



# Joint Programme 2022 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Uganda

**Reporting Period:** 1 January - 31 December 2022

**JP title:** Integrating Policy and Financing for Accelerated Progress on SDGs in Uganda

**Stakeholder partner:** National Government; Sub-national Governments;

**Thematic SDG Areas:** Transforming education; SDG localization; Digital transformation; Climate action & energy transformation;

**PUNOs:** UNDP, UNCDF, UN-Women

**Top-up received as part of DEM:** No

**Total estimated expenditures:** US\$ \$ 461,064.0

**Total estimated commitments** (including expenditures): US\$ \$ 565,814.0

**Gender Marker:** Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm)

**Resident Coordinator:** Ngongi Namondo, Susan

**Resident Coordinator Email:** [susan.ngongi-namondo@un.org](mailto:susan.ngongi-namondo@un.org)

### Executive Summary

**Ensuring Effective Public Finance Management:** The Government of Uganda was supported to prepare its Public Investment Financing Strategy (PIFS), which serves as an integrated framework in alignment with the country's National Development Plan III (NDP-III). The launch of the PIFS in early 2023 to inform the national budgeting process in 2023 is a milestone in the development and implementation of a more comprehensive Integrated National Financing Framework (INFF).

**Enhancing Accountability Mechanisms:** Capacity of national institutions, including government officials/staff was enhanced for monitoring and reporting of the SDGs, as well as for improving women's participation in public procurement. Monitoring and oversight systems were reinforced with sustained provisions of coordination and monitoring support and technical assistance to the SDG Secretariat in the Office of the Prime Minister. Preparation of the 'Status of SDGs Data and Statistics' report, including the review and update of the SDG Indicator Matrix by Uganda Bureau of Statistics are examples of results achieved with the UN support. The number of indicators with

data points has increased from 92 (2021) to 119 (2022); and as a result, the new dataset has informed the preparation of the SDG progress report by the Government and will inform the third Voluntary National Review Report (VNR) Report in 2024. With an aim to generate robust data and statistics for the SDGs follow up, a UN Joint Programme (JP) on Data and Statistics was finalised.

**Aligning Plans, Policy, and Financing:** Technical support was delivered to the National Planning Authority (NPA), to undertake the NDP III mid-term review (MTR), including the review of its 20 Programmes and Programme Implementation Action Plan. The MTR findings are being used to redirect the economy towards recovery from the effects of COVID-19, inform the 2023/24 budgeting process, and improve the alignment between planning, budgeting, and monitoring. An enabling policy environment has eased the interdependency of existing financial government systems, leading to the launch of Integrated Revenue Administrative System (IRAS). Implementation of alternative financing thus, has been advanced in two targeted local governments with the introduction of an automated and digitized revenue collection system. Local revenue data base was upgraded, and 'good tax standards' was adopted by incorporating the Tax Administration and Diagnostic Assessment Tool aspects in revenue mobilization by local governments, which is a good impact achieved as result of UN technical assistance. Another example of success is the establishment of Policy Labs in Makerere University, and nine background studies undertaken by these labs, profiling communities, stakeholders, enterprises, markets and taking stock of ongoing livelihoods interventions in Uganda with an aim to identify causes behind the 39 percent of Ugandan households getting stuck in the subsistence economy.

## Annual Progress

### **Overall JP self-assessment of 2022 progress:**

On-track (expected annual results-achieved)

### **Overall progress and key developments to date (3 key JP milestones)**

Sound policy framework, including gender sensitive national strategies: SDGs follow up and review: Coordination, monitoring and technical leadership support to the SDG Secretariat in the Office of the Prime Minister was continued. The SDG Indicator matrix was updated, and the 'Status of SDGs Data and Statistics' Report was prepared. The new dataset informed the preparation of the SDG progress report and will inform the preparation of Uganda's third Voluntary National Review Report (VNR) in 2024. UN Joint Programme on Data and Statistics was finalized, and Citizen Generated Data Guideline and toolkit introduced. The first annual SDG conference was convened, and the conference outcome has informed the Cabinet Policy Paper with 14 Resolutions for SDGs acceleration actions. A Round Table Dialogue brought together 73 participants from different Ministries, Departments and Agencies (MDAs) to discuss on improving women's participation in public procurement. A Tracer Study was undertaken of women entrepreneurs who had received similar training in 2019-2021. Key findings indicate a) majority of the respondents (87%) had not participated in bidding for government contracts, only 13% had participated in bidding for government contracts; and b) while majority constituted 79% of the respondents who had participated in bidding for government contracts had been awarded government contracts, indicating the impact of such trainings support delivered by the UN.

**Integrated National Financing Framework (INNF)/Strategy:** The governance mechanisms, systems and tools that align policies and annual budget to the national development plan, were strengthened. Support was delivered to prepare its Public Investment Financing Strategy (PIFS), covering National Development Plan III (NDP-III). The launch of the PIFS in early 2023 will inform the national budgeting process in 2023, thus is a milestone in the development and implementation of INNF for post NDP III period. The National Planning Authority was supported to undertake the Mid-Term Review (MTR) of NDP III, its 20 programmes and their respective Programme Implementation Action Plans (PIAPs). Results of the MTR are being used to inform the FY 2023/24 national budget and, in the reprioritization, and selection of the key priority interventions, projects and actions to achieve national sustainable

development priorities. The Government was supported to establish the Parish Development Model Policy Labs. The PDM is a strategy identified in the third NDP aimed at reducing poverty by moving 39% of households (16.1 million Ugandans) under subsistence economy into the money economy. The Policy Lab commissioned nine background studies to profile communities, stakeholders, enterprises (food; cash crop; and non-agriculture), markets and take stock of ongoing State and Non-State livelihood interventions in Uganda to identify why the 39 percent of households are still stuck in the subsistence economy. Results from these studies will be used to develop the PDM implementation strategy.

Strengthening domestic resource mobilization: Local Government Finance Commission was assisted in the implementation of alternative financing for the 2 targeted local governments. Local revenue data bases were upgraded, and an automated and digitized revenue collection system was introduced, operationalizing Integrated Revenue Administration System (IRAS). The local revenue performance in the Local governments has registered an increment trajectory in 2022 from 2021. Training was conducted on using Tax Administration and Diagnostic Assessment Tool, leading to the adoption of good tax standards by the local governments. Support was provided in preparing a cabinet paper for the development of capital markets as part of enhancing alternative financing efforts for mobilize diverse sources of development finance for local governments and cities, that could complement grants from central governments and development partners.

#### **Main Challenges, adjustments and lessons:**

Delays on Government side to sign the Project document, which in turn delayed the release of the implementation funds from the SDG Fund Secretariat was a challenge in the start of the project implementation.

A new Government requirement that the Solicitor General must clear all Development Partners projects and country documents before signing off the Minister of Finance, Planning and Economic Development (MoFPED), has increased the turn-around time on the side of Government, creating delays in actions. This challenge has been overcome by UN PUNOs by their continuous engagement with partners including Government and by utilizing their own resources. The start of the budgeting cycle, which normally starts in September of every year consumes a lot of time of MoFPED staff making it difficult to convene meetings to review progress of activities, hence affecting the monitoring/reporting.

#### **SDG Acceleration**

Results outlined in this report indicate that the JP has contributed to accelerating progress towards four key SDG targets: 1.b, 5.c, 17.1. and 17.14. Below is the list of the SDG targets the JP had planned to contribute to.

1. SDG target 1.b. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions
2. SDG target 5.c. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
3. SDG target 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
4. SDG target 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
5. SDG target 16.6. Develop effective, accountable and transparent institutions at all levels;
6. SDG target 17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection;
7. SDG target 17.3 Mobilize additional financial resources for developing countries from multiple sources
8. SDG target 17.4 Assist developing countries in attaining long-term debt sustainability through coordinated

policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress

9. SDG target 17.14. Enhance policy coherence for sustainable development; and

10. SDG target 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

## Updates on SDG financing framework

	Assessment Diagnostics	Financing Strategy	Monitoring	Governance
Inception phase			Review	Coordination
Previously Completed	Previously Completed	Completed (100%)	Advancing (50-99%)	Advancing (50-99%)

### Descriptions on progress by INFF building blocks

**Inception Phase:** The PIFS has been launched, covering the NDP III period. There is a need to develop a subsequent/comprehensive INFF to cover up until 2030.

**Assessment & Diagnostics:** Development Finance Assessment (DFA), Fiscal Space Analysis, Feasibility Studies and Annual Programme performance reviews were used in developing PIFS, which subsequently is informing the national budgeting. The DFA included all sources of financial flows at national and sub-national levels. Given that DFA was conducted at a time the country was starting to prepare NDPIII, it also informed the state of different financing flows and financing needs, both at national and local government levels, providing recommendation to the development of the PIFS vis-à-vis INFF, in line with the Addis Ababa Action Agenda. For example, implementation challenges around Public Investment Management, implementation of the infrastructure agenda, and on PFM in delivering basic services were identified by the DFA. Progress in developing and implementing the new Public Investment Management (PIM) framework remained essential in order to ensure that projects are fully aligned to the development agenda/NDP and that implementation runs smoothly. These findings informed review of the PIM and PFM frameworks. The IMF PIM Assessment completed in February 2022 shows that Uganda has achieved significant improvements in public investment management over the last few years, especially in institutional design. Important measures have been undertaken, including giving the Development Committee a strong role as a gatekeeper for new investment proposals, the establishment of the Projects Analysis and Public Investment Department, and development of guidelines and manuals to improve the quality of project preparation and appraisal. In terms of SDG costing, Uganda's SDGs costing is integrated with in the NDPIII, which is operationalized through the PIAPs. These PIAPs with support from the JP were reviewed to prioritize and cost interventions of NDPIII for the remaining period of implementation. In brief, the JP contributed to SDG costing/budgeting through the review of the NDPIII and PIAPs.

**Financing Strategy:** The PIFS was developed to support financing of NDPIII and the SDGs. Its overall objective is to establish robust and sustainable financing mechanisms for the achievement of the NDPs. The specific objectives of this strategy are to: - Improve alignment of Government programmes to suitable financing options. - Minimise the cost and risk exposure of financing modalities. - Leverage additional financing from traditional and other innovative sources to Meet the increasing development requirements; and, - Provide a framework for partnership with the private sector, both in the implementation and financing of public investment programmes and projects. The PIFS prioritizes the implementations of following reforms: - Policy reforms to strengthening regulatory and institutional frameworks - Finalization of reforms under the PIMS to ensure efficiency in public investments. - Reforms for domestic debt market in line with Capital Market Masterplan - Reforms to the pension sector to support competition and growth, which will play a key role in catalyzing the growth of long-term finance in Uganda. - Reforms to address financial management challenges, improve accountability, procurement & information Technology systems, e-cash & other digital platforms - Institutional reforms to improve efficiency and address corruption and ensure predictability of Government policies.

**Monitoring & Review:** Government uses the existing monitoring structures for NDPIII Monitoring and reporting framework. One of the achievements is the revision of the Certificate of Compliance assessment from sector-based to programme-based, while integrating assessment of crosscutting issues such as SDGs, climate change, demographic dividend, African Continental Free Trade Area among others.

**Governance & Coordination:** The main functions of the INFF oversight body will be to ensure whole-of-government approach to strengthening and building coherence across financing policies. It will guide the process of operationalizing the INFF from the outset. Headed by the Ministry of Finance, Planning and Economic Development, the Team will closely engage the Office of the Prime Minister and the National Planning Authority; two institutions responsible for implementing the NDP III. The Oversight Team will play an institutional oversight mechanism role providing ‘top-down’ coordination, which will be complemented by other coordination and coherence-building mechanisms. Specifically, the INFF Oversight Team in Uganda will be responsible for leading, guiding and shaping the Roadmap for developing an INFF and implementing it. Collaboratively the team will determine the scope and focus of the four building blocks to an INFF – focused on (i) analysis and diagnosis; (ii) developing a financing strategy; (iii) monitoring and review; and (iv) governance and coordination. The Oversight Team will play a leading role in facilitating and guiding the process and in developing, championing and taking forward the implementation of actions contained in the Roadmap.

## Annual Reporting on Results

### JP contributions to the Joint SDG Fund’s global cost of living crisis

#### Next steps, scaling and sustainability [400 words]

- (i) Supporting Government to launch the INFF Initiative, disseminate the Public Investment Financing Strategy and Inaugurate the INFF Oversight Committee.
- (ii) Support the finalization of the NDPIII Mid-term Review by supporting diagnostic studies for “SDG accelerators” – interventions that would spur the achievement of other SDGs like, Industry; Governance; Environment and Climate change which were identified in NDPIII, specifically on their relevancy, effectiveness and efficiency of the requisite policy and institutional arrangements for their implementation. Results from the studies will inform the NDP4 formulation.
- (iii) Finalize the development of the UN Joint program on Data and Statistics to support in acceleration of the SDG monitoring and reporting.
- (iv) Support the preparation processes of Uganda’s Third Voluntary National Review Report
- (v) Support the dissemination of the Localization Manuals at both National and Local levels, which will contribute to SDGs communication, Advocacy and Population in Uganda.
- (vi) Support Government with the implementation of the Parish Development Model which aims at alleviating poverty by supporting 39 percent of households in Uganda still stuck in the subsistence economy to join the monetary economy through supporting the development of the PDM implementation road map.
- (vii) Support the implementation of the PIFS by developing concept notes on Innovative financing stream for possible role out to enhance the engagement of the private sector in financing the national development plan (e.g., green financing, infrastructure bond, social bonds, Blended financing, Risk and Insurance financing).
- (viii) Support the Office of the President to launch the study on the Impact of Commercialization of Agriculture in Local Economic Development for Socio-Economic Transformation of Uganda since 2010
- (ix) Support the launch of the Poverty Status Report 2021 produced by the Ministry of Finance, Planning and Economic Development.

- (x) Launch Development Dialogues with a first theme focusing on the different financing options in the PIFs.
- (xi) Support government in carrying out a National Population and housing census 2023.

## Priority Cross-cutting Issues

### Cross-cutting results/issues

In order to make men and women; boys and girls benefit equally from the Procurement and Disposal of Public Assets Authority (PPDA) processes, the PPDA has designed and provided training opportunities that have empowered women entrepreneurs. The women entrepreneurs receiving the training have in turn passed on information and their learning to other businesswomen equipping them with knowledge on the acquisition of necessary documents, search for tenders in Newspapers and on bidding winning a public tender process.

Uganda Bureau of Statistics (UBOS) and MFPED were supported to produce the 2022 National Multi-Dimensional Poverty index (MPI) Report and Poverty Status Report 2021. These two complimentary reports provide SDG disaggregated data on women and youth and other vulnerable groups.

### How did the JP apply the Gender Marker

The JP is Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm). Evidence, data collection and analysis (e.g. gender assessments of programmes; policy briefs, costing for scale-up of social services); Policy dialogues, advocacy (e.g. direct inputs to national policies, strategies, laws, including women's and girls' rights groups in coordination mechanisms); Capacity development (e.g. training of social workers, local governments, local communities);

### Focus on LNOB cross cutting principles

Human Rights	Persons with disabilities	Youth	Environmental and social standards
Yes	Yes	Yes	Yes

## Strategic Partnerships, Documents and Communications

### How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

NA. In Progress private sector partnership.

### Donor and Strategic events attended by JP in 2022

JP steering committee/ programme board meeting	Strategic partners/ donors event	Closing meeting/event
Yes	Yes	No

### JP contribution to SDG Financing

Drafted a bill, strategy, and/or approved a law	Produced financing, costing, diagnostic and feasibility	Improved efficiency (cost savings) in management	Improved effectiveness of (value for frameworks	Drafted policies/regulatory or frameworks	Structured financial instruments or (public, private or	new instruments or
---	---	--	---	---	---	--------------------

increasing the fiscal space for the policy focus	analyses as a basis to invest or increase spending on the SDGs	programmes/scheme money; i.e. developed tools toblended) to leverage social impactincentivize privateadditional funding of \$1 spent)sector investment on of spending the SDGs			
No	Yes	Yes	Yes	No	No

**Main capacity building activities supported by the JP that allowed people to expand their knowledge on SDG Financing and INFFs**

Loans Negotiation from non-traditional lenders  
Local Government planning  
SDGs localization  
Alignment, budgeting and monitoring through the certificate of compliance