

REAP

RESOURCE ENHANCEMENT & ACCOUNTABILITY PROGRAMME



2024

ANNUAL REPORT

REAP FY2023/24

PREPARED BY:
PFM Reforms
Coordination Unit



KFW

CONTENTS

ACRONYMS	2
1. EXECUTIVE SUMMARY	4
1.1 key results	4
1.2 UP DATES ON MONITORING INDICATORS.....	7
1.3. CHALLENGES / CONSTRAINTS:.....	8
1.4 FINANCIAL PROGRESS:	8
1.5 PR OGRAMME MANAGEMENT	10
2. INTRODUCTION	11
3. UPDATES ON KEY INDICATORS BY CLUSTER	13
4. FINANCIAL PERFORMANCE	15
4.1 Funds Received	16
4.2 Programme Expenditure.....	16
5. IMPLEMENTATION PROGRESS BY RESULT AREA DURING FY2023 -24	18
5.1 SUSTAINABLE REVENUE MOBILIZATION.....	18
5. 2: DEVELOPMENT PLANNING AND BUDGETING.....	22
5.3: PUBLIC INVESTMENTS MANAGEMENT.....	24
5.4: ACCOUNTABILITY SYSTEMS AND COMPLIANCE	28
5.5: LOCAL GOVERNMENT PFM SYSTEMS.....	32
5.6 PFM OVERSIGHT.....	41
6. STATUS OF PFM REFORM COORDINATION AND DIALOGUE	44
6.1 PFM REFORMS COORDINATION UNIT.....	44
6.2 PROGRESS OF PFM DIALOGUE:.....	45
6.3 JOINT FIELD VISITS	45
6.4 UPDATE ON EMERGING RISKS AND THEIR MITIGATION	47
ANNEXES:	50
ANNEX 1: MATRIX OF CUMULATIVE EXPENDITURE AGAINST APPROVED BUDGET BY CLUSTER	51
ANNEX 2: DETAILED DESCRIPTION OF PROGRESS AGAINST WORK PLANS	55
ANNEX 3: REAP KEY PERFORMANCE INDICATORS AS AT JUNE 2024	101

ACRONYMS

ACCA	Association of Chartered Certified Accountants
AGO	Accountant General's Office
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit
BoU	Bank of Uganda
CGAP	Certified Government Auditing Professional
CPD	Continuous Professional Development
CG(s)	Central Government(s)
CSBAG	Civil Society Budget Advocacy Group
DEA	Directorate of Economic Affairs
DFID	Department for International Development
DFP	Donor funded projects
DTA	Double Taxation Agreement
EBU	Extra budgetary Units
EDMS	Electronic Document Management System
E-GP	Electronic Government Procurement
EU	European Union
FINMAP	Financial Management and Accountability Programme
GBP	Great British Pounds
GEF	Global Environment Facility
GPP	Government Procurement Portal
GoU	Government of Uganda
HOD	Head of Department
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IMEM	Integrated Macro-Economic Model
IPPS	Integrated Personnel, Payroll and Pension System
KCCA	Kampala Capital City Authority
KFW	Kreditanstalt Für Wiederaufbau (German Development Bank)
LAN	Local Area Network
LG(s)	Local Government(s)
LGAC	Local Government Accounts Committee
LGFC	Local Government Finance Commission
LGPACs	Local Government Public Accounts Committee
MDAs	Ministries, Departments and Agencies
MALGs	Ministries, Agencies, and Local Government(s)

MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MTEF	Medium Term Expenditure Framework
MSU	Management Support Unit
NITA	National Information Technology Authority
NOK	Norwegian Krone
NTR	Non-Tax Revenue
OAG	Office of the Auditor General
OBT	Output Budgeting Tool
ODI	Overseas Development Institute
OPEC	Organization of the Petroleum Exporting Countries
PAC	Public Accounts Committee
PBB	Programme Based Budgeting
PDE	Procurement and disposing entities
PEMCOM	Public Expenditure Management Committee
PFM	Public Financial Management
PIMA	Public Investment Management Assessment
PIMIS	Public Investment Management Information System
PPDA	Public Procurement and Disposal of Public Assets Authority
PUSATI	Public Universities and Self Accounting Institutions
RAPEX	Rationalization of Government Agencies and Public Expenditure.
REAP	Resource Enhancement & Accountability Report
QAIP	Quality Assurance Improvement Program
SAM	Social Accounting Matrix
TC	Town Council
TOT	Training of Trainers
PTC	Programme Technical Committee
TOU	Training of Users
UAT	User Acceptance Training
UIA	Uganda Investments Authority
UNEB	Uganda National Examination Board
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
USD	United States Dollars
VFM	Value for Money
WAN	Wide Area Network

EXECUTIVE SUMMARY

This report presents the annual performance of the Resource Enhancement and Accountability Programme (REAP) for the Financial Year (FY) 2023/24. The programme is implemented by the Government of Uganda (GoU) with support from the European Union and KfW. The overall objective as derived from the GoU's Public Financial Management Reform Strategy July 2018 to June 2025 is to increase resource mobilisation, improve planning and public investment management, and strengthen accountability for quality, effective and efficient service delivery.

During FY2023/24 implementation of the agreed 2-year extension period for REAP, which will now run up to 30th June 2025 continued. The programme interventions were disrupted in 2020/2021 by the global Covid pandemic and as such, the period focused on recovering progress on attainment of the main objectives of the programme agreed after the Mid-Term review process to ensure the core results are achieved.

Ministries Departments and Agencies (MDAs) lead the execution of agreed interventions as stipulated in the REAP Programme Implementation Document (PID). REAP during the FY was co-financed by GoU through a "basket fund" modality supported by EU and KfW. REAP's contributions are made towards the 6 strategic PFM reform objectives along which this report is structured. The Programme is aligned to the NDPIII through the Development Plan Implementation (DPI) Programme.

1.1 KEY RESULTS

The following section provides highlights of progress achieved during the period:

The FY was the mid-term point for a three-year work plan and budget agreed with the DPs following the MTR of REAP and the subsequent reprioritisation of the remaining interventions so as to achieve the intended objectives. The period was thus a time to reflect on what had been achieved and more importantly how to carry forward the reforms. PEFA that commenced in 2022 was concluded during the FY and PEMCOM commissioned the design of the next phase of the PFM Reforms Strategy FY 2025/26 – FY 2029/30, with the aim to have the new strategy in time for the FY 2025/26 planning process which will start in September 2024. Significant progress on the design process was made during the FY as detailed below.

The following highlights notable progress achieved during the year:

Design of the next PFM Reforms Strategy and Action Plan FY 2025/26 – FY 2029/30: On 3rd August 2023 PEMCOM approved the process for design of a new PFM Reforms Strategy, and the Second Resource Enhancement and Accountability Programme (REAP II) to sustain government's commitment to improved service delivery through effective accountability systems. The Accountant General is leading the design process and is being informed by diagnostic reviews including: PEFA 2022, PIMA 2022, the NDP III MTR, and the REAP MTR. During the FY, a draft PFM Reforms Strategy FY 2025/26 – 2029/30 was prepared along with a Costed Action Plan and Results Framework and were undergoing review by different stakeholders.

Reviewing and improving the NDP III results and indicator framework: Technical support was provided to institutionalise a standard framework for results and performance indicators and revise the NDP III results and indicator framework with a focus of aligning with standards. This work remained ongoing by the end of the FY. In addition, the programme supported acquisition of long-term TA for implementation of a manual with guidelines for selection of indicators and performance monitoring, data collection and clean-up of the results framework as part of the reviewed indicators and service delivery targets.

Capacity building programme for Development Planning was undertaken through the certified training in strategic planning under the International Association of Strategy Professionals (IASP). The National Planning Authority (NPA) trained 49 staffs across government for Certified training on strategic management performance systems

by the International Association of Strategic Professionals. In addition, ninety-two (92) staffs across government were trained in human resource development planning by the African Institute for Economic Development & Planning to enhance their development planning capacity.

Mobile platform system for investment in government securities using mobile phone/mobile money. MoFPED in partnership with Bank of Uganda conceived a project to enable retail buyers purchase T-bills and bonds offered by BoU through their mobile phones using the Okusevinga mobile platform. During the FY, the process for development of the mobile platform system progressed close to conclusion. What remained to be done was integration of the system with the two main Mobile networks, namely MTN and Airtel. Consultations on finalising these aspects were ongoing as at the end of the FY.

Establishment of a reliable methodology for estimating baseline expenditure and drafting a more accurate MTEF. Implementation of this activity initially met a challenge as only one (1) proposal was received. A decision was made to review the requirements and re-tender internationally. The procurement process was later finalised and by the end of the FY the contract was signed, and the consultant due to submit an inception report by 13th July 2024.

Development of the PIM policy - The Draft National Public Investment Management Policy was presented to Cabinet a number of times and deferred during the FY. This process affected achievement of the planned finalisation of the policy during the FY. H.E the President specifically provided strategic guidance to include several policy proposals in the document. The cluster finalized incorporating H.E. the President and other cabinet's comments on the draft and undertook MoFPED Top Management approval processes. The policy was made ready for resubmission to Cabinet expected during the first quarter of FY 2024/25.

The PIM cluster programmed to deepen phase 2 of the IBP through change management. Using targeted hands-on training for Project Coordinators of ongoing projects, the cluster focused on deepening the use of IBP and strengthening public investment planning. During the FY a total of 145 coordinators were trained and commenced data input into the new IBP monitoring and evaluation module. Utilisation of this module will further increase the benefits of the IBP to overall strengthening of PIM processes in the country.

Alignment and integration of the IBP with PBB and other PFM systems is an emerging reform requirement: Consultative meetings were convened for the restructuring of the IBP to align to the PBB and drafting of the restructuring requirements for the system. A number of discussions on integrating the systems were held during the FY. The PAP department commenced the process of developing terms of reference for the upgrade of the IBP and this will roll over to the next FY.

The cluster also programmed to revise DC guidelines: Makerere University (MUK) Centre of Excellence was contracted to develop the revised Development Committee (DC) guidelines. A Consultant was engaged, progressed the assignment and submitted a draft report that was under review by the PAP department as at close of the FY. The Consultant is expected to submit a final report during the first quarter of FY 2024/25.

Improved licensing and permitting frameworks for PIM in selected entities/sectors. This is a key activity which is expected to lead to further PIM reforms in the short and medium term. During the FY, M/s Kasky Technologies was contracted to undertake the diagnostic study of Uganda's licensing and permitting framework in the energy and natural resources programmes. The contract was signed on the 5th February, 2024 after going through a number of challenges and delays. Implementation will run for nine and half months, up to November 2024. By the end of the FY, the consultant had submitted an acceptable inception report and was due to submit the first draft report. The consultancy outputs are reviewed by a Multi-Agency Task force. The assignment will cover

diagnostic study and cost benefit analysis of frameworks for licensing and permitting in the selected PIM regulatory agencies and project executing agencies within the energy and water sectors, as well as a feasibility study for improvements.

PPDA issued a new set of regulations to guide public procurement and public assets disposal in the country effective from 5th February 2024. This was an update linked to the PPDA Amendment Act and will replace PPDA regulations that had been issued in 2014 for central government entities and 2006 for local government entities. During FY, the cluster commenced review of Standard Bidding Documents (SBDs) in line with the revised regulations. This is being conducted in tandem with dissemination of the PPDA regulations. The revisions in the bidding documents are among others bringing in emerging aspects like green procurement.

Roll out of HCM to entities to enhance effectiveness and accuracy of public payroll and pension management systems and human resource management. MoPS has a long term plan to acquire and implement HCM software and hardware in 250 entities by the end of the programme. During the FY, MoPS, completed rolled out of HCM to the 100 sites under phase 2, and the cumulative number of sites migrated from IPPS to HCM stood at 160 as targeted in Phase 1 & 2. The FY also saw general HCM software revision concluded in February, 2024. The revision contains Phase 2 business requirements and improved system integrations i.e., IFMS and PDMS, and new integrations with NSSF, TMIS and National Single Registry. The revisions enable the HCM system to provide better value to the users, including sharing the information with other PFM systems through enhanced integration.

Upgrade of e-GP: This was planned as part the business process re-engineering of the system. The rollout of the upgraded system could not commence as the BPR process and upgrade was not concluded. While preparations for the Go-Live of the enhanced e-GP system had been undertaken and the latest Go-live date was 30th June, 2024, this was not achieved and the consultant requested additional time, that was granted. The plan remains to rollout e-GP to 250 entities in FY 2024/25. GoU commitment to achieve this target was demonstrated by increased allocation to e-GP of **UGX 14 billion** in the Budget of FY 2024/25 to meet the target. Due to the unexpected delays from the consultant, there is a risk that the target may not be achieved and this will be tracked in the REAP Risk Matrix.

Strengthening Tax Policy Framework: MoFPED pursued development of a dedicated Tax Policy-making framework to guide tax policy formulation in the country. The policy guidelines were developed and submitted to cabinet, which provided comments. All the necessary evidence that facilitated the Regulatory Impact Assessment (RIA) process was provided. Government decided that the principles, guidelines and standards for the imposition and collection of taxes in Uganda be consolidated into a single document which shall serve as a robust and evolving reference point for policy makers and stakeholders while they propose, formulate, evaluate and improve tax policies.

Engagement of TA to undertake an institutional capacity review of TPD based on recommendations from the study of the tax policy-making process and white paper to be developed. As part of Tax Policy BPR process, the ODI TaxDev TA submitted recommendations for reshaping the organisational structure of the Tax Policy Department (TPD) at MoFPED. The process of reviewing the recommendations continued through Quarters 3 and 4 of the FY. The recommendations are being harmonised with the ongoing process of rationalisation of Government Ministries, Entities and Departments.

Rollout of the Integrated Revenue Administration System (IRAS) to DLGs – This is one of the most outstanding REAP achievements during the FY. Using REAP support a total of 60 Districts were rolled on to IRAS during the FY, thereby completing IRAS rollout to all LGs, one year ahead of the planned completion date of June, 2025. IRAS is currently running in 166 LG votes out of the 176 LG votes, with the balance of 10 covered by eLogRev. In each of the covered LGs all the sub-counties and divisions are included. During the FY KCCA formally requested to join the system, a clear indication of quality and robust nature of IRAS.

Implementation of a Local Revenue Call Centre – To provide further change management support to the IRAS system, a contract was signed in Quarter 1 to establish a Local Revenue Call-center for efficient and effective support to users of the system. The physical setup of the call center, including placing fixtures and fittings were completed. Also completed was delivery of the required hardware and training of the LGFC staff to oversee the centre. The remaining tasks to full completion of the centre should be completed in September 2024.

Strengthening regulatory framework for revenue management at Local Governments: MoLG and LGFC arranged the launch of the LG Own Source Revenue Mobilization Strategy. This activity which had remained outstanding for over one year, was successfully implemented in Q3 of the FY. In addition, the Hon. Minister of MoLG flagged off a National Coordinating Committee to spearhead implementation of the strategy across the country. The strategy targets to increase local revenue in the country from UGX 380 bn. currently to UGX 1 trillion in absolute terms within the medium term (FY2023/24 – FY27/28).

Rollout of the online Simplified Computerized Accounting and Reporting Tool (SCART) to 134 of 176 Local Governments. The Ministry of Local Government engaged a consultant to develop SCART. The objective of the tool is to standardize accounting and reporting in the Lower Local Government and service delivery units. The system has so far been piloted successfully in 14 LLG’s and service delivery units. During the FY the upgrade of SCART to a web-based system with enhanced capabilities was finalized ready to be rolled-out. Following the failure by NITA (U) to host the tool, MoLG is temporally hosting SCART in its server room. The full rollout of the system is expected to significantly improve reporting and accountability.

Acquisition of Audit Management System to replace Teammate. OAG planned to contract a Tender Agent/Independent Quality Assurance (IQA) Expert to facilitate the procurement of a contractor to design a new Audit Management System. By close of the Q3, the contract had been signed and by the end of the FY the Tender Agent had completed review of the proposed solution, developed the system objectives and finalised the Terms of Reference (ToRs) to facilitate procurement of the design consultant.

Impact Evaluation of IFMS including its contribution to service delivery. This commenced in earnest during Q3. By the end of the FY, the assignment was concluded and the final report submitted and approved. The report man findings showed that the IFMS system was successful in supporting diverse roles ranging from users of modules for invoicing, payables, banking, receivables, and asset management to finance heads whose focus is on payables, cash limits, and payment processing. The report findings and recommendations are being consider in the programming for the next phase of reforms, especially related to PFM systems.

1.2 UPDATES ON MONITORING INDICATORS

During the FY, the Annual OAG Audit Report was released. The scope of the report comprised MDAs, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities. A total of 625 entities were covered by the audit. A total of 613 entities representing 98.4% of all those audited had unqualified opinions.

Table 1: Summary of the Audit Opinions for FY 2022/23 Audits by Auditor General:

Type of Opinion	2022/23
Unqualified	613
Qualified	10
Adverse	0
Disclaimer	2
Total	625

The trend in audit performance showed an improvement in performance of overall opinion as compared to the last three FYs as showed below

Table 2: Trend in Audit Opinions FY 2019/2020 – FY 2022/23

Type of Opinion	2022/23	2021/22	2020/21	2019/20
Unqualified	613	654	502	420
Qualified	10	15	27	33
Total	623	669	529	453
Parentage of Unqualified Audits	98.4	97.8	94.9	92.7

1.3. CHALLENGES / CONSTRAINTS:

During the FY, the following major challenges in implementation were noted:

1. There were constraints which impacted the implementation of some key PFM systems. In the case of e-GP the business process re-engineering of the system was not concluded as had been anticipated and the expected Go-Live process of the enhanced system was not undertaken during the FY to facilitate the roll out of the enhanced e-GP from July 2024 as had been planned. AGO had planned an expedited roll out plan covering 250 entities during the FY 2024/25 in order to recover the lost time and have the system rolled out to all procurement entities by the end of FY 2025/26.
2. The contract approval processes at the Office of the Solicitor General significantly delayed clearance of some contracts. Among the contracts significantly delayed was that of the IQA/Tender Agent for the Audit Management System. While the draft contract was submitted to the SG on the 23rd February 2024, approval was only provided on the 11th April, 2024. The SG's office has adopted a more rigorous process to review contracts which while very positive in terms of averting implementation challenges, is also constraining implementation, especially where timelines are tight.

1.4 FINANCIAL PROGRESS:

During the FY, the programme received **UGX 77,105,383,495** instead of the planned **72,396,709,460** representing **107%** of the original budget. The excess funding resulted from the DP contribution which was originally budgeted at **UGX 11,022,225,000** but increased to **UGX 16,695,820,864** because the final **Euro 1,000,000** from KfW that was disbursed in the FY instead of FY 2024/25 as originally planned. The detailed funding from both GoU and Development Partners is as shown in table 3 below: -

Table 3: Funds Available to REAP in FY2023/24

Partner	Amount in DP Currency	Amount in US\$	Amount/equivalent in UGX
Development Partners (DPs):			
b/f (from FY22/23)	N/A	2,185,320.88	8,013,855,747
<u>KfW</u>	EUR 1,000,000	1,061,593.83	4,061,392,595
EU	EUR 1,100,000	1,221,391.40	4,620,572,522
Sub-total		4,468,306.11	16,695,820,864
GoU Release:			
Q1 GoU Release			14,621,875,046
Q2 GoU Release			16,408,110,037
Q3 GoU Release			14,095,377,946
Q4 GoU Release			15,284,199,602
Sub-total			60,409,562,631
TOTAL			77,105,383,495

Source: RCU Financial Records 2024

As at June 30th 2024 the programme had spent a total of **UGX 71,323,981,765** representing **99%** of the annual budget (**UGX 72,396,709,460**) and **93%** of the funds received during the FY (**UGX 77,105,383,495**). The excess of the funds (**UGX 4,708,674,035**) though received from DPs during the FY are programmed for use in FY2024/25.

The total annual expenditure achieved by Cluster across the REAP Strategic Objectives is as shown in table 4 below:

Table 4: Cumulative Expenditure against Annual Budget as at June 30, 2024

Cluster	Annual Budget FY2023/24	Expenditure 30 June 2024 (UGX)	% of budget
Improved resource mobilization for Uganda's sustainable development	6,831,720,271	6,829,677,612	100%
Enhanced Policy-Based Budgeting and Planning for Allocative Efficiency	9,419,190,178	8,795,412,890	93%
Strengthened public investment management for increased development returns on public spending	2,505,615,448	2,335,052,946	93%
Strengthened effectiveness of Accountability Systems and Compliance in Budget execution	26,427,713,985	26,330,260,756	100%
Improved transparency and accountability of Local Government PFM systems	13,519,333,719	13,505,449,449	100%
Strengthened oversight and PFM governance functions for the sustainability of development outcomes	8,345,584,203	8,181,767,667	98%
Reforms Coordination Unit	5,347,551,656	5,346,360,445	100%
Total	72,396,709,460	71,323,981,765	99%

A review of cash flows from operations is provided in table 5 below:

Table 5 Cash flow from Operations

CASH FLOW FROM OPERATIONS:	UGX
INFLOWS	
Cash from GoU	60,409,562,631
Basket Opening Bal.	8,013,855,747
Cash from Development Partners	8,681,965,117
Cash from Sale of Bid Documents	0
Cash from Miscellaneous/Other Income	0
Total Inflows	77,105,383,495
OUTFLOWS	
Cash used to pay for Goods & Services Consumed, Property, Plant & Equipment	71,323,981,765
Total Outflows	71,323,981,765
NET CASH FLOW FROM OPERATIONS	5,781,401,730

1.5 PROGRAMME MANAGEMENT

By close of the FY, the preparations for contracting external auditors for REAP for the FY 2023/24 was ongoing and the new auditors are set to commence the Annual Audit by the beginning of August 2024. The new Auditors will replace Ernest and Young that have audited the programme since FY 2019/20. The audit process will run as planned and the final report is expected by December, 2024 in line with the signed joint Memorandum of Understanding.

The Reform Coordination Unit (RCU) is MoFPED's secretariat for PEMCOM as well the FPC, responsible for PFM Reform Governance. The Secretariat worked to strengthen the PEMCOM framework by promoting regular meetings of the Clusters. The meetings are important in bringing together all interested partners at a technical level for dialogue on the particular PFM reform processes, thus enhancing collaboration and constructive assessment among the various actors. During the FY, a number of Clusters still had challenges in conducting regular Cluster meetings. The challenge was discussed at various levels including PEMCOM.

The monthly REAP Governance meetings were convened during the FY. At operational level, the monthly KRA monitoring meetings were duly convened during the quarter. These were all intended to enhance work planning and implementation.

2. INTRODUCTION

This report presents the performance of the Resource Enhancement and Accountability Programme (REAP) for the FY 2023/24. The report highlights progress of implementation, challenges encountered, and lessons learnt; and proposes strategies for improvement. REAP is a four-year programme that commenced in FY2019/20 and was to end in FY2022/23. Government and Funding Partners agreed to extend the programme by two years up to June 2025 to complete implementation of key reforms on account of the COVID 19 disruptions.

The programme implementation focuses on PFM reform results and brings institutions together to work on common objectives as opposed to working in institutional silos. The programme aims to achieve six (6) PFM reform objectives as follows: -

- (i) To improve resource mobilization for Uganda's sustainable development.
- (ii) To enhance policy-based budgeting and planning for allocative efficiency.
- (iii) To strengthen Public Investment Management (PIM) for increased development returns on public spending.
- (iv) To strengthen the effectiveness of accountability systems and compliance in budget execution.
- (v) Improved transparency and accountability of Local Government PFM systems.
- (vi) To strengthen oversight and PFM governance functions for the sustainability of development outcomes.

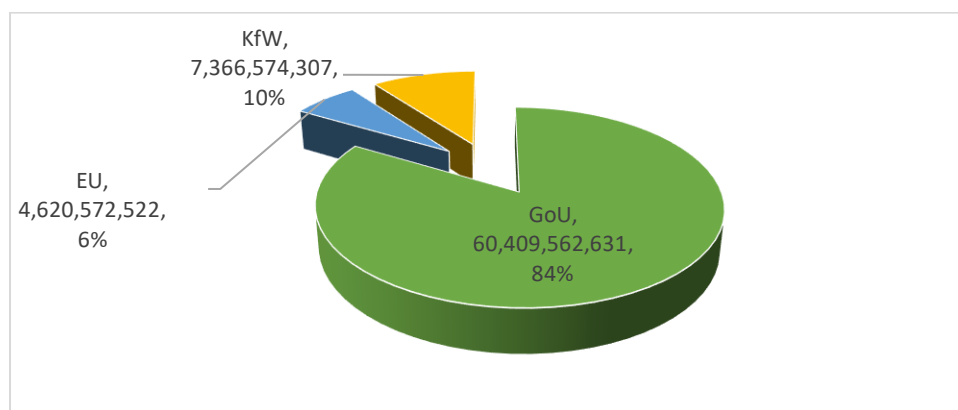
REAP implementation is operationalized through cluster arrangements with participating MDAs taking the leading role coordinated by the Ministry of Finance and Economic Development (MoFPED) through a centralized reforms coordination secretariat called the Reforms Coordination Unit (RCU). The RCU, also serves as Secretariat to the PEMCOM that facilitates joint policy oversight by the MoFPED, Development Partners and Civil Society.

BASKET FUND ARRANGEMENTS FY2023/24

REAP funding is managed through a donor basket fund modality aimed at facilitating effective and efficient joint coordination by GoU and PFM partners. During the FY the DPs that participated in the Basket Modality were EU and KfW.

Out of the total budget of **UGX 72,396,709,460** for the FY2023/24, Basket Funding from DPs accounted for **16%** percent of the total budget. Figure 2.1 provides a breakdown of funding contributions by source for FY2023/24.

Figure 2.1: REAP Basket Composition in FY2023/24



The table 6 below shows the contributions to the FY2023/24.

Donor/Funding Source	Based on Exchange Rate of Receipt
Opening Balance (DPs) as at July 1, 2023	8,013,855,747
EU	4,620,572,522
Germany (KfW)	4,061,392,595
Government of Uganda (GoU)	60,409,562,631
Total	77,105,383,495

SOURCE: REAP Financial Records 2024

REAP funding is through a development partner basket fund modality aimed at facilitating effective and efficient joint coordination by GoU and PFM partners.

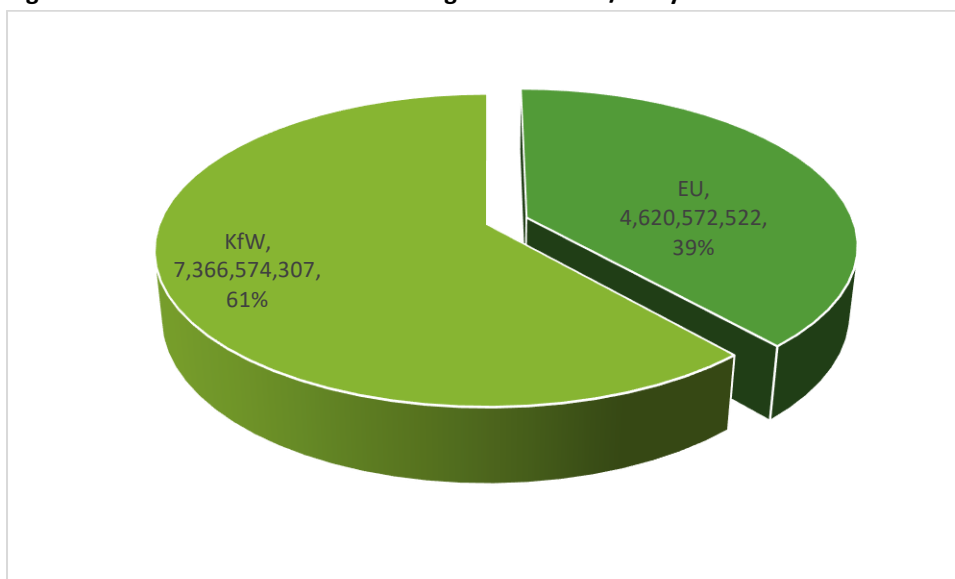
Out of the total budget of UGX **72.4BN** for the FY2023/24, basket funding from DPs accounts for **12.1 BN (17%)**. The DPs contributing to REAP funding this financial year are KfW and the EU. Table 7 below shows the forecast total contributions for the FY, while Fig. 1 shows the breakdown of DP contributions by source.

The table 7: Forecast of total contributions for FY2023/24.

Donor/Funding Source	Amount in UGX	Percent
Government of Uganda	60,409,562,631	78.3
Germany (KfW)	12,075,248,342	15.7
European Union (EU)	4,620,572,522	6.0
Total	77,105,383,495	100

SOURCE: REAP Financial Records 2023

Fig. 1: Forecast contribution to the budget for FY 2023/24 by DP Partners



3. UPDATES ON KEY INDICATORS BY CLUSTER

This section summarizes the key programme results by Cluster to date. Management of PFM Reforms towards results rides on strong collaboration and synergy with DPs. As a result, they periodically conduct monitoring visits with a view to validating outcomes derived from the investments.

While the disruptions from Covid 19 affected the attainment of a number of the planned results, the following key achievements are highlighted: -

1. Improve resource mobilization for Uganda's sustainable development.

- i. Domestic revenue as a share of GDP is a key indicator under this objective because development becomes more sustainable the more a country funds it with its own resources. While domestic revenue was affected by a decline in economic activity arising from Covid 19-pandemic effects on different sectors, the economy of Uganda exhibited resilience and posted modest progress on the indicator. The proportion of domestic revenue as a share of GDP increased from 13% registered in FY 2020/21 through 13.3% in FY 2021/22, 13.5% in FY 2022/23 to 13.6% in FY 2023/24. The target for FY 2023/24 was 14% and the NDP III target for FY 2024/25 is 15.43%. This growth over the period is attributed to economic recovery efforts and improved tax administration by the tax authority over recent years.
- ii. Despite Government's continued focus to reduce public debt, the negative effects of the Covid- 19 pandemic on the economy and increasing pressures to finance expenditures related to economic recovery from FYs 2020/21 through 2023/24 continued to necessitate increased domestic and external borrowing. As a result, the present value of Public Debt stock increased from 37.6% of GDP in FY 2020/21 to 41.6% in FY 2021/22 and 42.9 in FY 2023/24. This was slight above the target for FY 2023/24 of 42.5%.

2. Enhance policy-based budgeting and planning for allocative efficiency.

- i. The main indicator under this Cluster is the proportion of MDALGs and sectors with ' NPA approved' and costed medium-term Strategies aligned to NDP III and the medium-term expenditure framework (MTEF) as per the annual NPA Certificate of Compliance (COC) report. While performance on this indicator took a downward trend falling from 63.4% alignment in FY 2021/22 to 60.1% in FY 2022/23, there was a great improvement in FY 2023/24 with alignment rising to 70.1%, as per the NBFP. The downward trend was initially experienced following the transition from sector based to programme based budgeting and the many challenges experienced in most agencies around this transition. The various capacity building interventions led by NPA and MoFPED began yielding positive results as shown by the improving alignment score and this is set to continue rising.
- ii. Proportion of MDAs with Ministerial Policy Statements attaining Gender Equity Certification as per PFM Act is assessed by the Equal Opportunities Commission (EOC) and progress has been registered even though modestly. In FY2020/21 **65.7%** of the entities attained the certification, this increased to **66%** in FY 2021/22, **65.2%** in FY 2022/23 and **67%** in FY 2023/24. It is clear that more needs to be done by the various stakeholders in order to significantly increase progress on the indicator. In FY 2021/22 EOC upgraded the online Gender Management Information System (GEMIS); and automated all the 20 programs in line with the NDP III planning and budgeting framework to ease the G&E compliance assessment process. This is expected to contribute to improved performance on the indicator.

3. Strengthen Public Investment Management (PIM) for increased development returns on public spending.

Efficiency in identification, selection, and management of Public Investment Projects (PIPs) and Public-Private Partnerships (PPPs) has shown progress as shown in the indicators below:

- i. Percentage of new projects approved on the Public Investment Plan (PIP) that have been appraised by the Development Committee (DC) increased from 27.3% registered in FY 2021/22 to 38% in FY 2022/23. While this figure is still low there is strong commitment from DC to improving performance on the indicator.
- ii. The overall absorption rate for Capital Expenditure increased from 85% registered in FY 2021/22 to 97% recorded in FY 2022/23.
- iii. Proportion of contracts (by value) subject to open competition showed a decline owing to increased emergency and direct procurement right from the peak Covid 19 time. The proportion of contracts by value that were open to competition therefore fell from 72.1 % in FY 2020/21 to 58% in 2021/22 and 49% in FY 2022/23. PPDA is developing a plan to fight this practice among MDAs that was popularised during covid 19 time and now has no justification.
- iv. Progress was also registered in the **indicator for percentage of contracts delivered within contract value** that increased from 62% recorded in FY 2020/21 to 79% in FY 2021/22. This is a reflection of better contract planning and management.

4. To strengthen the effectiveness of accountability systems and compliance in budget execution.

Progress on this objective which is a core priority under REAP continued as illustrated in the indicators below:

- i. The Pension and Payroll system achieved 100% integration with the IFMS in FY 2021/22. This helps not only in facilitating accountability and transparency but also facilitates sharing of information and validation processes.
- ii. An independent financial data integrity assessment of the country was undertaken as part of PEFA 2022. The country achieved a score of B⁺, maintaining the score that was given during PEFA 2016. In PEFA 2022, the country missed an A rating on the indicator because of observed delays in retiring advances given to staff. The country is working to fix this and in the recent IFMS upgrade, a facility has been installed which will record the advances granted and help track and send acquittal notices to the concerned staff. The facility will enable accounting officers to issue advances within budget limits, enquire or drilldown, retire the advance and generate reports related to advances. With this facility that became effective 1st July, 2022 the country is set to attain an A rating on the indicator in the next PEFA.
- iii. Progress was also realised on the indicator measuring the proportion of national budget executed through IFMS. The proportion of the budget executed through IFMS increased from 95% in FY 2021/22 to 100% in FY 2022/23. The 100% attainment was reached after successfully rolling IFMS to the last 13 LGs and 2 Referral Hospitals.
- iv. The percentage of entities with clean audit reports is another indicator that registered progress during the period. There was an increase in the percentage of entities with clean audit reports which rose from 94.9% in FY 2020/21 to 97.8% in 2021/22 and 98.4% in FY 2022/23.

- v. The percentage of internal audit recommendations implemented annually across MDALGs increased from 69.9% registered in FY 2020/21 to 85% in both FY 2021/22 and FY 2022/23.

5. Improved transparency and accountability of Local Government PFM systems.

- i. The main indicator on this objective is LG own-source revenue as a percentage of total LG budgets. This is measured for rural and urban LGs separately. For the reporting period the percentage of LG Own source revenue in rural areas remained the same at only 4% for both FY 2021/22 and FY 2022/23. The figure for FY 2023/24 is yet to be released. The urban LGs performance also remained the same at 11% for FY2021/22 and FY 2022/23.

6. To strengthen oversight and PFM governance functions for the sustainability of development outcomes

- i. During the year, the Annual OAG Audit Report for FY 2022/23 was released. The scope of the report comprised MDAs, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities. A total of 625 entities were covered by the audit. A total of 613 entities representing 98.4% of all those audited had unqualified opinions. This represented a slight improvement from 97.8% registered in FY 2021/22.

ii. **Table 8: Summary of the Audit Opinions for FY 2022/23 Audits by Auditor General:**

Type of Opinion	2021/22
Unqualified	613
Qualified	10
Adverse	0
Disclaimer	2
Total	625

The trend in audit performance showed an improvement in performance of overall opinion as compared to the last three FYs as showed below

Type of Opinion	2022/23	2021/22	2020/21	2019/20
Unqualified	613	654	502	420
Qualified	10	15	27	33
Total	623	669	529	453
Percentage of Unqualified Audits	98.4	97.8	94.9	92.7

- iii. Enhanced impact of financial and audit reporting and oversight is measured through the percentage of external audit recommendations implemented by MDALGs. While progress on the indicator has generally below slow, progress is beginning to be seen with the percentage of external audit recommendations implemented increasing from 26% in FY 2020/21 to 30% in FY 2021/22 and 42% in FY 2022/23. The data used is taken from the actions within Treasury memoranda. With the full operationalization of the Audit Recommendations Tracking (ART) System, more complete data and progress on the indicator is expected.

4. FINANCIAL PERFORMANCE

4.1 FUNDS RECEIVED

Highlights of the main partner contributions released in the FY.

The programme funds available for 2023/2024 were UGX 77,105,383,495 greater than the planned Total budget.

Table 9: Contributions Released from Basket Partners

Partner	Amount in DP Currency	Amount in US\$	Amount/equivalent in UGX
Development Partners (DPs):			
b/f (from FY22/23)	N/A	2,185,320.88	8,013,855,747
<u>KfW</u>	EUR 1,000,000	1,061,593.83	4,061,392,595
EU	EUR 1,100,000	1,221,391.40	4,620,572,522
Sub-total		4,468,306.11	16,695,820,864
<u>GoU Release:</u>			
Q1 GoU Release			14,621,875,046
<u>Q2 GoU Release</u>			16,408,110,037
Q3 GoU Release			14,095,377,946
<u>Q4 GoU Release</u>			15,284,199,602
Sub-total			60,409,562,631
TOTAL			77,105,383,495

Source: RCU Financial Records 2024

4.2 PROGRAMME EXPENDITURE

The REAP annual cumulative expenditure as at end 30 June 2024 amounted to UGX 71,323,981,765 Which is 99% of the planned annual budget (UGX 72,396,709,460) and 93% of the total funds received during the FY (UGX 77,105,383,495). Overall absorption of the budgeted funds was good across the clusters with the lowest performance registered in Public Investments Management and Policy Based Budgeting and Planning both at 93%.

Details of expenditure by result area/cluster are as shown in table 10 below:

Table 10: Cluster annual and quarterly expenditure as at 30th June 2024

Cluster	Annual Budget FY2023/24	Expenditure 30 June 2024 (UGX)	% of budget
---------	-------------------------	--------------------------------	-------------

Improved resource mobilization for Uganda's sustainable development	6,831,720,271	6,829,677,612	100%
Enhanced Policy-Based Budgeting and Planning for Allocative Efficiency	9,419,190,178	8,795,412,890	93%
Strengthened public investment management for increased development returns on public spending	2,505,615,448	2,335,052,946	93%
Strengthened effectiveness of Accountability Systems and Compliance in Budget execution	26,427,713,985	26,330,260,756	100%
Improved transparency and accountability of Local Government PFM systems	13,519,333,719	13,505,449,449	100%
Strengthened oversight and PFM governance functions for the sustainability of development outcomes	8,345,584,203	8,181,767,667	98%
Reforms Coordination Unit	5,347,551,656	5,346,360,445	100%
Total	72,396,709,460	71,323,981,765	99%

Source: RCU Financial Records 2024

5. IMPLEMENTATION PROGRESS BY RESULT AREA DURING FY2023 -24

This section is presented along four aspects of (a) Key Results; (b) Progress of implementation along the work plan; (c) Deviations; and (d) Challenges and lessons from during the process of execution.

During the FY, the programme went through a leadership transition at the EU Kampala Office with Madam Enora Marenne replaced by Mr. Talent Tumwesiga in the PFM Reforms Dialogue. The EU remains one of the two DPs supporting the Basket implementation modality beyond June 2023.

The detailed progress on major interventions under each cluster during the FY is set out below.

5.1 SUSTAINABLE REVENUE MOBILIZATION

The strategic focus under this objective is to improve domestic resource mobilization to finance Uganda's fiscal deficit and significantly reduce aid dependence, as well as improve the quality and sustainability of external resources, such as grants, concessional and non-concessional loans. The outcome has three (3) key result areas: (i) Enhanced enabling environment for revenue mobilization; (ii) Tax compliance improved through increased efficiency in revenue administration; and (iii) Sustainable debt and development financing.

Progress:

TA to undertake an institutional capacity review of TPD based on recommendations from the study of the tax policy-making process and white paper to be developed. The programme partnered with the ODI TaxDev programme that is providing technical assistance. As part of the BPR process, Tax Dev submitted recommendations for reshaping the organizational structure of the Tax Policy Department (TPD) at the Ministry of Finance, Planning and Economic Development (MoFPED). The proposed organizational framework is expected to:

- a) **Strengthen the institutional capacity of TPD through** improvements in supervision, mentoring and staff development,
- b) Nurture innovation in tax policymaking, including new environmental policies and a modernized approach to incentives and tax expenditure,
- c) Improve communication of tax policy to strengthen the buy-in of key stakeholders,
- d) Achieve better alignment of tax policy with other government policy priorities, whilst also reducing TPD resources spent on non-core activities,
- e) Allocate more clearly, responsibilities for new tasks, including the development and implementation of the DRMS and the annual cycle of tax expenditure reporting.

The process of reviewing the recommendations continued through Q3 and Q4 of the FY. The recommendations have to be harmonised with the ongoing process of rationalisation of Government Ministries, Entities and Departments.

Building skills on tax administration of the digital economy. During the FY URA started preparations for development of a comprehensive programme to build capacity in various aspects for taxation of the e-commerce industry. Efforts were thus made with technical support from DRM4D to contact the University of New South Wales (UNSW) and the International Bureau of Fiscal Documentation (IBFD) to provide the needed consultancy services.

A total of 40 staff were trained in Taxation of the Digital Economy (Fundamentals) from the 11th to 13 March 2024 at Protea Hotel in Kampala and an advanced level training lasting two days was undertaken from 23rd to 24th May 2024, in the same Hotel. IBFD was able to obtain financing from the Netherlands Ministry of Foreign Affairs (BUZA) to cover the IBFD consultancy fees travel and accommodation for both the Fundamentals and Advanced trainings in taxation of the Digital Economy. In addition, a study visit of 8 staff (URA & MoFPED) on

Expanding the Tax Base through Taxation of Digital Economy was held from 10th - 14th June 2024, in the Republic of South Africa. REAP facilitated coordination and accommodation for trainees and the training was overall a success and provides a big milestone in the efforts of GoU to widen the tax base.

Component 2 is focused on enhancing capacity in oil and gas legislative frameworks, including engaging TA for both legal and financial restructuring of contracts. During the FY, TPD had prepared terms of reference for the TA to support the capacity enhancement for the Oil & Gas financial restructuring and for procurement of Legal & Financial Experts to build capacity in MoFPED on structuring of legal agreements for oil, gas, minerals, & financial contracts. Management guided on the need to reprioritize alignment of the requirements with the emerging reform efforts in the Tax Policy department. The process of recruitment of the following TAs was therefore undertaken:

- (a) VAT expert
- (b) Income, Natural Resources and International Taxation Expert
- (c) Data Analyst

Strengthening the regulatory frameworks for revenue management. This includes continued support for enhancement of legal instruments for revenue mobilization in cities and reviewing their revenue mobilization strategy. This was in recognition of the unique requirements for tax administration and potential contribution to DRM of the newly created cities. Following a consultative workshop that was held in FY2022/23, it was resolved to form a committee composed of MoLG, KCCA, and LGFC to understand the legal requirements and commence drafting of principles for submission to the Law Reform Commission. Representatives from entities were constituted and the committee put in place. Implementation of the activity concluded in March, 2024, including submission of activity completion report. The recommendations are informing current and future implementation.

Tax policy and legislative framework reviewed and developed (including redraft of VAT, Income tax, Tax procedures code). GoU through REAP in partnership with USAID (DRM4D) supported technical work on updating the VAT, Income Tax and Tax Procedures Code laws. The department undertook four consultative workshops for a new income tax law (2 workshops for government agencies and 2 workshops for the public) supported by DRM4D. The VAT draft law was submitted to the Hon MoFPED along with the draft cabinet paper and explanations to facilitate presentation to cabinet. The draft TPC law benefitted from input from different sources including URA, cabinet, parliament and the legal fraternity. By the end of the FY the Tax Policy and legislative Framework was reviewed and developed (Incl. re-draft of VAT, Income Tax) with DRM4D support and concluded. While this has taken a while, TPD is working towards concluding this during the next FY.

Strengthening Tax Policy Framework: MoFPED commenced development of a dedicated tax policy to guide tax policy formulation for Uganda supported by REAP. Whereas information regarding tax formulation is available in Uganda and has been guiding the process of formulation of tax policies over the years, information has been fragmented and scattered in different tax laws¹ and respective regulations, thereby limiting its usage.

¹ Value Added Tax Act 1996, Income Tax Act 1997, Tax Appeals Tribunal Act 1998, East African Community Customs Management Act 2004, Excise Duty Act 2014, Stamp Duty Act 2014, Tax Procedures Code Act 2014, Lotteries and Gaming Tax Act 2016, Uganda Revenue Authority Act 1991.

To address this gap, GoU decided to consolidate the principles, guidelines and standards for the imposition and collection of taxes in Uganda into a single document which shall serve as a robust and evolving reference point for policy makers and stakeholders while they propose, formulate, evaluate and improve tax policies for the country. The principles shall also provide a basis for tax legislation and tax administration in the country. The consolidated tax policy document shall act as a benchmark for informing discussions about the tax system performance and transparency within the country, and also in relation to the regional and international communities.

Regulatory Impact Assessment (RIA) on National Tax Policy described. In line with parliamentary protocol, the Tax Policy was subjected to a RIA also facilitated by the DRM Coordinator. The assessment was done in a participatory manner following regulatory best practices during the period between October and November 2023 involving stakeholders from the Ministry of Finance, Planning and Economic Development, Office of the President - Cabinet Secretariat, Uganda Revenue Authority, Local Government Finance Commission, and Tax Policy Practitioners. The stakeholders provided the necessary evidence that facilitated the RIA process.

The report on Regulatory Impact Assessment (RIA) on Tax covers the analysis of the imposition of levies on incomes, property, supply of goods and services, imports and exports, required to facilitate Government spending. The report identifies and presents the key issue of concern with Tax, causes and effects; and proposes appropriate options for addressing the identified problems.

The DCCP department continued to be facilitated with Bloomberg Licenses for 4 terminals and attendant training to sustain the benefits so far achieved. Three Bloomberg licensees covering 3 terminals per month were procured. In addition, the department was provided with software to improve analytical capacities. This was sustained during the FY. In addition, the cluster undertook change management processes to enhance adoption/use of Bloomberg by having DDCP staff trained in four core modules of the Bloomberg software. Five training sessions were held in collaboration with Bloomberg Dubai. Areas of training included: Portfolio analysis of local currency bonds, importance of money markets, analysis of African bonds and foundations of fixed income markets. With the training it is expected the use of the system will be greatly enhanced and translate into better benefits to the country.

The Debt Policy and Issuance Department officers are using the system for the following functions:

- (i) Extracting the LIBOR and EURIBOR rates for use in the analysis of Financing terms of projects and debt service projections during formulation of the medium-term debt management Strategy (MTDS)
- (ii) Hedging processes – We extract the interest rates SWAP rates to determine hedging of the variable rate loans on the GoU debt portfolio and monitor the market movements to determine the likely cost of the transactions
- (iii) Used in commercial borrowing data to analyze FY 2021/22 Budget support loans to make comparison of Uganda with similarly rated African peers in terms of credit rating metrics and sovereign bond Z spreads.

Development of a framework for credit rating activities in Uganda. Eight (8) Ugandan officials participated in training on credit rating held in November 2023 in South Africa in collaboration the South African Treasury and the African Peer Review Mechanism (APRM) of the African Union. The objectives of the training were to facilitate: (i) Development of a comprehensive national strategy for engagement with rating agencies to guide the government on specific focus areas to improve Uganda’s credit rating and mechanisms for periodic monitoring of sovereign risk exposures; and, (ii) Introduction of requirements and roadmap of sovereign credit ratings by rating agencies. The training enabled the participants to among others benchmark on the best practices in other countries.

Following the training, the Ugandan team has commenced the process of putting together ideas that will comprise Uganda's national strategy for engagement with rating agencies to guide the government on specific focus areas to improve Uganda's credit rating and mechanisms for periodic monitoring of sovereign risk exposures. MoFPED reviewed the proposed loan negotiation guidelines and the draft guidelines will be submitted to Top Technical of Ministry of Finance Planning & Economic Development for approval by end of March 2024. Other ideas will be put forward by the team.

Mobile platform system for investment in government securities using mobile phone/mobile money.

The development of the mobile platform system for investment in Government securities using mobile phone/mobile money is being concluded and was presented to Top Technical. The platform go live is expected in Quarter one FY2024/25

This reform intervention is part of the cluster's plans for enhancement of alternative sources of financing using domestic sources. Specifically, MoFPED in partnership with Bank of Uganda conceived "Project Okusevinga" to promote savings among ordinary Ugandans. The reform objective is to enable retail buyers to purchase T-bills and bonds offered by BoU through their mobile phones through the Okusevinga mobile platform. This will reduce the dominance of traditional buyers such as banks and encourage people to save their money in securities, as well as giving the government a new source of cheap funds to finance its infrastructure projects. The process for development of the mobile platform system for investment in Government securities using mobile phone/mobile money was in the process of being concluded. What remains to be done is integration of the system to the two main Mobile networks, namely MTN and Airtel.

Under support the functioning of Aid Management Platform (AMP): The Cluster planned for and developed a draft concept for Training of MoFPED staffs and development partners in the use of AMP. The plan was however reviewed the plan upon recognising that the challenges facing implementation of AMP were much broader than training. A thorough review of the system including its value proposition, capabilities and linkages with other PFM systems was necessary. The funding was repurposed to undertake one-off activities related to enhancing the country's capacity in attaining better outcomes in the various loan negotiations which was noted as a challenge. During the FY one-off support to review guidelines for loan negotiations was provided and the draft guidelines were produced and presented to MoFPED Top Technical for review. Also undertaken under Development Assistance and Regional Corporation (DARC) department was support for data collection on loan disbursements performance which was undertaken for 116 loans and report produced and submitted to parliament for discussions. The report guided decision making by key stakeholders on management of loans.

Challenges and Lessons Learnt:

Effective collaboration continues to provide dividends especially for complex and highly specialized areas of the reforms under the DRM Cluster. This has been the case with the joint programming of reforms between DRM4D and REAP. In addition, the collaboration with the ODI TAXDEV TA has enabled traction in the business process review of tax policy making under MoFPED. However, the DRM4D contract in Uganda has not been renewed and so will be ending in July 2024. This will be a big loss to the DRM programme.

Development of systems takes much longer than sometimes anticipated due to a very dynamic and changing external context. The development of Project Okusavinga platform for example was much more complex than had been anticipated. It is expected that it will be up and running in the next quarter. In the meantime, the lessons have been learnt for future programming.

5. 2: DEVELOPMENT PLANNING AND BUDGETING

The objective focuses on the following: (i) high-level programme plans to be of better quality and prioritized in line with national objectives; (ii) multi-year commitments and cost estimates of programme plans are captured in the MTEF and reflect realistic budget projections; (iii) ensure the MTEF is more accurate and credible, validated using bottom-up estimates as well as top-down ceilings and any adjustments are explained and transparent; and (iv) annual budgets include accurate costings, information on fiscal risks, impacts and links to the MTEF. This KRA also seeks to further integrate programme-based budgeting and gender equity budgeting to strengthen the link between resources and outcomes and enhance the strategic allocation of resources to address gender inequalities. In addition, government will look to strengthen aspects relating to evidence-based policy making.

Results

Government reconfigured the budgeting system (PBS) and financial management system (IFMS) to realign them with the new programme approach. Entity works plans, ministerial policy statements, and performance reports have also been revised and aligned to the programme approach by including programme details such as the PIAP interventions and sub-programmes, among others. However, the current legal framework does not fully support the programmatic approach. The OAG report for example continues to observe that the Public Finance Management Act (PFMA-2015), Public Finance Management Regulations (PFMR-2016) and the Treasury Instructions (TI-2017) are yet to be amended and aligned to the programmatic approach to planning and budgeting.

Progress

1. Capacity building programme for Development Planning – During the FY, the cluster under component 1 of the capacity building programme undertook implementation of a graded tailor-made development planning certification programme in partnership with a reputable firm. The training enabled staff to acquire knowledge and skills in Manpower planning, Spatial Planning, Economic Modelling, Climate change planning, Health Planning, etc. The training targeted 12 staffs and was run for 10 days. The activity was implemented in a hybrid mode i.e. both online and physical presence as the trainers were online whereas the participants were clustered in NPA premises for robust execution of training assessments between the 27th November and the 8th December 2023.

Under component 2 of the capacity building programme, a total of ninety-two (92) staff across government were trained in human resource development planning by the African Institute for Economic Development & planning to enhance their development planning capacity. NPA also arranged training for 49 staff across government on strategic management performance systems by the international Association of Strategic Professionals.

2. Reviewing and improving the NDP III results and indicator framework. The cluster plans in this area include facilitating institutionalization of a standards framework for results and performance indicators and revision of the NDP III results and indicator framework to align with standards. By close of Q3, the procurement of TA was concluded and contracted and implementation commenced during Q4. Specifically, this includes TA for developing manuals, defining standards for results and indicators under NDP III, clean-up of sub-programmes and a guided review of NDP indicators. Implementation is being monitored and is expected to be concluded during quarter 1 of the next FY.

The other assignment ongoing during the FY is the local TA to coordinate implementation of activities related to review of the NDP III indicator framework and development of ToRs for operationalization of the M&E

system. In addition, the programme is also funding acquisition of a long-term TA to support preparation of a manual for data collection / clean-up in the review of indicators and establishing service delivery targets.

3. **The FY2023/24 work plans include operationalization of the NDPIII Monitoring and Evaluation System.** The initial support for development of the system was funded by the European Union under the National Planning Authority. After finalization of the online system, it was determined there was a need for TA to support the upload of M&E data, alignment with Programme Implementation Action Plans (PIAPs), and integration with the Programme Budgeting System (PBS). The procurement process progressed in quarter 4 with the draft contract submitted to the Attorney Generals Chambers, for clearance. The actual timelines for completing implementation depends on when the clearance will be obtained. There is however commitment from the Development Plan Implementation (DPI) Secretariat to have an expedited implementation process once clearance of the contract is received.
4. **Establishment of a reliable methodology for estimating baseline expenditure and appropriate MTEF.** The cluster also planned to acquire a TA to develop a derivable methodology for baseline expenditure estimates, fiscal estimates and a more realistic and monitorable MTEF. During Q2, only one (1) proposal was received and a decision was made to review the selection process and re-tender internationally in order to attract more competent service providers. The re- tender was undertaken in Q3 and by the end of the FY the contract was signed and the inception report due by 13th July 2024.
5. **Support for comprehensive change management for the PBS System.** During FY work planning, the cluster sought to streamline the change management approach to PBS to ensure effective outreach to stakeholders. To this end, the cluster was facilitated with TA to support development of a National Change Management Strategy and costed plan for PBS and a change management review to assess the impact of previous training and change management efforts on PBS. Development of the strategy was completed during the FY and the final report received.
6. **The Programme Based Budgeting system was upgraded and interfaced with the Integrated Financial Management System (IFMS).** The upgrade also provided for opening up for Non-Tax Revenue (NTR) budgeting and going forward this will facilitate reporting on NTR budgets in the financial statements.
7. **Under deepening Gender Equity Budgeting (GEB) across government.** The GEB Taskforce met on the 8th September 2023, to review the draft work plan of the National GEB Taskforce for FY 2023/2024, discuss Gender and Equity priority interventions for FY 2024/2025, and discuss Issue Paper (Background Paper) for Gender and Equity in NDP IV. The meeting was chaired by the director Budget with participants with multi – agency participation including: MoFPED, MoGLSD, NPA, Equal Opportunities Commission, OPM, Ministry of Health, Ministry of Education and Sports, Uganda Bureau of Statistics, CSBAG, FOWODE, GEB Consultant and Technical Assistant, Private Sector Foundation Uganda, Makerere University, and Ministry of Agriculture, Animals Industry and Fisheries.

The phased training of sectors in GEB Planning and Budgeting in the 7 strategic sectors identified the PFM strategic strategy i.e. education, health, agriculture, water, energy and works and transport was not undertaken during the FY due to a number of commitments from BMAU that is coordinating implementation. Also affected was support the technical working group (TWG) reviewing the outputs of the employment index tool. This was not implemented during the FY

Lessons and Challenges

The OAG 2023 report highlighted some challenges to the reforms as follows:

A review of the Program Based Budgeting (PBB) tool extracts such as the approved estimates, work plans and quarterly performance reports and IFMS records revealed that that NTR budgets for the respective MDAs were neither uploaded on PBS nor IFMS. The budgeting tool only had details regarding expenditure, and no revenue was included.

Wage planning and budgeting are not currently managed through the Programme Budgeting System (PBS) resulting in inadequate planning and budgeting. Accumulation of salary arrears reflects inadequacies in the payroll management processes. This has contributed to persistent requests for wage supplementary funding. These omissions have to be plugged to make the systems better.

5.3: PUBLIC INVESTMENTS MANAGEMENT

This objective under the Cluster is strengthened Public Investment Management (PIM) with a view to increase investment returns on public development spending. This is being achieved through ensuring that a comprehensive project cycle management approach across government is undertaken focusing on selected key sectors. In order to achieve this, the programme supports all stages of the project cycle to enhance the economic return from investments as well as value for money, by improving project preparation, independent review processes, use of appraisal in project selection, and enhancing procurement and contract management processes. The programme also supports better tracking and management of public assets, and strengthening accountability and performance reporting.

The objective has two (2) Key Result Areas: (i) Efficient identification, selection and management of Public Investment Projects (PIPs) and Public-Private Partnerships (PPPs); (ii) Enhanced VFM in public procurement for large, complex public procurements; and optimal utilization and maintenance of assets.

Progress

- 1. Development of the PIM policy** - The Draft National Public Investment Management Policy was presented to Cabinet a number of times and deferred during the FY. This back and forth process affected the finalisation of the policy during the FY. H.E the President specifically provided strategic guidance to include several policy proposals in the document. The cluster finalized incorporating H.E. the President and other comments from the cabinet, with submission to MoFPED Top Management for approval. The policy is expected to be resubmitted to Cabinet during the first quarter of FY 2024/25.
- 2. Support to the implementation of the Integrated Bank of Projects.** Using targeted hands-on training for Project Coordinators of ongoing projects, the cluster focused on deepening the use of IBP and strengthening public investment planning. A capacity building exercise was held from 22nd to 25th January 2024. It involved a hands-on training for project coordinators with ongoing projects in the Public Investment plan. 145 coordinators were trained and are expected to start data input into the new Monitoring and Evaluation module.



A cross- section of participants of the capacity building training on IBP held 22nd – 25th January 2024

The department organized visits to MDAs including Electoral Commission, Lotteries Board, MEMD, URA and UBOS. These visits had changes in personnel and needed the new officers to be trained in the use of the system to enable them to submit their projects for appraisal and approval by the DC, but also to have an appreciation of the PIMS framework as whole. Uganda Missions abroad with newly deployed financial attaches and accounting Officers were also trained on the use of the IBP. These include: Uganda Mission in South Africa, Brussels, Berlin, Nairobi, Angola, Canberra, Beijing and DRC.

Alignment of the IBP with PBB is an emerging reform requirement. Consultative meetings were convened for the restructuring of the IBP to align to the PBB and drafting the restructuring requirements. Follow on discussions were held in Q3 through Q4 and terms of reference for the upgrade of the IBP developed accordingly.

3. **Revised Development Committee (DC) Guidelines.** The guidelines are part of operationalizing the widely backed reforms of the PIMS systems that initially saw the creation of the DC with a strong role as gatekeeper for new investment proposals. MoFPED first published the “Development Committee Guidelines for the Approval and Review of the Public Investment Plan (PIP) Projects” in 2016, which continue to apply across all projects within the Public Sector. During the FY2023/24, the cluster programmed to revise the DC guidelines to take into consideration the changed context. Makerere University (MUK) Centre of Excellence was contracted for this work. By the end of FY, the consultant had prepared the draft revised Guidelines that were undergoing review by the different stakeholders before submission of the final guidelines. Some of the main areas of changes include integrating climate resilience aspects in all public projects; harmonisation of the approval stages with a bold proposal to merge the concept note and project profile stages of the project design stages. Once approved, this will further strengthen the PIM processes in the country.
4. **Improved licensing and permitting frameworks for PIM entities in selected sectors.** The procurement of a consultant for the activity initially met a challenge leading to cancellation of the contracting process after the contract had been submitted to the Solicitor General for approval. The cancellation of the BEB

(Smishels International Consulting Group) followed publication of firms suspended by PPDA from participating in Public Procurement process for one year from 24th August, 2023. The cancellation meant that REAP could not proceed with contracting the firm and had to start the process all over again.

During the FY, the procurement process for a consultant progressed and the contract was signed on 5th February, 2024 with M/s Kasky Technologies to undertake a diagnostic study for Uganda's licensing and permitting frameworks in the energy and natural resources programmes. By the end of the FY the Consultant submitted the inception report and was due to submit the draft report by end of August 2024. The whole assignment is running for nine and half months, up to November 2024. A Multi-Agency Taskforce technically reviews the study outputs.

5. Operationalisation of the Project Preparation Fund (PPF): During the FY significant progress was made on the Operationalisation of the PPF. Cabinet discussed and clarified the operational structure of the facility. Among the aspects covered were that PPF will be located at NPA and the roles of the different MDAs was clarified. While NPA will house the PPF, beneficiary MDAs will lead the different project preparatory studies themselves. It was also agreed that the Public – Private Partnerships (PPPs) will also be part of the PPF. Government further undertook the design process of the PIM Plus project with the World Bank that is expected to fund the PPF.

6. Strengthening the regulatory framework for Public Procurement is a critical reform for acquisition of major public investments.

During Q3, the cluster commenced review of Standard Bidding Documents (SBDs) in line with the revised procurement regulations. This was conducted after the approval of the PPDA regulations in Q2. The nationwide dissemination of the updated regulations started with an official Launch at Hotel Africana on 24/1/2024 and by the end of the FY, all the 176 PDEs had been covered.

The issuance of the revised regulations was occasioned by developments in the legal framework governing public procurement and public assets disposal processes. The PPDA (Amendment) Act, 2021 provides for the following:

- i. Reduced tiers in the Administrative Review process from three to two. Aggrieved bidders in the procurement process will no longer appeal to the PPDA but rather to the Accounting Officer and the PPDA Appeals Tribunal;
- ii. Reservation of selected procurement opportunities for Small and Medium Enterprises and Special Interest Groups. This is aimed at promoting local companies and business persons to benefit from public procurement opportunities;
- iii. Incorporation of sustainable public procurement;
- iv. Provision for electronic records and communication; and
- v. Amendment of the KCCA Act and Local Governments Act with respect to procurement and disposal-related proceedings.

Capacity Building Programme for Public Procurement was undertaken during the FY. A consultant was procured to develop two training modules for Infrastructure Project Procurement and Procurement Risk Management. PPDA undertook review of the draft modules that will be implemented in the next FY. PPDA trained LG staff 63 staff from Teso and Greater Masaka area in Environmental and Health Social Safety Safeguards (EHSSS) in December, 2023. In addition, a total of 200 staffs across government were trained in Sustainable procurement



The Minister of State for Finance – General Duties Hon. Henry Musasizi (centre) officially Launching the New PPDA Regulations in Hotel Africana, Kampala on 25th January, 2024.



A cross-section of participants during the launch of the new PPDA Regulations held at Hotel Africana Kampala on the 25th January, 2024.

7. e-GP Change Management and Training

The Authority in partnership with PSFU under the SG+ Project conducted trainings on the public procurement cycle and the use of the Electronic Government Procurement (EGP) system. Radio Talk shows were also organized in the districts of Jinja, Kampala, Mbarara, Hoima and Gulu on Baba FM, Radio One, UBC West, Radio Spice and Mega FM respectively. The major objective of the training was to sensitize and build capacities of companies and business enterprises on the public procurement process and use of e-GP with the purpose of increasing private sector enrolment on the e-GP. The targeted companies were from the core sectors that the SG+ project is targeting including Manufacturing, Construction, ICT and Tourism.

- 8. Ongoing online Capacity Building Programme with Queens University.** Two staff were admitted to undertake the ToT program at Queen’s University that was held in June, 2024. This is part of the advanced training intended to sustain efforts in advanced project appraisal and analysis.

Comprehensive training for all PAP staff and selected MDAs was undertaken in Quarter 4 mostly focused on the use of the Risk Ease license. Two (2) PAP staff have trained in the use of the Risk Ease license.

During the FY Government in partnership with the PIMS Centre of Excellence, Project Management Institute (PMI) and Queens University trained 40 officials drawn from MDAs and Civil Society Organizations on Investment Appraisal and Risk Analysis (PIAR) as well as one-month training as pioneer Training of Trainers (ToTs). MoFPED signed a Memorandum of Understanding (MOU) with Makerere School of Economics to develop a tailor made PIMS curriculum and offer short- and long-term training on investment appraisal. Additionally, technical support has been provided to MDAs. This has improved the quality of projects submitted to the Development Committee

- 9.** Separately, there is an ongoing diagnostic study on management of large investment projects in the health and education sectors, which is due to be followed by dissemination of findings and drafting of specific manuals for Health & Education Projects. By the end of the FY the final diagnostic study report was submitted by the consultant.

Lessons and Challenges

Significant delays were experienced especially in the procurement process of a Consultant for a diagnostic study, feasibility, cost benefit analysis of frameworks related to licensing and permitting in the selected PIM Regulatory Agencies and Project Executing Agencies in Energy and Water Sectors. While the study is key and its outcome expected to inform the next programming in PIM, a lot of delays were experienced, generally affecting sub cluster performance.

5.4: ACCOUNTABILITY SYSTEMS AND COMPLIANCE

The objective is to strengthen the effectiveness of accountability systems and compliance in budget execution. There are four (4) KRAs under this outcome: (i) Effectiveness and accuracy of payroll and pension management systems increased; (ii) Comprehensiveness and quality of financial reporting; (iii) Strengthen effectiveness and integrity of accountability systems including strengthening effectiveness of commitment controls and cash management; and, (v) Enhanced assurance (governance, risk and control) by the internal audit function for compliance of PFM systems

Progress

- 1. Roll out of HCM to entities to enhance effectiveness and accuracy of public payroll and pension management systems.** MoPS has a long-term plan to acquire and implement HCM software and hardware in 250 sites by the end of the current REAP programme (Phase 1 - 60, Phase 2 - 100, Phase 3 - 90 sites). The FY began with MoPS supported by REAP having a contractual obligation to ensure that HCM is fully deployed in phase 2 (100 MDAs and LGs); kick off Phase 3 and provide HCM Support & Maintenance for Phase 1, 2 & 3. While there were challenges experienced during the FY related to acquisition of new HCM licenses which delayed implementation for some time, overall HCM implementation was on track during the year and all the intended objectives were achieved as follows: -

- (i) Completed the rollout of HCM to the 100 entities planned for the FY as part of phase 2 of implementation. With this target attained the cumulative number of entities under HCM reached 160.
- (ii) Deployed the new HCM software the version on 2nd February, 2024 containing Phase 2 business requirements and improved system integrations i.e., IFMS and PDMS, and new integrations with NSSF, TMIS and the National Single Registry.
- (iii) Issued provisional acceptance certificate for phase 2 implementation effective 1st March 2024 and operational acceptance certificate for Phase 2 completion with effect from 15th March 2024 with 160 sites cumulatively onboarded on HCM (completing phase 2).
- (iv) Completed data cleanup and establishment structure alignment for 100 sites of Phase 2 as per the revised data migration strategy.
- (v) Conducted readiness assessment and change management awareness for HCM in 50 sites of Phase 3 – batch 2. These include Kibaale, Kikuube, Mitooma, Mbarara City, Okuke, Gulu City, Kitagwenda, Kibuku, Kween, Maracha, Kyotera, Gomba, Kasanda, Bundibugyo, Serere, Nwoya, etc.
- (vi) Kicked-off Phase 3 implementation.
- (vii) Ministry to submit request for renewal of the HCM IQA to support Phase 3.

During the FY a Joint Field Visit with DPs aimed at interfacing with the system beneficiaries with regard to obtaining a feedback on the implementation experiences and assessing the preliminary impact of HCM was undertaken in November 2023. Gulu University was selected for the visit and the visiting team had an elaborate interface with the institution officials. The officials reported that MoPS had worked hard to ensure a smooth transition and had warned them in advance on the importance of checking that staff names registered on the national ID system are matching those on the payroll. This minimized the problem of staff transitioning onto the new payroll and assistance was provided in resolving almost all issues that have arisen during the transition.

The visit further noted that the transition to HCM was managed relatively well with support from the MoPS team and involved numerous preparatory meetings in advance of Go Live July 2023. All staff were trained in the new system before the Go Live in July 2022, and there was good participation. Staff can now access their records, view salaries, print pay slips and update biodata with approval checks. Most approvals and updates managed locally. There are some off-scale salaries, which have to be approved by MoPS. The HCM system is currently only being used for payroll management, replacing IPPS, a transition that facilitated full integration with IFMS. The HCM manages payroll as well as the Government structure, performance appraisal, training, leave management, and recruitment among others. Full benefits of the system including the full rollout of the entire 18 modules it has will be realised when all the remaining nearly 200 entities are rolled into it.

2. Upgrade of e-GP: This was planned as part the business process re-engineering of the system. The rollout of the upgraded system could not commence during the FY as the BPR process and system upgrade was not concluded. While preparations for the Go-Live of the enhanced e-GP system had been undertaken and the latest Go-live date was 30th June, 2024, this was not achieved and the consultant requested additional time, that was granted. A number of issues have been identified relating to the upgrade of the system:

- i. Integration with the Programme Budgeting System (PBS)
- ii. Detailed procurement planning
- iii. Improved reporting requirements
- iv. The use of digital signatures
- v. Inclusion of the Solicitor General's role for contract approvals – this has been agreed and will be part of the upgrade

- vi. The provision of User Manuals
- vii. Procurement process for air tickets

The plan remains to rollout e-GP to 250 entities in the FY 2024/25. GoU's commitment to achieve this target was demonstrated by an increased allocation to e-GP of UGX 14 billion in the Budget of FY 2024/25 to meet the target.

During the year progress was achieved on aspects of project governance including development of three critical project documents: Data Migration Strategy, Support Delivery Plan and the ICT Policy Manual. The documents will be presented to management for approval before signoff and implementation. The following progress was noted during the FY: -

- (i) Held meetings with the World Bank on the hybrid functionality which would enable the Greater Kampala Metropolitan Area (GKMA) project procurement to be conducted on the system.
- (ii) Entity readiness assessment for 250 entities to be rolled onto the system in FY 2024/25 conducted from 19th February to 25th March, 2024.
- (iii) Approval and signoff of the system requirements specifications document for the enhanced system were completed on 19th January, 2024.
- (iv) Approval and signoff of the Requirements Traceability Matrix (RTM) completed on 2nd February 2024
- (v) Approval and sign off of the vendor's technical proposal for the system enhancement on 29th January 2024.
- (vi) The Open Contracting Partnership (OCP) team conducted an OCDS introductory training session to the EGP technical team and EGP vendor on 15th January, 2023. It was agreed that (OCP) would support the team in compiling the terms of reference and use cases prior to implementation.
- (vii) Developed a project monitoring tool that is being used to monitor the project readiness.

Findings from the Joint Field Visit to E-GP in Mukono District Local Government 21st November, 2023

Mukono District LG was selected as part of the sites visited during the joint field visits FY 2023/24. Mukono was rolled onto the e-Procurement system in mid-2022, and is one of two Districts that has been piloting the system for over a year. In total there are currently 36 entities using e-GP. The e-procurement system is locally designed software which puts the whole procurement process online. Contractors submit bids on line and bids are hidden on the system before the tender opening deadline. This limits interaction between officials and bidders and increases transparency in the process. A World Bank review in 2023 reported that the system is user friendly and, in most aspects, meets the standards and needs of the World Bank procurement requirement

The field visit noted that the transition to E-GP in 2022-23 was well managed with affective training and good support on issues raised. The e-GP has reduced advertising and stationary costs. It can also be managed by officials when out of office, and has resulted in efficiency gains and better oversight of the procurement process by all concerned officers. The system now automates some of the checking of bidders' submissions, such as compliance with URSB for business registration, and URA for tax. Other links are planned to check compliance with NSSF and NIRA. It has also increased competition, opening opportunities for more bidders and it facilitates a transparent online bid opening process. Online clarifications eases communication with all bidders.

Some identified problems then were system bugs and internet access, as well as resistance from contractors who are not used to dealing with online systems. One of the major concerns relates to delayed payments to contractors, who are required to sign LPOs for every payment. These are sent by email and require the contractor to print and sign or arrange signing online. Contractors do not always check their emails and delay in returning the signed LPO, thus delaying payments. The contractors present during the field visits confirmed this problem

and reported that some struggle with using the on-line system and are not used to checking their emails. However, computer literate contractors are very happy with the new system as it is more transparent and has reduced the cost of submitting tenders with less need for printing and travel to GoU offices. The system has opened up new opportunities to submit bids for tenders in other areas beyond Mukono. The contractor noted that the renewal of their annual registration as a supplier on e-GP has at times blocked tender submissions. It is important to send out early SMS notifications as to when re-registration is required to avoid this problem.

All participants at the meeting agreed that new system has significantly reduced corruption during the procurement process.

Change Management and Support on EGP. The cluster also continued with change management of selected key stakeholders. This included system training for members of the Institute of Public Procurement Professionals of Uganda (IPPU) from 26th February to 1st March 2024. Other change management efforts included:

- (i) The team conducted e-GP awareness and sensitization in 13 sub regions of Uganda ahead of the mass rollout.
- (ii) Online Provider training was conducted every Friday from 10:30am to 12:30pm for the entire quarter 3.
- (iii) Conducted a system training for all users of URSB on 21st March 2024.
- (iv) Conducted a system functional training for the PPDA audit and performance monitoring team.
- (v) Conducted a system functional training for the new contracts committee of Ministry of Works and Transport on 19th March,2024.
- (vi) Conducted system functional training for internal auditors of Ministry of Justice and Constitutional Affairs on 29th February 2024.
- (vii) Conducted system functional training for PDU users in the Ministry of Works and Transport on 15th February,2024.
- (viii) Conducted system functional training for PDU users in the Ministry of Energy and Mineral Development on 2nd February,2024.

The OAG noted commendable contribution of the system to aspects of transparency. Procurement information is accessible to the public, as this information was readily available on the entity websites, notice boards, and the Electronic Government Procurement (e-GP) system. This transparency not only promotes accountability but also enables stakeholders to make informed decisions and fosters trust in the entity's procurement practices.

3. Implementation of Asset Management Framework: The Cluster planned to train trainers (ToT) in asset management best practices e.g. the UN practices in managing infrastructure assets; develop and operationalize of a comprehensive asset management framework and communication strategy and to undertake a gap analysis on functions, business processes and related causal analysis of gaps and weaknesses in the current asset data. During the FY progress was made on the activation of the Assets Management Module in IFMS. The Cluster collected assets management data and uploaded it into the Assets Management Module of IFMS. The process of cleaning up the uploaded data is ongoing. All the planned activities listed above were therefore not implemented because the Cluster continued undertaking the necessary preparatory activities mostly the entry and clean-up of the data that should be completed prior to the implementation of the activities that had been planned. The activities were therefore rolled over to the next FY.

4. Lessons and Challenges

The OAG reported the following challenges for improvement that are still being tracked and will be reported on in due course.

- a) Government to ensure that all MDAs and LGs should have their salaries processed through the MoPS HCMS. Where entities have separate HCM systems, interfaces between the MoPS HCMS and various systems being utilized by such entities should be developed, to ensure seamless sharing of data, which MoPS may require from time to time.
- b) Delayed operationalization of the recruitment management module in the HCM. The module ought to have been used in the preparation and approval of recruitment plans as well as in wage budgeting and forecasts.
- c) Delayed integration between HCMS and Programme Budgeting System (PBS). Consequently, data relating to wage estimates cannot be seamlessly shared between the two systems to enhance budgeting and resource allocation. However, it should be noted that that the integration with PBS is in the final stages.

5.5: LOCAL GOVERNMENT PFM SYSTEMS

The objective is to improve service delivery by strengthening the PFM architecture for Fiscal Decentralization. The programme aims to contribute to capacity of LGs' revenue mobilization, improved local government procurement procedures, strengthen internal audit and provide clarity for the roles of local PACs and regional audit committees in audit scrutiny, and build LG capacity to improve the quality and coordination of planning and budgeting for local service delivery.

The outcome has five (5) KRAs: (i) Increased contribution of LG own-source revenue; (ii) Effective planning and budgeting at local governments; (iii) Improved quality of audit and coordinated follow up of recommendations by LGPACs and regional audit committees; (iv) Enhanced accountability and performance monitoring in delivery of services in key service sectors (roads, education, health, water, and agriculture services); and (v) Enhanced integrity and value for money of local government procurements.

Progress

Progress

1. **Rollout of the Integrated Revenue Administration System (IRAS) to DLGs** – IRAS is an online revenue administration system that was tested, piloted and has been rolled out with the support from the World Bank, European Union and Government of Uganda to combat the challenges faced in the own source revenue collection and administration in the different cities and municipalities under Uganda Support to Municipal Infrastructure Development-Additional Financing (USMID-AF) and Greater Kampala Metropolitan Area(GKMA) and to eighteen pilot districts under Development Initiative for Northern Uganda and being rolled out to entire local governments in the country. IRAS utilises Information and Communication Technology to close revenue leakages, support all the local governments' revenue sources stipulated in the Local Governments Act (CAP 243) in the Taxpayers' Identification, Registration, and Assessment, collection-real time payments, notifications to local government accounts, revenue reporting and SMS notifications.

IRAS is an upgrade of Local Revenue Database Management System earlier developed by LGFC. The rollout is in line with the current efforts of the LGFC, the World Bank supported Local Governments and the overall Government objective to improve local revenue performance to ultimately achieve the vision of having

sustainable Local Government financing. It is also in line with digitalization of government processes and procedures, which is a key GoU strategic focus.

The IRAS offers a variety of modules and functions to support the local revenue administration. Namely, Tax Payer Registration, Revenue Management/ Administration, Revenue Budgeting, Revenue Assessment/ Billing, Payment Processing and Receipting, Accounting and Reporting, e-valuation, e-physical planning and General features.

It is centrally hosted on three servers at LGFC, running both the application and database. These servers were purchased using a grant from EU under FINMAPIII –MFPED and the Data centre at the server was enhanced through a grant from EU under GKMA. All the three servers have been provided by EU, The Commission has requested and permission was granted for secondary server with National Data centre at National Information Technology Authority–Uganda (NITA-U). This approach was done to reduce implementation and installation costs in terms of hosting servers and solution implementation needed per Higher local government and respective lower local governments. In other words, this approach eliminates the need to deploy servers at every local government, an action that would be costly for Government. The hosting server is directly connected to the Internet and protected by (firewall/router) making it safe from any attacks on the system.

During the FY IRAS was one of the most outstanding REAP achievements. As at the end of the FY IRAS was fully activated in nine (09) cities, twenty-four (22) Municipal councils and one hundred thirty-five (135) districts. A total of 166 out of 176 Local Government votes were fully on the system by 16th May 2024, with the balance of 10 LGs covered by eLogRev. It is important to note at this point to note that the full rollout of IRAS was achieved one year ahead of the planned completion date of June, 2025.

Map of Uganda Showing IRAS Rollout as at 16th May, 2024



The rollout timelines indicate that in FY 2019/20-2020/21 the system was activated in 31 Local Governments, 6 LGs in FY 2021/22, 67 LGs in FY 2022/23 and finally 62 LGs in 2023/24. In each of the covered LGs all the sub-counties and divisions are included. During the FY also, KCCA formally requested to join the system, a clear indication of IRAS more robust nature.

The system has been interfaced with e-tax system of Uganda Revenue Authority (URA) to enable local revenue collection through URA Bank Accounts. For cities, districts and municipalities already activated, revenues are collected through URA bank accounts. Users Acceptance Test was conducted for the activated cities and local governments. Full integration is ongoing with URA E-tax system, IFMS Accountant General Office, NIRA and eventual URSB system for exclusive data sharing During the FY the backup of all IRAS data was set up at MoFPED.

During the FY procurement for a consultant to conduct quality assurance for the system commenced and is ongoing with the funding from REAP. The objective is to provide end to end Quality Assurance Services during the delivery of the IRAS with the aim of ensuring the system have achieved the intended outcomes and that the sustainability of the system is ensured. This will include but not limited to; independent verification and validation of the design, customization, integration, and testing of the IRAS, as well as advice on any additional actions required to ensure sustainability of the system.

IRAS has undergone ongoing reviews and improvements aimed at making it more robust and taking into consideration the various user requirements and recommendations. The current version in use is IRAS Version 3. Implementers refresher training was conducted during the FY as part of the change management to enhance the use of IRAS Version 3. The training was undertaken in selected training centres.



Refresher training on IRAS Version 3 at Palema Crown Hotel for Northern and west Nile districts March 2024



Refresher training on IRAS Version 3 at Palema Crown Hotel for Gulu Municipal Council

The back-up of IRAS was a risk that had been flagged by Office of the Auditor General during the 2023 audit. Previously, the IRAS system servers were located at the LGFC premises on the 10th Floor, Workers House, and there was no off-site server for backup in case of data loss. This was resolved during the FY.

IRAS Achievements and Impact to date

IRAS has registered positive achievements in local revenue performance for most activated Local Governments and increased number of registered taxpayers as shown below:

a. General Performance on IRAS

- 1,436,117 taxpayers registered on IRAS
- Ugx 338 billion assessed through IRAS
- UGX 181billion approximately collected through IRAS
- All local revenue sources are configured and collected on IRAS
- Properties valuation has been conducted in 154 Local governments
- Ugx 1.3 trillion rate-able values of properties assessed through IRAS
- 750 champions enrolled (IRAS Super users)
- 12,000 staff trained

b. Performance of local revenues FY 2019/20-2023/24

No	LOCAL GOVERNMENT	2019/20	2020/21	2021/22	2022/23	2023/24
1	Nansana MC	2,000,000,000	4,200,000,000	5,400,000,000	5,900,000,000	7,960,160,000
2	Mbarara city	2,400,000,000	3,431,000,000	5,600,000,000	6,544,886,266	7,944,423,471
3	Masaka city	1,030,000,000	1,185,818,000	2,001,404,000	2,667,621,252	2,901,355,960
4	Fort Portal city	1,352,428,000	1,050,000,000	1,965,314,000	2,360,000,000	2,400,611,354
5	Mbale city	732,000,000	1,050,000,000	1,336,000,000	2,104,945,879	2,141,727,518
6	Soroti city	952,000,000	560,000,000	1,100,000,000	1,411,557,189	1,647,639,386
7	Lira City	1,771,203,300	1,843,000,000	2,770,000,000	3,100,000,000	3,973,056,626
8	Gulu city	1,121,675,953	2,405,781,078	2,436,000,000	3,265,394,378	4,288,706,021

No	LOCAL GOVERNMENT	2019/20	2020/21	2021/22	2022/23	2023/24
9	Arua City	2,534,000,000	961,668,815	3,000,909,908	3,707,000,000	4,500,490,155
10	Mubende MC	674,150,000	783,342,000	1,251,658,000	1,259,000,000	1,479,037,386
11	Entebbe MC	2,574,920,000	2,630,395,000	2,715,000,000	2,849,000,000	3,073,013,050
12	Kabale MC	898,647,000	1,025,567,000	1,616,108,000	1,671,841,475	1,825,305,852
13	Hoima City	1,524,986,562	1,572,041,817	1,762,195,419	1,463,978,188	1,965,040,243
14	Busia MC	928,803,455	826,901,856	1,015,125,822	1,055,000,000	1,099,610,021
15	Tororo MC	561,204,369	662,899,556	675,392,403	974,302,192	1,040,190,196
16	Ntungamo MC	552,930,352	224,194,294	507,263,000	459,483,174	677,546,813
17	Kasese MC	630,357,011	191,137,554	971,251,895	1,112,577,832	1,436,451,006
18	Kitgum MC	507,711,251	337,135,054	517,589,304	667,516,152	544,649,387
19	Moroto MC	441,991,982	469,123,888	523,568,780	378,306,613	379,392,604
20	Kamuli MC	240,774,866	182,818,885	391,552,000	303,225,800	364,497,085
21	Apac MC	158,040,000	175,610,643	180,056,680	185,774,227	190,988,601
22	Nansana mc	2,000,000,000	4,200,000,000	5,400,000,000	5,900,000,000	7,960,160,538
23	Zombo DC	191,000,000	898,251,000	1,091,250,000	1,100,000,000	1,435,000,000
24	Wakiso DC	7,000,000,000	8,521,000,000	10,750,000,000	11,400,000,000	15,589,375,622
25	Kumi DC	223,774,697	252,000,000	260,000,000	411,000,000	495,136,076
26	Makindye-Ssebagabo		1,915,721,507	3,907,067,466	5,258,193,507	6,602,678,821
27	Luwero DC				1,700,505,666	3,469,770,949

For instance, out of the increased local revenues, Nansana MC indicated spending this increased revenue mostly for service delivery e.g they purchased 20 acres of land for garbage management, one garbage truck, one grader for road maintenance, two pickup trucks for local revenue mobilization, twelve motor cycles for local revenue mobilization and is constructing an extension of administrative block. The same is being done in Mbarara city among the local governments monitored.

c) Enrollment of IRAS Champions in the Local Governments

Apart from the increased revenue collected, to sustain IRAS implementation, a critical mass of system support team has been built with (IRAS Champions (750) across the activated Local Governments to facilitate the roll out of IRAS to entire local governments.

- 2. Implementation of the Local Revenue Call Centre** – To provide further change management support to the IRAS system, a contract was signed in Quarter 1 for establishment of a Local Revenue Call-center for efficient and effective support. The physical setup of the call center, including placing fixtures and fittings was completed. Also completed was delivery of the required hardware and training of the LGFC staff to oversee the centre. The remaining tasks to full completion of the centre is expected in September 2024.
- 3. Strengthening regulatory framework for revenue management at local governments (under MoLG):** The major focus under this area was planning for the launch of the LG Own Source Revenue Mobilization Strategy. The

activity had really delayed for over one year following the finalisation of the Strategy. On the 15th March, 2024, the strategy was successfully launched. At the launch, the Hon. Minister of MoLG flagged off a National Coordinating Committee to spearhead implementation of the strategy across the country. The strategy targets to increase local revenue in UGX 380 Bn to UGX 1Trillion in absolute terms within the medium term (FY2023/24 –FY27/28).



Figure 1. National Coordinating Committee for the LG OSR flagged



Figure 2. PS/MoLG Mr. Ben Kumumanya addressing stakeholders at the launch of the strategy.



Figure 3 Representative of DPs discussing with the Hon. Minister of MoLG Raphael Magezi



Figure 4 Coordinator REAP posing with MoLG PFM Office Team facilitated under REAP at the launch



Figure 5. Accountant Generals Office delivering remarks at the Launch. Inset Commissioner Financial Management System Aiden Rujumba

4. **Costed Service Delivery Standards** – A report on the Costed Service Delivery Standards was produced and was reviewed for completeness and other considerations by MoPS. However, the process of printing the 588 copies will take place once the report review and approved is concluded. Dissemination of the report will then be undertaken thereafter.
5. **Capacity building programme for PFM Functions in LGs** – The cluster planned for capacity building support under 3 components. The first component is undertaking Professional Courses (CPA, CIA, CIPs) for local government officials. In Q1, ten LG Heads of Internal Audit were enrolled at MAAT Abacus and are undertaking the CIA Qualification. In addition, thirty procurement staff from LGs enrolled at UMI for the CIPS Qualifications. During Q2, a total of 57 out of the 73 Sponsored students registered for the November 2023 CIPS Examinations.

Component 2: Focusses on short courses & CPDs in Local Revenue management and Procurement in partnership with Local Training Institutions targeting 600 beneficiaries by end of FY2024/25. By the end of the FY Training in Revenue Mobilization and Management for participants from 30 Local Governments was undertaken at UMI from 13th November 2023 to 24th November 2023.

The 3rd component comprises various capacity building initiatives for LGPACs. Over the course of the three years the cluster plans to support a total of 209 LGPAC members to acquire knowledge and skills from short courses & CPDs relevant to their mandate with support for course fees and facilitation for the participants. During Q1, a one-week non-residential Capacity Building training for members of LGPACs was concluded at UMI. A total of 45 LGPAC members from 8 selected LGs were trained in two (2) groups.

6. **Rollout of the online Simplified Computerized Accounting and Reporting Tool (SCART) to 134 of 176 Local Governments.** Ministry of Local Government engaged a consultant to develop SCART. The objective of SCART is to standardize accounting and reporting in the Lower Local Government and service delivery units. The system has so far been piloted successfully in 14 LLG's and service delivery units. During the FY the upgrade of SCART to a web-based system with enhanced capabilities was finalized ready to be rolled-out. Following the failure by NITA (U) to host the tool, MoLG is temporality hosting SCART in its server room. The full rollout of the system is expected to significantly improve reporting and accountability.
7. **Strengthen planning and accountability through costed service delivery standards** – During last FY, the cluster planned to acquire TA to develop a harmonized tracking system to monitor service delivery standards in local governments. By the end of the FY, the cluster had developed terms of reference for the development of a harmonized tracking system. The Report on the Costed Service Delivery Standards was produced and is awaiting approval by Management of Ministry of Public Service.
8. **Change Management on emerging procurement audit issues from the integrity surveys.** A Joint Policy and technical support by MoLG in collaboration with PPDA related to the Procurement Function for selected LGs was undertaken in 27 Local Governments. The MoLG Procurement Inspection Department provided hands-on support to 21 weak LGs on procurement processes, which was completed in December 2023.

Lessons and Constraints

- 1) The NITAU Data Centre capacity delayed hosting of SCART due to lack of space. The system is temporality hosted at MoLG for now. The NITAU has rationalized current space with priority given to existing older systems until additional capacity is procured.

- 2) The OAG report highlighted a general recommendation to deepen uptake and usage of the systems through sustained change management and training of users, as well as providing the necessary gadgets and setting up IT structures in local governments in order to realize full enrolment and operationalization of these systems in all local governments. This will be considered in the next FY work plan as part support for deepening usage of systems.

5.6 PFM OVERSIGHT

The objective has six (6) KRAs: (i) Enhanced impact of financial and VFM audit reporting and oversight; (ii) Improved coordination and monitoring of PFM processes within the Accountability Sector; (iii) Sustained uptake of reforms through improved learning and coordination of PFM Reform processes; (iv) Increased demand for downward accountability to citizens for public spending and service delivery performance; (v) Increased PFM Compliance through incentives and sanctions mechanisms (vi) Cost-effective public administration through rationalization of administrative units

Progress

1. **Implementation of the OAG Management Information System - Support for development of the MIS and related applications is the lead capital intensive project under the cluster.** This includes development of the MIS and related applications (EPM, HRMS, IM, Fin M, FM, EDMS, Data loss prevention suite, Asset tracking software).

By the end of the FY the development of the system progressed and the system went live in January 2024 with the rollout of three modules namely: Core HCM, Electronic Document Management (EDMS) and Materials and Inventory Management. Post Go-Live Stabilization support for EDMS, HCM and MM is ongoing.

Final testing for the FICO module was conducted, following approval of the MoU with Bank of Uganda. Integration and interface with IFMS has been completed and tested. Final rollout of FICO module is scheduled for the first quarter of FY-24/25. The latest IQA report was undertaken from the 24th – 28th June, 2024. The key finding of the IQA report was that on August 8th of August 2024 IQA was informed that the whole schedule of the roll-out of IMIS as proposed in the IQA report was no longer valid. The reason being that the Ministry of Finance decided to forward all the funding of OAG budget for the financial year 2024 – 2025 to OAG's bank account at the Bank of Uganda. This means that all relevant parties having a role in the integration of IMIS in the environment internally and externally had to work on the FICO-module, otherwise it would not be possible to do any payments, including the salaries of OAG's staff. During the call on 8th of August, the IQA was informed the FICO module was already live including tested interfaces. The first payments happen on Friday the 9th of August.

The decision for a rather earlier roll out of the FICO module is observed by the IQA as introducing a huge risk as it is no longer possible to have shadow runs and make comparison between IFMIS and IMIS. This situation implies that OAG needs to monitor in detail and continuous the performance and correctness of the new IMIS. The content of the report that is no longer valid is put in framed text blocks, marked in light Grey. The IQA report further notes that the project started in July 2022 with the realisation of the IMIS based on the MS-Dynamics Solution. The steering committee of August 2023 has agreed with postponing the end date of the project with 9 months, which indicates an end date in July 2024. Due to further delays, related to discussions and issues about the integration of IMIS with the IFMIS of MoFPED and with the system of the Bank of Uganda, the steering committee decided in their meeting of 21st of May 2024 to extend the project with another 9 months. As a result, the new end date is April 2025.

Functional Requirements Documents for Planning, Budgeting, Monitoring & Evaluation, Procurement, Governance Risk & Compliance, second phase HCM and Project Systems modules, have been developed and approved, their respective designs are underway. System testing and Go-Live is anticipated by July 2024.

Requirements gathering for Learning Management, Performance and Goals Management and Business Intelligence has also been completed.

The Fleet management module is undergoing pre-deployment testing and installation of vehicle tracking and fuel management modules is ongoing. The IMIS Help Desk testing was also concluded.

The IMIS IQA continues to provide technical support towards review and finalization of the project, and related change management activities are in progress.

During the period under review, Key Data structure and the business process mapping list were completed for Phase One. Business blueprints (System Layout and work flow) for the Finance Module, the Human Capital Management Module and the Materials Management module, which constitute the first phase, have been completed and approved.

The challenge experienced was that expected delivery of hardware and SAP software licenses were delayed. The cluster also faced issues with engagements with key external stakeholders that have been delayed. These are now on-going as part of the implementation process.

The Office planned for change management for MIS for all system users. The adopted strategy requires that awareness activities are underway and shall continue throughout project implementation. Procurement of IEC Materials communicating relevant and pertinent information on the IMIS has commenced with delivery expected in Q1 of FY 2024/25.

2. **Acquisition of Audit Management System to replace Teammate.** OAG planned to contract the Tender Agent/Independent Quality Assurance (IQA) Expert to facilitate the procurement of the Audit Management System contractor. By close of the Q3, the contract had been signed and by the end of the FY the Tender Agent had completed review of the proposed solution, developed the system objectives and finalised the Terms of Reference (ToRs) to facilitate procurement of the design consultant.
3. **Integrated system for tracking audit recommendation (OAG, Parliament, IA, Procurement, LG etc.).** Another key project under the cluster is the development of an integrated tracking system to monitor and report on implementation of audit recommendations and related change management. Support to the intervention commenced in FY2020/21 which focused on the preliminary development phases. The official launch and roll out of the ART platform is awaiting OAG Top Management.

However, the Project implementation has been affected by delays due to the challenges of obtaining an API to interface Teammate and the shared platform. It was decided that the recommendations be exported from Team central into a template that will be manually imported to the shared platform.

By the end of the FY a total of 16,079 audit recommendations were uploaded into the tool from the 42-pilot entities for the past four years (1999 – 2022) and a working paper for audit follow-up was added into the OAG Teammate library. Data for 42 budget institutions was captured and uploaded onto the ART template. These were subjected to review and quality assurance by the appointed focal persons and subsequently forwarded to the consultant to prepare for demo presentation.

The recent addition of IAG and PPDA resulted in delays arising from challenges in uploading data onto the shared platform. This has been occasioned, among others, by the existence of manual systems within the different institutions which resulted in delays in collecting and uploading relevant data.

The ART technical team was equipped with technical skills to manage the platform and undertake the launch process on a date yet to be determined. The technical team is to embark on stakeholder sensitisation at regional level and produce a status report on implementation of ART recommendations prior to the launch that is expected next FY.

4. **Training in specialised audit:** Staff facilitated to attend the Diploma in Performance Audit 3 module Course for VFM. A total of 18 staff from the OAG were facilitated to attend the Performance Audit Main Study Module, in February 2024. In addition, all 446 technical audit staff undertook training on the forensic audit manual. This is intended to support the forensic audit processes across the country.
5. **Rationalisation of Institutions:** The Cluster planned to undertake the Institutional Review and Re-organisation structures focusing in 3 PIM entities. The support was needed to reduce the cost of public administration that strains efforts in DRM. The Solicitor General however declined to clear the contract because rationalisation of government agencies and expenditure exercise had already been approved by the Cabinet. The funds were therefore repurposed to clear multiyear commitments to ensure obligations are limited especially as REAP went into the final year of implementation.
6. **Impact Evaluation of IFMS including its contribution to service delivery.** This commenced in earnest during Q3. By the end of the FY, the assignment was near conclusion with the draft report submitted and undergoing review. The report main findings showed that the IFMS system was successful in supporting diverse roles ranging from users of modules for invoicing, payables, banking, receivables, and asset management to finance heads whose focus is on payables, cash limits, and payment processing. This was achieved due to a user-centred design as well as a collaborative funding model, where MoFPED covers installation costs and user-institutions provide space which fostered a sense of ownership among the institutions. The other factor was the phased rollout, commencing with a pilot phase that involved selected ministries and local governments which allowed for iterative learning and refinement. The final report with detailed findings and recommendations will be released next FY and will provide useful insights into the next programming especially related to PFM systems.

Lessons and Challenges

The primary challenge impeding progress in implementation of the ART system continue to be the delays associated with awaiting responses from accounting officers and staff involvement in the special audit of the Government payroll and personnel verification exercise, as well as the annual auditing process.

6. STATUS OF PFM REFORM COORDINATION AND DIALOGUE

6.1 PFM REFORMS COORDINATION UNIT

The PFM Reforms Coordination Unit (RCU) is MoFPED’s secretariat for PEMCOM, as well the Funding Partners Committee for REAP. In this role, the unit continued supporting Accountant General’s Office in the PEFA 2022 completion process. While finalisation of the PEFA report 2022 had been expected in FY 2022/23, the various delays made the process to crossover to FY 2023/24 and partly to FY 2024/25 due to the absence of the assessment Team Leader, who experienced health challenges. From 3rd August 2023 PEMCOM instructed the RCU to support the design of the next PFM Reforms Strategy by providing the Secretariat for the process. The design of the PFM Reforms Strategy FY 2025/26 – FY 2029/30 is a key task for the RCU and the entire design taskforce.



Commissioner Stephen Ojiambo opening the third PFM Reforms Design Taskforce Retreat at the Commonwealth Resort – Munyonyo 6th August, 2024



A cross-section of participants during the third PFM Reforms Design Taskforce Retreat at the Commonwealth Resort – Munyonyo 6th – 9th August, 2024

During the FY, RCU continued to discharge technical support for PFM reforms implementation across the Clusters. The technical support was around the five core areas of programme coordination; planning, monitoring and evaluation; procurement; liaison, change management, communication and stakeholder engagement; finance and operations. The technical support facilitated the attainment of the various outputs and results as presented above. RCU was successful in advocating for additional resources for key funding gaps particularly contractual obligations. The advocacy led to GoU doubling its allocation to PFM reforms programme for FY2023/24 and in FY2024/25. This will enable the programme to conclude the prioritised activities as per the approved three-year work plan and budget FY2022/23 – FY2024/25.

This annual progress report is part of the accountability for the support and will be followed by the Audit Report for FY 2022/23 that will be shared by the 31st December, 2024.

During the FY, RCU working with DPs completed the review of the Public Expenditure Management Committee (PEMCOM) Priority Action Matrix (PRAM). This is a high-level tracking tool for monitoring selected Public Financial Management (PFM) Reform Action drivers from the PFM Reform Strategy 2022 – 2025. The matrix is updated through the PFM Cluster mechanism on a quarterly basis to inform PEMCOM on key progress and experiences in the implementation of core actions. There was however a challenge with the regularity of meetings of some Clusters e.g. Domestic Revenue Mobilisation that met least during the FY.

6.2 PROGRESS OF PFM DIALOGUE:

The Reform Coordination Unit (RCU) is MoFPED's Secretariat for PEMCOM as well the FPC, which are responsible for PFM Governance. The Secretariat focused on strengthening the PEMCOM framework through enforcing regular PFM reforms dialogue under the Clusters. This was necessary because during FY 2021/22 there were irregular meetings in some Clusters.

The Quarterly PEMCOM was convened and the revised PRAM was validated during Q4 round of cluster meetings and used in subsequent reporting. The Monthly REAP Governance meeting continued to be convened on a regular basis. At operational level, the monthly KRA monitoring meetings were duly convened throughout the year. These are all intended to enhance work planning and implementation. The focus of these during the forthcoming period will be continuous tracking of Gantt charts and risk management.

6.3 JOINT FIELD VISITS

Joint PFM Reforms Field visits with Development Partners remain a very important part of the REAP monitoring and evaluation framework. Not only do the visits provide a forum to update key stakeholders on the performance of the selected reforms, but they also facilitate a dialogue between the visiting team and implementers on the ground who are the users of the reforms. The joint field visits were also designed to be forward looking thus obtaining insights to feed into the next PFM Reforms Strategy. The visits were conducted from the 20th – 28th November, 2023 and were focused on the following PFM reforms:

- i. PIM and IBP – Development Committee and Ministry of Water and Environment
- ii. E-Procurement – Mukono District LG
- iii. LG Revenue collection and the Integrated Revenue Administration (IRAS) – Gulu City
- iv. HR and the HCM system – Gulu University
- v. Taxpayer data quality & integrity and the transition to a new e-Tax system – URA Nakawa

Overall the DPs appreciated the joint PFM reform monitoring visits that were organised as they targeted the users of new systems and processes being introduced under the programme. The visiting team was pleased to see that the reforms being implemented were having a positive impact on service delivery and the users were appreciative of the reforms. The Ministry of Water and Environment for example was very positive about the improvements they have seen in Public Investment Management with the Integrated Bank of Projects (IBP) system and the new guidelines helping them design and track better quality projects through a more structured process with stakeholder consultation. One of the main recommendations from this visit was the need to include DP funding information and the progress of DP commitments in the IBP system.

Mukono District Local Government officials, one of the pilot entities using the E-Procurement system (eGP) reported that the transition to e-GP was well managed and had multiple positive impacts, including increased competition, reduction in corrupt practices and lower procurement costs for all stakeholders.

Gulu University officials highlighted the work being done by the Ministry of Public Service to harmonise salary grades across Government funded institutions and roll out the new HCM payroll and HR system. The University reported that the support and change management in transition to the new system in 2023 was well managed and the HCM has great potential for improved staff management going forward.

The PFM Monitoring team held a very useful meeting with URA on data integrity and the transition to a new e-Tax system. Much good work has been done to clean up taxpayer data quality and along with improvements to facilitate tax returns and payments using the current system. URA has now cancelled the tender to procure a new e-Tax system due to concerns over a sudden transition between the old and new systems, with the proposal instead to have a modular gradual approach so as to limit the risks of a negative impact on the taxpayer experience. In order to ensure a well-managed and transparent procurement, the visiting team advised URA to contract an independent Quality Assurance (IQA) expert to facilitate the procurement and contract implementation process. IQAs help to in ensuring effective procurement, managing contractors and delivery of an effective system.

The monitoring visit to Gulu city once again confirmed the positive impact of the IRAS system on revenue collection and transparency, and it is now being widely used by the majority of Local Governments notably 17 local governments under DINU supported through UNCDF, new cities supported through USAID under DRM4D and support for full roll out to all LGs under REAP by June 2024. The visiting team discussed the risks to sustainability of the IRAS system for Local Government revenue administration under the Local Government Finance Commission and the coordination challenges between IRAS and e-LOGRev led by the Ministry of Local Government. There need to harmonise the roles played by these two entities in the oversight of the local revenue administration. These are being addressed by the implementing entities.



The Town Clerk Gulu City welcoming the Joint Field Visit team to IRAS review on the 22nd November, 2023



A cross – section of participants to the IRAS Field Visit performance review in Gulu City on 22nd November 2023

6.4 UPDATE ON EMERGING RISKS AND THEIR MITIGATION

This section analyses the various emerging key programme risks. The risks have arisen due to continuously changing programme context and are being tracked to avoid slippage.

Table 18: REAP Key Risks as at FY 2023/24

Key risk during the FY	Mitigation Measures
<p>Declining donor support leading to significant deficits.</p>	<p>RCU engaged with the top leadership of MoFPED for additional GoU funding which was granted during the FY. With the additional funding from GoU, the FYs 2023/24 through FY 2024/25 were adequately funded. While sufficient funding has been provided, government releases are based on cash available and remain predictable especially during quarter 1 of each FY. The programme is continually monitoring this risk especially given that DP funds that used to cushion have significantly dwindled.</p>
<p>Withdrawal of Basket Partners</p>	<p>The withdrawal of DANIDA by the 30th June, 2023 and also the one of EU in November 2024 means the future of the Basket as an implementation modality for PFM Reforms remains challenging. During the FY, there was interest expressed by the UK Government through FCDO and significant progress was made in processing this partnership. There also remains interest by the World Bank through the upcoming Uganda PIM Plus Project as well as the French Development Agency (AFD) that may be interested in supporting the Greening aspects of PFM. There have been formal engagements between GoU and DPs on the design of the new PFM Strategy and the Action Plan and a structured dialogue to confirm commitment to fund the new PFM Reforms Strategy is planned.</p>
<p>Delay of completion of the PEFA 2022/23</p>	<p>While the new PFM Reforms Strategy FY 2025/26 – FY 2029/30 remains one of the key outputs of the REAP extension up to June, 2025, the design has PEFA 2022 as one of the key sources to inform it. The Strategy defines the direction of the next phase of PFM reforms and the commencement of the design process was affected by the delayed finalisation of PEFA 2022. The design only started following the Commissioning of the same by PEMCOM on the 3rd August, 2023. It is being informed by PEFA 2022 and other assessments including the NDP III MTR, REAP MTR and PIMA. There is therefore really limited time to finalise all the design work and have a new programme in time for the FY 2025/26 Budgeting process that commences in mid-September, 2024. This is being managed.</p>
<p>Delayed implementation of some core systems</p>	<p>REAP was extended up to June 2025 to among others complete the ongoing core PFM Systems. The main ongoing PFM Systems include, HCM, e-GP, IMIS, IRAS, IBP, and IFMS roll out to the last 13 LGs and 2 Referral Hospitals. Other systems include the Audit Management Software designed to replace TEAMMATE and the Audit Tracking System to monitor implementation of various audit recommendations. There remains a risk that some of these systems may not be concluded owing to various reasons including addition of new entities as well as an anticipated implementation challenges leading to delays. The biggest challenge is so far in the e-GP system where the business process re-engineering (BPR) that must be concluded prior to the roll out has taken longer than expected. While e-GP BPR was expected to be concluded by June, 2024 thus facilitating the commencement of the roll out in July, 2024, this could not be concluded and the consultant was given more time. With the delayed commencement of roll out of the system it is going to be challenging to complete roll out of the system to the 250 entities targeted for FY 2024/25. To mitigate this, RCU included in its Budget Execution Circular for FY 2024/25 a number of transitional arrangements highlighting the need to among others mainstream implementation as REAP comes to an end, and also pick up a number of ongoing interventions that have been captured in REAP II being processed. Government has clearly demonstrated immense support for the PFM Reform activities and has been increasing its budgetary allocation to REAP and will pick up for completion implementation of systems that may not be concluded within REAP life.</p>

Key risk during the FY		Mitigation Measures
Irregular Cluster Meetings		Irregular Cluster meetings remained a risk that is being monitored. The Clusters most affected were Sustainable Resource Mobilisation especially Debt and Cash Sub Cluster; Planning Budgeting and PIM. The matter was discussed during the FY and elevated to PEMCOM as well as seeking Administrative measures through the office of PS/ST. Some of the contributing factors for the declining meetings include reduced DP support. DP contribution is very significant in keeping government in check. There have also been leadership transitions in some Clusters and a change management process is being discussed around the next PFM Reforms Strategy being designed. In the meantime, the mitigation measures employed during the FY was development of meeting schedules across the Clusters and regular prompting and follow up with those who do not meet. The matter remains a key issue being monitored.
Delayed implementation of OAG IMIS	of	The IQA report August, 2024 notes that the IMIS project started in July 2022 with the realisation of the IMIS based on the MS-Dynamics Solution. The project has suffered delays leading to extensions. The report observed that Project Steering Committee of August 2023 agreed to postponing the end date of the project with 9 months, thus indicating an end date in July 2024. However, due to further delays, related to discussions and issues about the integration of IMIS with the IFMIS of MoFPED and with the system of the Bank of Uganda, the steering committee decided in their meeting of 21st of May 2024 to extend the project with another 9 months. As a result, the new end date is April 2025. Moreover, there are also a major change request that is still being reviewed estimated at UGX 2,451,667,200 (about US\$ 660,000). If confirmed, this will affect resources planned for implementation of AMS.
Expedited rollout of the IMIS FICO Module		The decision for a rather earlier roll out of the FICO module is observed by the August, 2024 IQA report as introducing a huge risk as it is no longer possible to have shadow runs and make comparison between IFMIS and IMIS. This situation implies that OAG needs to monitor in detail and continuous the performance and correctness of the new IMIS. The content of the report that is no longer valid is put in framed text blocks, marked in light Grey. This risk has been picked and tracked so as to minimise effects on overall project implementation.
Managing the Design of the Next PFM Reforms Strategy alongside implementation of the current Programme		There remains a risk that the efficiency of RCU and other actors deeply involved in the design of the next PFM Reforms Strategy FY 2025/26 – FY 2029/30 will be affected in some aspects as time is taken up with the complex design process. Indeed, some aspects have in some way been affected but this is being managed to avoid very significant slippages. This is further being managed through use of a consultant to support the design.
Possible Budget cuts during the Budget Implementation		Even with the increased allocation that has been provided by GoU, the budget may still suffer cuts during implementation due to a number of emerging pressures on Government. RCU has continued providing strong justification and detailed budget notes for all its activities, leading to approval by Parliament without cuts. There also remains some funding under DPs that protects the whole allocation as REAP is treated as a DP funded programme. This together with the useful technical input coming from DPs provides a justification for continued DP participation in the PFM Reform Dialogue and implementation. The risk is still being tracked.
Effects of Covid 19 disruptions and the risk of not attaining expected results		The programme is still suffering from the long term effects of the Covid 19 disruptions that has potential to affect attainment of some programme results or cause delays. The initial delays in completing PEFA 2022 were because of the travel restrictions occasioned by Covid 19 SOPs. RCU is continually reviewing the results and strategies for their attainment. Where no mechanism for the attainment of planned result will be found, an explanation for lack of attainment will be provided to stakeholders.

ANNEXES:

ANNEX 1: MATRIX OF CUMULATIVE EXPENDITURE AGAINST APPROVED BUDGET BY CLUSTER

Cluster 01 Outputs: Improve resource mobilization for Uganda's sustainable development

Component Outputs and Input Codes	Short Description Outputs/Inputs	Approved Budget Plan	Total Expenditure	%Expenditure against budget	Balance
01.01.01.01	Capacity Building Programme to enhance DRM	1,040,000,000	1,038,528,481	99.9%	1,471,519
01.01.01.02	Technical support in the coordination and implementation of SRM cluster activities	1,749,121,769	1,748,550,629	100.0%	571,140
01.02.01.01	Tax Policy and legislative Framework reviewed and developed (Incl. redraft of VAT, Income, Tax Procedures Code)	324,178,502	324,178,502	100.0%	0
01.03.01.01	Capacity building programme on Debt Management	518,420,000	518,420,000	100.0%	0
01.03.01.02	Project Okusavinga	2,780,000,000	2,780,000,000	100.0%	0
01.03.01.02	Support the functioning of AID management Platform	420,000,000	420,000,000	100.0%	0
Cluster 01 Total		6,831,720,271	6,829,677,612	100.0%	2,042,659
02.01.01.01	Capacity Building Programme for Development Planning	454,560,000	454,560,000	100.0%	0
02.01.01.02	Reviewing and improving the NDP III results and indicator framework	4,197,146,828	3,752,789,029	89.4%	444,357,799
02.01.02.01	Strengthening Programme Based Budgeting System/PBB across MDALGs	1,271,836,966	1,271,836,966	100.0%	0
02.01.02.01	Technical Support for Strengthening Programme Based Budgeting System/PBB across MDALGs	2,181,884,905	2,181,884,905	100.0%	0
02.01.02.02	Strengthening national monitoring and evaluation frameworks in line with PBB	1,000,000,000	901,820,511	90.2%	98,179,489
02.01.03.01	Gender Equity Budgeting support	113,961,479	113,961,479	100.0%	0
02.02.01.01	Evidence Based Policy formulation support	199,800,000	118,560,000	59.3%	81,240,000
Cluster 02 Total		9,419,190,178	8,795,412,890	93.4%	623,777,288
03.01.01.01	Roll out of the Integrated Bank of Projects	373,000,000	373,000,000	100.0%	0
03.01.02.01	Improved licensing and permitting frameworks for PIM entities in selected sectors	749,635,448	589,685,360	78.7%	159,950,088

Component Outputs and Input Codes	Short Description Outputs/Inputs	Approved Budget Plan	Total Expenditure	%Expenditure against budget	Balance
03.01.03.05	Coordination of PIM Implementation	30,000,000	30,000,000	100.0%	0
03.01.05.01	Capacity building Programme for PIM	438,980,000	438,460,090	99.9%	519,910
03.01.06.01	Development of the project preparation Fund (PPF)	440,000,000	439,158,067	99.8%	841,933
03.02.02.02	Capacity Building Programme for Public Procurement	274,000,000	264,749,429	96.6%	9,250,571
03.02.02.03	Strengthening regulatory framework for Public Procurement	200,000,000	200,000,000	100.0%	0
Cluster 03 Total		2,505,615,448	2,335,052,946	93.2%	170,562,502
04.01.01.01	HCM roll out to 200 entities	11,216,959,231	11,119,506,002	99.1%	97,453,229
04.01.01.06	Provide technical support to PFM reforms in HCM	2,086,721,508	2,086,721,508	100.0%	0
04.02.01.01	Capacity Building Programme for Internal Audit	250,000,000	250,000,000	100.0%	0
04.02.01.02	Technical support to PFM systems, policy framework and cluster coordination	5,967,502,632	5,967,502,632	100.0%	0
04.03.01.01	Roll out of eGP to 180/250 sites (60 per year)	1,982,696,000	1,982,696,000	100.0%	0
04.03.01.03	Technical support to e-GP system and support (Project Management)	1,862,437,826	1,862,437,826	100.0%	0
04.03.02.01	IFMS rolled out to final sites (multiyear contracts)	2,933,946,788	2,933,946,788	100.0%	0
04.03.03.02	Implementation of Asset Management Framework	127,450,000	127,450,000	100.0%	0
Cluster 04 Total		26,427,713,985	26,330,260,756	99.6%	97,453,229
05.01.01.01	Rollout of the Integrated Revenue Administration System to DLGs. By end of FY21/22, IRAS will have covered a total of 37LGs (20 districts, 9 cities and 8mcs). Remaining LGs would be 139 (1 City, 23 MCs and 115 districts).	8,447,000,000	8,447,000,000	100.0%	0
05.01.01.02	Strengthening regulatory framework for revenue management at local governments (under MoLG)	375,000,000	373,600,492	99.6%	1,399,508
05.02.01.01	Capacity Building Programme for the LGs PFM Functions (under MoLG)	345,000,000	344,134,844	99.7%	865,156

Component Outputs and Input Codes	Short Description Outputs/Inputs	Approved Budget Plan	Total Expenditure	%Expenditure against budget	Balance
05.03.01.01	Rollout the Online simplified computerised financial reporting tool to lower local government (under MoLG)	450,000,000	438,382,234	97.4%	11,617,766
05.03.01.02	Accountability and performance monitoring in delivery of services in key service sectors (under MoLG)	799,716,000	799,714,160	100.0%	1,840
05.03.01.03	Strengthen Planning and Accountability through costed service delivery standards (under MoPS)	1,660,000,000	1,660,000,000	100.0%	0
05.04.02.03	Technical support to LG Cluster Coordination, Monitoring and reporting	1,442,617,719	1,442,617,719	100.0%	0
Cluster 05 Total		13,519,333,719	13,505,449,449	99.9%	13,884,270
06.01.01.01	OAG Management Information System (MIS)	5,763,345,547	5,763,345,547	100.0%	0
06.01.02.01	Audit tracking System supported to deepen downward accountability	280,000,000	280,000,000	100.0%	0
06.01.03.01	Capacity Building Programme in specialized Audit	424,620,000	399,590,439	94.1%	25,029,561
06.02.01.01	Technical and administrative support to the governance and oversight cluster	540,925,650	540,925,650	100.0%	0
06.03.01.07	Administrative support to the governance and oversight cluster	671,693,006	671,693,006	100.0%	0
06.05.01.01	Undertake the Institutional Review and Re-organisation structures focusing in 3 PIM entities	665,000,000	526,213,025	79.1%	138,786,975
Cluster 06 Total		8,345,584,203	8,181,767,667	98.0%	163,816,536
Reforms Coordination Unit					
06.02.01.01	Technical Support to Programme Coordination under RCU	3,512,216,589	3,512,216,589	100.0%	0
06.02.01.02	Planning Monitoring and Evaluation of Major PFM Reforms	655,000,000	655,000,000	100.0%	0
06.02.01.03	Financial management of REAP	122,027,000	122,027,000	100.0%	0
06.02.01.04	Procurement management and support to procurement committee operations	24,000,000	23,335,968	97.2%	664,032


Component Outputs and Input Codes	Short Description Outputs/Inputs	Approved Budget Plan	Total Expenditure	%Expenditure against budget	Balance
06.02.01.05	Coordination under RCU - Operations of RCU including Capacity Building	657,233,805	656,710,755	99.9%	523,050
06.02.01.05	Support to the Communication and Visibility Strategy	56,234,262	56,234,262	100.0%	0
06.02.01.06	Support for the development of PFM Reform Strategy	305,000,000	304,995,871	100.0%	4,129
06.02.01.07	Support to the PEMCOM and Reforms Governance structures	15,840,000	15,840,000	100.0%	0
Reforms Coordination Unit Total		5,347,551,656	5,346,360,445	100.0%	1,191,211
	GRAND TOTAL	72,396,709,460²	71,323,981,765	98.5%	1,072,727,695

² Figure includes UGX 964,921,829 disbursed from EU support but planned for use in FY 2024/25.

ANNEX 2: DETAILED DESCRIPTION OF PROGRESS AGAINST WORK PLANS

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
1.1 Enhanced enabling environment for revenue mobilization			
1.1.1 Capacity Building Program developed for effective implementation of the DRM			
1.1.1.1 Capacity Building Programme to enhance DRM	<u>Component 1</u> - Ongoing programme with International Bureau of Fiscal documentation (IBFD) TPD/ URA	45 staff have completed levels 1, 2, & 3, of training with support from DRM4D 60,000,000 Basket / DRM4D	The training in economic analysis and taxation for 45 staff from MoFPED, URA, Parliament of Uganda and the Tax Appeals Tribunal completed. Training undertaken over a 2-year period. The staff were skilled in the following areas: Foundation Level (Concept of Taxation, Tax & Public Finance, Registration & Monitoring of Taxpayers, Legal Aspects of Taxation, Implementation of tax Laws, Tax Reform Process, Tax Planning, Tax Avoidance, Tax Evasion and Money Laundering). Intermediate Level (Domestic Taxation, Taxation of Natural Resources, Tax Incentive Analysis, Principles of International Taxation, Interpretation & Application of Tax Treaties, Current Issues on International Taxation (BEPS), VAT from a Global Perspective, Principles of Transfer Pricing and Current Issues on Transfer Pricing). Advanced Level (Workshop on Legal Writing & Drafting, VAT Policy Workshop, Transfer Pricing Policy Workshop, Tax Treaty Workshop and Workshop on Advanced Revenue Forecasting). The activity was completed in quarter 1
	<u>Component 2</u> - Oil, Gas and mining legislative frameworks including Technical Assistance (TA) in both Legal &	Designing and implementing national policies addressing oil, gas and mining resources require a robust team with knowledge and skills to deliver better policies and regulations.	Tax Policy Department prepared draft ToRs for the Oils & Gas Financial restructuring. Very iterative process to review process of the draft TORs took longer than expected

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
	Financial restructuring of contracts TPD_ -	The training will target 45 staffs for 5 days. Staffs to be provided with transport refund & participation allowance 100,000,000 GoU	
		Legal Expert to build capacity in MoFPED on structuring of legal agreements for oil, gas & minerals 270,000,000 GoU Financial Expert to support financial restructuring of oil & gas and mineral financial contracts 270,000,000 GoU	Draft ToRs for the procurement of a Legal & Financial Experts to build capacity in MoFPED on structuring of legal agreements for oil, gas & minerals & financial Contracts were finalised with input DRM4D. The review process for the prepared draft ToRs was undertaken with the aim of harmonising with the various structure but was not concluded during the FY.
	<u>Component 3</u> - Digital Economy Tax Administration (Non-residential workshop for 65 staff for 5-day training) URA	Training staffs to acquire knowledge and skills in E-Commerce industry and operations in order to adequately counter the challenges of taxing E-Commerce. The training will target 51 staffs for 5 days. Staffs to be provided with transport refund & participation allowance 100,000,000 GoU / DRM4D	Sixty-five staffs were proposed acquire knowledge and skills in E-Commerce industry and operations in order to adequately counter the challenges of taxing E-Commerce. URA with technical support from DRM4D contacted the University of New South Wales (UNSW) and the International Bureau of Fiscal Documentation (IBFD) on the provision of the consultancy services. The 3 days Fundamentals in Taxation of the Digital Economy training for 40 staff (URA & MoFPED-TPD) was held from the 11 th to 13 March 2024 at Protea Hotel by Marriott® Kampala. The 2-day Advanced Level in Taxation of Digital Economy training for 40 staff was conducted from the 23 rd to 24 th May 2024 at Protea Hotel Kampala.

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
			Activity was therefore concluded in May 2024
	-	Consultancy to support digital economy training 100,000,000 GoU	ToRs for Consultants were developed with the input of DRM4D. Study Visit of 8 staff (URA & MoFPED) on Expanding the Tax Base through Taxation of Digital Economy was held from 10th - 14th June 2024, Republic of South Africa  DIGITAL TAXATION Study Report 2024.pd
	<u>Component 7 - Training of Revenue Core Staff in Detailed Data Mining/International Computer Driving License (ICDL), Forecasting, revenue collection, - TPD & KCCA</u>	Training 7 Training of Trainers (ToT) in detailed data mining and forecasting at the African Training Institute Pretoria/Rwanda 60,000,000 Basket / DRM4D 80,000,000 GoU	Terms of reference to undertake Training of Trainers (ToT) in detailed data mining and forecasting under preparation by KCCA. The procurement process for the consultant being finalised with opening of the financial bids to be done on the 17 th April, 2024. The training was undertaken and concluded in Q4
1.1.1.2 Technical support in the coordination & implementation of SRM cluster activities	Technical support in the coordination and implementation of SRM cluster activities TPD	Salaries for 5 staffs supporting SRM Cluster (i.e. 2 officers, 2 senior officers and a technical advisor), Legal Expert & Financial Expert on Oil & Gas 1,301,024,376 GoU	Salaries for 5 staffs supporting SRM Cluster (i.e. 2 officers, 2 senior officers paid as planned
	TPD	10% of the staff salaries as contribution to NSSF 130,102,438 GoU	10% contribution remitted as planned
	TPD	A 2-year staff gratuity at a rate of 15% of staff salaries 158,394,955	Qualifying staff received the gratuity as planned

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
		GoU	
	TPD/URA	Allowance for 2 cluster chairs and 3 KRAs supporting REAP operations. i.e. 2.9m & 2.5m for chairs & KRAs respectively 159,600,000 GoU	Allowance for 2 cluster chairs and 3 KRAs supporting REAP operations paid as planned
1.2.1.1 Tax Policy and legislative Framework reviewed and developed (Incl. re-draft of VAT, Income, Tax Procedures Code)	Institutional Capacity Review of TPD basing on recommendations from the study on tax making process and white paper to be developed. TPD	Lumpsum as per expected market price but will be multiyear for two years 100,000,000 Basket 80,000,000 GoU	USAID DRM4D contracted a consultant to handle the legislation, including VAT Laws, Income Tax Laws, and Tax Procedures. Tax Policy and legislative Framework reviewed and developed (Incl. re-draft of VAT, Income, Tax undertaken with DRM4D support
Review Legal Instrument for enhanced Revenue Mobilizations in Cities (in partnership with DRM4D) including reviewing revenue mobilization strategy for cities	Consultative meetings with 10 regional cities to review legal instruments. KCCA	144,178,502 GoU	A committee composed of MoLG, KCCA, and LGFC to understand the legal requirements and commence drafting of principles for submission the law reform Commission was put in place. The activity was concluded in March, 2024 and the activity report submitted. Implementation of recommendations has commenced starting with Property Rates.
1.3.1.1 Capacity building programme on Debt Management	Component 1: Bloomberg Licenses for 4 Terminals and attendant Training DCCP	3 Bloomberg Licensees covering 3 terminals @1940 per month each terminal 298,420,000 GoU	Three (3) Bloomberg Licenses covering 3 terminals have been paid for this financial year The annual Bloomberg License for Debt Policy and Issuance Department were procured, and officers are using the system for the following functions: Extracting the LIBOR and EURIBOR rates for use in the analysis of Financing terms of projects and debt service projections during formulation of the medium-term debt management Strategy (MTDS)

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
			<p>Hedging processes – We extract the interest rates SWAP rates to determine hedging of the variable rate loans on the GoU debt portfolio and monitoring the market movements to determine the likely cost of the transactions</p> <p>Used in commercial borrowing data to analyze FY 2021/22 Budget support loans to make comparison of Uganda with same rated African peers in terms of credit rating metrics and sovereign bond Z spreads</p> <p>Forty staff trained from Cash Policy Department (CPD) & Debt Policy and Issuance (DPI) in use of Bloomberg software focusing on navigation of the Bloomberg terminal, fixed income series, bond market series, and floating rate debt i.e. LIBOR/SOFR remediation.</p>
	DCCP	<p>DDCP staffs to be trained in 4 modules per quarter in the use of the Bloomberg software. Each quarter to have 2 trainings of 5 days each. The training will be nonresidential for 40 staffs in first year</p> <p>120,000,000 GoU</p>	<p>Five training sessions have been held in collaboration with Bloomberg Dubai, area covered include Portfolio Analysis of Local currency bonds, importance of money markets. Analysis of African Bonds and Foundations of Fixed Income markets</p> <p>Further series of training sessions were held in collaboration with Bloomberg Dubai, in the areas of overview and portfolio Analysis of Local currency bonds; Importance of money markets; Analysis of African Bonds; and Foundations of Fixed Income markets. The planned trainings for this FY have been concluded.</p>
	<p><u>Component 2: Training Programme in aspects of Debt (credit ratings, risk analysis and measurement in PPPs, debt portfolio analysis etc.)</u></p> <p>DCCP</p>	<p>Training staffs to acquire knowledge and skills in Debt (credit ratings, risk analysis and measurement in PPPs, debt portfolio analysis etc.). The training will target 35 & 36 staffs semi-annually each for 5 days. Staffs to be provided with transport refund & participation allowance</p> <p>100,000,000 GoU</p>	<p>Eight staff trained in credit rating in South Africa. This was intended to equip staff with skills in evaluation of the credit risk of a sovereign entity to determine its ability to pay back debts due</p> <p>A training was held in November 2023 in collaboration the South African Treasury and the African Peer Review Mechanism (APRM) of the African Union. The outcomes of the training will facilitate:</p> <ol style="list-style-type: none"> i. Development of a comprehensive national strategy for engagement with rating agencies to guide the government on specific focus areas to improve Uganda's credit rating and mechanisms for periodic monitoring of sovereign risk exposures. ii. Introduction of requirements and roadmap of sovereign credit ratings by rating agencies; and,

Objective 1: Improve resource mobilization for Uganda's sustainable development			
Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
			iii. Development of a framework for credit rating activities in Uganda.
1.3.1.2 Support the functioning of AID management Platform	Training of MoFPED staffs and development partners in the use of the platform	150,000,000	A draft concept for Training of MoFPED staffs and development partners in the use of the AID management Platform was developed, however the activity was reviewed and the funds repurposed to undertake a review of the loan negotiation guidelines, draft guidelines submitted to Top Technical of Ministry of Finance Planning & Economic Development. Data collection on loan disbursements performance completed and report submitted to target stakeholders for approval
	Data collection on loan performance DARC	80,000,000	Data collection loan disbursements performance reviewed for 116 loans and report produced and submitted to parliament for discussion. Activity to be excluded from the programme in future as is mostly recurrent.
	Validation meetings to quality assure the data collected DARC	150,000,000	Validation meetings to quality assure the data collected concluded Activity to be excluded from the programme in future as is mostly recurrent.
	Preparation of the final report and dissemination. DARC	40,000,000	Dissemination will be conducted after final report is produced.
1.3.1.2 Project Okusavinga	Develop a mobile platform system for investment in Government securities using mobile phone/mobile money	Consultancy 2,415,000,000	The development of the mobile platform system for investment in Government securities using mobile phone/mobile money is being concluded and presented to Top Technical. The platform go live is expected by Quarter one FY2024/25.
	Change management/sensitization of systems users	Workshops & Seminars 185,000,000	Change Management Strategy finalised in collaboration with REAP Coordination Office and implementation undertaken.
		Training 140,000,000	
Advertising 40,000,000			

Objective 2: To Enhance Policy-Based Budgeting & Planning for Allocative Efficiency			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
2.1 Budgets aligned to strategic plans and medium term expenditure frameworks			
2.1.1 Capacity Building Programme for Planning and Budgeting across Government developed			
2.1.1.1 Capacity Building Programme for Development Planning	<u>Component 1:</u> Online Short Certified Courses for specialised aspects of planning: Manpower planning, Spatial Planning, Economic Modelling, Climate change planning, Health Planning, etc. <u>NPA</u>	Training staff to acquire knowledge and skills in Manpower planning, Spatial Planning, Economic Modelling, Climate change planning, Health Planning, etc. The training will target 12 staffs in year 1 for 10 days. Staffs to be provided with data bundles & participation allowance 75,000,000 Basket 150,000,000 GoU	Concluded: The activity was implemented in a hybrid mode i.e. both online and physical presence as the trainers were online whereas the participants were clustered in NPA premises for robust execution of training assessments between the 27 th November and the 8 th December 2023, targeting the 12 staff as planned.
	<u>Component 2:</u> Implementation of a graded tailor-made development planners' certification programme in partnership with the African Institute for Economic Development and Planning (IDEP). <u>NPA</u>	Training staffs to acquire certification in planning. The training will target 13 staffs for 5 days. Staffs to be provided with transport refund & participation allowance 79,560,000 Basket 150,000,000 GoU	Ninety-two (92) staff across government trained in Human resource development planning by African Institute for Economic Development & planning to enhance their development planning capacity Trained 49 staff across government for Certified training on strategic management performance system by the international Association of Strategic Professionals.
Reviewing and improving the NDP III results and indicator framework	Facilitate institutionalization of standards framework for results and indicators and revision of NDP III results and indicator framework to align with standards- DPI	TA to developing manuals outlining standards for results and indicators and service delivery standards under NDP III, clean-up of sub-sub-programmes and guide review of NDP III indicators 170,000,000 Basket	The procurement process was merged with Local TA to coordinate implementation of activities related to Review of NDP III indicator framework and operationalization of M&E system. By the end of the FY the Procurement process was concluded and Contract Implementation was still on going
		Long-term TA to support implementation of manual, data collection / clean-up in the review of	Procurement process concluded and Contract Implementation on going

Objective 2: To Enhance Policy-Based Budgeting & Planning for Allocative Efficiency			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
		indicators and service delivery targets: 500,000,000 Basket	
	DPI	Workshops for development of MDA capacity for implementation of new results / indicators framework in 2 programmes and roll-out to 20 programmes and Undertake a stock of current outcome / output indicators, reviewing and eliminating irrelevant activity and input indicators 352,225,000 Basket	Requisition yet to be received as activity is dependent on the recruitment of M&E and IT systems experts
	Operationalize the NDPIII Monitoring and Evaluation System- DPI	Technical support to M&E for upload of M&E data and integration with PIAPs and PBS 700,000,000 Basket	Procurement process concluded and Contract
	DPI	Training of MDAs on upload and use of M&E system 700,000,000 Basket	Requisition yet to be received as activity is dependent on the recruitment of M&E and IT systems experts
	DPI	Computer equipment at the OPM to support implementation of the M&E system 180,000,000 Basket	
	Facilitate establishment of a reliable methodology for estimating baseline expenditure and appropriate MTEF- DPI	TA to develop a derivable methodology for baselines expenditure estimates, fiscal estimates and appropriate MTEF 150,000,000 Basket	Only one (1) proposal was received and it is was re-tender internationally.
	Facilitate coordination and support for the improvement of performance accountability- DPI	Local TA to coordinate implementation of activities related to Review of NDP III indicator framework and operationalisation of M&E system 480,000,000 Basket	Procurement process concluded and Contract implementation is ongoing

Objective 2: To Enhance Policy-Based Budgeting & Planning for Allocative Efficiency			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
2.1.2.1 Strengthening Programme Based Budgeting System/PBB across MDALGs	PBS Technical Support and coordination of cluster activities BPED	Staff salary for 36 staffs supporting BPED directorate. i.e. 27 economists, 4 officers, 2 Snr Officers, 1 driver, 1 specialist, 1 TA 1,983,531,732 GoU	Staff salary for 36 staffs supporting BPED directorate. i.e. 27 economists, 4 officers, 2 Snr Officers, 1 driver, 1 specialist, 1 TA were paid
	BPED	10% Employer's contribution to staff NSSF 198,353,173 GoU	10% Employer's contribution to staff NSSF remitted
	BPED	a 2-year staff gratuity at a rate of 15% of staff salaries 72,836,966 GoU	2 year staff gratuity at a rate of 15% of staff salaries paid for qualifying staff
		Allowance (Chair/Co-chair & KRAs) 129,000,000 GoU	Allowance (Chair/Co-chair & KRAs) provided during the quarter
	Review and validation of quarterly budget performance reports Planning Unit	200,000,000 GoU	Review and validation of quarterly budget performance undertaken and reports produced
	Change Management on the revised PBS system in alignment with the NDPIII-BPED	Supporting 15 less performing LGs in using PBS. This will be informed by LGPA report 170,000,000 GoU	Change Management for the revised PBS system in alignment with the NDPIII- BPED was undertaken
	Development of a National Change Management Strategy and Costed plan for PBS and a Change management Review/Assessment on the impact of previous training and CM efforts on PBS	Multiyear for chance management consultancy for PBS 450,000,000 GoU Printing & publishing 50,000,000 GoU	A contract was awarded and the Consultant submitted, the Sponsor plan, the people manager plan, the Communications plan and Training plan. This will be done after completion of development of the Change Management Strategy Printing to be done in next FY
	Dissemination of Change Management strategy on the revised PBS system in alignment with the NDPIII - BPED	200,000,000 GoU	To be undertaken next FY

Objective 2: To Enhance Policy-Based Budgeting & Planning for Allocative Efficiency			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
2.1.2.2 Strengthening national monitoring and evaluation frameworks in line with PBB	Review and update National Policy on Public Sector Monitoring and Evaluation and the relevant laws and regulations to strengthen institutional evaluation, policy evaluation, OPM plan/program and project evaluation	250,000,000 GoU 150,000,000 GoU	Procurement process concluded and Contract implementation is ongoing
	Develop comprehensive monitoring, evaluation and inspection guidelines Monitoring guidelines with tool, Public sector evaluation guidelines with tools, iii. Inspection guidelines with tools)- OPM	450,000,000 GoU 150,000,000 GoU	Procurement process concluded and Contract implementation is ongoing
Gender Equity Budgeting support	Facilitate National Gender Task Force to provide oversight and planning for development and coordination of GEB with programmes BMAU	Task force meeting gender equity budgeting chaired by BMAU. The task force is composed of 8 members. Members will be provided with sitting allowance and bites 48,961,479 GoU	The GEB Taskforce for Q1 was held Friday 8 th September 2023, The objectives were to review the zero draft work plan of the National GEB Taskforce for FY 2023/2024, discuss Gender and Equity priority interventions for FY 2024/2025, and discuss Issue Paper (Background Paper) for Gender and Equity in NDP IV. The meeting was chaired by the director Budget with participants with multi – agency participation including: MoFPED, MoGLSD, NPA, Equal Opportunities Commission, OPM, Ministry of Health, Ministry of Education and Sports, Uganda Bureau of Statistics, CSBAG, FOWODE, GEB Consultant and Technical Assistant, Private Sector Foundation Uganda, Makerere University, NBRB and Ministry of Agriculture, Animals Industry and Fisheries

Objective 2: To Enhance Policy-Based Budgeting & Planning for Allocative Efficiency			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
			Implementation of the action log activities for this meeting could not be undertaken due to competing commitments for BMAU
	Support to phased training of sectors in GEB Planning and Budgeting in the 7 strategic sectors identified the PFM strategic strategy i.e. education, health, agriculture, water, energy and works and transport- BMAU	Train MDAs in GEB focusing on less performing MDAs as per EOC Report. 35 & 83 staffs will be trained annually in FY2022/23 & FY2023/24 respectively 65,000,000 Basket	The training was not done due to competing commitments for BMAU
2.2.2 Evidence Based Policy formulation support	Undertake field visits to collect customized data on employment for analysis - MEPD	32 Staffs facilitated to participate in field visit annually. 8 Officers will be facilitated in year 1 to collect data on employment for analysis for 3 days. 34,800,000 Basket	Not done due to competing commitments for BMAU
2.2.4 Evidence Based Policy formulation support	support the technical working group (TWG) reviewing the outputs of the employment index tool- MEPD	Technical working group meetings to review the deliverables of the activity. The 12 member TWG to sit 3 for 10 days. TWG will be facilities with sitting allowance 120,000,000 GoU	Not done due to competing commitments for BMAU
	Train staffs on the use of the employment index tool - MEPD	Train MDAs in Employment Index tool. 35 & 42 staffs will be trained annually in FY2022/23 & FY2023/24 respectively 45,000,000 Basket	Not done due to competing commitments for BMAU

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
3.1.1 Roll out of the Integrated Bank of Projects	Change Management on IBP Phase 2 (Monitoring and Evaluation and implementation modules have been developed in previous FY)	MDAs using IBP to be trained in IBP phase 2. The training will target 75 staffs in year 1 from MDAs for 5 days. Staffs to be provided with transport refund & participation allowance 143,000,000 Basket 200,000,000 GoU	User rights for M&E were created. Migration of projects information onto IBP phase II was undertaken and Capacity building concept note for M&E coordinators produced Five-day Training Workshop for MDAs 75 staffs in IBP phase 2. Targeting 75 completed The system requires an upgrade to incorporate the Program based budgeting structure. Held meetings to discuss Terms of reference for the upgrade of the IBP.
		PAP staffs to travel to MDAs for support in the use of IBP system. This will be help PAP to take stock of challenges and success of the system in the MDAs. Quarterly field visits will be undertaken. 3 officers will be facilitated to support MDAs for 5 days in the 5 regions 30,000,000 Basket	A capacity building exercise was held from 22 nd to 25 th January 2024. It involved a hands-on training for project coordinators with ongoing projects with in the Public Investment plan. 145 coordinators were trained and are expected to start data input into the new Monitoring and Evaluation module PAP staff visited the MDAs to provide support in the use of IBP system. This helped PAP to take stock of challenges and successes of the system in the MDAs. Held a technical workshop on the operationalization and maintenance of the IBP. This was aimed at resolving the issues identified by different stakeholders in the usage of the IBP system thus improving performance of the PIMS framework PAP staff held field visits to MDAs including Electoral Commission, Lotteries Board, MEMD, URA and UBOS. These votes had changes in personnel and needed the new officers to be trained in the use of the system to enable them submit their projects for appraisal and approval by the DC, but also to have an appreciation of the PIMS framework as whole. Uganda Missions abroad with newly deployed financial attaches and accounting Officers were also trained on the use of the IBP. These include;

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
			Uganda Mission in South Africa, Brussels, Berlin, Nairobi Angola, Canberra, Beijing and DRC.
3.1.2 Improved licensing and permitting frameworks for PIM entities in selected sectors	TA supporting diagnostic study, feasibility, cost benefit analysis of frameworks related to licensing and permitting in the selected PIM Regulatory Agencies and Project Executing Agencies in Energy and Water Sectors PAP	Lumpsum as per expected market price. This will be a multiyear contract spread across the 3 years 509,635,448 Basket	<p>Inter-ministerial Taskforce was formulated and led in the implementation of the activity.</p> <p>M/s Kasky Technologies was contracted to undertake a diagnostic study for Uganda's licensing and permitting frameworks in the energy and natural resources programmes.</p> <p>The firm submitted the draft report that was being reviewed by the Multi-Agency Task force.</p> <p>The procurement initially suffered procurement delays but is now largely on course.</p>
		Consultative engagement, validation and contract management team from participating agencies sitting to review the consultant's deliverables. 6 meetings for 10 days every after 2 months for 14 staffs 40,000,000 Basket	<p>The procurement process was concluded and contract signed.</p> <p>- An entry meeting was held on Thursday, 21st February 2024 and the Consultant submitted a draft report by the end of the FY</p>
		Validation workshop 200,000,000 GoU	This activity will commence after the draft report is finalised by the consultant

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
3.1.3 Capacity building Programme for PIM	<u>Component 1(a):</u> Ongoing online Capacity Building Programme with Queens University - PAP	Ongoing Capacity Building Programme with Queens University undertaken from Makerere University. 38 & 100 staffs will be trained annually in FY2022/23 & FY2023/24 respectively 156,000,000 Basket 50,000,000 GoU	Two staff were admitted to undertake the ToT program at Queen’s University to be held in June, 2024. The Officers were cleared by the Hon. Minister and have since applied for the entry visas into Canada. Processing of tuition and facilitation is ongoing
	<u>Component 2:</u> Ongoing subscription to software for predictive modeling, forecasting, simulation, and optimization (e.g. Crystal Ball Software) and attendant capacity building PAP	Ongoing contract 72,980,000 Basket 12 PAP staffs trained in the use of crystal ball software 2 times a year in year 1 for 5 days 100,000,000 GoU	50 Risk Ease licensees were installed to different users -2 PAP staff have trained in the use of the Risk Ease license -Comprehensive training for all PAP staff and selected MDAs is scheduled for Quarter 4 of the FY Government in partnership with the PIMS Centre of Excellence, Project Management Institute (PMI) and Queens University have trained 40 officials drawn from MDAs and Civil Society Organizations have undertaken the Program on Investment Appraisal and Risk Analysis (PIAR) one-month training as pioneer Training of Trainers (ToTs). MoFPED signed a Memorandum of Understanding (MOU) with Makerere School of Economics to develop a tailor made PIMS curriculum and offer short- and long-term training on investment appraisal. Additionally, technical support has been provided to MDAs. This has improved the quality of projects submitted to the Development Committee.
	<u>Component 4:</u> Capacity Building for DC membership PAP	A residential training for DC members in different areas critical in screening public investments in light of the PFM Reforms 60,000,000 Basket	Concept note and training program has been developed and the training programme was undertaken in Quarter 4
	Development of Specific Manuals for Agriculture & Water		M/s Empower Consult was contracted to develop project preparation and appraisal manuals for the Agro-Industrialization and Natural Resources, Environment, Climate Change, Land and Water Management Programmes

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
	(Incl. multiyear contractual requirements for Works and transport manuals)		-Revised manuals have been submitted pending review by the cluster
	DC guidelines	Revised Development Committee (Dc) Guidelines	MUK CoE was contracted to Develop the revised Development Committee (DC) Guidelines Drafting of the revised DC guidelines was concluded by end of FY
3.1.4 Strengthening PIM legal and regulatory Framework	Printing, Publication and dissemination of the Public Investment Management Policy	Lumpsum as per expected market price 150,000,000 GoU	The National Public Investment Management Policy has been presented to Cabinet twice and deferred. H.E the President, specifically provided strategic guidance to include several policy proposals in the document. The cluster has finalized incorporating cabinets comments and the policy is ready for resubmission for rescheduling for the next Cabinet meeting Printing will be undertaken upon approval of the policy
		Task force meetings to review the deliverables of the consultant. The 12-member task force to sit 3 times every month. (consultancy to take at least 6 months) 40,000,000 GoU	Implementation of this activity awaits finalization of the training of DC members discussed above.
	Consultancy to undertake diagnostic Studies in sectors managing large investment projects focusing on Health & Education and dissemination in subsequent year and Development of Specific Manuals for	Multiyear Lumpsum as per expected market price 150,000,000 Basket	The Diagnostic study report was submitted by the consultant, reviewed and approved by the Ministry. Development and implementation of the capacity building plan was concluded in March 2024. Dissemination of the final diagnostic report is yet to be undertaken
		Multiyear Lumpsum as per expected market price 100,000,000 GoU	The Consultant for development of the program specific manuals under Natural Resource and Agro-Industrialization programs submitted draft manuals. These were reviewed by PAP and provided comments

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
	Health & Education- PAP		
3.1.7 Coordination of PIM Implementation	Coordination of PIM implementation by the Key Result Area Coordinators(KRAs) - PAP	KRA monthly allowance for supporting REAP implementation. This is paid quarterly 30,000,000 GoU	KRA monthly allowance for supporting REAP implementation paid quarterly
3.2.1 Capacity Building Programme for Public Procurement	Component 1: Modules for procurement cadre in LGs and CGs in risk management, infrastructure project procurements and delivery (Continued from FY21/22) PPDA/ Moped	206 Staffs to be trained to acquire skills in risk management, infrastructure project procurements and delivery. The training will target 63 staffs from MDAs for 5 days in year 1. Staffs to be provided with transport refund & participation allowance 124,000,000 Basket 50,000,000 GOU	A consultant was procured to develop 2 training modules (Infrastructure Project Procurement and Procurement Risk Management) The consultant submitted draft modules for review PPDA trained LG staff from Teso and Greater Masaka area in Environmental and Health Social Safety Safeguards (EHSSS) in December, 2023.
	Component 2: Capacity Building in Sustainable procurement (Procurement Policy)- MoFPED	206 Staffs to be trained to acquire skills in Sustainable procurement (Procurement Policy). The training will target 63 staffs from MDAs for 5 days. Staffs to be provided with transport refund & participation allowance 100,000,000 GoU	Two hundred Staffs across government were trained in Sustainable procurement

Objective 3: To strengthen Public Investment Management (PIM) for increased development returns on public spending			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
3.2.2 Strengthening regulatory framework for Public Procurement	Component 3: PPDA Review of the Standard Bidding Documents in line with the revised regulations PPDA	160 Staffs from MDALGs participate in dissemination of the revised Standard Bidding Documents in line with the revised regulations. The workshop will for 3 days. Staffs to be provided with transport refund & participation allowance 200,000,000 GoU	PPDA regulations were completed and signed off by the Minister of Finance Planning and Economic Development. The dissemination exercise was conducted across the regions

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
HCM	Vendor Costs for implementation of HCM- MoPS	<p>Contractual obligation to ensure that HCM Fully Deployed in Phase 2 (100 MDAs and LGs) and kick off Phase 3 and provide HCM Support & Maintenance for Phase 1, 2 & 3</p> <p>1,200,000,000 GoU 9,003,113,231 GoU</p>	<ol style="list-style-type: none"> 1. Completed deployment of Phase 2 hosting infrastructure in the National Data Centre. This is expected to host additional sites rolled out on HCM for improved application performance and utilization. 2. Developed and validated test scripts and conducted detailed system unit testing (SUT) and provisional user acceptance testing (UAT) for new HCM enhancements and improvements contained in Phase 2. This is expected to address issues reported by users and emerging requirements from phase 1. 3. Conducted Phase 2 User Acceptance Testing at the Civil Service College in Jinja and signed-off the UAT Report with implementation plan for identified gaps. This included enhancements to IFMS interface to seamless transfer of payroll and reconciliation. New integrations developed and tested with NSSF, National Single Registry under MoGLSD, and Teacher Management Information System under MoES. 4. Rolled out HCM to 100 sites which brings the cumulative total number of sites on HCM to 160 of Phase 1 &2. These sites are now able to process payroll and utilize all the Automated HR services. Other than payroll, pension and structure management, there is noticeable uptake of other HR modules notably: Performance management, Employee Life Cycle management, Employee Information Management, and leave management. New sites on boarded include but not limited to: Hoima City, Hoima RRH, Fort Portal RRH, Mityana MC, Mubende RRH, Kawempe SNRH, EC, Nasana MC, Lyantonde DLG, Masaka RRH, Kalangala DLG, Ibanda MC, Ntungamo MC, Kabale RRH, Mbarara RRH, Kabale MC, Butabika SNRH, Kiruddu SNRH, Lira RRH, Gulu University, Kigtum MC, Apac MC, Koboko MC, Nebbi MC, Madi-Okoro DLG, Arua RRH, Entebbe RRH, Soroti RRH, Moroto RRH, Abim DLG, Mulago NH, UHRC, Busia MC, Kamuli MC, Bugiri MC, Busitema University, Kayunga RRH, Lugazi MC, Kabarole DLG, Hoima DLG, Bunyangabu DLG, Ntoroko DLG, Kiboga DLG, Nakasongola DLG, Kiryandongo DLG, Kasese MC, Sheema MC, Bushenyi DLG, Rwampara DLG, Ntungamo MC, Kisoro MC, Mbarara University, Rukungiri MC, Kamuli MC, Njeru MC, Tororo MC, Buvuma DLG, Kumi MC, Kapchorwa DLG, Kapchorwa MC, Kaabong DLG, Kaberamaido DLG, Apac DLG, Gulu DLG, Nakaseke DLG, Rukungiri DLG, Soroti DLG, Butebo DLG, Koboko DLG, Obongi DLG, etc. 5. Deployed new HCM software revision on 2nd February, containing Phase 2 business requirements and improved system integrations i.e., IFMS and PDMS, or new integrations with NSSF, TMIS and National Single Registry. 6. Issued operational acceptance certificate for Phase 2 completion with effect from 15th March 2024 – 160 sites cumulatively onboarded on HCM.

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>7. Issued provisional acceptance certificate for phase 2 implementation effective 1st March 2024.</p> <p>8. Conducted readiness assessment and change management awareness on HCM in 50 sites of Phase 3 – batch 2. These include Kibaale, Kikuube, Mitooma, Mbarara City, Okuke, Gulu City, Kitagwenda, Kibuku, Kween, Maracha, Kyotera, Gomba, Kasanda, Bundibugyo, Serere, Nwoya, etc.</p> <p>9. Submitted request for FY2024/25 supplementary budget for HCM to the PS/ST.</p> <p>10. Kicked-off Phase 3 implementation</p> <p>11. Commenced engagements to operationalize recruitment module for selected appointing authorities and votes. Lessons from these will be used for scale up.</p> <p>12. Encountered changes in the acquisition of new HCM licenses for phase 2 following change in Microsoft licensing policy, and subsequently engaged NITA-U and Independent QA consultant for technical guidance. Technical advisory submitted to the HCM vendor for action.</p>
	<p>Quality Assurance of the HCM System (TA)- MoPS</p>	<p>Multiyear contractual obligation to provide QA to the design and implementation of HCM</p> <p>108,186,000 Basket</p>	<p>Completed quality review of the deployed infrastructure for Phase 2, and evaluation of client support processes with focus on quality of support and adherence to agreed service level agreement, and utilization of modules.</p> <p>Ongoing review of the implications of the change in Microsoft licensing policy as received from the HCM vendor is ongoing. Ministry is awaiting feedback from NITA-U and MoICT & NG to inform next steps.</p> <p>Completed last milestone of the QA contract, and QA reports submitted.</p> <p>Reviewed TORs for renewal of QA consultancy for HCM.</p> <p>QA Contracted completed. Ministry to submit renewal request to support Phase 3.</p>
	<p>Retool HCM Technical Support Teams, Head of HRs and Approver in Phase 1 &2 MDA/LGs with computer- MoPS</p>	<p>New Functional Support Officer lack computers, also Human Resource and Accounting Officers in MDALGs are using obsolete computers supplied 9 years ago as part of IPPS support (12 Laptops @4.5/Laptop & A DESKTOP @4M)</p> <p>36,000,000 GoU</p>	<p>Contract for supply of 12 laptops awarded.</p> <p>Received, configured and deployed 12 laptops supplied by the vendor.</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
	<p>Change Management and training including undertaking data cleanup, migration and HCM go live in Phase 2 & targeted Phase 3- MoPS</p>	<p>Duty facilitation allowances, Logistics & fuel refund, refreshments Stationary, Venue hire -->Technical Team-sitting allowances for 25 Officers training ToTs from 100 sites of Phase 2 for 21 Days ToT training: Facilitators for virtual System user training: (MoPS - + ToTs from 100 votes 154,000,000 Basket</p>	<p>Completed data cleanup and establishment structure alignment for 100 sites of Phase 2 as per the revitalized data migration strategy. Extracted master data and establishment structures for Phase 3 including verification status against NIRA for employees and pensioners. Master data and establishment structure alignment for Phase 3 is ongoing.</p>
		<p>Allowance for various teams, roll out at the vote, quality assurance, support, etc. i.e. 8 teams for 30 days per quarter - 75.1m per team = 75.1mx8, Annual = 75.1x8x4 320,000,000 GoU</p>	<p>Allowance for various teams, roll out at the vote, quality assurance was provided during the quarter Completed HCM rollout including end-user training in phase 2 sites. Sites onboarded in Q3 include Mityana DLG, Amudat, Kamwenge, Amuria, Manafwa, Bukedea,Buhweju, Kaabong,etc.</p>
	<p>Travel inland to support MALGs on PFM Systems including quarterly support to Regional centres- MoPS</p>	<p>Support for regional centre @57.2m per quarter, and hpyercare support to newly rolled out HCM sites including new HCM sites. 6 staffs to support participate in each team visit</p>	<p>Technical and Functional support undertaken at the 13 Regional Support Centers (RSC) during HR updates and processing of September payrolls for both IPPS and HCM votes. RSCs include Arua, Gulu, Hoima, Kabarole, Jinja, Mbale, Soroti, Moroto, Mbarara, Bushenyi, Masaka, Kampala and Kabale. Detailed report compilation is underway.</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		120,000,000 Basket	
	Technical support to the HCM Implementation- MoPS	Salaries for 21 staffs supporting HCM implementation. 2 drivers, 2 Ass. Officers, 4 officers, 2 senior officers, 3 specialists, a project manager 1,859,186,400 GoU	Completed recruitment of ICT Infrastructure Officers and 1 candidate on boarded. Ministry submitted requested for recruitment of 5 functional support officers was concluded Request for additional funding to support HCM staffing was integrated in the supplementary budget and recruitment undertaken.
		10% Employer's contribution to staff NSSF 185,918,640 GoU	10% Employer's contribution for staff remitted to NSSF
		a 2-year staff gratuity at a rate of 15% of staff salaries 41,616,468 GoU	Gratuity at a rate of 15% of staff salaries paid to qualifying staff
	HCM Office operations- MoPS	Stationary, toners, printing papers, pens, etc. Estimated as per last year 70,000,000 GoU	Stationary, toners, printing papers, pens procured for the quarter
		Airtime and internet bundles of UGX10667 per staff per month 26,880,000 GoU	Airtime and internet bundles procured for the respective quarters
		Staffs provided with welfare related items 24,000,000 GoU	Staffs provided with welfare related items
		3 fuel cards (2 vehicles, & 1 Generator). Averagely each card	Project vehicle fueled Request to procure a van for the project was not funded. Project is constrained and unable to effective support votes due to transport challenges.

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		receives 413 litres of fuel per month. With the general and generator cards taking the large share of fuel 93,780,000 GoU	Challenge was Unsustainable maintenance costs due to very old fleet of 2 vehicles.
		2 vehicles and generator maintained at a cost of UGX20m averagely per annum 61,000,000 GoU	Two vehicles and generator maintained
4.2.1.1 Capacity Building Programme for Internal Audit	Partnership with independent consulting firms in IT forensic and Performance Audit for Knowledge transfer (Continued for FY21/22 IA	In partnership with independent consulting firms in IT forensic and Performance Audit for Knowledge transfer (Continued for FY21/22. The training will target 67staffs in year 1 from MDAs for 5 days. YR2 and YR3 will include staffs for MDAs & LGs. Staffs to be provided with transport refund & participation allowance; 250,000,000GoU	Not initiated Funding repurposed
E-GP	(ICT Hardware) Storage/memory, data center equipment, computers, scanners, printers & computer furniture AGO	Procure 35 computers in year 1 for LGs that don't have. Each computer is estimated at UGX5m. In subsequent years, all PDEs will be provided with at least 2 computers 600,000,000 GoU	Compiled specifications of 50 Computers for local governments to be enrolled on the system this FY 23/24. Procurement deferred awaiting readiness assessment for LGs 2 LED 55" screens, 6 laptops, 2 interactive screens and 1 printer procured. Small IT equipment procured.

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
	<p>Post implementation support - after Go-live</p> <p>AGO</p>	<p>E-GP, AGO, PPDA & NITA-U staffs to travel to PDEs for support in the use of EGP system. This will be help E-GP Secretariat to take stock of challenges and success of the system in the MDAs. Quarterly field visits will be undertaken. 5 officers will be facilitated to support MDAs for 5 days in the 5 regions</p> <p>91,500,000</p> <p>Basket</p>	<p>Successfully carried out failover tests for the disaster recovery site</p> <p>Conducted monthly back up and restoration tests</p> <p>An operational meeting of all HPDUs of the enrolled entities was conducted on Monday 28th August, 2023. The purpose of the meeting was to take stock of the previous year's performance and draw a way forward for this FY 23/24.</p> <p>The PMU and the Project Management team successfully closed a one week's retreat on Friday 8th September 2023. The purpose of the retreat was to draw an implementation plan for rollout taking into consideration all activities coming up as a result of the recently concluded business process re-engineering on the system.</p> <p>Arising from the PPDA circular on new methods of consultancy, the PMU developed the requirements which the vendor developed. UATs were successfully conducted and the vendor provided with comments through the UAT report.</p> <p>Penetration tests conducted by URA and NITA. Review meetings were conducted and a list of 5 outstanding issues were submitted to the e-GP vendor for further action.</p> <p>Conducted monthly back up and restoration tests.</p> <p>Conducted compliance visits with the PPMD team as part of the monitoring of performance for entities currently on the system. Report with findings and recommendations compiled and presented to the leadership.</p> <p>Held meetings with the World Bank on the hybrid functionality which would enable the Greater Kampala Metropolitan Area(GKMA) project procurement be conducted on the system.</p> <p>Entity readiness assessment for 250 entities conducted from 19th February to 25th March,2024. Report review is underway.</p> <p>Approval and signoff of the system requirements specifications document for the enhanced system on 19th January, 2024.</p> <p>Approval and signoff of the Requirements Traceability Matrix (RTM) on 2nd February 2024</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>Approval and sign off of the vendor’s technical proposal for the system enhancement on 29th January 2024.</p> <p>The PPMD and e-GP PMU teams led by the Accountant General met the World Bank Regional Procurement Manager, Ms. Elmas Arisoy on Wednesday 21st February, 2024. The purpose of the meeting was to discuss the e-GP roadmap as well as sustainable procurement.</p> <p>Participated in the REAP planning workshop for FY24/25 scheduled on 7th and 8th March 2024.</p> <p>The Open Contracting Partnership (OCP) team conducted an OCDS introductory training session to the EGP technical team and EGP vendor on 15th January, 2023. It was agreed that (OCP) would support the team in compiling the terms of reference and use cases prior to implementation.</p> <p>Developed a project monitoring tool that is being used to monitor the project readiness.</p> <p>Developed three critical project documents that is; Data migration strategy, Support Delivery Plan and the ICT policy manual. The documents will be presented to management for approval before signoff and implementation.</p>
	TA to provide IQA to EGP Implementation AGO	Multiyear lumpsum as per estimated market price 100,000,000 GoU	Management resolved not to use IQA services but rather the internal technical capacity of URA and NITAU.
	eGP System Integrations with other PFM systems- AGO	Multiyear lumpsum as per estimated market price 100,000,000 GoU	<p>Arising from the business process re-engineering the team has documented the integration requirements for the 8 new systems that the eGP system is to be integrated with. These include;</p> <p>UgPass at NITA-U for digital authentication</p> <p>KCCA – cities; for Verification of Trading Licenses issued by KCCA.</p> <p>NIRA; for NIN validation for Company directors and individual service providers.</p> <p>URA – e-Tax for Tax Clearance Certificate (TCC) verification.</p> <p>URA – EFRIS for Validation of electronic invoices issued by URA</p> <p>UBA – Uganda Bankers Association for validation of bid securities and performance guarantees</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>URSB – OBRS for obtaining beneficial ownership information for registered companies/organizations as well as company statuses.</p> <p>MoFPED – PBS for obtaining approved budget allocations and procurable items for any vote within a given FY via the Programme Budgeting System (PBS).</p> <p>Ministry of Local Government – e-Log Rev; Verification of Trading Licenses issued at Local Governments.</p> <p>Local Government Finance Commission – IRAS for Verification of Trading Licenses issued at Local Governments.</p> <p>Letters sent out and meetings to discuss the integration requirements and touch points with the integrating entities commenced.</p> <p>Development commenced pending implementation of the payment component before the teams can carry out UATs</p> <p>Technical discussions on the integration touch points are ongoing. EGP to access this integration through UG HUB</p> <p>The test API was availed to our vendor but its implementation was deferred to the enhancement.</p> <p>Meetings held with the URA technical teams and requirements were discussed. Follow up engagements to conclude on the technical requirements were to be carried out in the next quarter</p> <p>Various meetings were held with UBA and it was established that they had no system at the moment to meet the requirement. Discussions are underway to confirm whether UBA will update their system or whether EGP will integrate with commercial banks through UG HUB</p> <p>Technical discussions are to commence in the next quarter.</p> <p>Meetings to discuss the requirements were held with the leadership at MoLG. Follow up technical engagements to commence in the next quarter.</p> <p>UCAA FMS: Internal integration tests are being carried out by the UCAA vendor, once they are successful, a date to carry out UATs with the business owner and eGP team will be set.</p> <p>UBA: UBA, NITA-U and Finance team held meeting to agree on a way forward and roadmap. Activities agreed upon are on track and a requirements document has been compiled by the PMU and submitted to the UBA team for review.</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>NSSF FMS: Still waiting for NSSF to submit the final integration requirements agreed upon at the meeting held on 15th February 2024. No update received.</p> <p>KCCA e-Cities- Available technical documentation reviewed; some information needed by EGP is missing. Technical engagements halted due to system upgrade.</p> <p>IFMS- Integrations completed and in use.</p> <p>PBS- Technical discussions to commence on 27th March 2024.</p> <p>NIRA- Technical documentation available. Pending consumption by EGP.</p> <p>EFRIS- Technical discussions concluded. API documentation and test keys availed. Pending development by e-GP vendor prior to SITs.</p> <p>e-Tax- All documentation and services available, pending full consumption by EGP.</p> <p>BRS- Technical discussions underway, pending OBRS technical readiness.</p> <p>UG-Pass- PKI integration is ongoing. Completed signing component, implementation of payments component is ongoing by the HCT vendor.</p> <p>NITA-U- Certificate- API documentation is ongoing. Upon completion, it will be shared with EGP.</p> <p>e-LogRev- Preliminary discussions concluded. Follow up engagement on the technical discussions to commence on 25th March 2024.</p> <p>IRAS- Preliminary discussions concluded. Technical discussions ongoing.</p> <p>UBA/ Commercial Banks- Preliminary discussions concluded. Detailed technical discussions to commence on 6th April 2024</p>
	Change Management and training - AGO	In FY2022/23, E-GP to be rolled to 50 PDEs. The training will target 141 staffs from the 50 PDEs in year 1	<p>PMU held an implementation status engagement with the Accountant General’s Office of Malawi on e-GP implementation on 18th July 2023 and an e-GP system overview was demonstrated on Friday 21stth July 2023</p> <p>Held a meeting with the World bank to discuss the clustering requirements for the Greater Kampala Metropolitan Area (GKMA) project.</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		<p>(procurement cadres, and accountants) for 5 days. Staffs to be provided with transport refund & participation allowance</p> <p>174,500,000 Basket and 350,000,000 GoU</p>	<p>Presented the e-GP system to delegates from Somali land who were benchmarking on the e-GP system on 6th February, 2024.</p> <p>Updating of the FAQs has been completed.</p> <p>eGP physical provider training was conducted from 14th to 31st August, 2023.</p> <p>Online provider training has been conducted every Friday at 10:30am for the entire quarter.</p> <p>The PMU facilitated an offsite training that was requested by the Office of the Prime Minister in Kalangala in July 2023. This enabled the entity publish its annual procurement plan in time and subsequently use the system.</p> <p>One week onsite physical training was conducted at Mpigi District Local Government in August from 24th to 28th July 2023 for the PDE staff and their providers.</p> <p>A one week's onsite system functional training was carried out for the Ministry of Water and Environment office in Moroto including its providers from 20th to 25th August 2023.</p> <p>System functional training for Office of the Auditor General team was conducted from 8th to 10th August, 2023.</p> <p>The change management workgroup reviewed the change management work plan for the FY 23/24 for two days. Meals worth UGX 1,640,000/= was provided. Payment still pending.</p> <p>A Steering Committee meeting has been scheduled for 31st August, 2023</p> <p>The PMU participated in the digital roadmap for Uganda event at Serena on Thursday 17th August 2023. They used the opportunity to sensitize all the stakeholders that came to the eGP stall.</p> <p>System Requirements specification review completed and the document sent for approval to the relevant authorities.</p> <p>PMU responded to audit queries raised in the management letter from the Office of the</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>Auditor General. Held an engagement meeting with the technical team from the Open Contracting Partnership (OCP) on Thursday 30th November, 2023.</p> <p>Conducted a change management presentation at the knowledge sharing experience organized by ISO on the 3rd October 2023.</p> <p>Held an online engagement meeting with the Civil Society Organization on Tuesday 28th November 2023. This was intended to raise awareness about the e-GP system.</p> <p>Held internal e-GP system Knowledge sharing from 17th to 27th October 2023.</p> <p>Trained members of the Institute of Procurement Professionals of Uganda (IPPU) in Jinja from 23rd -27th October 2023. This helps to improve understanding of the e-GP functionality by the Practitioners who subscribe to the institution.</p> <p>A Leadership and sponsorship meeting held at Kampala Serena Hotel with participation from Accounting Officers, Heads of Procurement, Members of the Contracts Committee and the Board of Directors of the 36 enrolled entities was conducted successfully on 9th November 2023.</p> <p>A training was conducted for OAG staff on oversight functionality to ease Auditing of entities on e-GP.</p> <p>Participated in the Budgeting process for the FY 2024/25 between 25th and 26th October 2023</p> <p>A one-week refresher training was conducted for Accounting officers, members of the contracts committees and the Internal auditors was conducted from 13th to 17th November 2023</p> <p>Onsite system functional trainings were carried out for different stakeholders like new</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>HPDUs and CC</p> <p>Online Provider training conducted every Friday from 10:00am for the entire quarter except the last 2 weeks of December 2023.</p> <p>Funds were released to the change management team to boost the social media handles. Content is being developed to upload to the media handles.</p> <p>Conducted system training for members of IPPU from 26th February to 1st March 2024.</p> <p>A 2-day onsite refresher training ongoing for Ministry of Justice from 13th March 2024 to 14th march 2024.</p> <p>e-GP awareness and sensitization conducted in 13 sub regions of Uganda ahead of the big bang rollout.</p> <p>Online Provider training conducted every Friday from 10:30am to 12:30pm for the entire quarter 3.</p> <p>Conducted a system training for all users of URSB on 21st March 2024.</p> <p>Conducted a system functional training for the PPDA audit and performance monitoring team.</p> <p>Conducted a system functional training for the new contracts committee of Ministry of Works and Transport on 19th March,2024.</p> <p>Conducted system functional training for internal auditors of Ministry of Justice and Constitutional Affairs on 29th February 2024.</p> <p>Conducted system functional training PDU users of Ministry of Works and Transport on 15th February,2024.</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
			<p>Conducted system functional training for PDU users of the Ministry of Energy and Mineral Development on 2nd February,2024.</p> <p>Conducted system functional training for the Permanent Secretary, Accounting Officer, Heads of Departments, and users at the Ministry of Justice and Constitutional Affairs from 13th to 14th February,2024.</p>
		<p>There is need to run radio talk shows, TV adverts and talk shows, printing of E-GP brochures and other IEC materials to raise awareness of EGP 450,000,000 GoU</p>	<p>The New Vision group made a presentation to the Project Management Team (PMT) on Thursday 10th August, 2023 on a 360-visibility proposal on how to enhance and create eGP awareness and sensitization. The Project Management Team is yet to take a decision on their proposal.</p> <p>TV and Radio talk shows and adverts were conducted in quarter 4.</p> <p>LPO re-generated for branded items worth UGX 90,429,300/=.</p>
	<p>Technical support to the eGP Implementation AGO</p>	<p>Salaries for 18 staffs supporting EGP implementation. 1 driver, 15 officers, 1 senior officer, and a project manager 1,661,118,744 GoU</p>	<p>Salaries for 33 staffs supporting EGP implementation. 3 drivers, 27 support officers, 2 senior officers, and a project manager were paid.</p>
		<p>10% Employer's contribution to staff NSSF 166,111,874 GoU</p>	<p>10% Employer's contribution to staff NSSF remitted</p>
		<p>a 2-year staff gratuity at a rate of 15% of staff salaries 35,207,208 GoU</p>	<p>Gratuity at a rate of 15% of staff salaries paid</p>
	<p>eGP Office operations AGO</p>	<p>Stationary, toners, printing papers, pens, etc. Estimated as per FY2021/22</p>	<p>Stationery procured for the 4 quarters</p>

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		35,000,000 GoU	
		18 staffs provided with monthly airtime and internet bundles for easy communication - 12,400,000 GoU	Airtime provided Internet bundles provided
		Staffs provided with welfare related items - 12,000,000 GoU	Office imprest released
		Fuel for one vehicle supporting operations of the project. 1 fuel card with 427 litres of fuel per month 32,296,000 GoU	Fuel for 4 Vehicles provided Fuel worth Ugx 19,501,600/= was used for the vehicles that moved to the 250 entities for the entity readiness assessment.
		Projected annual vehicle maintenance for the E-GP vehicle. 25,000,000 GoU	Car service done Car service of 5 cars which were to be used in the entity readiness assessment from 19 th February to 25 th March,2024.
4.3.2.1 IFMS rolled out to final sites (multiyear contracts)	IFMS Recurrent Costs (for 13 and 2 sites rolled out in FY22/23)- AGO	Contractual obligations	Contractual obligations facilitated.
	Ongoing contract for Navision (License and support fees)- AGO	Contractual obligations	Contractual obligations facilitated.
	Installation and commissioning of the data centre	Contractual obligations	Contractual obligations facilitated.

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
	infrastructure-AGO		
	Recurrent costs of the supply and installation additional infrastructure for provisioning transition to NDPIII in IFMS (7 sites)- AGO	Contractual obligations 930,000,000 GoU	Quarterly maintenance complete and invoice submitted.
	IFMS Recurrent Costs (15 & 14 sites)- AGO	Contractual obligations	This contract ended
	Final contract milestone is falling due in FY23/24. Is in respect to commissioning/operational acceptance -AGO	Contractual obligations	Quarterly maintenance complete and invoice submitted. Onsite support is ongoing at the votes. Contract finalized.
	Change Management and training - AGO	Undertake Change Mgt. trainings in relation to IFMS re-implementation. The training will target 67 staffs in year 1 from MDAs for 5 days. Staffs to be provided with transport refund & participation allowance. Note: 186 staffs from LGs to be training in Y2 & Y3	Provided IFMS refresher training to 14 selected MALGs (71 users trained) in the month of November 2023.

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		A team of 7 staffs in year 1 supported to undertake quarterly support visits to regional centres for at least 15 days in a quarter. In Y2 and Y3, 14 staffs will be supported. 232,672,280 GoU 65,000,000 Basket	Provided hands on support for a period of 3 weeks across the 11 Regional Treasury service Centres. The hands-on training was provided to 2 selected officers per vote making a total of 602 users across GOU Task planned for next quarter two
	Technical support to the IFMS Implementation AGO	Salaries for 55 staffs supporting IFMS implementation. 6 drivers, 24 officers, 9 senior officers, 9 specialists, 5 functional support assistants and 2 office attendants 5,107,825,177 GoU	Salaries for 55 staffs supporting IFMS implementation. 6 driver, 24 officers, 9 senior officers, 9 specialists, 5 functional support assistants and 2 office attendants
		10% Employer's contribution to staff NSSF 515,988,635 GoU	10% Employer's contribution to staff remitted to NSSF
		a 2-year staff gratuity at a rate of 15% of staff salaries 343,688,820 GoU	Gratuity at a rate of 15% of staff salaries paid to qualifying staff
		TA to support asset management 516,000,000 GoU	TA to support asset management facilitated
		Allowance for 2 cluster chairs and 5 KRA Coordinators supporting REAP operations. i.e. 2.9m & 2.5m for chairs & KRAs respectively	Allowance for 2 cluster chairs and 5 KRA Coordinators supporting REAP operations paid

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
		219,600,000 GoU	
	AGO IFMS Office operations- AGO	Previous expenditure related to printing and stationary 90,000,000.00 GoU	Previous expenditure related to printing and stationary cleared
		55 staffs provided with monthly airtime and internet bundles for easy communication 49,920,000 GoU	Airtime for staff facilitated
		Staffs provided with welfare related items. Averagely each staff spends UGX 54,545 per month 17,000,000 GoU	Staff Welfare facilitated
		4 fuel cards. Averagely each card receives 188 liters of fuel per month. 56,700,000 GoU	Fuel supplied for all vehicles
		4 vehicles maintained at a cost of UGX20m averagely per annum - 75,000,000 GoU	All vehicles maintained
4.3.3.1 Implementation of Asset Management Framework	Training of Trainers (ToT) in Asset Management Best Practices e.g. the UN practices in managing	Training and logistics (Professional fees, air ticket for facilitator, hotel accommodation, lunch and teas) 16,350,000.00 GoU	Activity Not undertaken during the FY and the funds were repurposed

Objective 4: To strengthen the effectiveness of Accountability Systems and Compliance in Budget execution

Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June, 2024
	infrastructure assets - AGO		
4.3.3.2	Develop and operationalize of a comprehensive asset management framework and communication strategy - AGO	Consultancy fees as per market price 63,600,000 GoU	Activity Not undertaken during the FY and the funds were repurposed
4.3.3.3	Undertake a gap analysis on functions, business processes and related causal analysis of gaps and weaknesses in the current data AGO	Consultancy fees as per market price 47,500,000 GoU	Activity Not undertaken during the FY and the funds were repurposed

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
5.1 Increased contribution of LG own-source revenue			
5.1.1 A Local Government own-source Revenue Mobilisation Strategy and Policy Developed			
5.1.1.1 Rollout of the Integrated Revenue Administration System to DLGs (under LGFC). <i>By end of FY21/22, IRAS will have covered a total of 37LGs (20 districts, 9 cities and 8mcs). Remaining LGs would be 139 (1 city, 23 mcs and 115 districts).</i>	Vendor Costs and Project Management TA. IRAS rolled out to 19 DLGs in FY22/23; 20 in FY23/24; and 40 in FY24/25. This leaves a total of 60 LGs remaining. <i>NB: 37 DLGs already running on IRAS LGFC</i>	Vender fees to roll out of IRAS to 79 LGs to facilitate local revenue collection. 19 sites in FY2022/23, 20 sites in FY2023/24 & 40 sites in the FY2024/25 7,176,447,590 GoU 228,552,410 GoU	IRAS rolled over to 79 sites 166LG sites are implementing IRAS and are live on the system. The following activities have been completed in the 166 sites: Master data preparation; Orientation of the LG leaders; Training of the IRAS implementers; Launch and Activation of the IRAS; Conduct and preparation of the mass-taxpayer data (compilation of the comprehensive registers); support in registration and collection of local revenue sources; The e-valuation (assessment) and preparation of updated comprehensive property tax registers is also complete; and technical support supervision by Central team. The roll out was completed one year ahead of time
		task force meetings to review deliverables of the above consultancy 100,000,000 GoU	The task force to review deliverables of IRAS is constituted with clear ToRs and accordingly conducted their tasks
	Local Revenue Call-center for efficient and effective support, personalized training and redress of LG revenue management and revenue systems related issues LGFC	The call Centre will be set up at LGFC to answer all queries submitted by IRAS system users. Lump sum as per expected market price. The price will cover system design and related change management for the 3 years; Multiyear for the call Centre; task force meetings to review deliverables of the above consultancy 480,000,000 GoU	The contract for provision of Local Revenue Call-center for efficient and effective support, personalized training and redress of LG revenue management and revenue systems related issues was signed in quarter 1 of this FY.
	Monitoring and Technical Supervision of implementation- LGFC Monitoring and Technical Supervision of implementation	LGFC/MoLG staffs to travel to support LGs on IRAS quarterly. 4 officers will be facilitated to support LGs for 5 days for all the 5 regions in the country 162,000,000 GoU 200,000,000 GoU	The Inception Report on establishment of the IRAS Call Center at LGFC was received on 8th Dec 2023, discussed and approved on 13th Dec 2023. and it was officially submitted on 13th Dec 2023. Implementation was completed in Quarter 3 There were some little delays but work is beginning.

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
	Related Change Management and training LGFC	10 staffs from LGFC/MoLG attending change management sessions related to IRAS for 2 days quarterly in Year 1. In year 2&3 respectively, the change management sessions will be extended to at least 53 external stakeholders 100,000,000 GoU	LGFC/MoLG staff attended change management sessions related to IRAS for 2 days during the quarter, the change management sessions were also extended to at least 53 external stakeholders This was conducted in 3 rd Quarter
5.1.1.2 Strengthening regulatory framework for revenue management at local governments (under MoLG)	Change Management and publicity for the implementation of the LG Own Source Revenue Mobilization Strategy - MoLG	Change Management sessions related to publication of LG Own Source Revenue Mobilization Strategy and its implementation. The sessions will be for 4 days targeting 48 LGs in year 1 and 63 LGs in year 2 75,000,000 Basket 300,000,000 GoU	A Taskforce has been set up to plan and coordinate the launch of the Strategy. Preparations for the launch of the Strategy on 15 th March 2024 is underway. Printing of the Strategy has been completed and procurements of essential items for the launch is being concluded.
5.2.1.1 Capacity Building Programme for the LGs PFM Functions (under MoLG)	Component 1: Professional Courses (CPA, CIA, CIPs) (<i>subject to submission of advance participants list and targets</i>) - MoLG	a total of 109 MoLG/LGs staffs to be supported to acquire professional course certification (CPA, CIA, CIPs). Y1=34, Y2=42 & Y3=33 125,000,000 GoU	A total of 57 out of the 73 Sponsored students registered for the November 2023 CIPS Examinations. They are awaiting results
	Component 2: Short Courses & CPDs in Local Revenue management and Procurement in partnership with Local Training Institutions targeting 600 beneficiaries by end of FY2024/25 (<i>Subject to design of programme in FY21/22</i>)- MoLG	A total of 199 MoLG/LGs staffs supported to acquire knowledge and skills in Short Courses & CPDs in Local Revenue management and Procurement. Course Fees and facilitation for the Participants (Ugx. 1,200,000 per participant: MI rates). Participants will be supported with allowance. Y1=67, Y2=85 & Y3=48 100,000,000 GoU	Training in Revenue Mobilization and Management for participants from 30 Local Governments was undertaken at UMI from 13 th November 2023 to 24 th November 2023.

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
	Component 3: Implement Capacity building programme for LGPACs MoLG	A total of 209 LGPACs members supported to acquire knowledge and skills in Short Courses & CPDs relevant to their mandate. Course Fees and facilitation for the Participants (Ugx 1,200,000 per participant: MI rates). Participants will be supported with allowance. Y1=67, Y2=85 & Y3=48 120,000,000 GoU	A one-week non-residential Capacity Building training for members of LGPAC has been concluded at UMI. A total of 45 LGPAC members from 8 selected LGs were trained in two (2) groups.
5.3.1.1 Rollout the Online simplified computerized financial reporting tool to Lower Local Government (under MoLG)	Rollout of the computerized tool to lower local governments and service delivery units in 134 out 176 LGs. (Not providing laptops. System to be Online based) MoLG	MoLG staffs to travel to LLGs to support rollout of the computerized tool to lower local governments and service delivery units. Quarterly field visits will be undertaken. 7 officers will be facilitated to support LLGs for 5 days for all the 5 regions of the country 75,000,000 Basket 73,000,000 GoU	The upgrade of SCART to a web-based version was finalized ready to be rolled-out. Following the failure by NITA (U) to host the tool, MoLG is temporality hosting SCART in its server room. The training and re-implementing in the 14 Pilot Sites is going on.
		Multiyear for the consultancy to automate SCART 127,000,000 GoU	
(The Laptops procured in FY21/22 were only to pilot purposes)	Related Change Management- MoLG	MoLG staffs to travel to support LGs using computerized tool as part of implementation support quarterly. 6 staffs will travel to LGs for 3 days quarterly during Y1 - 175,000,000 Basket	
5.3.1.2 Accountability and performance monitoring in delivery of services in key service	Technical support to the operations of LG PFM Implementation MoLG	Salaries for 13 staffs supporting MoLG PFM Cluster programme implementation. 7 drivers, 1 office attendant, 1 administrator, 4 specialists 1,175,550,705 GoU	Salaries for 13 staffs supporting MoLG PFM Cluster programme implementation. 7 drivers, 1 office attendant, 1 administrator, 4 specialists paid

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
sectors (under MoLG)		10% Employer's contribution to staff NSSF 117,555,071 GoU	10% Employer's contribution to staff NSSF remitted
		a 2-year staff gratuity at a rate of 15% of staff salaries 149,511,943 GoU	a 2-year staff gratuity at a rate of 15% of staff salaries paid
		Allowance for 2 cluster chairs and 2 KRA Coordinators supporting REAP operations. i.e. 2.9m & 2.5m for chairs & KRAs respectively 129,600,000 GoU	Allowance for 2 cluster chairs and 2 KRA Coordinators supporting REAP operations paid
	Facilitating MoLG PFM Office operations-MoLG	Previous expenditure related to printing and stationary 7,500,000 GoU	Previous expenditure related to printing and stationary paid
		13 staffs provided with monthly airtime and internet bundles for easy communication. Each staff to get UGX 87,692 per month 13,680,000 GoU	13 staffs provided with monthly airtime and internet bundles for easy communication.
		Previous expenditure related to printing and stationary 12,000,000 GoU	Previous expenditure related to printing and stationary paid
		3 fuel cards. Averagely each card receives 139 litres of fuel per month. 31,536,000 GoU	3 fuel cards facilitated
		3 vehicles maintained at a cost of UGX48m averagely per annum. Previous expenditure guided the estimation 74,000,000 GoU	3 vehicles maintained during the quarter
		Electricity bills for the smooth running of the MoLG PFM Office. Estimated at UGX 750,000 per month 9,000,000 GoU	Electricity bills for the smooth running of the MoLG PFM Office paid

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
		MoLG staffs to travel to LLGs to support rollout of the computerized tool to lower local governments and service delivery units. Quarterly field visits will be undertaken. 5 Officers will be facilitated to support LLGs for 5 days for all the 5 regions of the country - 40,000,000 GoU	MoLG staffs travelled to LLGs to support rollout of the computerized tool to lower local governments and service delivery units. Quarterly field visits were undertaken.
		Contractual obligation (Multiyear planning) 160,000,000 GoU	
	Change Management on emerging procurement audit issues from the integrity surveys, various audit and inspection report during implementation of procurement Regulatory Framework MoLG	Undertake 4 regional change Management workshops focusing on emerging procurement audit issues from the integrity surveys, various audit and inspection report. 1-day meeting for each region targeting 62 in Y1, 240 in Y2 & 171 in year 3 participants - 202,400,000 GoU	A Joint Policy and technical support by MoLG in collaboration with PPDA to the Procurement Function at selected LGs was undertaken in 12 out of 27 Local Governments. Support to the remaining 15 Local Governments will be undertaken in Qtr. 3 of this FY.
		MoLG procurement staffs to travel to LGs to support LGs on various procurement issues quarterly. 5 Officers will be facilitated for 5 days each quarter. 120,000,000 GoU	The Ministry under the Procurement Inspection Department undertook and completed in December 2023 a hands-on Support to selected 21 weak LGs in their Procurement Function.
5.3.1.3	MoPS	Regional validation workshops to validate Costed medium-term service delivery targets for Local Governments for 8 Sectors. 122 participants to take part in each of the 4 regions 450,000,000 GoU	The Report on the Costed Service Delivery Standards was produced and is awaiting approval by Management of Ministry of Public Service. MoPS has prepared request for funding of dissemination workshops. However, the activity awaits printing of the Costed SDSs ready for dissemination
		Print 588 copies of the Costed medium-term service delivery targets for Local Governments for 8 Sectors	Printing of the 588 copies will take place once Report is approved as indicated above. Dissemination will then be undertaken thereafter.

Objective 5: Improved transparency and accountability of Local Government PFM systems			
Interventions	Major Activities/ Components	Justification of Annual Costing FY2023/24	Progress July 2023 to June 2024
		80,000,000 GoU	MoPS prepared and submitted procurement request to initiate the procurement of printing services for the Costed SDSs
	TA to Develop a Harmonized tracking system developed to monitor service delivery standards in local governments- MoPS	Lump sum as per expected market price. 430,000,000	Terms of reference for the development of a harmonized tracking system to monitor service delivery standards were developed and a procurement requisition submitted in Feb 2024 Procurement request to initiate procurement of consultant to develop a harmonized tracking system to monitor SDSs was submitted. The adjustments in the submission requested by REAP have been submitted. Procurement has been initiated.
	Retool Planning Units in LG (2nd Batch) with 38 Laptops (in FY22/23) and 50 (in FY23/24) @1200USD to improve data management for planning (N.B: 1st Batch of 40 procured in FY21/22)- MoLG	Procure laptops for LG Planning Units at UGX5m each. Y1=38, Y2=50 700,000,000	Procurement is in progress for 144 laptops for Planning Units and Internal Audit Units in LGs. Best Evaluated Bidder Notice was notice issued on 21st Feb 2024. Delivery is expected in Qtr. 3 of this FY.

Objective 6: To strengthen oversight and PFM governance functions for the sustainability of development

Interventions	Major Activities/ Components	Progress July 2023 to June 2024
6.1 Enhanced impact of financial and VFM audit reporting and oversight		
6.1.1 OAG Management Information System developed and rolled out		
6.1.1.1 OAG Management Information System (MIS)	Vendor Costs, and QA TA Contractual obligation (Vender fees) to support the design and roll out of OAG-MIS. \ 1,800,000,000 Basket 1,140,000,000 GoU OAG	<p>Following project approval, procurement of a contractor to develop the system was undertaken and completed. Subsequently, system hardware was delivered to kick start the development of the IMIS. The system went live in January 2024 with the roll out 3 modules, namely: Core HCM, Electronic Document Management (EDMS) and Materials and Inventory Management. Post Go-Live Stabilization support for EDMS, HCM and MM is currently on-going.</p> <p>Final testing for the FICO module is ongoing, following approval of the MoU with Bank of Uganda. Integration and interface with IFMS has been completed and tested. Final rollout of FICO module is scheduled for May/June 2024 and into the at beginning of FY-24/25</p> <p>Functional Requirements Documents for Planning, Budgeting, Monitoring & Evaluation, Procurement, Governance Risk & Compliance, second phase HCM and Project Systems modules, have been developed and approved, their respective designs are underway. System testing and Go-Live is expected by December 2024.</p> <p>Requirements gathering for Learning Management, Performance and Goals Management and Business Intelligence has also been completed.</p> <p>The Fleet management module is undergoing pre-deployment testing and to date, installation of vehicle tracking and fuel management modules is ongoing. The IMIS Help Desk testing was also concluded.</p> <p>The IMIS IQA continues to provide technical support towards review and finalization of the project, and related change management activities are in progress.</p>
	Quality Assurance of MIS during design and Implementation Contractual obligation (Vender fees) to support quality assurance of the design and roll out of OAG-MIS.	<p>The Independent Quality Assurer (IQA) produces regular reports following his visits.</p> <p>The latest visit was 24th – 28th June, 2024. The main finding of the IQA report is that implementation which started in 2022 had suffered a lot of delays and further delays related to discussions and issues about the integration of IMIS with the IFMIS of MoFPED and with the system of the Bank of Uganda, the steering committee in their meeting of 21st of May 2024 decided to extend the project with another 9 months. As a result, the new end date is April 2025.</p>

Interventions	Major Activities/ Components	Progress July 2023 to June 2024
	<p>180,000,000 Basket</p> <p>Change Management and training Undertake change management trainings for OAG staffs including those in the regions. 4 regional meetings for 1 day will be conducted to orient staffs in the use of IMIS system. 285,000,000 Basket</p> <p>Procurement of AMS module to add to MIS modules; Procurement of Audit Management System to replace Team Mate. All applications/ modules of the OAG IMIS designed, developed and rolled out as per the IMIS system requirements 278,530,000 Basket</p> <p>Procurement of Independent Quality Assurance consultant/Tender Agent for the Audit Management System; To provide quality assurance the Audit Management System 160,000,000 GoU</p>	<p>Additional training of key users for the 3 completed Phase One modules (IM, HCM, EDMS) was undertaken.</p> <p>Core HCM was also piloted in 2 directorates will full roll out projected for January 2024.</p> <p>As part of the IMIS Change Management strategy, training for the entire staff of the office on the 3 completed modules was completed in quarter 3.</p> <p>In addition, change Management Training for Management and nominated staff was also undertaken</p> <p>During the FY, terms of reference (ToRs) for Tender Agent and IQA for procurement of the Consultant to develop the AMS to be added into the IMIS was finalised and the Tender Agent Procured.</p> <p>The Tender Agent finalised the specifications and bidding document for procurement of the Consultant to develop the system.</p> <p>Procurement of the Tender Agent and IQA was finalised and commenced work.</p>
6.1.2.1 Audit tracking System supported to deepen downward accountability	<p>Rollout and related Change Management and training; Undertake change management trainings for Accountability Institutions and civil society staff. 4 regional meetings for 1 day will be conducted to orient staffs in the use of ART system. 280,000,000 Basket</p>	<p>Following system piloting, appointment of focal person across the Office and issuance of guidelines on operationalizing the ART, data capture templates for documenting recommendations were populated with recommendations for the past 4 years. These filled templates were then issued to Accounting officers for them to provide responses on the status of implementation of audit recommendations, following which, physical verification of submitted responses was done during the just completed audit.</p> <p>Demo data was uploaded and tests were undertaken to inform the process of uploading the data templates. Data cleaning was undertaken with further engagements with the Directorate consolidation teams.</p>

Interventions	Major Activities/ Components	Progress July 2023 to June 2024
		<p>Recommendations for the 4-year cycle 2019 – 2022 were uploaded into the platform and the audit staff engaged Accounting Officers for them to provide responses on the status of implementation of audit recommendations. This also involved physical verification of submitted responses which was concluded. Notably, the rate of responses received from Accounting Officers stands at 87%</p> <p>The data captured was cleaned and quality reviewed to ensure that recommendations captured on the system are consistent with those issued in the audit reports and management letters.</p> <p>By the end of the FY a total of 16,079 audit recommendations were uploaded into the tool from the 42-pilot entities for the past four years (1999 – 2022) and a working paper for audit follow-up was added into the OAG Teammate library. Data for 42 budget institutions was captured and uploaded onto the ART template. These were subjected to review and quality assurance by the appointed focal persons and subsequently forwarded to the consultant to prepare for demo presentation</p>
6.1.3.1 Capacity Building Programme in specialized Audit	<p>Component 1: Specialized staff training in emerging audit areas namely: Oil and Gas, Extractives, Energy, Compensation Audits and Revenue Audits.</p>	<p>Training was implemented, in line with the OAG Training Plan, following a comprehensive Training. Among the areas covered were supported such as IT Audits, VFM Performance audits and Forensic Investigations</p>
	<p>Component 2: Staff facilitated to attend the Diploma in Performance Audit 3 module Course for VFM</p>	<p>18 staff from the OAG were facilitated to attend the Performance Audit Pre Study Module, from July to August 2023. While another training covered 18 staff from the OAG who were facilitated to attend the Performance Audit Main Study Module, in February 2024</p>
	<p>Component 3: Staff trained in undertaking ICT systems audits. Component 4: Implement Capacity building programme that commenced in FY21/22). Support staff enabled to acquire professional qualifications in finance, accounting and audit certification courses namely ACCA, CPA, CFA, CISA, CFE, CIMA etc.</p>	<p>Training requests have been developed in line with the OAG Training Plan for FY 2023/24. These were approved and prepared for onward submission to RCU. Staff training on the forensic audit manual for all 446 technical audit staff is on – going with the support of RCU.</p>

6.2 Improved coordination and monitoring of PFM processes within the Accountability

Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
6.2.1.1 Technical Support to Programme Coordination under Reform Coordination Unit (RCU)	Support to functional areas the unit including change management	Salaries for 27 staffs supporting REAP implementation. 4 drivers, 1 office attendant, 8 officers, 1 executive assistants, 1 transport supervisor, 5 senior officers, 4 specialists, 1 coordinator, & 1 accounts assistant - 3,192,924,172 GoU 10% Employer's contribution to staff NSSF - 319,292,417 GoU	Salaries for 27 staffs supporting REAP implementation including 4 drivers, 1 office attendant, 8 officers, 1 executive assistants, 1 transport supervisor, 5 senior officers, 4 specialists, 1 coordinator, & 1 accounts assistant paid 10% Employer's contribution to staff NSSF remitted
	Operations of RCU including Capacity Building	Operational costs	Operations of RCU including Capacity Building facilitated
	TA to undertake Impact evaluation of IFMS and IPPS	Lumpsum as per expected market price. The consultancy is intended to evaluate whether IFMS & IPPS systems have had impact on accountability of government resources - 200,000,000	The consultant submitted the draft Final Report in June 2024.
6.2.1.2 Planning Monitoring and Evaluation of Major PFM Reforms	Conduct Annual Cluster planning and budgeting conference	Facilitate annual cluster planning & budgeting retreat to finalise REAP work plans/budget. A 2-day retreat will be facilitated for 37 KRAs & RCU staffs - 30,000,000	The Annual Cluster planning and budgeting retreat took place from the 5 th to 7 th March 2024, at Serena Kigo.
	Support to enhanced Outcome Monitoring Systems per MTR recommendations including monitoring visit	8 RCU staffs together with clusters travel to MDA & LGs as part of monitoring framework including joint monitoring with DPs. The routing monitoring visit will be for the 2 quarters and the 3rd quart will be joint monitoring with DPs - 95,000,000	Quarterly field Monitoring visit undertaken
	Prepare Annual Financial Accounts & support Audit exercise	Facilitate annual REAP auditing by the external auditors. This is a multiyear annual contract 70,027,000	Activity concluded
6.2.1.3 Financial management of REAP	Support internal auditors to carryout auditing of REAP	Support Internal audit staffs to undertake internal audit related to REAP operations. 11 staffs will be supported to travel to LGs for 5 days 20,000,000 Basket	Supported internal auditors to carryout auditing of REAP. Audit completed
	Conduct Asset verification to ascertain	RCU staffs supported to undertake annual asset verification across the entire country. 9 staffs supported for 21 days annually	Asset verification to ascertain the state of programme assets completed

Interventions	Major Activities/ Components	Justification of Annual Costing FY 2023/24	Progress July 2023 to June 2024
	the state of programme assets	32,000,000 Basket	
6.2.1.4 Procurement management and support to procurement committee operations	Facilitation of contracts evaluation committees, recruitment committees	Evaluation committee members facilitated to participate in the evaluation of procurable items during the FY2022/23. 37 evaluations expected to take place during the year - 24,000,000 GoU	Facilitated contract evaluation committees, recruitment committees during the quarter
6.2.1.5 Support to the Communication and Visibility Strategy	Print media pullouts and supplements	Half page colored adverts in the print media related to PFM and print 30 copies of PFM outputs in form of quarterly newsletters, bulletin etc. 52,734,262 GoU	Print media pullouts and supplements published
	REAP website maintenance (hosting fees etc.)	Hosting annual fees of REAP website. 15,000,000 GoU	REAP website hosted and annual fees of REAP website paid
	Design of the PFM Reform Strategy to feed into NDPIV including related feasibility studies	Nominated staffs to participate in the design of the new PFM Reform strategy facilitated with sitting allowance - 33,000,000 GoU	Design of the PFM Reform Strategy to feed into NDPIV including related feasibility studies undertaken. Draft Strategy and Action Plan prepared and undergoing review. The design is expected to September 2024.
		A consultant expected to facilitate the design of the new PFM Reform Strategy. A lumpsum figure as per expected market price 202,000,000 GoU	A consultant to facilitate the design of the new PFM Reform Strategy contracted and commenced his assignments
	Dissemination of the PFM Reform Strategy	1-day nonresidential change management workshops undertaken to take disseminate the new PFM Reform Strategy. 278 participants expected to attend the dissemination workshop 170,000,000 GoU	This activity is dependent on finalization of design.
6.2.1.7 Support to the PEMCOM and Reforms Governance structures	Support to the PFM Clusters for strategic dialogue and planning for reforms including KRA quarterly meetings	Facilitate quarterly KRA meetings. 44 participants expected to attend these meetings 15,840,000 GoU	Supported the PEMCOM and Reforms Governance structures. Quarterly meetings were held and facilitated

ANNEX 3: REAP KEY PERFORMANCE INDICATORS AS AT JUNE 2024

Key Result Areas	KPIs	Indicator source/ or Means of Verification	Baseline 2017/18	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	Actual 2022/23	Target 2023/24	Actual 2023/24
Domestic Resource Mobilization	Domestic revenue as a share of GDP (excl. oil)	Background to the Budget report (MoFPED)	14.0%	12.7%	13.0%	13.3%	14%	13.5%	14%	13.6%
Sustainable Debt Management	NPV of Public Debt Stock as a share of GDP	Debt Sustainability Analysis (MoFPED)	27%	30.9%	37.6%	40.2%	42.5%	42.9%	42.5%	42.9%
Alignment of Budgets to Strategic plans	PBB Compliance level for Strategic Plans - Proportion of MDALGs Strategic Plans aligned with NDPIII Programmes	NPA certificate of compliance report	New NDPIII	New Framework under development	MDA 64.5%; LGs 60.5%	63.4% ³	75%	60.1% ⁴	75%	70.1%

³ The transition from Sector to Programme Based Planning and Budgeting slowed performance on this indicator

⁴ Decline from FY 2021/22 due to moderately satisfactory alignment with the Macroeconomic, National Strategic direction, Programme and Local Government levels

Key Result Areas	KPIs	Indicator source/ or Means of Verification	Baseline 2017/18	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	Actual 2022/23	Target 2023/24	Actual 2023/24
Enhanced VFM in public procurement for large, complex public procurements	Proportion (by value) of contracts subject to open competition above the defined threshold	PPDA annual report (PPMS data); Accountability Sector Performance report	71.8% (FY16/17)	71.4%	72.1%	58% ⁵	75%	49% ⁶	75%	Not yet released
	Percentage of PPDA recommendations implemented by MDALGs and SoEs	PPDA annual report	71%	61%	59%	60%	75%	69%	75%	Not yet released
System effectiveness and Compliance with regulations	Percentage of entities with clean audit reports (CG and LGs)	Annual OAG reports	CG-%	CG-86.5%	CG-91%	98% ⁷	95%	98.4%	100%	Not yet released
			LG- %	LG- 90.8%	LG-96%	98%	98%	98.4%	100%	
Enhanced Assurance (governance, risk and control) by the internal audit	Percentage of internal audit recommendations implemented	Annual consolidated internal audit report	65.6%	69.9%	72%	85%	90%	85%	90%	Not yet released

⁵ Sharp reduction in performance according to PPDA report was due to increased emergency and direct procurement attributed to Covid 19 situation

⁶ A number of entities continued using emergency and direct procurement methods whose increase was initially attributed to Covid 19

⁷ The Consolidated Audit Report for FY 2021/22 does not provide disaggregated data on the indicator but issue is being followed up.

Key Result Areas	KPIs	Indicator source/ or Means of Verification	Baseline 2017/18	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	Actual 2022/23	Target 2023/24	Actual 2023/24
	annually across MDALGs									
Increased contribution of LG own-source revenue	LG own-source revenue as a percentage of total LG budgets	LG audited final accounts; Accountability Sector Performance report	Rural: 4%	3%	4%	4%	5%	4%	5%	Not yet released
			Urban: 17%	18%	20%	11% ⁸	25%	11%	25%	Not yet released
Enhanced impact of financial and VFM audit reporting and oversight	% external audit recommendations implemented by MDALGs	OAG Annual Report	25%	26%	27%	30%	40%	42%	45%	Not yet released

⁸ Creation of large number of Cities and City Divisions in the short run affected the performance of the indicator

