



**UGANDA
AFRICAN PEER REVIEW MECHANISM
(APRM)
NATIONAL GOVERNING COUNCIL**



**1ST ANNUAL PROGRESS REPORT ON
IMPLEMENTATION OF THE UGANDA APRM
NATIONAL PROGRAMME OF ACTION
2008/09**

EXECUTIVE SUMMARY

June 2009

1. INTRODUCTION

- 1.1 This is an Executive Summary of a report of the 1st Annual Review of the implementation of Uganda's Africa Peer Review Mechanism (APRM) National Programme of Action. It was spearheaded by the Uganda APRM National Governing Council and it covers the period between 1st July 2008 and 30th June 2009. The Annual Progress Review report is part of the requirement for countries that have successfully been peer reviewed to present a report on the progress made in the implementation of the three-year APRM National Programme of Action.
- 1.2 The Executive Summary examines the main achievements registered during the implementation of the Programme of Action priorities, in responding to the recommendations of the Country Review Mission and the Annual Progress Review Panel contained in the Country Review Report. The Annual Progress Review process entailed an analysis of secondary data and information, as well as consultations with key informants in various Ministries, Departments and Agencies and non-state agencies that were responsible for the implementation of Programme of Action. The report has been reviewed and validated by Cabinet. It was also presented to a national workshop for validation by national level stakeholders on 18th June 2009.

2. MAIN ACHIEVEMENTS

2.0 Principles Codes and Standards

- 2.0.1 Over the past years, Uganda has signed and ratified many of the relevant international and regional principles, codes and standards under the four thematic areas of the APRM. This is not only a good practice, but also an indication of the country's commitment to international standards and legal instruments.
- 2.0.2 Uganda enacted the Ratification of Treaties Act, No. 5 of 1998 (Cap. 207), which spells out the mechanism for domesticating Treaties and Conventions. The Government of Uganda had by then ratified most Treaties and Conventions. There was progress made with regard to the creation of an accessible database of signed, ratified, or domesticated

standards and codes. The Ministry of Foreign Affairs (MoFA) on 18th June 2009 presented to Parliament a compendium of all Protocols and Treaties indicating the dates when they were entered into, signed, ratified, acceded and succeeded. This is part of a process of laying in the public domain protocols, conventions and treaties that Uganda has signed and ratified..

- 2.0.3 Progress has also been made with regard to capacity strengthening in the MoFA Department of Multilateral Organisations and Treaties. The Ministry of Public Service reviewed the structure of the MoFA and created a legal division. Consequently, the MoFA was embarking on a recruitment exercise to fill the identified posts in that division.

2.1 Democracy and Political Governance

- 2.1.1 Significant progress has been achieved in preventing and reducing intra-state conflicts. The efforts geared towards amending the 1998 Land Act and formulation of the National Land policy, especially enabling uninhibited and prolonged wide stakeholder consultations in both processes, has laid the basis for achieving consensus on these highly controversial issues.
- 2.1.2 Security has been restored in Northern Uganda, despite the failure by the LRA leader, Joseph Kony to sign the Final Peace Agreement in Juba on 10th April 2008. Government has also put in place the Peace, Recovery and Development Programme (PRDP) for Northern Uganda and the Karamoja Integrated Disarmament and Development Programme (KIDDP) for supporting the recovery and development of Northern Uganda and Karamoja respectively. Capacity strengthening of the Office of the Prime Minister to implement these programmes is commendable. The full-scale implementation of the PRDP will start in July 2009, as resources have been fully mobilised and provided. The implementation of the KIDDP has been on-going.
- 2.1.3 Significant progress has been achieved in preventing and reducing inter-state conflicts. Frameworks have been put in place to manage border disputes, which enabled potentially volatile situations with neighbouring countries to be harmoniously and amicably managed. This was with regard to the Rukwanzi Island in Lake Albert and Goli border strip in

West Nile (on the border with DR Congo) and Migingo Island in Lake Victoria (bordering with Kenya)

- 2.1.4 The Government of Uganda also made commendable progress in putting in place a plethora of institutions and policies for building a firm foundation on which constitutional democracy is to be anchored. A Draft National Values Policy for building a value-based society in Uganda has been developed by the Directorate of Ethics and Integrity, although it has not yet been tabled before Parliament.
- 2.1.5 Government has increased funding to the Electoral Commission and training for election officers to enhance the credibility of the electoral process and legitimacy of electoral outcomes. At the Uganda Human Rights Commission, the appointment of new members of the Commission will enable it register progress with regard to civic education in the coming year FY2009/10. The Judicial Service Commission, which is also constitutionally mandated to carry out civic education regarding law and administration of justice within the country under the Justice, Law and Order Sector has undertaken it. One of the roles of the newly established Ministry of Information and National Guidance is civic education. In view of that a framework is being established under the Ministry for undertaking civic education.
- 2.1.6 Commendable progress has been achieved with regard to promotion and protection of economic, social, cultural, civil and political rights as enshrined in all African and other international human rights instruments. The Ministry of Gender, Labour and Social Development has developed mechanisms to strengthen advocacy and sensitisation of the public on children's rights. To promote awareness of children's rights, the 'Day of the African Child' has been set aside for national celebration. A Bill seeking to amend the Children's Act has been presented before Parliament.
- 2.1.7 The most significant progress has been made with wide national stakeholder consultations to finalise the Domestic Relations Bill, which was split into two Bills; one catering for the concerns of Moslems (the Administration of Muslim Personal Law), and the other for concerns of the non-Moslems (the Marriage and Divorce Law). Progress has also been made with regard to finalising the revision of the Sexual Offences Bill as part of the review of the Penal Code Act. The Bill was also split into two: (i) the Domestic Violence Bill that was tabled in Parliament for

- 1st reading on 17th June 2009, and (ii) the Prevention of Trafficking in Persons Act, which was passed by Parliament on 2nd April 2008.
- 2.1.8 Progress has also been made with wider stakeholder consultations to finalise the Principles and Objectives of the proposed law on prohibition of Female Genital Mutilation. This has been forwarded to the First Parliamentary Counsel for drafting. Draft regulations to operationalise the Persons with Disability Act, 2006 and the draft Community Mobilisation and Empowerment Bill are being finalised. The Children's Act, Cap 59 of 1997 is being reviewed through wide stakeholder consultations to address the gaps identified over the period.
- 2.1.9 Further to this, progress has been registered through development of several policies to promote and protect human rights including the National Policy and the draft plan of Action for Older Persons, the draft National Employment Policy, and the draft National List of Hazardous Work for Children in Uganda. Uganda also ratified the Convention on the Rights of Persons with Disability on 25th September 2008 as a means to reaffirm its commitment to the promotion of the rights of the marginalised groups.
- 2.1.10 The appointment of members of the Equal Opportunities Commission was in progress and proposed names of the members had been forwarded to H.E. the President for approval. In due course, he would sign their instruments of appointment.
- 2.1.11 Some progress has been made in upholding the principle of separation of powers between the key organs of the state. The legislature is administratively and functionally independent. The Parliamentary Commission has been significantly strengthened to enhance financial autonomy. Concerning the independence of the judiciary, government has made a commitment to institutionalise the independence of the judiciary. Courts of judicature have also been provided with requisite resources for the judiciary to carry out its mandate effectively.
- 2.1.12 Progress has also been achieved in the fight against corruption in the political sphere. An inter-agency forum against corruption has been formed and operationalised. The forum spearheaded the formulation of the National Anti Corruption Strategy, a framework designed to fight corruption and rebuild ethics and integrity in Uganda, and is also monitoring its implementation. Work to harmonise all laws, policies and

institutions involved in the fight against corruption is ongoing. The Whistleblowers Bill of 2008 was tabled before Parliament for its first reading.

2.1.13 The capacity of the Inspectorate of Government (IG) to implement the Leadership Code Act has been strengthened with training of IG staff in forensics investigative skills, among others. The Anti-corruption Court is now fully functional. In 2008, 10 corruption cases were finalised by the IGG, six convictions were secured while four were acquitted. Government has also announced the setting up of a judicial commission of inquiry into the Universal Primary Education (UPE) and the Universal Secondary Education (USE) national programmes.

2.2 Economic Governance and Management

2.2.1 In this area, significant progress has been achieved in the promotion of sound economic management policies. These enabled Uganda's economy to register a robust real growth of 7.0 percent in the FY 2008/09, compared to the average sub-Saharan growth rate of 2.4 percent. This remarkable performance, which is an indication that Uganda's economy remains resilient, was inspite of the global financial and economic crises that have adversely affected several economies both in the developed and developing world. The high economic growth rates enabled significant gains to be made in socio-economic development in general and improvement of the welfare of much of the population in particular.

2.2.2 Progress has also been achieved in the development of national laws and policies as well as plans, strategies and programmes to uphold, domesticate and popularise international principles, codes and standards in economic governance and management. Relevant agreements, treaties and protocols have been signed, acceded to and ratified by the country.

2.2.3 In terms of building the capacity of government to monitor the volume of oil reserves and production on a 24-hour basis, an Oil and Gas Policy of February 2008 has been formulated. The drafting of a National Oil and Gas Law by the Ministry of Mineral and Energy Development has commenced with the formulation of the principles for the new petroleum exploration and production.

- 2.2.4 Government has carried out an assessment of the existing capacity within the Department of Petroleum Exploration and Production in the Ministry of Mineral and Energy. The staffing levels and technical competence requirements in the Department have been reviewed. More staff have been recruited.
- 2.2.5 With regard to the need for Government to build capacity for the collection of oil revenue, the Government of Uganda, with support from the Government of Norway, was training officers at Masters Degree level in Norway, in Petroleum Economics.
- 2.2.6 To address the future manpower gaps, as more oil discoveries are made, government has finalised plans to establish (starting in July 2009) an Institute of Petroleum Engineering, affiliated to Makerere University. The Institute will offer a Diploma in Petroleum Engineering and is to be located at the Uganda Co-operative College, Kigumba in Masindi district. A public awareness campaign has been undertaken in the the districts of the Albertine region.
- 2.2.7 To increase capacity within government to collect anticipated revenues from the oil industry, government has put in place mechanisms for the management of oil tax and non-tax revenue collection and administration. An Inter-Ministerial Taskforce on Oil and Gas, with representation from among others, Ministry of Mineral and Energy and Uganda Revenue Authority (URA), has been established in the Ministry of Finance, Planning and Economic Development. It is tasked to design a mechanism for resource monitoring and revenue collection and administration. The capacity of URA is being strengthened through training.
- 2.2.8 In addition, income tax laws have been amended to incorporate taxation of Petroleum revenue. These proposed amendments have already been incorporated in the Finance Bill.
- 2.2.9 There have been significant increases in budgetary allocations to the agricultural sector particularly to the prioritised sub-sector of National Agricultural Advisory Services (NAADS). This will not only enhance further access to rural financing by farmers through Savings and Credit Co-operative Organisations (SACCOs) and Micro-Finance Institutions (MFIs), but also promote the development of extension services. The

resulting productivity improvement will support the development of industries based on agro-processing and value-addition, which will lead to the structural transformation of the economy. Government has further boosted the opportunities for long-term financing of investments in agriculture and industry through the revamping and re-capitalisation of the Uganda Development Bank (UDB) and the revitalisation of Uganda Development Corporation (UDC).

2.2.10 Government has continued to pursue the development strategy for transforming the economy by emphasising industrialisation focusing on developing a competitive, diversified economy that is private sector-led, mainly agricultural-based (involving value addition by processing agricultural products) and export-oriented. While full trade liberalisation and open market policies have been maintained, government has also promoted a policy of strategic intervention for accelerated industrialisation. This it had done mainly through the creation of an incentive structure that is directed at linking the industrialisation process with the country's resource base. One way this has been done has been through the establishment of Export Processing Zones (EPZs).

2.2.11 The Ministry of Finance, Planning and Economic Development has spearheaded the development of an Investment and Free Zones Bill, 2008, which seeks to better facilitate investment in Uganda, including the establishment of Export Processing Zones. The Bill is currently awaiting cabinet approval before being published in the gazette and presented to Parliament for the first reading. The Uganda Investment Authority (UIA) has spearheaded the establishment and development of Industrial Parks, which will comprise Free Trade Zones among other facilities. The allocation of fully serviced plots of land at the Namanve Industrial Park to interested investors with the minimum requirements has started. Plans are underway to develop a similar park at Luzira; and to establish at least one Industrial park in each region. These will create employment opportunities for Ugandans, especially the youth.

2.2.12 Government macroeconomic management and poverty reduction interventions have also focused on addressing poor transport infrastructure and inadequate electric (hydro and thermal) power supply which remains a key factor in the increases in the local cost of investments.

- 2.2.13 Government has started implementing the ‘Prosperity For All’ (PFA) programme to achieve the National Vision of a *“transformed Ugandan society from a peasant to a modern and prosperous country within 30 years, where each household will be able to earn a minimum of UGX. 20 million per year, with the following elements: independent and sovereign; democratic and law abiding; stable and peaceful; knowledge-based, informed and skilled; improved food security and nutrition; able to exploit and use its resources gainfully and sustainably; in a strong federated East Africa within an effective African Common market and a strong African defence mechanism”*. This is a holistic and comprehensive programme of government that is targeting improving the well being of the population, including enhancing their ability to access credit for agricultural production. Government programmes such as NAADS have been restructured and refocused towards enhancing the objectives of the PFA programme.
- 2.2.14 A Communications Strategy for the PFA programme was approved by Cabinet and is being implemented by leaders at all levels who have continued mobilising and sensitising the public about the PFA.
- 2.2.15 Government has also formulated a National Population Policy for Social Transformation (2008), to address issues of population control and planning. The policy is being implemented.
- 2.2.16 Governments recently concluded the restructuring exercise of Local Governments. The recruitment of staff to fill identified vacancies would soon commence. In the year under review, to address the capacity limitations, Local Governments continued to benefit from a training programme intended to build capacity of Local Government staff in planning, budgeting, monitoring and evaluation of District activities, which was jointly developed by the Ministry of Finance, Planning and Economic Development and the Ministry of Local Government.
- 2.2.17 Effective communication between the Central and the Local Governments and vice versa continued through sector reviews. However, communication challenges remained between Government and the general public.
- 2.2.18 Progress has also been achieved towards regional economic integration. A number of border to border roads are being rehabilitated. Feasibility studies have been conducted for the revamping of the railway system.

In an effort to promote regional transport routes, the procurement for the construction of one-stop border posts for Katuna, Mutukula, Malaba and Busia has progressed and is awaiting World Bank approval. The feasibility study for Kampala-Kasese Railway Line is underway during the financial year 2009/10.

2.2.19 Government has also made progress in the fight against corruption in public administration and the financial sector. Apart from adoption of an institutional collaborative approach in the fight against corruption, an Anti-corruption Court has been established as a Division of the High Court (in July 2008). Two of the planned four High Court Judges of the Anti-corruption Court have been appointed. Processes have been finalised for the appointment of two Chief Magistrates and four Grade I Magistrates to the Anti-corruption Court. The Magistrates are undergoing training before deployment. A Court Registrar has also been appointed. An Anti-Money Laundering Bill has been finalised and is currently under consideration by the Parliament.

2.2.20 Recommendations of the Anti-Corruption Commissions of Inquiry such as the April 2007 Justice Ogoola Commission of Inquiry into mismanagement of the Global Fund are being implemented. Some actions were referred to the Inspectorate of Government for investigation, while others were referred to the Police for criminal prosecution and others to line Ministries for disciplinary action of culpable public officials. During the FY 2008/9, the anti-corruption court successfully prosecuted 2 cases and others are still before it.

2.2.21 Significant progress has also been made with regard to the establishment and implementation of an East African Customs Union. Government has continued to negotiate with the East African Community member states on regional integration beyond the East African Community Customs Union, to include an East African Common Market and an East African Monetary Union.

2.3 Corporate Governance

2.3.1 While awareness of Corporate Governance in Uganda is still in its infancy, several policy and legislative changes have been made or proposed, or were in the process of being made, through which

international standards and codes adopted by the country are to be incorporated into the national legal and regulatory framework.

- 2.3.2 The revision of several commercial laws and their enactment has been fast-tracked. Several amendments have been proposed to the Accountants' Act. These amendments will enable the Institute of Certified Public Accountants of Uganda (ICPAU), whose members and associates are recognised under the Companies Act Cap 86 as the sole auditors of company accounts, to become more effective in overseeing the accountancy profession and enforcing the requirements of professional discipline among all its members.
- 2.3.3 Relevant Bills necessary for establishing an effective legal, policy and regulatory, as well as supervisory framework for Tier 4 Micro Finance non-deposit taking Institutions such as SACCOs have been drafted. Regulations regarding the supervision of Tier 3 Micro Finance deposit-taking institutions are considered adequate.
- 2.3.4 Government has put in place various forms of incentives for encouraging regulated financial institutions to offer banking services to rural areas. A policy and legal framework for regulating the activities of Micro-finance institutions has been developed, and includes: The SACCOs Bill and the Micro-credit Bill. Resources have also been provided in the budget for supporting the formation of at least one SACCO in every sub-county and strengthening existing ones to provide training and other technical support. The Rural Financial Services Programme (RFSP) was redesigned to support SACCOs. The Uganda Cooperative Savings and Credit Union (UCSCU) supported the formation of 140 SACCOs and the development of 401 SACCOs in 541 sub-counties countrywide.
- 2.3.5 Progress has also been made towards the creation of an enabling environment for the stock exchange to flourish. The Capital Markets Authority (CMA) has played a lead role in reviewing the CMA Act (Cap 84) to take into account developments since its enactment and to bring the legislation in line with international best practices. The revisions to the Act will make CMA compliant with the core principles of Securities Regulation prescribed by the International Organisation of Securities Commissions (IOSCO), a body that sets the international standards for

- the securities industry. This process laid the groundwork for the automation of the securities exchange in Uganda, which is underway.
- 2.3.6 The CMA has carried out a self-assessment against the IOSCO principles for purposes of becoming a signatory to IOSCO Multilateral Memorandum of Understanding (MMoU) for co-operation and exchange of information.
- 2.3.7 Government has put in place various forms of incentives for encouraging regulated financial institutions to offer banking services to rural areas. A policy and legal framework for regulating the activities of Micro-finance institutions has been developed, and includes: The SACCOs Bill and the Micro-credit Bill. Resources have also been provided in the budget for supporting the formation of at least one SACCO in every sub-county and strengthening existing ones to provide training and other technical support. The Rural Financial Services Programme (RFSP) was redesigned to support SACCOs. The Uganda Cooperative Savings and Credit Union (UCSCU) supported the formation of 140 SACCOs and the development of 401 SACCOs in 541 sub-counties countrywide.
- 2.3.8 The Ugandan Securities Exchange has re-launched its Alternative Investments Markets Segment aimed at high growth Small and Medium Enterprises and initiated a programme to identify and assist through training and capacity building Small and Medium Scale Enterprises for potential listing on this segment.
- 2.3.9 The Government also made progress in enhancing the capacity of regulatory, supervisory and enforcement bodies such as the National Environment Management Authority (NEMA) and the Uganda National Bureau of Standards (UNBS) to fulfil their respective mandates, especially in the areas of the environment and consumer protection. NEMA carried out sensitisation, education and awareness on environment management. It also carried out inspections and audits, where enforcement of compliance to environmental standards was undertaken. UNBS carried out sensitisation, education and awareness on standards, quality assurance, laboratory testing and metrology. It has developed guidelines and standards for Uganda titled: *‘Guiding Policies and Principles for the Technical Work in the preparation of Uganda Standards’*, which are supposed to be followed by all ministries, departments and agencies.

- 2.3.10 Most of the institutions authorised to regulate entities or enforce standards under the various laws and regulations have been carrying out awareness programmes for the public and the business community. For example, UNBS and NEMA have been carrying out public awareness programmes in the print media as well as radio and television. The CMA has also been carrying out education programmes in schools and universities. Enterprise Uganda, the Institute of Corporate Governance of Uganda (ICGU) and the Institute of Chartered Secretaries and Administrators (ICSA) Uganda, have been involved in delivering training to the business community in corporate governance and business development skills.
- 2.3.11 In promoting an enabling environment and an effective regulatory framework for economic activities and business, 24 Bills have been fast-tracked by the Presidential Investment Roundtable and are at different stages of being enacted. Once enacted, these laws will greatly improve the business environment as well as Uganda's ranking in the World Bank Doing Business Report. By March 2009, the number of days for starting a business in Uganda had reduced from 28 working days in 2008 to 25 in 2009. The Competitiveness and Investment Climate Strategy (CICS), which was formulated to monitor, coordinate and evaluate progress made in adoption of the identified priority laws for fast-tracking was also being implemented.
- 2.3.12 Significant progress has been registered in developing the stock exchange. Progress has also been achieved in increasing public awareness of the stock exchange. As part of the public education programme, the Capital Markets' Secondary Schools Challenge, which CMA initiated in 2003, continued in 2008/9.
- 2.3.13 Progress has been achieved with regard to revitalising and strengthening the role of Uganda Development Bank. Government agreed to inject UGX20 billion in the Bank over the next five years. UGX5 billion was injected during the financial year 2008/09.
- 2.3.14 A fully-fledged 'One-Stop Facility' continued operating at Uganda Investment Authority, and has been very useful in addressing investors' formalities. Officers from the Uganda Revenue Authority, Immigration Department and Uganda Registration Services Bureau are stationed at the facility.

- 2.3.15 Progress has been made in the restructuring of NAADS within the framework of the Plan for Modernisation of Agriculture (PMA) to support and strengthen the achievement of PFA objectives. The NAADS approach is focused on ‘Strategic Enterprise Approach’ to complement the farmer-driven participatory approach to enterprise development and the promotion of new technologies and the increase of farmers’ access to information in order to transform Uganda’s agricultural sector from mainly subsistence to market oriented farming.
- 2.3.16 A number of business associations transited from the informal sector into fully registered companies and enabled businesses in the corporate sphere.

2.4 Socio-Economic Development

- 2.4.1 Significant progress has been made to institutionalise within ministries, departments and agencies of the necessity for generation of gender disaggregated data and information. Several studies have been undertaken in the sectors to generate gender disaggregated data and information. Mechanisms have been devised for its use in informing the formulation, implementation and monitoring and evaluation of government programmes. Studies were undertaken to mainstream gender in key government policy frameworks such as the 2004 Poverty Eradication Action Plan; the PRDP for Northern Uganda; the KIDDP, PMA and NAADS.
- 2.4.2 The Ministry of Gender, Labour and Social Development (MGLSD), developed a gender policy as well as guidelines that have helped sectors to mainstream gender in their programmes, budgets and activities. The gender policy has also been reviewed to address the new changes in the policy reforms as well as challenges registered during the implementation of the APRM Programme of Action priority areas with specific focus on the Social Development Sector.
- 2.4.3 Some progress has been registered by government with regard to building capacity for institutionalising a culture of gender equity budgeting within the sectors, although there is a need to extend gender budgeting training to the local level. Civil Society Organisations have contributed significantly to achieving a strong national gender policy framework by generating information and advocating for more gender

- responsive legislation. Examples include: Advocacy around gender budgeting; the Land Act; electoral reforms; labour laws; the marriage and divorce laws; and continuing advocacy around the Domestic Relations Bill.
- 2.4.4 The capacity of the National Planning Authority (NPA) has been strengthened. Requisite staff have been recruited, and funding to the Authority increased. The NPA Board has also been revitalised. Progress has been achieved in strengthening the role of NPA in undertaking harmonised long-term development planning. The Uganda Law Reform Commission reviewed various legislations that inform the planning functions in government with a view to harmonising them. The legislation reviewed include: the 1995 Constitution of the Republic of Uganda; the NPA Act No. 15, 2002; the Local Governments Act, Cap 243; the Budget Act No. 6, 2001; and the Public Finance and Accountability Act, 2003. A Draft NPA Strategic Plan has been prepared to inform proposed restructuring of the Authority.
- 2.4.5 Government has also made progress with regard to increasing domestic revenue collection and administration during the year under review. The share of domestic resources generated in funding national development programmes grew from 64percent in 2007/8 to 70percent in 2008/9. Revenue collections in 2008/09 reached UGX. 3,698.6 billion, representing a 17.0percent growth from 2007/08. Donor financing, provided as Budget support, reduced by UGX.70.4 billion (10percent) to UGX.602.5 billion for FY2009/10. Similarly, project support is projected to decline by UGX.32 billion (2percent) to UGX. 1,293.2 billion, which shows that Uganda's progress in revenue collection has steadily been on the rise.
- 2.4.6 A new National Population Policy for Social Transformation and Sustainable Development (of 2008) has been developed. This policy has provided an opportunity for further consideration of the tenets of population and provisions to take account of the changing demographic, socio-economic and health environment and other emerging issues. The policy takes cognisance of new international and regional dispensations, agreements, conventions and covenants, which were not available at the time the original policy was adopted.
- 2.4.7 The Education Act was enacted, making primary education universal and compulsory for all pupils aged six years and above. In several

local governments, by-laws have been put in place to enforce compulsory primary education. Government has continued to construct new primary schools throughout the country to enhance access to primary education. Many of these schools received funds for procurement of furniture, equipment and instructional materials. The Ministry of Education and Sports has also introduced a double shift system in order to address the problem of student - teacher ratios.

- 2.4.8 Uganda has made progress in construction of health facilities at sub-county level and improvement of facilities in health units throughout the country. The Health sector has continued to rehabilitate and improve health services across the country. Over the past year, government has invested in strengthening infrastructure across the country, including the rehabilitation of 10 Regional Referral hospitals, namely: Masaka, Lira, Soroti, Fort Portal, Jinja, Gulu, Hoima, Mbale, Mbarara, and Kabale.
- 2.4.9 Government has made proposals towards introducing alternative financing for enabling improved access to health care for the poor and the vulnerable and marginalised groups through the proposed National Health Insurance system. Ministry of Health (MoH) has finalised the drafting of the Uganda Social Health Insurance Bill. It will soon be tabled in Parliament for debate.
- 2.4.10 The Tree Fund has been established as a means to promote tree planting in Uganda to ensure that fragile ecosystems like rivers, lakeshores and bare hills are protected. To ensure collective participation, national tree planting days are: 8th March (Women's Day); 21st March (World Forest Day); 1st May (Labour Day) and 12th August (Youth Day) every year. Through the Farm Income Enhancement and Forestry Conservation Project, Government is also planting trees in water catchment areas and degraded areas outside Central Forest Reserves. Government is also working with the private sector to plant trees, for example, through the Sawlog Project, among others.
- 2.4.11 Government has also invested significantly in the improvement of access to safe water sources. The percentage of rural population with access to safe water in a reasonable range of 1km is estimated to have increased to 63percent in the last year, while those within 1.5kms increased to 65percent. While the urban water service coverage is currently at 77percent, the household sanitation service coverage is estimated at

62percent. Current rural water coverage is in line with the Millennium Development Goals.

2.4.12 Government has also made progress in increasing access to safe water in the urban areas. The construction of water works was completed in 17 towns including Yumbe, Soroti, Sironko, Kaberamaido, Iganga, Kigumba, Mityana, Mpigi, Nebbi, Pakwach, Apac, Ibanda, Natete, Rwerere, Kitwe, Rwentobo and Nyakagyeme. Piped water works were also completed in several Rural Growth Centres scattered all over the country.

2.4.13 Progress has been achieved in enhancing urban water coverage by the National Water and Sewerage Corporation (NWSC). The Kampala to Entebbe water mains have been merged to cover the fast growing hinterland of the two urban centres. A total of 10,969 new water connections have been installed in other parts of the country as well as 166 new sewer connections. Furthermore, 52.7km of new mains have been laid while 0.42km new sewer extensions have been installed.

2.4.14 Progress has also been made with regard to addressing youth unemployment and underemployment. The MGLSD created a programme for children and youth which is being piloted in 9 districts to build entrepreneurship skills and provide start up-funds for youth projects. The project is to be extended to cover about 40 districts.

2.4.15 The MGLSD continued facilitating the externalisation of labour services. Over 12,000 Ugandans got employment in Iraq, United Arab Emirates and Juba in Southern Sudan. The Ministry, through the Labour Market Information Project was also in the process of creating a Labour Market Information System.

2.4.16 A draft Policy on Youth Employment was also in the offing for consideration and approval by Cabinet.

3. CHALLENGES

(a) Challenges associated with the implementation of the APRM Programme of Action

3.0 Principles, Codes and Standards

- 3.0.1 While many international codes and standards have been signed and ratified in the past, there were still some international standards and codes, instruments, protocols and conventions with a bearing on the protection and promotion of human rights that Uganda has not yet signed or ratified. These include: The Second Optional Protocol to the International Covenant on Civil and Political Rights (1989) abolishing the death penalty; the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (2002); the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (2003); African Union Non-Aggression and Common Defence Pact (2005). Others are the African Charter on Democracy, Elections and Governance (2007); Protocol of the Court of Justice of the African Union (2003); and African Union Convention for the Elimination of Mercenaries in Africa (1977).
- 3.0.2 Many of the international conventions, codes and standards that have been signed, ratified, domesticated and implemented have not been systematically disseminated to state and non-state stakeholders. Government has encountered challenges in awareness creation and popularisation of conventions, standards and codes.
- 3.0.3 After the conventions, codes and standards have been ratified, their dissemination and implementation is usually left to responsible parent ministries. To implement and initiate a process of integrating international conventions, standards and codes into policy legislation or specific actions, there have been calls for the Legal Division in the Department of Multilateral Organisations and Treaties in MoFA to be upgraded to a department. Guidelines are yet to be formulated for easy implementation of these conventions.
- 3.0.4 Government has made progress towards the domestication and adoption of International Labour Organisation (ILO) conventions, codes and standards. However, there have been challenges faced by the Ministry of Gender, Labour and Social Development in translating them into simple language for the ordinary person to comprehend.
- 3.0.5 An inter-ministerial committee to work with the MoFA to monitor and ensure compliance has also not yet been set up. There have been delays in the recruitment of Desk Officers in all the relevant ministries, who will liaise with the lead agency to monitor and ensure compliance to

standards and codes. Although there were seven major international codes and standards, which have been identified for domestication, government has made limited progress in this regard.

3.1 Democracy and Political Governance

- 3.1.1 Although Government, in collaboration with its neighbours, has made significant efforts to re-demarcate the international borders, the process needs to bring on board regional and international commitment to enhance its credibility and for future reference in case of any disagreements. There is no regional or Africa-wide institutional arrangement that is working with the border verification team.
- 3.1.2 There have been challenges associated with the recruitment and retention of trained staff by ministries, departments and agencies responsible for implementation of the APRM priority actions, e.g. the Ministry of Energy and Mineral Development; Uganda Revenue Authority (URA); the Inspectorate of Government (IG); and the Legal Department of the MoFA.
- 3.1.3 There is no mechanism yet to regulate intra as well as inter-party relations, discipline and conduct. The draft Code of Conduct for political parties is yet to be formulated. The Inter-Party platform provided for in the 1995 Constitution has not yet been established.
- 3.1.4 There are several Programme of Action priority areas across all the four thematic areas that necessitated wide stakeholder consultations as well as dissemination to generate the required consensus and necessary buy-ins at different levels, such as the Amendment to the Land Act and the formulation of the National Land Policy, among others. There are currently no institutional mechanisms for providing the necessary space for consensus building on different policy matters as well as political issues, especially in the context of the nascent multi-party democracy. There are challenges with the flow of information that is necessary to facilitate the implementation of formulated policies.
- 3.1.5 The APRM POA called for the review of the current First-Past-the-Post electoral model with a view to injecting the element of proportionality. There have been no consultations undertaken to review the current First-Past-the-Post electoral model.

3.1.6 Even when the social, economic and political rights are known, many of the stakeholders did not know how to achieve these rights. There has not been continuous, systematic public sensitisation undertaken nor has adequate support been provided to enable the full enjoyment of universally recognised freedoms and liberties by all citizens. Even when an enabling legal and policy environment is in place, significant challenges remain in realising universal human rights and freedoms, especially for children who continue to suffer heinous crimes. There are several laws for protection of the rights of children. However, there are widespread cases of violations of their rights, for example in form of child sacrifice, child labour and trafficking in children.

3.1.7 The APRM POA also called upon Government to develop a comprehensive Civic Education programme. The Africa Peer Review Panel of Eminent Persons recommended that Government conducts continuous and systematic civic education programmes to enhance the citizens' knowledge about their rights and empower them to hold both state and non-state actors accountable for actions that violate their rights. Among others, civic education is being conducted by the Uganda Human Rights Commission and the Judicial Service Commission. The Ministry of Information and National Guidance needs to take on its coordinating role in order to build a comprehensive national civic education programme.

3.1.8 While an Equal Opportunities Commission Act has been enacted, the Commission is yet to be fully operational.

3.2 Economic Governance and Management

3.2.1 The main challenge under the Economic Governance and Management thematic area has been the slow progress the country is making in transforming the structure of the economy, despite the high economic growth rates. Industry has not grown as fast, and as high as had been anticipated. Agriculture has not modernised quickly, and agricultural incomes have not grown as much as had been anticipated, thereby stifling the growth of markets for outputs from industries. Similarly, employment in industry and services as well as rural non-farm enterprises has also not expanded as much as had been anticipated.

3.2.2 There have been challenges in building capacity within local governments to plan, finance and manage the delivery of services they

are responsible for. This has led to calls for the review of the operationalisation of certain aspects of decentralisation, as local councils have become heavily dependent on central government grants. This has resulted in the disappearance of their relative administrative, political and financial autonomy. Government has already re-centralised the recruitment and appointment of the Chief Administrative Officers (CAOs), to address inherent weaknesses and contradictions that have emerged in decentralised governance.

- 3.2.2 Whereas the legal, policy and administrative frameworks for public participation in monitoring and implementation of policies, plans and programmes has been developed, implementation of programmes within the frameworks for increasing public participation continues to pose challenges especially for local level engagements.
- 3.2.3 Despite government efforts to mobilise and empower communities to enable their enhanced participation and ownership of development programmes, the extent of ownership for effective economic governance and management at Local Government level is still weak. Government was facing several challenges in garnering ownership of plans and programmes at Local Government levels.
- 3.2.4 There have been challenges with regard to capacity of both local and central governments to plan and budget for, as well as manage and absorb public finances.
- 3.2.5 The social, economic, political and other implications to the existing policy and legislative frameworks for deepening fiscal decentralisation is yet to be analysed in the context of the expansion of decentralised administrative structures. While the Country Review Report advised against the creation of more districts in Uganda to forestall growing public administration expenditure, there are new District Council resolutions, requesting Government to create 14 new districts in the next two financial years. The creation of administrative units brings services nearer to the people, increases downward accountability and enhances democratic governance. However, there are also challenges, with the major one being the need to balance the rising cost of Public Administration and effective delivery of services. There is need for Cabinet to carefully analyse the demand for the creation of new districts to assess their viability versus the need to bring services closer to the people.

- 3.2.6 The implementation of the PFA Programme was officially launched on 8 October 2007. An *ex-ante* economic analysis of the feasibility of loans accessed through Savings and Credit Cooperatives and MFIs in the PFA Programme has not been conducted. There is need to effectively communicate the institutional arrangements for delivery and access to the PFA resources.
- 3.2.7 Despite the existence of a draft National Media and Communication strategy designed specifically to enhance the communication and dissemination to the public of major government policies and programmes, there are still challenges of communicating government policies and programmes to the public beyond Kampala city.
- 3.2.8 There is anxiety over the management of oil revenues. This is exacerbated by limited government structured knowledge and institutionalised fora for nation-wide public awareness and engagement in the debate on proposed legislation on Oil and Gas. A concrete strategy for continuous communication and information dissemination on the Oil and Gas policy as well as the proposed legislation is yet to be put in place.

3.3 Corporate Governance

- 3.3.1 Although there is increasing awareness about Corporate Governance, there are challenges faced in entrenching corporate governance practices in Uganda's corporate spheres.
- 3.3.2 Limited progress has been made in decentralising and automating of the companies' registry and storage system for company trademarks. As a result, the backlog in company registration has not been cleared. This process has been held back largely by the absence of counterpart funding from the Ministry of Finance, Planning and Economic Development. The operationalisation of the Centre for Arbitration and Dispute Resolution (CADER) was also waiting for counterpart funding from Ministry of Finance, Planning and Economic Development.
- 3.3.3 Government has provided inadequate incentives for small businesses to become formal enterprises. The funding made available for supporting training programmes for Small and Medium Enterprises (SMEs) in good economic governance and management principles, standards and codes,

is also inadequate. There have been challenges in making funding available to the private sector to develop simplified corporate governance guidelines and simplified accounting standards for SMEs and informal sector businesses. As a result, the mainstreaming of good corporate governance principles has been undermined. This has consequently constrained efforts by government to increase domestic fiscal resources generated from the SMEs operating in the informal sector.

- 3.3.4 Most of the implementing agencies for APRM Programme of Action priorities under corporate governance thematic area are non-state. There are currently no mechanisms through which requests for funding can be channelled. There is also no state mechanism for coordinating priority corporate governance issues implemented by the private sector agencies.
- 3.3.5 While an extensive policy and legal framework for regulating SACCOs and other non-deposit taking micro-finance institutions is in the offing, challenges are being encountered in enabling uninhibited access to credit like the high cost of the credit.

3.4 Socio-economic Development

- 3.4.1 Although there is remarkable progress in generating and management of gender disaggregated data and information, its use in planning and budget allocations at the centre and at Local Government levels is still inadequate.
- 3.4.2 While significant progress has been achieved with regard to ensuring universal and compulsory primary education through UPE, challenges have been encountered in ensuring quality of education. The quality of primary education is affected by a combination of factors such as: Absence of regular inspection; inadequate instructional materials; automatic promotion of pupils; high levels of absenteeism by teachers due to indiscipline; poor terms and conditions of service, among others.
- 3.4.3 Primary level completion rates have remained low. It is worse among girls due to among others, poor sanitation in schools, early marriages and the widespread preference for educating boys at the expense of girls. Completion rates were at 30percent when APRM Country Self-Assessment process started in 2007 and had dropped to 25percent in 2008.

- 3.4.4 The provision of basic health services is affected by absenteeism by staff and service providers, as well as poor terms and conditions of service which lead to low motivation of medical staff.
- 3.4.5 The delivery of basic social services at Local Government levels is being impeded by inadequate capacity for the smooth and effective implementation of government programmes especially at sub-county level.
- 3.4.5 The MGLSD is currently the most congested of all the ministries in Uganda. It has different groups that are considered marginalised such as workers, youth, women, people with disabilities and the elderly. Yet the ministry receives very limited funding from the Ministry of Finance, Planning and Economic Development. When funding is disbursed, internal prioritisation in the Ministry leaves out some sectors.
- 3.4.6 There is a challenge of educating the population about their rights and obligations under existing labour legislations especially where workers are not formally organised into trade unions.
- 3.4.7 While the capacity of NPA has been strengthened, sufficient consensus needs to be generated to clarify further not only its Constitutional mandate vis-à-vis the Ministry of Finance, Planning and Economic Development, but also its location under the Finance Ministry. There are proposals to locate the Authority either in the President's Office or the Office of the Prime Minister.
- 3.4.8 While Government is making an effort to create opportunities for young people to find jobs, youth underemployment and unemployment continues to be a growing crisis for the country. The rate of job creation is not commensurate with the high rate of growth of the workforce. The Labour Market Conditions Report released by Uganda Bureau of Statistics (UBOS) in May 2009 showed that while 400,000 Ugandans, including 20,000 University graduates join the workforce yearly, only 18,000 jobs are created. The high unemployment rates of especially the youth threaten Uganda's future economic development and security.

(b) Challenges associated with the Programme of Action Progress implementation review process

3.4.9 Uganda was successfully peer-reviewed on 29th June 2008. The final Country Review Report was delivered to Uganda in February 2009, and the National Governing Council (NGC) was constituted in March 2009. The late release of the Country Review Report affected the capacity of NGC to monitor the implementation of the national Programme of Action. The delays in constituting and operationalising the NGC affected its ability to produce the first half yearly report on the implementation of the Programme of Action for submission to the Africa Peer Review Panel of Eminent Persons on schedule. It also subsequently affected the start of the annual review of implementation of the First Year Programme of Action priority actions.

3.4.10 The NGC has not been able to inform ministries, departments and agencies and other implementing agencies on the Programme of Action priority actions they are responsible for. The procurement of consultants for the annual progress review was delayed, which further affected the ability of the NGC to undertake nation-wide as well as regional consultations for validation of findings of the annual progress review.

3.4.11 There have been constraints associated with the inability of the NGC to have effective engagement with the Executive on the implementation of the Programme of Action (POA).

3.4.12 There are no mechanisms for non-state institutions that had lead roles in implementation of priority actions for accessing funding for implementation of POA actions.

4. RECOMMENDATIONS AND WAY FORWARD

4.0 Principles, Codes and Standards

4.0.1 There are different processes of ratification of treaties which are embodied in the Ratification of Treaties Act. Once the compilation of treaties by Ministry of Foreign Affairs (MoFA) is completed, a process of ratification needs to be expedited, especially those that require only cabinet decisions. For those that require parliamentary approval, a plan for their approval process needs to be developed. Actions should also be initiated for those that require the MoFA to deposit the ratification instruments in order to domesticate them.

4.0.2 The restructuring of the Department of Multilateral Organisations and Treaties in MoFA needs to be expedited so as to quickly establish the Legal Department and build its capacity. This will enable it to effectively oversee the implementation of international conventions and initiate a process of integrating them into policy legislation or specific actions with guidelines put in place for easy implementation.

4.0.3 There is a need for the Government media to have a special programme on a particular day to popularise signed and ratified international conventions, treaties and agreements, as well as principles, standards and codes. They should also be translated into different local languages. This will enhance the creation of awareness to whoever is concerned.

4.1 Democracy and Political Governance

4.1.1 *In order to consolidate the good relations with her neighbours*, Uganda needs to continue with the survey of all the border points and have pillars and beacons installed. Efforts should be made to enlist the support of the African Union as well as the international community for future reference.

4.1.2 Parliament should be facilitated to support the development a code of conduct for political parties and establishment of an Inter-Party platform provided for in the 1995 Constitution to regulate intra as well as inter-party relations.

4.1.3 The revision of the laws for protecting the rights of children should be expedited (e.g. the process of reviewing the Children's Act to address the identified gaps in addressing children's rights). For those that have been revised, efforts should be geared at enhancing their implementation (e.g. the Trafficking in Persons Statute which was recently passed by Parliament). Efforts by Government to create awareness through sensitisation of the Public on child rights through special days like the Day of the African Child, the World day against child labour should be increased since such days provide an important avenue for promoting child rights. The media should continue to be facilitated to play a significant role in the awareness campaign.

4.1.4 The reference to enhancing citizens knowledge about their rights, freedoms and liberties needs to be re-enforced by ensuring that the citizens are sensitised about their duties and obligations as well as.

4.1.5 There is need for Government to strengthen the linkages between the Uganda Human Rights Commission, which was mandated by law to conduct civic education, with the Ministry of Information and National Guidance.

4.1.6 Government should expedite the operationalisation of the Equal Opportunities Commission. Adequate resources should also be made available to operationalise it.

4.2 Economic Governance and Management

4.2.1 Access to information on government programmes is a fundamental pre-requisite for enhancing economic good governance and management. Opportunities for corruption and mismanagement or anxiety are usually rooted in the absence of avenues for accessing information. The government needs to improve on dissemination of key information on government policies and programmes to the citizens and stakeholders.

4.2.2 The capacity of both local and central governments to plan and budget for, as well as manage and absorb public finances needs to be strengthened through a deliberate government-initiated human resource training programme.

4.2.3 Local governments should be encouraged to take advantage of the constitutional provision (in article 199), for the secondment of staff from the centre to Local Governments to address their medium-term manpower constraints.

4.2.4 Government should expedite the enactment of the legislation on the National Oil and Gas. This would lessen the anxiety surrounding the future management of the revenues therefrom and also provide the basis for joining the Extractive Industries Transparency Initiative as recommended by the Country Review Report.

4.2.5 An evaluation of the outcomes and impact of the PFA Programme after five years of implementation should be included in subsequent planning reviews of the programme to making it possible for lessons to be drawn for the future.

- 4.2.6 Government should support the private sector and especially the SMEs in each district to establish strategic enterprises in every district, as part of the implementation of the PFA programme. This would enhance rural enterprise, create rural employment and increase household incomes, which would widen the local government tax base. This mandate should be given to the Uganda Development Corporation.
- 4.2.7 Inter-ministerial/department/agency linkages should be strengthened especially where government policy programmes require the input of different ministries, departments and agencies for meaningful outcomes and impacts to be realised.

4.3 Corporate Governance

- 4.3.1 Due to the infancy of the Corporate Governance field in Uganda, significant support needs to be provided in the area of targeted training for businesses and individuals (both in the formal and informal sectors) on how to translate the concepts, specifically of corporate governance into practice.
- 4.3.2 Many of the interventions under the APRM POA within the corporate governance thematic area are being carried out by non-state organisations. The Ministry of Finance, Planning and Economic Development should develop a mechanism to coordinate applications by these organisations for funding from development partners. The proposed mechanism should have its home in the Ministry of Tourism, Trade and Industry.
- 4.3.3 A sudden transformation of small enterprises into formal enterprises may not be feasible given their nature. A systematic approach involving stakeholders such as the Ministry of Tourism, Trade and Industry, MGLSD, Small Scale Industries Association, the Private Sector Foundation Uganda and the Federation of Uganda Employers should be worked out to help the informal sector gradually become formal.
- 4.3.4 The process of establishing an authority to regulate public pensions, which is being handled by the Ministry of Public Service, should be expedited.
- 4.3.5 Government should design a programme for public education and sensitisation on rights and obligations in the area of labour rights derived

- from international codes and standards that have been signed, ratified, domesticated and implemented.
- 4.3.6 Government should expedite the enactment of laws to regulate non-deposit taking micro-finance institutions such as the SACCOs.
 - 4.3.7 The enactment of the Counterfeit Goods Bill 2008 should be expedited to enable UNBS fully carry out its role in enforcing standards.
 - 4.3.8 For sustainable economic development, the Government of Uganda needs to encourage more businesses to move from the informal to the formal sector to ensure that the businesses themselves are sustainable, can generate sufficient income to support those involved in them and can pay taxes to assist in the development of the economy as a whole.
 - 4.3.9 Support should be provided to create an efficient capital market to enable businesses access capital needed for growth and to attract investment.
 - 4.3.10 Government should carefully study proposals being made for the liberalisation of the pensions sector to draw lessons from other countries that liberalised it. The appointment of a Regulator for the pension sector should be expedited to encourage long-term savings among the Ugandan population.
 - 4.3.11 The establishment of a regulator for public pensions was already being handled by the Ministry of Public Service. The enactment of the Ugandan Retirements Benefits Bill should be expedited so that an independent Pensions' Regulator can be appointed as soon as possible.
- 4.4 Socio-Economic Development
- 4.4.1 Government should promote and support the implementation of Gender Budgeting by all ministries, departments and agencies
 - 4.4.2 Cabinet should review the location of the NPA as well as strengthen the capacity of its staff to andle their functions effectively.
 - 4.4.3 Government should investigate widespread concerns regarding the poor performance by the staff and service providers in the education and

- health sectors. The underlying causes of absenteeism and abscondment should be thoroughly investigated.
- 4.4.4 Government should review the current ceiling on recruitment of primary school teachers and provide more resources for the construction of classrooms to reduce congestion and provide where they are lacking.
 - 4.4.5 Government should devise mechanisms for incentives to enhance the motivation of staff and service providers in the education and health sectors in order to ensure retention of those trained and improve quality of service delivery in the two sectors. In the education sector, incentives should also target luring teachers to the hard-to-live-in and the hard-to-reach areas.
 - 4.4.6 Government policy on the retention in school of the girl child as stipulated in the Education Act of 2008 should be strictly enforced, through for example, instituting punitive measures against parents who marry off children below 18 years of age, and the men who marry them.
 - 4.4.7 Government should, in collaboration with stakeholders, put in place mechanisms to address challenges of sexual violence including sexual harassment faced by girls in the school systems at UPE and USE levels. The Ministries of Education and Sports; Gender, Labour and Social Development; and Justice and Constitutional Affairs should put in place a law and policy on sexual harassment with punitive and compensatory measures that all schools must adhere to. Implementation of the policy should also be linked to the existing policy and regulatory framework on sexual offences.
 - 4.4.8 Government should expedite the Ratification of the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (The Maputo Protocol).
 - 4.4.9 Government should ensure that the broader Rural Development Strategy does not dilute mandates of, and priorities already identified by, constituent sectors such as agriculture, transport, energy, education, health, trade and commerce, community development, etc. The Rural Development strategy should be used to promote coherence in sector strategies, synergy between sectors and rationalisation of resource allocation but implementation responsibility should remain with individual sectors working in rural development.

- 4.4.10 In the implementation of the National Population Policy, government should set up frameworks to address the issues of teenage pregnancy and empowering women through affirmative action in education to enable girls remain in school longer beyond secondary and vocational levels. Government should also invest in the area of reproductive health.
- 4.4.11 Government should consider carefully the need to decongest the MGLSD taking into account the increased costs of public administration. In the meantime, Government could consider increasing the budget allocation to the ministry to enable it perform its functions.

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