)	7.75	8.53	110%
Uganda Cancer	13.12	13.33	102%
Uganda Health Institute	11.55	11.55	100%
National Medical Stores	218.61	216.61	99%
Health Service Commission	4.37	4.66	107%
Uganda Blood Transfusion Service (UBTS)	8.65	8.58	99%
Mulago Hospital Complex	41.77	42.58	102%
Butabika Hospital	9.33	7.21	77%
Regional Referral Hospitals	83.19	82.78	100%
District NGO Hospitals/PHC	17.19	17.19	100%
District PHC	283.14	283.14	100%
District Hospitals	14.14	14.14	100%
KCCA Health Grant	5.00	5.00	100%
TOTAL HEALTH	818.86	821.20	

Table 17: GOU Budget Performance for FY 2015/16

The key achievements the NDA as reported from the recent annual health sector plan were as follows:-

- Recruited quality medical officer
- Began training staff
- Developed and revised implementation manuals
- Customer satisfaction survey on going in the Process of changing from ISO 100:2015-9001:2015
- Sensitized stakeholders about advertising and promotion of products by MDAs
- Approved 24 clinical trial applications
- Developed new guidelines and SOP for licensing
- Licensed 69 pharmacies
- Approved 109 medicine samples, 11 samples of LLINs, and 376 samples of condoms

Source: Annual Health Sector Performance Report for Financial Year 2015/16

The key achievements the NDA as reported from the recent annual health sector plan were as follows:-

e) Observed strengths and Weaknesses

Strengths

- Good updated website
- Highly positioned members of the board
-

Weaknesses

- Board with no legal and management specialists
- Persistent negative press publicity
- Non-Compliance to ND policy due to inadequate supervision
- Poor reporting culture

3.4.2. National Forest Authority

a) Board Composition

The Board of Directors of NFA has six members, including the Executive Director. The board is chaired by the authority’s former executive director and has within its membership a former Maruzi Member of Parliament. In terms of gender distribution, the board is composed of 5 (83%) males as compared to 1 (16%) female which demonstrates a higher gender disparity.

The composition of members in terms of professional distribution has three members being from the Forestry sector, 1 being from investment, education and accountancy respectively. We note the absence of a legal representation on this board. The assessment did not find evidence whether the authority has a legal representative on this board either which could as well address the legal vacuum. The following are the members of the board of directors:-

Name of Board Member	Sex	Profession
Mr. Gershom Onyango	Male	Forestry
Prof. Maggie Kigozi	Female	Investment
Mr. Bongonzya Stephen Mugumya	Male	Economics and Accounting
Mr. Dickson C. Langoya	Male	Forestry/Planning
Mr. Perez Nambafu	Male	Education
Mr. Michael Mugisa	Male	Administration/Forestry

Table 18: NFA Board Members

There are two Board Committees in place namely the Technical and Investment committee as well as the Audit, Finance and Administration Committee. The evaluation was not availed sufficient information regarding the number of times the board or its committees sat and the allowances payable for these meetings. The financial implication of board governance to the committee could therefore not be computed.

b) Relevance

The National Forest Authority (NFA) was established by the National Forest and Tree Planting Act of 2003 and became operational in 2004. NFA is the principle agency responsible for management of Central Forest Reserves (CFRs). The main objective of NFA is to manage CFRs, supply forest and non-forest products and services, and coordinate with other lead agencies In the management of CFRs. NFA comprises of four directorates namely; finance and administration, corporate affairs, natural forests and plantations.

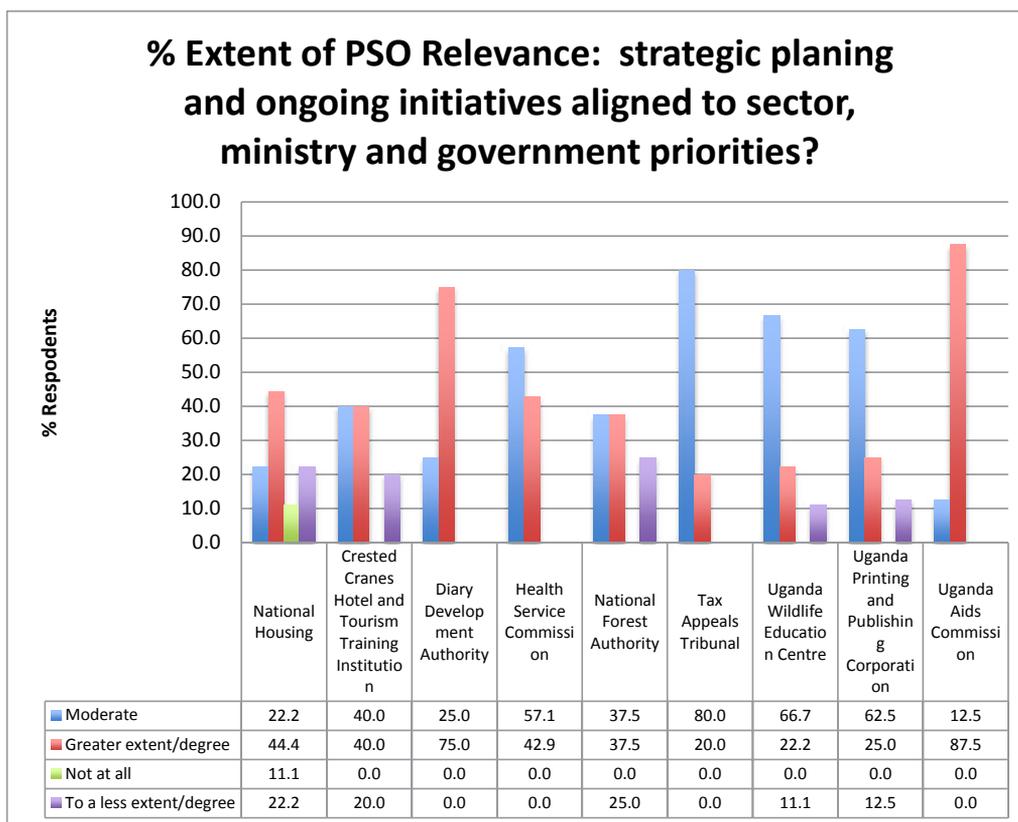


Figure 24: % Extent of Relevance

Objectives and Functions

To manage the CFRs and plantations on a sustainable basis and to supply quality forest-related products and services to Government, local communities and the private sector. According to section 54 of the Act, NFA is mandated to among others:

1. To develop and manage all CFRs
2. To identify and recommend to the minister, areas for declaration as CFRs and the amendments of those declarations
3. To promote innovative approaches for the local community participation in the management CFRs.
4. To establish procedures for the sustainable utilization of Uganda’s forest resources by and for the benefit of the people of Uganda.

c) Effectiveness

Accessibility of information from this PSO was a difficult task and the ED was non-cooperative to the evaluation teams on a number of occasions. Getting secondary information required the evaluation teams to provide a ream of paper to allow photocopying. This is a serious performance effectiveness gap for an organisation of this nature. This performance gap could imply other services offered by the agency suffer similar treatment. For the period of assessment, the agency website had accessibility problems and this is a key weaknesses which should easily be detected.

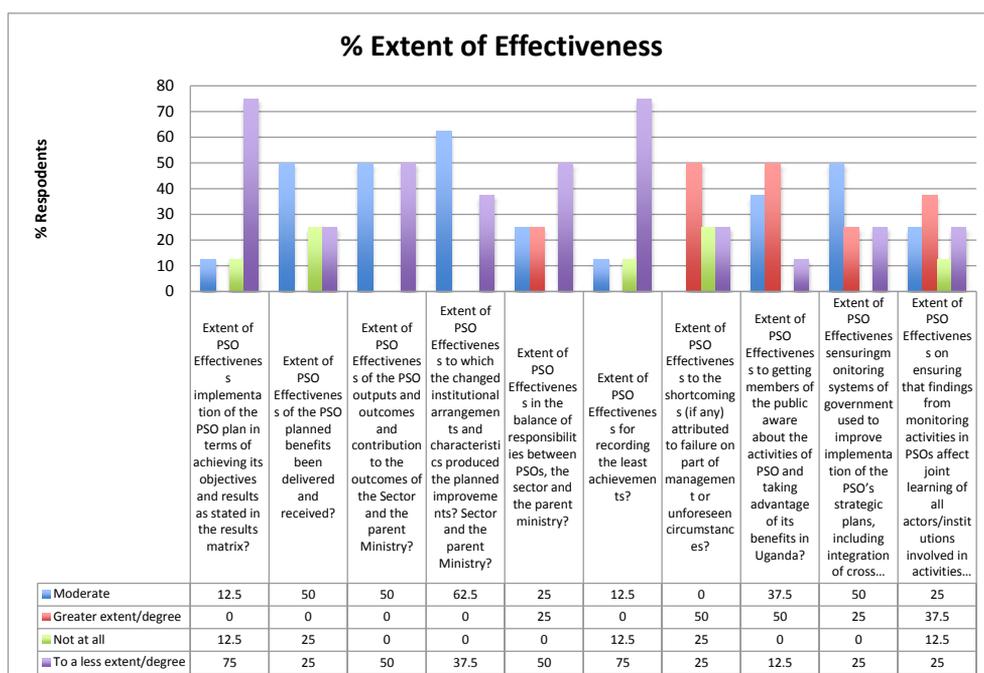


Figure 25: % Extent of Effectiveness

The Inspectorate of Government receives complaints or initiates investigations of allegations of corruption, maladministration, breach of the Leadership Code of conduct and arrests, prosecutes and recommends administrative action on persons implicated. The Inspectorate of Government is granted special powers under Article 230 of the constitution and Section 14 (5) of the Inspectorate of Government Act to investigate, cause investigations, arrest, cause arrest, prosecute or cause prosecution in respect of cases involving corruption, abuse of authority or of public office, maladministration and breach of the leadership code of conduct. The National Forest Authority was the most institution complained about amongst those under review. The table below shows the institutions complained against 2013-2016.

Audit General's Report 2016

In accordance with the international standards on auditing and accordingly included a review of the accounting records and agreed procedures as was considered necessary. In conducting audit reviews special attention was paid to revenue, expenditure, internal control system, procurement, fixed assets management, periodic reports about the entity's activities and entity's financial statements. The findings were categorised in high, moderate and low.

Summary of findings

Findings	Significance
1. Failure to value land	High
2. Non-settlement of payments	High
3. Revenue shortfall	High
4. Forest encroachment	High
5. Un-recovered and unpaid courts awards	Moderate
6. Statement of budget performance	Moderate
7. Payments for vehicle repairs	Moderate
8. Irregularities in the payments for Kasagala contractors	Moderate
9. Refund of ineligible expenditure	Moderate
10. Use of the wrong method of procurement	Moderate
11. Failure to enforce sand mining agreement	Moderate
12. Staffing gaps	Moderate
13. Management of harvesting licences	

Table 19: Audit Findings Categorised as High, Moderate and Low (Source: Auditor General Report June 2016.)

d) Efficiency

		30TH JUNE 2016	30TH JUNE 2015
INCOME	NOTE	Shs (000)	Shs (000)
Revenue	10	19,101,422	19,770,358
TOTAL RECEIPTS		19,101,422	19,770,358
OPERATING EXPENSES			
Administrative expenses		18,414,746	15,684,889
Depreciation		1,396,747	1,092,456
TOTAL OPERATING EXPENSES	10	19,811,493	16,777,345
Operating Surplus/Deficit		(710,071)	2,993,013
Finance costs	10	29,799	24,915
NET SURPLUS/DEFICIT FOR THE PERIOD		(736,870)	2,968,097

Table 20: Statement of Financial Performance (Source: Auditor General Report June 2016)

Document review showed that the National Forest Authority, in the review period 2015/16 had more cumulative funds released and spent.

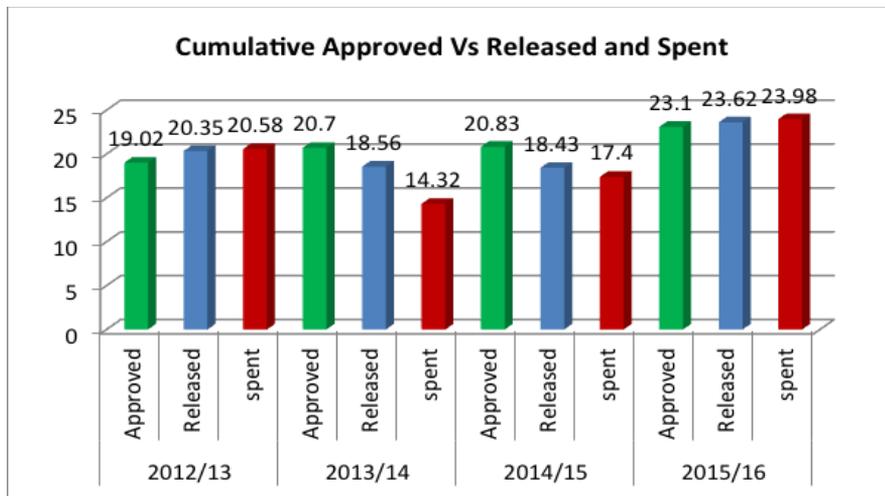


Figure 26: Cumulative Approved Vs Released and Spent

A close look at the cumulative funds released against those that were spent in the period 2012/13 showed a minus 12.4% less of the funds released as illustrated in figure below as well as a 10.4% shortfall of approved budget. Analysis showed that the major challenge that affected the implementation of FY 2012/13 budget and plan was the high expenditure on litigation costs which were earlier on not been planned for. This led to some activities not being implemented as earlier planned

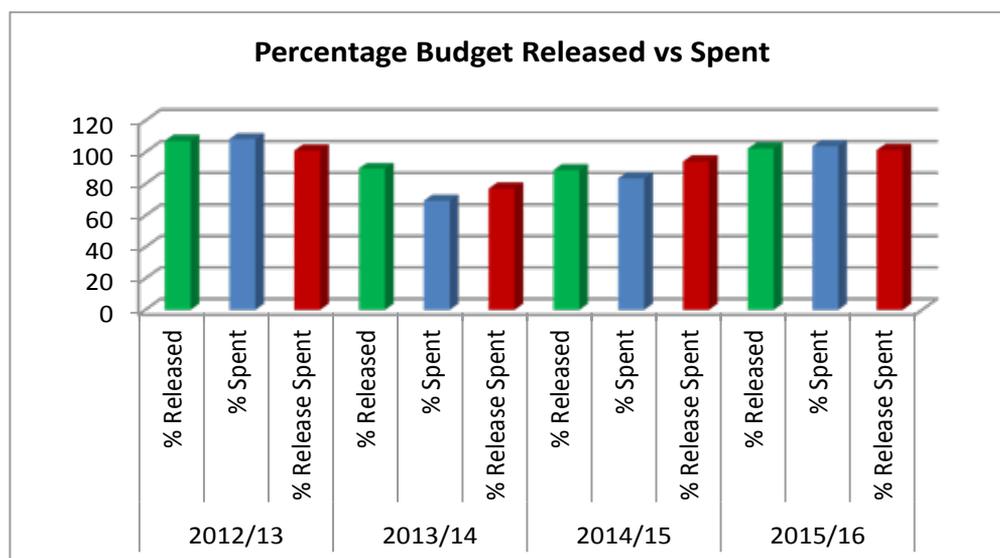


Figure 27: Percentage Budget Released Vs Spent

On the other hand the period 2014/15 had 5.6% more funds spent than was released. During this Financial year, much as there was an increase in expenditure, a number of challenges arose, ranging from limited funding which continued to affect field operations, Illegal activities in CFRs due to weak enforcement capacity and political intervention/interference which delayed the boundary opening exercise in some selected CFRs of Luwunga and Omier.

Funding	2011/12 (000)		2012/13 (000)		2013/14 (000)		2014/15 (000)		2015/16 (000)	
	Approved	Released								
GOU		5,872,551	6,400,000	6,355,324	6,858,568	11,198,977		6,833,692	7,623,000	9,029,167
Donor		6,567,766	4,187,283	2,002,094	-	769,606		-	-	-
Internal Revenue		9,805,206	12,199,112	6,764,871	14,246,169	8,044,456		11,849,104	17,130,112	8,550,676
Others		-	-	-	-	-		1,087,561	-	1,521,580
Total		22,245,523	22,786,396	15,122,289	21,104,737	20,013,039		19,770,358	24,753,112	19,101,422

Table 21: NFA REVENUE PERFORMANCE OVER THE LAST FIVE YEARS (Source: OPM SURVEY 2017)

ITEM	2011/12		2012/13		2013/14		2014/15		2015/16	
	Budget (000)	Actual (000)								
Direct Forest based costs		3,929,894	6,727,718	2,859,675		3,507,709		5,331,320	7,501,173	6,655,334
Payroll Costs		4,334,083	4,856,382	5,352,538		5,931,590		6,073,451	6,602,510	6,236,982
Vehicle Running costs		1,385,610	2,494,411	1,214,121		1,192,820		1,289,013	1,761,100	1,537,107
Other personal costs		1,992,022	1,884,750	2,859,675		1,304,850		1,281,065	1,761,269	1,145,043
Other expenses		587,792	645,746	937,307		616,076		880,949	1,422,709	639,473
Total		12,229,401	15,963,261	13,223,316		12,553,045		14,855,798	19,048,761	16,213,939

Table 22: NFA EXPENDITURE PERFORMANCE OF FIVE KEY ITEMS

e) Weaknesses and Recommendations

Weaknesses

- No board information on the website
- Uncooperative executive in providing required information
- Poor management accountability
- Failure to value land
- Non-settlement of payments
- Revenue shortfall
- Increased forest encroachment

Recommendations

1. Improve the management systems of the authority especially relating to availing of information
2. Implement the audit recommendations by the auditor General
3. Comply with statutory requirements like the Equal Opportunities Commission budget requirements
4. Include a legal representation in the next board composition to provide the needed legal expertise
5. Improve the authority website and ensure there is regular update
6. Produce an annual report indicating their exact contribution to the National Development agenda of Government
7. Develop and implement a sustainability plan

3.4.3. Dairy Development Authority

a) Board Composition

After a lull of more than two years, the Dairy Development Authority (DDA) finally got a new board only in August 2016. The board of directors is composed of 11 members. In terms of gender distribution, the board has 5 (45%) females as compared to 6 (55%) who are males. The board chairperson (Bernadette Katureebe) and the CEO (Dr. Jolly Zaribwende) are both Females.

Name of Board Member	Sex	Profession
Bernadette Katureebe	Female	
Dr. James Niwagaba	Male	
Mr. Jehoash Sendege	Male	
Dr. Richard Okwiri	Male	
Dr. Alice Banga	Female	
Dr Stephen Kajura	Male	
Eng. John Anglin	Male	
Ms.Immaculate Kibirango	Female	
Mr.Titus Kajura	Male	
Rev Sandra Mwebaze	Female	
Dr. Jolly Zaribwende	Female	

Table 23: Dairy Development Authority Board Members

The assessment team was not availed detailed information about the allowances payable, the number of times board sit and the name and number of committees of the board.

b) Relevance

Dairy Development Authority (DDA) is a statutory body under the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), that was created under the Dairy Industry Act of 1998 with the mandate to develop and regulate the dairy industry in a sustainable manner.

DDA traces its roots to the Dairy Master Plan of 1993. In this Dairy Master Plan three major recommendations were made;

1. Dairy sector should be liberalized
2. A Dairy Board should be created to oversee the liberalized industry
3. The Dairy Corporation should be restructured into a commercial company and be divested.

Operationalization of the Dairy Master Plan saw the Dairy Industry Act (DIA) 1998 enacted by Parliament and Dairy Development Authority (DDA) established. Operations of the DDA began in June 2000.

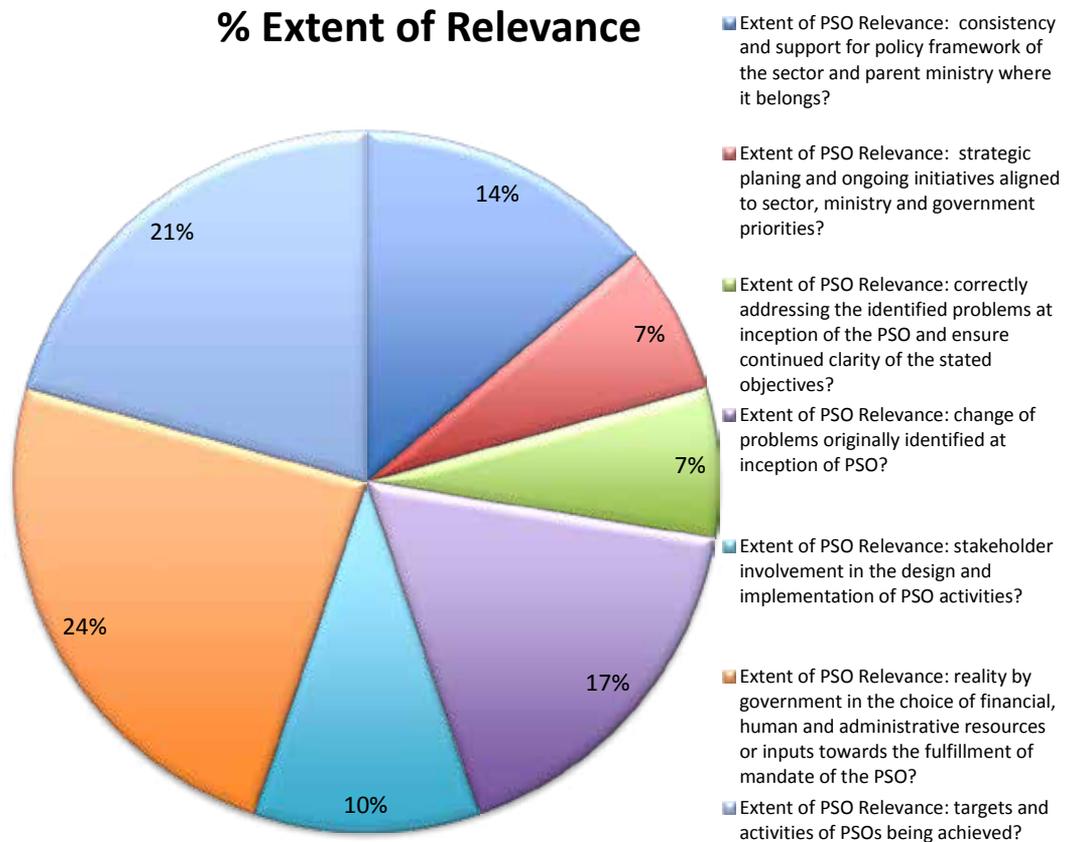


Figure 28: Percentage extent of PSO Relevance

Mission: A dynamic, Profitable and well-regulated Dairy Sector.

Vision: To provide Dairy Development and Regulatory services that will ensure increased production and consumption of milk, sustainable and profitable dairy industry sector that will contribute to economic development and nutritional standards in Uganda

c) Effectiveness

A close look at a selection of DDA performance indicators revealed that between 2012/13-2014/15, the authority did not achieve the planned targets as illustrated in the figure below. However, the period 2015/16 showed a turn of events when a combined increase of about 35% was realised in actual relative to the planned outputs. The participants who filled in the survey instrument rated the effectiveness of the authority as follows:-

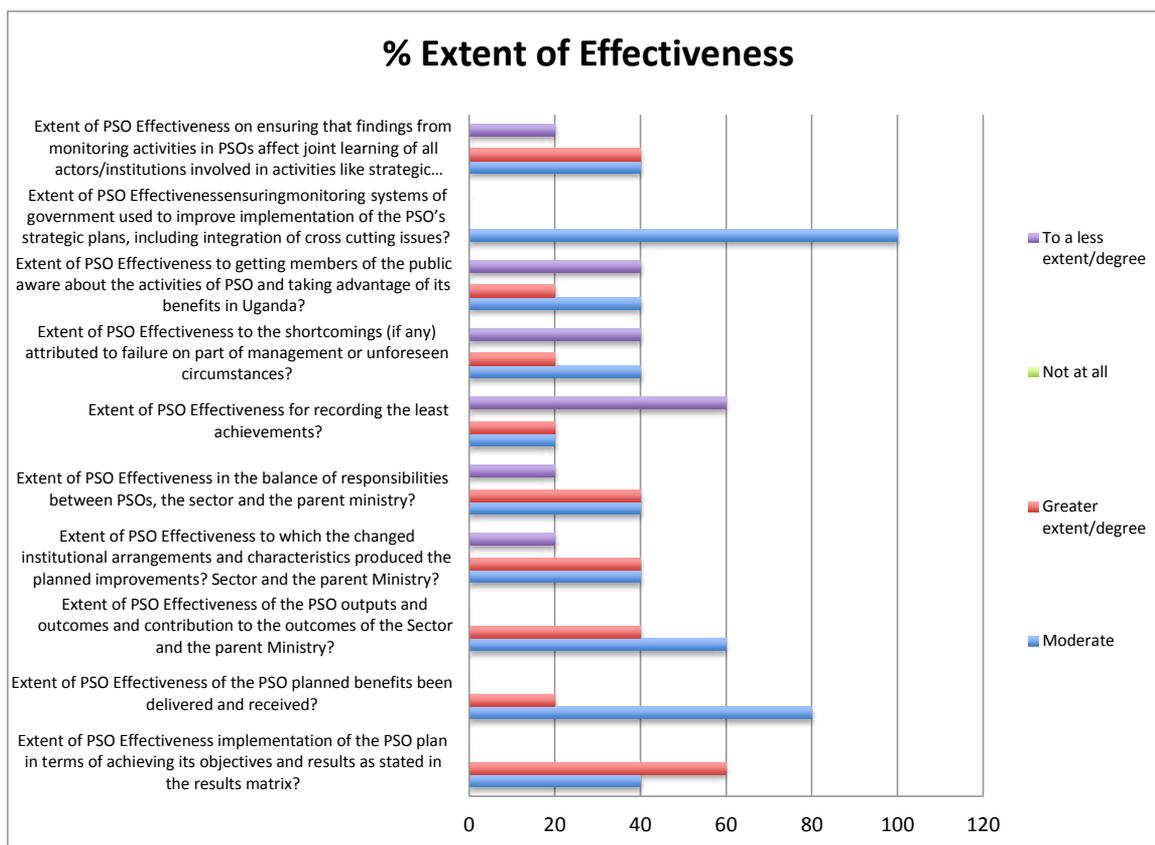


Figure 29: Percentage extent of PSO Effectiveness

Analysis showed that the shortfall in the actual against the planned results was attributed to among others the registration of dairy premises/equipment which was on-going according to the calendar year.

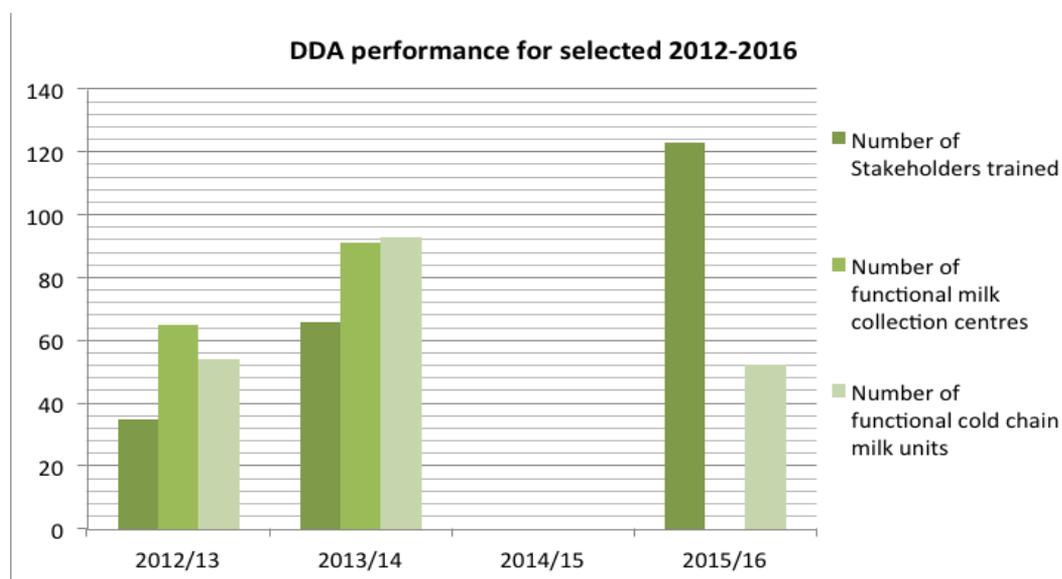


Figure 30: DDA Performance for selected 2012-2016

d) Efficiency

The period 2013/14 saw the DDA spend more over the period 2012/13-2015/16 at UGX 4.5Bn and 2015/16 had the lowest at UGX 3.91Bn as illustrated in the figure below.

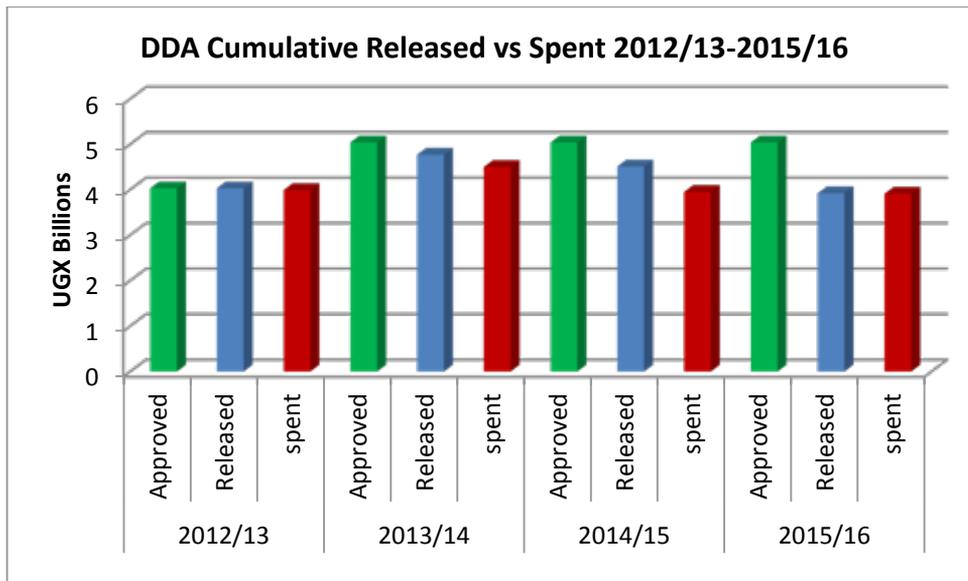


Figure 31: DDA Cumulative Released VS Spent

The participants who filled in the survey instrument rated the DDA efficiency of the authority as follows:-

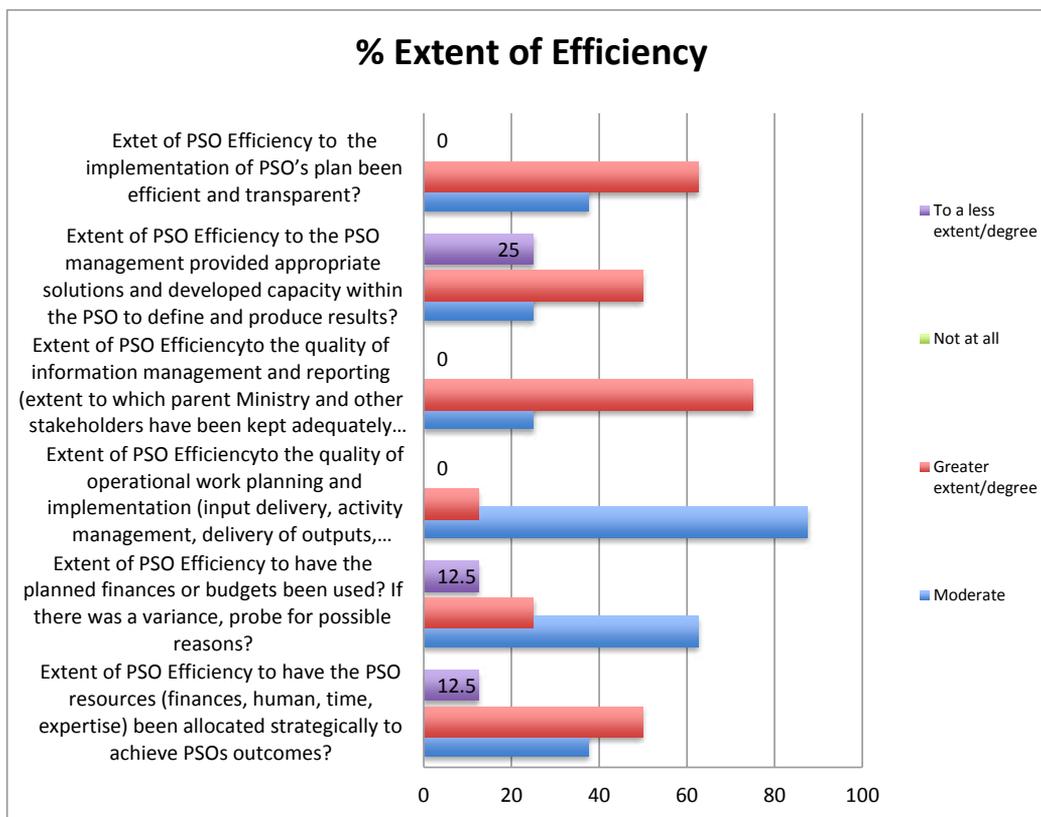


Figure 32: Percentage extent of PSO Efficiency

Further analysis showed that the period 2013/14 had a 5.4% reduction in the amount of approved budget. The Authority had inadequate resources in terms of logistics, human resource and funds to execute effectively its National Mandate with impact as this was partly illustrated by the spending 1.8% less the amount of funds released.

2009 Diagnostic study findings and Recommendations

Financial information

	Dairy Development Authority					
	2002/03	2003/04	2004/05	2005/06	Total	Period Average
	Shs'millions	Shs'millions	Shs'millions	Shs'millions		
Revenue						
Own Sources	100.64	58.53	113.31	94.84	367.31	91.83
Social contributions	-	-	52.31	-	52.31	13.08
Grants						
Central Government	586.17	607.63	700.02	580.96	2,474.78	618.70
Other donors	-	218.17	255.81	137.06	611.03	152.76
Other revenue	130.60	131.71	108.46	-	370.77	92.69
TOTAL	817.41	1,016.04	1,229.91	812.85	3,876.21	969.05
Expenses						
Compensation of employees						
o/w Salaries	311.75	461.37	444.98	387.96	1,606.06	401.52
o/w Allowances	26.07	18.12	17.63	23.44	85.26	21.31
o/w Social Security Contributions	-	-	-	-	-	-
o/w other	81.79	63.68	80.71	30.72	256.90	64.23
Purchase of goods and services	384.74	320.12	574.89	389.37	1,669.12	417.28
Depreciation	76.45	73.60	103.90	-	253.94	63.48
Interest	-	-	-	-	-	-
Transfers to Central Government	-	-	-	-	-	-
Transfers to other agencies	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
TOTAL	880.80	936.87	1,222.10	831.50	3,871.28	967.82
Net surplus/(deficit)	(63.39)	79.17	7.81	(18.65)		
Assets						
Non Financial Assets						
Land	15.00	15.00	15.00	-	45.00	15.00
Buildings	908.43	852.87	793.28	-	2,554.58	851.53
Vehicles	95.07	40.36	19.69	-	155.12	51.71
Equipment	36.27	33.27	90.57	-	160.11	53.37
Furniture & Fittings	46.25	39.17	44.39	-	129.81	43.27
Inventories	-	-	-	-	-	-
Valuables	-	-	-	-	-	-

Figure 33: DDA Financial Information

The diagnostic study (2009) observed that the growing dairy sub-sector received strong government support of its policies. DDA generated internal income from cess levy, consulting services and rental income (from leasing grazing land). However, the PSO had limited technical staff and management capacity was weak. The PSO had not effectively adjusted in a resource scarce context. There was a wide funding gap between approved funds and actual releases and the administrative costs were exceedingly high compared to funds used for program implementation. The DDA budget was provided under MAAIF vote hence the money availed to DDA was influenced by both total allocation to MAAIF as well as MAAIF's priorities.

Recommendation (2009): Maintain and strengthen management capacity.

e) Observations and Recommendations from 2017 Analysis

Observed strengths

- DDA has national mandate
- Increased demand for services from stakeholders
- Timely decision making by management
- Presence of board for policy guidelines
-

Weaknesses

- Weak management capacity
- High administrative costs compared to programme implementation
- No board information on the website
- Centralised and bureaucratic Information sharing
- Inadequate funding from government but lack of a resource mobilization plan
- Inadequate transportation
- Understaffing and limited technical staff

Recommendations

1. Improve the management capacity through a review of the systems, structures and policies
2. Develop and implement a resource mobilization plan
3. Implement a website revival strategy and ensure adequate information provision
4. Produce annual report documenting the key activities, achievements, challenges and contribution to the national development plan

3.4.4. Uganda Aids Commission

a) Board member composition

At the time of this survey, the Commission had no functional board because contracts of the board members had expired. However, the previous board (2014 – 2017) was well constituted with ten (10) members. Sixty percent (six out of ten) of the members were male and well qualified to occupy the position. It was established that 60% of them were from medical profession and three of them were at the rank of Professor. The Board is composed of sub-committees such as the Audit committee, finance and procurement technical committee, programmes ownership committee, and Appointments Committee

The Board chair is a full time member of staff. As per the regulation of the UAC, the board is mandated to sit every quarter to deliberate on various aspects of the Commission. However, due to limited resources and other engagements, the sittings of the boards would vary from 2 – 5 times a year. For instance, there were two board meetings in 2015/16 as compared to 5 in 2012/13. Apart from the Chair who is full time staff of the Commission, the other members are remunerated according to the MoFPED standing regulation.

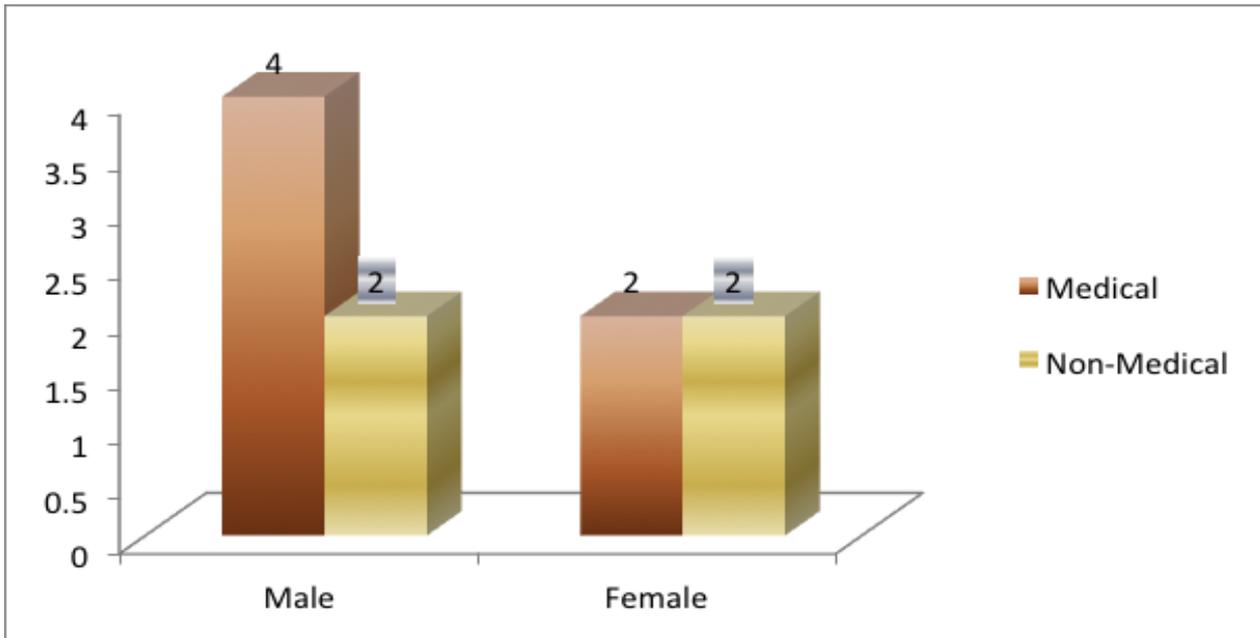


Figure 34: Members by Gender and Profession on board (Source: Annual performance report (2015-16))

b) Relevance

The UAC was established by an Act of Parliament (Statute No. 2) in March 1992. The Commission provides overall leadership in policy development, planning, coordination resource mobilization, community mobilization, advocacy, monitoring and evaluation, and strategic information of the National HIV/AIDS multi-sectoral and multi-dimensional response. The vision of the Commission is to support the country have “a population free of HIV/AIDS and its effects”, and with the mission as “to provide overall leadership in the coordination and management of the HIV/AIDS national response”. The Commission works based on the following core values:

- Team work
- Client focus
- Professionalism
- Learning organization

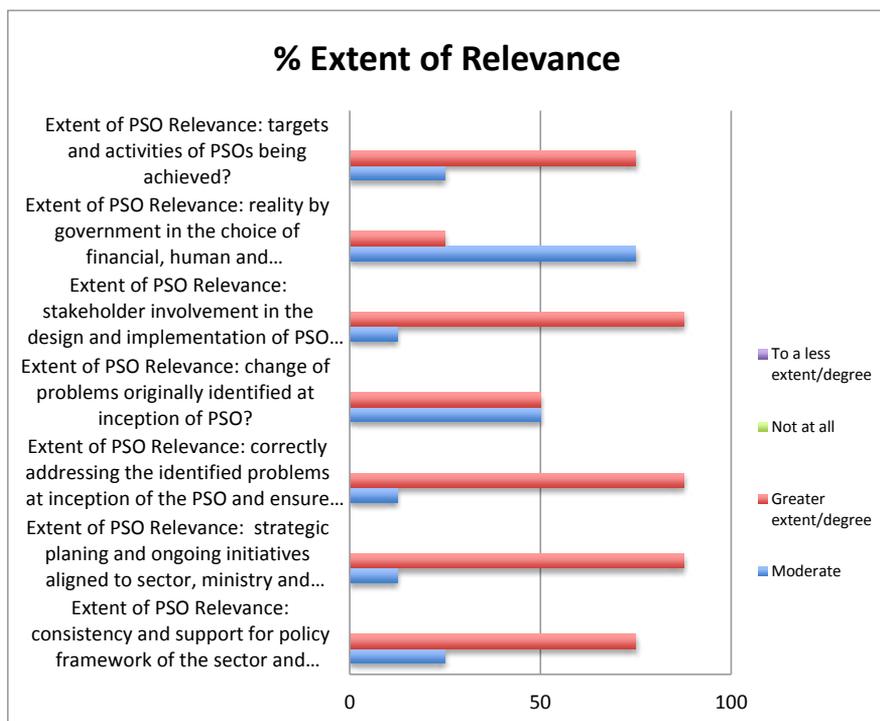


Figure 35: Percentage extent of PSO Relevance

The UAC is mandated to coordinate and manage the National HIV and AIDS response through multi-sectoral approach. The implementations of activities at UAC are guided by Annual Integrated Work plan and Budget (IAWPB). The IAWPB is based on the financial support from the Government of Uganda and the Partnership Fund (Support from DANIDA to the NADIC). The planned activities are implemented directly by UAC Secretariat and with limited input from Self Coordinating Entities (SCEs). The UAC has coordinated the implementation of the National HIV and AIDS Strategic Plan 2011/12-2014/15 ending in June 2015 and the 2015/16 – 2019/20 NSP at national and the decentralized level.

c) Effectiveness

Analysis of annual performance reports for the period of 2012-2016 showed that there was the indicator on number of districts supported to develop HIV/AIDS strategic plans was increasing all the time and reached 270%. However, the number of advocacy events undertaken to promote HIV/AIDS was alarmingly falling short of the planned for two financial periods from -10% to -20% in 2012/13 to 2013/14 as illustrated in the table below.

Indicator	Period			
	2012/13	2013/14	2014/15	2015/16
No. of Districts supported to develop HIV/AIDS strategic plans	20%	270%		
No. of advocacy events undertaken to promote HIV/AIDS awareness	-10%	-20%		
No. of HIV - positive pregnant women who are on HAART for Emtct			13%	
No. and proportion of individuals tested for HIV			-3%	
Percentage of key sectors submitting timely and complete HIV/AIDS reports				-10%
No. of information dissemination products produced and disseminated by the NADIC				0%

Table 24: HIV Advocacy Events Undertaken

For the indicators that scored positively like the women who were on HAART the performance was attributed to the roll out of Option B+ throughout the country.

¹ The Self Coordinating Entities have been restructured based on the recommendations of the 2013 Partnership Review Report. The SCEs include Civil Society Organizations, Private Sector, Parliament, Line Ministries (now merged with Decentralized Response), Research Academia and Professionals, Faith Based Organizations, Culture, Media, Persons Living with HIV/AIDS and AIDS Development Partners.

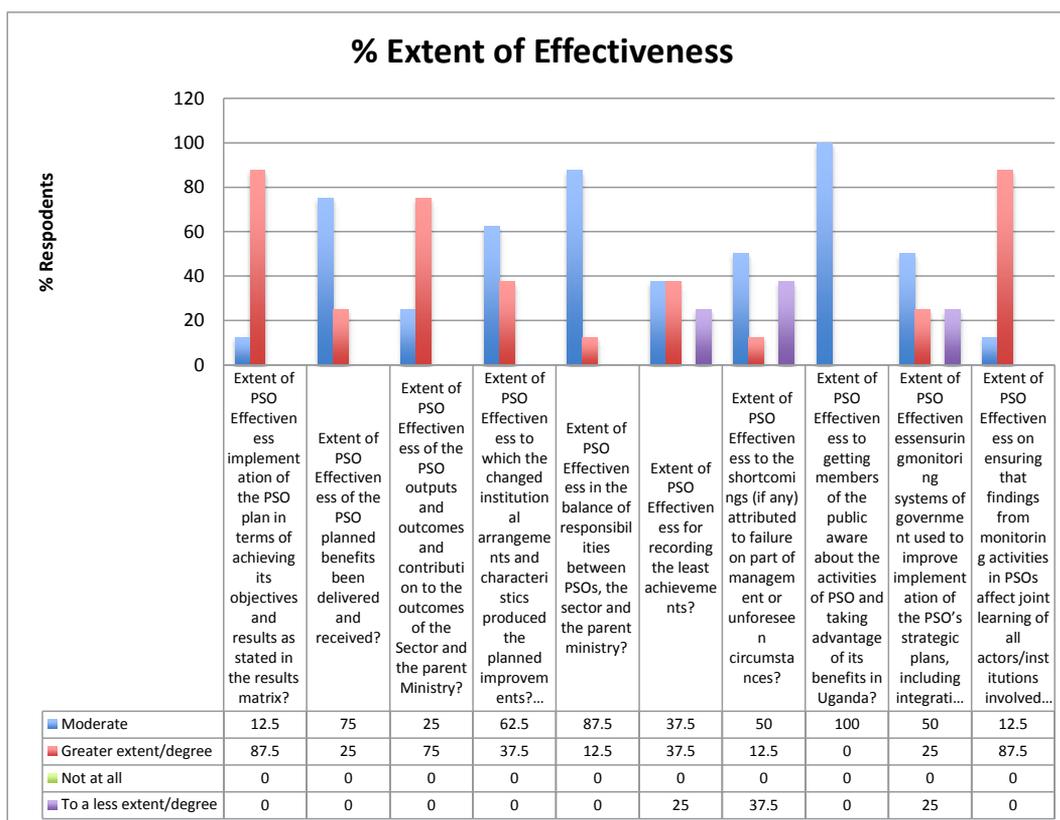


Figure 36: Percentage extent of PSO Effectiveness

UAC executes its work through five directorates of: Policy, research & programming; Planning and Strategic Information; Partnerships; Human Resource & Administration and Finance & Accounts. The coordination of the multi-sectoral HIV response was implemented through strong Public Private Partnership with the involvement of the AIDS Development partners for refocused prevention, care and treatment interventions.

- i. The UAC has used various media, i.e. The New Vision, Monitor and Red Pepper with focus on progress on the National HIV and AIDS response. Radio and Television are mainly utilized during National Advocacy events. Press conferences around key themes, campaigns, and HIV awareness campaigns featuring the Director General, Chairman UAC and Ministry of Health have been conducted.
- ii. The UAC in collaboration with key sectors continue play a role in eMTCT launch in 2 regions with resultant increase uptake of HIV prevention and care services in the regions. During the campaigns UAC took the central role of mobilizing partners to participate in the campaign. There is also increased political, cultural, religious and opinion leaders' engagement in HIV prevention, care and treatment response.
- iii. Uganda AIDS Commission together with Makerere University School of Public Health supports Districts to develop HIV/AIDS Strategic plans and Monitoring and Evaluation Frame works. Self-Coordinating Entities are also supported to develop their action plans which are usually incorporated into the UAC Annual integrated Work Plans
- iv. With support from UN Women, National strategic plan 2015/16 – 2019/20 and all accompanying documents were disseminated in regions (Acholi, Karamoja, and West Nile) adding on the 3 regions disseminated to in 2014/15.

Output

In order to contribute to curbing the HIV & AIDS epidemic in this very important sector, the SCE coordinated the International Labour Organization (ILO), together with Federation of Uganda Employers (FUE), Uganda Hotel Owners Association (UHOA), AIDS Information Centre (AIC) and SAIL Uganda to conduct VCT at Work promotion in Jinja, Iganga, Mbale, Mityana, Mubende, Kabarole and Kasese Districts.

District	Venue	No reached with VCT	No reached with VCT		No Positive		Direct Hotel Workers		No Positive of direct hotel workers	
			M	F	M	F	M	F	M	F
Jinja	Crested Crane Hotel	181	95	86	3	1	70	86	3	1
	Kazi Mingi	410	300	110	4	4	120	80	4	4
Iganga	Freedom Square	447	292	115	6	6	183	96	4	5
	Freedom Square	471	297	174	7	3	135	174	7	3
Mbale	Lions Children's Park	355	193	162	4	2	153	141	1	2
	Nakaloke Trading Centre	467	266	201	5	4	211	165	4	3
Mityana	BuswaBulongo	635	307	328	9	7	278	319	3	4
Mubende	Mayors Gardens	1,165	511	654	16	6	456	579	5	3
Kabarole	Mayors Gardens Fort portal	438	179	259	1	3	142	213	0	2
Kasese	Rwenzori Square	617	297	338	5	7	246	311	2	3

Table 25: The table below gives a summary of the VCT results among the working population (Source: UAC annual performance report (2015/16))

Through the Hotline the SCE continues to support callers around the country experiencing various HIV/AIDS & TB challenges. The graph below indicates statistics of Calls received during the period July – December 2015.

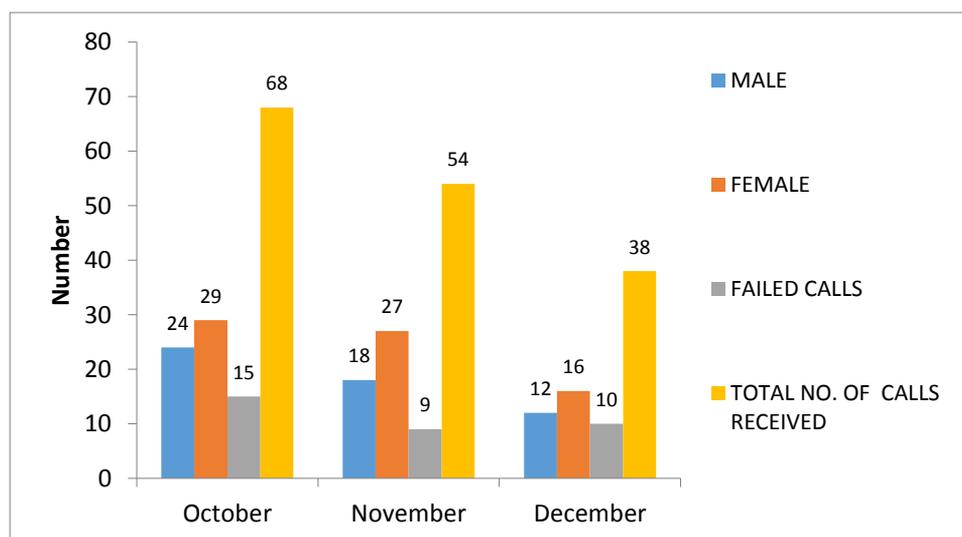


Table 26: Calls received during the period July – December 2015

Achievements of the UAC

- i. HIV IEC advocacy materials prepared and disseminated during advocacy events to key stakeholders.
- ii. Zonal coordinators facilitated to support Local Government Structures.
- iii. Supported Local Governments in Developing and Aligning their HIV Strategic Plans to the National and HIV and AIDS Strategic Plans through Monitoring and Evaluation Technical Support (METS) under Makerere University School of Public Health.
- iv. Integrated Support Supervision conducted by Uganda AIDS Commission and its key stakeholders
- v. Staff facilitated to provide technical support to Local Government Coordination Structures and SCE Structures
- vi. NADIC Graphic Design, Database Maintenance, and orientation of stakeholders
- vii. Hosting and Maintenance of UAC Databases

- viii. Update of the E-mapping Database (E-mapping Consultancy (30%))
- ix. Developing KIM Policy

UAC serves as Secretariat for the Partnership Fund which was set up as a basket fund to provide resources to the coordination of the response. The Secretariat for the AIDS Partnership since establishment is at UAC. The Partnership committee and the Resources Management Committee manage the Fund. Besides, there is Civil Society fund (CSF) under the UAC that was established to address the burdens posed by HIV/AIDS and OVCs in Uganda. The fund brings together multiple donor funds that are disbursed as grants to civil society organizations for scaled up and comprehensive response to HIV/AIDS and OVC. Currently, five (5) donors contribute to the fund and these include: USAID, DFID, DANIDA, Irish AID and SIDA. This unique funding has enabled CSOs to respond to these challenges in a harmonized way.

d) Efficiency

UAC prepared the Budget framework papers for the FY2012/13 - FY2016/17 in consultation with all staff and submit to Ministry of finance, planning and economic development every financial year. UAC Team usually participants in the Local Government budget conferences in all regions. The revenue and expenditure profile indicates that the UAC operates in deficits as indicated in the table below. The shortfalls have had an impact on several activities of the Commission.

	2012/13		2013/14		2014/15	
	Actual receipt/ expense	Variance (+/-)	Actual receipt/ expense	Variance (+/-)	Actual receipt/ expense	Variance (+/-)
Transfers from the treasury	5.261	0.245	5.325	0.232	6.769	0.278
Non-tax revenue	0.009	0.014	0.030	-0.006	0.013	0.020
Employee costs	2.519	0.192	2.792	0.111	3.762	0.283
Goods and services consumed	2.517	0.007	2.438	0.003	2.664	0.096
Consumption of property, plant and equipment	0.079	0.080	0.215	0.012	0.217	0.009
Transfers to government organizations	0.110	0	0	0	0.112	0

Table 27: Revenues and expenditures of the UAC

The study established that the Commission obtains funds from the treasury as donors (such as DANIDA, Irish Aid, SIDA). And the funds are spent as per the work plans. Given the various activities undertaken by the Commission, the key components that are allocated budgets include but not limited to: HIV Prevention – CSOs, Self-Co-coordinating Entities (SCEs), Partnership Mechanism Review, Line Ministries, Joint Annual AIDS Review/Partnership Forum, Parliament of Uganda, Uganda Global Fund (Country Coordinating Mechanism), Support to District Coordination Structures among others.

The UAC budget has been funded by GoU and donors. For instance, GoU funds increased overtime from UGX 5.475 bn in 2012/13 to UGX 7.746 bn in 2015/16, respectively. Total funding increased steadily particularly in FY2013/14 on account of donor assistance from Partnership fund, IGAD, DANIDA – NADIC, Civil Society Fund (CSF), JUPSA/UNAIDS, UNICEF as well as CCM Secretariat, respectively. Overall performance has been good across the years as shown in the table below.

		2012/13		2013/14		2014/15		2015/16	
Component		Budget	Spent	Budget	Spent	Budget	Spent	Budget	Spent
Recurrent	Wage	1.328	1.068	1.381	1.347	1.381	0.634	1.381	1.280
	Non-wage	4.019	4.016	3.938	3.793	5.438	2.105	6.238	5.782
Capital Development		0.128	0.056	0.227	0.216	0.227	0.005	0.127	0.057
GOU Total		5.475	5.140	5.566	5.056	7.046	2.744	7.746	7.129
Partnership fund				5.395	2.555	2.847	0.909		0
IGAD				0.200	0.194				0
DANIDA - NADIC				1.033	0.902				
Civil Society Fund (CSF)				3.496	3.496				
JUPSA/UNAIDS				0	0.095				0.009
UNICEF									0.009
CCM Secretariat				1.970	1.079				
Total Budget		5.475	5.173	17.663	16.043	7.335	3.655	7.747	7.139

Table 28: Overall Budget Performance

The participants who filled in the survey instrument rated the Uganda Aids Commission efficiency as follows:-

e) Challenges and Recommendation from the 2017 Analysis

Challenges of the UAC

1. The fall in Revenue due to the close out of the ADP support
2. The NADIC close out and payment to some of the procured services for remodeling of the NADIC Unit was not completed due to the on-going investigations on processes.
3. The legal issues on various procurements and works in the UAC may lead to nugatory expenditure in legal costs.
4. Long and highly bureaucratic procurement process
5. Inadequate absorption capacity of funds
6. Uncertainty of the SCE and their contribution to the response following the change in Partnership funding mechanism
7. Process of filling vacant posts very long

Recommendations

1. Constitute the board and its relevant committees to ensure complete governance structures
2. Develop and implement a sustainability development plan
3. Produce an annual report of the commission indicating their contribution to the National development agenda
4. Update and develop a robust website

5. UAC should lobby for increased to meet the increasing demands of UAC services as well as their mandate.
6. There are conflicting roles and responsibilities of the Chair Board and Director General which may need to be streamlined for the smooth operations of the Commission;
7. Long and highly bureaucratic procurement process should be checked given the strategic objectives of the Commission;
8. The UAC should be allowed to mobilize and manage own internal revenues such as Bid fees to minimize on overdependence on one source - GoU
9. The UAC key programmes and plans should be first tracked for effective utilization of resources for improved service delivery in the HIV/AIDs preventive measures;

3.4.5. Health Service Commission (HSC)

a) Commission Composition

The HSC is made up of seven (7) full-time Commission Members, including a Chairperson and Deputy Chairperson and five (5) Members of whom at least three (3) are expected to possess substantial experience in human health sciences. The Commission Secretariat is headed by the Secretary, as its Chief Executive, and comprises two Departments namely: Finance and Administration, headed by an Under Secretary, and Boards and Examinations, headed by a Commissioner. Below are the members;

1. Prof. Pius Okong, the chairperson,
2. Dr. Christine Mwebesa, vice chairperson,
3. Mrs. Irene Akena
4. Prof. Medi Kawuma,
5. Mr. Seale Anabo Anguma
6. Dr. Apollo Karugaba,
7. Ms. Ataka Ruth Frances

b) Relevance

The HSC was established and mandated to address Health Workers' human resource (HR) issues, especially recruitment; other HR matters within the entire Referral Health System and Institutions under the Commission's jurisdiction. The Commission appoints confirms, promotes and reviews the terms and conditions of service, training and qualifications of Health Workers; fosters professional and work ethics and exercises disciplinary control over Health Workforce in these institutions. The Commission also makes annual appraisals to Parliament and deals with the peculiarities or unique issues of Health Workers who include: Medical and Dental practitioners; Nurses and Midwives; Allied Health Professionals; Pharmacists; Scientific and Administrative Staff; Support Staff.

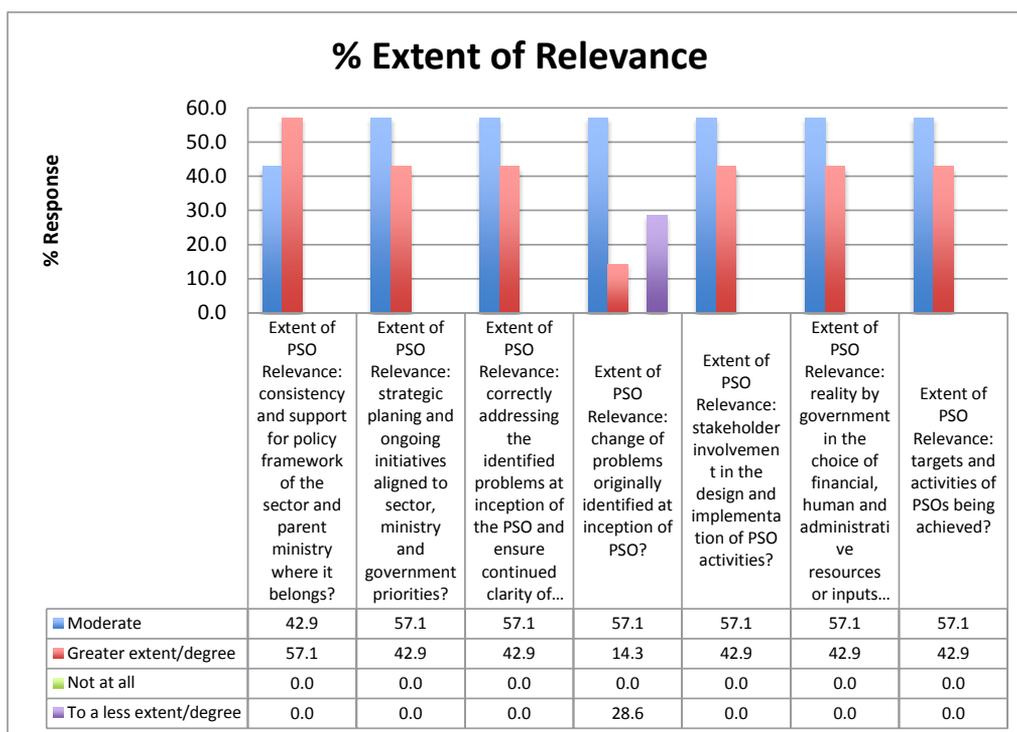


Figure 37: Percentage extent of PSO Relevance

The HSC has jurisdiction over Health Workers in the Central Government, who serve in the following institutions:

1. The Headquarters of the Ministry of Health
2. The National Referral Hospitals namely, Mulago and Butabika;
3. The Regional Referral Hospitals namely, Arua, Fort Portal, Gulu, Hoima, Jinja, Kabale, Lira, Masaka, Mbale, Mbarara and Soroti. Mubende and Moroto Hospitals are coming on board as Regional Referral Hospitals.
4. Prisons Health Service (on request)
5. The Commission Secretariat,
6. Specialized Health Institutions, namely:
7. Uganda Blood Transfusion Services,
8. Natural Chemotherapeutic Research Laboratory,
9. Uganda Virus Research Institute,
10. Vector Control Division,
11. Central Public Health Laboratories,
12. TB and Leprosy Laboratory,
13. Professional Councils.

In addition, it provides technical support and support supervision to DSCs and Local Governments with respect, to matters of human resource management for Health Workers. It derives this mandate from Article 169 of the 1995 Constitution of the Republic of Uganda and Section 56(3) of the Local Government Act, 1997 and HSC Act, 2001 Section 25 (2). In this respect it provides Guidelines to ensure consistency in the recruitment and selection processes.

The mandate of the Commission has a bearing on the Millennium Development Goals (at the global level), as well as the New Partnership for Africa's Development (NEPAD); the country's Integrated Sectoral Policy Framework; the Country Review Report of the Africa Peer Review Mechanism-2009 (APRM); Uganda's 30-year National Vision Framework; the 5-year National Development Plan (NDP) priorities, work-plans and budgets¹; the Second Health Sector Strategic Plan (HSSP-II), the National Health Policy, and indeed, the ruling Party Manifesto; the National Resistance Movement Manifesto (2006-2011).

All these frameworks underscore the continued need to improve the health services within these various perspectives. This prompted the HSC to develop a successor plan to be able to effectively contribute to the Health Sector.

c) Effectiveness

A look at selected indicators for HSC showed that the number of health workers recruited in central government oscillated from the beginning of the review period at 66% in 2012 reaching over 106% in 2013/14 and fell in 2015/16. On the other hand the number of district service commissions provided with support supervision was increasing and scoring more than the planned activities.

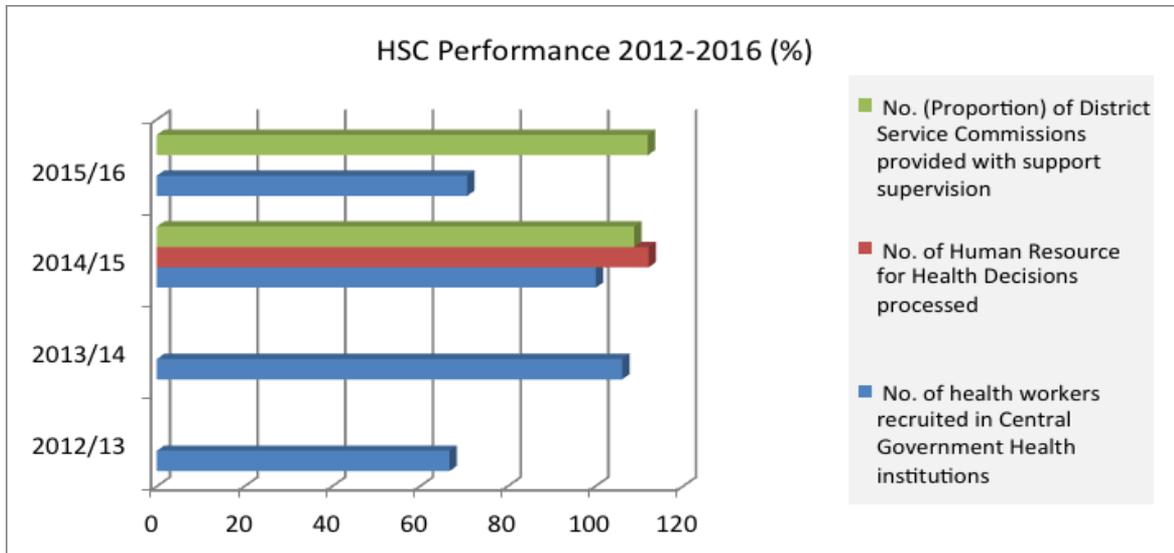


Figure 38: Percentage HSC Performance 2012-2016

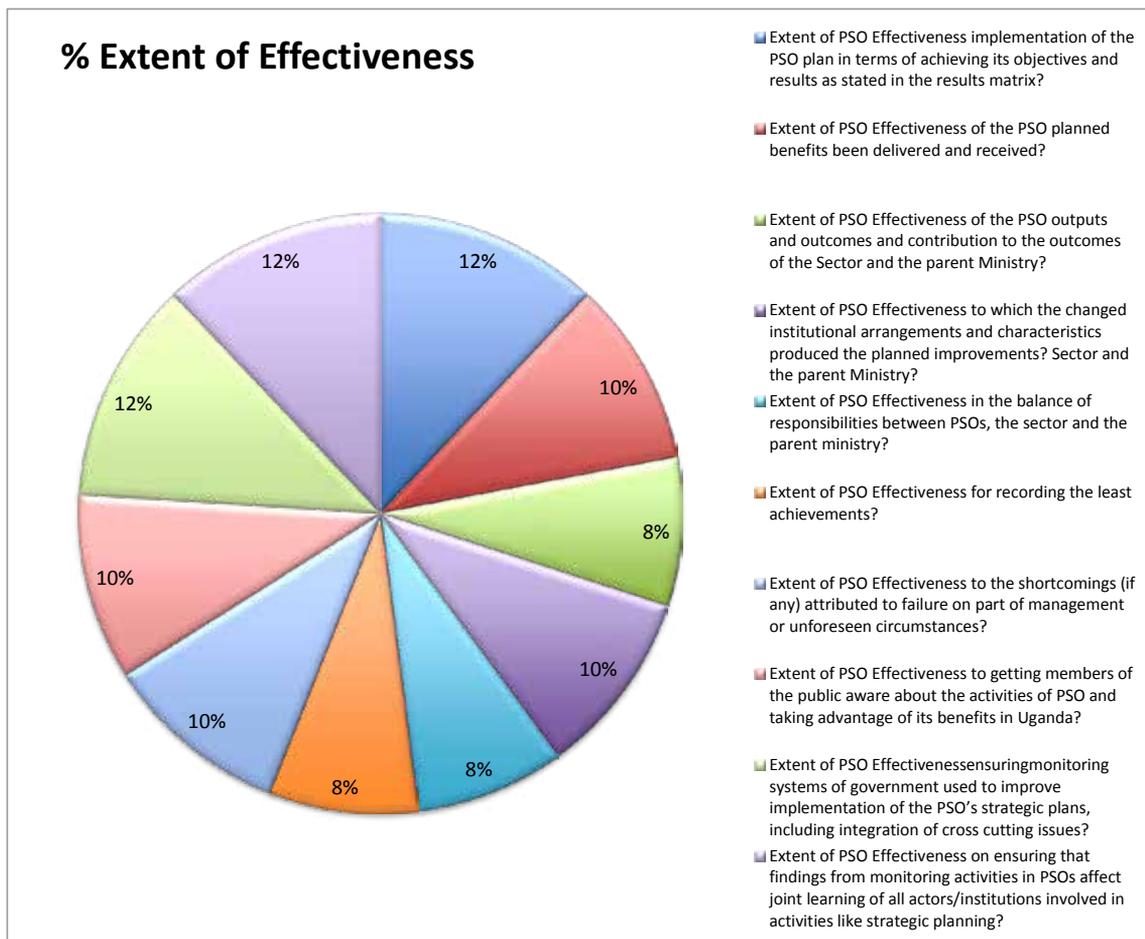


Figure 39: Percentage extent of PSO Effectiveness

The participants who filled in the survey instrument rated the Health Service Commission efficiency as follows:-

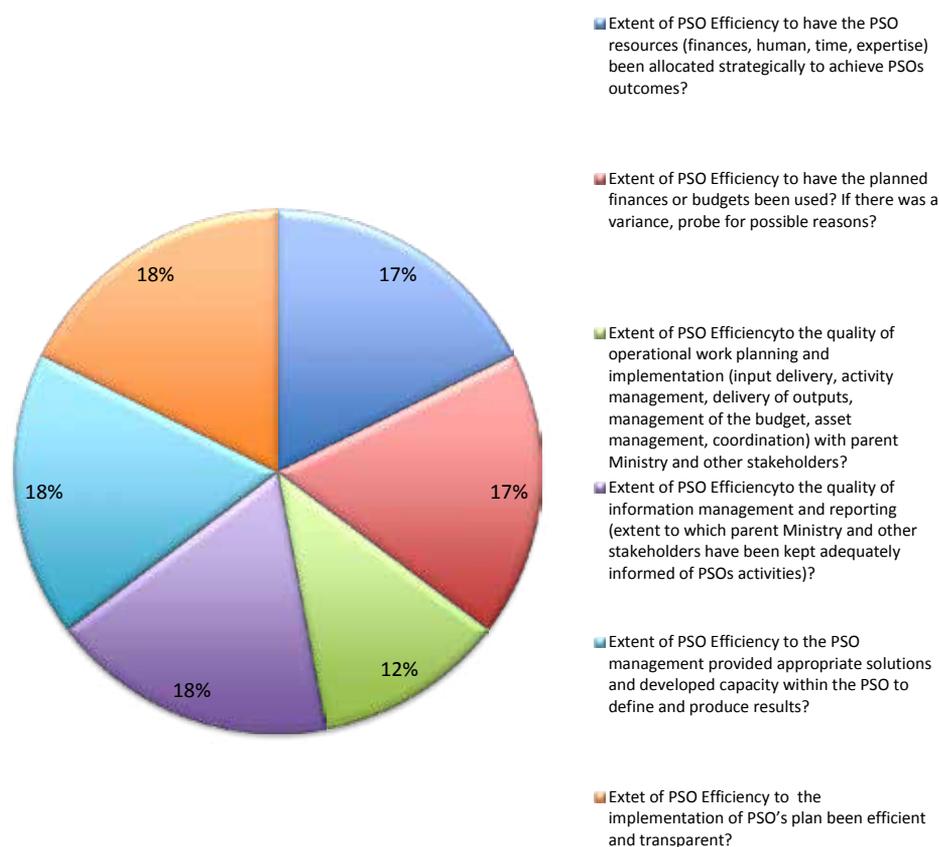


Figure 40: Percentage extent of PSO Efficiency

d) Key challenges by the commission

The Commission had the following challenges in the past years:

- Inadequate transport facilities and therefore, limiting coverage of Local Governments for the support supervision visits every financial year.
- Lack of Modern office tools, and logistics for the day to day operations, particularly, during the peak time for the recruitment exercises, when a lot of personnel data entry had to be done in preparation of the selection process. The computers were not enough for data processing and internal communication
- Absence of HR data networking system linked to the Ministry of Health and other Government Agencies to improve information sharing and in particular monitor the status of human resources for health.
- Inadequate office space. HSC operates in rented premises at a very high rate and yet in some office like the registry, Staff are much squeezed making the work environment not conducive for an efficient records management system. In addition there is no space available for the library, which is an important facility for staff self-development as well as institutional development.
- Section 36 of the HSC Act 2001 had not been operationalized.
- At the center of the above challenges is a very small budget appropriated for the Commission.

e) Key Broad Issues Affecting The Execution Of The Mandate Of The HSC

Externalization of Labour

The challenges of Human Resources for Health have both global and national dimensions. Globalization has meant that Health Workers trained in Uganda can easily transfer their expertise outside Uganda. The externalization of labour through the Ministry of Gender, Labour and Social Development, has further exacerbated the movement of Health Workers to institutions that have better terms and conditions within and outside the country. This raises the challenge of ensuring competitive pay packages for the health workforce.

Non-Competitive Terms and Condition of Service for the Health Workers in the Public Service

Public Service pay is still low and there are few fringe benefits to attract health professionals. This is particularly a challenge for the health sector to retain the Health Workforce in the health facilities which are also not adequately equipped. It is worse in the hard to reach areas, which lack the basic social amenities. The Ministry of Public Service is developing a policy on Hard To Reach Areas but efforts need to be stepped up to adequately equip the health facilities so that the terms are improved. In terms of remuneration, they are paid for outputs delivered which necessitate equipping the health facilities as well.

Low staffing numbers at the Local Governments

Although the staffing situation at the national health facilities was found to be fairly high, at the Local Governments' level it was still low thus, affecting service delivery.

An analysis of the national staffing numbers in Human Resource for Health Audit Study (2009) reveals that approved positions filled by Health Workers for Mulago Hospital stood at 90% leaving a vacancy rate of 10%, while that of Butabika Hospital stood at 85% hence rendering a vacancy rate of 15%. The occupancy in the 11 Regional Referral Hospitals aggregated to 70% leaving a vacancy rate of 30%. The average proportion of approved positions filled at the Regional Referral Hospital level is 78% with a vacancy rate of 22%. At the district level however, the proportion of approved positions filled aggregates to 48% leaving a vacancy rate of 52%.

High Attrition Rates Among Medical Doctors, Dentists and Pharmacists

Attrition is high amongst Medical Doctors, Dentists and Pharmacists although staffing levels for other cadres have recently been rising in the public sector, to a large extent, at the expense of staffing levels in the private-not-for-profit sector. Health Workers are 'lost' due to posting and transfers to hard to reach areas or undesired places and departments, departure for long-term training, absconding, death and resignation from service in protest of prevailing unsatisfactory conditions. Attrition among Health Workers and low productivity are attributed to poor remuneration and delays in accessing the payroll, slow pace of promotion, inadequate training and career progression opportunities, especially in the Local Governments.

In addition, the poor working environment exposes Health Workers to infection and death due to lack or inadequate supplies and medicines. HIV/AIDS and epidemics such as Ebola have taken their toll on the health workforce. Absence of social amenities such as affordable decent accommodation in close proximity to the health facilities and institutions is yet another challenge. Low wages constrain the Health Workers access to decent accommodation provided by the private sector on the open market. In some Local Governments, there is lack of decent houses or no rentable accommodation altogether.

Furthermore, due to disparities in wage rates between employees of the private and public health sectors, the private-not-for-profit (PNFP) health facilities are faced with the increasingly difficult situation to retaining their Staff. The commission needs to study the situation and provide evidence-based recommendations to harmonize remuneration for Health Workers in the Country.

Long travel time to and from duty station to residence

Lack of accommodation in the proximity of the health facilities and institutions has constrained the level of efficiency of Health Workers and Administrators. Often, time is lost in traveling to and from duty stations and this reduces the quality and quantity of time availed for delivery of services.

Poor attitudes, Absenteeism, Rudeness and General negligence of duty by Health Workers

The attitude of Health Workers continues to be a big concern to all stakeholders including H.E the President, the public, the Ministry of Health, and the HSC. The poor work attitude exhibited at the health facilities such as absenteeism, rudeness, and negligence of duty remain rampant. This is however, linked to poor motivation, weak supervision and enforcement of discipline compounded by heavy work load, the demanding nature of health services, challenging work conditions and the general stressful environment.

Inadequate Funding for Human Resource Management and Development

The AMREF-MoH Study Report (2005), indicated that the recruitment process of Health Workers for the National and Regional Hospitals experiences a number of constraints that include: inadequate funding to finance recruitment as often as required; shortage of some specialists such as Anaesthesia, Psychiatry, ENT., Surgery, Dental Surgery and Specialist Physicians; delay in issuing academic transcripts and certificates which force qualified Medical Officers to settle for lower appointments due to absence of transcripts; delays in declaring vacant positions arising from abscondment, death, etc, to HSC; as well as delay in implementing appointments made by the HSC.

The limited human resource base

The Human Resource base at disposal of the HSC greatly influences the work of the Commission. Institutions: which are a resource to the Commission, These are:

a. Health Training Institutions. These produce Health Professionals such as Doctors, Undergraduate Nurses, Allied Health Professionals, Pharmacists, etc. They also provide, in-service and advanced training.

While these institutions endeavor to maintain high standards, there is a possibility for them to lower the standards or not to cater for specific professional needs that are emerging in the Sector.

b. Health Professional Councils: These help with professional regulation, registration of professionals, vetting qualifications and enforcing discipline among their members. However, some Councils are always not up to date with registration of professionals and these affect appointments as it is one of the requirements by HSC during selection of Health Workers.

Lack of networked Human Resource Management Information Systems

Lack of information on Human Resources i.e. placement, deployment, development abscondment (i.e. when, how and where) is a major shortcoming at present, hindering Human Resources for Health development. A significant number of existing Human Resources for Health data systems cannot share information with each other because of lack of standardization, differences in definitions and coding, and because information flows by-pass potential consumers. Commonly, data is still hand processed, lacking accessibility and updating. Evidence on best practice is required to inform policy and management decisions, but management and planning of Human Resources for Health is hampered by lack of knowledge and insight on e-government tools.

Slow Institutional Capacity Building & Performance Enhancement of the HSC

The inadequate provision of operational and development resources weaken institutional capacity and performance of the Commission, undermines its authority and role in the health sector through partial execution of its mandate.

Recommendations:-

3.4.6. National Council For Higher Education

a) Board Composition

The council chairperson is the current Vice Chancellor of Gulu University. The council is composed of 18 members. Of these, there are three current Vice Chancellors of both public and private universities which are also among those regulated by NCHE. Some of these are on the core committees like the accreditation committee. This creates conflict of interest and affects independence of decision making. It also creates compliance challenges as was reported in regard to remittance of the 20,000= fees collected by universities on behalf of the council.

The board has 15(83 %) males as compared to 3 (17%) females. One member of the council (Abbas Agaba) still serves as a Member of Parliament which is against the known principles of public accountability.

Name of board member	Role in the PSO
Prof. Pen-Mogi	Chair
Mr. Sebagala Kigozi	Vice Chair
Mrs. Olive Kigongo	Member
Msgr. Dr. Cosmas Alule	Member
Mr. Charles Oganga	Member
Mr. Vasco Kura	Member
Dr. Moses Twesige-Omwe	Member
Dr. Simon Bwambale	Member
Dr. Khamis Waiswa	Member
Mr. Iraalya Bakamya	Member
Ms. Aijuka Evelyne	Member
Rev. Can. Dr. John Senyonyi	Member
Sr. Stella Namatovu	Member
Prof. Ddumba Ssentamu	Member
Mr. Abbas Agaba	Member
Dr. Mouhamed Mpezamihigo	Member
Mr. Bwesigye Philip	Member
Mr. Victor Locoro	Member

Table 29: NCHE Board Members

b) Relevance

The national Council is a semi-autonomous and self-accounting body with a secretariat headed by the Executive Director. The day-to-day operations of the secretariat are vested in the Executive Director who reports to the National Council. In the execution of the policies of the NCHE, the Heads of Departments, who constitute the Management Team, assist the Executive Director

Vision: The provision of relevant, broad based technology driven, dynamic, sustainable and quality higher education accessible to all qualified Ugandans.

Mission: To set standards and regulations to ensure that all public and private tertiary education institutions in Uganda create, sustain and provide relevant and quality higher education for all qualified Ugandans and to meet the local, national and global higher education challenges of the future.

Functions of the National Council under the, Universities and Other Tertiary Institutions Act, 2001

1. To implement the objects of this Act;
2. To promote and develop the processing and dissemination of information on Higher Education for the benefit of the people.
3. To advise the Minister on the establishment and accreditation of public and private institutions of Higher Education.
4. To receive, consider and process applications for the establishment and accreditation of public and private institutions of Higher Education and the accreditation of the academic and professional programmes of those institutions in consultation with Professional Associations and Regulatory Bodies
5. To register all institutions of Higher Education established under this Act.
6. To receive and investigate complaints relating to institutions of Higher Education and take appropriate action.
7. To monitor, evaluate and regulate institutions of Higher Learning;

c) Effectiveness

Analysis showed that on average (2010/11-2013/14) 27% of Higher institutions of learning are publically owned as compared to 73% privately owned as illustrated below;

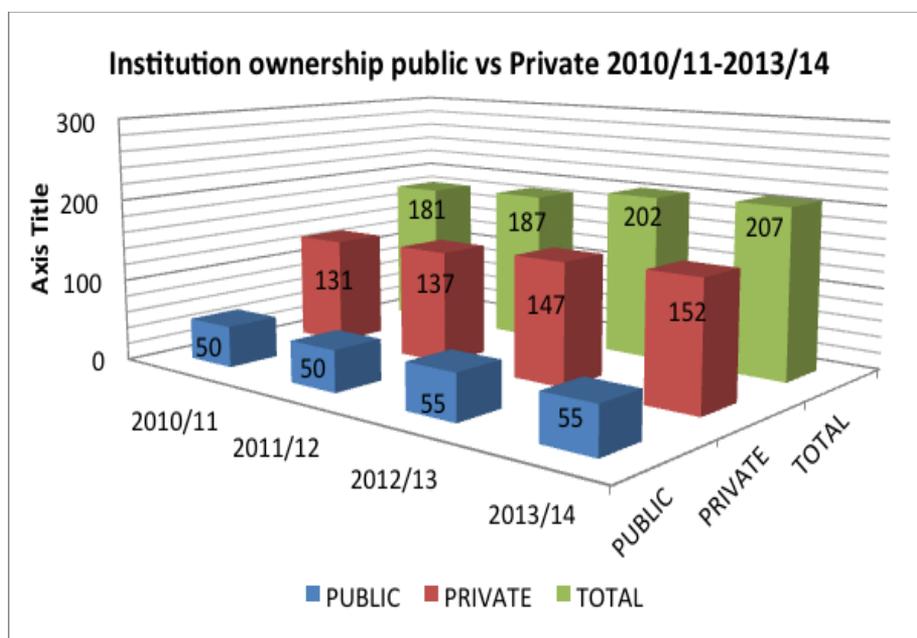


Figure 41: Institution ownership Public vs Private 2010/11-2013/14

Further look at the data showed that 56% of enrolment in higher institutions in different disciplines was were male as compared to 44% female. The table below shows that government institutions don't offer theology and art and design in institutions of higher learning.

Institution	Public	Private	Male	Female	Total
Universities & Uni Colleges	88198	87403	98721	76880	175601
Other Degree Awarding	2802	3748	3120	3430	6550
Technical Colleges	3322	1860	4134	1048	5182
Teacher Colleges	6988	791	4982	2797	7779
Commerce/Business	5028	22698	13726	14000	27726
Management&Social Development	3064	3865	3124	3805	6929
Health	6098	1938	4353	3683	8036
Agriculture/Fisheries	2031	134	1496	669	2165
Theology		2098	1668	430	2098
Art & Design		261	183	78	261
Media	1329	616	1122	823	1945
Hotel & Tourism	629	304	400	533	933
Meteorology & Land Management	526	0	379	147	526
Law Development	830	497	830	497	1327
Aviation	120	0	104	16	120
Cooperatives	295	0	158	137	295
Total	121260	126213	138500	108973	247473

Table 30:Enrolment by gender

d) Efficiency

		30TH JUNE 2015	30TH JUNE 2014	% of the total budget
INCOME	NOTE			
Revenue	3	4,472,882,209	4,515,548,283	
TOTAL RECEIPTS		4,472,882,209	4,515,548,283	
EXPENDITURE				
Staff Costs	5	1,879,933,231	1,645,895,130	
Governance Costs	6	165,777,700	158,299,900	
Operating Costs	7C	773,926,974	684,930,676	
Accreditation Quality Assurance	8	761,329,570	680,230,100	
Research and Development	9	354,431,758	206,868,222	
Human Resource	10	68,361,493	62,648,149	
Internal Audit	11	26,508,000	19,499,965	
Legal & Public Relations	12	80,833,100	87,428,252	
Collection Accounts Costs	13	441,311,724	512,881,637	
Financing Costs	14	7,786,982	7,950,648	
TOTAL PAYMENTS		4,560,200,532	4,066,632,679	
Surplus/Deficit		(87,318,323)	448,915,604	
Less: Loss On Disposal Of Assets		(8,284,475)		
NET SURPLUS FOR THE YEAR		(95,602,798)	448,915,604	

e) Challenges and Recommendations

Challenges of the NCHE

1. Inadequate funding
2. Understaffing
3. Inadequate office space
4. Regulation Role
5. New developments in ICT
6. Decision making centralisation
7. Poor culture of information sharing
8. Unedited website and limited information

Recommendations:

- Replacement of the representative of the public who was elected as an MP
- Amendment of the law to establish the composition of council as an independent body
- Financial resource mobilisation strategy
- Recruitment of more adequate, competent and highly experienced officers to run the various activities
- Annual Production of the report as a mandatory activity
- Oversight of public universities as is done in the private universities
- Revisiting the performance benchmarks that have been overtaken by events
- Benchmarking best practices on oversight roles of university
- Partnership-oriented approach with regulated institutions
- Completion of the New strategic Plan
- Improving and minimise litigation costs to council due to rushed decisions
- Set minimum standards for leadership and governance competences of university leaders and managers

- Check annual assessment review
- Strengthen monitoring and evaluation systems regarding complaints handling, accreditation of programmes etc
- Complying with information requirements of other agencies as is expected of them from those regulated

3.4.7. National Youth Council

The council was unresponsive to the demands of information requests by consultants despite several efforts and the teams are unable to provide any assessment. A review of the website however suggests the relevance of this body is questionable. Its activities can be effectively executed under the Ministry responsible for youth and Children affairs.

a) Relevance

The National Youth Council was established by the National Youth Council Statute 1993 with the following objectives:

1. To organize the Youth of Uganda in a unified body;
2. To engage the Youths in activities that are of benefit to them and the nation;

b) Recommendations

The work of this council can be effectively handled by the Ministry of Youth and children affairs under the ministry of Gender, Labour and Social Development. We recommend the council should be phased out or merged with other councils in the ministry as had been recommended in the 2009 study.

3.4.8. Tax Appeals Tribunal

a) Management of the tribunal

The Tribunal is managed by a Chairperson assisted by a Registrar. Members are not involved in administrative matters other than appointment of staff. The Registrar is responsible for the day to day registry function of the Tribunal. He / She is assisted by other members of staff appointed by the Tribunal.

S/no	Name	Designation	Gender	contact
1	Asa Mugenyi	Chairperson Board of Directors	Male	0772433959
2	Samuel Khaukha	Registrar	Male	0776507943

Table 31: Table 1: Management of the tribunal

Name of board member	Role of Chair/ member in the PSO	Highest Level of education of the chair or board	Key Competences members	Number of years served by member
Dr. Mugenyi	Chairperson	PhD	Lawyer	6
Dr. Akabwany	Member	PhD	Taxation	6
Mr. Mugerwa	Member	MA	Policy	15
Mrs Katwe	Member	MBA	Accountancy	3
Mr. Ali	Member	LIB		3

Table 32: Table 2: Governance of the Tribunal

The board is well constituted and well qualified as indicated in the table above where the highest level of education is the PhD and master's degree respectively and people competent in the filled of law and the judiciary.

Board member's status	No.	Retainer per month (shs)	Sitting allowance per meeting (shs)	No. of Meetings per year	Total annual cost/remuneration
Chair	1	1,200,000	200,000	12	57,600,000
Member	41	1,000,000	250,000	12	118,400,000

Table 33: Table3: Board remuneration and benefits

b) Relevance

The Tax Appeals Tribunal (TAT) is a quasi-judicial institution established under the Tax appeals Tribunals Act, 1997 to settle tax disputes between taxpayers and the Uganda revenue Authority (URA). The Tribunal consists of five members, appointed in accordance with the Act. After being constituted in August 1998, the TAT laid ground for its work which included writing its Rules of procedure and appointment of staff, it opened its doors to the public in May 1999. The Tribunal handles only tax disputes arising out of the taxing Acts administered by URA. These include The Value Added Tax Act, The Stamps Act, The Customs and Excise Act as well as any other taxing Act administered by URA.

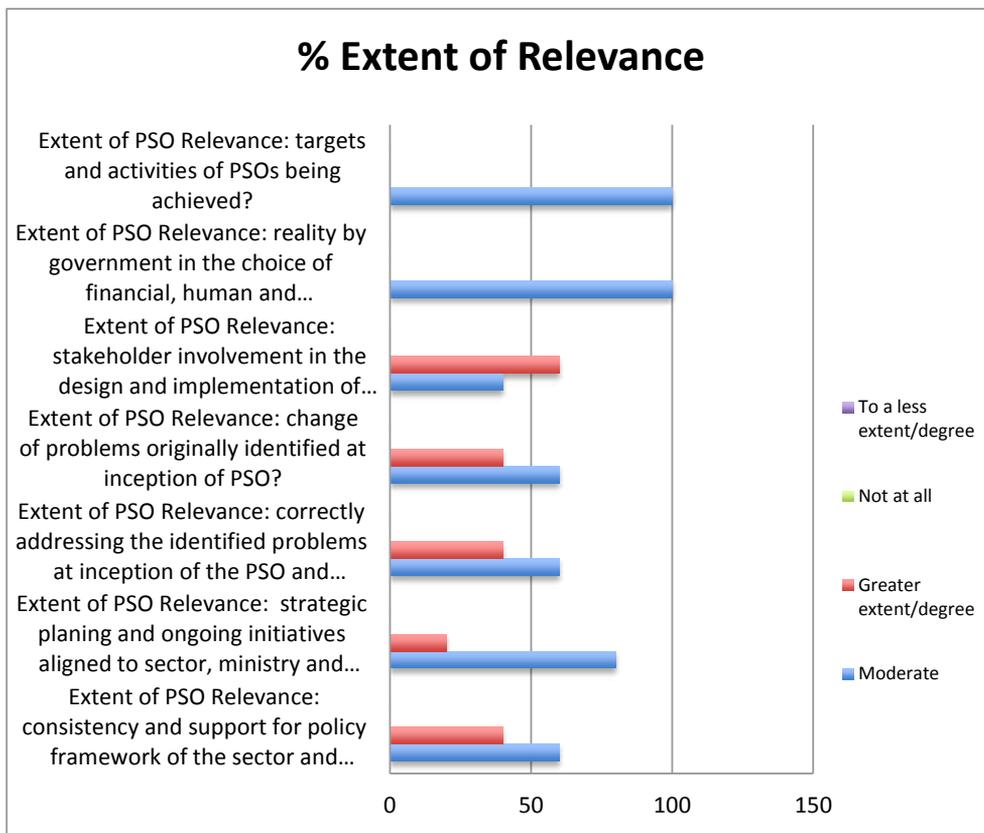


Figure 42: Percentage extent of PSO Relevance

Mission: is to provide easily accessible, expeditious, and independent forum for resolving tax disputes in Uganda.

Objective: to provide an opportunity to a taxpayer to seek redress whenever aggrieved by any taxation decision of the URA.

TAT Values/key activities

1. Customer Satisfaction: on resolving tax cases
2. Integrity: in our processes, systems and practices working with fairness and transparency

3. Teamwork and passion: working as one with energy and love to resolve tax cases
4. Receiving and hearing tax disputes
5. Sensitization work

The work of TAT (Relevance- Appeal)

The Tax Appeals Tribunal has been in existence for the last 17 years during which it has made its mark on the resolution of tax disputes in the country. Despite facing a number of challenges, tremendous progress has been recorded in streamlining tax administration in the country.

A taxpayer or a representative fill prescribed forms which are then lodged with the Tribunal. After lodging the Application, the taxpayer services a copy on the Commissioner General of URA within five days. For the Application to be valid, a non-refundable fee of UG Shs. 20,000/= must be paid. The Application must contain the following information concerning the Applicant: -

1. Full Names, mailing address, Tel, Fax Nos, email etc.
2. Tax Identification Number (TIN) Income Tax File No. and Value Added Tax (VAT), Registration No.
3. Nature of Business
4. Particulars of the dispute and details of the assessment
5. Year of income and amount of tax in dispute/objected to
6. Reasons/grounds for the appeal
7. List of documents/books that will be produced before the Tribunal.
8. Name and address of witnesses, if any

Functions of TAT

- ✓ Arbitration
- ✓ Tribunal- Quasi-judicial
- ✓ Resolution of taxation disputes
- ✓ Sustainable development of case law on taxation
- ✓ Develop collaborative partnerships with stakeholders

c) Effectiveness

At the tribunal, the Act allows the Commissioner General thirty (30) days from the date of service within which to file a response with the Registrar of the Tribunal. A hearing date is there after fixed, giving both parties to the application not less than fourteen days, (14 days) notice. On the date listed for hearing, both parties appear before the Tribunal. The procedure to be followed are well laid down in the Act itself and the Tax Appeals Tribunals (procedure) Rules, 1999. Both the Act and the Rules are on sale at the Uganda Printing and Publishing Corporation outlets.

It should be noted that: -

1. The Applicant may appear in person or may be represented;
2. The onus is on the Applicant to prove his/her case;
3. Hearings before the Tribunal are open to the public, but may upon the request of either party beheld in camera
4. The Tribunal offers each party ample opportunity to present its case;
5. The Tribunal is required to give its ruling in writing, giving in support of its decision.
6. The decision of the Tribunal is appealable to the High Court by any party aggrieved by the decision within thirty days after being notified of the decision or within such further time as High court may permit.

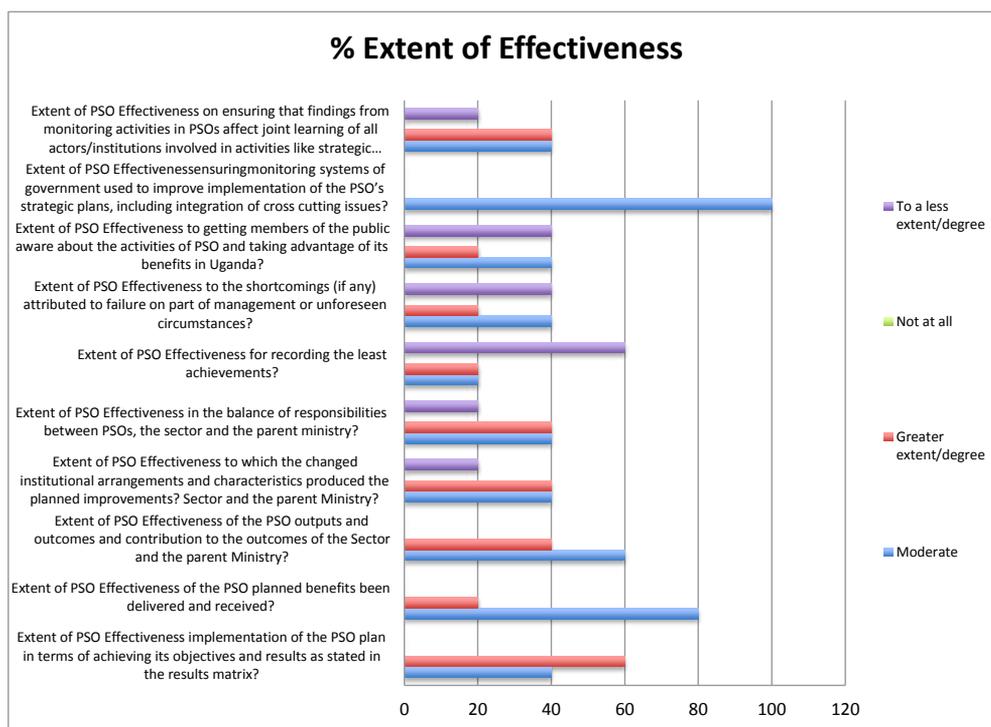


Figure 43: Percentage extent of PSO Effectiveness

Key Outputs (products):

1. Tax dispute judgments
2. Tax law reports
3. Staff trained
4. An informed tax paying public
5. Harmony between tax payers and URA

Key impacts (changes resulting from the activities in the long term)

1. An improved tax administration system
2. A conducive environment
3. Increased public awareness of tax procedures
4. Improved tax jurisprudence to guide tax policy formulation
5. Increased collaboration with sister institution in region

d) Efficiency

The tribunal is fully staffed and constituted with an annual meetings average of 12, a retainer of 1.2 million to the chair of the board and 1 million to the board members.

Staff status	FY	Number of staff		Basic Annual salary (shs)	Total
Permanent		Approved	Filled	(Shs)	(Shs)
	2011/12	19	19	548,000,000	548,000,000
Permanent	2012/13	20	20	636,000,000	636,000,000
Permanent	2013/14	23	20	636,000,000	636,000,000
Permanent	2014/15	23	20	636,000,000	636,000,000
Permanent	2015/16	23	20	720,000,000	720,000,000

Table 34: Staffing and Remuneration 2011/12

The tribunal has only permanent staff who have averaged around 20 for the last five financial years, in management terms this is an averagely manageable team of employees, combined with the right skills in the field can deliver the mandate of the tribunal. Each employee at the tribunal earns an annual salary of 36 million shillings on average.

Resource	Current (FY2016/17)	Optimum (required)
Personnel (total)	20	25
Professionals	5	10
Offices	5	7
Vehicles	4	7

Table 35: Properties owned

According to the information in the above table, there is a deficit in personnel, professionals, offices and vehicles, this hinders the smooth running of the work at the tribunal.

Financial Matters

The Tribunal is currently fully funded through the Government Consolidated Fund. The Annual Budget of the Tribunal has to be submitted to the Minister of Finance for his/her approval.

Source of funds for Tribunal are: -

- (a) Money appropriated by parliament
- (b) Grants received by the Tribunal with the approval Minister
- (c) Fees and fines
- (d) Any other money as may be received by or made available to the Tribunal

However presently the funding comes solely from the consolidated Fund.

Item	2014/15			2015/16		
	Budget	Released	Actual spent	Budget	Released	Actual spent
Wage	636	636	636	720	720	636
Allowances	100	100	100	176	170	170
Rent	96	96	96	116	116	116
Travel	36	36	36	121	121	121
Training	36	36	36	58	58	58

Table 36: Financial expenditure (all values are in millions of shillings)

For both 2014/15 and 2015/2016 financial years, the highest expenditure at the tribunal was basically the wages for the employees followed by allowances and the rent, travel and lastly trainings of the man power.

Item	2011/12			2012/13			2013/14		
	Budget	Released	Actual spent	Budget	Released	Actual spent	Budget	Released	Actual spent
Wage	548	548	548	636	636	636	636	636	636
Allowances	100	100	100	100	100	100	100	100	100
Rent	196	96	96	96	96	96	96	96	96
Travel	36	36	36	36	36	36	36	36	36
Training	36	36	36	36	36	36	36	36	36

Table 37: Financial expenditure (all values are in millions of shillings)

e) Weaknesses and Recommendation from 2017 Analysis

Weakness and threats at the TAT

- ✓ Poor Training
- ✓ Technicalities
- ✓ Poor Visibility
- ✓ Pouching by others
- ✓ Parallel Jurisdiction
- ✓ Perceptions

Recommendations

- i. Need to improve on knowledge and skills of staff on tax matters – tailored trainings are encouraged;
- ii. The Tax Tribunal may consider to develop strategies to improve on its feasibilities especially among all kind of tax payers who are eligible beneficiaries of Tax tribunal services;
- iii. Need for the government to grant tax tribunal original jurisdiction – to delink the tribunal from MoFPED tax disputes. One possible remedy is to place the tribunal under Judiciary

3.4.9. Uganda Air Cargo

UACC started operations around 1975 as Uganda Air Cargo Company Limited. It operated through the turbulent 1980s until 1994 when it became a statutory corporation. Uganda Air Cargo Corporation is a limited liability company wholly owned by the Government and established under the Uganda Air Cargo Corporation Act of the laws of Uganda. The Company under the Public Enterprises Reform and Divestiture Act Cap 98 is categorized under class (ii) of the state enterprises. The PSOs is under the supervision of Ministry of Defence. Our objective, among others mandates us to offer Air Cargo Transport services, Air Charter services and a Travel bureau. The headquarters, Sales and Marketing are at the Entebbe International Airport main terminal building Second Floor.

Vision: The Preferred Airline

Objective: Uganda Air Cargo Corporation (UACC) will achieve this pre-eminent position by offering high quality service and reliable, comfortable and efficient operations. UACC will achieve these objectives whilst simultaneously ensuring consistent profitability, achieving healthy, long-term returns for the stakeholders and providing its employees with an environment for excellence and growth.

Mission: To provide safe, reliable and efficient cargo freight, passenger freight and travel services at competitive rates”.

Our Core Values

Professionalism: We will recruit and develop a well-trained workforce in which job competence, performance, succession and stability are the priority objectives.

Commitment: Our customers are our greatest passion and customer satisfaction is the yardstick against our company’s performance. All spheres will be measured to exceed our customer (client) expectations and will be a commitment shared by every person in the company.

Safety: The safety of our customers and staff is pre-eminent in every decision and every action we take.

Team Work: We respect each other as individuals. We work as a team and support each other for the greater good of the organization.

Innovation: We are committed to innovation and addressing client needs and we will continuously develop processes to produce a wide variety of quality services.

Integrity: Our integrity will be displayed to our customers, suppliers, employees, government and to the environment.

Responsibility: As a Corporate citizen Uganda Air Cargo Corporation is committed to discharging all its responsibilities in dealing with all the stakeholders.

Sensitivity: We will provide a safe and positive work environment for our employees. Openness, two way communication, personal development, trust, and recognition of achievements will be fostered to achieve our mission. Our goal is to be responsible and accountable to our stakeholders through value creation in which sustainable profitability is key requisite. We will develop and maintain a well-documented Management Information System (MIS).

Observations and recommendations

The PSO has limited activities and its work can be effectively handled by the air defence unit of the Ministry of Defence, and the civil aviation authority. We recommend that the PSO should be restructured and its functions integrated under the above

3.4.10. Uganda Printing And Publishing Corporation

a) Board Composition

The Corporation is steered by experienced Board of Directors of seven Members who were appointed by the Minister for the Presidency to represent Government which is the sole shareholder. In terms of gender, male constitute 57% as compared to 43% female, respectively.

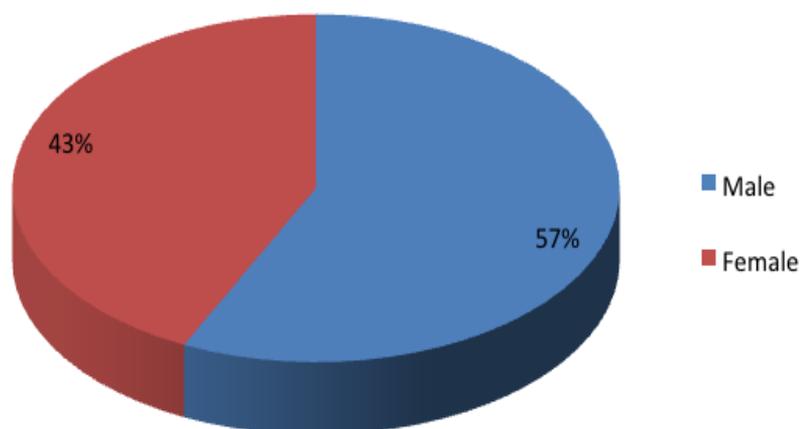


Figure 44: Board Member Composition by Gender

	Board Member	Position	Gender
1	Mr. Ilakut Ben Bella	Chairman,	Male
2	Hon. Owiny-Dollo Chigamoy Alfonse	Member	Male
3	Mr. Kyakulaga Bwino Fred	Member	Male
4	Mr. Bandutsya Muranga Stephen	Member	Male
5	Ms. Nanono Masturah	Member	Female
6	Ms. Basobokwe Alice Marie Salle	Member	Female
7	Ms. Bakaawa Sekabembe Elizabeth	Managing Director/ Board Secretary	Female

Table 38: Board Member Name, Position and Gender

b) Relevance

Uganda Printing and Publishing Corporation (UPPC), is a State Corporation established by the Uganda Printing and Publishing Corporation Act 1992 (Cap.330 of the Laws of the Republic of Uganda). It was a Government Printing department established in 1902 as a Government Printer. UPPC is an autonomous government corporation that handles both governmental and private sector printing and publishing. To remain the market Leader in security Printing and Publishing in Uganda, and the mission of UPPC is to provide quality, timely and economic printing and publishing services to all government departments and the private sector in a free liberalized environment.

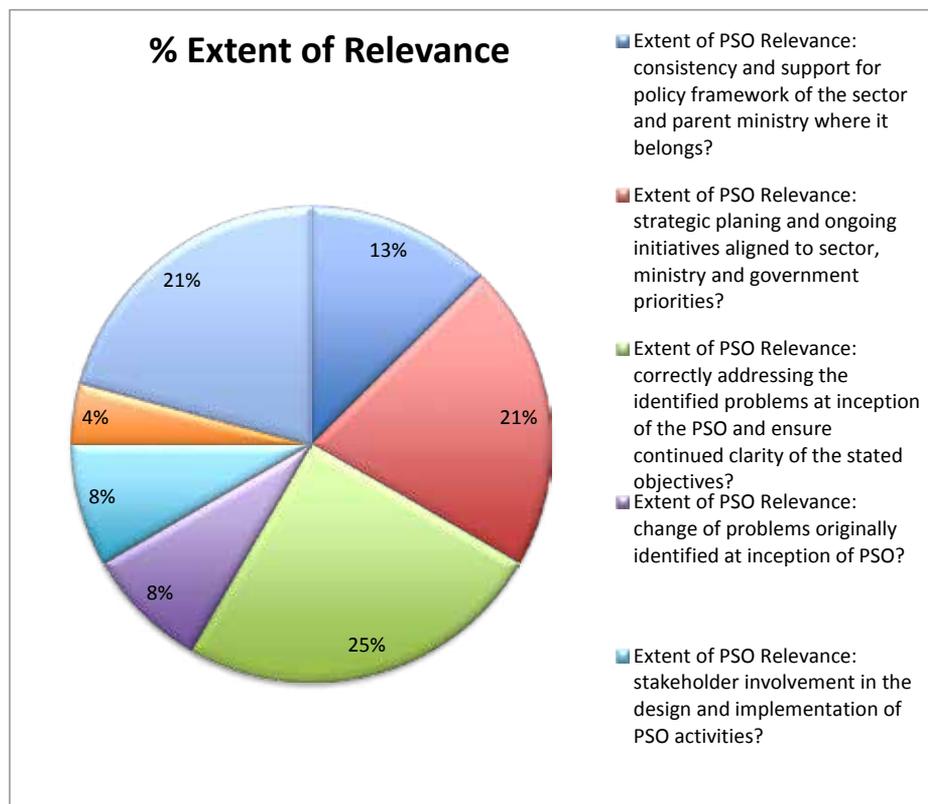


Figure 45: Percentage extent of PSO Relevance

The UPPC obligation is derived from Uganda Printing and Publishing Corporation Act (Cap.330 of the Laws of the Republic of Uganda). The Corporation is mandated to carry out the functions below:

1. Chief adviser to Government on all printing and publishing matters
2. Provide printing and publishing facilities to Government ministries departments and Parastatal bodies and to private individuals
3. Undertake security printing work for all clients
4. Sole printer and publishers of all Government legislation and other legal instruments
5. Print and publish Education books , reports, Manuals and magazines for general reading and use
6. Produce posters and other forms of printed advertising materials
7. Offer technical printing apprenticeship services for students from university and tertiary institutions in East Africa

c) Effectiveness

Besides the Board as a policy organ, UPPC management is supported by 2 (two) committees that are part of the Board – are Corporate Governance, Audit & Risk Management as well as Human Resources management & development committees, respectively. The UPPC is also managed by departments/sections responsible for various activities of the corporation as finance and administration, production, binding services as well as marketing of the corporation businesses. The Corporation employs well-qualified, experienced and dependable work force.

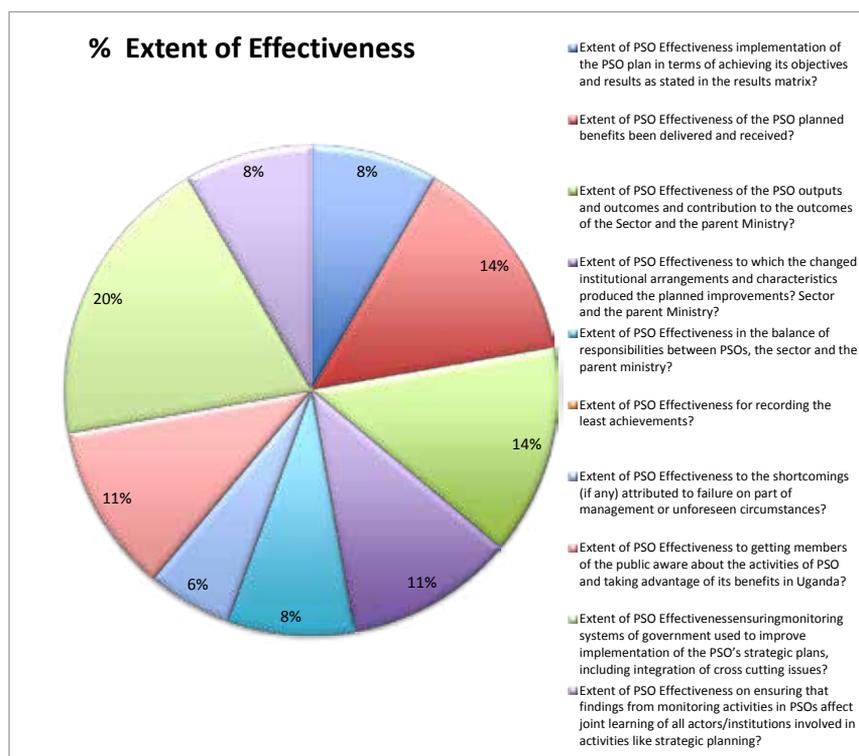


Figure 46: Percentage extent of PSO Effectiveness

The Management of the Corporation is headed by a Managing Director and a Professional Management team. The staff establishment is at 53 and all positions are filled up, with salary scale of U6 – U1 as presented in the table below. Under the new restructuring, all staff are on periodic contracts that are on renewable subject to performance.

S.NO	Departments/ Sections	Approved	filled	Salary scale	Basic salary	Supervisors
1	Pre-press	6	6	U6	1,000,000	1,200,000
2	Machine	5	5	U6	850,000	1,200,000
3	Binding	16	16	U6	850,000	1,200,000
4	production	6	6	U6	1,150,000	1,800,000
5	Administration	6	6	U6	810,000	1,500,000
6	Costing/ accounts	6	6	U4	1,390,000	2,000,000
	Management	4	4	U3	4,800,000	
	H.O.D	3	3	U2	9,000,000	
	CEO	1	1	U1	13,000,000	
		53	53			

Table 39:UPPC departments, staff establishments, salary scales as well as salaries

Revenues for the UPPC

The revenues for the UPPC are generated internally and these comprise of sources as Sale of Publications (from both private and government), gazette sales, rental income, publishing & security printing, stationery sales as well as subscriptions.

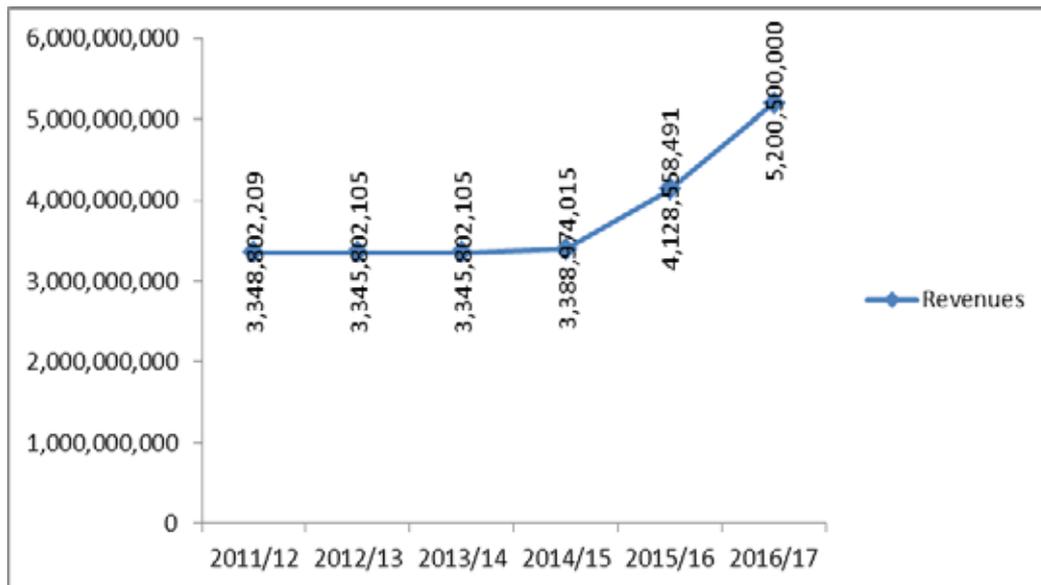


Figure 47: Revenues generated over a period of 2011/12-2016/17

The revenues were rather flat for the period FY2011/12 – 2014/15 largely because of collections from publishing and security printing as well as subscriptions. Worth to note that almost all revenues for the corporation are generated from internally generated funds. The main sources of revenues are Gazette sales, sale of publications as well as subscriptions as indicated in the table below.

	REVENUE	Actual	Budget	Expected
	Operating Revenue (GP)	2015/16	2016/17	2017/18
133202	Government Funding	-	-	-
142104	Sale of Publications (to priv + gov.)	642,982,477	89,000,000	89,000,000
142165	Gazette(Gazette Sales)	3,103,925,461	3,483,500,000	3,483,500,000
111102	Rental Income	214,406,780	233,898,306	233,898,306
142104	Sales Others	4,708,136		
142164	Publishing & security printing	140,578	1,058,000,000	1,058,000,000
142104	Stationery sales	58,806,017	42,101,694	42,101,694
142165	Subscription	103,589,042	294,000,000	294,000,000
	TOTALS	4,128,558,491	5,200,500,000	5,200,500,000

Table 40:Details of Revenues for FY2015/16 – 2017/18

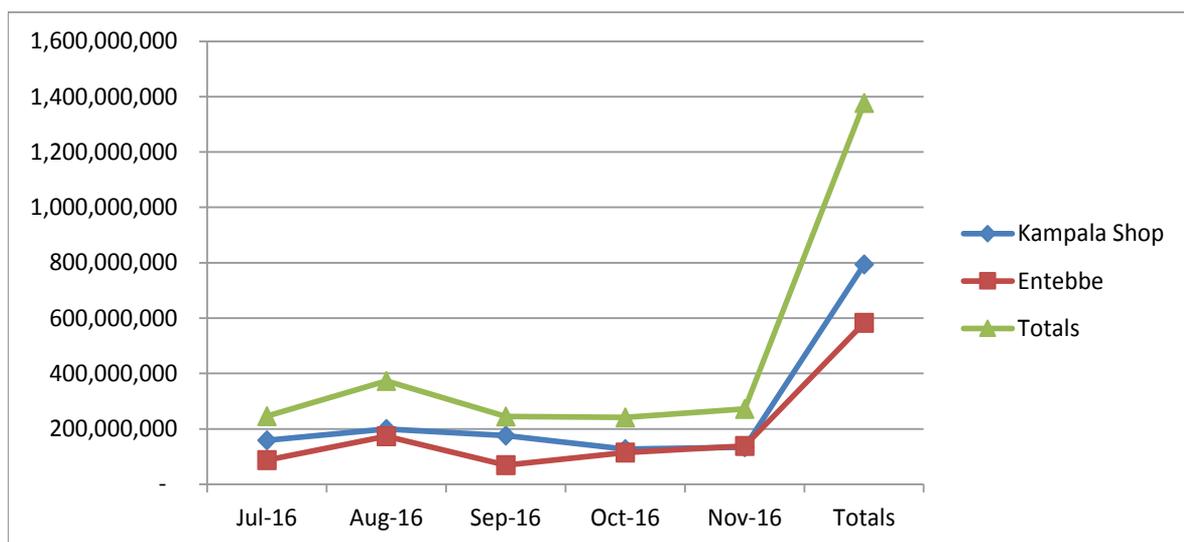


Figure 48:Revenue analysis by centers from July 2016 – Nov. 2016

UPPC outputs and achievements

UPPC has over the 100 years successfully carried out quality work for a wide Spectrum of customers including Governments and the private sector. Some of the salient works include:

1. The Uganda Constitution 1995, Revised Laws/Legislations/Acts/Statutes,
2. Gazettes, Reports, Ministerial Policy Statements, Stationery, Security cards, Letter heads, long birth certificates, short birth certificates, death certificates, Certificate of registration, Certificate of Incorporation, business name books
3. Education White Paper, Text Books, Teachers' guide, Primary Teachers Education Self-study modules, ESMR draft books, Model Study textbooks, etc.
4. Primary Leaving Examinations, Uganda Certificate of Education Examinations, Uganda Advanced Certificate of Education Examinations, Uganda Technical Schools' examinations, etc.
5. Presidential invitation cards, Portraits, car stickers, etc.
6. Staff lists, retention reports, payroll cleaning exercise books, letterheads, appraisal forms, etc.
7. Voters cards since 1996, election forms, etc.
8. Movement permits, health certificates, promotional posters, plan for Modernization of Agriculture annual reports, civil society partnership brochure, Plan for Modernization of Agriculture posters, etc.
9. Land titles, Acts, letter heads, visiting cards, Christmas cards, etc.
10. Works contract books, letter heads, file folders, P.S.V. License documents, Motor vehicle log books, etc.
11. Assent Copies, Government Policy statements, White Parliamentary papers, Cabinet papers and Parliamentary Hansards, Resolution sheets, etc.
12. Security passes, CAA regulations, Air operators Certificates, Flight Simulations evaluation forms, base inspection forms, Enroute inspection forms, etc.
13. Financial statements and reports, General receipts, Draft estimates, approved estimates, treasury forms, cash books, pay change, daily record sheet analysis.
14. URA Forms, envelopes, Receipt books, Income tax forms, driving permits, Log books, Letter heads, brochures, file folders, Analysis sheets and Note query sheets.
15. Sector Profiles, Stationery, headed papers, etc.
16. Presidential publications, Stationery, Cards and Calendars UPPC challenges

d) Efficiency

Analysis showed that trade receivables slightly decreased from the previous year from UGX. 2,968,039,234 to UGX 2,713,629,404 as at 30th June 2016 and that there were unsupported credit balances in the receivables ledger of UGX. 41,562,306. However management noted that some payments were made to the Corporation account without issuance of invoices.

Further document review showed that responses from debtor circularization indicated that receivables were overstated by UGX 211,366,579 as the debtors did not acknowledge the debts. The main categories of these debts are owned by Government of Uganda (Ministries, Departments and Agencies) whose recoverability was uncertain, as they had been unsettled for over a decade. However efforts were made by Management to collect the debts and managed to recover UGX. 87.4million from the Ministry of internal affairs.

Since 2014 when the UPPC developed the Finance and Account policy, the budgeting, accounting and expenditures processes changed. For instance, the UPPC was restructured to allow staff be hired on contract for effective service delivery and improve efficiency in utilization of resources for the UPPC. There have been internal arrangements to restructure departments/sections as well as recruiting/training staff for improved service delivery in the UPPC. There was a shift in budgeting from output to programme budgeting. The UPPC also adopted the MoFPED budgeting framework to conform with the IFMIS requirements. For instance, vote and sub-votes were introduced the details of the expenditure. From the expenditures, staff salaries/wages, board expenses, gratuities as well as advertising and public relations remain the highest expenditure heads for the UPPC.

	Expenditure			
Code	General & Admin Expense	Actual	Actual	Budget
		2014/15	2015/16	2016/17
211102	Contract Staff Salaries and wages	743,825,300	1,436,035,811	1,800,000,000
211103	Allowances	77,979,857	83,937,196	47,500,000
211103	Board Expenses	106,821,434	161,912,858	241,400,000
212101	Social Security Contributions + Arrears	14,916,106	-	480,000,000
213001	Medical expenses (to employees)	57,777,400	11,125,000	79,228,000
213002	Incapacity, death benefits and funeral		250,000	20,000,000
213004	Gratuity Expenses	123,436,000	168,238,483	270,000,000
221001	Advertising and Public Relations	149,446,712	83,919,508	32,000,000
221002	Workshops and Seminars		5,584,722	19,500,000
221003	Staff Training	17,560,000	1,745,000	5,000,000
221004	Recruitment expenses	35,783,000	-	4,000,000
221006	Commissions and Related charges	14,059,433	53,099,717	1,073,800,000
221007	Books, Periodicals & Newspapers	2,902,900	10,047,486	2,000,000
221008	Computer & IT Services	2,380,000	36,161,940	46,300,000
221009	Welfare and Entertainment	16,141,000	165,608,214	18,000,000
221011	Printing, Stationery, Photocopying and	20,378,700	13,881,522	25,000,000
221012	Small Office Equipment		25,000	500,000
221014	Bank Charges and other bank related costs	1,066,523	5,460,088	9,000,000
221017	Subscriptions		8,185,000	20,100,000
	Exchange losses/(gains)		(7,634,069)	
221019	Discounts allowed		-	5,000,000
222001	Telecommunications	12,038,448	9,344,698	16,000,000
222002	Postage and Courier		364,000	2,000,000
222003	Information and Communications		75,000	6,000,000
223003	Rent - Produced Assets	5,962,500	31,725,000	60,000,000
224002	Cleaning and Sanitation	8,562,800		18,000,000
223004	Guard and Security Services		13,283,871	40,800,000
223005	Electricity	7,254,000 24,243,400	22,972,824	15,600,000
223006	Water		423,175	3,000,000
224005	Uniforms & Protective gears	2,105,000	1,450,000	3,000,000
225001	Consultancy Services (Short term)	34,933,763	29,284,772	68,500,000
225002	Consultancy Services (Long term)	5,340,000	2,525,424	100,000,000
226001	Insurances	14,000	29,385,793	40,000,000
	Licenses		2,118,644	
227001	Travel Inland	11,694,500	106,927,900	86,500,000
227002	Travel Abroad		10,634,109	30,000,000
227003	Carriage, Haulage, Freight and Transport		2,645,000	30,000,000
227004	Fuel, Lubricants and Oils	20,380,000	10,752,700	104,800,000
228001	Maintenance-Civil	6,506,660	262,000	40,000,000
228002	Maintenance-Vehicles	6,471,101	350,000	40,000,000
228003	Maintenance - Machinery, Equipment &	79,879,800	24,714,497	34,000,000
228004	Cleaning and Sanitation		9,378,817	
2221020	Fines and Penalties		2,567,678	

	Amort. / Depreciation Expense			
231001	Depreciation - Non Residential Buildings		-	25,000,000
231002	Depreciation - Residential Buildings		-	15,000,000
231006	Depreciation – Furniture and fittings		-	5,000,000
281503	Engineering & designs studies		-	8,000,000
282101	Donations		-	13,000,000
312102	Residential Buildings		-	350,000,000
312203	Furniture and Fittings		2,850,000	12,000,000
312201	Purchase of vehicle			180,000,000
312202	Machinery and Equipment		29,352,357	1,482,032,000
	TOTAL EXPENSES	1,578,362,937	2,580,971,735	7,026,560,000

Table 41: Details of Expenditure for the period 2014/15 – 2016/17

2009 study findings and recommendations:-

UPPC was established by the Uganda Printing and Publishing Corporation Statute No. 17 of 1992 with the main responsibility being government security printing. In 2006, the PSO achieved a profit position of over Ushs.484m after two consecutive years of losses though over Ushs.1.15bn (63%) of its sales remained uncollected debt at the end of the year. Due its nature of business, as a security printer it attracts little business from outside government, and yet its capacity for security printing has diminished over the years. Old machinery in use had increased maintenance costs and the PSO lacks funds for capital expenditure, and receives no funds from the treasury.

e) Recommendation

- i. Privatise. Private sector can perform function more efficiently and effectively
- ii. Governments should consider to support UPPC procure new machines to remain competitive in the market;
- iii. Given that UPPC survives on 100% non-tax revenues, which is a good practice and strategy in doing business and signals self-reliance. Therefore, there is need for the company to be fully divested to remain competitive.

3.4.11. Crested Cranes Hotel and Tourism Training Institution

a) Relevance

Since its inception, The Hotel and Tourism Training Institute has grown in size and scope to become the prestigious institution of national and international repute. It is internationally recognised as a centre of academic excellence in "hands-on Hospitality Training". Established in 1989, the Institute has trained over 7,000 students both in full and part time course programmes. The above number includes both local and foreign students.

The Institute is located in Jinja, 80 Kms from Kampala. It offers training in all Hospitality-related, Management and Entrepreneurship courses. It is the only government-aided Hospitality training institution in Uganda under the Ministry of Trade, Tourism and industry.

Mandate

The Hotel and Tourism Training Institute (HTTI) is mandated to:-

1. Organize and conduct courses in Tourism, Hotel management and catering and to make provision for advancement, transmission and preservation of knowledge.
2. Conduct examination and grant certificates, Diplomas and other higher awards of the Institute.
3. Consult and cooperate with anybody or organization in or outside Uganda having similar functions.

Vision

The leading hands on trainer in Uganda of highly skilled workforce for the Hospitality industry.

Mission

To produce highly skilled and competent workforce for the national and International hospitality industry.

The surveyed respondents assessed the relevance of the institute as follows:-

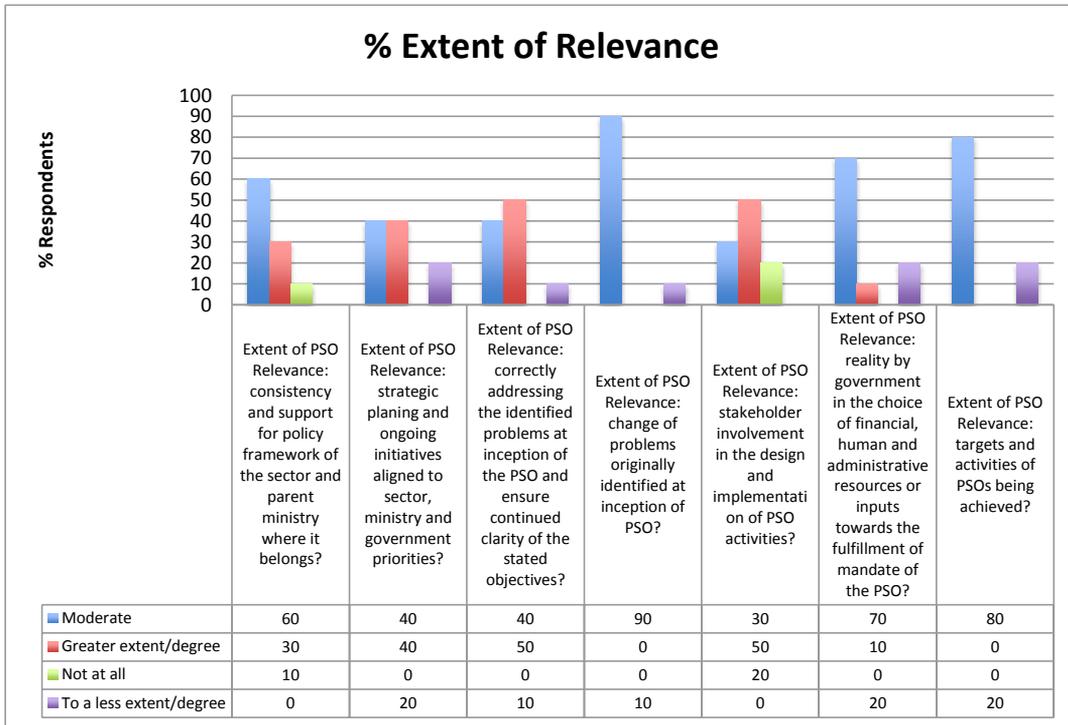


Figure 49: Percentage extent of PSO Relevance

Crested Crane Hotel is a section in HTTI that provides services to both the students and external guests. to students, the Hotel acts as a laboratory where students learn Practical Experience, hence acting as laboratory for training. To the external guests, a number of services are offered these services includes, Accommodation Restaurant Bar Services.

b) Effectiveness.

The surveyed respondents assessed the effectiveness of the institute as follows:-

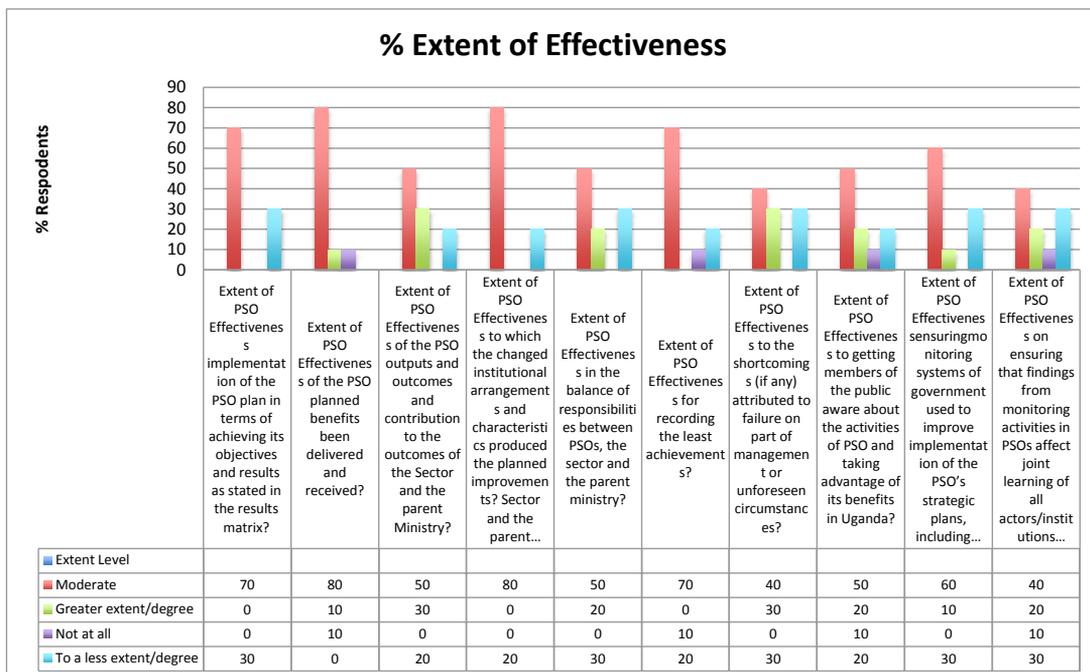


Figure 50: Percentage extent of PSO Effectiveness

c) Efficiency

Out of the UGX 2.81Bn that was estimated only UGX 1.84Bn was actually released comprising of a 34% overall reduction and 64% of the estimated budget was actually spent.

Source	Estimated budget	Actual release	Expenditure	% expenditure of budget estimate	Projected revenue 2015/16
Hotel	572,510,832	210,277,000	825,000,000	37%	594,199,424
Training	926,561,298	598,725,859	210,277,000	65%	880,480,348
Subvention	1,100,000,000	865,370,000	598,725,859	75%	1,100,000,000
Other sources	210,000,000	175,000,000	175,000,000	83%	210,000,000
Total	2,809,072,130	1,849,372,859	1,809,002,859	64%	2784,679,772

Table 42: Budget for financial year 2015/16

On the particular items from other sources, there was an actual expenditure of 83% of estimated and Hotel received on 37% of estimated budget. However there was a 1% reduction in projected revenue in 2015/16 compared to that of FY2014/15.

The surveyed respondents assessed the efficiency of the institute as follows:-

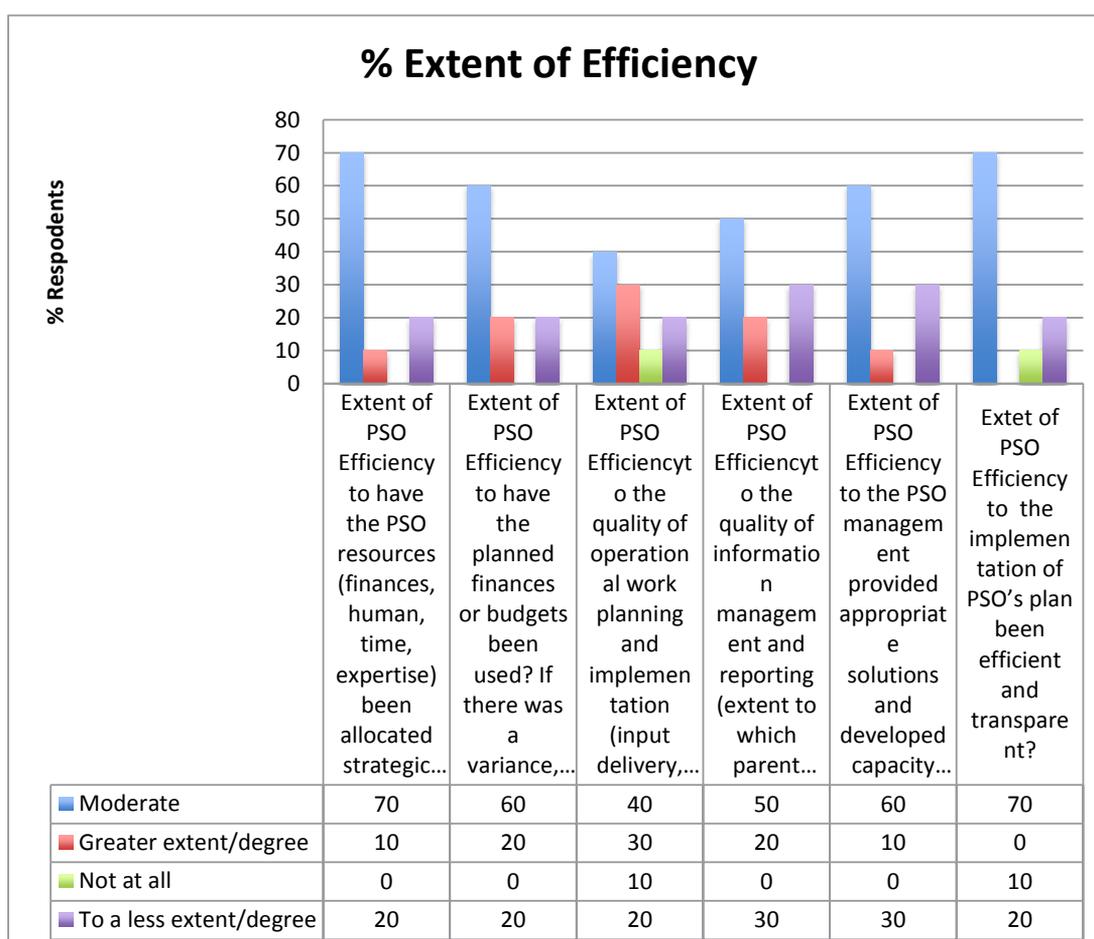


Figure 51: Percentage extent of PSO Efficiency

2009 study findings and recommendations

	Crested Crane Hotel & Tourism Training Institute				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Sh'smillions	Sh'smillions	Sh'smillions	Sh'smillions		
Revenue						
Own Sources	568.57	552.62			1,121.18	560.59
Social contributions	-	-			-	-
Grants						
Central Government	863.98	472.62			1,336.60	668.30
Other donors	-	-			-	-
Other revenue	32.44	32.76			65.20	32.60
TOTAL	1,464.98	1,058.00	-	-	2,522.98	1,261.49
Expenses						
Compensation of employees						
o/w Salaries	550.13	426.13			976.26	488.13
o/w Allowances					-	-
o/w Social Security Contributions					-	-
o/w other					-	-
Purchase of goods and services	692.27	610.77			1,303.04	651.52
Depreciation	220.85	183.29			404.14	202.07
Interest	-	-			-	-
Transfers to Central Government	-	-			-	-
Transfers to other agencies	-	-			-	-
Other expense	0.28	3.77			4.05	2.02
TOTAL	1,463.53	1,223.95	-	-	2,687.48	1,343.74
Net surplus/(deficit)	1.46	(165.95)	-	-		
Assets						
Non Financial Assets						
Land	-	-	-	-	-	-
Buildings	1,379.00	1,347.87	-	-	2,726.86	1,363.43
Vehicles	-	-	-	-	-	-
Equipment	130.23	8.16	-	-	138.39	69.20
Furniture & Fittings	35.38	24.36	-	-	59.74	29.87
Inventories	124.12	73.94	-	-	198.06	99.03
Valuables	-	-	-	-	-	-
Financial Assets						
Domestic					-	-
Cash/deposits	47.56	105.37			152.93	76.46

Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	162.13	93.99			256.12	128.06
Foreign						
Cash/deposits	-	-	-	-	-	-
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
	1,878.42	1,653.69	-	-	3,532.10	1,766.05
Liabilities						
Domestic						
Cash/deposits	-	4.67	-	-	4.67	2.33
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	145.71	82.27	-	-	227.98	113.99
Foreign						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	-	-	-	-	-
TOTAL LIABILITIES	145.71	86.94	-	-	232.65	116.33
					-	-
Closing Net Worth	1,732.70	1,566.75	-	-		
%						
Gov't funds/Total Revenue	59%	45%	0%	0%	1.04	0.26
Donor funds/Total Revenue	0%	0%	0%	0%	-	-
Other income/Total Revenue	41%	55%	0%	0%	0.96	0.24
% increase in Total Revenue		-28%	-100%	0%	(1.28)	(0.32)
% staff costs/total expenditure	38%	35%	0%	0%	0.72	0.18

Table 43: PSO Budget Performance from 2009 Study findings

Observations

CCHTTI was the only government owned hotel and tourism training institute. It then offered Certificate and Diploma programmes in addition to short supervisory and in-service re-fresher courses in addition to fully-fledged hotel services. It had the opportunity to increase internally generated funds through marketing and increased enrolment and increased numbers of guests at the hotel facility. It however faces competition from new deluxe facilities. The institute lacked an internal audit function and books have not been audited for over 3 years. There was serious budget constraints caused by delayed and budget cuts. This directly affected service delivery since a large number of staff on the payroll is not on the government payroll.

Recommendation

Institute contributes to human resources capacity development in the tourism industry. Maintain and strengthen.

Actions taken to implement Recommendations

The Hotel and Tourism Training Institute Act, 2015 was passed by Parliament and Gazetted on 12th October 2016.

3.4.12. National Housing and Construction Company

a) Board Members

The Company is steered by experienced Board of Directors and these include;

S/no	Name	Designation on the Board	Gender
1	Amb. Agnes Kadama Kalibbala	Chairperson	Female
2	Mr. Bashir M. Elmadani	Deputy Chairman	Male
3	Mr. Patrick Ocailap	Director	Male
4	Mr. Tarig Salem Jarana	Director	Male
5	Mr. Muataz Salem Aloshebi	Director	Male
6	Mr. Parity Twinomujuni	Chief Executive Officer	Male

Table 44: National Housing and Construction Company Board Members

It should be noted that within the company the gender disparity is very visible and this really needs to be taken care of in order to have a balance of both females and males.

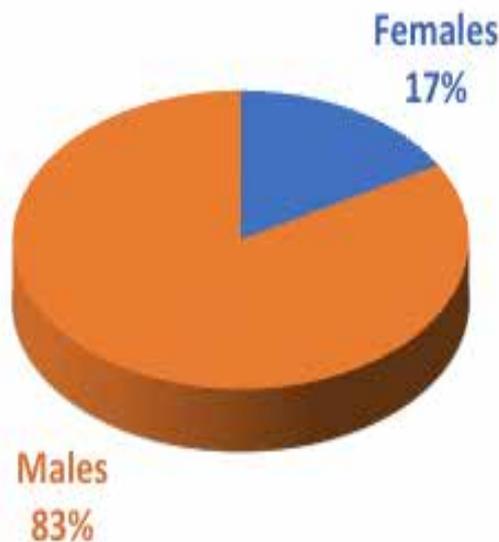


Figure 52: Composition of the heads of departments at NHCC

Analyzing the heads of departments within the company, it was clear that majority of the heads are also males. Therefore this indicated a very big disparity between females and males employment within the company.

Name	Department	Gender
Mr. David Wanangwe	Chief Operations Officer	Male
Mr. Kenneth Kaijuka	Chief Engineer	Male
Mr. Derrick Mutegyeki	Chief Finance Office	Male
Mr. Henry Balwanyi Magino	Company Secretary	Male
Mr. Joseph Sebbowa	Chief Human Resource Officer	Male
Ms. Mildred Siyakulima	Chief Internal Auditor	Female

Table 45: Heads of Department by Gender

b) Relevance

National Housing and Construction Company Ltd (NHCCCL), founded in 1964 as National Housing Corporation; is a statutory corporation owned 100% by Government with a mandate to develop housing and real estate in the country. The company was later privatised under the Public Enterprises Reform and Divestiture (PERD) Act (Cap 98), and it became a private limited liability Company jointly owned by the Government of Uganda and the Government of Libya (GOL) with shareholding of 51% and 49% respectively.

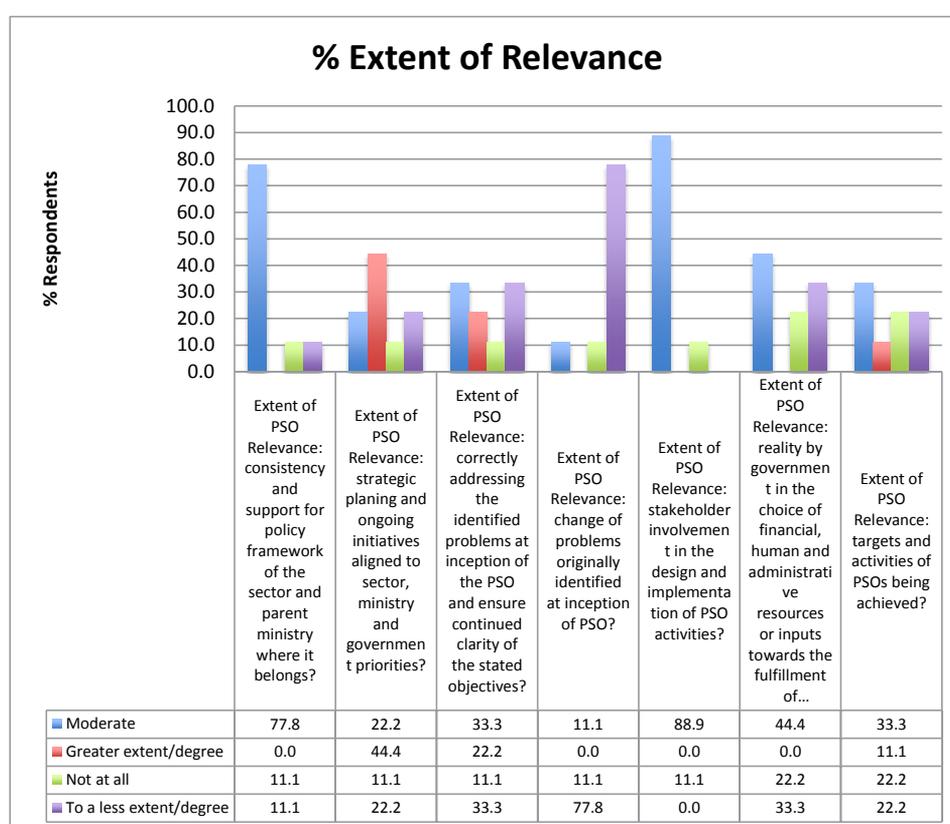


Figure 53: Percentage extent of PSO Relevance

Vision: to transform people’s lives and communities by providing affordable and well-built housing.

Mission: to create the reality of home ownership in well-planned and permanent built environments.

NHCC Core Values:

We shall strive to ensure quality in everything we do through the following values;

1. Customer Satisfaction: we shall place a premium on the customer’s voice
2. Integrity: in our processes, systems and practices working with fairness and transparency
3. Teamwork and passion: working as one with energy and love

4. People excellence: exceptional people practices and professionalism
5. Environmental sustainability: promoting environmentally sound practices

NHCC Objectives:

- ✓ To boost home ownership.
- ✓ To become the preferred housing provider.
- ✓ To raise the public profile of the company.
- ✓ To increase the return on assets/capital.
- ✓ To influence public policy on housing.
- ✓ To develop a cadre of competitive housing professionals.
- ✓ To strengthen relationships with our stakeholders and industry actors

By 2020 the housing requirement in Kampala will be at 750,791 units, other towns 1,092,318 units, rural areas 8,482,889 units and nationally 10,325,990 units. Under the provisions of the PERD Act, which places NHCC in Enterprise Class II, the Company was later privatized through a sale of 49% of voting shares to LAICO of the Government of Libya. GOU now owns the minimum allowed of 51%. The company in the early years of 1970s was very relevant to the general public especially the public servants where they built for them decent and affordable housing units, However, the above demand projections makes housing a necessity for everybody thus NHCC must be empowered to perform its mandate to ensure that every Ugandan has access to decent housing.

Rank	Name of Owner	% Ownership
1	Government of Uganda	51
2	LAICO of the Government of Libya	49
	Total	100.00

Table 46:NHCC share ownership Table 46:NHCC share ownership

c) Effectiveness

Analysis showed the NHCC was struggling to meet its working capital requirements. The lack of adequate cash flows in the company has made it fail to meet its obligations as they fall due. The current ratio stood at 0.02 as at 31st December 2015 (down from 0.59 in 2010). This was also pronounced as per the long outstanding payables, like failure to make staff contributions to gratuity and Provident fund (UGX.402,217,809), non-remittance of statutory deductions, such as NSSF (UGX.395,653,513) and PAYE (UGX.320,000,000); and non-contribution to the tumbling fund for the maintenance of Crested Towers (main Income Generating Unit for NHCC).

On the 10th December 2009, National Housing and Construction Company re-branded changing its image with a major objective of promising Ugandans Value for money as it seeks to increase the housing stock in the country, rehabilitate the housing industry and encourage Ugandans to own homes in an organized environment.

Performance Record 1964-1970 From 1964 to the early 70's the company built over 2,384 units of various types in different locations as follows, for instance in the central (Kampala), Executive flats, maisonettes and bungalows in top class residential where built in areas of Bugolobi (872), Bukoto White (130), Bukoto Brown (180), Kololo (80), Nakasero (44). More units were also built for Middle to low housing estates in Kiwafu (51) and Mulago. NHCC built several upcountry housing projects in the following towns: Arua, Entebbe, Gulu, Hoima, Kabale, Jinja, Lira, Masaka, Mbale, Mbarara, Moyo, Soroti and Tororo.

Effectiveness Infrastructure development

In 1989, NHCC aggressively embarked on increasing the housing stock in the country as well as rehabilitation of various properties, which were run down during the various wars in the 1970s and early 1980s. The growth that has taken place in the last 18 years is unprecedented and is attributed to the Movement government, which among other things has continuously provided a conducive environment for real estate development.

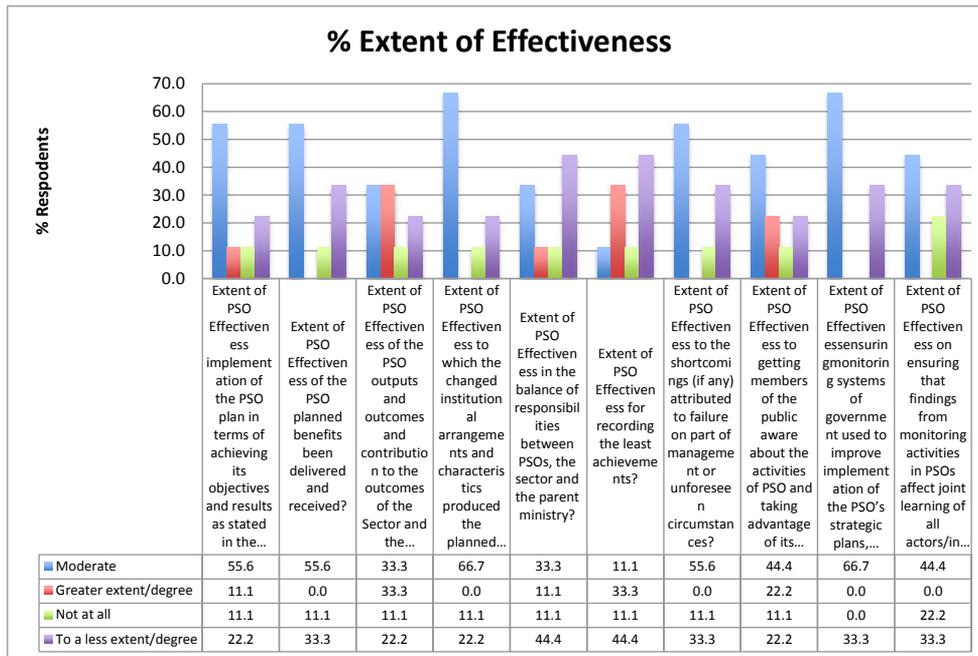


Figure 54: Percentage extent of PSO Effectiveness

The company has also built several office blocks, which include: the famous Crested Towers, Uganda Posts and Telecommunications building, Tororo Town Council and District Administration Headquarters building. Other contributions extended to the construction of social and public infrastructure includes school like St. Henry's College Kitovu, hospitals like Mengo and Adjumani, Nakasongola Airbase and Entebbe International Airport.

d) Efficiency

It was noted that although the NHCC had lawful ownership of land in Mbuya, (Freehold Reg: Volume 66, Folio 12 - 16.5 acres), the Ministry of defense currently occupies the land and also claims ownership for the same land. The entity has not been able to collect any rental revenues from the land and has since filed a Civil Suit No.60 of 2016. Included in the statement of Financial Position as at 31st December, 2015, are Condominium properties available for sale, valued at UGX.3.031Bn. This amount includes Buganda Road flats (valued at UGX.2.465Bn) which have not been sold for a continuous period exceeding five years due to a disagreement in the offer price between the sitting tenants and the Company. There is uncertainty as to the value the company will eventually be able to recoup from the investments in question.

Further analysis showed that NHCC staff operate a provident fund (an in-house savings scheme) to which employees contribute 5% of their monthly gross pay while 5% is contributed by the company. Every month, the company withholds the staff contribution as well as its own contribution and is expected to pay this into the staff provident fund by the 15th day of the following month however by the company had failed to make payments (both the deductions from staff as well as its own contribution) for up to 18 months leading to an outstanding payable of UGX.402,217,809 as at 31st December 2015.

Funding at NHCC

NHCC does not receive any budgetary allocations as it used to be the case in the past, the company sources its funding for its projects from both private and international banks, in addition the company now partners with local banks to provide products like house mortgages to its clients and such banks include Housing finance bank, Barclays bank, Standard chartered bank, DFCU bank, Stanbic bank, Tropical bank and KCB bank.

2009 Diagnostic study findings

	National Housing & Construction Co. Ltd				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Sh's millions	Sh's millions	Sh's millions	Sh's millions		
Revenue						
Own Sources	8,177.42	17,534.74	11,488.47		37,200.63	12,400.21
Social contributions					-	-
Grants						
Central Government					-	-
Other donors					-	-
Other revenue	873.03				873.03	291.01
TOTAL	9,050.45	17,534.74	11,488.47	-	38,073.66	12,691.22
Expenses						
Compensation of employees						
o/w Salaries	2,066.90	1,531.03	1,862.37		5,460.30	1,820.10
o/w Allowances	75.90	105.88	363.43		545.21	181.74
o/w Social Security Contributions	187.40	689.18	944.24		1,820.82	606.94
o/w other	479.82	818.36	480.07		1,778.25	592.75
Purchase of goods and services	2,740.00	5,120.91	2,399.20		10,260.11	3,420.04
Depreciation	113.30	87.23	168.16		368.69	122.90
Interest		2,022.33	1,590.61		3,612.94	1,204.31
Transfers to Central Government					-	-
Transfers to other agencies					-	-
Other expense	101.60	978.00	974.29		2,053.89	684.63
TOTAL	5,764.92	11,352.92	8,782.36	-	25,900.20	8,633.40
Net surplus/(deficit)	3,285.53	6,181.82	2,706.11	-		
Assets						
Non Financial Assets						
Land	-	-	-	-	-	-
Buildings	119,877.30	109,558.44	101,204.85	-	330,640.59	110,213.53
Vehicles	-	96.96	212.23	-	309.19	103.06
Equipment	105.40	173.59	241.95	-	520.94	173.65
Furniture & Fittings	23.53	27.68	31.18	-	82.39	27.46
Inventories	378.50	482.18	564.34	-	1,425.02	475.01
Valuables	-		-	-	-	-
Financial Assets						
Domestic						
Cash/deposits	5,619.47	4,145.36	5,650.36	-	15,415.19	5,138.40
Investment in securities	-	-	967.34	-	967.34	322.45
Investment in shares and other equity	21,921.20	26,146.43	18,076.99	-	66,144.62	22,048.21
Loans	-	-	-	-	-	-
Other Accounts receivable	16,212.10	8,151.00	9,959.73		34,322.83	11,440.94
Foreign						
Cash/deposits	105.80	87.07	117.82	-	310.69	103.56
Investment in securities	-	-	-	-	-	-

Investment in shares and other equity	500.00	500.00	500.00	-	1,500.00	500.00
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	164,743.30	149,368.72	137,526.80	-	451,638.81	150,546.27
Liabilities						
Domestic						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	7,696.20	4,452.42	4,970.78	-	17,119.40	5,706.47
Other Accounts Payable	12,294.10	25,767.20	12,203.33	-	50,264.63	16,754.88
Foreign						-
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	-	-	-	-	-
TOTAL LIABILITIES	19,990.30	30,219.62	17,174.11	-	67,384.03	22,461.34
					-	-
Closing Net Worth	144,753.00	119,149.10	120,352.69	-		
%						
Gov't funds/Total Revenue	0%	0%	0%	0%	-	-
Donor funds/Total Revenue	0%	0%	0%	0%	-	-
Other income/Total Revenue	100%	100%	100%	0%	3.00	1.00
% increase in Total Revenue	0%	94%	-34%	-100%	(0.41)	(0.14)
% staff costs/total expenditure	49%	28%	42%	0%	1.18	0.39

Table 47: PSO Budget Performance from the 2009 Diagnostic Report

HCC's revenues shot up by 94% in 2004 from Ushs.9bn to Ushs.17.5bn due to condominium and land sales. One of its major challenges though was the provision of facilities and housing for the low income earners.

Recommendation

Maintain and strengthen. Consider establishment of performance targets specific to expansion of housing for the low-income segment.

e) Challenges and Recommendations from 2017 Analysis

Major challenges at NHCC

1. The board of directors is not fully constituted since government of Libya is at war, so there was confusion on who is the legitimate shareholders because they used to send two different teams to represent LAICO. However, after consultation the company secretary was advised to suspend all of them on legal grounds until they sort out themselves.
2. Lack of funding for projects especially from the central government as it used to be in the past
3. The government occupies the company houses and they don't want to pay, in fact NHCC demands the central government a lot of money in rent arrears to its workers especially the army.
4. The public are also defaulters for example after sleeping in the company houses they don't pay hence NHCC has changed policy "rent with an intention of buying the house"
5. Housing is very costly hence clients are unable to pay because they are poor, unemployed yet construction is very expensive.

Recommendations

1. Need to reconstitute the board of directors given that the second shareholder (i.e. government of Libya is at war), to minimize on the confusion, and for the smooth operation of the board;
- I. Government should consider capitalizing the company given their stake and interests – to support the corporation meet its mandate;
- II. The government occupies the company houses and they don't want to pay which suffocates and cripples the efforts of the corporation – there is need for the central government to meet its obligations in paying rent arrears;

3.4.13. Kinyara Sugar Works

Kinyara sugar works limited is semi-autonomous manufacturing company set up initially by the Bunyoro kingdom in early 1950s, and government of Uganda got interest in company and patterned with the initial owners through an agreement in 1970s to invest more capital in the company so as to increase production and create employment for the local people.

Key Objectives of the kinyara sugar works limited

1. Ensure Uganda is self-sufficient in sugar production
2. To address the sugar demand within Uganda & across the region
3. Contribute to the economic growth of Uganda through taxes & employment

Key Functions/roles of KSWL

1. Production of sugar in the required quality standards to meet the market demand
2. Power production from waste or sugar by-product
3. Community development through the out grower schemes
4. Corporate social responsibility
5. Support to basic education and TVET
6. Infrastructure for rural roads e.g. the company maintains close to 400km of roads, bridges

a) Relevance

Kinyara is currently the second largest sugar producer in the country, that is after Kakira, it produced 120,360 metric tons

in 2014 and plans are underway to double production, where the Rai group has committed \$55 million to be invested in factory expansion capacity over a course of 3 years. In 1995, the government sold 51% shareholding in Kinyara Sugar Works Limited to the Rai Group, a Mauritius-based investment group. Since then KSWL has recovered and the Ugandan government In September 2011, sold a further 19% shareholding of its 49% in the enterprise to the Rai Group for US\$9.1 million in cash. The sales agreement called for the Rai Group to float the 19% shareholding that it acquired in an IPO on the Uganda Securities Exchange after five years. However, Previous agreements had called for the sale of the remaining 30% shareholding to the following entities: 10% to the Omukama of Bunyoro, 10% to the KSWL out growers and, 10% to the KSWL employees. That process is ongoing.

In all her recent development programs, like; Plan for Modernization of Agriculture (the Marketing and Agro-processing pillar), the “Prosperity for All” and the National Development Plan; Government of Uganda is stressing value addition on all locally available raw materials in order to increase their competitiveness, create employment and consequently poverty eradication. The sugar sub sector is one of the strategic areas in the economic and social transformation of the country, owing to the fact that the sub sector is supported by wholly locally grown raw materials. The diverse range of products and bi-products across the entire value chain create unique employment opportunities to the population. These products and bi-products include; sugar, bagasse, molasses, electricity, ethanol, gin (waragi), furfural for resins and plastic industry, pulp for paper, particle boards and charcoal briquettes (fuel). In this regard, kinyara as an enterprise has made great investment, for instance, the company operates its own thermal power plant of close to 25 MW and the surplus is supplied to the national grid.

Sugar differs to any other food commodity in being consumed daily at different rates by all people regardless of their age, standards or classes. This fact makes sugar a commodity that enjoys certain importance from the agricultural, industrial, nutritive, economic, social, cultural and strategic point of view. Sugar Industry and its trade have increasingly gained importance in Uganda and International trade. The Uganda sugar industry provides direct employment to over 20,000 and 50,000 direct and indirect employments respectively. Furthermore, it contributes to development of rural road infrastructure as well as providing social services such as hospitals, schools, electricity and other community development services upcountry. Overall in year 2009, the sector contributed over 126 billion UGS in taxes as well as savings of US\$ 176 million in foreign exchange earnings; hence contributing to the stability of the Uganda shillings on the foreign exchange market.

b) Effectiveness

According to the National Sugar policy, the vision is to have a sustainable, diversified, harmonized, modern, and competitive sector to meet domestic regional and international sugar requirements. The policy acknowledges the potential of the sugar sub-sectors, With the projected Uganda’s population of about 44 million by year 2020 (assuming an annual population growth rate of 3.2%) and per capita sugar consumption of 12 kgs per person per year; this translates to sugar requirement of 500,000 metric tones by year 2020. It is further projected that the Country will need about 915,000 metric tones by 2030 if the estimated per capita consumption increases to 15 kgs per person per year. The report puts kinyara in the second position in the row from 2009 to 2016 with the company production capacity doubling, the company at full capacity produces 120,360 metric tons of sugar and the with expansion plans in their advanced stages, production is projected to keep on rising, according to the senior manager at the company, the government has maintain its presence and interest in the company since it has a fully constituted board of members with all functional committees, though he acknowledged some corporate politics in some instance, however the company has been on the developing since its recovery in the early 90s and since Rai group bought shares from the government.

KSWL currently crush 4000 tons of cane, However, plans are underway for the Expansion of the factory to be able to crush 7500 tons of sugar cane

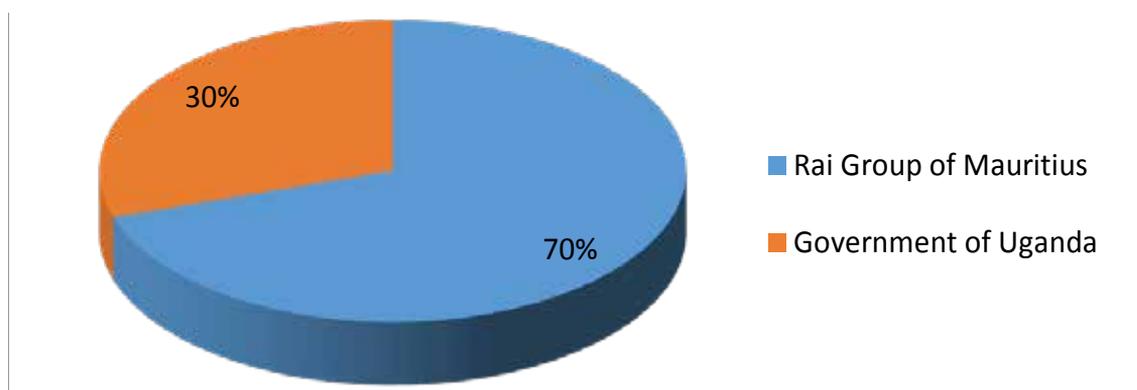


Figure 55:Kinyara Sugar Works Stock Ownership

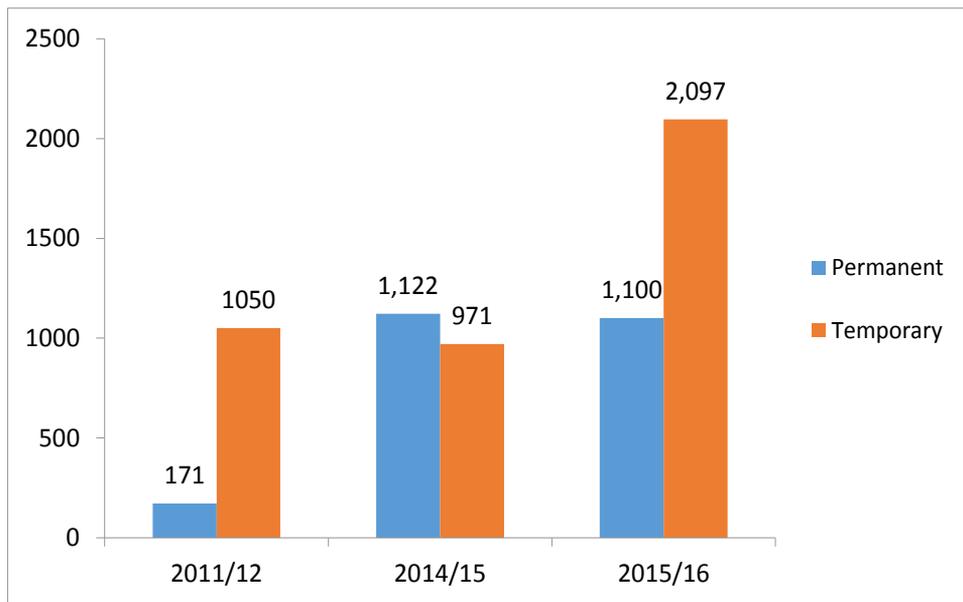


Figure 56: Summary of staffing for FY2011/12 – 2015/16

The company has an increasing recruitment trend for both types of labor force, however, the increase in temporary/part-time workers is more than the permanent workers, however, one board member still complained that the company is over staffed both in permanent and part-time workers this due to lack of fully mechanization of the whole production chain process right from the harvesting process to factory cane crushing.

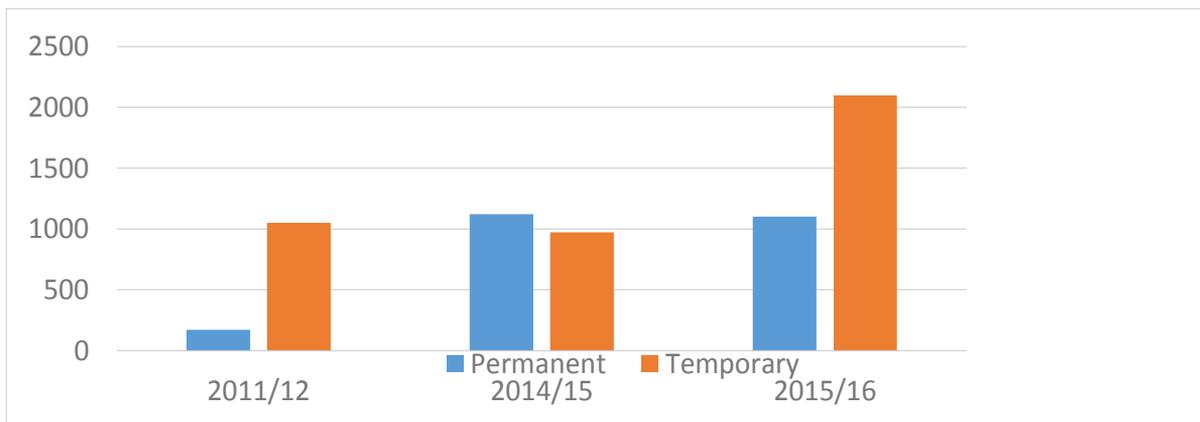


Figure 57: Staffing for last 3 financial years

Source: computed from PSO survey data.

The graph clearly shows that Kinyara mainly relies on temporary or part-time staff who are the local people staying around the sugar estate. This is a bid to cut down on the operational costs so as to realize a positive bottom line as noted by one board who intimated that KSWL is currently over staff due to lower mechanization of the production process as compared to other sugar producers in the region (Kenya).

c) Efficiency

Note: in the recent survey at kinyara sugar works limited, the finance manager reported that the company does not receive any funding from the central government as a 30 percent shareholder, but kinyara pays dividends to government through the ministry of finance which holds the 30% shares on behalf of the government, 70% of the shares of Kinyara are held by RAI-Group.

	2011/12		2012/13		2013/14		2014/15		2015/16	
Item	Budget	Actual spent								
Cane	26.64	36.61	40.88	46.31	40.39	47.95	36.26	55.21	57.54	66.35
labour	18.61	20.92	2934	29.2	31.98	31.29	33.49	33.18	36.71	38.22
Fuel	11.56	12.23	12.77	12.3	12.55	10.68	11.03	7.68	8.79	7.34
Estate Agric.	14.55	8.17	11	9.93	16.45	14.36	18.77	11.45	19.94	14.24
Repair cost	7.16	9.19	6.3	6.87	6.29	6.33	6.8	6.29	7.23	8.46

Table 48: Items of highest expenditure in kinyara in the last 5 years, figures are in billions of shillings

Source: PSO-Survey, 2017

Sugar cane being the main raw material in the sugar sub-sector accounted for the biggest company cost, since the introduction of out grower’s scheme, the company pays a huge sum of money to procure the cane, from recent survey, actual expenditure was higher than budgeted budget, showing that though the company is developing, it relies more on borrowed funds to close the gap, this a good practice of doing as noted by a senior staff at the company. However, the feeling from the senior management at the enterprise feel the company is not doing enough to support the company financially, as we learnt that the government doesn’t budget any money for kinyara sugar works as part of public sector organization (PSO) where it has interest. Therefore, this hindered the effective operations at the company.

d) Recommendations from the 2017 Analysis

1. Government needs to consider to allow the PSO explore the regional market e.g. by exporting sugar to EAC countries and beyond;
2. Kinyara electricity as well most of which is not utilized because the electricity grid cannot accommodate. There is need for UETC to upgrade the grid to accommodate this excess energy for the good of both the community and Kinyara as a company

3.4.14. Uganda Wildlife Education Centre

a) Relevance

b) Effectiveness

Document review showed that UWEC was meeting and surprising its targets for the period 2014-2016. It was revealed that the non-variation was attributed to The target on visitors is largely an outcome therefore cannot be accurately ascertained. The period number of feasibility studies for the establishment for the establishment of UWECs. On the other hand UWEC met its set targets for the period 2013/14 on the number of animal exhibits constructed. This was ascribed to the the stakeholder consultations that took longer than planned. However, the consultancy was eventually awarded and the studies in commenced.

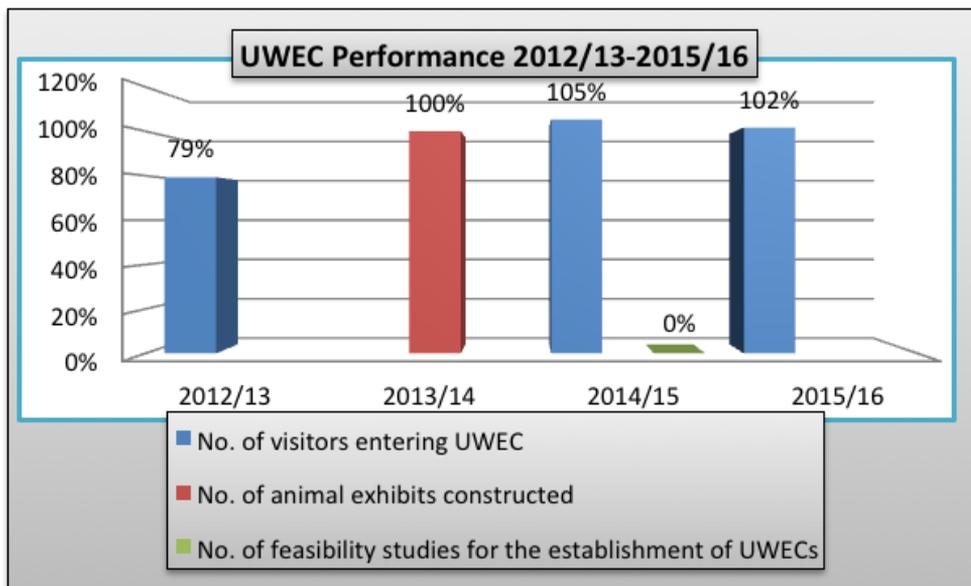


Figure 58: UWEC Performance 2012/13-2015/16

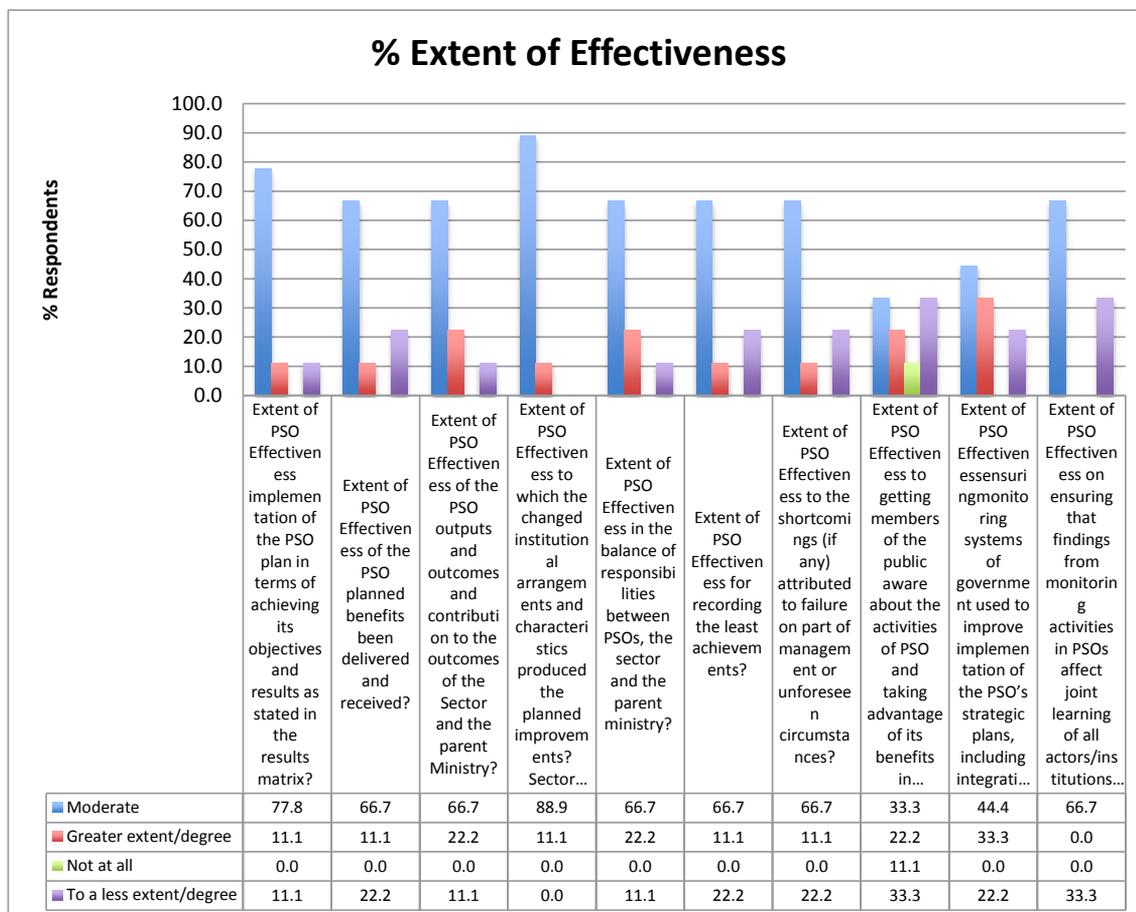


Figure 59: Percentage extent of PSO Effectiveness

2009 study findings and recommendations

	Uganda Wildlife Education Centre Trust				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Shs'millions	Shs'millions	Shs'millions	Shs'millions		
Revenue						
Own Sources		291.07	271.00	484.61	1,046.68	348.89
Social contributions					-	-
Grants						
Central Government		58.59	267.61	186.14	512.34	170.78
Other donors		1,521.85	1,667.97	1,757.27	4,947.09	1,649.03
Other revenue		12.58	-	-	12.58	4.19
TOTAL	-	1,884.09	2,206.58	2,428.02	6,518.69	2,172.90
Expenses						
Compensation of employees						
o/w Salaries			625.63	542.26	1,167.89	389.30
o/w Allowances			35.06	34.67	69.73	23.24
o/w Social Security Contributions					-	-
o/w other			52.54	12.89	65.43	21.81
Purchase of goods and services		1,724.43	651.35	566.37	2,942.15	980.72
Depreciation					-	-
Interest					-	-
Transfers to Central Government					-	-
Transfers to other agencies					-	-
Other expense			25.89	-	25.89	8.63
TOTAL	-	1,724.43	1,390.47	1,156.19	4,271.09	1,423.70
Net surplus/(deficit)	-	159.66	816.11	1,271.83		
Assets						
Non Financial Assets						
Land	-		-	-	-	-
Buildings	-	1,874.58	1,960.85	2,225.25	6,060.68	2,020.23
Vehicles	-	149.33	220.62	220.62	590.56	196.85
Equipment	-	165.20	481.45	539.10	1,185.75	395.25
Furniture & Fittings	-	551.46	583.01	600.84	1,735.31	578.44
Inventories	-	-	12.49	290.41	302.90	100.97
Valuables	-	-	-	-	-	-
Financial Assets						
Domestic						
Cash/deposits	-	275.72	314.42	1,165.03	1,755.17	585.06
Investment in securities	-	309.53	447.05	98.20	854.78	284.93
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	12.18	5.40	18.90	36.48	12.16
Foreign						

Cash/deposits	-	142.24	259.74	365.53	767.51	255.84
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	-	3,480.24	4,285.03	5,523.88	13,289.14	4,429.71
Liabilities						
Domestic						
Cash/deposits	-	22.50	-	-	22.50	7.50
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	104.02	66.15	38.26	208.43	69.48
Foreign						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	-	-	-	-	-
TOTAL LIABILITIES	-	126.52	66.15	38.26	230.93	76.98
					-	-
Closing Net Worth	-	3,353.72	4,218.88	5,485.62		
%						
Gov't funds/Total Revenue	0%	3%	12%	8%	0.23	0.08
Donor funds/Total Revenue	0%	81%	76%	72%	2.29	0.76
Other income/Total Revenue	0%	16%	12%	20%	0.48	0.16
% increase in Total Revenue		0%	17%	10%	0.27	0.09
% staff costs/total expenditure	0%	0%	51%	51%	1.02	0.34

Table 49: PSO Budget performance from 2009 Diagnostic Report

Comments

Uganda Wildlife Education Centre Trust had the mandate of education and awareness creation on wildlife conservation. The Centre offered a wide range of educational recreational and related amenities including a zoological garden, beach-sports, swimming, bird watching, accommodation, craft villages and traditional dances. Its main focus was wildlife conservation and education by creating and increasing awareness of the value of flora and fauna; wild animals and birds. It operated a medicinal plant garden with over 500 herbs, a bird watchers paradise with over 250 bird species. The PSO had registered steady revenue growth rates of over 10% pa as a result of bottom up cost centre planning and budgeting strategy though only an average of 16% were internally generated funds. An average 76% of its financing was donor funded which put its long term sustainability in question, in case donors pulled out.

Recommendation

Merge with Uganda Wildlife Authority, for more efficient and more sustainable resource use and for greater focus on conservation.

3.4.15. Non-Performing Assets Recovery Trust

2009 study findings and recommendations

	NPART				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Shs'millions	Shs'millions	Shs'millions	Shs'millions		
Revenue						
Own Sources	4,517.03	2,721.66	2,352.85	865.15	10,456.69	2,614.17
Social contributions					-	-
Grants						
Central Government					-	-
Other donors					-	-
Other revenue	0.43	0.98	3.37	-	4.78	1.19
TOTAL	4,517.46	2,722.64	2,356.22	865.15	10,461.46	2,615.37
Expenses						
Compensation of employees						
o/w Salaries	741.3	798.03	776.6	747.28	3,063.22	765.8
o/w Allowances	21.81	23.03	19.27	13.35	77.47	19.37
o/w Social Security Contributions					-	-
o/w other					-	-
Purchase of goods and services	1,005.89	546.86	569.03	401.55	2,523.34	630.83
Depreciation		70.27			70.27	17.57
Interest					-	-
Transfers to Central Government	2,800.00	1,200.00	900	-	4,900.00	1,225.00
Transfers to other agencies					-	-
Other expense					-	-
TOTAL	4,569.00	2,638.19	2,264.91	1,162.19	10,634.29	2,658.57
Net surplus/(deficit)	-51.53	84.44	91.31	-297.05		
Assets						
Non Financial Assets						

Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Vehicles	86.56	52.16	24.71	-	163.43	40.86
Equipment	37.83	18.38	6.37	0.53	63.11	15.78
Furniture & Fittings	16.55	6.15	2.24	0.94	25.87	6.47
Inventories	-	-	-	-	-	-
Valuables	-	-	-	-	-	-
Financial Assets						
Domestic						
Cash/deposits	257.04	135.76	587.11	431.11	1,411.01	352.75
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	2,394.70	2,577.64	2,138.63	2,104.58	9,215.55	2,303.89
Foreign						
Cash/deposits	-	-	-	-	-	-
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	2,792.68	2,790.09	2,759.05	2,537.15	10,878.97	2,719.74
Liabilities						
Domestic						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	526.75	509.95	431.67	539.66	2,008.03	502.01
Foreign						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	-	-	-	-	-
TOTAL LIABILITIES	526.75	509.95	431.67	539.66	2,008.03	502.01
					-	-
Closing Net Worth	2,265.93	2,280.14	2,327.38	1,997.49		
%						
Gov't funds/Total Revenue	0%	0%	0%	0%	-	-

Donor funds/Total Revenue	0%	0%	0%	0%	-	-
Other income/Total Revenue	100%	100%	100%	100%	4	1
% increase in Total Revenue		-40%	-13%	-63%	-1.16	-0.29
% staff costs/total expenditure	17%	31%	35%	65%	1.48	0.37

Comments

NPART was temporary in nature; it was created to collect government debts. Collections of debt were based on negotiations with defaulters, with minimal legal enforcement. This, together with external interference had led to low debt recovery rates (below 10%, on average), slow payment of the PSO's creditors, a low rate of remittance of collected funds to the Treasury (an average 38% is remitted) and high costs of debt recovery. There were large arrears owed to URA and there was a risk of litigation. Actually, 65% of all collections in 2006 was spent on staff costs!

Recommendation

Although a large stock of debt awaited collection, the PSO should be wound up due to its ineffectiveness. If still required, its function can be outsourced to the private sector.

3.4.16. Post Bank

Post Bank is a financial institution that was established government and it own 100% by them. The Ministry of Finance, Planning and Economic Development appoint the board. The current board members are;

Name of board member	Role of Chair/member in the PSO	Highest Education Level	Key Competences	Number of years served	Projected revenue 2015/16
Grace Bakunda	Chairperson of the Board	Post Graduate	Banking and Management Expertise	6 Years	594,199,424
Oode Obella	Chairperson of ALCO board Committee	Graduate	Accounting and Finance Expertise	6 Years	880,480,348
Hawa Lule Nsubuga	Chairperson of Human Resource and Compensation Committee	Post Graduate	Banking Expertise	6 Years	1,100,000,000
Grace Isabirye	Chairperson of Board Audit Committee	Post Graduate	Accounting, Finance and Strategic Management Expertise	5 years	210,000,000
Sebastian Okot Ondoga	Chairperson of the risk Mgt and Credit Committee	Post Graduate	Banking and Strategic Management Expertise	4 years	2784,679,772

Table 50: Board members and their roles

Board members status	No.	Retainer per month (shs)	Sitting allowance per meeting (shs)	No. of Meetings per year	Other benefits	Details on other benefits (travel, annual bonus..)	Total annual cost/ remuneration
Chairperson	1	Gross 3,000,000	Gross 1,000,000	6	None	Periderm \$620 and travel expense on trips abroad	62,000,000
Member	4	Gross 2,600,000	Gross 750,000	14	None	Periderm \$620 and travel expense on trips abroad	61,000,000 @

Table 51: Board Members and their Benefits

a) Efficiency

Document review showed that there was lack of evidence of assessment of the IFRS impairment workings. According to the Auditor General's report June 2016, there was no evidence of sufficient assessment of impairment workings by the finance team to guarantee completeness and accuracy of the computation. There were errors in inputs used in deriving the IFRS impairment provision like wrong interest rates and wrong collateral values although these were subsequently corrected for financial reporting purposes. Failure to appropriately review impairment workings may result into errors that end up filtering through the financial statements.

b) Effectiveness

According to an annual supervision report by Bank of Uganda, as at the end of December 2015, there were 11 institutions connected to Interswitch East Africa (Uganda) Limited which provides solutions that facilitate interoperability of ATMs for a number of banks. The banks connected to the Interswitch network are; Guaranty Trust Bank, Opportunity Bank, United Bank for Africa, Cairo International Bank, DFCU, Commercial Bank of Africa, Finance Trust Bank, Imperial Bank Uganda, Orient Bank and Centenary Bank including Postbank Uganda. Table 52 shows the change in the number of ATMs linked to Interswitch over the last 5 years for 5 selected banks/institutions.

Bank/Institution	2011	2012	2013	2014	2015	TOTAL	TOATL ATM	% OF TOTAL ATM
DFCU	26	29	33	46	46	180	200	90
POST BANK	0	0	25	31	33	89	150	59.33333
UBA	14	14	14	14	14	70	75	93.33333
CAIRO INT. BANK	2	3	3	4	4	16	25	64
CENTENARY	0	0	0	152	156	308	400	77

Table 52: Comparison of ATMs linked to Interswitch over a period of 5 years (Source: Bank of Uganda report)

Further analysis showed that the loan portfolio, issued to UPDF officers had not been insured since 2013 and the bank had a total outstanding balance for which the bank had no insurance cover of UGX.1,086,937,407 as at the 31st December 2015 hence exposing the bank to the risk of financial loss in the event of default. Management explained that most insurance providers were avoiding taking on this exposure citing the difficulty in obtaining disclosures relating to the National Army.

Analysis revealed that charges were made on customer deposits without communicating to them and Bank of Uganda which constitutes non-compliance with regulatory requirements. As a Bank of Uganda requirement all banks pay Deposit Protection Fund as per FIA (2004) based on last year's average weighted deposits. Consequently, during 2015, Postbank was invoiced UGX 361,501,775 and management resolved to recover some of the money paid from the customer deposits accounts. As such on 31 July 2015, all deposit accounts that existed by the end on 31 December 2014 were debited with UGX 2000 except for Giro and fixed deposits accounts. This was done without notifying the customers and as such, the bank is not required to recover the cost from the customers under the Act.

2009 diagnostic study

	Post Bank (U) Ltd				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Shs'millions	Shs'millions	Shs'millions	Shs'millions		
Revenue						
Own Sources	3,370.89	3,290.17	4,151.07	5,823.65	16,635.78	4,158.95
Social contributions	-	-	-	-	-	-
Grants						
Central Government	-	-	-	-	-	-
Other donors	-	-	-	-	-	-
Other revenue	1,692.02	1,224.21	865.53	474.42	4,256.18	1,064.04
TOTAL	5,062.91	4,514.38	5,016.60	6,298.08	20,891.96	5,222.99
Expenses						
Compensation of employees						
o/w Salaries	1,452.48	1,395.38	1,286.01	1,377.45	5,511.32	1,377.83
o/w Allowances		264.18	165.40	113.02	542.60	135.65
o/w Social Security Contributions		143.56	133.79	143.24	420.59	105.15
o/w other		307.21	250.55	311.15	868.91	217.23
Purchase of goods and services	2,016.69	2,527.90	2,088.13	3,134.66	9,767.38	2,441.85
Depreciation	362.49	430.99	472.57	470.95	1,737.00	434.25
Interest	400.56	321.93	307.04	164.26	1,193.79	298.45
Transfers to Central Government	-	-	-	-	-	-
Transfers to other agencies	-	-	-	-	-	-
Other expense	145.74	232.94	290.67	310.10	979.46	244.86
TOTAL	4,377.96	5,624.09	4,994.16	6,024.83	21,021.05	5,255.26
Net surplus/(deficit)	684.94	(1,109.71)	22.44	273.25		
Assets						

Non Financial Assets						
Land	-	-	882.91	865.50	1,748.41	437.10
Buildings	3,005.30	2,977.00	1,754.38	4,459.12	12,195.80	3,048.95
Vehicles	66.37	120.03	64.57	-	250.96	62.74
Equipment	612.44	551.42	382.79	-	1,546.65	386.66
Furniture & Fittings	424.08	440.88	437.19	-	1,302.15	325.54
Inventories	-	156.69	74.64	-	231.33	57.83
Valuables	94.40	329.40	242.24	178.68	844.71	211.18
Financial Assets						
Domestic						
Cash/deposits	2,083.67	3,424.10	3,885.40	4,578.03	13,971.20	3,492.80
Investment in securities	11,355.27	6,829.58	8,705.37	2,532.38	29,422.60	7,355.65
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	10.10	5,588.99	13,825.73	19,424.82	4,856.21
Other Accounts receivable	5,748.30	7,759.10	3,658.90	7,476.99	24,643.29	6,160.82
Foreign						
Cash/deposits	-	148.64	276.98	89.40	515.02	128.76
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	23,389.83	22,746.93	25,954.36	34,005.82	106,096.95	26,524.24
Liabilities						
Domestic						
Cash/deposits	17,140.14	18,062.13	21,155.88	28,930.96	85,289.11	21,322.28
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	1,941.66	1,216.79	1,308.03	1,311.20	5,777.68	1,444.42
Foreign						
Cash/deposits	-	-	-	-	-	-
Securities						
Shares and other equity						
Loans						
Other Accounts Payable						
TOTAL LIABILITIES	19,081.80	19,278.92	22,463.91	30,242.15	91,066.78	22,766.70
					-	-
Closing Net Worth	4,308.03	3,468.01	3,490.45	3,763.67		

%						
Gov't funds/Total Revenue	0%	0%	0%	0%	-	-
Donor funds/Total Revenue	0%	0%	0%	0%	-	-
Other income/Total Revenue	100%	100%	100%	100%	4.00	1.00
% increase in Total Revenue		-11%	11%	26%	0.26	0.06
% staff costs/total expenditure	33%	38%	37%	32%	1.40	0.35

Table 53: PSO Budget Performance from the 2009 Diagnostic Report

The bank had operational losses but it was in the process of strengthening its equity base, new owners or partners were being sought in view of government intention to partly privatize the bank. The bank had a large (or potentially large) customer base with in the middle and low income earners. It had donor support in the development of information technology systems and staff training. It had low upcountry outreach, faced competition from unregulated and non-traditional financial players. However, as a government owned bank it gave a sense of stability and security to customers.

Recommendation

Maintain and consider capitalization.

3.4.17. National Agricultural Genetic Resources Centre

The National Animal Genetic Resources Centre and Data Bank (NAGRC & DB) formally the Animal Breeding Centre (ABC) was established in 1960 as an Artificial Breeding Centre, mainly to offer artificial Insemination (AI) services to the dairy farmers. It was also charged with improvement of indigenous cattle through selective breeding and crossbreeding the indigenous cattle with imported exotic bulls.

ABC had been under the Department of Animal Production and Marketing in the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) until May 2001, when it was established into a body corporate (NAGRC&DB) under the Animal Breeding Act, 2001.

The National Animal Genetic Resources Centre and Data Bank had its mandate expanded and charged with spearheading all breeding activities in the country and mandated to operate on commercial basis in discharging its functions and also carry out development activities which will be funded by government.

Additionally, for sustainability, the centre has become increasing commercialized. Through the recently ended Cattle Breeding Project, now field A.I. services are operating on the principles of increased cost recovery and gradual privatization. The civil strife of the 1970's and early '80s adversely affected efforts of livestock improvement in the country. There have, however, been several efforts by the Government of Uganda and its partners in development to reverse the harm done.

The development path included the DANIDA supported Master Plan for the Dairy Sector of 1992, that recognised the need for a coherent and comprehensive policy to guide all stakeholders in the improvement and conservation of the national AnGR. Again, under the auspices of DANIDA, a Cattle Breeding Project was funded and implemented with the production of a number of documents that spell out the institutional and legal frameworks for livestock breeding in Uganda.

During the month of June, 2003, seven farms were officially handed over to NAGRC & DB by MAAIF to facilitate breeding activities in the Country. The farms handed over are Njeru, Rubona, Nshaara, Ruhengere, Kasolwe, LES and Bulago stock farm.

Activities

To attain the above objectives the Centre shall undertake both commercial and development activities as below:

Commercial Activities

1. Production, procurement and sell of semen, eggs, ova, embryos, founder brood stock of fisheries resources; liquid nitrogen, breeding and reproductive equipment.
2. Carry out open nucleus breeding schemes and reproduction extension services to farmers on the farms of the Centre and offer for sale properly bred and recorded good quality livestock to farmers and raising superior sires and dams for production of semen and embryos respectively.

Development Activities

1. Serve as a National Animal Genetic Data Bank; Animal Genetic Resources Evaluation Centre and Laboratory, Gene Depository and Examination Centre as well as quarantine and evaluation Centre for imported genetic material.
2. Serve as a National Central Livestock Registry and to promote herd recording and performance testing on farms in Uganda.
3. Offer and conduct specialized training to AI and ET technicians, staff and farmers in aspects of Animal and Fish breeding and management.
4. Encourage formation of Breeder's Associations and foster the development of Breed Societies.
5. Develop guidelines on breeding and multiplication of improved breeds, implement a field oriented breeding extension services for field workers and farmers and monitor of these activities.
6. Promote the use of Natural Breeding by improved bulls in areas without A.I. services and carry out any other functions that may be delegated and funded by government.

2009 diagnostic study findings and Recommendations

	National Animal Genetic Research Centre				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Sh'smillions	Sh'smillions	Sh'smillions	Sh'smillions		
Revenue						
Own Sources					-	-
Social contributions					-	-
Grants						
Central Government	237.50	363.77	500.12		1,101.39	367.13
Other donors					-	-
Other revenue		319.63	348.78		668.40	222.80
TOTAL	237.50	683.39	848.90	-	1,769.80	589.93
Expenses						
Compensation of employees						
o/w Salaries	75.03	301.04	411.02		787.08	262.36
o/w Allowances					-	-
o/w Social Security Contributions					-	-
o/w other					-	-
Purchase of goods and services	162.47	382.36	437.89		982.72	327.57
Depreciation					-	-
Interest					-	-
Transfers to Central Government					-	-

Transfers to other agencies					-	-
Other expense					-	-
TOTAL	237.50	683.39	848.90	-	1,769.80	589.93
Net surplus/(deficit)	(0.00)	(0.00)	-	-		
Assets						
Non Financial Assets						
Land	-		-	-	-	-
Buildings	-		-	-	-	-
Vehicles	-		-	-	-	-
Equipment	-		-	-	-	-
Furniture & Fittings	-		-	-	-	-
Inventories	-		-	-	-	-
Valuables	-		-	-	-	-

Table 54: PSO Budget Performance from the 2009 Diagnostic Report

Legally constituted under the Animal Breeding Act, 2001, the Centre operated commercially, was financially autonomous and self-accounting. The Executive Director and the Board were in place with well laid out operational and reporting guidelines. The Board had formulated and adopted the NAGRIC & DB Financial Regulations 2005 and Internal Control Systems for sound financial management.

The Centre had for the past four financial years internally financed over 40% of its budget partly from the sale of high quality and variety of semen. Previously dilapidated ranches like Maruzi in Apac District had been rehabilitated, re-stocked and operations had begun. However, production of semen had been hampered by equipment breakdowns. Some of the land owned by the PSO was unsurveyed and had been encroached upon by neighboring communities.

The organization lacked an Accountant and an internal Auditor. The staffing establishment was below what was approved. Most staff were still on Government Terms and Conditions which are very low. Limited funding had curtailed the full operations of NAGRC & DB. For example, the Centre had a budget deficit of Ushs.56, 983,734 for Financial Year 2006/2007. Most funds were directed to rehabilitation and re-stocking. Some financing was received from development partners like the Australian Academy of Science- ONBS.

Recommendation

Merge with NARO to improve value-for-money in service delivery as well as technical and management capacity.

3.4.18. Uganda Investment Authority

Board composition

a) Relevance

Uganda Investment Authority (UIA) set up under the Investment Code 1991 is a statutory agency mandated to initiate and support measures that enhance investment in Uganda and advise Government on appropriate policies conducive for investment promotion and growth. The changing investment environment and Government priorities have necessitated the modification of UIA's mandate.

Uganda Investment Authority is a semi-autonomous government agency which drives national economic growth and development in partnership with the private sector. As an Investment Promotion Agency, UIA mainly: markets investment opportunities; promotes packaged investment projects; ensures local and foreign investors have access to information, especially about the business environment so as to make more informed business decisions; and offers business support, advisory and advocacy services.

Mission: Promote, attract and retain value adding domestic and foreign direct investments through targeted marketing and aftercare services.

Vision: Uganda the preferred Investment Destination in Africa.

Objectives of UIA

1. Attract value adding investment that brings technology, skills & jobs;
2. Contribute to the image of Uganda as a leading African Investment destination;
3. Provide serviced sites, buildings & competitive infrastructure to meet the needs of growing Ugandan based businesses
4. Stimulate & lead key stakeholders in creating a competitive business environment;
5. Setup and develop Industrial and Business Parks; and
6. Offer support to SMEs

b) Effectiveness

Analysis showed that over the period 2011/12-2015/16 UIA licenced a total of 1825 projects. The period 2013/14 saw the most (25%) of the total licenced projects over the review period with 72% being foreign owned, 20% local and 8% joint venture. The period 2011/12 to 2013/14 saw a 13% decline in the number of local licenced projects while the same period had an increase in the number of foreign licenced projects by 11% from 64%.



Source: World Investment Report 2015 and 2016, by UNCTAD

Figure 60: FDI flows to Uganda in US Million dollars, 2009 to 2015

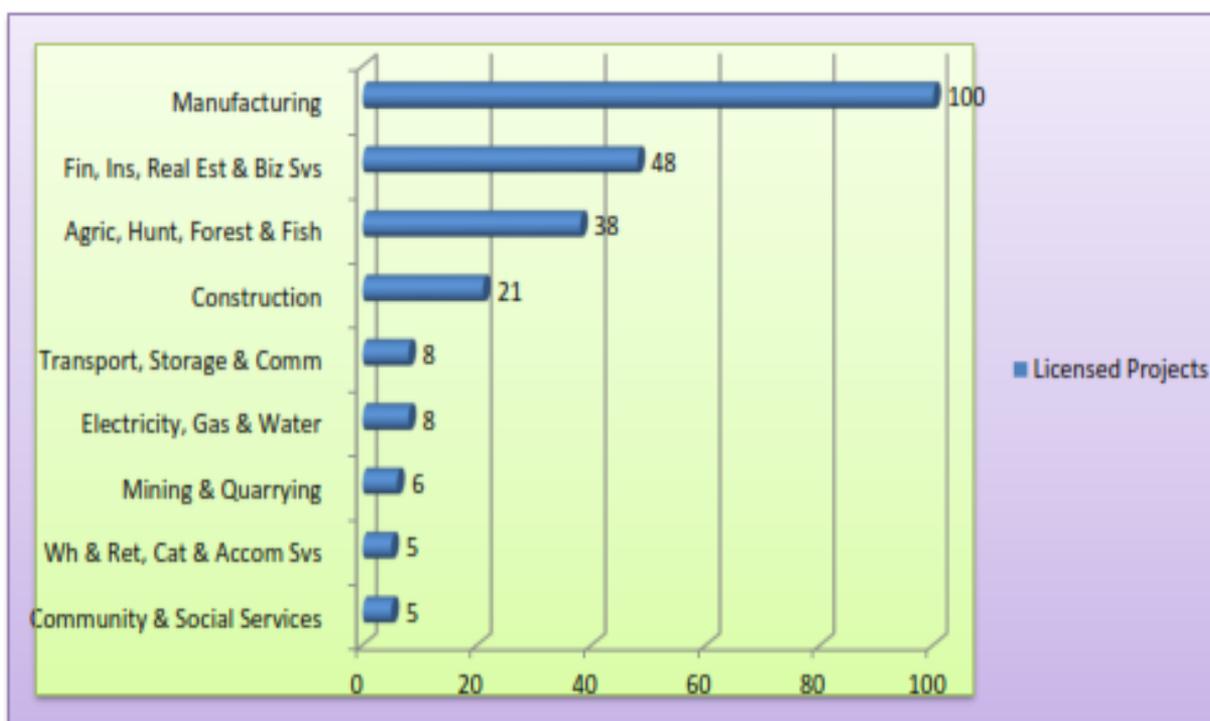


Figure 61: Distribution of FDI Licensed Projects by Sector, 2015/16

Further analysis showed that 81% of the licensed project over the review period 2011/12-2015/16 was in the central region with 8%, 6% and 5% from the Eastern, Western and Northern regions. The table below shows a detailed distribution of licensed projects by Ownership, and region.

YEAR	FOREIGN	JOINT VENTURE	LOCAL	CENTRAL	EASTERN	NORTHERN	WESTERN	TOTAL
2011/12	175	19	78	202	29	11	30	272
2012/13	307	32	73	320	38	25	29	412
2013/14	347	40	74	385	28	28	20	461
2014/15	232	40	55	286	15	15	11	327
2015/16	246	16	91	284	34	16	19	353
TOTAL	1307	147	371	1477	144	95	109	1825

Table 55: Detailed Distribution of Licensed Projects by ownership and region

In terms of sector distribution of the licensed projects, document review showed that over the period 2011/12-2015/16 the majority 42% of the licensed projects was in manufacturing followed by the Finance, Real estate Business services at 19% and the Agricultural related sector at 14%. On the other hand electricity water and gas recorded the least licensed projects by UIA at just 3% as illustrated below.

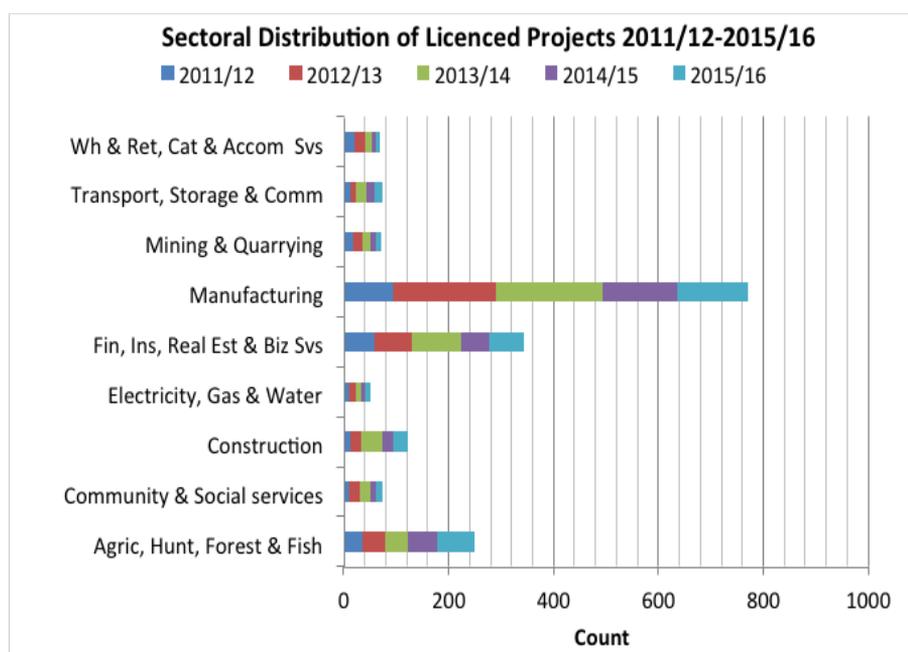


Figure 62: Sectoral Distribution of Licensed Projects 2011/12-2015/16 (Source: Uganda Investment Authority Database, 2016)

For the year 2015/16, the following key achievements were recorded:-

1. Financial Year 2015/16 registered an 8.2 percent increase in licensed investment, from US \$ 1,406 million in 2014/15 to US \$ 1,522 million, in 2015/16. This increase was attributed to a local agricultural project which was worth US \$ 205 million.
2. Foreign investors registered the highest level of licensed investment (US \$ 900.6 million) and this accounted for 80 percent of all the licensed investment.
3. The Central region registered the highest amount of licensed investment (US \$ 728 million) and this accounted for 47.8 percent of all the licensed investment in 2015/16.
4. The Agriculture Forestry and Fisheries sector registered the highest amount of licensed investment (US \$ 328.5 million); accounting for 21.6 percent of all the licensed investment.
5. Electricity, Gas and Water sector registered the highest amount of actual investment (US \$ 202.4 million) and this accounted for 36 percent of all the actual investment in 2015/16.
6. China registered the highest amount of FDI licensed investment (US \$ 126.9 million) and this accounted for 18.1 percent of all the FDI licensed investment in 2015/16.
7. Financial Year 2015/16 registered a 22 percent increase in actual investment from US \$ 456 million in 2014/15 to US \$ 558 million in 2015/16

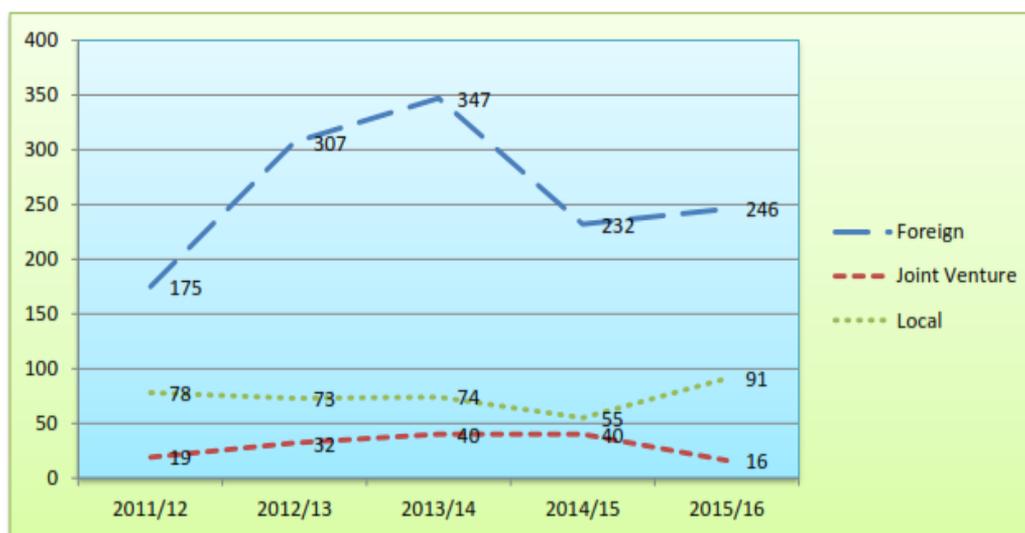


Figure 63: Distribution of Annual Licensed Projects by ownership 2011/12-2015/16

In terms of employment, the following achievements are reported by the authority (Investment Abstract, 2016):-

1. Financial Year 2015/16 registered a 21 percent decrease in planned Employment from 44,763 in 2014/15 to 35,227 in 2015/16. The five year trend indicates that the level of planned employment reached a climax of 64,549 in 2012/13 and it later experienced a downward trend reaching 35,227 in 2015/16.
2. Actual employment at the time of data collection increased by 8.4 percent from 12,717 in 2014/15 to 13,779 in 2015/16. The employment realization rate (actual compared to planned employment) for investments creating jobs in the first year of investment, increased from 28.4 percent in 2014/15 to 39.1 percent in 2015/16.
3. The Manufacturing sector registered the highest amount of planned employment 11,994, accounting for 34 percent, followed by Agriculture with 11,639 planned employment, which accounted for 33 percent of all the planned employment in 2015/16.

Figure 21: Trend of Planned Versus Actual Employment, 2012/13 to 2015/16

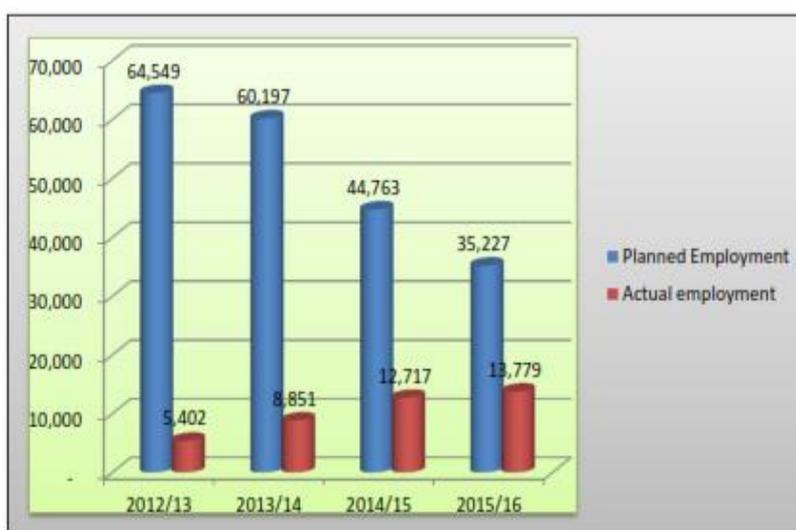


Figure 64: Trend of Planned Versus Actual Employment 2012/13-2015/16

1. Ugandan owned projects registered the highest level of planned employment (17,797) and this accounted for 51 percent of all the planned employment in 2015/16.
2. China was in the second position with 4,979 and this accounted for 14 percent of all the planned employment in 2015/16.
3. The Manufacturing sector registered the highest level of planned employment (11,994) and this accounted for 34 percent of all the planned employment in 2015/16.
4. Actual employment in the first year of licensing increased by 8.4 percent from 12,717 in 2014/15 to 13,779 in 2015/16. The employment realization rate (actual compared to planned employment) increased from 28.4 percent in 2014/15 to 39.1 percent in 2015/16.

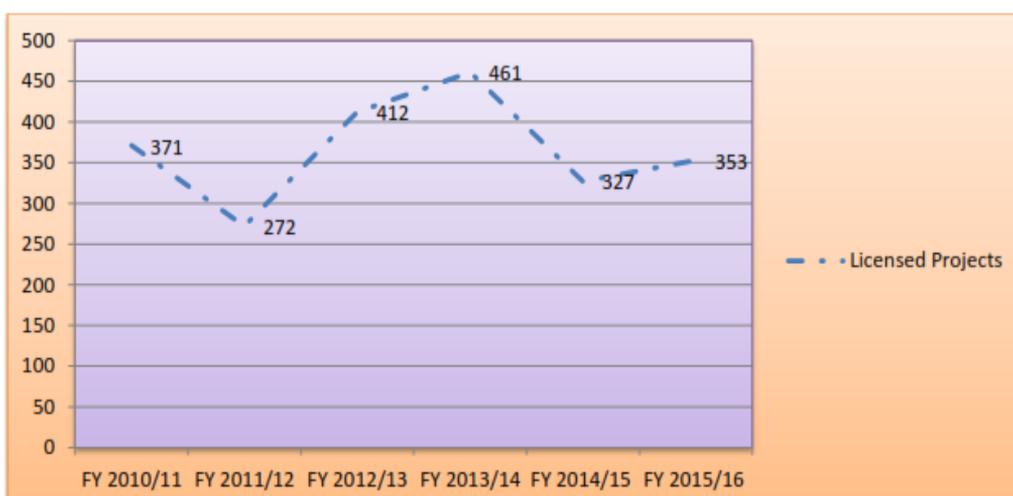


Figure 65: Licensed Projects: Trends for last 5 FYs 2010/11-2015/16

Ownership	2011/12	2012/13	2013/14	2014/15	2015/16	% Distribution for 2015/16	% Change (2015/16) to 2015/16)
Foreign	175	307	347	232	246	69.7	6.0
Joint Venture	19	32	40	40	16	4.5	-60.0
Local	78	73	74	55	91	25.8	65.5
Total	272	412	461	327	353	100.0	8.0

Source: Uganda Investment Authority Database, 2016

Table 56: Distribution of Annual Licensed projects by ownership 2011/12-2015/16

The cumulative distribution of licensed projects over the last five years indicates that the Manufacturing Sector registered the highest number of licensed projects (770) and these accounted for 42,2 percent of all the licensed projects between 2011/12 and 2015/16. Finance Insurance and Real Estate sector was in the second position with 248 projects, followed by the Agriculture Sector with 248 licensed projects.

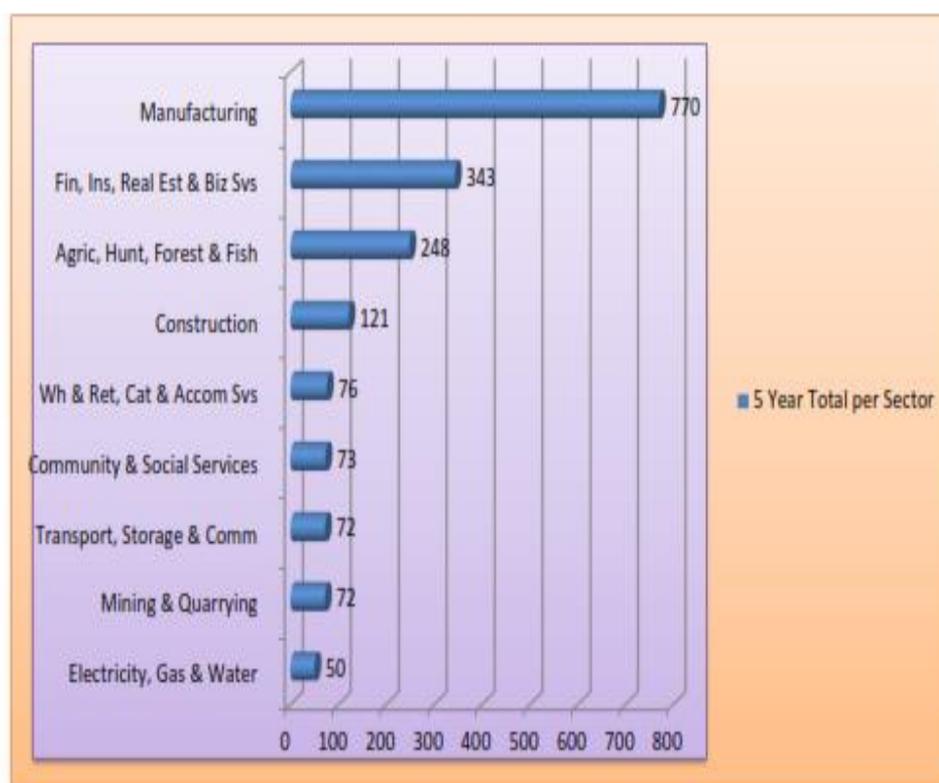


Figure 66: Cumulative distribution of Licensed projects by sector 2011/12-2015/16

	2013/14			2014/15			2015/16		
	Country	Licensed projects	% distribution	Country	Licensed projects	% distribution	Country	Licensed projects	% distribution
1	India	122	36.3	India	65	26.0	China	66	27.6
2	China	53	15.8	China	55	22.0	China	66	13.9
3	United Kingdom	22	6.5	United Kingdom	11	4.4	Kenya	16	4.5
4	Eritrea	17	5.1	Pakistan	10	4.0	Pakistan	12	3.4
5	Pakistan	14	4.2	Kenya	9	3.6	Eritrea	11	3.1
6	Kenya	12	3.6	United Kingdom	9	3.6	United Kingdom	11	3.1
7	United States	11	1.8	Eritrea	7	2.8	Mauritius	6	1.7
8	South Africa	6	1.5	United Arab Emir	6	2.4	United States	6	1.7
9	Ethiopia	5	1.2	Canada	5	2.0	Turkey	5	1.4
10	Canada	4	79.2	Germany	5	2.0	Sri Lanka	4	1.1
		266	79.2		182	72.8		186	61.6

Source: Uganda Investment Authority Database, 2016

Table 57: The Top 10 source Countries for Licensed Projects 2013/14-2015/16

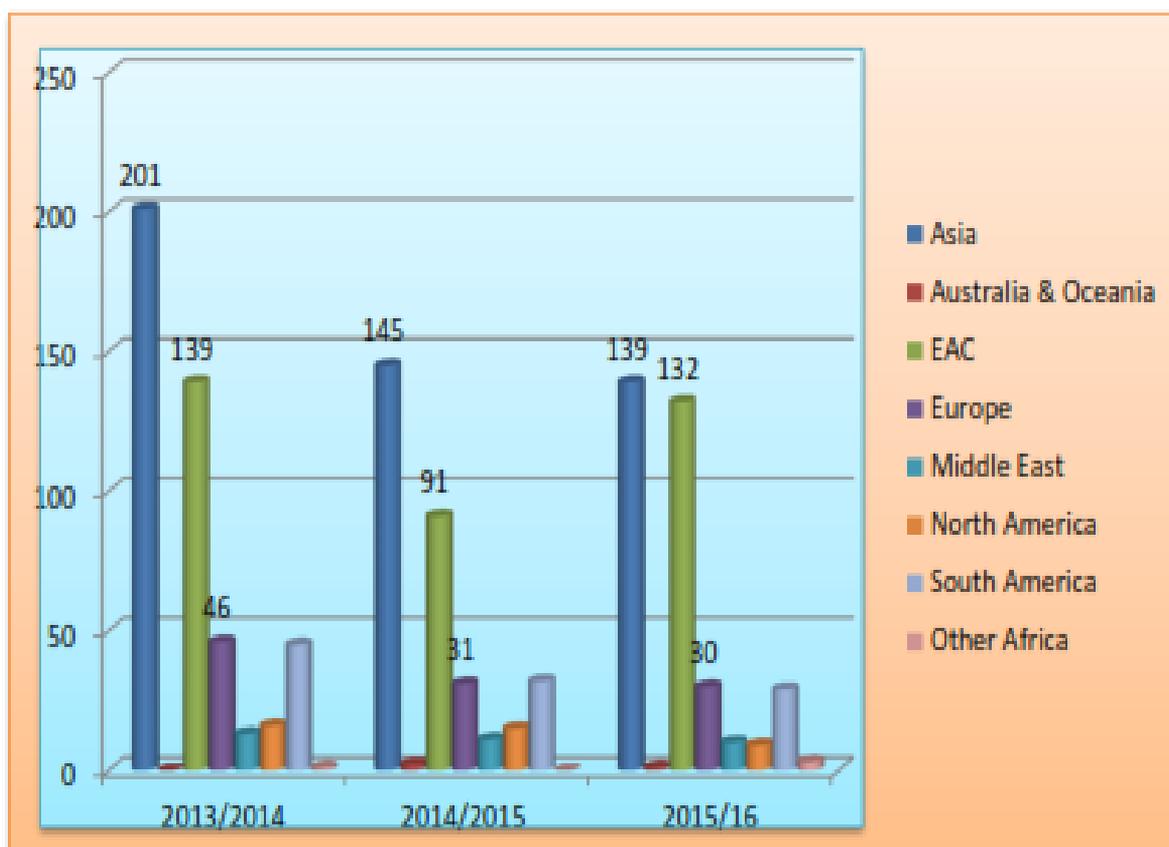


Figure 67: Licensed Projects by regional Block 2013/14-2015/16

Figure 16: Licensed Investment by Ownership, 2014/15 - 2015/16

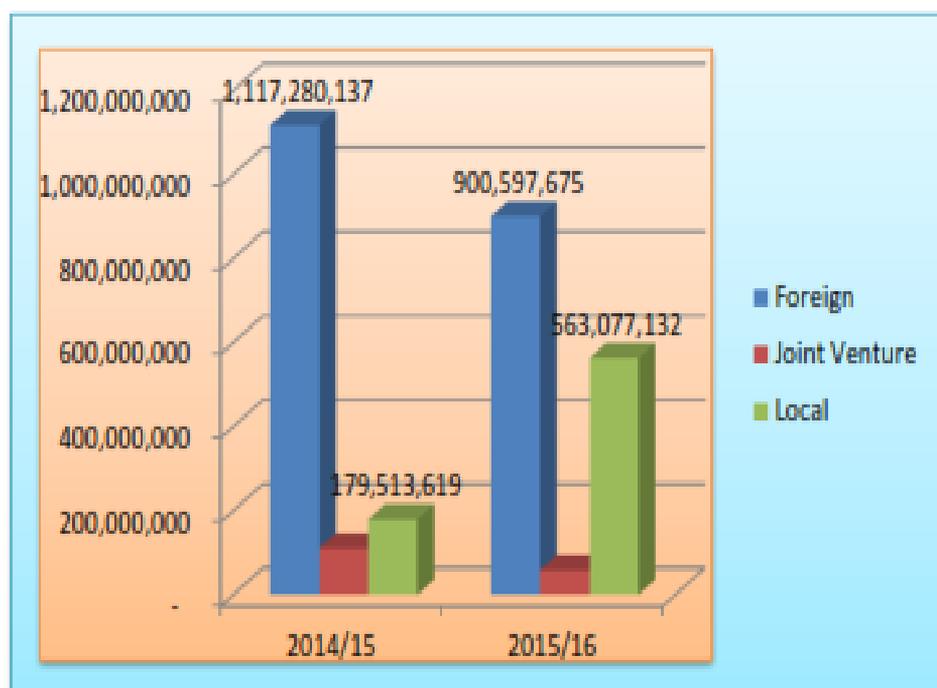


Figure 68: Licensed Investment by Ownership 2014/15-2015/16

2009 study findings and recommendations

	Uganda Investment Authority				Total	Period Average
	2002/03	2003/04	2004/05	2005/06		
	Shs'millions	Shs'millions	Shs'millions	Shs'millions		
Revenue						
Own Sources		169.09	389.86		558.95	279.47
Social contributions		-	-		-	-
Grants						
Central Government		3,205.22	1,609.78		4,815.00	2,407.50
Other donors		-	-		-	-
Other revenue		-	-		-	-
TOTAL	-	3,374.31	1,999.64	-	5,373.94	2,686.97
Expenses						
Compensation of employees						
o/w Salaries		920.36	938.86		1,859.21	929.61
o/w Allowances		42.20	65.66		107.86	53.93
o/w Social Security Contributions		138.85	133.60		272.45	136.22
o/w other		97.27	1.77		99.04	49.52
Purchase of goods and services		1,684.94	1,333.60		3,018.55	1,509.27
Depreciation			83.82		83.82	41.91
Interest					-	-
Transfers to Central Government					-	-

Transfers to other agencies					-	-
Other expense					-	-
TOTAL	-	2,883.61	2,557.31	-	5,440.92	2,720.46
Net surplus/(deficit)	-	490.69	(557.67)	-		
Assets						
Non Financial Assets						
Land	-	2,971.30	2,980.30	-	5,951.60	2,975.80
Buildings	-	675.45	658.16	-	1,333.61	666.80
Vehicles	-	73.36	46.75	-	120.11	60.06
Equipment	-	39.68	16.32	-	56.00	28.00
Furniture & Fittings	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Valuables	-	-	-	-	-	-
Financial Assets						
Domestic						
Cash/deposits	-	526.07	30.89	-	556.96	278.48
Investment in securities	-	8.58	8.58	-	17.15	8.58
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	56.59	69.90	-	126.49	63.24
Foreign						
Cash/deposits	-	-	-	-	-	-
Investment in securities	-	-	-	-	-	-
Investment in shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	-	4,351.02	3,810.89	-	8,161.91	4,080.96
Liabilities						
Domestic						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	177.42	194.94	-	372.36	186.18
Foreign						
Cash/deposits	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Shares and other equity	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Accounts Payable	-	-	-	-	-	-
TOTAL LIABILITIES	-	177.42	194.94	-	372.36	186.18

					-	-
Closing Net Worth	-	4,173.60	3,615.95	-		
%						
Gov't funds/Total Revenue	0%	95%	81%	0%	1.75	0.88
Donor funds/Total Revenue	0%	0%	0%	0%	-	-
Other income/Total Revenue	0%	5%	19%	0%	0.25	0.12
% increase in Total Revenue		0%	-41%	-100%	(1.41)	(0.70)
% staff costs/total expenditure	0%	42%	45%	0%	0.86	0.43

Table 58: PSO Budget Performance from the 2009 Diagnostic Report

The Uganda Investment Authority was not up to date on financial reporting. Government funding was cut by over 50% in 2004/2005 leading to a budget deficit of Ushs.558bn. There appeared to be a relatively high expenditure on the Board activities with over 42% of total funds covering staff costs. There had been an outcry for increased focus on promotion of local investors. There was also need for routine activities such as conference organisation, development of promotional materials such as video clips for international audience that can be contracted out for cost effectiveness. The planning process followed guidelines laid down by the Ministry of Finance through Sector Working Group mechanism. Major activities of UIA involved key players from outside the organisation, particularly, the Civil Service and this sometimes affects efficiency.

Recommendation

Maintain. Plays critical role in an important sector.

3.4.19. Uganda Industrial Research Institute

Board Composition

a) Relevance

Uganda Industrial Research Institute (UIRI) is a parastatal organization under the auspices of the Ministry of Trade and Industry that was established to promote industrialization in Uganda. The goal of the Institute is to improve trade performance and efficiency, allow for business function of a small number of Small and Medium Enterprises (SMEs) that were originally established under the auspices of UIRI. As the Institute continues to develop and nurture these businesses, the anticipated results will be for these businesses to act as models for other product lines and sectors.

Main objective

The core objective of the Institute is to engage in activities that lead to rapid industrialization by identifying appropriate and affordable technologies that enhance value addition to local products meant for National, Regional and International markets.

To effectively execute the above objective, UIRI has outreach programmes in the districts of Busia, Mubende, Masaka, Mukono, Soroti, Kasese, Kumi, Mpigi, Lira, Arua, Mbale, Kayunga, Kampala, Mbarara and Kabale and will continue opening in other parts of the Country. These programmes are aimed at creating jobs leading to diversification, modernization and wealth creation.

b) Efficiency

Document review showed that UIRI had budgeted to receive transfers from Treasury worth UGX.14,340,221,315 but only UGX.13,273,941,038 was received leading to a shortfall of UGX.1,066,280,277. Document review revealed that as a result this shortfall, procurements worth USD.330,834 were not undertaken. This in turn affected the implementation of planned activities. The review further revealed that the entity charged wrong expenditure codes to a tune of UGX.65,181,828. The practice is contrary to the intensions of appropriating authority and leads to incorrect financial reporting. The entity had outstanding UMEME bills amounting to UGX.442,415,714 and had arrears of property rates accruing from three properties worth UGX.91,460,257 as per demand notice from KCCA dated 18th September 2015. Below is a summary of major findings of according to Auditor General's Report 2016

No	Finding	Significance
1.	Budget shortfall	High
2.	Mischarge of Expenditure	High
3.	Outstanding UMEME bills –	High
4.	Failure to Disclose Outstanding Property Rates	Moderate
5.	Maintenance of an Old Fleet of vehicles	Moderate

Table 59: Summary of Auditor General's 2016 report (Source: Auditor General Report June 2016)

2009 study findings and recommendations

Uganda Industrial Research Institute was found to be a new initiative by Government created to develop industrial research capacity. It had established links with universities and other institutions of higher learning, collaborating in research and practical training specifically in value addition and agro-processing using appropriate technology. UIRI had modern practical research facilities and infrastructure. It had a comprehensive strategic plan that guided its programmes. Budget allocation to its programme from Government had been gradually increasing over the last three years and there was a high potential to generate its own revenue. It had inadequate establishment, had no Board for a relatively long time (three years after its set up). Its link with private sector organisations such as the Uganda Manufacturers Association and the Private Sector Foundation needed to be strengthened because the private sector was the major consumer if its services.

Recommendation

Maintain and strengthen links to the private sector.

3.4.20. Transport Licensing Board

The evaluation team found difficulty in accessing information from this PSO as the secretary was non-cooperative and kept referring research teams to ministry of works and transport as the source of required information. This made the evaluator's imply the irrelevance of this PSO since it could not account for the activities they had been undertaking which was the overall goal of the study.

Through largely the secondary sources, the brief highlights about this PSO is as follows:-

Composition of the Board Members by Gender

The current Board Membership comprises of 9 members with a ratio of male to female at 6:3 as illustrated below.

	Board member	Position	Gender
1	Mr. John Mutenda	Chairman	Male
2	Mr. Godfrey O. Wandera	Representing the Director of Transport	Male
3	Dr. Steven Munanura Kasiima	Representing the IGP	Male
4	Ms. Juliana Namakula		Female
5	Mrs. Mable Nakitto		Female
6	Mr. Paul Cheptai		Male
7	Mr. Godfrey M. Onyango		Male
8	Mr. Winstone Katushabe	Board Secretary	Male
9	Mrs. Robinah Rwakoojo,	Representing the Solicitor General	Female

Table 60: Composition of Board Members

As can be seen from the above, of the 9 members, 6 (67%) are males as compared to 3 (33%) who are females. It should be noted that the member representing the Solicitor General, Mrs. Robinah Rwakoojo, resigned before expiry of her term of office.

Transport Licensing Board (TLB) is a statutory body established by Section 61 of the Traffic and Road Safety Act, 1998. The Act provides for the composition of the Board as follows:-

- Board Chairman,
- The Inspector General of Police or his representative
- The Chairperson of National Road Safety Council (NRSC)
- The Solicitor General or his representative
- The Director of Transport in the Ministry responsible for Transport or his/her representative
- Two representatives of the motor industry, and
- Two representatives of the travel industry.
- The Board Secretary

Members of the Board are appointed by the Hon. Minister of Works and Transport. The Act also provides for a Secretary to the Board who shall be a public officer and such other staff as may be necessary for the efficient performance of the functions of the Board.

The functions of the board include to regulate the use of public transport vehicles, private omnibuses, goods vehicles other than owners' transport and producer sellers' vehicles throughout Uganda in accordance with the provisions of the Traffic and Road Safety Act, (1998) through:

1. Granting routes for bus operations.
2. Inspection and licensing of Public Service Vehicles, and
3. Under the Inland Water Control Act (1939), licensing of Inland Water Transport Vessels.
4. Discharge such other functions as the Minister may from time to time by statutory order, direct.

The September 2016 sector annual report indicated the following physical activities as having been recorded under the department where the board falls:-

- Traffic and Road Safety Act 1998 was reviewed as had been planned.
- Drafting Principles for the IWT submitted to Cabinet as planned.

- Internal Consultations on the Drafting Principles for Amendment of the RSA made
- Cabinet Memo for acceding to SOLAS Convention made
- Draft Motor Vehicle Inspection Regulation approved by TMT
- Principles for IWT Bill submitted to Cabinet Secretariat
- Draft Principles for Amendment of TRSA 1998 completed
- Only 3. Major road accidents involving more than five fatalities were investigated and reports submitted. This depended on the occurrence of the accidents.
- 1. Road Safety week conducted and report submitted .This was as planned for.
- 2 out of 2 planned Sensitisation meetings were held with taxi drivers in Kampala and Wakiso
- 14,143 PSVs inspected and licensed instead of the 20,000 PSVs planned for enforcement by police was inadequate.
- 832 bus operator licenses processed out of the 900 planned for due to limited funding.
- 45% bus routes monitored out of all the route due to limited funding
- 40 Driving Schools inspected instead of the planned 60 due to limited funding.
- It was planned to have First draft of the National Civil Aviation Policy prepared and this was achieved.
- Attending the East African Consultative meeting on facilitation of Air Transport in Nairobi
- 3. Inspections out the 2 planned for inspections on Entebbe International Airport were carried out by EIAIC.
- 05 No. National Air Transport Facilitation meetings organized and attended
- One inspection of upcountry aerodrome in Arua conducted out of the 13 planned for due to limited funding.
- Drafting Principles for the Amendment of the Civil Aviation Act resubmitted to First Parliamentary Council with amendments.
- Cabinet memo for ratification of 18 ICAO conventions and protocols resubmitted to cabinet secretariat with amendments.
- Terms of Reference for developing a 5-year business plan for the EACAA Soroti drafted as planned .
- EAC consultative meeting on facilitation of Air Transport attended from 8 - 12 November 2015.
- Consultative workshop on ratification of International Air Law Instruments organized and attended 16 Dec 2015.
- 10. BASAs were negotiated and signed (UAE, Botswana, Egypt, Turkey, Austria, Saudi Arabia and Luxemburg) at ICAN and Mauritius and Congo
- 28 non-conventional water vessels inspected for safety.
- 5 of landing sites inspected for safety instead of all of them due to limited funds.
- Attended CCTFA meeting in Kigali
- Attended IMO bin annual general assembly meeting in London.
- Flag state control conducted on 8. Of domestic conventional water vessels.
- 80% of Data Recovery Centre Completed out of the planned 80%
- System including Software at UCDP Facility Upgraded
- Additional Live Capture Stations for PSV Badges procured
- Generator for Data Recovery Centre/Business Continuation Site Procured
- 130 of PSV Driver Badges Produced

2009 diagnostic study findings and Recommendations

The Boards mission, objectives and key functions were not well focused towards transport licensing. In addition, TLB did not have adequate capacity to enforce transport licensing regulations. This was not helped by the fact that there was poor revenue collection structures, systems and methods, leading to a high level of non-compliance. In addition, there was duplication between the Ministries of Works, Local Government, and the Ministry of Agriculture, Animal Industry and Fisheries in the licensing and enforcement of regulations for internal water surface vessels.

Recommendation

Transfer function to newly formed Uganda National Roads Authority, to raise its profile (and improve access to resources) and build technical and management capacity.

4.1. Introduction

This chapter draws conclusions emerging from the evaluation findings and makes overall recommendations regarding the PSO sector based on the findings from the sampled number.

4.2. Conclusion

The evaluation concludes as follows:-

1. There is reported duplication of mandates and functions among PSOs which leads to resource wastage and coordination challenges.
2. There are challenges relating to effective board Governance which translates to effective performance of PSOs remain an issue. There is no harmonized framework for board composition and performance across government.
3. There is also a variation in allowances payable to boards across the sector. While the Ministry of Finance came up with a harmonized position in February 2017, the implementation appears not to have taken effect but even then it covered only 19 of the PSOs.
4. There is lack of a uniform board governance model in Uganda's PSO sector. Some boards have executive functions as per their establishment while others are expected to provide oversight functions only.
5. Most assessed PSOs have been in existence for a relatively long period. Despite the years of existence, they lack sustainability plans beyond reliance on development partners or Government for funding their activities.
6. The PSO sector still grapples with a number of management and leadership weaknesses. These weaknesses do not contribute to the public good expected of the PSO sector. The sector is expected to demonstrate the highest levels of efficiency and effectiveness.
7. Some CEOs are too bureaucratic and unresponsive to the expectations of a delated management style. The persistency of bureaucratic control systems denies PSOs a chance to groom leadership from within the PSOs but also creates workload on CEOs hence inefficiency.
8. Public-staff interface and customer care is still low for a well performing PSO sector environment. Personnel in the agencies appear unresponsive to the needs and expectations of effective customer loyalty and an attitude to serve.
9. Poor websites and a weak culture of information sharing affects the contribution of PSOs to the government results agenda and creates a perceived attitude of absence of good public services to the citizenry. A website is an interface between the PSOs and the public and once these do not contain the required information about what activities and accomplishments are being undertaken, the total net effect goes to blaming government in general for lack of services.
10. Some autonomous PSOs like NDA have been self-financing their activities. This implies that innovative leadership can address the financing problems of most PSOs through undertaking activities in the mandate of each PSOs. The PSOs are required to be run on business-like styles of management.
11. PSO do not produce annual reports beyond the PSO sections in the sector annual reports. The lack of reporting denies government an opportunity to measure the exact contribution of each PSOs to the results agenda. The individual PSO annual reports are also a form of accountability to stakeholders and it enables easy access to information on activities of a PSO.

4.1. Recommendations

The following recommendations are suggested:-

Key Recommendations

The following key overall recommendations are suggested:-

1. While Board composition tends to be aligned to the technical activities of the PSOs and as provided for by the instruments of establishment, there is need to have a broad policy framework at government level regarding board composition and performance. This framework should detail the composition, the

- competences, the modes of nomination and appointment, standard size of boards, standard remuneration and performance requirements of all members of boards. The system should allow annual review of performance of boards of PSOs.
2. A deep analysis of mandates and functions of PSOs is suggested by a multi-task force to ensure there is reduced duplication of mandates among the PSOs across government. This analysis should see those with clear duplication merged or functions transferred to parent ministries. PSOs could be created to oversee the specific sectors identified and clustered by the National Development plan. Government should also review its policy of creating new PSOs.
 3. There is a need to design a comprehensive action follow-up implementation framework to monitor and report on implementation of recommended actions on individual PSO by various government investigative agencies, research studies and consultancy reports that have been specifically commissioned to provide solutions to an identified need. This framework should be able to produce the status report on a quarterly basis and the reports should be discussed up to cabinet level. The Parastatal Monitoring Unit in the Ministry of Finance, Planning and economic Development should be strengthened and equipped to execute this task.
 4. A massive scheme of updating all PSOs websites as a non-financial strategy to show case the accomplishments of PSOs and their relevance to government results agenda is urgently needed. Interns in information systems and fresh graduates can be deployed on volunteer basis or at minimum cost by PSOs to re-design, upgrade and update PSOs websites.. This will require a policy directive from the responsible government organs about the urgency of this requirement. Such an effort will provide an up-to-date performance of agencies which will have a net effect on performance of government. The National Information Technology Authority and Ministry of ICT should champion this cause by December 2017.
 5. There is need to have mandatory production of PSO annual reports beyond what has been happening where PSOs only report through sector reports. Government should expect annual reports from each of the PSOs and later the sector annual reports would follow. There is need to design and circulate a common reporting template for all PSOs depending on the information needs of government. This should be implemented effective the 2017/18 financial year as a strategy of promoting accountability. In addition, there should be annual board performance reports submitted quarterly by the chairpersons of Boards in line with a directive by Minister of Finance to 19 PSOs.
 6. There is need to phase out, merge and restructure some PSOs whose relevance is no longer justified or those with duplicated roles and responsibilities. Retention of PSO should be based among others on the constitutional relevance, financial independency and comprehensive sustainability plans.
 7. There is further need to strengthen monitoring and evaluation systems by Government to track the performance of each of the PSOs. The targets for each PSOs need to be modified and updated based on the changing government results agenda. A need to establish fully fledged M and E unit in each PSOs needs to be fast-tracked.
 8. Implement the recommendations of the 2017 Rapid assessments alongside the above recommendations.

ANNEX 1: RAPID ASSESSMENT PERCEPTION TOOL

ASSESSMENT OF PUBLIC SECTOR ORGANISATIONS (PSOs) IN UGANDA

PERCEPTION TOOL

This questionnaire is to be filled by the CEO, members of the board, senior management team, staff from ministry and other government departments or any head of unit or section in the PSO that holds a vote and supervises more than three employees. Use the scale below to respond to each of the statements regarding the five key aspects of results-based public sector management. Be as honest as possible. Enter the correct number or simply tick.

Demographics

1. Age category of respondents
 - a. 20-29
 - b. 30-39
 - c. 40-49
 - d. 50-59
 - e. 60+

2. Gender group
 - a. Male
 - b. Female

3. Religious affiliation
 - a. Christian
 - b. Moslem
 - c. Seventh day Adventist
 - d. Traditionalist
 - e. Others (specify)

4. Category of respondent
 - a. Member of Board/council/oversight organ
 - b. CEO
 - c. Other members of Senior Management (where applicable)
 - d. Head of directorate or unit or sector
 - e. Technical staff from parent ministry or other government department officers

5. Highest academic qualification
 - a. PhD
 - b. Masters
 - c. Postgraduate Diploma
 - d. Professional qualification
 - e. Bachelor's degree
 - f. Diploma
 - g. Others (specify)

6. Years of experience in Public sector
 - a. Less than 5 years
 - b. Between 5 and 10 years
 - c. between 10 and 15 years
 - d. Above 15 years

7. Line Ministry

8. Choose the number of the sector to which your PSO is affiliated:

(1) Health, (2) Education, (3) Social development, (4) Water and environment, (5) Energy and mineral development, (6) Works and transport, (7) Information and communication technology, (8) Tourism, trade and industry, (9) Agriculture, (10) Lands, housing and urban development, (11) Accountability, (12) Justice, law and order, (13) Legislature , (14) Public administration, (15) Public sector management, (16) Security

9. Perceptions on Relevance, Effectiveness, Efficiency, Sustainability, Impact and Governance

Likert scale: 1 – Not at all, 2 – To a less extent/degree, 3 – Moderate, 4 – Greater extent/degree

9.1. Aspects of PSO Relevance		(1)	(2)	(3)	(4)
1.	To what extent has the PSO been consistent and supportive of the policy framework of the sector and parent ministry where it belongs?				
2.	To what extent does this PSO strategic plan and ongoing initiatives aligned to sector, ministry and government priorities?				
3.	To what extent do the stated objectives of the PSO correctly address the identified problems at inception of the PSO and ensure continued clarity of the stated objectives?				
4.	To what extent has the nature of problems originally identified at inception of PSO changed?				
5.	To what extent is the stakeholder involvement in the design and implementation of PSO activities?				
6.	To what extent is there reality by government in the choice of financial, human and administrative resources or inputs towards the fulfillment of mandate of the PSO?				
7.	To what extent are targets and activities of PSOs being achieved?				
8.	Explanations to aspects above:				
9.2. Aspects of PSO Effectiveness		(1)	(2)	(3)	(4)
10.	To what extent has the implementation of the PSO plan been effective in terms of achieving its objectives and results as stated in the results matrix?				
11.	To what degree have the PSO planned benefits been delivered and received?				
12.	To what extent have the PSO outputs and outcomes of the PSO contributed to the outcomes of the Sector and the parent Ministry?				
13.	To what degree have the changed institutional arrangements and characteristics produced the planned improvements?				
14.	To what degree is there balance of responsibilities between PSOs, the sector and the parent ministry?				
15.	To what extent has the PSO recorded least achievements? Probe the areas underperformed and the constraining factors?				
16.	To what degree have the shortcomings (if any) attributed to failure on part of management or unforeseen circumstances? Probe on how shortcomings could have been managed better and any remedial action be taken?				
17.	To what extent are the members of the public aware about the activities of PSO and taking advantage of its benefits in Uganda?				
18.	To what extent are monitoring systems of government used to improve implementation of the PSO's strategic plans, including integration of cross cutting issues?				
19.	To what extent do findings from monitoring activities in PSOs affect joint learning of all actors/institutions involved in activities like strategic planning?				
20.	Explanations to aspects above:				
9.3. Aspects of PSO Efficiency		(1)	(2)	(3)	(4)
22.	To what degree have the PSO resources (finances, human, time, expertise) been allocated strategically to achieve PSOs outcomes?				
23.	To what extent have the planned finances or budgets been used? If there was a variance, probe for possible reasons?				
24.	To what degree is the quality of operational work planning and implementation (input delivery, activity management, delivery of outputs, management of the budget, asset management, coordination) with parent Ministry and other stakeholders?				

25.	To what extent is the quality of information management and reporting (extent to which parent Ministry and other stakeholders have been kept adequately informed of PSO's activities)?				
26.	To what extent has the PSO management provided appropriate solutions and developed capacity within the PSO to define and produce results?				
27.	To what degree has the implementation of PSO's plan been efficient and transparent?				
28.	Explanations to aspects above:				
29.	9.4. Aspects of PSO Sustainability	(1)	(2)	(3)	(4)
30.	To what extent have the PSOs lasting benefits been sustainable?				
31.	To what extent has the PSO's implementation and its results contributed to coherent relations between the PSO and line Ministry?				
32.	To what degree are the achievements of the PSO likely to be sustained over time, especially capacity built by Entity?				
33.	To what extent are functions of PSOs in Uganda duplicated?				
34.	To what extent are activities of PSOs likely to be sustained within the existing budgetary provisions? Probe the factors likely or unlikely to favour their sustainability?				
35.	Explanations to aspects above:				
36.	9.5. Aspects of PSO Impact	(1)	(2)	(3)	(4)
37.	To what extent does the PSO's objectives been achieved vis-à-vis the parent Ministry's overall objectives?				
38.	To what extent has stakeholder engagement and dissemination methodology been formulated?				
39.	To what degree has the creation of PSOs in Uganda outside the parent ministries resulted into unintended negative consequences on the overall performance of government?				
40.	To what extent has the activities of PSOs in Uganda contributed to improved service delivery to citizens?				
41.	To what extent has the existing PSOs in Uganda made a difference in economic and social development, to poverty reduction, as well as a difference in terms of cross-cutting issues like gender equality, environment, HIV prevention, and good governance?				
42.	To what degree are PSOs in Uganda contributing to the country's development outcomes?				
43.	To what extent are the activities and functions of PSOs matching the needs of intended beneficiaries?				
44.	Explanations to aspects above:				
45.	9.6. Aspects of PSO Governance	(1)	(2)	(3)	(4)
46.	To what degree are policies and processes oriented to deliver intended results?				
47.	To what extent has CEOs of PSOs provided appropriate solutions to performance problems?				
48.	To what extent has PSOs developed necessary capacity to define and produce results?				
49.	To what extent is there effective coordination between PSOs and parent ministries or other stakeholders in Uganda?				
50.	To what degree are incentives in place to derive people and align behaviors toward delivering intended results?				
51.	To what extent is funding a hindrance to the implementation of programmes in PSOs in Uganda?				
52.	To what degree are service delivery standards established?				
53.	To what extent is information from monitoring applied to improving policy, program, and project design and management?				
54.	Explanations to aspects above:				

ANNEX 2: INSTITUTIONAL ASSESSMENT SURVEY (QUANTITATIVE INSTRUMENT)

SURVEY TOOL FOR ASSESSMENT OF PUBLIC SECTOR ORGANISATIONS (PSOs) IN UGANDA

This is an institutional assessment questionnaire. The information required cuts across different units. For example, information on finance is better filled by the head of finance; information on the board of directors is better filled by the corporation secretary or the CEO etc. The institution can have a joint meeting to evaluate the final instrument before it is submitted to the consultants. As much as possible, the organisations are required to be as accurate as possible. PSO in this assessment stands for Public Sector Organisation. Where additional information is to be provided beyond the space provided, an attachment clearly marked is encouraged.

1. BACKGROUND INFORMATION

1.1 Background of the Public Sector Organisation (PSO).

- a). Name of PSO:
- b). Financial year established:
- c). Line Ministry/:
- d). Choose the number of the sector to which your PSO is affiliated:
 (1) Health, (2) Education, (3) Social development, (4) Water and environment, (5) Energy and mineral development, (6) Works and transport, (7) Information and communication technology, (8) Tourism, trade and industry, (9) Agriculture, (10) Lands, housing and urban development, (11) Accountability, (12) Justice, law and order, (13) Legislature, (14) Public administration, (15) Public sector management, (16) Security
- e). Name and contact of current head of the institution and Chair of the board:
- f). Status of PSO (Tick as appropriate)
 - (a) Statutory
 - (b) Non-statutory,
 - (c) Autonomous
 - (d) Semi-autonomous
- g). Choose whether your organisation has any of the following internal policy documents

1. Human resource manual	2. financial manual	3. Internal audit manual	4. Board Governance Manual/document
5. Strategic Plan	6. Sector Investment Plan	7. Procumbent Plan	8. Resource mobilisation strategy
9. Others specify			

- h). If your organisation is missing any of the following internal policy documents give reasons why
- i). List the Statute or Act/other regulations governing the activities of your PSO.

2. RATIONALE AND FUNCTIONS OF THE PSO

2.1. Which of the following functions apply to your PSO?

- a. Regulatory b. Oversight c. Support d. None Specify

2.2 What systems (coordination, inspection, monitoring and evaluation) do you have in place to perform the function selected above?

.....

2.3. Which of the following status apply to your PSO?

- a. Centre
- b. Commission
- c. Authority
- d. Corporation
- e. Board
- f. None Specify

2.4. Key Objectives (Ask for PSO Strategic plan)

2.4.1 State the Key Objectives of the PSO

.....
.....

2.4.2 Have these been the same objectives since inception or have changed? Yes/No

2.4.3 If you answered no, explain what has changed in the objectives since your PSO started

2.5. Key Functions and Activities (Ask for PSO Strategic plan)

Briefly describe the key function/role performed by your PSO and a shortlist of major activities and results (outcomes and outputs) as below;

2.5.1.1 Key Functions/roles:

- a)
- b)
- c)

2.5.1.2 Have the above functions been the same since inception or have changed?

.....
.....

2.5.1.3 What has changed in the outcome indicators over the years?

.....
.....

2.5.2 Key Activities:

- a)
- b)

2.5.3 Key Outputs (products):

- (a)
- (b)
- (c)

- (d)
- (e)

2.5.4 Key Outcomes (changes resulting from the activities in short term):

- (a)
- (b)
- (c)
- (d)
- (e)

2.5.5 Key impacts (changes resulting from the activities in the long term):

- (a)
- (b)
- (c)
- (d)
- (e)

2.6 Sector Working Group (Ask for PSO Strategic plan)

- a) How do the functions of your PSO contribute to the goals and objectives of the SWG?
.....
.....

- b) Describe how your PSO contributes to the core NDP II pillars:
 - Pillar 1: Competitiveness
.....
.....

 - Pillar 2: Wealth creation
.....
.....

 - Pillar 3: Inclusive growth
.....
.....

- c) What is the relationship of the PSO and the line ministry/ministries in relation to processes such as budget approval & reporting, appointing of the Board etc.
.....
.....

- d) How does the above relationship facilitate or constrain service delivery of the PSO?
1.....
2.....
3.....

3. FUNDING, EXPENDITURE, STAFFING AND REMUNERATION

3.2.1 Choose whether your organisation has the following key financial management tools to guide effective decision making in the PSO

1. Audited financial statements	2. Financial risk management reports	3. Management accounts	4. Quarterly internal audit reports

3.2.2 If any of the financial management tools is missing in the organisation state reasons why this could be the case?

3.4 What are the key activities involved in the budgeting for your PSO and which actors are involved at each of the stages?

3.5 What non-tax revenues do PSOs have?

.....

.....

3.6. If your PSO collects revenue like from sale of bid documents fines levies or any other sources, what other measures have been/will be taken to increase revenue?

.....

.....

3.7 Which of the following should be the appropriate strategy for managing internally generated revenue? **(TICK WHERE APPROPRIATE)**

Immediate utilisation at PSO level

Remitting with Government consolidated fund

Utilization at department where collected

3.7.1 Give reason (s) for the choice you make above

.....

.....

B: Staffing and Remuneration

3.8. Please state your current policy for setting wages. For example, are comparators used with the public and private sectors or other agencies, PSOs and public enterprises?

.....

.....

4. GOVERNANCE OF THE PSO

(To be filled by the person in charge of corporate/board affairs)

4.1 a) Do you have a board or any other organ which supervises the CEO?

1. Yes

2. No

b). If yes what is its name of that board or organ?.....

- c). What are the functions of the board mentioned above in (b)
- d). How many times does the board or oversight organ sit in a financial year to execute their functions in (b)?
- e). How best can you describe the relationship between the board and management?
- f). What challenges/constraints are faced by the board in the execution of their mandate?
- g). What suggestions do you have in addressing the above challenges/constraints faced by the board?
- c). What system does the board use to assess its own performance as the best corporate governance practice? How often is board self-performance appraisal conducted if any and if not why is it not being conducted?

.....

.....

4.5 (a) Who are the target beneficiaries of the activities of your PSO?

.....

.....

(b) How do performance targets relate to the beneficiaries and how is this monitored? (for example in user satisfaction surveys?)

.....

4.6 (a) Are there performance contracts of staff in this PSO?

Yes or No

(b) If yes, how are they set? If not, why?

.....

4.7 What are the rewards/penalties for attaining/not attaining the set standards of performance?

.....

.....

4.9 (a) What are the three key challenges affecting the performance of this PSO?

.....

.....

b) What steps have been taken to address those challenges/constraints in 4.9(a)?

.....

.....

c) List five key strategies that have been designed by the board or any oversight organ to improve the performance of this PSO.

(d) Apart from funding, what is the current (FY2016/17) capacity of total personnel required to carry out the activities assigned to the PSO?

Apart from funding, what is the current (FY2016/17) capacity of professionals required to carry out the activities assigned to the PSO?

Apart from funding, what is the current (FY2016/17) capacity of offices required to carry out the activities assigned to the PSO?

Apart from funding, what is the current (FY2016/17) capacity of vehicles required to carry out the activities assigned to the PSO?

Apart from funding, what is the optimum capacity of total personnel required to carry out the activities assigned to the PSO?

Apart from funding, what is the optimum capacity of professionals required to carry out the activities assigned to the PSO?
 Apart from funding, what is the optimum capacity of offices required to carry out the activities assigned to the PSO?
 Apart from funding, what is the optimum capacity of vehicles required to carry out the activities assigned to the PSO?

Resource	Current (FY2016/17)	Optimum (required)
Personnel (total)		
Professionals		
Offices		
Vehicles		
.....		

e) Is there any other government department or agency that is performing the role that are similar to those which your PSO was mandated to do? Yes or No

f) If yes, state the name of the agency and the key roles/functions that in your view duplicate your current mandate.

h) What should be done to avoid the duplication?

i) List any five key strategic changes that you would propose to government to improve the performance of your PSO and other PSOs generally in Uganda?

1.
2.
3.
4.
5.

j) What are the five governance and management best practices that you have found being applied in your PSO that could be adopted by other PSOs in Uganda?

1.
2.
3.
4.
5.

5. FUTURE OF PSO (section to be filled by the CEO)

5.1 SWOTs and Internal assessments

(a) What are the five key strength, weakness, opportunities and threats to your organization?

Strength	Weakness	Opportunities	Threats

(b) What can be done to address the weaknesses in (a) above?

.....

(c) How can the opportunities in (a) above be exploited?

.....

.....

(d) What are the **three key factors** in the political, economic, social and technological environment that facilitate or inhibit the performance of the PSO in Uganda?

Political factors	Economics factors	Social factors	Technologic factors

5.2 Comment on the relevance of the PSO with specific reference to:

(i) How is the PSO function(s) involving regulation or service delivery that is clearly outside the scope of line ministries' normal work relevant?;

.....

.....

(ii) How is the PSO Functioning concerning contracted services like cleaning, catering or any other service contracted;

.....

.....

(iii) What function (s) of your PSO require independence from political pressure or board interference if the PSO is to perform effectively?.

.....

.....

5.3 Could there be functions of this PSO that overlap with functions of another PSO or line ministry? (Specify which functions and which other PSO/ministry).

.....

.....

5.4 (a) What are the possible options of the PSO functions to be re-integrated into the parent ministry or merged with another PSO?

.....

.....

(b) Highlight some of the potential challenges that would be faced preparing and implementing an exit strategy or merging activities of PSO mandates as in (a) above.

.....

.....

5.6 Which of the following difficulties are associated with setting/measuring targets and outcomes? Is this a challenge associated with setting/measuring targets and outcomes?

	Challenge/Constraints	YES	NO	I DONT KNOW
I.	Change in funding priority compelling PSOs to deviate from original budgeted activities and strategic plans			
II.	Donors influence/dominance in funding PSOs which has impact in sustainability of the PSO			
III.	Low awareness among PSOs of the linkages between the respective PSO objectives and NDP II & Vision 2040			
IV.	Uncertainty as to whether strategic planning and related activities by PSOs is aligned to NDP II			
V.	Participation in sector-wide activities by PSO			
VI.	Limited application of the Sector Wide Approach to planning, budgeting and implementation			
VII.	Limited or no mechanism for performance measurement in the PSO			
VIII.	Misalignment of PSO objectives to the NDP II and Vision 2040 strategies			

5.7 (a) Our PSO has been using the following key performance tools

	Indicator	YES	NO	I DON'T KNOW
1.	Preparation and submission of annual audited accounts			
2.	Board performance appraisals and reports			
3.	Production of quarterly and annual reports for the PSO			
4.	Risk management reports			
5.	Reports on evaluation of strategic plans			
6.	Publication of activities and costs of PSO			
7.	Conducting customer satisfaction and beneficiary surveys			
8.	Publicizing sources of funding and internal revenue information			
9.	Corporate social responsibilities and reports			
10.	Performance targets and reports for the CEO and senior management team			
I.	Misalignment of PSO objectives to policy actions			

5.8 (a) At a corporate strategic level do you think the organisational objectives are being met? Yes or No?

.....

.....

(b) If yes list five critical success factors responsible for attainment of objectives

.....

.....

(c). If no list five hindering factors

.....

.....

5.5 Provide any general comments on any other issue (s) that you feel have not been adequately covered in the instrument that can help improve the performance of PSO in Uganda.

.....

.....

ANNEX 3: QUALITATIVE SURVEY INSTRUMENT

SURVEY TOOL FOR ASSESSMENT OF PUBLIC SECTOR ORGANISATIONS (PSOs) IN UGANDA

This is an institutional assessment questionnaire. The information required cuts across different units. For example, information on finance is better filled by the head of finance; information on the board of directors is better filled by the corporation secretary or the CEO etc. The institution can have a joint meeting to evaluate the final instrument before it is submitted to the consultants. As much as possible, the organisations are required to be as accurate as possible. PSO in this assessment stands for Public Sector Organisation. Where additional information is to be provided beyond the space provided, an attachment clearly marked is encouraged.

1. BACKGROUND INFORMATION

a). Name of PSO:

2. FUNDING, EXPENDITURE, STAFFING AND REMUNERATION

A: Funding and Expenditure

2.1. Complete the table below to show the amount of funds for your PSO that were approved and released within a given financial year. **(TO BE FILLED BY THE HEAD OF FINANCE IN THE PSO)**

Funding / income (Shs bn)	2011/12		2012/13		2013/14		2014/15		2015/16	
	APPROVED	RELEASED								
GoU (cons fund)										
Donor										
Internal revenue										
Other (specify)										
TOTAL										

2.2. Identify five key items where you have had the highest expenditure in the last five financial years.

Item	2011/12			2012/13			2013/14			2014/15			2015/16		
	Budget	Released	Actual spent												

B: Staffing and Remuneration

2.3. Complete the table below to show the staffing, salary and allowance information for each of the financial years as indicated below **(TO BE FILLED BY THE HEAD OF HUMAN RESOURCE IN THE PSO) 2011/12**

Post Title	Sal scale	Number of staff		Basic Annual salary (shs)	Annual allowancee	Total
		Appvd	Filled			
Permanent staff				(Shs)	(Shs)	(Shs)
Temporary/Part time Staff				(Shs)	(Shs)	(Shs)

2012/13

Post Title	Sal scale	Number of staff		Basic Annual salary (shs)	Annual allowancee	Total
		Appvd	Filled			
Permanent staff				(Shs)	(Shs)	(Shs)
Temporary/Part time Staff				(Shs)	(Shs)	(Shs)

2013/14

Post Title	Sal scale	Number of staff		Basic Annual salary (shs)	Annual allowancee	Total
		Appvd	Filled			
Permanent staff				(Shs)	(Shs)	(Shs)
Temporary/Part time Staff				(Shs)	(Shs)	(Shs)

2014/15

Post Title	Sal scale	Number of staff		Basic Annual salary (shs)	Annual allowancee	Total
		Appvd	Filled	(Shs)	(Shs)	(Shs)
Permanent staff						
Temporary/Part time Staff						

2015/16

Post Title	Sal scale	Number of staff		Basic Annual salary (shs)	Annual allowancee	Total
		Appvd	Filled	(Shs)	(Shs)	(Shs)
Permanent staff						
Temporary/Part time Staff						

3.9 List the **five core** target and performance indicators for the human resource department in the last five financial

Item	2011/12			2012/13			2013/14			2014/15			2015/16		
	Target	Performance indicators	Achieved Target												

3. GOVERNANCE OF THE PSO

(To be filled by the person in charge of corporate/board affairs)

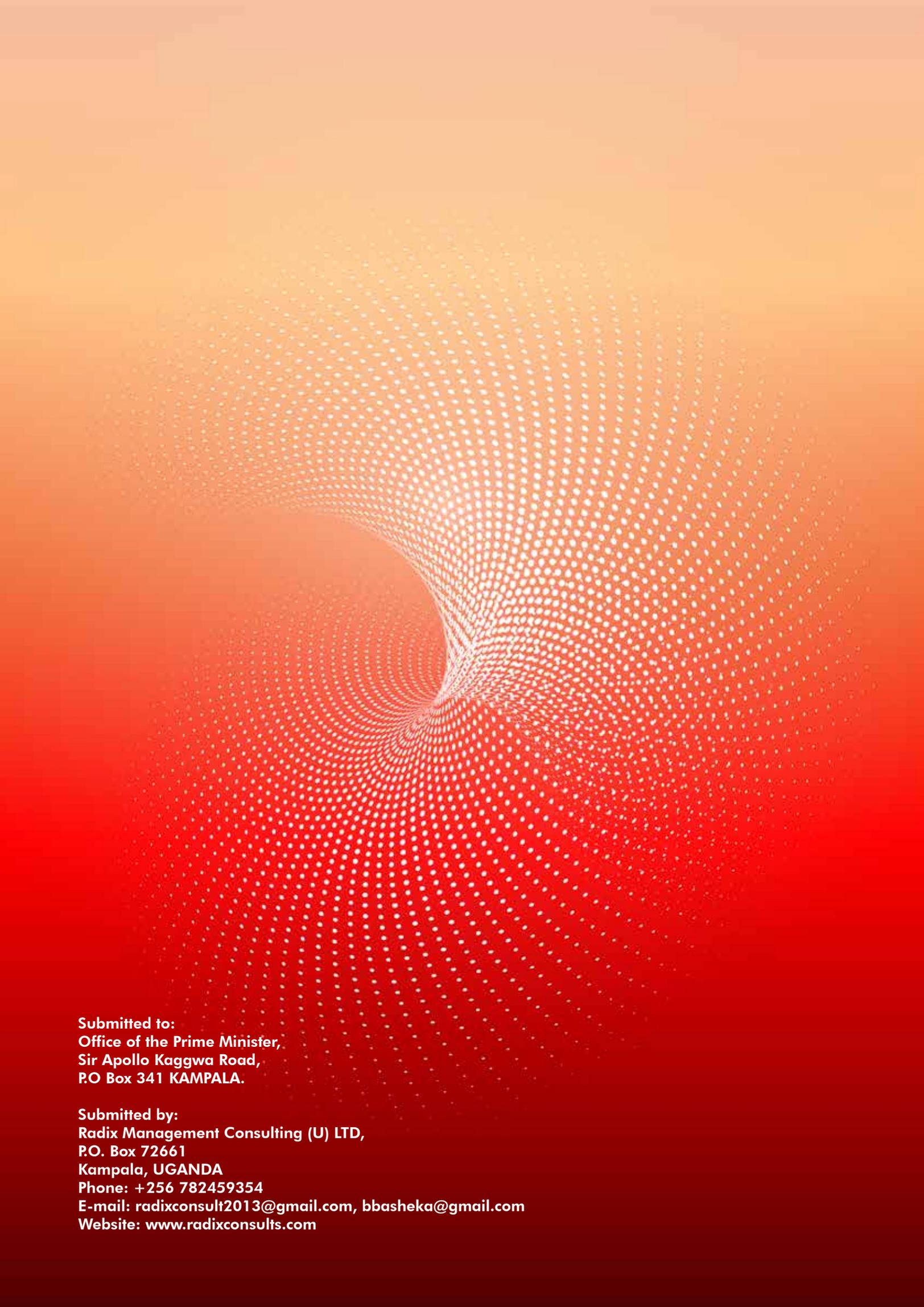
3.1 Fill in the table below

Name of board member	Role of Chair/ member in the PSO	Highest Level of education of the chair or board	Key Competences of the board chair or members	Number of years served by the chair or member

3.3 Board remuneration and benefits

a) Briefly indicate the types of remuneration and benefits accorded to the chair and members of the board as per details below

Board members status	No.	Retainer per month (shs)	Sitting allowance per meeting (shs)	No. of Meetings per year	Other benefits	Details on other benefits (travel, annual bonus..)	Total annual cost/ remuneration



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