MINISTRY OF FINANCE, PLANNING
& ECONOMIC DEVELOPMENT

The Public Financial Management Reforms Coordination Unit (RCU)

REAP II

THE SECOND RESOURCE ENHANCEMENT
& ACCOUNTABILITY PROGRAMME

PROGRAMME IMPLEMENTATION DOCUMENT

JULY 2025 – JUNE 2030

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LIST OF ACRONYMS

AG	Accountant General
AGO	Accountant General's Office
AI	Artificial Intelligence
AML	Anti-Money Laundering
AMP	Aid Management Programme
API	Application Programming Interface
BMAU	Budget Monitoring and Accountability Unit – MoFPED
BPED	Budget Policy and Evaluation Department – MoFPED
BSC	Balance Score Card
BTVET	Business, Technical and Vocational Education and Training
CAATS	Computer Assisted Audit Techniques
CAN	Capacity Needs Assessment
CAO	Chief Administrative Officer
CFT	Combating the Financing of Terrorism
CG	Central Government
COBIT	Control objectives for Information Technologies
COSASE	Committee on Commissions, Statutory Authorities and State Enterprises
CPF	Counter Proliferation Financing
CPI	Consumer Price Index
C-PIMA	Climate Public Investment Management Assessment
CSBAG	Civil Society Budget Advocacy Group
CSO	Civil Society Organisation
DC	Development Committee
DDEG	Discretionary Development Equalisation Grants
DEA	Directorate of Economic Affairs – MoFPED
DMFAS	Debt Management and Financial Analysis System
DPAC	District Public Accounts Committee
DPI	Development Plan Implementation Programme
DPP	Directorate of Public Prosecutions
DQA	Data Quality Assurance

DRM	Domestic Revenue Mobilisation
DRM4D	Domestic Resources mobilization for Development - USAID
DRMS	Domestic Revenue Mobilisation Strategy
e-BIZ	Electronic Business
e-Citie	Online Revenue Management System used by KCCA
EFRIS	Electronic Fiscal Receipting and Invoicing Solution
e-GP	Electronic Government Procurement
eLogRev	Electronic Local Government System
EPRC	Economic Policy Research Centre
EQA	External Quality Assessment
ERA	Electricity Regulatory Authority
ESAAMLG	The Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environment and Social Safeguards
FATF	Financial Action Taskforce
FCDO	Foreign, Commonwealth & Development Office of United Kingdom
FDI	Foreign Direct Investment
FIA	Finance Intelligence Authority
FY	Financial Year
GAPR	Government Annual Performance Report
GDP	Gross Domestic Product
GEB	Gender Equity Budgeting
GEF	Global Environment Facility
GoU	Government of Uganda
HCM	Human Capital Management System
HNWI	High Net Worth Individuals
IBP	Integrated Bank of Projects
ICT	Information Communication Technology
IFF	Illicit Financial Flows
IFMS	Integrated Financial Management System
IG	Inspectorate of Government
IGFT	Intergovernmental Fiscal Transfers
IMEM	Integrated Macro Economic Model

IPPS	Integrated Personnel and Payroll System
IRAS	Integrated Revenue Administration System
IT	Information Technology
ITAD	Information Technology Asset Disposal
KCCA	Kampala City Council Authority
KfW	Kreditanstalt für Wiederaufbau (KfW) Development Bank - Germany
LED	Local Economic Development
LG	Local Government
LGFAR	Local Government Financing and Accounting Regulations
LGFC	Local Government Finance Commission
LGPAC	Local Government Public Accounts Committee
LGPAC	Local Government Public Accounts Committee of Parliament
LGPAR	Local Government Performance Assessment Report
LLG	Lower Local Government
LTEF	Long Term Expenditure Framework
M&E	Monitoring and Evaluation
MDA	Ministry, Department and Agency
MDALG	Ministry, Department, Agency and Local Government
MEL	Monitoring, Evaluation and Learning
MIS	Management Information System
ML	Money Laundering
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MP	Member of Parliament
MTDS	Medium Term Debt Management Strategy
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NAPA	National Adaptation Programmes of Action
NBFP	National Budget Framework Paper
NDCs	Nationally Determined Contributions
NDP III	The Third National Development Plan of Government of Uganda

NDP IV	The Fourth National Development Plan of Government of Uganda
NDP	National Development Plan
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority Uganda
NPA	National Planning Authority
NPSPP	National Public Sector Procurement Policy
NTR	Non-Tax Revenue
OAG	Office of Auditor General
ODPP	Office of Director of Public Prosecutions
OECD	Organisation for Economic Cooperation and Development
OPM	Office of Prime Minister
OSR	Own Source Revenue for Local Governments
OTIMS	Online Transfer Information Management System
PAC	Public Accounts Committee
PAP	Public Investment and Project Appraisal Department – MoFPED
PBB	Programme Based Budgeting
PBO	Parliamentary Budget Office
PBS	Planning and Budgeting System
PBS	Programmed Budgeting System
PDE	Procurement and Disposal Entity
PDM	Parish Development Model
PDMIS	Parish Development Management Information System
PEFA	Public Expenditure and Financial Management Assessment
PEMCOM	Public Expenditure Management Committee
PF	Proliferation Financing
PFM	Public Financial Management
PIAPS	Programme Implementation Action Plans
PID	REAP Project Implementation Document
PIM	Public Investment Management
PIMA	Public Investment Management Assessment
PIP	Public Investment Plan
PPDA	Public Procurement and Disposal Authority

PPMS	Public Procurement and Disposal of Assets Management System
PPP	Public Private Partnerships
PRAM	Priority Action Matrix
PS/ST	Permanent Secretary/Secretary to Treasury
RCU	PFM Reforms Coordination Unit
REAP	Resource Enhancement and Accountability Programme
RPC	REAP Partners Committee
SAI	Supreme Audit Institution
SBD	Standard Bidding Document
SCART	Simplified and Computerised Accounting Reporting Tool
SDGs	Sustainable Development Goals
SDU	Service Delivery Unit
SOEs	State Owned Enterprises
TA	Technical Assistance
TAT	Tax Appeals Tribunal
TaxDev	The Centre for Tax Analysis in Developing Countries United UK
TF	Transfer of Funds
TIN	Tax Identification Number
TOC	Theory of Change
TPD	Tax Policy Department
TSA	Treasury Single Account
UBOS	Uganda bureau of Statistics
UIA	Uganda Investment Authority
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
US	United States of America
USAID	United States Agency for International Development
VfM	Value for Money

FOREWORD

The Programme Implementation Document (PID) presents Government of Uganda and Development Partners' programme and coordination framework to contribute to the delivery of key interventions under the Public Financial Management (PFM) Reforms Strategy 2025 – 2030.

The Second Resource Enhancement and Accountability Programme (REAP II) details mechanisms for operationalization of selected undertakings as agreed and justified in the Strategy that provides a mechanism for implementation of key reform achievements. The process of scoping and selection of these interventions was guided by a series of feasibility studies to determine both the immediate and inter-related projects that can best be jointly coordinated to maximise efficiency and effectiveness.

REAP II comes after the successful conclusion of a series of reform programmes and lessons have been learnt to better manage the introduction and sustainability of reforms. The PID proposes approaches building from these experiences.

One such lesson is the importance of empowering existing Government entities to lead the implementation of activities to ensure sustainability, whilst coordinating through broad PFM results areas to inculcate the culture of focusing on the holistic. This will help us transcend individual mandates, build synergies and improve learning.

REAP II comes after the successful conclusion of a series of reform programmes and lessons have been learnt to better manage the introduction and sustainability of reforms. The PID proposes approaches building from these experiences.

To successfully operationalize REAP II, the coordination arrangements will be of utmost importance to help guide government in responding to emerging realities in the PFM eco-system unforeseen during the design of the PFM strategy. This gives the programme the requisite flexibility as revealed in the mid-term review of the previous programme.

REAP II does not cover all the activities set out in the PFM reforms strategy. The bulk of these could not be feasibly operationalized under a programme and project mode/arrangement and will therefore be pursued using the GoU's mainstream implementation systems as appropriate.

The Programme comes within a changed Development Partner context. The main mechanism for channelling of donor support to the REAP II will be through the World Bank under the Uganda Strengthening Public Investment and Asset Management for Growth and Resilience Operation (PIM Plus) Programme. Other disbursement channels will be discussed and agreed with respective DPs since the Basket funding modality is currently not operational. The work programme will however remain harmonised and coordinated for better PFM results.

Together with our partners including Civil Society, REAP II is a demonstration of GoU's continued commitment to PFM Reforms towards improvement of service delivery and accountability for sustainable economic development. The transparent implementation modalities proposed also demonstrate government's continued commitment to engage with all partners on reform challenges, with an openness to learn from mistakes and to pressure MDAs to strengthen accountability and compliance.

I am confident that the programme will propel us closer to realisation of faster economic growth and Sustainable Development as envisaged in the country's Strategic direction to grow the economy tenfold and enshrined in the Vision 2040 and the NDP IV.

Ramathan Ggoobi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

EXECUTIVE SUMMARY

On 24th July 2025, Government of Uganda launched the PFM Reforms strategy for the period July 2025 – June 2030. The Strategy is aligned with the country's Strategic direction to grow the economy tenfold and enshrined in the Vision 2040 and the NDP IV. Its design was informed by various diagnostic studies including PEFA 2024, PIMA 2022 as well as both the NDP III and REAP Mid Term Review studies. The Strategy analyses PFM achievements made over the last years, the current context and highlights/charts a way forward for operationalization of prioritised interventions to build on previous reforms and ensure enhanced growth development and sustainability of the Ugandan economy.

This PID provides a description of the agreed programme scope and GoU partners' contribution to the new PFM Reforms Strategy (2025-2030). The document should therefore be read in tandem with the PFM Reform Strategy. The PID also includes the operationalization and implementation framework for the Second Resource Enhancement and Accountability Programme (REAP II) from FY2025/26 – FY2029/30.

At the global level, REAP high level results are adopted in pursuit of the SDGs [1] 16 and 17 (on developing effective, accountable and transparent institutions at all levels; and, strengthening the means of implementation and revitalizing the global partnership for sustainable development respectively). At the national level, REAP is anchored within the Development Plan Implementation Programme (DPI) and is fully aligned to NDP IV goals and Uganda's Strategic vision 2040 requiring *strengthening of Governance, including transparency and accountability in Public Finance.*

The overall objective of REAP II is to improve the effectiveness of PFM systems in reducing fiscal deficit from 5.1% in 2024 to 3.0% by 2030 for sustainable reforms from public investments. The programme goal is directly linked and in pursuit of the NDP IV and the Strategic direction to grow the Ugandan Economy tenfold by 2040.

REAP will facilitate pursuit of these six broad strategic reform areas identified in the new PFM Reform strategy: (i) Enhanced Policy-Based Fiscal Strategy, Planning and Budgeting (ii.) Sustainable Domestic Revenue Mobilisation (iii.) Strengthened Public Investment Management (PIM) for increased development returns on public spending (iv.) PFM Control and Compliance in Budget Execution Strengthened (v.) Strengthened Sub National PFM Systems for Service delivery and (vi.) Strengthened PFM oversight and Accountability for sustainability of outcomes

Programme Outcomes: The intermediate outcomes are highlighted below under each of the six programme objectives/major outcomes from which a short list of activities is provided for implementation.

1 SDG Goal 17 (17.1 on DRM; 17.4 on Debt sustainability; 17.13 macro-economic analysis; 17.14 on policy coherency) and SDG Goal 16 (16.4 illicit financial flows; 16.5 reduce corruption; 16.6 accountable and transparent institutions). See Annex 4 for the results map.

Objective 1: **Enhanced Policy-Based Fiscal Strategy, Planning and Budgeting**

i. Strengthened Budget Framework and challenge function.
ii. Strengthened Multi-Year Budgeting.
iii. Sustainable Development Financing through Strengthened Alternative Financing.

Objective 2: **Sustainable Domestic Revenue Mobilisation**

i. Enabling policy environment for revenue mobilisation enhanced.
ii. Enhanced Tax Compliance through efficient revenue administration.
iii. Enhanced collections from extractives including oil, gas and minerals.
iv. Increased contribution from Foreign Direct Investment (FDI) to Domestic Revenue efforts.
v. Strengthened Governance arrangements for reduced revenue losses from Illicit Financial Flows.
vi. Strengthened Non Tax Revenue.

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

i. Strengthened Planning, Appraisal and Selection of Public Investment Projects (PIPs) and Public-Private Partnerships (PPPs).
ii. Enhanced value for money (VFM) in public procurement for large and complex public procurements.
iii. Efficient and Effective implementation and accountability of development projects.
iv. Optimal Utilisation and Maintenance of Assets.

Objective 4: **PFM Control and Compliance in Budget Execution Strengthened**

i. Effectiveness and accuracy of public payroll and pension management systems improved.
i. Effectiveness and integrity of PFM systems strengthened.
ii. Comprehensiveness and quality of financial Reporting enhanced.
iii. Improving credibility in budget execution.
iv. Compliance to PFM Laws and Regulations Strengthened.

Objective 5: **Sub National PFM Systems for Service delivery strengthened**

i. Enhanced Allocative Efficiency in Fiscal Transfers for improved LG Planning and Service delivery.
ii. Increased contribution of LG own-source revenue to budgets.
iii. Improved oversight and accountability for improved service delivery in LGs.
iv. Improved financial reporting for enhanced service delivery in service delivery units (SDUs).
v. Enhanced integrity and transparency in LG procurements.

Objective 6: **PFM oversight and Accountability for sustainability of PFM outcomes strengthened**

i. Enhanced impact of financial and VFM audit reporting and oversight
ii. Enhanced assurance (governance, risk and control) by Internal Audit function for compliance of PFM systems.
iii. Improve coordination and monitoring of PFM Reforms with in the DPI programme.
iv. Sustainable uptake of reforms through improved leaving and coordination of PFM) reform processes.

v. Enhanced impact of PFM reforms through strengthening of the oversight role of Parliament.

This document also contains a summary of the programme cost and financing plans a monitoring and evaluation framework, highlighting the key performance indicators, stakeholder and risk management analysis of the programme, and the sustainability plan.

The activities for the five years are costed[2] at UGX 1,066.8 billion equivalent to (Approximately US$280.7 million). The main mechanism for channelling of donor support to the REAP II will be through the World Bank under the Uganda Strengthening Public Investment and Asset Management for Growth and Resilience Operation (PIM Plus) Programme. Other channels will be discussed and agreed with specific DPs.

The coordination of reforms will be spearheaded by the MoFPED, facilitated by a dedicated Reforms Coordination Unit (RCU) also secretariat of the PEMCOM; and implementation shall be through the agreed PFM Clusters[3] formed around the six thematic areas above to allow for holistic and collaborative planning, prioritization and sustainability of the reforms. Matters pertaining to programme governance shall be managed under REAP Partners' Committee (RPC) constituted by partners supporting REAP II implementation. The Deputy Secretary to Treasury (DST) has responsibility for implementation of REAP II providing task management. Ultimately the overarching policy organ for the PFM reforms shall be the PEMCOM that includes participation of Civil Society as part of efforts to deepen transparency and downward accountability.

Additional programme management documents shall detail aspects relating to the operationalisation of the REAP II. These include (a) Policy and Operational Framework for Government of Uganda (GOU) and Development Partners (DPs) (b) Finance and Operations Manual (c) Procurement Guidelines (d) Communications and Visibility Strategy (e) Planning, Monitoring and Evaluation Strategy (f) Risk Management and Sustainability Strategy; (g) Human Resources Guidelines; and (h) the Reforms Change Management Strategy.

Programme Summary	
Sector	DPI Programme
Vote	008 Ministry of Finance, Planning and Economic Development
Project code	2009
Program Title	The Second Resource Enhancement and Accountability Programme (REAP II)
Programme duration	FY2025/26 – FY2029/30
Estimated Programme Cost	UGX 1,066,839,443,587 Approximately USD: 280.7 Million
Expected source of funding	DPs & GoU
Responsible Officer	Deputy Secretary to the Treasury (DST)

2 *Refer to annex 1 for the detailed indicative 5-year costed activity plan for the REAP. Annex 2 provides the results framework.*

3 *Annex 3 provides the detailed roles and membership in the various clusters created to coordinate reforms*

01 INTRODUCTION

1. Following the adoption of the PFM Reforms Strategy July 2025 – June 2030, REAP II was designed specifically to operationalise and jointly coordinate the implementation of a selection of reform interventions as informed by a series of programme studies including PEFA 2024, PIMA 2022, REAP MTR, REAP II Prefeasibility and Feasibility studies already mentioned.

2. The planned interventions are in six (6) broad strategic reform areas in accordance with the PFM Reform Strategy. These are: (i) Policy-based fiscal strategy and budgeting, (ii) Domestic Revenue Mobilization, (iii) Public Investment Management (PIM), (iv) PFM controls and Compliance, (v) LG PFM for service delivery and (vi) Oversight and PFM Governance.

1.1 Background

3. In the late 1990s and 2000s, Uganda achieved significant improvements[4] in economic management, technical and institutional capacity with the establishment of a legislative framework for budget, procurement and financial management. The early reforms were coordinated through the Economic and Financial Management Project (EFMPI (1993-1999) and EFMPII (2000-2006). The two projects were financed by the World Bank, the Nordic Development Fund DFID and the Government of Uganda.

4. Subsequent PFM reforms were implemented under three phases of the Financial Management and Accountability Programme (FINMAP), which were the Government's prime implementation framework. These three (3) phases are; FINMAP I (2006-2011) which focused on improving the efficiency and effectiveness of central and local government PFM and financial accountability processes. FINMAP II (2011-2014) focused on systems and capacity enhancement for improved PFM Management.

5. The FINMAP III (2014-2018) was designed to consolidate the reforms and address weaknesses. The overall goal was "to strengthen public financial management (PFM) at all levels of government with the aim of ensuring efficient, effective and accountable use of public resources as a basis for improved service delivery". FINMAPIII was structured around four broad dimensions—macroeconomic policy and management; planning and budget preparation; budget execution; and budget oversight and scrutiny.

6. In 2018, GoU launched a new PFM reform strategy for the period July 2018 to June 2025, with a paradigm shift towards a result-based approach. The goal of the strategy was to enhance resource mobilization, improve planning and public investment management, and strengthen accountability for quality, effective and efficient service delivery. The reform strategy was organised around six outcomes, which seek to:

4 See annex 6 highlighting the improvements against PEFA scores. Note that there are other specialised diagnostics such as DEMPA on Debt management; TADAT on Tax administration.

i. Enhance resource mobilisation for Uganda's sustainable development.
ii. Enhance policy-based budgeting and planning for allocative efficiency.
iii. Strengthen public investment management for increased development returns on public spending.
iv. Strengthen the effectiveness of accountability systems and compliance in budget execution.
v. Improve the transparency and accountability of local government PFM systems.
vi. Strengthen oversight and PFM governance functions for the sustainability of development outcomes.

Annex 5 provides a highlight of the key reforms successfully implemented under the previous PFM programmes.

7. The PFM reform strategy FY2025/26 – FY2029/30 is aligned with the country's Strategic direction to grow the economy tenfold and enshrined in the Vision 2040 and the NDP IV. Its design was informed by various diagnostic studies including PEFA 2024 and is set out in the multi-institutional Resource Enhancement and Accountability Programme (REAP). REAP, a GoU's framework for implementation of the PFM reform strategy, is jointly funded by KfW Development Bank, the European Union, the Danish International Development Agency (DANIDA) and GoU under a multi-donor basket funding arrangement. Other technical assistance programmes specific result areas, such as resource mobilisation, public investment, and local government. These are provided by development partners such as the United States Agency for International Development (USAID), the World Bank, the African Development Bank, and the UK government.

02 SITUATION ANALYSIS – OVERVIEW

2.1 Enhanced Policy-Based Fiscal Strategy, Planning and Budgeting

8. **Uganda has been rightly lauded for pioneering fundamental reforms in policy-based fiscal strategy and budgeting.** Notable among these includes the establishment of Medium-Term Expenditure Frameworks (MTEFs), macroeconomic forecasting using the Integrated Macroeconomic Model (IMEM), institutional strengthening of the debt office following best practices (such as front and back office structures as recommended by UNCTAD), and programme-based budgeting. These reforms aim to align plans with high- level development objectives, enhancing fiscal management and accountability. However, despite these advances, a critical challenge persists: weaknesses in the Budget Challenge Function. “Budget Challenge” refers to the mandate and practical ability of those responsible for putting the budget together to critically challenge proposals presented by MDAs and other agencies for the utilisation of budget resources. Effective budget Challenge requires adequate time for analysis of budget proposals in the annual budget cycle and the technical skills to identify weaknesses in budget submissions which are likely to undermine the realisation of the stated objectives of public spending. This function is crucial for ensuring that budget proposals are thoroughly and independently scrutinized, promoting fiscal discipline and responsible budgeting. The current limitations in this area hinder the attainment of desired outcomes, underscoring the need for strengthened oversight mechanisms.

9. **While Uganda has made significant strides in developing its capacity to accurately forecast macro-fiscal aggregates by developing several analytical tools & frameworks such as the Integrated Macroeconomic Model (IMEM),** new developments in the economy include: climate change issues with increased frequency of negative climate shocks and the onset of production in the oil & gas sector. The current economic analysis is largely lacking in environmental data and climate information. This impacts negatively on the ability of the current tools to assess how climate will affect economic growth and subsequently government revenues, to facilitate the formulation of effective policy based fiscal measures.

10. **Inefficient debt management strategies and suboptimal diversification of financing options.** The high debt service costs in Uganda are largely attributed to inefficient debt management strategies, limited access to concessional financing, and a heavy reliance on traditional and costly financing options. These underlying issues constrain the government’s fiscal space, diverting a significant portion of revenue towards debt repayment and limiting the allocation of resources to critical development programs and public services. The current public financing strategy 2022 identifies opportunities to diversify sources, including savings, green bonds, climate financing, etcetera and this needs to be maximised. Despite the growing climate finance flows to Africa, Uganda has not fully capitalized on the opportunities presented by these funds. The country’s climate finance needs and goals continue to expand, driven by

pressing challenges such as droughts, floods, and water scarcity. However, these needs remain significantly underfunded, hindering Uganda's ability to effectively adapt to the impacts of climate change and transition to a low-carbon economy. As a result, the country's climate resilience and sustainable development ambitions are at risk of being undermined, underscoring the urgent need for Uganda to strengthen its climate finance mobilization and utilization efforts. Climate finance in Africa has seen significant growth, with a 48% increase in climate finance flows between 2019/2020 and 2021/2022, reaching $43.7 billion [1]. However, this amount still falls short of the estimated $277 billion annually needed to implement Africa's Nationally Determined Contributions (NDCs) and meet 2030 climate goals. This is typically comprised of contributions from Private finance spread evenly across domestic (49%) and international (51%) sources.

11. **In addition, it is also important to assess the financing requirements to achieve the country's Nationally Determined Contributions (NDCs), and this requires building economy-wide analytical tools and frameworks that can be used to estimate the costs for supporting the identified initiatives such as climate smart agricultural practices and investment in climate resilient infrastructure.** The commitments involve helping countries to adapt to climate change effects and mobilize enough finance, against each NDCs. The existing analytical frameworks and databases do not allow for the computation of the magnitude of climate shocks and their path through effects on all other sectors of the economy. This in a way, limits climate finance mobilization efforts yet there are opportunities that Uganda could tap into, but also poses major risks for macroeconomic stability in the event of severe climate shocks.

2.2 Sustainable Domestic Resource Mobilization

12. **The Domestic Revenue Mobilization Strategy (DRMS) 2019/20-2023/24 detailed interventions, projected to result in a 0.5 percentage point growth per annum in the tax-to-GDP ratio, based on some improvement in compliance and no adverse shocks.** On this trajectory, Uganda was expected to reach the 16%-18% tax-to-GDP target by FY2023/24. The tax to GDP ratio grew from 12.5% in FY2019/20 to 14.3% projected for FY2024/25 moving only slightly towards the 16-18% envisaged in the DRMS. Regarding annual growth, Uganda's revenue effort has been growing at an average of 0.3 percent, a little lower than the 0.5% anticipated in the DRMS.

Table 5.1: Performance of Domestic Revenue Mobilization (2014-2025)

Period	Net Revenue (UGX Bn)	Target Revenue Collections (UGX Bn)	Year to Year Growth (revenue)	% Growth (Revenue)
2014/15	9,576.58	9,324.69	1,077.27	13.06%
2015/16	11,635.42	11,269.33	1,944.37	20.85%
2016/17	13,177.15	12,788.70	1,803.03	13.48%
2017/18	15,062.43	14,506.93	1,770.82	13.44%
2018/19	16,358.76	17,069.74	2,226.56	17.67%
2019/20	20,344.13	17,589.81	520.07	3.05%
2020/21	21,638.65	19,598.31	2,008.49	11.42%

Period	Net Revenue (UGX Bn)	Target Revenue Collections (UGX Bn)	Year to Year Growth (revenue)	% Growth (Revenue)
2021/22	22,363.51	21,831.18	2,232.87	11.39%
2022/23	25,151.57	25,567.46	3,736.28	17.11%
2023/24	29,218.98	27,935.47	2,368.01	9.26%
2024/25	31,981.92	32,296.83	4,361.36	15.61%

13. **Uganda's domestic revenue mobilization is inadequate to support its development needs.** With the performance of domestic revenue, the DRMS target of achieving a 16%—18% tax-to-GDP ratio by the end of FY2023/24 not met due to, among other things, the delayed conclusions of tax policy reforms, Uganda's tax policy should prioritize simplification and strategic leakage prevention to enhance compliance. By streamlining tax laws and regulations, Uganda can reduce complexity and make it easier for taxpayers to comply. A simplified tax regime with robust compliance measures can foster a more efficient tax system, encouraging voluntary compliance and reducing the burden on taxpayers (OECD, 2019).

14. **Weak tax administration and enforcement:** Blocking leakages through effective tax administration and enforcement can help prevent revenue losses (IMF, 2020). Uganda's tax administration faces multifaceted challenges, including inefficient processes, and inadequate infrastructure (World Bank, 2020). Tax evasion and avoidance are rampant, with significant revenue losses resulting from generous tax incentives and exemptions (IMF, 2020; Auditor General's Report, 2022). Corruption and lack of transparency erode trust (Transparency International, 2022), while limited taxpayer education and awareness contribute to unintentional non-compliance (OECD, 2019). The Uganda Revenue Authority (URA) struggles to enforce compliance. However, there are opportunities for facilitating the URA to lift the capacity levels and leverage technology to plug gaps in revenue monitoring and compliance, such as through digital tax filing, data analytics, and risk-based audits (Deloitte, 2020; EY, 2022). By harnessing technology, the URA can enhance tax compliance, reduce administrative burdens, and improve revenue collection.

15. **Lengthy Tax dispute resolution:** Uganda's tax dispute resolution mechanism faces challenges, leading to prolonged and costly disputes between taxpayers and the Uganda Revenue Authority (URA) (World Bank, 2020; USAID, 2019). The current system is often perceived as inefficient, and at times opaque, resulting in increased compliance costs, uncertainty, and reputational damage for taxpayers (Tax Justice Network Africa, 2020). This can discourage investment, undermine trust in the tax system, and lead to revenue losses (IMF, 2020). Delays in resolving disputes also create an unnecessary burden on the Tax Appeals Tribunal and courts, further complicating the process (Auditor General's Report, 2022). Strengthening the tax dispute resolution framework through increased transparency, efficiency, and fairness is essential to promoting a more conducive business environment and fostering trust between taxpayers and the URA (OECD, 2019).

16. **Limited leveraging of FDI to Uganda's DRM Potential:** Uganda's limited foreign direct investment (FDI) inflows have constrained domestic revenue mobilization (DRM) potential,

narrowing the tax base and limiting revenue generation (World Bank, 2020; IMF, 2020). High foreign direct investment (FDI) can significantly boost tax revenues in African countries. According to the United Nations Conference on Trade and Development (UNCTAD), FDI inflows into Africa reached a record $94 billion in 2024, marking an 85% increase from the previous year. Research by the African Development Bank (AfDB) suggests that FDI can positively impact economic growth and tax revenue mobilization in Africa, particularly when coupled with effective tax systems and regulatory frameworks (AfDB, 2019). By leveraging FDI, African countries can unlock new revenue streams and accelerate economic development (OECD, 2020). While FDI can be a significant driver of economic growth and tax revenue mobilization, Uganda's FDI inflows remain relatively low. According to the Uganda Investment Authority, FDI inflows into Uganda averaged around $500-600 million annually between 2015-2020 (UIA, 2020). This is significantly lower compared to other African countries. This is particularly critical given the country's ambitious Ten-Year Development Strategy aimed at achieving a tenfold economic growth. FDI is essential for realizing this strategy, as investment is a key driver of growth, job creation, and revenue generation.

17. **Illicit financial flows and Base Erosion and Profit Shifting (BEPS) :** Illicit financial flows (IFFs) have negatively impacted revenue potential in Uganda and other African countries. Africa's annual losses due to IFFs total around $88.6 billion, representing 3.7% of its GDP. This staggering loss exacerbates inequality, stifles growth and threatens achievement of Africa's Agenda 2063 and the UN Sustainable Development Goals. In fact, sub-Saharan Africa lost a staggering $1.3 trillion to IFFs from 1980 to 2018. IFFs affect revenue potential in several ways [1]: Tax Revenue Losses: IFFs enable tax evasion and avoidance, depriving governments of revenue. African countries lose an estimated $100 billion through mis-invoicing alone.

Among other reforms, Uganda established the Financial Intelligence Authority (FIA) through activating Section 18 of the Anti-Money Laundering Act 2013. FIA's mandate is to detect and deter money laundering by collecting, analysing and disseminating information related to financial transactions to Law Enforcement Agencies to support investigations and prosecutions of money laundering, terrorism financing and proliferation financing offences. However, to combat IFFs, African countries are being called upon must strengthen institutional capacities, enhance tax administration and enforcement capabilities, and leverage technologies like artificial intelligence to detect and prevent financial crimes. By addressing IFFs, African countries can safeguard their financial resources, promote sustainable development and ensure a fairer international tax system. Tax evasion and money laundering involve complex schemes that require tools, systems, and dedicated and qualified personnel to conduct investigations and prosecution, which increase the overall tax compliance costs; while still trade-based money laundering distorts economic trade data and statistics, making planning and decision-making for revenue collection difficult.

Base Erosion and Profit Shifting (BEPS) also pose significant challenges to revenue mobilization in Africa. BEPS allows multinational corporations to shift profits to low-tax jurisdictions, depriving African countries of billions in tax revenue. The OECD's BEPS framework aims to address these issues, but its implementation and effectiveness in Africa require careful consideration and adaptation to the continent's specific needs and contexts. By tackling

BEPS, African countries can protect their tax bases, ensure fair taxation and promote a more equitable global tax system. However, IFFs have had far-reaching consequences on the political and economic security and stability of a country's and the global financial system. IFFs, for example, drain resources from development not only when they leave a country (outflows), but also when they enter a country (inflows): they can have a detrimental impact by fuelling money laundering and corruption, thus undermining the rule of law and the stability of markets

2.3 Public Investment Management (PIM)

18. **Uganda's public investment management is ineffective, leading to poor project selection, implementation, and outcomes.** There is limited capacity in project preparation and management (monitoring, supervision, contract management and impact evaluation). Whereas past efforts have narrowed the capacity gap especially in project preparation and appraisal, significant gaps still remain especially in project and contract management, monitoring and supervision of public works and ex-post analysis and evaluation. In addition, the increasing staff turnover continues to be a capacity challenge in most MDAs. Development Committee (DC) members are not adequately skilled to screen public investments. The DC which was expanded in 2016 continues to face capacity challenges to adequately screen projects. This is partly attributed to turn over of the members, the changing macroeconomic environment which often require update in the PIM reforms and the introduction of new guidelines within the PIM framework.

19. **The challenges in public investment management in Uganda are multifaceted, particularly in costing and cost variations.** Significant irrational discrepancies often arise between projected costs during feasibility studies and actual costs at procurement initiation. According to the World Bank, "accurate cost estimation is crucial for effective project planning and budgeting". These cost variations can distort the Medium-Term Expenditure Framework (MTEF) and render Return on Investment (ROI) estimates inaccurate.

    The lack of transparency by Ministries, Departments, and Agencies (MDAs) during Development Committee reviews can contribute to these cost variations. As noted by the International Monetary Fund (IMF), "transparency and accountability are essential for effective public financial management". Limited capacity for cost projections can also lead to significant variations, undermining the viability of projects and making it challenging to assess their effectiveness.

    Separately, in-year budget adjustments cause uncertainty in the execution of investment projects, which require certainty and medium-term planning. Budget releases for investment projects are not consistent with the approved project values which causes time and cost overruns and delays in project implementation. Delays and cost overruns lead to further arrears and affects quality and timeliness of delivery. Capturing and publishing annual project costs and cost revisions is not usually undertaken. This implies that these cost variations are not known and cannot be accounted for by all stakeholders across the PIM cycle. As these costs are not published, there is no visibility on how these have been revised or methodologies for their changes which could improve cost estimates of projects that require increased budget allocations. Even with the development of the IBP, this was not catered for in the design of the system. However, this could be easily adopted in the Integrated Bank of Projects (IBP) database as the system is being upgraded.

20. **Weak project appraisal and selection processes.** There is a weak project appraisal and selection framework on climate change issues: The PEFA, 2022 rated Uganda's Climate responsive public investment management with a D, which is below the basic level of performance. Whereas Uganda has a strong project appraisal framework for projects and PPPs, it does not reference or require consideration of climate change leading to an ad hoc approach by different MDAs. This needs to be mandated and standardized including climate change-related parameters. Without this updated framework, Ugandan public resources are likely to deteriorate as the severity of climate change impacts increase (C-PIMA, 2023).

21. **A critical problem of project delays in project initiation is the challenge of securing Right of Way (ROW) for infrastructure projects.** This issue leads to increased costs due to exaggerated land compensation claims and delays in project commencement. The lack of designated infrastructure corridors complicates land acquisition, resulting in disputes and high compensation demands. According to the World Bank, efficient land acquisition and management are crucial for infrastructure development. Delays and cost overruns can undermine the effectiveness of infrastructure investments and hinder economic development. Streamlining land acquisition processes, establishing clear ROW policies, and capacity building can help address these challenges. The African Development Bank emphasizes the importance of robust land management systems for sustainable development. By implementing effective solutions, Uganda can improve the efficiency and effectiveness of its public infrastructure projects.

This issue is partly due to weaknesses in physical planning, as many cities in Uganda lack comprehensive physical development plans or have outdated ones, leading to uncoordinated land use, encroachment on critical infrastructure corridors, and increased complexity in securing Right of Way. For instance, few cities have up-to-date physical plans, resulting in ad-hoc development that compromises the integrity of public infrastructure projects. This not only hinders project implementation but also has significant ramifications for climate resilience, as unplanned development can increase vulnerability to climate-related disasters, such as floods and landslides, and undermine the sustainability of public infrastructure. The lack of effective physical planning thus exacerbates the challenges in project initiation and implementation, while also compromising the long-term viability and resilience of Uganda's public infrastructure.

22. **PIM reforms have not yet been rolled out to Local Governments including new cities and districts, which finance most of their capital spending through Central Government transfers.** However, these cities and districts are hardly involved in the PIM planning process. In addition, a number of challenges remain at the Local Governments due to failure to roll out PIM to the districts and cities. These challenges include inadequate resources for operating and maintaining assets such as schools, district roads, water, and health facilities; insufficient facilities for community involvement in planning, such as technical capacity, logistical support; and community fatigue, leading to limited understanding by community members of their role

in the projects, and limited skill base at the local level through the entire PIM cycle, particularly registered civil engineers among others.

23. **There is poor operation and maintenance of public assets.** Government is acquiring new assets but challenges remain in ensuring routine maintenance or postponing maintenance to later stages increases rehabilitation and asset replacement costs. Routine and periodic maintenance of assets results in substantial savings in the medium and long term, eliminating or reducing requirements on expensive rehabilitation works. Compilation of routine and capital maintenance methodologies and manuals as well as the acceleration of routine maintenance is an area of high reform priority.

24. **The licensing and permitting regulatory requirements for some projects is cumbersome and lengthy for PIM executing agencies.** A joint statement by Development Partners associated with Electricity Regulatory Authority (ERA) highlighted impediments around the processes for permitting and licensing which is noted to be "cumbersome and lengthy with indicative timeline of 180 days". Specifically, the KfW Aide Memoire on PIM experiences in Uganda acknowledges the importance of solving weak links within the permitting and licensing regulators to achieve project success. The paper rightfully acknowledges the problem as being beyond the Project Executing Agency to the regulatory/permitting entities. Performance issues along with underlying causal factors whether legal or procedural therefore need to be investigated and resolved.

25. **Insufficient monitoring and evaluation.** The integrated Bank of Projects (IBP) system is not yet fully developed and integrated to accommodate the recent policy shift from the sector approach to program approach for planning and budgeting. IMF identified that there is lack of integration of M&E systems results in burdening MDAs and LGs with similar data requests for project planning, management, monitoring and evaluation. In addition, the recent policy shifts from sector wide planning to programme wide planning necessitated the upgrade of the other PFM systems such as the IFMS, PBS, e-GP among others. This also necessitates the upgrade of the IBP to allow for seamless flow of information across the systems.

26. **The procurement system suffers from weak implementation of procurement audit recommendations, inadequate disclosure of information and low levels of integrity which affect value for money and service delivery.** Even with the review of the legal and regulatory framework, there is misalignment of the Act and Regulations with the NPSPP 2019. There is also absence of model technical specifications and common specification standards for procurements.

The country lacks a comprehensive national procurement capacity building strategy, which could align the capacity building initiatives for a common cause across national and local government entities. Insufficient capacity of players in the function of procurement has derailed efficiency and effectiveness of the procurement function in both MDAs and local governments.

Absence of compliance enforcement for implementation of audit recommendations has led to reluctance of the Procuring and Disposing Entities (PDEs) to implement the recommendations of from audits. There is inadequate strategic procurement planning, inadequate needs analysis, and poor identification of stakeholder training needs, which all affect budget execution. There is also insufficient engagement with civil society and the private sector, which resulted in insufficient accountability, and higher procurement costs, among others.

2.4 PFM Control and Compliance in Budget Execution

27. **Weak Public Financial Management (PFM) controls and non-compliance in budget execution are undermining fiscal discipline and service delivery in Uganda's local governments.** Uganda's Public Financial Management (PFM) system faces significant challenges, particularly in the area of controls for compliance and accountability. Despite efforts to strengthen PFM systems, the 2022 Public Expenditure and Financial Accountability (PEFA) assessment reveals persistent weaknesses in internal controls, financial reporting, and oversight mechanisms. These weaknesses undermine transparency, efficiency, and effectiveness in budget execution, threatening Uganda's development goals.

28. **Despite the fact that the design and implementation of PFM systems are responsive to the requirements of MDAs and LGs, there are several challenges regarding systems acquisition, coverage, utilization, degree of integration, security, capacity building, change management, and financial resources to meet recurrent expenditure requirements for equipment, hardware, and software.** The consequences of weak controls for PFM compliance and accountability are far-reaching. They include mismanagement of public funds, corruption, and poor service delivery, ultimately affecting the lives of Ugandan citizens. To address these challenges, it is essential to strengthen PFM systems, enhance internal controls, and promote transparency and accountability in financial management. In so doing, Uganda can improve the efficiency and effectiveness of its budget execution, achieve better development outcomes, and promote sustainable development.

29. **A significant challenge in Uganda's Public Financial Management (PFM) system is the weak sanctions and rewards framework.** According to the Public Expenditure and Financial Accountability (PEFA) framework, effective sanctions and rewards are essential for promoting accountability and compliance with PFM regulations and standards (PEFA, 2022). The lack of effective sanctions for non-compliance and inadequate rewards for good performance undermines the effectiveness of PFM systems, as highlighted in the World Bank's Public Financial Management report (World Bank, 2020). Without strong deterrents for non-compliance, individuals and institutions may not be held accountable for their actions, leading to a culture of impunity. Similarly, the absence of meaningful rewards for good performance fails to incentivize

30. **Poor FPM compliance of State-Owned Enterprises (SOEs) - SOEs are meant to operate outside the mainstream of GOU to deliver quality public services in an effective and efficient manner. However, GOU is aware of the SOE operations and performance shortcomings.** These entities are plagued by persistent Public Financial Management (PFM) compliance issues, resulting in inefficient use of public resources, poor financial performance, and increased debt burden (Ministry of Finance, Planning and Economic Development, 2020). Despite existing regulations and guidelines, many SOEs continue to exhibit weak governance, inadequate financial reporting, and lack of transparency (Auditor General's Report, 2020),

ultimately undermining their sustainability and effectiveness in delivering essential public services. This situation necessitates a comprehensive review of PFM compliance issues in SOEs and the development of targeted strategies to address these challenges and promote improved financial management, accountability, and transparency (World Bank, 2019).

Because the SOEs do not operate within the mainstream Government they have been perceived, wrongly, to be independent of government. Several diagnostic studies concerning GOU's public financial management (PFM) have concluded that SOEs have not operated as expected and have not delivered the expected public services.

31. **There is incomplete implementation of key PFM systems which are critical to effective service delivery and these include the e-GP, HCM, IBP, among others, systems that have not yet been fully implemented.** Also, it should be note that despite substantial investments by GoU in the implementation of PFM systems, ensuring their long-term sustainability is not guaranteed. The other challenge is that information or data generated by PFM systems is not effectively used for planning and informed decision- making. As a result, policy decisions are based on outdated or incomplete information, significantly reducing the effectiveness and efficiency of strategic planning and resource allocation. The PFM systems do not sufficiently support monitoring and reporting on results under the programmatic budgeting approach. This has hindered performance measurement of results under the PFM Reforms Strategy. The other challenge is that standalone systems present significant risks, including the creation of data silos— a hindrance to efficient information sharing across various MDAs and LGs. This fragmentation leads to inconsistencies in applications, data, and processes, reducing overall operational efficiency and decision-making accuracy. There is no comprehensive government-wide strategy for managing data generated by PFM systems. This poses a challenge to the PFM systems concerning formulating well-informed interventions towards their implementation, as well as monitoring and evaluation towards sustainability. MDAs and LGs in Uganda are characterised by a lot of gaps regarding ICT governance. The ICT gaps leave PFM accountability systems vulnerable to disruption. Lastly, there are cyber security threats that pose significant risks to the operation of PFM systems.

IFMS functionality is fixed, as it has not been deployed across all entities and its capabilities are not yet fully operational. Relatedly, regular maintenance and technical support are essential for the smooth operation of GoU PFM systems. Furthermore, PFM systems require additional software and hardware upgrades investments to stay current with technological advancements and address emerging GoU requirements. It's important to note that data accumulated from PFM systems over the years is not being optimally utilised to make accurate predictions that form the basis for more intelligent fiscal policy formulation and implementation, monitoring and oversight.

32. **Findings from the NDPIII mid-term review also observed that domestic arrears have continued to rise despite Government efforts to reduce them over the years.** By the end of 2021, the 2022 Office of the Auditor General Report indicated a further increase in the stock of domestic arrears to **UGX 4.65 trillion.** In addition, arrears pose a reputational risk to Government which can affect the country's credit risk ratings. As well, arrears directly affect

private sector performance and tax compliance.

33. **The government's financial reports are not comprehensive enough, while also being characterized by poor quality is as a result of several factors.** The government receives financial reports from most public corporations and state enterprises within the stipulated statutory times, but their performance monitoring and oversight needs to be strengthened. Contingencies risks are not generally reliably estimated nor provided for, and in-year budget execution reports and the consolidated annual financial statements do not provide a complete picture of GoU's finances as they exclude the extra-budgetary units and public corporations. Coverage of transactions by those entities included in the fiscal reports is incomplete and ESG reporting is not adopted.

34. **Some provisions in the PFM legal framework conflict with provisions in other legal frameworks for example the PFM Act 2015 and LG Act 1997, as well as various Acts setting up SOEs.** The PFMA 2015 is out of date with the PFM reforms that have been implemented and practices. This causes unnecessary delays in the implementation and update of PFM systems and other reforms across Government. It may also be the underlying cause for non-compliance to PFM procedures and standards

2.5 Sub-National PFM Systems for Service Delivery

35. **Uganda's Sub-national Public Financial Management (PFM) systems face significant challenges that hinder effective service delivery**. Weak budgeting and planning processes are a major concern, with inadequate budget planning and execution at sub-national levels, and limited alignment of budgets with national and local priorities. According to NDPIII Mid-term review, there is slow implementation of the NDPs, weak planning, budgeting, monitoring, evaluation and systems for statistical development. Community participation in the planning process is at 35% as per the LGPAR 2020 - 2021. The participation of citizens, the informal sector, and the civil society in the budgeting process of LGs is still very low. Additionally, the capacity to make these engagements transparent and effective by LGs, still needs improvement. Furthermore, inefficient financial management practices, such as weak financial reporting and accounting systems, and inadequate internal controls and oversight, exacerbate the problem. Limited transparency and accountability also plague the system, with insufficient public access to financial information and weak downward accountability mechanisms.

36. **Moreover, sub-national governments are heavily reliant on central government financing, which is not sustainable for funding local government services.** This overreliance limits their ability to plan and deliver services effectively, and restricts their fiscal autonomy. Studies like the World Bank's "Uganda Economic Update" (2022) note that LGs collect only a fraction of their revenue potential due to inefficiencies and weak tax administration, while the International Growth Centre (IGC, 2020) underscores that untapped local revenue sources, such as property taxes and market fees, could triple LG revenues if linked to economic growth initiatives. Poor data systems hinder tracking of LED's revenue contributions, contrary to the Policy's emphasis on monitoring and evaluation (p. 21).

37. **Ineffective inter-governmental fiscal transfers modalities in Uganda, inadequate funding for local service delivery is a significant challenge, partly due to inadequate and inefficient fiscal transfer modalities to local governments.** The central government allocates funds to districts through various mechanisms, but these transfers often fall short of meeting local needs. As a result, local governments struggle to provide essential services like healthcare, education, and infrastructure. The insufficient funding and inefficient transfer modalities exacerbate the problem, leading to disparities in service delivery across districts. Some areas receive more funding than others, despite having similar needs, which can perpetuate inequality and hinder development. This situation is further complicated by limited local autonomy, restricting local governments' ability to respond to local priorities and needs. At the heart of the decentralisation policy in Uganda is the devolution of authority, responsibility, and financial resources for providing public services from the Central Government to Local Governments. Whilst the policy envisaged a highly discretionary system of financing Local Government service delivery, from its outset, LG funding has largely been through central Government transfers, including Conditional, Unconditional, and Equalisation grants, as detailed in Article 193 of the Constitution.

38. **Inadequate local government own source revenue mobilization:** Article 176 (2 (d) of the Constitution provides for a sound financial base with reliable sources of revenue for each LG unit, and 2 (e) states that appropriate measures shall be taken to enable local government units to plan, initiate, and execute policies in respect of all matters affecting the people within their jurisdictions. The LG Own Source Revenue Mobilisation Strategy was concluded in 2021 through a comprehensive analysis supported by three diagnostic reviews, namely the diagnostic study on local governments own source revenues, a review of the legal and policy framework, and a technical review of local government revenue management systems. The various analyses noted that there is insufficient contribution of LG own-source revenue to service delivery across the LGs.

The Government of Uganda recognises the important role that LGs play in service delivery and has invested significantly in PFM systems targeting LGs. Own-source revenue has been one of the major challenges facing LGs in the delivery of services. To address this challenge, the primary focus of the government therefore was preparation of the LG Own Source Revenue Mobilisation Strategy and the automation of the revenue management process. Government in line with its rationalisation and harmonisation efforts adopted IRAS as the system for LG revenue administration and has set a timeline to transition all the LGs previously on eLOGRev to IRAS. Additionally, the government undertook the process of training and equipping the various stakeholders.

39. **Low Capacity for Resource Mobilization in Kampala Capital City Authority (KCCA) and Other 10 Cities.** KCCA is neither a local government nor a central government, however it is governed by the Minister of State for KCCA on behalf of the central government. This kind of arrangement is complex and cumbersome in revenue mobilisation. KCCA and the Local Government (LG) budget revenue is an aggregate of all financing inflows from (i) central government grant transfers (ii) locally raised revenues (OSRs) and (iii) direct grants, donations, and transfers from development partners. Own Source Revenues (OSRs) are important

sources of financing for local governments. They contribute to local service provision, ensure local accountability and create financial incentives for the regional administration. The Fifth Schedule, Part IV of LGA describes and classifies own source revenues under three categories: Tax, Non-Tax and Other Revenues. Own source revenue contributes 30% of KCCA's total budget, while according to the local government revenue strategy, own source revenue averagely contributes 5% of the city's total budget. The key domestic revenue mobilization underlying causal factors in KCCA and the 10 cities are summarised below;

40. **Challenges in Local Government (LG) internal controls and accountability mechanisms in reference inadequate or ineffective systems, processes, and procedures within local governments that ensure financial accountability.** Multiple Studies including the World Bank on financial accountability mechanisms in local governments in Uganda highlighted the need for stronger financial accountability mechanisms. Annual reports by the Office of the Auditor General (OAG) have consistently highlighted weaknesses in financial management, procurement, and accountability in local governments (Office of the Auditor General. (2022). Annual Report of the Auditor General for the Year Ended 30th June 2022). There is prevalent non-compliance to the budget transparency initiatives by some MDAs/LGs (22% and 57% for MDAs and LGs respectively) as per the OAG Report (2020) and as well as perceived corruption among duty bearers has undermined the will to undertake voluntary and effective downward accountability at all levels.

41. **Limited Downward Accountability in Local Governments (LGs) in reference to the weak accountability mechanisms that exist between local governments and citizens leading to a lack of citizen engagement, answerability and ultimately poor service delivery.** Despite the existence of a plethora of enabling laws aimed at aiding citizen's participation in processes for the strengthening of downward accountability, their interest and involvement leaves a lot to be desired. This characterised by a number of issues including limited consultation of key stakeholders in the budgeting process and accountability cycle; Limited access to information on contracts, revenue and expenditure, which has hindered follow up of public budgets, expenditure patterns and contracts

42. **Transition from Output-based to Program-based Planning and Budgeting at LG level still low. LGs are struggling to transition from sector-based planning and budgeting to PBB.** Nonetheless the PBS tool does not incorporate budgeting up to sub county level. LGs remain with unutilized funds at the end of the FYbecause they were not able to absorb the funds within that FYfor various reasons. The PFMA 2015 does not allow multi - year budgeting in LGs, yet Program Based Budgeting (PBB) is not synchronized with planning and budgeting in Local Governments which is still sectoral

2.6 PFM Oversight and Accountability for Sustainability of PFM Outcomes

43. **Weaknesses in PFM oversight mechanisms in Uganda undermine transparency, accountability, and effective use of public resources, leading to inefficiencies, corruption, and poor development outcomes.** The current Public Financial Management (PFM) oversight framework in Uganda, comprising the Office of the Auditor General (OAG), Parliamentary Oversight, and Internal Oversight, faces significant challenges that hinder

effective accountability and transparency in the management of public finances. According to the PEFA 2022 assessment, Uganda's PFM system has shown some improvements, but weaknesses persist. Furthermore, internal controls within ministries, departments, and agencies (MDAs) are ineffective, increasing the risk of financial mismanagement. The PEFA 2022 assessment highlights that Uganda's internal audit function is still developing, and there are limitations in the scope and frequency of internal audits (PEFA 2022, Indicator PI-25).

44. **Moreover, there is a growing global expectation for oversight institutions to focus on results-based auditing and reducing corruption.** However, in Uganda, there have been scenarios where MDAs have attained clean audit reports, yet cases of corruption scandals and gross abuse still emerge within the same financial year. This disconnect highlights the limitations of traditional audits, which typically focus on financial statement accuracy and compliance with accounting standards, rather than detecting corruption or fraud. To address these challenges, there is a need for oversight institutions to adopt higher-level risk-based techniques that can detect and prevent corruption. This includes using data analytics, forensic auditing, and other advanced tools to identify potential risks and irregularities. By adopting these approaches, oversight institutions can enhance their effectiveness in promoting transparency, accountability, and good governance in public financial management.

45. **Inadequate audit coverage:** Gaps in audit coverage leave government programs and activities unexamined, increasing risk of mismanagement (World Bank, 2019). The AG is required by law to audit and report on all public accounts and of Uganda and of all public offices. The Office is unable to cover its entire audit population especially the ever-increasing Local Governments, and schools resulting in accumulation of backlogs. In addition, the OAG is expected to provide assurance on implementation of the PDM, which was instituted by the NDP III by conducting audits of the funds allocated to operationalization of the PDM in 10,497 parishes.

46. **The PEFA 2024 assessment noted that while the OAG has made progress in producing audit reports, there are still delays in tabling reports to Parliament (PEFA 2022, Indicator PI-26).** Additionally, parliamentary oversight is weak, with insufficient scrutiny and debate on budget implementation and financial reports (PEFA 2022, Indicator PI-27).

47. **Limited focus on results and the impacts.** Financial audits are typically constrained by their scope, which may limit their ability to examine broader social and economic impacts, such as gender equality. However, there's growing expectation to find opportunities to focus on results and more value for money, which can lead to audits playing a crucial role in identifying opportunities to improve efficiency, reduce waste, and enhance overall performance. Impact assessments enable Supreme Audit Institutions (SAIs) to evaluate the value and benefits of audits to society by analysing the impact of its work on citizens. It aims to address questions related to the extent to which the SAI has made a difference and contributed to positive change in the community. However, there has been limited evaluation of the impact created through audit process which prevents a holistic appreciation of results attained overtime. This impedes the availability of evidence-based information required to make informed audit decisions that balance the needs and interests of stakeholders.

48. **Inadequate institutional capacity of Internal Audit:** Weak internal audit units and limited capacity of oversight institutions. Following the enactment of the PFMA 2015 and subsequent institutional reform that elevated the status of internal audit, the scope of internal audit was significantly expanded. The PFMA 2015 requires every vote to have an internal auditor, and for the Internal Auditor General to among others; review and consolidate reports from all votes and externally financed projects. However currently, there is no internal audit presence in Missions Abroad and there is limited assurance over the externally financed projects. There is also limited coverage of the specialized departments responsible for undertaking IT, Performance and Forensic Audits among others.

49. **There are deficiencies in development and adoption of standard methodologies and tools applicable to all internal audit units in votes and public corporations resulting in performance issues.** Additionally, the adoption and institutionalization of best practice risk and control frameworks such as COSO and CoBIT in the planning and audit execution is very limited. The PFMA 2015 requires the Secretary to the Treasury to ensure that the internal audit function of each vote and public corporation is appropriate to the needs of the vote or public corporation concerned and conforms to internationally recognized standards, in respect of its status and procedures. The Internal Audit standards prescribe among others; methods and tools for audit planning, execution and reporting and follow up in Internal Audit Units across Government. On the other hand, the Internal Auditor General is required to develop internal audit policies, rules, standards, manuals, and guidelines that should be applicable to all internal audit units across government.

50. **Entity annual internal audit work plans are largely not responsive to government wide priorities and interventions such as in the areas of program and project audits, systems development as well as entity core business processes.** The current audit scope and coverage is predominantly backward-looking (assurance) that reports on what went wrong and less of a forward-looking function that prompts awareness of what could go wrong, and what to do about it, before it happens. There is also a lot of standardization of work methodologies. Notwithstanding the need to comply with legal and regulatory requirements regarding reporting timelines, audit cycles are long and impair the drive for timely assurance, insights, and foresights. Current audits are mainly assurance (backward looking) and less focused on providing insights (forward looking) that is critical in enhancing the strategic impact of internal audit recommendations

51. **Lack of timely and effective implementation of audit recommendations over the years has denied the country immense benefits associated with the implementation of audit recommendations.** Late production of audit reports delays corrective action and perpetuates poor financial management (PAC, 2021).

52. **The Constitution and National Audit Act, 2008 provides inadequate guidance for management of audit and audit results as well as post audit results.** This limits the extent to which oversight can make a difference to the lives of the citizens. This is further worsened by ineffective tracking of the status of audit recommendations as well as the existing backlog in the discussion of both financial and value for money audit reports. This negatively affects

the ability of the Office to realize the desired impact of audit work. Insufficient detail in the audit scope to review the impact created through audit process which prevents a holistic appreciation of results attained overtime. The root cause of lack of a clear timetable for AG and Parliament to examine the Treasury memoranda and process it is absence of a clear and comprehensive guide provided to these Institutions. In previous years, this has not been prioritized but it needs to be taken care of in the new PFM Reforms Strategy.

53. **Inefficiencies in Parliamentary oversight.** Ensuring timely and effective scrutiny of audit reports and implementation of recommendations and Recommendations from parliamentary oversight is still a challenge. For example, it has been established that while some official recommendations of the PACs are typically considered and expertly written, some might be challenging to follow. This kind of recommendations might be challenging to the responsible accounting officers to implement in practice since the powers of the sanction Minister is not within the realms of some accounting officers. As a result, many PAC recommendations are unlikely to be implemented, and accounting officers may lack the motivation to support self-sanctions.

54. **The Minister of Local Government has not tabled DPAC reports for scrutiny by PACLG.** It is also noted that majority of these DPACs are not operational since their roles were taken over by PACLG. This has increased the workload of PACLG, which eventually leads to accumulation of huge backlogs of audit reports pending scrutiny. The Local Government Act under sections 88 (4) established the Local Government Public Accounts Committee. Section 88 (7) and (8) of the act spell out the functions of the committee which include examining the reports of the Auditor General on the accounts of any local government and reports of the internal auditor every quarter of the financial year. The minister of Local Government then lays the reports of the DPACs before Parliament under section 89 (7) of the Local Government Act. Weaknesses in this area have also created follow up challenges whereby the capacity to follow up the implementation of decisions made in Parliament by PAC is low. It has also created resistance from Local Governments who passively challenge the mandate of Parliament over local governments.

55. **The outgoing Public Financial Management (PFM) reforms strategy, which concluded in FY2024/25, emphasized downward accountability as a core reform focus.** This emphasis will continue in the new strategy, as many of the aspirations and objectives outlined in the previous strategy are yet to be fully realized. Downward accountability is critical for ensuring that government actions and financial management practices are transparent, responsive, and accountable to citizens. Coordination frameworks for implementing downward accountability are still in their infancy and require strengthening and as such operationalizing downward accountability reforms has proven to be a challenge. Implementation-related reforms often seem to fall into a grey area, lacking clear ownership oversight. Strengthening partnerships and coordination mechanisms will be vital for bridging these gaps and ensuring that downward accountability reforms achieve their intended objectives.

03 PROGRAMME DESCRIPTION

3.1 REAP Goal

56. The overall goal of the Programme is to improve the effectiveness of PFM systems in reducing fiscal deficit from 5.1% in 2024 to 3.0% in 2030 for sustainable returns from public investments.

57. The programme goal is directly linked and in pursuit of the NDP IV and the Strategic direction to grow the Ugandan Economy tenfold by 2040.

3.2 Programme Results

58. The Programme is structured around six key outcomes. Including (i) policy-based planning budgeting, debt management, and diversified financing to drive national development and ensure long-term fiscal stability; (ii) optimized domestic resource mobilization through coherent tax policies and strengthened tax compliance for enhanced budget self-sufficiency; (iii) Improved public investment management, (iv) PFM controls and compliance frameworks for transparency, accountability, and prudent public resource management, (v) strengthened sub-national PFM systems through enhanced allocative efficiency, local revenue mobilization, and accountability frameworks for sustainable local economic development and service delivery, and (vi) Public Financial Management (PFM) oversight and accountability through enhanced transparency, effective audit and oversight, for prudent management of public resources. The sections below present the 6 outcomes and intermediate outcomes (which form Key Results Areas - KRAs). The selected activities/interventions are also highlighted under each KRAs.

The hierarchy and organisation of results is presented as follows:

Outcomes (Reflecting the objectives) → **Key Result Areas - KRA (Intermediate Outcomes)** → **Outputs (Interventions)**

3.2.1 Outcome 1: Enhanced Policy-Based Fiscal Strategy, Planning and Budgeting

59. Fiscal strategy refers to the set of policies and management systems which determine the financial resources available to government to pursue the nation's development agenda and to support the delivery of services for the people. Fiscal strategy lies at the heart of public financial management. Successful fiscal strategy formulation and application is a major driver of the success of the nation in achieving its development objectives. On the other hand, weak fiscal strategy leads to unsustainability of government operations, the accumulation of excessive debt and failure to meet national objectives. The outcome has three (3) key result

areas (intermediate outcomes) : (i) Strengthened Budget Framework and challenge function; (ii) Strengthened Multiyear Budgeting; and (ii) Sustainable development Financing through Alternative Financing

This outcome will have three (3) main Key Result Areas (KRA) and detailed Interventions

KRA 1.1: Strengthened Budget Framework and challenge function;

i. Strengthening of the budget challenge function performed by MOFPED in the critical appraisal of the annual budget frameworks submitted by the MDAs
ii. Evidence-based fiscal policy-making strengthened (Evidence-Informed Budgeting)
iii. Budgets aligned to strategic plans and medium-term expenditure frameworks supported by effective macroeconomic and macro-fiscal modelling
iv. An adequate institutional framework for managing fiscal risks, especially those arising from SOE financial operations, but also covering fiscal risks arising from accumulated spending arrears, legal contingent liabilities, climate change and macroeconomic events. Fiscal risk management will be enhanced through a strengthened institutional capacity in the form of a Fiscal Risk Unit in MoFPED with capacity building in the analysis of contingent liabilities for the budget arising in the SOE sector
v. Multi-year commitments reflected in annual budgets (addressed under Outcome 5.3.2)
vi. Enhancing gender and equity considerations in Public Financial Management

KRA 1.2: Strengthened Multiyear Budgeting

i. The MDAs and programme managers need to transform their planning and budget preparation activities to move from a primary consideration of the annual service delivery to the multi-annual process required to capture the relationship between the recurrent costs of service delivery and the requirement and impact of investment activities to enhance the quality and access to public services over time.
ii. The budget call circular will move to cover a multiannual period consisting of the year of the annual budget and 2-3 outer years
iii. The submission of the budget documentation to parliament will include estimates of the expenditure requirements under the main heads for each MDA for the annual budget for the forthcoming year and, indicative requirements for the outer years. The legal process of budget appropriation by parliament will be confined to the forthcoming annual budget

KRA 1.3: Sustainable development Financing through Alternative Financing

i. Infrastructure Bonds in coherence with PIM objectives
ii. Growth of Retirement Funds as part of Long-Term Domestic Financing Mechanism
iii. Increased Climate Financing as resource to Long-Term Domestic Financing (will include reforms such as climate tagging)
iv. Optimized Public Debt Portfolio Management - Generation of increased fiscal space through efficient debt management which can reduce the annual cost of debt service and amortisation through nimble management of the public sector debt portfolio
v. Green Bonds
vi. Increased access to Investing in Government securities through mass savings

3.2.2 Outcome 2: Sustainable Domestic Resource Mobilization

60. **The objective will focus on the following:** (i) Enhancing the enabling environment for revenue generation; (ii) Enhancing tax compliance through efficient revenue administration; (iii) Enhancing collections from extractives mostly oil, gas and minerals; (iv) Increasing contributions from FDI; (v) Strengthening Governance arrangements for reduced revenue losses from illicit financial flows; and (vi) Strengthening Non Tax Revenue generation.

This outcome will have six (6) main Key Result Areas (KRA) and detailed Interventions

KRA 2.1: Enabling policy environment for revenue mobilisation enhanced

i. Institutional Strengthening of the Tax Policy Function
ii. Strengthened policy and legal framework for revenue mobilisation, with consideration of fairness, equity and sustainability (PFM greening)
iii. Establish policy framework for controlling, management and reporting of tax expenditures
iv. Performance monitoring and reporting framework for DRM established

KRA 2.2: Enhanced Tax Compliance through Efficient Revenue Administration

i. Support to updated Compliance Strategy in line with DRM Strategy
ii. Automated Compliance Monitoring Systems – Enhance tax compliance and revenue collection by tracking production levels at manufacturing facilities to prevent fake product tagging and accurately assess VAT and excise duty.
iii. Streamlined Border Processes: Integrated and automated One-Stop Border Points (OSBPs) with weighbridges for efficient customs monitoring. Options for increased compliance and transparency with advance tax will be included
iv. Updated ETAX system with strengthened revenue data integrity and efficacy of IT systems
v. Effective Investigation: Strengthened URA capacity for investigation, aligned with capacity needs assessment.
vi. International Taxation Framework: Enhanced administrative capacity for effective international taxation.
vii. Efficient Dispute Resolution: Digitized dispute resolution processes for enhanced transparency and efficiency. Digitizing dispute resolution processes - Automation and Optimization of the tax dispute resolution, for enhanced transparency and efficiency. Government aims to increase transparency, reduce processing times, and provide taxpayers with real-time updates on their cases. Additionally, optimizing the Tax Appeals Tribunal and court processes will enable faster redress of grievances, reducing the burden on taxpayers and promoting a more business-friendly environment.
viii. Enhanced collections from taxation of Digital Economy. Including Tax Policy Measures and Reforms to Enhance potential of receipts from digital taxation and Administrative Reforms to Enhance potential of receipts from digital taxation;
ix. Operationalized Tax Academy for sustainable capacity building of taxpayers and staff.

KRA 2.3: Enhanced collections from extractives including oil, gas and mineral sectors

i. Enhanced enabling framework for exploiting new revenue opportunities;

ii. Enhanced Capacity for assessment, collection and management of revenue from Extractives especially minerals and other extractives

KRA 2.4: Increased contribution of Foreign Direct Investments to Domestic Revenue efforts through undertaking Investment Facilitation Reform Interventions

i. Optimised investment (application and licensing) facilitation processes: fully automated licensing systems at One-Stop Investment Centre, processing licenses within 24 hours.

ii. Enhanced Investment Climate: Streamlined policy frameworks for FDI and domestic investments.

iii. Effective investment promotion: developed and implemented investment promotion and facilitation strategy, including digital facilitation.

KRA 2.5: Strengthen Governance arrangements for reduced Revenue losses from Illicit Financial Flows

i. Robust governance framework for reducing revenue losses from illicit financial flows.

ii. Global Cooperation: Strengthened international partnerships on Anti Money Laundering (AML) / Combating the Financing of Terrorism (CFT) / Counter Proliferation Financing (CPF).

iii. Capacity building and change management: enhanced stakeholder capabilities for supervision, investigation, and prosecution. Including increased awareness on ML/TF/PF risks and prevention.

iv. Intelligence-Driven: Secure reporting systems for suspicious transactions, supporting timely investigations. Including research and development to address emerging issues including among others tax fraud, abusive tax schemes, tax scams, money laundering, cybercrime etc.

KRA 2.6: Strengthened Non-Tax Revenue (NTR) mobilization at central and local levels

i. Developing relevant policies to facilitate centralized collection of NTR.

ii. Strengthened framework and innovative systems for collections and monitoring of NTR collection

3.2.3 Outcome 3: Strengthened Public investment management (PIM) for increased development returns on public spending

61. The core aspects of reform under this objective are conceptualized along the following key focal pillars: (i) Appraisal: Assessing project viability, alignment with national priorities, and climate resilience; (ii) Selection: Select projects based on clear criteria, prioritize them, and consider climate adaptation benefits; (iii) Design: Develop detailed project designs that incorporate climate resilience and stakeholder engagement; (iv) Procurement: Ensure transparent and competitive procurement processes; (v) Implementation: Deliver projects on time, within budget, and to required quality standards; (vi) Operations and Maintenance: Ensure effective operations, plan for maintenance, and incorporate climate adaptation measures; (vii) Asset Management: Manage assets effectively, monitor performance, and ensure climate resilience;

and (viii) Monitoring and Evaluation: Track project progress, evaluate impact, and assess climate resilience and adaptation effectiveness.

This outcome will have four (4) main Key Result Areas (KRA) and detailed Interventions

KRA 3.1: Strengthened Planning, Appraisal and Selection of Public Investment Projects and Public Private Partnerships

i. Projected Facilitation Fund sustained including modalities for its operations
ii. Enhance clear project appraisal guidelines incorporating climate resilience.
iii. Investment project costing methodology/formula established
iv. Improved multi-year planning and management of high value investments in selected sectors/MDAs
v. IT-based Integrated Bank of Projects (IBP) developed (including automation of projects management aspects in the PIP)
vi. Capacity strengthened for project cycle management of PIM
vii. Modalities for independent and formal appraisal developed
viii. Governance and institutional arrangements for project selection and appraisal strengthened
ix. Regulatory and institutional framework for management of PPPs strengthened. Including Capacity for management of PPPs strengthened and Capacity for risk assessment of PIPs and PPPs strengthened

KRA 3.2: Enhanced VFM in public procurement for large, complex public procurements

i. Develop procurement guidelines promoting sustainable and climate-resilient solutions.
ii. Implement e-procurement systems ensuring transparency.
iii. Improved Institutional Framework and Management Capacity
iv. Enhanced Public Procurement Operations and Market Practices
v. Strengthened Accountability, Integrity and Transparency of Procurement System

KRA 3.3: Efficient and Effective implementation and accountability of development Projects

i. Strengthened physical planning frameworks and capacities for sustainable infrastructure development.
ii. Including policy reforms on right of way for timely execution of projects
iii. Strengthening inter-governmental mechanisms and frameworks for project oversight, monitoring and risk management particularly under the OPM, NPA and the maximising the programme working groups
iv. Regular performance review and reporting of public projects and PPPs established
v. Establish monitoring and evaluation frameworks tracking climate resilience outcomes.

KRA 3.4: Optimal Utilisation and Maintenance of Assets

i. Public Asset Management Policy (financial and non-financial) framework developed
ii. Develop operations and maintenance plans prioritizing climate resilience.

iii. Systems for management monitoring of critical government assets including Government Asset management systems as well monitoring systems at critical MDAs such as Works and Transport.

2.3.4 Outcome 4: PFM Compliance in Budget Execution Sustained

62. The core aspects of reform under this objective are conceptualized along the following key focal pillars: (i) Budget execution: Ensuring that budget execution processes are transparent, accountable, and compliant with regulations including state owned enterprises; (ii) Financial reporting: Implementing robust financial reporting systems to provide accurate and timely information; and (iii) Internal controls: Designing and implementing effective internal controls to prevent errors, irregularities, and misappropriation.

This outcome will have five (5) main Key Result Areas (KRA) and detailed Interventions

KRA 4.1: Effectiveness and accuracy of public payroll and pension management systems improved

i. Re-engineered and enhanced HCM rolled out HCM to all MDALGs. Including Re-engineered, reconfigure HCM to integrate Balanced Score Card (BSC) performance framework and the contributory Public Service Pension Fund.
ii. Enhance change management interventions and training to increase adoption and uptake of HCM functionality.

KRA 4.2: Effectiveness and integrity of PFM Systems strengthened

i. Governance and controls for PFM system strengthened
ii. Integration of core PFM systems including EGP, Asset management systems, ETAX, HCM with other emerging PFM/ICT systems (integration of systems) as a trusted single point of exchange of human resource information.

KRA 4.3: Comprehensiveness and quality of financial reporting enhanced

i. Accrual accounting and reporting implemented in all MDALGs
ii. Sustainability reporting adopted and rolled out to all MDALGs

KRA 4.4: Improving budget credibility in budget execution

i. Revive and enhance the electronic commitment control system to ensure MDAs purchase goods and services within available resources to avoid accumulation of domestic arrears.
ii. Reform the warranting system to ensure that releases are focused on the intended items and priority areas of the budget, rather than block warranting.
iii. Establish an inter-departmental and inter-institutional framework for in-year resource allocation and budget repurposing during budget execution.

KRA 4.5: Compliance to PFM Laws and Regulations enhanced

i. Improved compliance to PFM regulations by State-owned enterprises. Will include key actions to streamline and disseminate roles and responsibilities of SOEs and Government, Step up Government guidance and supervision of SOEs in terms of budget preparation, execution and reporting, Build capacity of SOE management and staff, Institute a semi-annual report by MOFPED to PSST on the performance of all GOU SOEs.

ii. Strengthen institutional frameworks for management of SOEs within the Fiscal Strategy. Aims to enhance governance, oversight, and accountability in the management of State-Owned Enterprises (SOEs) to ensure alignment with the government's fiscal objectives and strategies.
iii. PFM legal framework harmonised with other conflicting regulatory frameworks
iv. Improved monitoring and access to information on PFM reforms. Includes aspects on domestication and usage PEFA to deepen monitoring of PFM
v. Review and update laws and regulations: Review and update laws and regulations to ensure that sanctions are clear, consistent, and effective. Includes Strengthen investigation and enforcement capacity: Strengthen the capacity of institutions responsible for investigating and enforcing sanctions.

3.3.5 Outcome 5: Sub-National PFM Systems for Service Delivery Strengthened

63. The core aspects of reform under this objective are conceptualized along the following key focal pillars: (i) Budgeting and Planning; (ii) Financial Management; (iii) Revenue Mobilization; (iv) Expenditure Management; and (v) Procurement and Contract Management

This outcome will have Five (5) main Key Result Areas (KRA) and detailed Interventions

KRA 5.1 Enhanced Allocative Efficiency in Fiscal Transfers for Improved Local Government Planning and Service Delivery

i. Revision and Re- Design of IGFT grants Systems
ii. Align the IGFT system to enable Government to support the provision of Social Services Pillars of Parish Development Model (PDM): Includes developing MTP financing options for financing Decentralized service delivery standards through the IGFT systems, to support improvement of delivery of for basic social services delivered at the Local Government. Including results-based financing
iii. Enhanced enabling legal, policy and reporting framework for local service delivery
iv. Gradually increase share of central government transfers for LG service delivery, as recommended in the Fiscal Decentralization Architecture report
v. Harmonized budgeting cycles between LG and National budgets

KRA 5.2: Increased contribution of LG own-source revenue to LG Budgets

i. Enhanced enabling environment for LG own-source revenue mobilisation, in line with DRM strategy.
ii. Including Strengthening LED-Own-Source Revenue Linkages through LG Structures and Plans
iii. Strengthening Tax administration at Local Government Level including sustaining adoption of automated revenue administration systems through the Integrated Revenue Administration system (IRAS).

iv. Revenue management and collection capacity enhanced for lower local governments and local governments, in line with DRM strategy. Will include support for improved revenue planning

KRA 5.3: Improved Oversight and Accountability for Improved Service Delivery in Local Governments

i. Increased demand for downward accountability to citizens for public spending and service delivery performance. This include: Strengthening citizen engagement and participation in budgeting and service delivery monitoring; Enhancing transparency and access to information on public spending and service delivery performance; Building capacity of civil society organizations to advocate for downward accountability; and, establishing effective feedback mechanisms for citizens to hold governments accountable.
ii. Improved effectiveness and capacity of LGPACs and coordination with other audit committees
iii. Improved monitoring and reporting on implementation of LG audit recommendations
iv. Enhanced quality of internal audit assurance function at LG level
v. Establishment of structured engagement forums on accountability in Local Governments and CG

KRA 5.4: Improved Financial Reporting for enhanced service delivery in Service Delivery Units (SDU)

i. Automate Financial Reporting and Compliance Monitoring: Develop automated systems to track compliance with financial reporting requirements and identify anomalies.
ii. Improve Lower Local Government Financial Reporting Guidelines: Establish clear guidelines and standards for financial reporting to ensure consistency and transparency.

KRA 5.5: Enhanced Integrity and Transparency in Local Government Procurement Function

i. Strengthen the Procurement Function in Local Governments.

3.3.6 Outcome 6: PFM Oversight and Accountability for Sustainability of PFM Outcomes

64. The core aspects of reform under this objective are conceptualized along the following key focal pillars: (i) External Oversight-Enhance the independence, capacity, and mandate of the Office of the Auditor General to conduct high-quality audits; (ii) Internal Oversight-Strengthen internal audit capacity by enhancing technical skills and expertise of internal audit units; (iii) Public Oversight and Downward Accountability-Increase transparency by making PFM information and audit reports publicly available and accessible to citizens; and (iv) Programmatic Oversight-Ensure effective coordination and delivery of PFM reforms by establishing a robust governance structure and implementation framework.

This outcome will have two (2) main Key Result Areas (KRA) and detailed Interventions

KRA 6.1: Enhanced impact of financial and VFM audit reporting and oversight

i. Improved tracking of follow up of oversight recommendation by MDALGs. Including deepening uptake of audit tracking system across the audit institutions.

ii. Including Timely reporting (Producing audit reports in a timely manner to facilitate prompt action)

iii. Enhancing audit capacity: Building technical skills and expertise of audit institutions.

iv. Improving audit coverage: Ensuring comprehensive coverage of government programs and activities through deepening risk-based modalities on audits etc.

v. Improved efficiency and effectiveness of OAG through fostering automation

KRA 6.2 Enhanced Assurance (governance, risk and control) by the internal audit function for Compliance of PFM systems

i. Enhancing independence and objectivity of internal audit units. Includes structural strengthening the internal audit function at local government level

ii. Strengthening internal audit standards, methodologies, and quality assurance processes. Including quality assurance and conduct regular reviews of internal audit processes.

iii. Building capacity of internal audit staff. Including training and professional development and adoption of audit tool (The current audit management software is limited to only 27 entities out of the expected 300 votes) and adoption and institutionalization of best practice risk and control frameworks such as COSO and CoBIT in the planning and audit execution

iv. Improving reporting lines and communication between internal audit and governing bodies or audit committees. Includes support for timely submission and review of internal audit reports and follow-up of recommendations as well as designing clear timetables for the Auditor General's examination of Treasury Memoranda (TM) and process after the TM is reviewed.

v. Enhancing risk-based auditing approaches to focus on high-risk areas. Includes Developing risk assessment methodologies and tools and developing audit plans based on risk assessments.

3.3 Budget

65. The total estimated funds for implementation of Strategy actions during the period 2025 -2030 are foreseen to be about **US$280.7 million** equivalent to **UGX 1,066.8 billion.** Annex c provides a more detailed breakdown of the costed implementation plan.

Table 1: Indicative Strategy Cost, by Strategic Objective

S/N	Strategic Objective	Strategy Cost
1.	Policy Based Fiscal Strategy and Budgeting	72,887,127,504
2.	Sustainable Domestic Resource Mobilization (DRM)	67,775,916,410
3.	Public Investment Management	657,869,404,029
4.	Controls in Budget Execution and Accountability	132,085,397,626
5.	Sub-National PFM Systems for Service Delivery	50,520,746,400
6.	Oversight and PFM Compliance for Services Delivery	85,700,851,619
Total		**1,066,839,443,587**

04 PROGRAMME EXECUTION AND MANAGEMENT

4.1 Management Structures

66. **The overall management structure for the Programme is set to be a four-tier coordination system as illustrated in Figure 1.** This will include: a) the Public Expenditure Management Committee (PEMCOM): b) the REAP Partners Committee (RPC): c) the PFM Reform Clusters; and, d) the Key Results Area Coordinators mobilized and facilitated by the Reform Coordination Unit to operationalize the implementation of reforms. **Detailed roles and responsibilities of PEMCOM, RPC, Task Manager and other structures are provided in Table 2.**

67. **The 1st Tier will be the PEMCOM, chaired by the PS/ST, is responsible for strategic policy guidance and oversight.** It will provide a mechanism for GoU to plan and monitor PFM reform initiatives across government – of which REAP forms a part. This forms the first tier of management constituted by both GoU and PFM partners' top leadership with CSO participation.

68. **The 2nd tier will have the REAP Partners Committee (RPC) chaired by the GoU Task Manager and co-chaired by the lead DP for REAP.** This committee shall be the project steering committee to ensure that the Programme activities are implemented in accordance with the agreed plans, to the highest standards and that activities are appropriately phased, coordinated and funded. The Committee will also be responsible for overseeing interventions, which aim to strengthen programme governance: coordination, communication, change management and monitoring. The Committee will be constituted by the respective PFM reform cluster chairs responsible for the Programme Results Areas**.**

69. **At the third level there will be PFM Reform Clusters.** These are technical results-based committees bringing together the relevant line agencies implementing the various strategic result areas. The clusters will ensure that the technical and other resource requirements to achieve reform activities are coordinated, prioritized and sequenced with implementation progressing as planned. This will include planning, budgeting, procurement and monitoring the implementation of their respective activities. The Clusters will be chaired by the respective Results Area Managers/Chairs. The clusters will be responsible for ensuring coordination of t REAP with other PFM reforms initiatives to ensure synergies in the reforms efforts. Lead DPs will be identified to support each of the reform clusters. Annex 3 presents detailed cluster membership and leadership.

70. **At the fourth level, Key Result Area (KRA) Coordinators will be focal points for the REAP initiatives within the implementing agencies supported by the RCU at MoFPED.** KRAs will be representing their respective implementing institutions at Cluster meetings and liaising with the management support team housed at the MoFPED REAP Reform Coordination Office.

KRA coordinators will be selected in line with the various intermediate results in the 6 strategic objectives of the REAP programme. The coordinators assist the cluster head. They will be responsible for actual work planning, consolidation of resource requirements and reporting of progress to the PFM reforms clusters.

4.2 The PFM Reforms Coordination Unit (RCU)

71. **The GoU Task Manager will assume the overall management and responsible for implementation of the Programme** supported by the RCU.

72. **The RCU is comprised of a management support team** to support GoU task manager in the day-to-day management of the Programme. The RCU will also be Secretariat to the PEMCOM and RPC. The team will comprise the following functions:

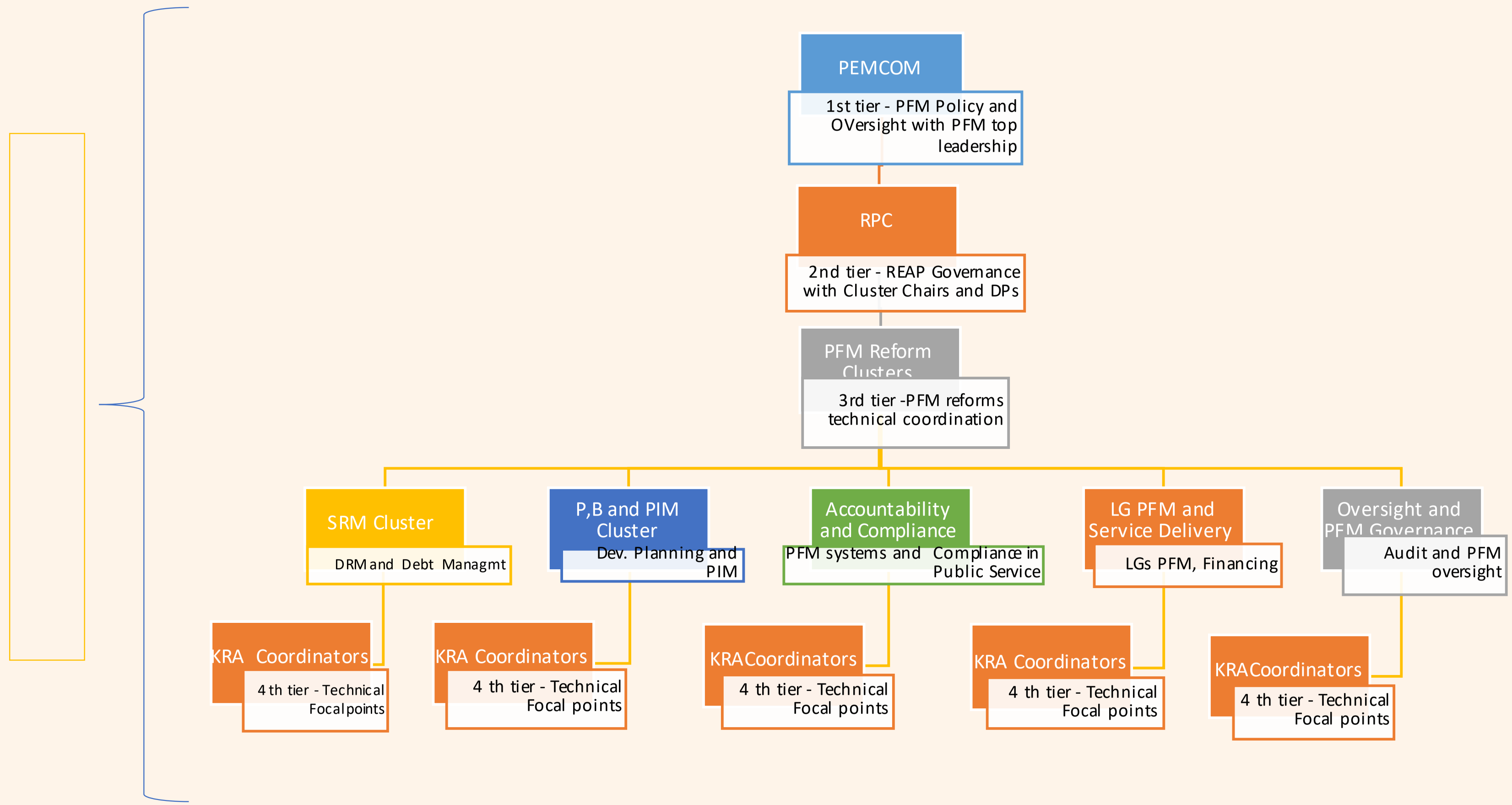
   i. ***Reforms Coordination*** responsible for the overall management and coordination of the Programme activities, as well as perform the role of Secretary to PEMCOM;
   ii. ***Financial Management and Administration*** responsible for management of the Programme funds and ensuring that Results Areas receive the necessary funding and also provide accountability for the funds spent;
   iii. ***Procurement Management***, responsible for procurement activities undertaken by the Results Area Managers, as well as the centralized procurement activities and management of framework procurement contracts;
   iv. ***Liaison and Change Management Consultant***, to ensure that new rules, systems and institutions introduced through reforms are understood, embraced and adopted within Government. The function will also facilitate the programme strategic communication and visibility requirements;
   v. ***Programming, Monitoring & Evaluation***, responsible for development programming and monitoring and scheduling of activities, ensuring timely delivery of quality outputs, monitoring and the evaluation of completed projects. This function will also facilitate coordination of PFM mapping with other reform support programmes for synergies.
   vi. ***Programme Management Specialists*** will provide technical support services for selected project management aspects under the leadership of the consultants.
   vii. Other Staff to provide administrative and logistical support.

Table 2: Summary of Programme Management Structure and Committee Roles and Responsibilities (detailed roles in annex 3)

Membership	Functions	Mode of Operating
1. PEMCOM		
• PS/ST (Chair) • Development Partners Representatives (Co-Chair) • MoFPED Top management • Cluster Chairpersons • Representative from CSOs	1. Overall PFM policy guidance 2. Provide mechanism for coordinating policy guidance and reporting on Public Expenditure Reform activity in the GOU 3. Provide a forum for presentation and endorsement of new PFM reform initiatives and emerging issues 4. Monitor progress of implementation of the PEM Reform Strategy to maximize coordination and achievement of reform objectives 5. Resolve any coordination issues arising amongst stakeholders 6. Secure resources to support all reform activities, from both internal and external sources 7. Facilitate policy dialogue with Development Partners, civil society organisations and the private sector.	1. Meets quarterly 2. Use the Priority Reform Action Matrix (PRAM) to monitor
2. GOU Task Manager		
• Deputy Secretary to the Treasury	1. Overall supervision and coordination of activities of the Results Areas to ensure smooth, timely and efficient implementation 2. Represent REAP at the PEMCOM 3. Supervise the Reforms Coordination Office 4. Review REAP programme plans and performance management frameworks and ensure that all activities are consistent with the overall programme objectives 5. Undertake detailed performance management of the programme	1. Attending PEMCOM meetings 2. Reviewing individual Results Areas' work plans and progress reports 3. Regular discussions with RCU office staff and Result Area Managers 4. Supported by RCU
3. REAP Partners Committee (RPC)		
• DST (Chair) • Contributing Development Partners • PFM Clusters Chairs and Co-chairs • REAP PC (Secretary)	1. Approve work plans/budgets and performance management framework for REAP 2. Mobilization of resources to meet Programme work plans 3. Provide inputs to overall programme planning documents 4. Monitor progress against agreed work plans 5. Highlight and resolve, where possible any technical or coordination issues impacting on programme progress 6. Ensure that implementation of activities is properly coordinated and integrated 7. Carry out any other tasks as may be delegated by the Steering Committee	1. Quarterly meetings 2. Technical Sub Groups constituted on topical aspects under clusters to meet monthly as and when needed

Membership	Functions	Mode of Operating
4. PFM Reforms Clusters		
• Respective Cluster chairs and co-chairs • Key Result Area Coordinators	1. Prepare annual and quarterly work programmes and budgets (for presentation to RPC) 2. Undertake supervision/daily management of the respective result area activities 3. Review implementation and expenditure plans 4. Report to RPC the progress and performance of the respective result area in REAP 5. Prepare programme progress reports and identify issues and actions for the RPC; 6. Assign Result Area Coordinators to assist in monitoring and reporting on programme activities, as well as provide day to day technical support and operations within the result area	1. Regular meetings with implementation teams; 2. Regular review of procurement plans; 3. Progress reports 4. KRACs assist the cluster chairs.
5. REAP Key Result Coordinators		
• The respective KRA coordinators from each cluster implementing institution/ entity	1. KRAs will serve as technical focal points from participating MDAs to advise on prioritization and sequencing of initiatives 2. Detailed costing, budgeting, work planning, and reporting to the clusters 3. Activity-based monitoring 4. Liaising with RCU for accountability of funds for each clusters	1. The KRA coordinators forum to meet quarterly 2. Chaired by the RCU
6. PFM Reforms Coordination Office		
• Coordinator • Procurement • Finance and Administration • Planning, M&E • Liaison and Change Management • RCU Officers and Support Staff	1. Ensure focus, direction, control and sustainability of PFM reform initiatives 2. Be the liaison office for both the Cluster Chairs, Co-chairs and KRA coordinators 3. Provide administrative support to the Programme 4. Provide procurement support to the Programme 5. Provide financial management support to the Programme including payments, accounting and reporting 6. Provide secretarial support to the Programme Management Structures 7. Manage reporting and monitoring of the programme.	1. Regular discussions with key results areas managers to clear out implementation and procurement issues 2. Coordination of programme interlinkages 3. Regular briefs to the Task Manager

Figure 1: REAP II Programme Implementation



4.3 Financial Management Arrangements

73. **The PS/ST will be responsible for the overall accountability of the Programme funds.** Payments will be made through the official government financial management system and will be accounted for by the Task Manager, assisted by the Reform Coordinator who is also the Accounting officer. Key Result Area coordinators will be responsible to manage and monitor their budgets. A Policy Framework will be signed between GoU and Development Partners to guide implementation and cooperation. Details of the REAP II financial management arrangements will be provided in an Operations and Financial Management Manual. Separate programme bank accounts for Development partners' funds, Government of Uganda funds and the consolidated fund

4.4 External Auditing

74. **The Auditor General will be responsible for annual external audit of the Programme**. The audits shall be in accordance with internationally recognized auditing standards. The Auditor General will express an opinion on the Programme Financial Statements in compliance with International Standards for Supreme Audit Institutions (ISSAI), and also prepare Management Letters giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants included in the MoU between GoU and the DPs. The audit reports and management letters shall be submitted to the funding partners within six months of the end of financial year, and be presented to and discussed by the RPC.

4.5 Role of Development Partners (DPs)

75. **Apart from financing the Programme activities, DPs will participate in providing strategic direction and guidance to the Programme through the PEMCOM.** DPs will also be represented at the REAP Partners Committee (RPC) and will therefore be able to engage in technical level discussions prior to the escalation of policy issues to PEMCOM. The RPC and PEMCOM meetings will be held on a quarterly basis but there will be flexibility for ad-hoc meetings to be arranged at the request of the DPs or GoU to address any urgent matters. DPs may also have engagements with the PS/ST, DST, Result Area Managers/Chairs and the RCU as and when needed. DPs will also have the opportunity to monitor and evaluate the effectiveness and impact of reforms through joint (DP& GoU) visits to institutions and dialogue with target beneficiaries. As and when required DPs will freely and each independently engage the programme when they require specific donor related information, reviews and or assignments that directly affect the programme.

76. DPs supporting PFM programmes and TA outside REAP II will advise on synergies and interventions requiring complementary support required from the programme in the Result Area Cluster meetings and Technical Working Groups. This process will be actively facilitated by the RCU. In this regard there will be a particular focus on ensuring effective coordination between programmes supporting URA and revenue mobilisation, as well as Public Investment Management. The REAP planning process will actively promote DP programme engagement in the annual planning process, as this will be a critical factor in the success of the programme. The programme multi-annual budget in annex highlights the main partners against the planned interventions

4.6 Procurement Arrangements

77. **Procurement for goods, works and services will be carried out in accordance with the GoU procurement legislation. All Programme procurements will be undertaken centrally by the RCU.** To ensure value for money, REAP II procurements will be guided by annual procurement plans. The procurement plan will indicate procurements to be carried out over the Programme period. The plan will be subject to annual updates as appropriate. Further details on REAP II procurement and contracting arrangements will be included in a Procurement Manual. The manual will stipulate the policies, strategies and procedures (planning, execution, contract management and monitoring) to be followed when undertaking all REAP II procurements. Provisions for earmarking funds will be agreed upon between DPs and GoU.

4.7 Fraud and Corruption

78. **Specific aspects on corruption will be included in the internal and external audit arrangements**. This will be done to ensure that any possibility of circumventing the internal control system with corrupt practices such as bribes, abuse of administrative positions, mis-procurement, late submission of supporting or accountability documents, unsecured safekeeping and transportation of funds, and potential exposure to money laundering will not be tolerated within the Programme. In addition, Programme operations and financial management reports will be presented and discussed by the RPC on a quarterly basis. The external audit will pay special attention to the risks of material misstatement of the financial statements due to fraud, in line with the International Standards on Auditing.

4,8 Human Resources Management

79. **The Programme Human Resource Management Policy and Procedures Manual** will provide detailed guidance for recruitment, deployment, salary scales, performance assessment and management of staff for the Programme. The programme will engage staff as and when necessary for better use.

4.9 Change Management Arrangements

80. **A Programme Change Management Strategy will be developed to guide change management activities**. These will be tracked and reported annually. The strategy will spell out the various approaches and activities to be adopted to mitigate resistance to change to be introduced by the programme reform activities and generally to ensure a successful implementation of the planned reforms. The strategy will identify doubts or fears about change, and define strategies to address such. For purposes of this document, the various change management activities that will be included in the strategy will include the following, among others: (i) developing simple, clear messages that carry the essence of the changes and to guide communication methods, media and activities; (ii) use of a web-based tracking tools for communication and provision of accurate information on progress towards PFM reforms; (iii) organizing retreats, and meetings; (iv) training/sensitisation on ethics and integrity with regard to PFM; (v) recognition of good performance and support mechanisms; (vi) engaging DPs, Civil Society, Private sector and other institutions to build collaborative networks and partnerships to support PFM reforms and greater transparency and accountability.

4.10 Programme Visibility and Communications

81. **The Programme Visibility and Communications Strategy and Plan will be developed to ensure that any communication on REAP II funded initiatives is consistent with the GoUs and REAP partners' values and priorities**. The strategy will also ensure effective communication on REAP partners' contribution to the programme with information on interventions, impacts and the sustainability of their results. This should in turn enable them share the results and lessons learned by the project at the highest possible level.

82. A Web page or portal will be maintained and updated regularly with reform information, activities and reports. The content of the Web Page and management and update mechanisms shall be provided in the liaison, communication and change management strategy.

4.11 Capacity Development Strategy

83. **The capacity development strategy of the programme will be reflected in the development and adoption of an integrated, well-coordinated and prioritised capacity building and training programmes across the PFM clusters.** These will be preceded by systematic needs assessment and will be monitored to ensure effectiveness. A dedicated impact evaluation of the capacity building support will be undertaken at the end of the programme to gauge knowledge transfer and change in practice. The programme will leverage existing training institutions after assessment of options to deepen coordination. The RCU will be responsible for monitoring and consolidation of annual training plans in line with the capacity building strategy, which will be prioritized in consultation with PFM clusters.

4.12 Planning, Monitoring and Evaluation Strategy

84. **The Planning, Monitoring and Evaluation strategy will be developed to detail the results chain, reporting and dissemination arrangements, M&E plans and approaches.** This will also include detailed definitions of indicators. Annex 2 provides a detailed M&E matrix with results indicators. REAP II will leverage on the PFM clusters to, where necessary, review and agree on new targets and review indicators jointly with DPs and CSOs. In line with the National Monitoring and Evaluation Policy, the REAP II M&E framework will be integrated into the existing GoU M&E systems as part of the DPI Programme. All units under the RCU will contribute to the development of annual work plans and budgets in the context of multi-annual budgeting. Funding allocations will depend on the development and quality of detailed intervention plans with related specifications and terms of reference. Review of agreed targets and indicators will be done in the PFM clusters jointly with development partners and CSOs. The RCU will support the ongoing development and strengthening of the results framework over the course of the programme. This will include the selection of a set of higher levels in indicators to assess overall performance of the programme as well as a set of critical outputs to be delivered by REAP II.

85. **Mid-term term evaluation reviews, Impact Monitoring and Special DP Reviews will be agreed to deepen learning and accountability for both the resources and results. In addition, the government wide PEFA review will assess the PFM reforms strategy in its entirety.** The end of programme evaluation will assess the contribution of the programme (s) evaluation towards the final outcomes and overall impact of the programme on service

delivery. It will also assess the sustainability of the programmers' interventions and provide recommendations on improvements in the structure, implementation, expansion, elimination or redesign of public financial management reform efforts in the future. The Midterm review will be conducted after two and a half years of implementation of the programme.

4.13 REAP Client Charter

86. **As part of stakeholder management, the programme will develop a client charter with key performance indicators to monitor the operational performance of the RCU and technical support services to the implementation partners.** This will help manage expectations and roles of implementing entities and also enhance accountability for operational performance.

4.14 Risk Management and Sustainability

87. **The Risk Management and Sustainability Strategy will be developed to detail the risks at both programme implementation and in each of the key result areas**. The approach to risk management will be to integrate risk monitoring and control as part of the monitoring and evaluation function. The programme faces a number of other risks that will need to be managed to ensure a successful delivery and achievement of objectives of the programme. As such, a risk register will be developed and updated every quarter highlighting any risks that have been identified/assessed and mitigation actions proposed/taken in order to stabilise the implementation environment of the reforms (Table 3 provides an overview of key risks). The project sustainability plan will cover aspects of financial sustainability, environmental considerations such as efficiency in usage of paper and in other operations; stakeholder management; and modalities for flexibility.

88. The nine risk categories identified include (i) Political and governance; (ii) Macroeconomic; (iii) PFM strategies and policies; (iv) Technical design of the programme; (v) Institutional capacity for implementation and sustainability; (vi) Fiduciary; (vii) Social risks; (viii) Stakeholders; and (ix) other risks. The risk register will mostly focus on these risks. The Results Area Managers will be responsible for monitoring occurrence of anticipated risks and taking mitigation measures so as to protect the attainment of programme objectives from the impact of the risk.

Table 3: Risks and Indicative Mitigation Actions

Risk Category	Possible Risk (s)	Possible Mitigation Action (s)
1. Political and governance	Changes in political leadership tend to undermine government ownership of programmes. Political competition for programme resources can also be a possibility, especially where politicians threaten not to support such programmes unless there are benefits for their constituencies. The PFM Resource Coordination Unit (RCU) could also face difficulties in reaching agreements between Key Result Areas (KRA) Coordinators on the division of any new resources or reallocating resources from non-performing activities. Collaboration among KRA Coordinators could also prove difficult, yet collaboration will be essential for systemic reform and achievement of programme results. There is a risk that political pressures lead to the continued creation of new LG administrative units, undermining progress on PFM reforms. There may be resistance to increasing the share of revenue going to Local Governments, implementing reforms to strengthen taxpayer compliance or tax policy amendments due to political concerns.	In case of a possible turnover of politically appointed leaders in the implementing agencies, Uganda has a highly elaborate institutional structure for PFM reform. At the top level, is Apex Platform comprised of Office of the President; OPM, NPA and MoFPED. Below this are Programme Working Groups (PWGs). PFM falls within the mandate of the Development Plan Implementation (DPI). The DPI comprises a number of institutions (MDAs) : MoFPED (Chair), OPM, OAG, MoPS, NPA, BOU, UBOS, PPDA, LGFC, URA, MOICT&NG, MOLG, URBRA, FIA, MOFA, UIA, KCCA, NIRA and Equal Opportunities Commission. Regarding the possible risk of politicians threatening not to support the programme due to their constituencies not benefiting, this will be mitigated through change management activities. The risk of likely difficulties in dividing any new resources or reallocating resources from nonperforming activities will be mitigated through the following measures; (i) donors will clarify which activities they expect the new resources to finance, (ii) the RCU will ensure strategic alignment of resources with the directives of PEMCOM, and (iii) conduct transparent evaluations on performance of results areas and have the evaluations and recommendations therein approved by PEMCOM. Regarding the risks on creation of new districts and political resistance to reform, the programme will highlight the impacts of these decisions on the objectives of the programme. Where it becomes difficult to achieve the reforms the resources may be transferred to other result areas where outcomes can be achieved.
2. Macroeconomic	External and domestic economic risks can derail implementation and achievement of results. Local economic institutions (at local governments) are weak and macroeconomic policies are vulnerable to external shocks (e.g. exchange rate volatility, global recession, regional insecurity).	GoU has taken steps, which will mitigate such risks e.g. there is a drive to increase exports to have strong reserves that can weather external shocks. Macro-economic stability will be monitored throughout the course of the programme.

Risk Category	Possible Risk (s)	Possible Mitigation Action (s)
3. PFM strategies and policies	Donor projects/programmes that target PFM functions e.g. UgIFT, PIM Plus along with REAP to deliver the desired results and outcomes in the most effective and efficient manner. Although programme preparation involved a highly consultative process with Development Partners, it will be necessary to maintain this dialogue and collaboration throughout programme implementation, through systematic sharing of programme information and coordination of interventions. Failure to maintain the dialogue will present a risk.	To ensure coordination and communication. The appointment of lead DPs to support Cluster Committees should facilitate coordination and dialogue.
4. Technical design of the programme	There are two main risks. (a) Scope of programme activities—overall, the REAP agenda is ambitious, with multiple components cutting across key institutions. Some implementing agencies could also have limited ability to absorb the allocated resources at a rapid pace or adapt to the planned reform agenda. Moreover, the interconnectedness of the various reform activities will need to be properly prioritized and sequenced to avoid delayed or below standard outputs, which will require systematic collaboration between results areas; (b) insufficient funding to cover full programme costs could prevent implementation of all programme result areas.	As regards the scope of programme activities, Implementation teams, supported by appropriate change-management techniques, will mitigate the complexity of risks. Close monitoring of work plans by the Programme Office and RPC will be critical. Regarding the second risk, result area budgets are established based on donor commitments to the Programme. Appropriate financial planning will also be performed to ensure that the required funding is available to implement the programmed activities.

Risk Category	Possible Risk (s)	Possible Mitigation Action (s)
5. Institutional capacity for implementation and sustainability	Some targeted GoU institutions are staffed with unskilled, aged or absentee employees and staff morale is low because of poor compensation. Thus the Programme may struggle to mobilize the capacity necessary to implement some reforms (especially in local governments), which might lead to delays in implementation of some activities.	Program design focuses heavily on training of GoU staff to build their capacity in various PFM aspects including project planning and implementation. The Programme will also rely on other donor interventions that focus on PFM to provide the necessary technical assistance to ensure proper implementation of programmed activities.
6. Fiduciary	Result areas may not use programme resources with absolute integrity to achieve value for money e.g. there could be non-compliance with approved programme work plans or budget indiscipline.	The RPC and the PFM Clusters that bring together all Result Area Managers will meet regularly quarterly to objectively review progress and provide managerial direction with direct reporting to the RPC and PEMCOM as appropriate. The Programme Office will also ensure the use of regular in-depth reviews and annual performance evaluation of all result areas.
7. Social risks	The Programme is expected to have positive social impacts through improved confidence in government. However, resistance is expected from certain public officials who may wish to maintain the status quo of less-transparent systems and procedures for the sake of personal gains. Second, power dynamics within result areas could cause conflict (which could affect implementation of activities), especially in the event that one party or group of staff is favoured over another while expending the programme resources.	Appropriate change management and communication strategies will be adopted to help in countering resistance to reforms. The programme office and implementation teams will monitor the potential impact of activities on power dynamics and conflict drivers, taking care to implement the programme through a conflict sensitive approach.

Risk Category	Possible Risk (s)	Possible Mitigation Action (s)
8. Stakeholders	There are risks related to stakeholders that might delay or halt activities and may affect successful programme implementation. For instance, reforms in tax administration that relate to streamlining of tax exemptions will involve changes that will affect the interests of some stakeholders, who may resist the changes to the tax code and legislation.	Understanding the relative power and influence of stakeholders will help to forge the approach towards mitigation actions. The Programme appreciates that all stakeholders are important but have different interests, and will require careful management. Through the change management function, various communication and engagement methods will be designed to inform, consult, involve and collaborate with the different stakeholders. In circumstances where significant conflicts of interest are identified, PEMCOM will draw on political power from the MoFPED, the Office of the Prime Minister or even the Presidency.
9. Planning and Programming	There is a risk that officials will resist the proposed transition to joint multi-annual planning by result area involving all stakeholders in agreeing priorities and action plans. The systems under previous programmes and indeed GoU wide have been heavily based on annual plans by individual MDAs. There may also be resistance to the new approach proposed for capacity building with more coordination in design of an overarching PFM training system to be delivered through design of training modules.	The requirement for approval of multiyear planning will be implemented by the clusters. These will ensure that strategic planning is implemented and will provide a forum for change management to the approach. The programme has committed to funding reform in multi-year planning government wide to inculcate the practice and ensure sustainability. Capacity building planning will be facilitated by the adoption of a holistic approach to capacity development directed by well-designed capacity building programmes tracked by RCU and jointly monitored by the Clusters.

Risk Category	Possible Risk (s)	Possible Mitigation Action (s)
10. Other risks	Reform interventions proving unsuitable for addressing identified problems Abandonment of the reforms by result area managers Failure by service providers to deliver the expected quality of works, goods and services Price variations by contractors during implementation of projects Delay by consultants to deliver expected outputs Unrealistic costing of outputs, leading to cost overruns Delayed initiation of procurements by implementing agencies Diversion of released resources to unplanned outputs Delayed approval of relevant legal and regulatory framework by Parliament Elements of corruption identified and not dealt with fully and decisively	These risks will be mitigated through close monitoring by the Reform Coordination Office, particularly of procurement processes and contract supervision. Programme flexibility to respond with changes in strategy and emerging issues will be facilitated and controlled jointly the PFM clusters that include participation of GoU, DPs, and CSOs. In case of serious constraints it may be necessary to consider shifting resources to result areas that are able to deliver reforms pending resolution of binding constraints in non-performing areas.

05 INSTITUTIONAL AND LEGAL FRAMEWORK IMPLICATIONS

89. **The policy and legislative framework is broadly supportive of the planned PFM reform programme**. The PFM Act, Cap 171 defines the roles and responsibilities for managing public finance based on international good practice. The PFM reforms do not require any significant adjustments to the institutional arrangements established by Government to manage financial systems and provide regulatory oversight. However, under the six reform result areas there will be need for some minor adjustments to legislation as well as resolution of institutional constraints, which could impact on the pace and effectiveness of planned reforms.

5.1 PFM Systems and Compliance

90. **The integration of systems has already commenced with support from MoFPED and NITA-U**. The programme implementation for this result area will be led by the Accountant General's Office in MoFPED working closely with MoICT/NITA-U, MoPS, PPDA, and URA. Plans are underway to establish strengthened governance arrangements to oversee integration of PFM systems with shared technical support, training, data storage and disaster recovery systems. This is essential to improve oversight, integrity, integration and security of PFM data, as well as maximising opportunities for data analysis to inform decision-making.

5.2 Policy-Based Budgeting and Planning

91. **The successful implementation of PBB linked to NDP will require closer harmonisation of performance monitoring systems between MoFPED, OPM, NPA, MoLG and MoPS**. These institutions will need to work closely together to improve mechanisms for monitoring programmes and assessing performance of senior managers in strengthening multi-annual planning and achieving higher-level objectives.

92. The proposed gradual increase in the share of revenue being channelled through LGs and increased discretion over resources provided will require a high level policy decision supported by Cabinet and Parliament. This will be a reversal of a long-term trend, which will depend on political support.

5.3 Sustainable Resource Mobilisation (SRM)

93. **Several legislative impacts are expected under this results area**. They are discussed below.

    i. **Data Sharing** initiatives proposed will have major impacts on DRM moving forward. Existing GoU legislation is not robust enough to ensure the maximum potential is realised. However, this issue is larger than issues around DRM and will be addressed, overall, as an e-government initiative. The effective sharing of data is the final requirement, but to realise this GoU will need to put in place appropriate legal provisions and planning across government. This is expected to be addressed within the Regional Communication and Infrastructure Programme (RCIP). In particular, the following is expected to be done to achieve the required inter-government operability in relation to IT; (a) alignment of organisational processes across the various agencies; (b) commonality of data collection and collation to allow meaningful and useable data exchanges; and (c) establishment of systems that can interface and interact.

ii. **Powers** to request and access data from various third parties both from internal and external government sources, will also need to be addressed, subject to the Data Sharing issues raised above.

iii. **The exemptions** review covered under the Tax Policy and DRMS interventions are likely to lead to sections of the primary tax laws being amended. Amendment of these existing acts is likely to be covered by existing staff within MOFED with technical support as required, and with advice from URA on practicalities to address operationally.

iv. Proposals for adjustment of the **tax regime** under the Tax Policy interventions may require new legislation to be drafted. There is likely to be a requirement for technical assistance to complete this work. The DRMS will aim to develop a multi-year framework for adjustments to the tax regime and changes to tax legislation to allow a more predictable and transparent process for private sector planning and investment.

v. **The URA will be supported to establish a new Unit for data analysis**, with high-level capacity to utilise the information consolidated under the eHub Data Warehouse to inform compliance and enforcement interventions. This unit should be set up with salary levels to attract and retain data analysis experts and should report to the Commissioner and the senior management team of URA.

vi. **URA and the MoFPED Tax Policy Department will need to develop a constructive and close working relationship to guide the DRMS**. They will also need new mechanisms to consult key stakeholders including relevant MDAs, and the private sector on tax administration and legislation issues so that there is feedback and learning during the reform process. There will also need to be effective mechanisms in place for obtaining independent feedback of client and stakeholder perspectives of revenue administration systems.

vii. **The monitoring and target setting process for URA will also need to be adjusted** to facilitate a more informed framework for performance assessments and incentives.

5.4 Public Investment Management

94. **There will need to be a review of the legislation governing appraisal and approval of Public Investment projects including Public Private Partnerships**. The interventions under this component will be implemented under the leadership of MoFPED through the Project Appraisal and PPP Unit working in close collaboration with NPA. Under the current arrangements there is a separate decision-making system for PPPs with the risk of poor coordination and differing standards. There are also concerns to strengthen monitoring and oversight mechanisms which may require adjustments to legislation and related regulations.

95. **Action will also be required to strengthen the role and performance of Sector Working Groups.** Consideration should be given to enable Sector Working Group input in decisions

on allocations for priority sector development and policy interventions. This would provide a strong incentive for better sector coordination. Budget resources should also be provided to support the secretariats and other inputs to facilitate sector coordination institutional arrangements.

96. Planned improvements to decision-making on the public investment plan include the introduction of an annual review of all major projects by sector, with assessment of performance, adjusted cash flow forecasts, and plans for new priority projects to commence in the coming year presented to Cabinet for formal approval as part of the budget cycle. There are also proposals to strengthen oversight and monitoring of all large public investment projects based on a review of current practice and international good practice.

5.5 Accountability Systems and Compliance with Rules and Regulations

97. Amendments to public service legislation will be needed. A major priority under the programme is to improve enforcement of PFM legislation and regulations through improved disciplinary systems and administrative sanctions. These changes require some amendments to Public Service legislation and to the Civil Service Standing orders.

5.6 PFM Systems in Local Governments

98. The implementation of interventions will be led by the Ministry of Local Government working in collaboration with LGFC, URA, MoFPED, and NPA. The plans for enhancement of revenue mobilisation for LGs include a review of current legislation and policy issues affecting the collection of local revenue, including its interface with tax policy managed under Central Government. **This is expected to lead to recommendations for amendments to improve harmony between national and local Government tax policy and legislation**. The current joint approach to revenue collection, which has been piloted in several Municipal Councils will be rolled out to other LGs, with priority given to Municipal Councils, where the greatest impact can be expected. This collaboration may require adjustments to policies and institutional systems in LGs and URA for management of tax payments, taxpayer data and administration costs, as this process deepens.

5.7 Programme Governance

99. The leadership of the PFM Reform process will be under MoFPED with oversight managed through the Public Expenditure Management Committee (PEMCOM). This arrangement has worked well under the first REAP in bringing together all key implementing partners and stakeholders, including development partners and civil society representation, and creating a dynamic process to monitoring and drive forward progress in reform actions by the different MDAs. However, the planning of reform intervention has tended to be component-led with limited collaboration between entities to ensure efficiency and synergies between reform actions.

100. The new programme is designed to operate through a more collaborative approach with sub-groups responsible for planning and implementation of reforms in each of the six result areas. **The joint approach will require time and support from the RCU to ensure that it becomes effective**. The RCU will also need to play a much stronger role in guiding the

sub-groups in the design of sustainable capacity building approaches, working with national training institutions, and developing shared training systems for induction and refresher training targeting selected civil servants.

101. **PFM Reforms are part of the DPI Programme and institutional arrangements are aligned with the DPI Programme**. There will be an annual review of progress of PFM reforms as part of the DPI Programme Annual Review. Effort has been made to harmonise the PFM Cluster engagement with the DPI Programme Working Groups. Monitoring the progress of PFM reform indicators shall also be managed under the DPI Programme to ensure sustainability and alignment of key indicators.

ANNEXES

ANNEX1: REAP II Summary Indicative Five Year Budget by Strategic Objective

Strategic Objective	Indicative Cost (USD)	Indicative Cost (UGX)	Annualized Indicative Cost (UGX)				
			FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Policy Fiscal Strategy, Planning and Budgeting	19,180,823	72,887,127,504	9,407,563,237	19,199,396,733	16,224,688,067	14,761,614,733	13,293,864,733
DRM	17,835,767	67,775,916,410	10,102,310,227	19,527,294,533	17,125,515,533	11,527,768,867	9,493,027,200
PIM	173,123,527	657,869,404,029	157,601,325,562	133,097,770,833	126,575,815,633	120,492,851,000	120,101,641,000
Budget Control	34,759,315	132,085,397,626	38,151,521,066	33,966,391,707	24,089,558,373	19,683,701,573	16,194,224,907
SN-PFM	13,294,933	50,520,746,400	14,597,472,107	14,729,161,057	9,909,128,857	5,544,992,190	5,739,992,190
PFM Oversight	22,552,855	85,700,851,619	13,032,428,726	23,681,267,436	18,190,014,102	17,046,467,436	13,750,673,919
Total	**280,747,222**	**1,066,839,443,587**	**242,892,620,974**	**244,201,282,299**	**212,114,720,566**	**189,057,395,799**	**178,573,423,949**

ANNEX 2: REAP II Outputs and Five Year Costed Implementation Activity Plan by Objective and Result Area

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Objective 1: Sustainable Policy-Based Fiscal Strategy, Planning and budgeting							
1.1 Budgets aligned to strategic plans and medium term expenditure frameworks			**4,590,461,904**	**8,632,946,667**	**8,856,006,667**	**8,372,140,000**	**7,707,140,000**
1.1.1 Alignment of the Budget to NDP IV	Development of Certificate of Compliance framework for the Macroeconomic, National, Programme, MDALGs	NPA	114,000,000	114,000,000	114,000,000	114,000,000	114,000,000
	Development of an electronic Planning system to support the development of Plans across the Programme Approach interfacing within Programme Budgeting System.	NPA/ BPED	-	-	665,000,000	285,000,000	-
1.1.2 Development and Costing of service and service delivery standards	Development of Certificate of Compliance framework for the Service Delivery Standards for CG and LGs	NPA	-	114,000,000	114,000,000	114,000,000	114,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Costing of the Service Delivery Standards for Central Government;	MOFPED/ BPED	-	121,600,000	-	-	-
1.1.3 Improve public participation in the budget process	Consultancy services to enhance the Budget Website and Budget Call Centre;	MOFPED/ BPED	-	114,000,000	-	-	-
	Procurement of new equipment and enhancement of technology for the Budget Call Centre	MOFPED/ BPED	-	190,000,000	-	-	-
1.1.4 Reduce Fiscal Variances a proportion of the Budget	Alignment of the Budget to the NDP;	MOFPED/ BPED	-	110,200,000	110,200,000	110,200,000	110,200,000
	Alignment of the PBS to PBB and PIAPs	MOFPED/ BPED	-	-	-	1,140,000,000	760,000,000
	Capacity building for Budget Analysts and Planners on budget modelling and baseline analysis for informed decision making;	MOFPED/ BPED	95,761,954	342,000,000	342,000,000	342,000,000	342,000,000
	Undertake quarterly budget reviews and budget rationing exercises to address fiscal variances	MOFPED/ BPED	-	228,000,000	228,000,000	228,000,000	228,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.1.5 Strengthening capacity in macro-fiscal policy analysis	Undertake training and capacity building on macroeconomic analysis using the expanded Social Accounting Matrix	MOFPED/ MEPD	182,720,000	282,720,000	282,720,000	282,720,000	282,720,000
	Develop and implement macroeconomic analytical tools and frameworks that can assess the financing requirements to achieve Uganda's aspirations under the National Determined Contributions	MoFPED/ MEPD	240,000,000	228,000,000	228,000,000	-	-
		MOFPED/ MEPD	-	-	304,000,000	304,000,000	304,000,000
1.1.6 strengthen the implementation of the programme approach to planning across the MDAs and LGs.	Technical backstoppingof Programme Secretariats, MDA & LGs on the Programme Based Approach	NPA		68,020,000	68,020,000	68,020,000	68,020,000
	Development of Regional Development Plans to align to the NDP4 and Ten-fold Growth Strategy	NPA					
	Certified Training of Staff in Development Planning Courses	NPA	366,000,000	266,000,000	266,000,000	266,000,000	266,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop and implement a Sustained change management strategy for the entire government architecture to fully adopt the programme approach in development planning and implementation.	NPA	354,000,000	228,000,000	228,000,000	228,000,000	228,000,000
	Strengthening and Periodic review of the functionality of Programme WGs, attendant structures and related capacity to develop strategic plans enhanced	MOFPED	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000
	PBS Technical Support and coordination of cluster activities	MOFPED	1,099,551,960	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
		MOFPED	109,955,196				
		MOFPED	164,932,794				
		MOFPED	129,600,000				
	Amend the PFMA Act, 2025 to ensure it recognizes the programme approach and make adjustments in the composition of the sessional committees of Parliament.	MoFPED	-	-	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.1.7 Enhance the coordination role of OPM and other platforms promoting participation of various relevant stakeholders.	Support the roll of OPM in the monitoring of government projects and Link the NDP web-based system to the PBS	OPM	579,000,000	1,064,000,000	1,064,000,000	1,064,000,000	1,064,000,000
1.1.8 Strengthen Disaster Risk Management financing	Develop an estimate of the resources needed in the CF to finance expected government expenditure on public infrastructure impacted by natural disasters.	CFU	210,000,000	475,000,000	475,000,000	-	-
	Based on historical data and forecast impact of natural disasters, develop an assessment of the appropriate mechanisms for Uganda to finance its DRM.	CFU	-	305,266,667	305,266,667	-	-
	Develop a disaster risk financing strategy.	MOFPED/DB	-	235,600,000	235,600,000	-	-
1.1.9 Macroeconomic management with a medium term outlook aligned with the National strategic objectives	Establish institutional arrangements, procedures and monitoring to operationalize the Charter of Fiscal Responsibility	MOFPED/DB	-	-	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.1.10 Strengthening Program-Based Budgeting (PBB) reform for the planning function in government	Review & strengthening of PBB reform and implementation of PBB in MDALGs	MOFPED/DB	173,600,000	273,600,000	273,600,000	273,600,000	273,600,000
	Rollout of the Cash Flow Module to all Votes (CGs and LGs) with Department of Cash Policy.	MOFPED/ DDCP	204,000,000	304,000,000	304,000,000	304,000,000	304,000,000
	Strengthening and Periodic review of the functionality of Programme Working Groups, attendant structures and related capacity to develop strategic plans enhanced	MOFPED/DB	214,000,000	114,000,000	114,000,000	114,000,000	114,000,000
	Enhance functionality of PBS tool to include planning (multiyear planning at vote level)	MOFPED/DB	220,340,000	320,340,000	-	-	-
1.1.11. Government Economists trained to improve quality of MDALG plans with a realistic multi-annual perspective	Develop programme and institutional arrangements for professionalization of 'common cadre' e.g. Comprehensive (certified) training for MDALG Economists and Statisticians	MOFPED/DB		174,800,000	174,800,000	174,800,000	174,800,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Training HoDs, HoF and Heads of Planning units in MALGs in Budget reforms	MOFPED/DB		326,800,000	326,800,000	326,800,000	326,800,000
1.2 Multi-year commitments reflected in annual budgets			-	215,840,000	469,173,333	253,333,333	253,333,333
1.2.1 Strengthened accuracy and comprehensiveness of multi-year budgeting	Review and establish policy framework for multi-year budgeting and commitment monitoring	BPED/ MOFPED		215,840,000	215,840,000	-	-
	Review of Vote Budgets by budget analysts using the Program Budgeting System, the Integrated Bank of Projects, and the MTEF and other Policy Documents	BPED/ MOFPED	-	-	253,333,333	253,333,333	253,333,333
1.3 Sustainable debt and Development financing			3,556,518,000	5,109,463,733	2,104,271,733	2,058,608,400	1,393,608,400
1.3.1 Regular market engagement on investment in Government Securities	Maintenance and Rollout of projectokusevinga, including awareness campaign for the system	DDCP	291,466,000	91,466,000	91,466,000	91,466,000	91,466,000
		DDCP	120,000,000				
		DDCP					

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop a platform for remote opening of Central Securities Deposits (CSD) accounts capacity.	DDCP	1,660,000,000	1,140,000,000	-	-	-
	Introduction and rollout of Diaspora and infrastructure Bonds as a new source of raising cheaper borrowing	DDCP	173,312,000	373,312,000	-	-	-
1.3.2 Enhanced participation in exploring Innovative and competitive financing options	Implementation of the Government of Uganda Financing Strategy	DDCP		332,849,600	332,849,600	332,849,600	332,849,600
	Carry out road shows to potential investors in the offshore market.	DDCP		266,000,000	266,000,000	-	-
	Acquire and maintain licenses on the Bloomberg platform for financial markets monitoring, planning and debt risk management.	DDCP	298,000,000	298,000,000	298,000,000	298,000,000	298,000,000
	Undertake consultancy for investment of temporally cash balances on the UCF	DDCP		166,440,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.3.3 Increased participation of Official Development Assistance (ODA) in financing the fiscal deficit	Development of ODA Financing Strategies, Capacity building in resource mobilization and disbursement	DDCP	200,000,000				
	Consultancy to develop a comprehensive development financing plan	DDCP	-	532,000,000			
	Formulation, coordination and monitoring of the Policy Performance Actions (PPAs)	DDCP	105,000,000	114,000,000	114,000,000	114,000,000	114,000,000
1.3.4. Enhanced capacity in public debt negotiation, operationalizing the debt management strategy and Cash Management	Implementation of the Guidelines For Negotiating Government Financing Agreements and Expression of interest guidelines	DDCP	128,440,000	128,440,000	-	-	-
	Deliver training to Hedging, Derivatives and Swaps	DDCP		118,053,333	118,053,333	-	-
	Debt Sustainability tracking tool on new financing alternatives	DDCP		104,956,000	104,956,000	104,956,000	104,956,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Deliver training to operationalize the Medium Term Debt Management Strategy (MTDS), DMFAS, DSA- project cycle management, Public Debt Portfolio management and analysis, debt sustainability analysis,, analysisand record of guarantees and contingent liabilities arising out of public and PPP investments, and pricing of financial productsand market conduct in domestic debt, strengthen negotiation skills	DDCP	260,300,000	260,300,000	260,300,000	260,300,000	260,300,000
	Midterm Review of the 2023 Public Debt management Framework	DDCP	-	326,610,000	326,610,000	-	-
	Develop a Strategy and monitoring framework for improvement ofthe Country's Credit rating	DDCP		192,036,800	192,036,800	192,036,800	192,036,800

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake implementation of the roll out of the monthly cash flow forecasting module on PBS	DDCP	320,000,000	665,000,000	-	665,000,000	-
1.4 Enhancing gender equity considerations in Policy Fiscal Strategy			498,600,000	668,600,000	516,620,000	360,620,000	50,100,000
1.4.1 Enhanced gender-equity budgeting in selected key macro-fiscal areas/themes	Review and improve monitoring and evaluation methodologies for GEB	MOFPED/ GEB UNIT	250,100,000	150,100,000	150,100,000	150,100,000	150,100,000
	Capacity for integration of GEB in Macro-economic tools/MTEF	MOFPED/ GEB UNIT	182,000,000	152,000,000	-	-	-
	Capacity for integration of GEB in tax analysis	MOFPED/ GEB UNIT	-	-	210,520,000	210,520,000	-
	Integrating gender equity into debt management.	MOFPED/ GEB UNIT					
	Capacity for integration of Gender Equity in Investment Promotion for inclusive growth						

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Enhancing the GEB assessment framework to integrate assessment of budget, debt and MTEF	EOC	66,500,000	66,500,000			
	Develop standardized G&E assessment frameworks and guidelines for all phases of the budgeting process.	MOFPED/ GEB UNIT		300,000,000	156,000,000	-	-
1.5 Enhancing Climate Change Considerations for sustained Public Financial Management			305,163,333	1,563,383,333	1,426,583,333	835,050,000	717,820,000
1.5.1 Capacity Development for MoFPED, MDAs and LGs on assessing and quantifying climate change-related risks	Develop a capacity building program to enhance the climate change-related expenditure tagging exercise.	MoFPED/ MEPD	187,933,333	317,933,333.33	317,933,333.33	-	-
	Provide further training on budget tagging for climate change, including identifying climate change related recurrent and investment expenditure.		-	128,250,000	128,250,000	128,250,000	128,250,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake training on managing climate change-related risks and how these should be reported in the Fiscal Risk Statement (FRS).	MoFPED/ MEPD	117,230,000	117,230,000	117,230,000	117,230,000	-
	Develop Capacity in integrating climate change modelling in Development Planning frameworks	NPA	-	410,400,000	273,600,000	-	-
	Develop capacity to implement climate change-related regulation and commitments		-	309,130,000	309,130,000	309,130,000	309,130,000
	Align the climate change interventions implemented by MDAs and LGs to those in the climate change act.			94,240,000	94,240,000	94,240,000	94,240,000
	Support MDAs and LGs to mainstream climate change interventions across NDP programme.			186,200,000	186,200,000	186,200,000	186,200,000
1.6 Evidence-based policy making strengthened			456,820,000	3,009,163,000	2,852,033,000	2,881,863,000	3,071,863,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.6.1. Tools, procedures and capacities enhanced for gathering evidence and undertaking analysis to inform policy	Develop a programme of regular Public Expenditure Tracking reviews, demonstrated with selected high-spending sectors to guide the formulation of performance outcomes and targets for the remaining period of the NDP 4.	NPA		183,008,000	183,008,000	183,008,000	183,008,000
	Undertake selected impact evaluations and cost-benefit analysis of high value or strategic interventions to inform future planning decisions	NPA	-	119,700,000	119,700,000	-	-
	Undertake the development of an up-to-date Social Accounting Matrix that incorporates the extractive industry and natural capital accounting aspects to be able to quantify the costs associated with climate change responses.	MoFPED/ MEPD	-	-	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Identify requirements and develop database (s), tools and guides to improve policy research across Government	BPED/UBOS		19,950,000	-	-	-
	Deliver training on tools and guides for evidence-based policy making	NPA/ MOFPED	-	44,270,000	44,270,000	-	-
1.6.2Establish and enhance mechanisms for fostering and requiring the use of evidence in policy formulation and planning	MoFPED (DEA) to coordinate Economic Policy research agenda and identify research areas (Research database, tools, system and capacity to be identified as part of implementation)			95,000,000	95,000,000	-	95,000,000
	Support design of Policy Compliance Certificate required by Parliament prior to approval of critical policies.	MOFPED/ NPA	-	-	-	-	-
	Establish an economic research forum to discuss research findings and how to inform policy	MOFPED/ BPED		83,600,000	83,600,000	83,600,000	83,600,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Establish mechanism for identifying, compiling and communicating findings from relevant research to policy makers	MOFPED/ NPA	-	-	95,000,000	-	95,000,000
1.6.3. Enhancement of reporting capability on service delivery	capacity for Data Analysis and Usage off of the Established interface between PBS, IFMS, AMP, HCM and OTIMS and other systems		-	-	-	-	-
	Establish an interface between PBS, Integrated Bank of Projects, Education Management Information System, Health Management Information System and NIRA		-	880,175,000	880,175,000	880,175,000	880,175,000
	Develop guidelines and manuals for monitoring the budget at MDA levels			716,300,000	716,300,000	716,300,000	716,300,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
1.6.4 strengthen national M&E systems and processes to ensure effective monitoring and evaluation of the NDP programme across government.	Finalization of the review of the National Public Sector M&E policy and enactment of the M&E act to provide policy and legal framework for M&E across government.		-	-	-	-	-
	Establish and fully resource functional M&E systems and structures in the programme secretariats, MDAs, and LGs across the country.	OPM	214,320,000	214,320,000	214,320,000	214,320,000	214,320,000
	Annual Reviews and prioritization of NDP programme indicators to ensure the budget is aligned to the NDP	DPI/PSD Secretariat	242,500,000	175,560,000	175,560,000	175,560,000	175,560,000
	Conduct a comprehensive indicator profiling and target setting exercise for all programme ensuring harmonization of these indicators and targets within the NDP PIAPS, DDPs and the PFM strategic Results Framework.	NPA/UBOS		232,180,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop a rolling National Evaluation Agenda for the NDP; and periodically (annually) review the topics, schedule, budget, and guidelines. Additionally, scale up Impact evaluations.	OPM		245,100,000	245,100,000	245,100,000	245,100,000
	Strengthen the Government Evaluation Facility (GEF), to oversees the design, implementation, and dissemination of evaluations of public policies and major public investments; and mobilize resources for evaluation through partnerships and collaboration with relevant institutions.	OPM	-	-	-	383,800,000	383,800,000
5.7 Enhanced Access to Climate Financing as alternative financing strategy for sustainable economic growth							
Total Cost			**9,407,563,237**	**19,199,396,733**	**16,224,688,067**	**14,761,614,733**	**13,293,864,733**

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2: Sustainable Domestic Resource Mobilization for Development							
2.1 Enabling Policy Environment for Revenue Mobilisation Enhanced			3,762,073,610	4,543,466,000	3,639,332,000	3,468,332,000	3,278,332,000
2.1.1 Institutional Reform and Organizational Strengthening of the Tax Policy function operationalized. (Implementation of the recommendations from the Business Process Review of the Tax Policy Department towards a world class fully facilitated Tax Policy Function)	Revenue Monitoring and Forecasting Unit established and strengthened within DEA. Capacity development for suitable econometric and the modelling capability of TPD	MOFPED/ DEA	167,200,000	167,200,000	167,200,000	167,200,000	167,200,000
	Enhancing political leadership. (a) Enhance Capacity for contribution to tax policy development from the political team including Tax & Fiscal policy advisory	MOFPED/ DEA	81,920,000	126,920,000	126,920,000	126,920,000	126,920,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	(b) Periodic Presentation of DRMS to Cabinet to facilitate the transition from the annual budget cycle of tax policy interventions into a medium-term programme for tax reform that has pre-approval from the Cabinet.	MOFPED/ DEA	45,000,000				
	Strengthen Capacity of the Parliamentary Budget Office. (a) Capacity for analysis on broad aspects on tax policy including forecasting; gender tax impact analysis etc. (b) Parliament to review design of Parliamentary procedures to ensure that MFPED/RPC have the opportunity to review and report on amendments from these perspectives before they are moved; or that all amendments to tax bills have to be “tidied up” from a financial and legislative perspective and returned to Parliament for confirmation before becoming law.	PARLIAMENT	-	190,000,000		190,000,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Enhancing the transparency and communication strategy on Taxation with citizenry through Implementing a targeted communication and private sector outreach programme to explain and demonstrate more effectively the relationship between tax and public spending and to create a more widespread understanding of the objectives of the tax system.	MOFPED/ DEA	-	266,000,000	266,000,000	-	-
	Improving coordination between revenue side of Budget and expenditure planning. Integrate revenue and expenditure planning more effectively throughout the Budget process, harmonize procedures, to allow revenue policy thinking to develop in parallel with emerging expenditure aspirations;	MOFPED/ DEA	63,612,000	63,612,000	63,612,000	63,612,000	63,612,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Changing the approach to Tax Policy formulation timing within the annual Budget cycle. (a) Review the timetable for developing policy proposals and aim to schedule work so that early delivery of key proposals is prioritized; (b) Bring forward the date for the initial, formal contribution from the URA to a minimum of 8 months before the Budget; (c) strengthen the active participation of the URA in policy development throughenhanced formal and informal engagement,	URA/ (TPD)		163,134,000	-	-	-
	Strengthening coordination with First Parliamentary Council on Tax Policy. Periodic engagement with TPD to ensure that the needs of the drafting team are fully understood, in order to shorten timelines and minimize misunderstandings	MOFPED/ DEA	-	95,000,000	95,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Support productivity enhancement of TPD and provide systems for tracking routine tasks e.g. letters from taxpayers, exemption requests, requests to have goods released at Customs, complaints	MOFPED/ DEA		-	-	-	-
	Technical support. Coordination and implementation of SRM cluster activities	MOFPED/ DEA	1,621,569,288	2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
		MOFPED/ DEA	162,156,929				
		MOFPED/ DEA	243,235,393				
		MOFPED/ DEA	189,600,000				

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.1.2. Tax Policy Regime and Monitoring Framework Strengthened. (In line with the DRM Strategy. Strengthened policy and legal framework for revenue mobilisation, with consideration of fairness, equity and sustainability)	Establish approaches & policies to support expansion of the tax base and support ten-fold economic growth agenda. Incl: Consultative review of tax policy and legislation, in line with priorities in DRM strategy, to improve efficiency, simplicity, fairness and equity	MOFPED/ DEA	158,080,000	158,080,000	158,080,000	158,080,000	158,080,000
	Support the design and dissemination of the updated DRM Strategy	MOFPED/ DEA	478,700,000				
	Support formulation of environmental tax policy including regulatory impact assessment. Enhancing contribution of tax policy for sustainable economic growth; review of costs and incentives. Inl. Cabon Taxes; pollution taxes; waste disposal taxes etc.	MOFPED/ DEA		124,336,000	124,336,000	124,336,000	124,336,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Tax Policy Performance Monitoring. (a) Review procedures for monitoring performance of individual tax heads, the setting of trigger mechanisms for alerts, the process of onward reporting etc., with a view to establishing stronger and more immediate responses to unusual or unexpected patterns of revenue receipts and a deeper understanding of the trends. (b) Performance monitoring and reporting framework for DRM established including review of the set of indicators used to monitor the DRMS			93,784,000	93,784,000	93,784,000	93,784,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Establish policy framework for controlling, management and reporting of tax expenditures. (a) Publish a joint URA/ TPD annual report on tax expenditures for inclusion in Budget documents (b) Support a setting up of an expenditure monitoring unit at URA for instance retooling and capacity building.			144,400,000	144,400,000	144,400,000	144,400,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Build a platform that interfaces government institutions for the purposes of tax expenditure monitoring including UIA and URSB. (a) Develop a uniform template for reporting the tax expenditure across all agencies to harmonize information with the other government stakeholders. (b) Maintain a formal register of all non-statutory concessions, reliefs and exemptions granted (with source where relevant) and all taxes paid on behalf of taxpayers. (c) Maintain a register of requests and applications for such concessions etc. that have been rejected, in order to improve transparency and satisfy internal and external concerns. Consider publication of appropriate information from the register	MOFPED/ DEA	551,000,000	551,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Enhanced mechanisms for enhanced contribution of non-tax revenues (NTR) (a) Develop a policy on centralized collection of NTR. (b) Strengthen framework for reporting and monitoring of NTR collection	MOFPED/ DEA	-	243,200,000	243,200,000	-	-
2.2 Enhanced collections from new revenue opportunities from Extractives including oil, gas and mineral sectors			189,700,000	1,147,600,000	528,960,000	463,220,000	207,480,000
2.2.1 Enhanced enabling framework for exploiting new revenue opportunities	Undertake consultative review of feasibility and impact of potential new opportunities for revenue enhancement e.g. regional economic integration agenda, environmental protection, taxation of emerging sectors, opportunities from enhanced regulatory framework or infrastructure	MOFPED/ DEA		321,480,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop proposals into legislative reforms/amendments for submission to Parliament, with estimated fiscal impact for budget	MOFPED/ DEA		122,740,000	-	-	-
	Establish administrative arrangements for implementation of new measures	MOFPED/ DEA		9,880,000	9,880,000	9,880,000	9,880,000
2.2.2. Enhanced Capacity for assessment, collection and management of revenue from Extractives oil, gas and minerals	Undertake review and alignment of PFM laws and attendant regulations and guidelines for oil, gas and minerals revenue management	MOFPED/ DEA		65,740,000	65,740,000	-	-
	Undertake review of fiscal regimes and propose enhancement measures (e.g. oil "windfall" tax), in line with DRM strategy	MOFPED/ DEA		-	255,740,000	255,740,000	-
	Update and incorporate the Oil and Gas sector in the Long-term Expenditure Framework (LTEF)	MOFPED/ DEA		234,080,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Formulate the Oil and Gas Fiscal rule for Uganda	MOFPED/ DEA		196,080,000	-	-	-
	Deliver specialized training in oil, gas and mining legislative frameworks and revenue management, in line with DRM capacity needs assessment	MOFPED/ DEA	189,700,000	197,600,000	197,600,000	197,600,000	197,600,000
	Establish regular reporting on extractive industries activities and revenues, in line with transparency requirements	MOFPED/ DEA		-	-	-	-
2.3 Tax compliance improved through increased efficiency in revenue administration			1,134,586,667	4,239,067,200	3,995,233,867	2,259,900,533	1,753,233,867

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.3.1 Tax Academy established. Long-term best practices and Centre of excellence for research, sustainable and efficient Capacity building for tax professionals and URA staff	Support construction of a physical joint UMI/ URA academy. UMI to support conducting of the feasibility study, curriculum update and online content development.	URA		760,000,000	760,000,000	-	-
	Support enhanced virtual learning experience Tools for long distance collaboration. (a) Develop a learning studio equipped with the necessary technology to deliver online training programs to both staff and taxpayers (b) Acquire software for digital content development (eLearning Authoring tools)	URA	240,666,667	240,666,667	240,666,667	240,666,667	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop a Tax Policy Induction programme on board tax policy issues. (Short course on the institutional framework for tax policy; Intensive training in modelling techniques; appraisal of tax policy proposals and the documentation; Undertake skills assessment of the TPD staff for further support)	URA	162,640,000	162,640,000	162,640,000	162,640,000	162,640,000
	Implement train-the-trainer programs to enhance the skills and knowledge of existing trainers.	URA	-	164,666,667	164,666,667	164,666,667	-
	Expand the resource centre and have a repository of digital resources, including literature, e-books, webinars, and instructional videos on various tax-related topics to equip the capacity of both URA staff and the public.	URA	-	-	126,666,667	126,666,667	126,666,667

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop a full program for tax agents that covers all aspects of tax administration similar to that of the customs clearing agents	URA		190,000,000	190,000,000	-	-
2.3.2. E-tax Systems enhanced with modules to strengthen tax compliance monitoring and Investigation. Includes a framework of modules on fraud detection and Tracking; risk assessment engines; Data analytics and integrity.	Enhance capacity to improve data management and utilization in revenue administration systems. (a) Implement a centralized data repository (Data Lake) to streamline and process large volumes of data in its original form; (b) Develop a data science and AI reform strategy; (c) Strengthen and implement procedures for ongoing maintenance of data integrity; (d) Support data cleaning in the URA systems such as the tax register and Ledgers	URA	454,280,000	154,280,000	154,280,000	154,280,000	154,280,000
	Enhance competences in using advanced data analytics tools like Data science, risk management	URA		28,500,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	E-Tax System tracking modules for compliance monitoring and investigation. (a) Vehicle Registration Tax Monitoring (b) Advance tax tracking integration with IRAS for better collaboration with Local Governments on Vehicles and Motorcycles	URA		1,013,333,333	1,013,333,333	-	-
	Enhance the competences of URA staff to undertake investigation and information gathering for instance accreditation of fraud expert witnesses (forensic and scientists) in certificates such as; Computer and Mobile Forensics Certification, DF120 - Foundations in Digital Forensics with EnCase (External), DF210 Building an Investigation with EnCase (External).	URA	125,000,000	190,000,000			

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Advanced IT Tools for the URA science laboratory and forensic such as; Intelligent Forensic Workstations, Detego Ultimate PRO.	URA				190,000,000	190,000,000
	URA to produce a Semi- Annual report on Emerging Issues from Tax Audit and Investigations to facilitate planning and execution of measures	URA	-	161,500,000	161,500,000	161,500,000	161,500,000
2.3.3 Enhanced administrative capacity and framework for effective international taxation	Review and strengthen legal and policy framework In line with the DRM recommendations (e.g. addressing international taxation, including High Net Worth Individuals (HNWIs) s	MOFPED/ DEA	-	-	-	304,000,000	304,000,000
	Enhance administration capacity to audit, investigate and enforce taxation of international corporations and transactions	URA		110,200,000	110,200,000	110,200,000	110,200,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Establish and strengthen exchange of information and mutual assistance across tax jurisdictions to strengthen international taxation	MOFPED/ DEA	-	66,500,000	66,500,000	66,500,000	66,500,000
	Develop a compliance framework for non-resident service providers of digital services such as Amazon, Facebook among others)	URA	152,000,000	152,000,000	-	-	-
	Review the incentive regime and how they affect revenue, as a result of countries implementing the proposed global minimum tax. (Tax foregone through incentives will be taxed by other countries if Uganda does not implement the global minimum tax.)	MOFPED/ DEA	-	101,333,333	101,333,333	101,333,333	-
2.3.4Enhanced taxpayer services and taxpayer education programme	Support the operationalization of the tax education strategy.	URA		158,247,200	158,247,200	158,247,200	158,247,200

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Support tax awareness and revenue mobilisation workshops with political and civil leaders across the country.	URA		159,600,000	159,600,000	159,600,000	159,600,000
	Implement tax literacy programs aimed at educating the public about their tax obligations, the importance of compliance, and the benefits of paying taxes.	URA		159,600,000	159,600,000	159,600,000	159,600,000
	Set up tax information and assistance centres in partner offices (like business associations)	URA		266,000,000	266,000,000	-	-
2.4 Enhanced collections from new revenue opportunities from Extractives including oil, gas and mineral sectors			555,560,000	1,147,600,000	528,960,000	463,220,000	207,480,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.4.1 Enhanced enabling framework for exploiting new revenue opportunities	Undertake consultative review of feasibility and impact of potential new opportunities for revenue enhancement e.g. regional economic integration agenda, environmental protection, taxation of emerging sectors, opportunities from enhanced regulatory framework or infrastructure	MOFPED/ DEA	321,480,000	321,480,000	-	-	-
	Develop proposals into legislative reforms/amendments for submission to Parliament, with estimated fiscal impact for budget	MOFPED/ DEA		122,740,000	-	-	-
	Establish administrative arrangements for implementation of new measures. Incl Establish regular reporting on extractive industries activities and revenues, in line with transparency requirements	MOFPED/ DEA		9,880,000	9,880,000	9,880,000	9,880,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.4.2. Enhanced Capacity for assessment, collection and management of revenue from Extractives oil, gas and minerals	Undertake review and alignment of PFM laws and attendant regulations and guidelines for oil, gas and minerals revenue management	MOFPED/ DEA	-	65,740,000	65,740,000	-	-
	Undertake review of fiscal regimes and propose enhancement measures (e.g. oil "windfall" tax), in line with DRM strategy	MOFPED/ DEA	-	-	255,740,000	255,740,000	-
	Update and incorporate the Oil and Gas sector in the Long-term Expenditure Framework (LTEF)	MOFPED/ DEA	234,080,000	234,080,000	-	-	-
	Formulate the Oil and Gas Fiscal rule for Uganda	MOFPED/ DEA		196,080,000	-	-	-
	Deliver specialized training in oil, gas and mining legislative frameworks and revenue management, in line with DRM capacity needs assessment	MOFPED/ DEA		197,600,000	197,600,000	197,600,000	197,600,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.5 Enhanced collections from new revenue opportunities from Taxation of Digital Economy			-	439,280,000	439,280,000	439,280,000	211,280,000
2.5.1 Tax Policy Measures and Reforms to Enhance positional of receipts from digital Taxation	Review Uganda participation in the OECD's inclusive framework to Maximize remittances from overseas tax digital companies such as Google, Meta, and X	MOFPED/ DEA		76,000,000	76,000,000	76,000,000	76,000,000
	Strengthen proposals for a tax strategy for Digital Uganda in the Second DRMS to guide Tax policy in the medium term Including clear tax laws for online transactions	URA		53,200,000	53,200,000	53,200,000	53,200,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.5.2 Administrative Reforms to Enhance potential of receipts from digital Taxation	Technological integrations including Strengthen Digital wallet regulations to foster mandatory online payments for online transactions; API integrations with Digital Platforms; Block-chain based tracking. Include consideration for unique transaction numbers for online payments	URA		228,000,000	228,000,000	228,000,000	-
	Digital Tax Education programs on for compliance including incentives and penalties regime awareness	URA		82,080,000	82,080,000	82,080,000	82,080,000
2.6 Increased contribution of Foreign Direct Investments to Domestic Revenue (Investment Facilitation Reform Interventions)			3,028,540,000	4,258,476,333	3,306,196,333	2,576,723,000	2,045,768,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.6.1 Digital Strategy on Investment Promotion. Incl. Facilitation management frameworks designed and implemented	Review Business Processes of the related to Digital Investment Promotion and Business licensing undertaken to reach potential Domestic and International Investors.	UIA	267,140,000	267,140,000	-	-	-
	Design and implementation of the Digital Strategy on Investment Promotion and Facilitation on enhanced information sharing and publicity of the Domestic, FDIs and Regional One-Stop Investment Centres	UIA	335,000,000	190,000,000	190,000,000	-	-
	Develop Investment Statistical Database integrated with Systems accessible internationally. Including Strengthened detailed investment data across all target sectors to ease access and reliability for FDI	UIA		45,600,000	45,600,000	45,600,000	45,600,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.6.2 Policy Frameworks streamlined to strengthen Investment climate. for FDI and Domestic Investments (legal and investment climate)	Review policies for gaps and loopholes for reforms to deepen transparency.	UIA		123,880,000	-	-	-
	Mechanisms to monitor and evaluate the effectiveness of institutional arrangements and policies to identify areas of improvement.	UIA		30,400,000	30,400,000	30,400,000	30,400,000
	Strengthen institutions to address the investment challenges and create an enabling environment that attracts and retains FDIs.	UIA		74,575,000	74,575,000	74,575,000	-
	Develop and implement strategies for promoting ESG environmental sustainable Industrial Parks.	UIA		108,173,333	108,173,333		
	Enforce a robust legal and regulatory framework that protects the rights and interests of investors and the Government.	UIA		-	95,000,000	95,000,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.6.3 Investment Promotion and Facilitation Strategy Developed and Implemented.	Develop and execute a Sector Targeting and Competitiveness Strategy. Incl identify and profile target sectors for FDI attraction critical to success of the overall investment promotion strategy.	UIA		131,733,333	131,733,333	-	-
	Undertake Benchmarking, develop and implement an effective Investment Promotion and Facilitation Strategy. For attracting Domestic and Foreign Capital inflows, to facilitate Industrialization and Employment creation.	UIA		147,566,667	147,566,667	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake Monitoring and Evaluation to establish Actual Investments, and establish the strategic objectives of the IPS, sector and market strategies, marketing and promotion, business development, activities to improve the local investment climate, budgets and resource allocation for IPS.	UIA		285,000,000	-	-	-
	Undertake investment competitiveness studies and profiling, and mapping to link Domestic Investors to Business opportunities (for Financing, Markets, and Technological innovations)	UIA	-	418,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake Investment Facilitation and Business Development Services for Forward and Backward linkages.Carry out competitiveness studies aimed at identifying necessary interventions for sectoral development.	UIA	-	-	190,000,000	190,000,000	-
2.6.4. Publicly Accessible Integrated Investment and Business Facilitation Portal/System for Investment Licensing and Facilitation developed and implemented. Incl Integrated with Systems of MDAs at One-Stop Investment Centre, to reduce the cost and time of doing Business	Undertake IT Business Process Review to optimize existing licenses for Investment to reduce the cost and time of establishing Investments in Uganda	UIA		143,260,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Benchmarking to develop requirements for the design, implementation of Investment Licensing and Facilitation Management System with the ICT systems of the over MDAs at the One-Stop-Centre to facilitate Investment Promotion and After Care services to FDIs and Domestic Investments. Including	UIA		152,000,000	152,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Design, develop and implement an integrated EBiz- Investment Licensing and Facilitation Management System to facilitate Investment Promotion and Facilitation. To reduce the cost and time to setup investments, National SME Business Development, Reporting. Includes: (a) Integration with Land management system; (b) Park Management Suite/ Modules on Geographical Information System (GIS) for improved management of Industrial Park Land Use, Leases Management, NTR Revenue collection, Land allocations, land withdrawals, within industrial parksand integrate with Ministry of Lands Information System, Linking Industrial Land Parcels, Investment Facilitation Compliance Monitoring and integration with EBiz Investment Licensing System	UIA	2,305,000,000	2,805,000,000	1,805,000,000	805,000,000	

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop Investment Statistical Database integrated with Systems accessible internationally. Including Strengthened detailed investment data across all target sectors to ease access and reliability for FDI	UIA		45,600,000	45,600,000	45,600,000	45,600,000
	Undertake Capacity Building, Skills development, and technology transfer in Investment Promotion, Facilitation and Aftercare services for enhanced Service Delivery, and increased Domestic and Foreign Capital inflows	UIA	121,400,000	114,000,000	114,000,000	114,000,000	-
2.6.5 Strengthening Branding, Publicity and implementation of a Client Charter forInvestment Promotion and Facilitation at the One-Stop-Centre	Design and implement a client Charter for the One-Stop-Centre that informs potential investors about the Investment Service delivery standards, products and services, expectations from its clients and targets for service delivery.	UIA		57,380,000	57,380,000	57,380,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Strengthen the Branding, publicity and Dissemination of accurate and up-to-date information on Investment opportunities and linkages in the Country.	UIA		119,168,000	119,168,000	119,168,000	119,168,000
2.7 Strengthen Governance arrangements for reduced Revenue losses from Illicit Financial Flows			693,000,000	2,573,900,000	2,261,000,000	1,166,000,000	1,166,000,000
2.7.1. Strong established governance arrangement for Reducing Revenue losses from illicit Financial Flows	Establish a national Illicit Financial Flows Taskforce to champion discussions on IFFS	FIA/URA		60,800,000	60,800,000	60,800,000	60,800,000
	Strengthen automatic exchange of information mechanisms with neighboring's states and major trading partners.	FIA/URA		190,000,000	190,000,000	190,000,000	190,000,000
	Policy amendment proposal to include a reporting requirement to the Financial Intelligence authority in relation to International Electronic Funds Transfers as supported by AML Act	MOFPED/ DEA		152,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.7.2 Strengthen International Cooperation in Anti Money Laundering/ Countering Financing of Terrorism/ Countering Proliferation Financing (AML/ CFT/CPF)	Implement Anti Money Laundering/CFT/CPF reforms for Uganda as guided by Eastern and Southern Anti Money Laundering Group (ESAAMLG) and Financial Action Task Force (FATF) to ensure compliance with the appropriate international and regional laws	FIA		228,400,000	228,400,000	228,400,000	228,400,000
	Coordinate and monitor the implementation of the Financial Action Task Force (FATF) Strategic Actions	FIA		104,000,000	104,000,000	104,000,000	104,000,000
2.7.3 Enhance capacity amongst stakeholders in the AML/CFT/ CPF value chain. ON supervision, sanctions, investigation and prosecution of financial crimes	Develop and Implement targeted capacity development programs for stakeholders in the Money laundering/ terrorism financing/ proliferation financing (ML/TF/PF) value chain (ODPP, Law Enforcement Agencies (LEAs), CPs, etc.) on supervision, sanctions, investigation and prosecution of financial crimes	FIA	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Establish a framework to cover training modules todifferent stakeholders and sensitize the public on financial crime for increased vigilance and reporting	FIA		246,000,000	246,000,000	246,000,000	246,000,000
2.7.4 Strengthen research and development to address emerging financial crimes, trends and threats. Including among others tax fraud, abusive tax schemes, tax scams, money laundering, cybercrime etc.	Identify sectors that expose the country to threats of financial crimes and undertake typology studies and risk assessments to inform evidence based interventions	FIA/URA		136,800,000.00	136,800,000.00	136,800,000.00	136,800,000.00
	Conduct a national study/audit to ascertain the extent of revenue loss through Illicit Financial Flows in Uganda.	MOFPED/ DEA		475,000,000	475,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.7.5 Develop and Implement systems to permit secure and timely reporting of suspicious transactions. To facilitate timely analysis and dissemination of intelligence reports to Competent Authorities and Law Enforcement Agencies facilitate investigations	Acquire and deploy an Independent custom FIA Enterprise Technological Analysis Solution that suits the Authority's operational requirements. Including (a) chain analysis Virtual Assets analytical tool/ system to enable FIA effectively monitor cryptocurrency transactions, identify, and trace proceeds of crime (b) modern operational equipment, and reengineer systems and business processes to increase efficiency and effectiveness in detection and prevention of financial crimes	FIA		-	-	-	-
	Acquire and deploy an Application Programming Interface (API) solution to enable the exchange of information with other MDA's	FIA		-	620,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Acquire and deploy a centralized ML/TF/PF statistical tool facilitates the collection, maintenance, and analysis of key data points	FIA		-	-	-	-
Develop a tax appeals tribunal integrated resolution tracking system	TA to undertake business process re-engineering to develop a tax appeals tribunal integrated resolution tracking system	TAT	389,000,000	780,900,000			
	Consultative engagement		104,000,000				
2.8 Support Growth of pension/ Retirement Funds as part of Domestic Financing Mechanism for Uganda's Service Delivery (Targeting USD2.5 Billion in 5 years)			738,850,000	3,106,405,000	755,313,333	1,154,313,333	830,933,333

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
2.8.1 Regulatory and governance framework establishedfor micro pension scheme (National Long Term Savings Scheme) for non-salaried workers and private sector workers	Set up scheme and Governance framework including the National Steering Savings Committee	URBRA	64,200,000	178,600,000	178,600,000	178,600,000	178,600,000
	stakeholder consultations on regulations, laws and incentives to cover informal sector workers/ Non salaried workers	URBRA	77,650,000	150,005,000			
2.8.2 Micro Pension System (Central pension Tech platform) Targeting informal sector workers/ Non salaried workers rolled out. Business process re-engineering	Consultancy on design the platform, eco system. Including. Central Pension Tech Platform customization and API integrations with product/ ecosystem partners	URBRA	405,000,000	2,200,200,000		-	-
	Platform and process testing with eco system, product design and outreach partners	URBRA	-	-	253,333,333	253,333,333	253,333,333

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	System change management TAon commercial and fiscal incentives to support quick adoption includingretirement literacy tools and delivery strategies designs	URBRA	192,000,000	-	220,780,000	220,780,000	-
	Launch National drive regional campaigns for retirement literacy and savings mobilisation	URBRA	-	-	-	399,000,000	399,000,000
2.8.3 Sustainable Change Management on Savings for Investment	Partner with MoES on long terms Curriculum review on retirement literacy and savings culture	MoES/ URBRA	-	102,600,000	102,600,000	102,600,000	-
	Initiate Mass scale deployment with multiple field partners and collaboration with PDM structures	MoLG/UBRA		475,000,000	-	-	-
SUB TOTAL			**10,102,310,277**	**19,527,294,533**	**17,125,515,533**	**11,527,768,867**	**9,493,027,200**

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Objective 3: To strengthen public investment management (PIM) for increased development returns on public spending							
3.1Efficient identification, selection and management of Public Investment Projects (PIPs) and Public-Private Partnerships (PPPs)			3,045,725,562	11,729,950,833	7,759,695,633	3,715,431,000	3,723,221,000
3.1.1 Improved multi-year planning and management of high value investments in selected sectors/ MDAs	Design & implement systems for managing high value/multiyear projects in selected sectors/MDAs	MoFPED/DB		217,888,200	217,888,200	217,888,200	217,888,200
	Align MTEF with the multi-year commitments by sectors and MDALGs	MoFPED/DB		171,402,800	171,402,800	-	-
	Establish policy on implementation ofinfrastructure corridors to better manage compensation for large infrastructure investments	MoFPED/DB		285,000,000	285,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
3.1.2 IT-based Integrated Bank of Projects (IBP) upgraded (incl automation of projects management aspects in the PIP including multiyear projections in Projects)	Enhance the Integrated Bank of Projects (IBP) in line with the Programme Based Planning and budgeting approach including integration with other PFM systems (e-GP, PBS, IFMS)	MoFPED/DB		158,498,000	-	-	-
	Undertake change management and user training on the enhanced IBP at all levels	MoFPED/DB	265,000,000	262,200,000	262,200,000	262,200,000	262,200,000
	Develop technical capacity including equipment for sustainable operation of IBP within MoFPED	MoFPED/DB		207,259,600	207,259,600	207,259,600	207,259,600
	Develop a sustainable user training for IBP including development and operationalization strategy	MoFPED/DB	313,773,600	313,773,600	313,773,600	313,773,600	313,773,600
3.1.3 Capacity development programme developed. Training in project cycle management of PIM	Disseminate and implement the PIM Policy for improved compliance to PIM frameworks	MoFPED/DB	157,184,000	257,184,000	257,184,000	257,184,000	257,184,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop PIM guidelines on (incl. financial appraisal, implementation planning, project life cycle budgeting, rapid assessment of government commercial investments and other public investments outside the PIM framework, Monitoring and Evaluation handbook for public investments)	MoFPED/DB	-	559,683,000	559,683,000	-	-
	Develop guidelines and tools for climate proof project preparation and appraisal and undertake capacity building of the relevant stakeholders.	MoFPED/DB	273,615,200	273,615,200	273,615,200	273,615,200	273,615,200
	Review the Project selection guidelines and criteria to include emerging aspect such as incorporating climate change assessment	MoFPED/DB	293,710,902	294,310,000	294,310,000	-	294,310,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
3.1.4 Project preparation and appraisal manuals revised in line emerging criteria. Including on ESG; Sustainability and multiyear planning. Etc.	Development of programme specific project preparation and appraisal manuals	MoFPED/DB	-	237,500,000	237,500,000	-	-
	Build Capacity in the entire project cycle (identification, preparation, appraisal, implementation & ex-post evaluation) for all stakeholders across Government.	MoFPED/DB	186,520,000	286,520,000	286,520,000	286,520,000	-
	Develop and implement CD Strategy for PIM across Government to guide among others the development of curriculum for PIM for universities and tertiary institutions	MoFPED/DB	193,534,000	193,534,000	-	-	-
	Conduct training of key stakeholders in project cycle management (Including design, budgeting, cash-flow planning, multi-annual planning, coordination, monitoring, asset management, evaluation and sustainability planning	MoFPED/DB		445,866,667	445,866,667	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
3.1.4Investment project costing methodology/ formula established	Develop investment project costing methodologies for budgeting processes at MDA- and programme level	MoFPED/DB	241,965,000	241,965,000	-	-	-
	Deepen usage of approved national parameters, shadow prices and conversion factors for the preparation, appraisal and selection;	MoFPED/DB		271,668,333	271,668,333	-	-
	Develop capacity in project costing methodologies including project life cycle budgeting and assessing routine and capital maintenance.	MoFPED/DB		321,375,500	321,375,500	321,375,500	321,375,500
	Develop, disseminate and maintain the unit prices database	MoFPED/DB		180,781,200	180,781,200	180,781,200	180,781,200

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
3.1.5 Projected Facilitation Fund established. Includes Modalities for independent and formal appraisal developed	Decision paper on PIP presented annually to Cabinet to obtain endorsement on (i) medium-term expenditure envelope and shares for each sector, (ii) any projects to add and offsetting ones to remove/suspend to stay, and (iii) a list of well-defined priority areas for development of new projects;	MoFPED/DB		79,009,600	79,009,600	79,009,600	79,009,600
	Fund established for feasibility and/or pre-appraisal studies of projects while they are awaiting their inclusion in the PIP, i.e. the Budget;	MoFPED/DB		209,000,000	209,000,000	209,000,000	209,000,000
	Develop programme specific Appraisal manuals forPIP (including templates)	MoFPED/DB		237,500,000	-	-	-
3.1.6. Governance and institutional arrangements for project selection and appraisal strengthened	Review and evaluate institutional arrangements for project appraisal e.g. Development Committee, MDAs, LGs and the various guidelines	MoFPED/DB		475,095,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Strengthen the DC as an independent reviewer and gate keeper of PIM	MoFPED/DB		118,598,760	118,598,760	118,598,760	118,598,760
	Review the methodological tools for project preparation and appraisal to among others incorporate emerging issues such as climate change, Gender, sustainability so as to provide better guidance to MDAs and LGs.	MoFPED/DB	372,498,800	372,498,800	-	-	-
3.1.7. Regulatory and institutional framework for management of PPPs strengthened;	Diagnostic study on legal framework and propose enhancements	MoFPED/DB		237,500,000	-	-	-
	Disseminated and implement recommendations of the various diagnostic studies	MoFPED/DB	-	380,000,000	380,000,000	-	-
3.1.8 Capacity for management of PPPs strengthened	Diagnostic study on PPP framework (institutional and regulatory) undertaken	MoFPED/DB	-	275,500,000	275,500,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
3.1.9 Capacity for risk assessment of Public Investment Management strengthened	Develop guidelinesand procedures for PIP and PPP fiscal risk management and analysis during project appraisal	MoFPED/DB		292,600,000	-	-	-
	Training for in PPP fiscal risk management and analysis (assessment for their implied fiscal commitments and risks)	MoFPED/DB		216,600,000	216,600,000	216,600,000	216,600,000
	Dissemination of the Public InvestmentManagement Policy	MoFPED/DB	380,700,000	480,700,000	-	-	-
	Guide on responsibilities for all stakeholders within the PIMS clearly defined (Identification, mapping and reengineering of processes in the PIM system, involving MDAs-SWGs, NPA, OPM, MFPED and DC):	MoFPED/DB	-	248,520,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Independent Review implementation of the mandatory 4-phase project life cycle (1. Identification phase, 2. Pre-investment phase, 3.Investment phase, 4. Operation and ex-post phase): for selected high value investment projects	MoFPED/DB		443,333,333	443,333,333	-	-
	Review of the Public Investment Management Policy, including undertaking a review of the PPP act in order to harmonize the PIMS framework with the PPP legal & regulatory framework.	MoFPED/DB	-	380,000,000	380,000,000	-	-
	Develop implementation strategy and guidelines for operationalization of the PIM policy	MoFPED/DB	-	407,246,000	-	-	-
	HoldPIM conference to generate PIM policy proposals	MoFPED/DB	367,224,060	467,224,060	467,224,060	467,224,060	467,224,060
3.1.10 PIM Centre of Excellence sustained	Training materials for PIMS reviewed and disseminated in line with the current practice	MoFPED/DB		292,600,000			

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Development of an e-examination and certification platform for the center	MoFPED/DB		380,000,000			
	Undertake topical studies to inform PIM policies	MoFPED/DB		154,400,080	154,400,080	154,400,080	154,400,080
3.1.11 Framework for project implementation developed and operationalized	Review framework for project implementation and tracking	MoFPED/DB		152,000,000			
	Automate framework for project tracking and implementation	MoFPED/DB		250,000,100	250,000,100		
	Disseminate framework	MoFPED/DB			200,001,600		
	Undertake user trainings and sensitization	MoFPED/DB				150,001,200	150,001,200
3.2 Enhanced VFM in public procurement for large, complex public procurements			1,722,600,000	4,091,460,000	2,138,260,000	964,060,000	983,060,000
3.2.1 : Review Legal, Regulatory and Policy Framework	Consultancy to develop Regulations for Complex, specialized and strategic procurements	MOFPED					

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Print and Disseminate the Regulations for Complex, specialized and strategic procurements	MOFPED		285,000,000	285,000,000		
	Dissemination of the legal frame work for the Institute of Procurement and Supply Chain Management Professionals of Uganda.	MOFPED		205,200,000	205,200,000		
	Develop Sector specific procurementStandard Bidding Documents (SBDs) for PDEs in education, energy, health, roads sector.	PPDA	209,000,000			-	-
	Print and disseminate sector specific procurementStandard Bidding Documents (SBDs) for PDEs in education, energy, health, roads sector.	PPDA		285,000,000	285,000,000		
	Prepare and disseminate an SBD suitable for procurement of major works.	PPDA		-	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Developand disseminate User Guides for SBDs of the specific sectors and major works	PPDA		142,500,000	142,500,000	142,500,000	142,500,000
	Consultancy to develop a manual for sustainable procurement of infrastructure projects	MOFPED		247,000,000			
	Develop, print and disseminate user guides on undertaking Multi-Year Procurement	PPDA		475,000,000	-	-	-
3.2.2 : Improve on the Institutional Framework and Management Capacity	Consultancy to undertake Procurement risk assessment in key sectors and address identified weaknesses	PPDA	380,000,000				
	Training of procurement cadres in Infrastructure Project Procurement	MOFPED		80,560,000	80,560,000	80,560,000	80,560,000
	Carrying outmonitoring of high value and complex procurements	PPDA		152,000,000	152,000,000	152,000,000	152,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Consultancy to undertake a study on bottlenecks in the implementation of high value and complex projects andchallenges causing cost variance between feasibility study and procurement execution.	MOFPED	323,000,000				
	Dissemination of the Procurement risk management manual to relevant stakeholders in the procurement system.	MOFPED					
	Undertake a Compliance Training needs assessment for key stakeholders in the procurement of large and complex projects	PPDA		79,800,000	79,800,000	79,800,000	79,800,000
	Design & implementacompliance procurement training program for key stakeholders in procurement of large and complex projects	PPDA	174,800,000	174,800,000	174,800,000	174,800,000	174,800,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Consultancy to undertake a Competency based needs assessment for procurement cadres across government	MOFPED		323,000,000			
3.2.3: Enhance Public Procurement Operations and Market Practices	Undertake centralized prequalification process to assess bidders' eligibility and qualifications for large value and complex contracts.	MOFPED		912,000,000	-	-	-
	Develop model technical specifications, common specification standards andunit prices for complex works contracts.	PPDA		205,200,000	-	-	-
3.2.4. Strengthen Accountability, Integrity and Transparency of Procurement Systems	Research and Development in case management for prosecution (offences and penalties.)	PPDA	-	190,000,000	190,000,000	-	-
	Conduct quarterly stakeholder engagement meetings with development partners, private sector and Civil society organizations.	MOFPED		7,600,000	7,600,000	7,600,000	7,600,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Support collaboration efforts for field visits contract monitoring with civil society in large and complex procurements.	PPDA	236,800,000	236,800,000	136,800,000	136,800,000	136,800,000
	Undertake Study on integrity in Public Sector Procurement	PPDA	209,000,000	-	209,000,000	-	209,000,000
	Conduct training for internal and external auditors on auditing procurement of large and complex projects.	MOFPED	190,000,000	190,000,000	190,000,000	190,000,000	-
3.3 Optimal Utilization and Maintenance of Assets			833,000,000	2,250,360,000	2,126,860,000	1,262,360,000	844,360,000
3.3.1 Public Asset Management Policy (financial and non-financial) framework developed	Baseline study of asset management system (non-financial assets)	MoFPED/ AGO		380,000,000	-	-	-
	Develop public asset management policy (non-financial assets) and its dissemination	MoFPED/ AGO		182,400,000	182,400,000	182,400,000	182,400,000
	Undertake a scoping study on Financial asset and investmentto establish current practices and related gaps	MoFPED/ AGO		285,000,000	285,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake bench marking study on asset management in public sector	MoFPED/ AGO		-	-	285,000,000	285,000,000
	Develop financial asset management policy, implementation strategy and guidelines including dissemination	MoFPED/ AGO		182,400,000	182,400,000	182,400,000	182,400,000
	Develop and implement a governance framework and guidelines for public corporations and state owned enterprises (including reporting mechanisms e.g. website with a published list of SOEs, information on the assets, income, and number of employees)	MoFPED/ AGO		-	228,000,000	228,000,000	-
3.3.2 Guidelines on public asset operation and maintenance developed	Business process mapping and requirements analysis for fixed assets	MoFPED/ AGO		209,000,000	-	-	-
	Disseminate asset operation and maintenance guidelines	MoFPED/ AGO		294,500,000	294,500,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Establish a framework for monitoring, evaluation and reporting on government assets (Including asset management monitoring balance score card) and its implementation	MoFPED/ AGO		194,560,000	194,560,000	194,560,000	194,560,000
	Review of staffing norms for inventory management cadre	MoFPED/ AGO	-	-	190,000,000	-	-
3.3.3An asset Management System (GAMIS) developed	Develop user requirements for a comprehensive stand-alone asset management system	MoFPED/ AGO	76,000,000	-	-	-	-
	Undertake business process re-engineering to support acquisition of the asset Management System	MoFPED/ AGO	472,000,000				
	Build capacity through training and implement the system across government	MoFPED/ AGO	285,000,000	190,000,000	190,000,000		
3.3.4 Comprehensive Asset Registers maintained	Conduct a vulnerability assessment of assets to climate change	MoFPED/ AGO	-	142,500,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop an assetrisk mitigation/response strategy to climate change shocks	MoFPED/ AGO	-	190,000,000	190,000,000.00	-	-
	Disseminate and conduct user trainings on the asset management mitigation strategy	MoFPED/ AGO	-	-	190,000,000	190,000,000	-
3.4 Enhanced accountability in resource utilization and results for project delivery			-	1,026,000,000	551,000,000	551,000,000	551,000,000
3.4.1 Regular performance review and reporting of public projects and PPPs established	Performance Review/Reporting of Implementation of public projects and PPPs	MoFPED/DB		304,000,000	304,000,000	304,000,000	304,000,000
	Require Sector to report on project delivery and evaluation of impact to Development Committee	MoFPED/DB		136,800,000	136,800,000	136,800,000	136,800,000
	Guide sectors programme development of a project delivery evaluation manual & related capacity building	MoFPED/DB		475,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Enhance transparency and communication of project delivery to the public- enforce display of notice boards at project delivery points & publications	MoFPED/DB		110,200,000	110,200,000	110,200,000	110,200,000
Public Investment Management Plus project	Implementation of Public Investment Management Plus project interventions as per agreed DLIs	MoFPED/DB	152,000,000,000	114,000,000,000	114,000,000,000	114,000,000,000	114,000,000,000
TOTAL COST			**157,601,325,562**	**133,097,770,833**	**126,575,815,633**	**120,492,851,000**	**120,101,641,000**

Objective 4: To strengthen PFM controls and compliance in budget execution (Controls in budget execution and Accountability)							
4.1Effectiveness of HR controls and accuracy of Payroll/Pension Management Systems Improved			6,778,906,907	7,188,045,040	7,188,045,040	6,430,188,240	6,211,878,240
4.1.1 HCM rolled out toall MDALGs and HR controls enhanced	Rollout HCM to the remaining 100 government institutions and scale up the system to accommodate all categories of employees in MDALGs as verified by OAG.	MoPS	3,058,322,120	4,899,805,120	4,899,805,120	4,899,805,120	4,899,805,120

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Re-engineer, reconfigure HCM to integrate Balanced Score Card (BSC) performance framework and the contributory Public Service Pension Fund and rollout the reconfigured HCM to all entities.	MoPS		441,190,133	441,190,133	-	-
	Enhance change management interventions and training to increase adoption and uptake of HCM functionality for all the 18 modules.	MoPS	402,905,120	1,002,905,120	1,002,905,120	1,002,905,120	1,002,905,120
	Complete the comprehensive master data cleanup for all employees that were below 55 years started under the current phase of REAP.	MoPS	416,666,667	316,666,667	316,666,667	-	-
	Integration of HCM with other emerging PFM/ICT systems (integration of systems) as a trusted single point of exchange of human resource information.	MoPS		218,310,000	218,310,000	218,310,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Build Capacity of Human Resource personnel and key stakeholders in effective HR management, payroll and pension reforms and actuarial studies.	MoPS	-	309,168,000	309,168,000	309,168,000	309,168,000
	HCM Technical Support and coordination of its implementation	MoPS	2,033,186,400				
		MoPS	203,318,640				
		MoPS	304,977,960				
	Stationary, toners, printing papers, pens, etc. Estimated as per last year	MoPS	153,870,000				
	Airtime and internet bundles of UGX10667 per staff per month	MoPS	26,880,000				
	Staffs provided with welfare related items	MoPS	24,000,000				
	3 fuel cards (2 vehicles, & 1 Generator). Averagely each card receives 413 liters of fuel per month. With the general and generator cards taking the large share of fuel	MoPS	93,780,000				

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	2 vehicles and generator maintained at a cost of UGX20m averagely per annum	MoPS	61,000,000				
4.2 Comprehensiveness, timeliness and quality of financial Reporting Enhanced			594,000,000	2,990,346,667	2,765,513,333	2,765,513,333	1,185,346,667
4.2.1 Accrual accounting and reporting implemented in all MALGs	Undertake stakeholder consultations and update the road map for transition to accrual accounting and reporting	MoFPED/ AGO		190,000,000	-	-	-
	Undertake accrual accounting and reporting Training of Trainers for a selected core team of staff	MoFPED/ AGO		165,680,000	165,680,000	165,680,000	165,680,000
	Procure laptops and related ICT accessories	MoFPED/ AGO		85,500,000	-	-	-
	Develop policies, guidelines and templates for accrual accounting and reporting	MoFPED/ AGO		209,000,000	209,000,000	209,000,000	-
	Undertake change management to support the implementation of accrual accounting and reporting	MoFPED/ AGO		237,500,000.00	237,500,000.00	237,500,000.00	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Enhance the IFMS to support accrual accounting and reporting	MoFPED/ AGO		266,000,000	266,000,000	266,000,000	-
	Data analytics and AI tools for enhancing financial reporting developed and adopted	MoFPED/ AGO		310,333,333	310,333,333	310,333,333	-
	Professional accountancy certification of financial management staff in LGs	MoFPED/ AGO	252,000,000	152,000,000	152,000,000	152,000,000	152,000,000
	Develop and rollout framework for assessing financial management and reporting in MALGs	MoFPED/ AGO	-	190,000,000	-	-	-
	Train staff in MDAs & LGs on the revised Financial Reporting Guide and Financial Reporting templates	MoFPED/ AGO	342,000,000	342,000,000	342,000,000	342,000,000	342,000,000
4.2.2 Sustainability reporting adopted and rolled out to all MALGs	Undertake benchmarking studies on sustainability reporting to inform country implementation approach	MoFPED/ AGO	-	285,000,000	-	-	-
	Develop and implement the road map for adopting sustainability reporting	MoFPED/ AGO	-	133,000,000	133,000,000	133,000,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake sustainability reporting Training of Trainers for a selected core team of staff	MoFPED/ AGO	-	234,333,333	234,333,333	234,333,333	-
	Develop policies, guidelines and templates for sustainability reporting	MoFPED/ AGO	-	190,000,000	190,000,000	190,000,000	-
	Undertake change management to support the implementation of sustainability reporting	MoFPED/ AGO	-	-	234,333,333	234,333,333	234,333,333
	Train staff in MDAs & LGs on Sustainability reporting	MoFPED/ AGO	-	-	291,333,333	291,333,333	291,333,333
4.3Effectiveness and Integrity of PFM Systems Strengthened			30,778,614,159	23,788,000,000	14,136,000,000	10,488,000,000	8,797,000,000
4.3.1 E-GP system enhanced and rolled out to all MALGs	Re-engineer and enhance e-GP functionality to address stakeholder requirements	MoFPED/ AGO	5,800,000,000	5,700,000,000	-	-	-
	Rollout enhanced e-GP system to 367 PDEs	MoFPED/ AGO	1,720,000,000	3,420,000,000	3,420,000,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop and implement a comprehensive change management and communication strategy to support e-GP adoption and usage	MoFPED/ AGO	507,500,000	807,500,000	807,500,000	807,500,000	-
			500,000,000				
	Undertake e-GP training and capacity building for all key system users	MoFPED/ AGO	1,040,000,000	1,140,000,000	1,140,000,000	1,140,000,000	1,140,000,000
	Support implementation of e-GP system across government	MoFPED/ AGO	1,594,062,744				
		MoFPED/ AGO	159,406,274				
		MoFPED/ AGO	239,109,412				
	Staff allowance for GoU staff from MDAs supporting e-GP implementation. This will also support the PMU staff	MoFPED/ AGO	1,356,000,000				
	Stationary, toners, printing papers, pens, etc. Estimated as per FY2021/22	MoFPED/ AGO	40,000,000				
	18 staffs provided with monthly airtime and internet bundles for easy communication	MoFPED/ AGO	240,000,000				

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Staffs provided with welfare related items	MoFPED/ AGO	62,000,000				
	Fuel for vehicles supporting operations of the project. 1 fuel card with 427 litres of fuel per month	MoFPED/ AGO	232,296,000				
	Projected annual vehicle maintenance for the E-GP vehicle.	MoFPED/ AGO	190,000,000				
4.3.2 Core PFM system enhanced and integrated	Develop the policy, regulatory, governance frameworks for integration of PFM system.	MoFPED/ NITA-U		285,000,000	-	-	-
	Establishment a national data management framework, including national data management standards including the data archival strategy for PFM systems	MoFPED/ NITA-U		437,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Support implementation of IFMS, integration and enhancement of PFM systems	MoFPED/ AGO	4,883,421,953	6,612,000,000	6,612,000,000	6,612,000,000	6,612,000,000
		MoFPED/ AGO	488,342,195				
		MoFPED/ AGO	732,513,293				
		MoFPED/ AGO	219,600,000				
	Previous expenditure related to printing and stationary	MoFPED/ AGO	184,436,288				
	55 staffs provided with monthly airtime and internet bundles for easy communication	MoFPED/ AGO	49,920,000				
	Staffs provided with welfare related items. Averagely each staff spends UGX 54,545 per month	MoFPED/ AGO	36,000,000				
	4 fuel cards. Averagely each card receives 188 litres of fuel per month.	MoFPED/ AGO	56,700,000				
	4 vehicles maintained at a cost of UGX20m averagely per annum	MoFPED/ AGO	150,306,000				

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Complete integration of key PFM systems	MoFPED/ AGO	280,000,000	380,000,000	380,000,000	380,000,000	-
	Support PFM Systems to improve security of the systems		9,800,000,000				
	Implement data warehouse, data analytics and AI to monitor compliance with service delivery standards and inform policy formulation and implementation	MoFPED/ AGO	-	665,000,000	665,000,000	665,000,000	665,000,000
4.3.3 Governance and controls for PFM system strengthened	Prepare and implement a gender and equity responsive PFM systems sustainability strategy	MoFPED/ AGO	-	228,000,000	228,000,000	-	-
	Review and update PFM systems security policies, Standard Operating Procedures.	MoFPED/ AGO	-	266,000,000	266,000,000	266,000,000	-
	Develop and implement a performance monitoring framework for PFM systems	MoFPED/ NITA-U		285,000,000	-	-	-
	Develop and implement a comprehensive BCP for mission-critical PFM systems.	MoFPED/ NITA-U		1,615,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertaking training in PFM systems management, quality assurance and compliance monitoring	MoFPED/ AGO	217,000,000	380,000,000	380,000,000	380,000,000	380,000,000
	Develop and implement a communication and change management strategy to drive adoption and ownership PFM systems in MALGs.	MoFPED/ AGO		237,500,000	237,500,000	237,500,000	-
	Provide computing equipment and other related ICT accessories to facilitate adoption of PFM systems in all MALGs	MoFPED/ AGO		1,330,000,000	-	-	-
TOTAL COST			**38,151,521,066**	**33,966,391,707**	**24,089,558,373**	**19,683,701,573**	**16,194,224,907**

Objective 5: Strengthening Sub-National PFM Systems for Service Delivery							
5.1 Increased contribution of LG own-source revenue			10,617,835,770	6,094,121,973	1,871,624,573	815,071,240	820,071,240

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.1.1 LG Medium Term Revenue Plans customized for each Local Government in line with DRM and LED strategies in 130 LGs.	Alignment and simplification of legal and policy framework for local revenue mobilisation and management and assess local revenue potential in line with the Local Government Own Revenue Mobilization Strategy 2023/24 - 2027/28	MoLG/LGFC	-	342,000,000	342,000,000	-	-
	Support design and publication of 130 LG specific Revenue Plans to implementation of the Local Government Own Revenue Mobilisation Strategy 2023/24 - 2027/28, including consideration of potential URA assistance/collaboration	MoLG/LGFC	500,000,000	218,271,240	218,271,240	218,271,240	218,271,240
		MoLG/LGFC	50,000,000				
	Consultancy to study and recommend incentives to improve Local Revenue collection in Local Governments	MoLG/LGFC	-	-	339,720,000	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake consultancy to study better and efficient ways of collecting property rates alongside utilities per annum	KCCA/MOLG			133,000,000		
	Develop policies and guidelines for revenue management at local governments. Incl. Develop guidelines on local revenue allocations to social services delivery	MoLG/LGFC		104,500,000	104,500,000	-	-
	LG revenue monitoring and policy alignment integrated into the work of the MoFPED Tax Policy Unit.	KCCA/MOLG	157,000,000	38,000,000	38,000,000	38,000,000	38,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.1.2 Integrated Revenue Management System (IRAS) upgraded and rolled out. Strengthening use of automation for Tax administration for Cities and Urban Local Governments including tracking of revenue allocations	Design and rollout of upgraded IRAS in KCCA and the 165 LGs fully integrated with new tax modules relevant to cities and Other LGs e.g. Advertising, Advance tax reforms etc. Includes (a) Digitize tax registers to enable regular updates and tracking of tax payers and increase efficiency of tax assessment, billing and collection	KCCA/LGFC	9,083,060,000	4,272,000,000	-	-	-
		KCCA/LGFC	112,400,000				
	Support roll out of IRAS including change management and periodic user training support across the LGs	LGFC	342,975,770	152,000,000	152,000,000	152,000,000	152,000,000
	Procure ICT infrastructure including Computers, to enhance and support the New system at Ward Levels including point of sale auto pay machines for verification of sales	KCCA	-	255,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Capacity building support for the core implementation teams for at MoLG and LGFC as part of the System Sustainability	MoLG/LGFC		98,800,000	98,800,000	98,800,000	98,800,000
	Operationalize the IRAS Call Centre including functional support	LGFC	96,000,000	228,000,000	228,000,000	228,000,000	228,000,000
	Capacity Building in data mining, budget forecast and Revenue administration	KCCA/MOLG	276,400,000	137,333,333	137,333,333	-	-
5.1.3 Revenue management and collection capacity enhanced for lower local governments and local governments, in line with DRM strategy	Local Revenue Management committees established across LGs in line with LG Act and LGFC	MoLG/LGFC		-	-	-	-
	Develop and implement revenue enforcement mechanism in line with existing legal frameworks	KCCA/MOLG		110,000,000	80,000,000	80,000,000	85,000,000
	Develop training programme for local government revenue management and mobilisation	MoLG/LGFC	-	138,217,400	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.2Increased equity and rationalization of fiscal transfers to LGs for Improved Service Delivery			709,333,333	2,191,270,950	1,906,270,950	1,410,687,617	1,208,020,950
5.2.1. Revision & Re- Design of IGFT grants Systems for rationalized financing of service delivery	Review options for grant consolidation (increased number of grants, earmarking has continued leading to limited LGs discretion): including Revision of the Equalization grants financing modalities to improve adequacy, equity	MoLG/LGFC	199,500,000	199,500,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Review the Central Government grants and Grants Allocation criteria to harmonize the real values of transfers and improve impact. includes gradually increase share of central government transfers for LG service delivery, as recommended in the Fiscal Decentralization Architecture report. Including Design uniform approach to DDEG, with minimal "windows" as well as emphasis on one formula-based development grant for each sector	MoLG/LGFC	285,000,000	285,000,000	285,000,000	-	-
5.2.2 IGFT system aligned to enable Government to support the provision of Social Services Pillars of Parish Development Model (PDM):	Develop MTP financing options for financing Decentralized service delivery standards through the IGFT systems, to support improvement of delivery of for basic social services delivered at the Local Government. Including results-based financing	MoLG/LGFC	85,500,000	85,500,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Develop comprehensive report for National Budget documents on LG fiscal transfers, including estimates of local own-source revenue collection	MoLG/LGFC	44,333,333	44,333,333	44,333,333	-	-
	Strengthen the Local Government Performance Assessment Framework to assess LG service delivery levels in line with the established Service Delivery Standards.	MoLG/LGFC	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000
5.2.3. Fiscal Decentralization Policy developed. Enhanced enabling legal, policy and reporting framework for local service delivery	Formulate the Fiscal Decentralization Policy Framework to govern creation, management, purpose and alignment of the IGFT transfers for improvement of service delivery quality and standards	MoLG/LGFC	-	191,520,950	191,520,950	191,520,950	191,520,950
	Review service delivery costs at LG level based on sector standards to establish norms in the target sectors for rural and urban LGs.	MoLG/LGFC		202,666,667	202,666,667	202,666,667	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Review compliance with the current strategy/ policy and legal framework for devolution of services and assess feasibility of introducing enhanced discretion of funds (reduced earmarking) for LGs, with incentives for improved Service Delivery levels between LGs	MoLG/LGFC	-	166,250,000	166,250,000	-	-
	Support to the Fiscal Decentralization Technical Secretariat to coordinate the Institutional framework for implementation and management of inter-governmental fiscal transfers.	MoLG/LGFC	-	921,500,000	921,500,000	921,500,000	921,500,000
5.3 Allocative Efficiency for Improved Service Delivery at Local Governments			212,800,000	1,116,234,800	1,542,800,000	478,800,000	991,800,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.3.1Capacity development for Internalization and localization of legal and policy frameworks on LED by MDAs and LGs	Enhance the financing of LGs and adequately mobilize the private sector and other non-state actors to fully participate and support LED interventions.	MoLG	-	285,000,000	285,000,000	-	-
	Promote and ensure comprehensive LED strategy frameworks for the LGs are developed across the country based on comparative and competitive advantages.	MoLG	-	-	266,000,000	266,000,000	
	Conduct sensitization and capacity building of various stakeholders in enhancing LED promotion across LGs.	MoLG		212,800,000	212,800,000	212,800,000	212,800,000
5.3.3 Harmonized Tracking system for service delivery standards developed and operationalized. Enhanced performance and accountability for service delivery at LG level	Develop a harmonized tracking system for services delivery standards. Including Dissemination of Service Delivery Standards against which services will be delivered	MoLG	212,800,000	-	551,000,000	-	551,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Disseminate Simplified Guidelines in Budgeting, Accounting and Reporting (BAR Guidelines) for Schools and Health Centres	MoLG	-	390,434,800	-	-	-
	Dissemination of performance monitoring guidelines developed by LG, including associated capacity building	MoLG	-	228,000,000	228,000,000	-	228,000,000
5.3.4 Data Analytics Tools for planning function. For evidence-based planning and budgeting							
5.4 Oversight for Improved Service Delivery in Local Governments			2,112,503,003	4,924,100,000	4,128,000,000	2,380,000,000	2,380,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.4.1. LGPAC Audit Tracking System developed and operationalized for Improved monitoring and reporting on implementation of LG audit recommendations (Possibility of linking this to the system developed by OAG will be explored)	Change Management and training in the Audit Recommendations Tracking System targeting LG leaders	MoLG/ MoFPED-IAG		950,000,000	-	-	-
	Support AOs understand and implement audit recommendations	MoLG/ MoFPED-IAG		152,000,000	152,000,000	152,000,000	152,000,000
	Technical Support to LGPFM Reform Implementation	MoLG	1,272,149,603	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
		MoLG	127,214,960				
		MoLG	190,822,440				
		MoLG	129,600,000				
	Printing and stationary	MoLG	7,500,000				
	Airtime (Telecommunication)	MoLG	13,680,000				
	Imprest	MoLG	12,000,000				
	Fuel Lubricants	MoLG	31,536,000				
	Maintenance-vehicles	MoLG	144,000,000				
	Small Office equipment	MoLG	15,000,000				
	Utilities (Electricity)	MoLG	9,000,000				
	Office and Parking and Rent	MoLG	160,000,000				

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.4.2. Guidelines developed for LGPACs and regional audit committees to operationalize policy on audit committees. For Improved effectiveness and capacity of LGPACs and coordination with other audit committees	Develop policy/guideline to clarify and streamline roles and coordination of LGPACs, District PACs and regional audit committees	MoLG/ MoFPED-IAG		-	665,000,000	-	-
	Change management for adoption of improved institutional arrangements to implement policy on roles of audit committees	MoLG/ MoFPED-IAG	-	-	798,000,000	-	-
	Consultancy to conduct a Capacity Needs Assessment of the Internal Audit Function in LGs	MoLG/ MoFPED-IAG	-	285,000,000	285,000,000	-	-
	Implement a Comprehensive capacity building programme in Internal Audit targeting Local Government leaders for enhanced quality of internal audit assurance function at LG level	MoLG/ MoFPED-IAG		152,000,000	152,000,000	152,000,000	152,000,000
	Assess, support and incentivize LGs to allocate sufficient resources to internal audit function	MoLG/ MoFPED-IAG		76,000,000	76,000,000	76,000,000	76,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.4.3 Establishment of structured engagement forums on accountability in Local Governments and CG. Public access to PFM reform performance information and downward accountability feedback mechanisms enhanced	Develop and operationalize ASSIP+ Community Score Card aimed at citizen-driven accountability measure for the assessment, planning, monitoring and evaluation of service delivery.	PEMCOM & DPI SECRE-TARIATE		243,200,000	-	-	-
	Develop LG budget transparency and communications strategy	PEMCOM & DPI SECRE-TARIATE		292,600,000	-	-	-
	Develop a strategy / campaign for popularizing the Whistle Blowers Protection ACT, 2010 within the citizenry	PEMCOM & DPI SECRE-TARIATE		482,600,000	-	-	-
	Review and improve mechanisms for dialogue on LG issues with the objective of promoting support for change management, accountability and integrity	PEMCOM & DPI SECRE-TARIATE		290,700,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
5.5 Improved Financial Reporting for enhanced service delivery in Lower Local Governments and Service Delivery Units				945,000,000	403,433,333	460,433,333	460,433,333
5.5.1. Enhanced financial accounting capacity in LGs (LLGs)	Undertake rollout of the Simplified Computerized Accounting Reporting Tool (SCART) across LGs and Service Delivery Units	MoLG	500,000,000	159,600,000	159,600,000	159,600,000	159,600,000
	Procure LG and LLG supporting ICT infrastructure including Computers, power and internet connectivity for the service delivery sites	MoLG		63,333,333.33	63,333,333.33	63,333,333.33	-
	Undertake training in maintaining proper books of account and financial reporting	MoLG	245,000,000	180,500,000	180,500,000	180,500,000	180,500,000
	Undertake performance review of SCART and update the Accounting and Financial Reporting Systems in Service Delivery Units	MoLG	200,000,000	-	57,000,000	57,000,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
TOTAL COST			**14,597,472,107**	**14,729,161,057**	**9,909,128,857**	**5,544,992,190**	**5,739,992,190**

Objective 6: To strengthen oversight and PFM governance functions for the sustainability of development outcomes							
6.1Enhanced impact of financial and VFM audit reporting and oversight			2,858,600,000	5,934,120,533	4,582,587,200	2,880,820,533	1,715,487,200
6.1.1 OAG Audit Management System developed and rolled out.	Procurement of an Audit Management System that shall be integrated with the OAG IMIS, ART and other government systems	OAG	1,736,000,000	1,368,000,000	456,000,000	-	-
	Provision of Quality Assurance Services during design, development and roll out of the AMS	OAG	180,000,000	174,800,000			
	Change Management and User training	OAG	264,800,000	410,400,000	136,800,000		
	Conduct a post pilot implementation review of the OAG Management Information System	OAG		190,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.1.2 Improved tracking of follow up of oversight recommendations by MDALGs	Roll out and user training for the ART	OAG	190,000,000	190,000,000	456,000,000	380,000,000	304,000,000
	Expansion of the ART to other oversight institutions - (Parliament, Internal Audit, MoLG, PPDA)	OAG			349,600,000	349,600,000	174,800,000
	Develop and implement a framework for evaluation of Value Added and Impact arising from audits	OAG		456,000,000	760,000,000		
	Training program for Local Government Public Accounts Committees (LGPACs) and District Councils in tandem with parliament PAC	IAG/MOLG/ OAG	275,000,000	475,000,000	-	-	-
	An ICT-based follow-up mechanism for MoLG to track recommendations made by LG-PACs established	MOLG	-	-	380,000,000	380,000,000	380,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Effective Technical Support to legislative oversight	OAG		218,287,200	218,287,200	218,287,200	218,287,200
	Development of an Action plan targeting improved performance on treasury memoranda	MOFPED/ AGO		450,933,333	-	450,933,333	-
	System established for the tracking of actions upon treasury memoranda	MOFPED/ AGO	-	446,500,000	446,500,000	-	-
6.1.3 Enhanced citizen participation in Audit and Oversight	Develop a mechanism to streamline citizen participation in the Audit Process	OAG		425,600,000		-	-
	Pilot the mechanism for streamlining citizen participation in the Audit Process	OAG		98,800,000	197,600,000	197,600,000	
	Roll out, change management and user training to equip audit staff with the skills to use the mechanism	OAG		106,400,000	266,000,000	159,600,000	
6.1.4 Staff capacity enhanced improving the quality and impact of audits	Develop and implement a programme for Professional Certification of VFM Auditors	OAG		159,600,000	266,000,000	266,000,000	159,600,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Finalization of the Integrated Competence Framework and Training curriculum	OAG		285,000,000	171,000,000		
	Conduct training for OAG staff in VFM/ Performance and Specialized audit areas (IT, Oil and Gas, PPPs, Environment, Engineering, Forensic Investigations etc.)	OAG		266,000,000	266,000,000	266,000,000	266,000,000
	Staff supported to acquire professional qualifications in finance, accounting and audit certification courses namely ACCA, CPA, CFA, CISA, CFE, CIMA etc.	OAG	212,800,000	212,800,000	212,800,000	212,800,000	212,800,000
6.2 Enhanced Assurance (governance, risk and control) by the internal audit function for Compliance of PFM systems			466,186,850	466,186,850	466,186,850	466,186,850	211,280,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.2.1 Expanded automation of internal audit processes (using IDEA, CAATs) to LGs not currently covered	Procurement of computer assisted audit tools (CAATS) for LGs	MoFPED/ IAG/ MoLG	-	-	-	-	-
	Rollout and train MDAs Audit recommendations tracking system	MoFPED/ IAG/ MoLG	211,280,000	211,280,000	211,280,000	211,280,000	211,280,000
	Training program for the use of the CAATs by LGs	MoFPED/ IAG/ MoLG	254,906,850	254,906,850	254,906,850	254,906,850	-
6.3Improved coordination and monitoring of PFM Reforms within the DPI Programme			8,244,941,876	9,735,710,199	9,441,210,199	9,441,210,199	9,441,210,199
6.3.1 Enhanced communication and feedback mechanisms among MDAs and stakeholders implementing the PFM Reform Strategy	Programme communication and feedback mechanisms among MDAs and stakeholders enhanced	PEMCOM & DPI SECRE-TARIATE	194,560,000	194,560,000	194,560,000	194,560,000	194,560,000
	Web-based Action Log established for PEMCOM and track PEFA indicators and high-level policy commitments/ undertakings	PEMCOM		294,500,000			

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.3.2. Coordination structures for joint planning, implementation and monitoring of 6 PFM reform priority areas established and operational	Set up new coordination structures for joint planning, implementation and monitoring of the priority reform areas harmonized with the DPI programme and other contributing area	PEMCOM & DPI SECRETARIATE		190,000,000	190,000,000	190,000,000	190,000,000
6.3.3. Annual reviews of progress of PFM reforms undertaken	Introduction of an annual review of progress of PFM reforms through the DPI Programme	PEMCOM & DPI SECRETARIATE	266,000,000	266,000,000	266,000,000	266,000,000	266,000,000
6.3.4. PFM Coordination in terms of planning, financial management, procurement and change management as well communication aspects of the reform programme	Reform coordination unit facilitated to coordinate PFM Reforms (RCU sheet for details)	PEMCOM	6,189,155,121	7,752,000,000	7,752,000,000	7,752,000,000	7,752,000,000
6.3.4 Effective coordination of the NDP Implementation	Support and build the capacity of Programs to undertake Public Expenditure Review and Tracking Surveys	Secretariat for DPI MFPED		216,325,100	216,325,100	216,325,100	216,325,100

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Support adoption and full functionality of the NDP M&E System	Secretariat for DPI MFPED	110,000,000	200,000,000	200,000,000	200,000,000	200,000,000
	Support oversight functions of the PFM Reforms	MoFPED/FA	584,021,404	584,021,404	584,021,404	584,021,404	584,021,404
		MoFPED/FA	58,402,140	58,402,140	58,402,140	58,402,140	58,402,140
		MoFPED/FA	87,603,211	87,603,211	87,603,211	87,603,211	87,603,211
		MoFPED/FA	385,200,000	385,200,000	385,200,000	385,200,000	385,200,000
	Undertake targeted surveys to inform the implementation of the NDP e.g. sustainability of PFM systems	Secretariat for DPI MFPED		202,325,100	202,325,100	202,325,100	202,325,100
	Build the technical capacity of the DPI Secretariat to effectively coordinate the implementation of the DPI Programme	Secretariat for DPI MFPED	126,000,000	176,000,000	176,000,000	176,000,000	176,000,000
	Support the DPI Programme (through the Secretariat) to effectively coordinate the implementation of the NDP (Programme Reviews, Inter-program engagements, policy dialogues, etc.)	Secretariat for DPI MFPED	244,000,000	244,000,000	244,000,000	244,000,000	244,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.4Sustained uptake of reforms through improv-edlearningand coordination of PFM Reform processes			237,500,000	4,628,116,520	2,202,196,520	2,988,416,520	1,964,696,520
6.4.1 Enhanced awareness and feedback opportunities for LGs in the implementation of the PFM Reform Strategy	MIS established (or extended) to capture LG performance reporting	PEMCOM & DPI SECRE-TARIATE		480,700,000	-	-	-
	IT based tool developed for capturing in real-time feedback of LGs on the implementation of the PFM-RS such as SMS	PEMCOM & DPI SECRE-TARIATE		475,000,000	-	-	-
6.4.2 Effective change management and communication on PFM	Develop comprehensive sustainability plan for PFM reforms	PEMCOM & DPI SECRE-TARIATE	237,500,000	237,500,000	-	-	-
	Update comprehensive capacity needs assessment for PFM and develop training/capacity enhancement plan	PEMCOM & DPI SECRE-TARIATE		475,000,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Undertake feasibility assessment for sustainable delivery of PFM capacity development and training management options	PEMCOM & DPI SECRE-TARIATE		290,700,000	-	-	-
	Annual assessment of the PFM capacity building programme against the CNA/ enhancement plan	PEMCOM & DPI SECRE-TARIATE		270,670,200	270,670,200	270,670,200	270,670,200
	Undertake a PFM performance assessment based on the PEFA framework	PEMCOM & DPI SECRE-TARIATE	-	-	316,666,667	316,666,667	316,666,667
	Undertake Midterm Review of the PFM strategy	PEMCOM & DPI SECRE-TARIATE	-	-	190,000,000	190,000,000	190,000,000
	Undertake Tracer studies for selected Study cohorts to assess impact of learning on improvements in governance and services delivered	PEMCOM & DPI SECRE-TARIATE	-	358,720,000	-	358,720,000	-
	Awareness campaign on provisions on PFMA in local governments to demand accountability	PEMCOM & DPI SECRE-TARIATE		228,000,000	228,000,000	228,000,000	228,000,000

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.4.3 Online peer mentorship and support undertaken	Establishment and operationalization of an e-lab for PFM piloted	MOPS		465,638,320	465,638,320	465,638,320	465,638,320
	Development and rollout of a training programme on Financial management for both financial and Non-Financial Managers	MOPS		187,188,000	187,188,000	187,188,000	187,188,000
6.4.4 Mechanisms for deepening learning from Budget Monitoring and Diagnostics developed	Efficient systems for fostering implementation of Budget Monitoring recommendations in selected service delivery sectors developed	BMAU/ EPRC/ OPM	-	237,500,000	237,500,000	-	-
	Develop manual for budget monitoring and expenditure tracking for MDA and LGs	BMAU/ EPRC/ OPM	-	256,500,000	-	-	-
	Block-chain Technology based Pilots to support selected PFM Reform processes	PEMCOM & DPI SECRE-TARIATE	-	-	306,533,333	306,533,333	306,533,333
	Impact evaluation for major PFM reforms and investments	PEMCOM & DPI SECRE-TARIATE	-	665,000,000	-	665,000,000	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.5 Enhanced impact of PFM reforms through strengthening of the oversight role of Parliament			1,225,200,000	2,917,133,333	1,497,833,333	1,269,833,333	418,000,000
6.5.1Standardized methodologies and tools for Parliamentary Oversight of PFM Reforms	Undertake a study to identify and standardize tools, work processes and guidelines to be used in strengthening Parliamentary oversight of PFM Reforms	Parliament	360,700,000				
	Develop the necessary tools and guidelines as recommended by the study	Parliament	-	228,000,000	228,000,000	228,000,000	228,000,000
	Develop capacity of oversight committees in PFM reforms and to effectively utilize standardized methodologies and tools	Parliament	-	329,333,333	329,333,333	329,333,333	-
6.5.2 Parliamentary e-solutions for accountability upgraded	Facilitate the upgrade of the Content Management System.	Parliament		345,800,000	-	-	-
	Procure relevant software and ICT equipment	Parliament	175,500,000	275,500,000	-	-	-

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.5.3The Parliamentary Budget Office (PBO) supported to develop appropriate analytical tools and frameworks for effective oversight	Develop an Integrated Econometrics and Dynamic Computable General Model to enhance PBO's potential in providing Parliament with evidence-based performance data on the socio-economic impact of PFM reforms	Parliament	205,000,000	285,000,000	285,000,000	285,000,000	-
	Develop a Monitoring and Evaluation Framework for assessing the performance of Government Developments Projects and Programme.	Parliament	-	228,000,000	228,000,000	-	-
	Develop a Fiscal Forecasting Model (Revenue & Expenditure) to support PBO in effective fiscal scrutiny	Parliament		237,500,000	237,500,000	237,500,000	-
	Train PBO Staff in Modelling and Forecasting	Parliament	190,000,000	190,000,000	190,000,000	190,000,000	190,000,000
	Facilitate PBO with modeling and forecasting tools	Parliament		304,000,000			

Outputs	Key Activities	Lead Institution	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
6.5.4 Enhanced functionality of Parliament's Capacity Development Unit for sustainable training of MPs and staff in PFM reforms	Facilitate the capacity development unit with training equipment and materials	Parliament	294,000,000	494,000,000			
Sub Total			**13,032,428,726**	**23,681,267,436**	**18,190,014,102**	**17,046,467,436**	**13,750,673,919**
Grand Total			**242,892,620,974**	**244,201,282,299**	**212,114,720,566**	**189,057,395,799**	**178,573,423,949**

ANNEX 3: REAP II Results Framework

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
Objective 1: Sustainable Policy-Based Fiscal Strategy, Planning and budgeting									
Overall Outcome: Improved planning & Budgeting	Proportion of MDAs plans aligned to NDP		93	60	80	85	95	100	
	Budget transparency index		59	65	68	72	76	80	
	Proportion of LGs plans aligned to NDP		97.7	50	60	70	90	100	
1.1: Strengthened Budget Framework and challenge function	Arrears as a percentage of the total expenditure for the previous financial year FY (N-1)		40	35	35	30	29	27	
	Percentage of budget released against originally approved budget		104.5	100	100	100	100	100	
1.2: Multiyear Budgeting strengthened	Supplementary expenditure as a percentage of the initial approved budget		17	< 3	< 3	< 3	< 3	< 3	
1.3: Sustainable development Financing through Alternative Financing	Proportion of diaspora bonds to government securities		TBD	TBD	TBD	TBD	TBD	TBD	
	External resources mobilised as a percentage of the national budget		0	0.2	0.18	0.16	0.14	0.12	
	value of resources mobilised from green finance sources (US$)		500M	500M	520M	550M	580M	600M	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
	Proportion of Retirement Assets to GDP	URBRA Reports	12.2	13	13.8	14.6	15.4	16.2	
	Value of bilateral and multilateral resources ($Million)	MOFA Reports	49.1	58	65	72	79	85	
Objective 2: Sustainable Domestic Resource Mobilization for Development									
Overall Outcome: Enhanced revenue mobilisation	Tax to GDP Ratio		12.9	15.8	16.3	16.8	17.3	17.8	
	Revenue to GDP Ratio		14.5	16.5	16.9	17.6	17.9	18.2	
	Domestic revenue as a share of GDP (excl. oil)		13.70%	13.90%	14.20%	14.70%	15%	16%	
	Proportion of Nominal Debt to GDP	Debt Sustainability Analysis (MoFPED)	46.20%	44.20%	42.20%	40.20%	38.20%	36.20%	
	Present Value of Public Debt Stock as a percentage of GDP		39.90%	31.40%	34.95%	36.54%	35.76%	34.77%	
	Total Debt Service as a percent of domestic revenue (excluding Grants)		31.00%	29.40%	28.10%	28.00%	28.00%	27.00%	
2.1 Enabling Policy Environment for Revenue Mobilisation Enhanced	National Tax policy in place		0	0	1	1	1	1	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
2.2: Enhanced Tax Compliance through Efficient Revenue Administration	Percentage growth of registered taxpayers		TBD	TBD	TBD	TBD	TBD	TBD	
	Voluntary compliance: % VAT on-time filing by taxpayer office (LTO, MTO, STO)		TBD	TBD	TBD	TBD	TBD	TBD	
2.3: Enhanced collections from extractives including oil, gas and mineral sectors	Contribution to GDP - Oil, gas and mineral sectors		TBD	TBD	TBD	TBD	TBD	TBD	
2.4: Increased contribution of Foreign Direct Investments to Domestic Revenue efforts through undertaking Investment Facilitation Reform Interventions	FDI as a percentage of GDP		2.8	6.2	6.6	7.2	7.8	8.6	
2.5: Strengthen non-tax revenue (NTR) mobilization at central and local levels	Share of NTR to total revenue		0.08	0.09	0.1	0.11	0.12	0.13	
	Percent NTR Collection to Target		4	46	52	58	65	70	
Objective 3: To strengthen public investment management (PIM) for increased development returns on public spending									
Overall Outcome: PIM strengthened	Development/capital spending outturn as % budget)		TBD	TBD	TBD	TBD	TBD	TBD	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
	Share of PIP projects delivered on schedule		37	40	50	60	70	80	
	Share of PIP projects delivered on budget		65	70	75	80	85	90	
3.1: Strengthened Planning, Appraisal and Selection of Public Investment Projects and Public Private Partnerships	Proportion of core projects subjected to independent appraisal			100	100	100	100	100	
	Proportion of NDPIV Core projects that are bankable			100	100	100	100	100	
3.2: Enhanced VFM in public procurement for large, complex public procurements	Proportion of entities rated satisfactory in Annual Procurement Assessments	PPDA annual report	69	75	80	85	90	95	
	Proportion (by value) of contracts subject to open competition above the defined threshold	PPDA annual report	50	55	60	65	70	75	
	Percentage of contracts completed in time	PPDA annual report	63	70	75	80	85	90	
	Percentage of contracts delivered within contract value	PPDA annual report	75	75	78	80	85	90	
	Proportion on Contracts procured adhering to Sustainable practices	PPDA annual report	0.55	0.5	0.6	0.75	0.68	0.75	
	Percentage of PPDA recommendations implemented by MDALGs and SoEs	PPDA annual report	69	69	70	75	80	85	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
3.3: Efficient and Effective implementation and accountability of development Projects	% of projects (public infrastructure projects) progress within their planned time frame	MoFPED	TBD	TBD	TBD	TBD	TBD	TBD	
3.4: Optimal Utilization and Maintenance of Assets	% of registered central government assets are valued in the IFMS	MoFPED	TBD	TBD	TBD	TBD	TBD	TBD	
Objective 4: To strengthen PFM controls and compliance in budget execution (Controls in budget execution and Accountability)									
Overall Outcome: System effectiveness and Compliance with regulations	Proportion of MDAs complying with PFM Legal Framework and processes	DPI Annual Reports	85	100	100	100	100	100	
	Proportion of Local Governments complying with PFM Legal Framework and processes	DPI Annual Reports	70	100	100	100	100	100	
	Percentage of entities with clean audit reports (CG and LGs)	Annual OAG reports	CG 98 LG 98	98 98	99 99	100 100	100 100	100 100	
4.1: Effectiveness and accuracy of public payroll and pension management systems improved	Number of MDAs/LGs using HCM	MoPS Reports	160	360	390	390	390	390	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
4.2: Effectiveness and Integrity of PFM Systems Strengthened	Proportion of National Budget executed through IFMS	DPI Annual Reports	75	80	85	90	95	100	
	Percentage of Votes with Standard Risk Registers	DPI Annual Reports	15	70	87	94	98	100	
4.3: Comprehensiveness and quality of financial Reporting Enhanced	Percentage of Accurate Financial Statements submitted to AGO for consolidation within the Statutory timelines	DPI Annual Reports	75	75	80	85	90	90	
4.4: Improving budget credibility in budget execution	No. of NDP IV programmes supported to develop the Programme Scorecard	DPI Annual Reports	0	9	9	0	0	0	
	No. of MDAs, LGs and Institutions supported to develop and Implement the Balance Score Card	DPI Annual Reports	12	40	50	60	70	80	
Objective 5: Strengthening Sub-National PFM Systems for Service Delivery									
Overall Outcome: LG PFM contribution to service delivery	LG own-source revenue as a percentage of total LG budgets (Rural)	LG audited final accounts; DPI Performance report	4%	5	7	10	12	15	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
	Urban LG revenue collection as a percentage of LG budgets Overall average performance on crosscutting measures for district and LGs	LG audited final accounts; DPI Performance report LG PAF	11 TBD	12	15	18	21	25	
5.1: Enhanced Allocative Efficiency in Fiscal Transfers for Improved Local Government Planning and Service Delivery	LG per capita funding for services (total public spending in LGs/population)	MOLG Reports	TBD	TBD	TBD	TBD	TBD	TBD	
5.2 Increased contribution of LG own-source revenue to LG Budgets	Percent increase in Own source revenue	LG audited final accounts; DPI Performance report	0.54%	0.65	0.8	0.88	0.93	1	
	Growth in KCCA Own source revenue (Billions of UGX)	KCCA Reports	112	117.6	123.48	129.65	136.14	142.94	
5.3. Improved Oversight for Improved Service Delivery in Local Governments	Cleanliness of LG Audit Reports /% HLG with clean audit reports	TBD							

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
5.4: Improved Financial Reporting for enhanced service delivery in Service Delivery Units (SDU)	% SDUs submitting annual performance reports on time to respective HLGs	MOLG Reports	0	20	40	50	60	70	
	% of HLGs submitting annual performance reports on service delivery units on time to MoLG	MOLG Reports	0	40	60	75	80	90	
5.5: Enhanced Integrity and Transparency in Local Government Procurement Function	LG compliance with procurement and contract management procedures (% score)								
Objective 6: To strengthen oversight and PFM governance functions for the sustainability of development outcomes									
Overall Outcome: Governance and oversight of PFM reform	Corruption perception index (0=highly corrupt; 100=very clean)		TBD	TBD	TBD	TBD	TBD	TBD	
	% HLG with clean audit reports	OAG Annual Report	TBD	TBD	TBD	TBD	TBD	TBD	

Outcome	Indicator	Indicator Source/ MoV	Baseline 2023/24	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Assumptions
6.1: Enhanced impact of financial and VFM audit reporting and oversight	No. of VfM reports adopted by Parliament and submitted to Executive as a % of reports tabled in the plenary		TBD	TBD	TBD	TBD	TBD	TBD	
	% external audit recommendations implemented by MDALGs	OAG Annual Report	42	45	50	55	60	65	
	% actions taken reported in the Treasury Memoranda in line with Parliamentary resolutions		TBD	TBD	TBD	TBD	TBD	TBD	
6.2: Enhanced Assurance (governance, risk and control) by the internal audit function for Compliance of PFM systems	Percentage of internal audit recommendations implemented annually across MDALGs	Annual consolidated internal audit report	68	74	78	82	88	94	

ANNEX 4: Roles and Membership of the PFM Reform and REAP Implementation Structures

	Structure	Chair	Membership	Focus	Modalities &Tors
1	**PEMCOM** **Objective:** To provide a high-level forum for strategic guidance and control of PFM reforms	• PS/ST • DPs Co-Chair	1. PFM REFORM Accounting Officers and Heads of Directorates *(Detailed list below)* 2. PFM Development Partners 3. Civil Society (CSBAG)	a. PFM Reform Policy b. Reform Strategy Monitoring c. Monitoring PRAM d. Approve work plans & performance indicators e. Cluster Positions	a. Once Quarterly b. Review of cluster briefing papers on agenda items c. Structured presentations
	Detailed List of Accounting Officers/ Institutional Representation 1. Auditor General, Office of the Auditor General 2. Permanent Secretary, Ministry of Public Service 3. Permanent Secretary, Ministry of Local Government 4. Commissioner General, Uganda Revenue Authority 5. Executive Director, National Planning Authority 6. Executive Secretary, Local Government Finance Commission 7. Director, National Information Technology Authority-Uganda 8. Executive Director, Public Procurement and Disposal of Public Assets Authority 9. Commissioner, Inspection/Office of the Prime Minister 10. Clerk to Parliament 11. Permanent Secretary, Ministry of Education 12. Permanent Secretary Ministry of Health 13. Permanent Secretary, Ministry of Agriculture 14. Permanent Secretary Ministry of Water and Environment, 15. Permanent Secretary, Ministry of Energy and Minerals 16. Permanent Secretary, Ministry of Works and Transport		1. Deputy Secretary to the Treasury 2. Accountant General 3. Internal Accountant General 4. Director, Economic Affairs 5. Director, Budget 6. Director, Debt Cash Policy 7. Director, Financial Management Services 8. Director, Treasury Services and Asset Management 9. Under Secretary/ Accounting Officer 10. Coordinator/Accountability Secretariat		1. PFM DP Working Group 2. CSBAG 3. Programme Coordinator, REAP 4. Director, SUGAR 5. Chief of Party, GAPP **In attendance** 6. Economic Policy Research Centre 7. Tax Policy Department 8. Projects Analysis & Public Investment Department 9. Treasury Inspection Policy Department 10. Procurement Policy Management Department 11. Development Assistance & Regional Cooperation Department 12. Budget Monitoring & Accountability Unit 13. Technical Assistance/ Clusters

	Structure	Chair	Membership	Focus	Modalities &Tors
	PEMCOM CLUSTERS	**Chair**	**Membership**	**Focus**	**Modalities &TORs**
	1.1 SUSTAINABLE RESOURCE MOBILIZATION	• Director, Economic Affairs-Chair • Director, Debt Cash Policy –Co Chair	1. Directorate of Economic Affairs 2. Uganda Revenue Authority 3. Directorate of Economic Affairs 4. Directorate of Debt Cash Policy 5. Directorate of Treasury Services & Asset Management 6. Internal Auditor General 7. National Planning Authority 8. Tax Policy Department 9. Economic Policy Research Centre 10. Development Assistance & Regional Cooperation Department 11. Budget Monitoring and Accountability Unit 12. Accountant General's Office 13. Ministry of Local Government 14. Local Government & Finance Commission 15. Private Sector Representative (Private Sector Foundation/ Uganda Manufacturers Association) 16. Development Partners and Civil Society Rep with DRM focus	a. Updating PRAM per strategic objective b. Revenue mobilisation & Management at CG & LG c. Tax Policy d. Tax Administration e. Non Tax Policy & administration f. Public Debt Management	a. Quarterly b. Preparation of PEMCOM agenda items pertaining to DRM c. Structured briefing papers per PEMCOM agenda item d. Multiyear Strategic planning for Results Area e. Dedicated Technical Assistance (TA) to support monitoring & coordination

Structure	Chair	Membership	Focus	Modalities &Tors
1.2 PLANNING, BUDGETING & PUBLIC IMVESTMENTS MANAGEMENT	• Director Budget-Chair • Executive Director, NPA - Co Chair	1. Directorate of Budget 2. National Planning Authority 3. Directorate of Treasury Services & Asset Management 4. Directorate of Debt & Cash Policy 5. Directorate of Economic Affairs 6. Internal Auditor General 7. Procurement Policy Management Department 8. Projects Analysis & Public Investment Department 9. Public Procurement & Disposal of Public Assets Authority 10. Public Private Partnership Unit 11. Budget Monitoring & Accountability Unit 12. Economic Policy and Research Centre 13. SECTOR PLANNING HEADS i. ENERGY ii. ROADS iii. WATER & ENV iv. AGRICULTURE v. HEALTH vi. EDUCATION 14. Development Partners and Civil Society Rep with planning, Budgeting & PIM focus	a. Updating PRAM per strategic objective b. Development Planning c. Budget Preparation and Monitoring d. Public Investments Management e. Effectives PPPs f. Public Procurement for Public Investments g. Project monitoring & evaluation h. Strategic, complex & high value investments	a. Quarterly b. Preparation of PEMCOM agenda items pertaining to Planning Budgeting & Public Investment Management c. Structured briefing papers per PEMCOM agenda item d. Multiyear Strategic planning for result area e. Dedicated TA to support monitoring & coordination

	Structure	Chair	Membership	Focus	Modalities &Tors
	1.3 ACCOUNTABILITY SYSTEMS AND COMPLIANCE	• Accountant General- Chair • Internal Auditor General - Co Chair	1. Accountant General 2. Internal Auditor General 3. National Planning Authority 4. Directorate of Financial Management Services 5. Directorate of Treasury Services & Asset Management 6. Directorate of Debt & Cash Policy 7. Treasury Inspection Policy Department 8. Ministry of Public Service 9. Ministry of Local Government 10. National Information Technology Authority Uganda 11. Public Procurement & Disposal of Public Assets Authority 12. Local Government PFM system office 13. Development Partners and Civil Society Rep with accountability & budget control systems focus	a. Updating PRAM per strategic objective b. Pension and Payroll systems c. Accounting & Financial Reporting d. Compliance in budget execution e. Internal control oversight f. PFM ICTs/automated systems & integration g. Cash Management h. PFM Incentives & Sanctions	a. Preparation of PEMCOM agenda items pertaining to Accountability & Budget control systems b. Structured briefing papers per PEMCOM agenda item c. Multiyear strategic planning for result area d. Dedicated TA to support monitoring and coordination

	Structure	Chair	Membership	Focus	Modalities &Tors
	1.4 LG PFM FOR SERVICE DELIVERY	• Permanent Secretary, Ministry of Local Government- chair • Executive Secretary, Local Government Finance Commission- Co Chair	1. Ministry of Local Government 2. Office of the Auditor General 3. Accountant General's Office 4. Office of the Prime Minister 5. Local Government Finance Commission 6. Ministry of Public Service 7. Directorate of Budget 8. Internal Auditor General 9. Directorate of Financial Management Services 10. Directorate of Treasury Services & Asset Management 11. Procurement Policy Management Department 12. National Planning Authority 13. Public Procurement & Disposal of Public Assets Authority 14. Ministry of Local Government Inspection 15. Service Delivery Sectors • Education • Health • Water • Agriculture 16. Development Partners and Civil Society Rep with LG PFM focus 17. Specialised Projects e.g. GAPPs	a. Updating PRAM per strategic objective b. LG Revenue Administration c. Local Government PFM - planning, budgeting, procurement, oversight, monitoring & evaluation d. Service delivery aspects in PFM e. Local Government Performance Framework	a. Quarterly b. Preparation of PEMCOM agenda items pertaining to LG PFM c. Structured briefing papers per PEMCOM agenda item d. Multiyear strategic planning for result area e. Dedicated TA to support monitoring & coordination

	Structure	Chair	Membership	Focus	Modalities &Tors
	1.1 **OVERSIGHT AND GOVERNANCE**	• Auditor general, Office of the Auditor General- Chair • Permanent Secretary, • Ministry of Public Service- Co-Chair	1. Office of the Auditor General 2. Parliament 3. Ministry of Public Service 4. Accountant General's office 5. Internal Auditor General 6. Ministry of Local Government 7. National Planning Authority 8. Office of the Prime Minister 9. Ministry of Public Service 10. Directorate of Financial Management Services 11. Tax Policy Department 12. Budget Monitoring & Accountability Unit Secretariat 13. Development Partners and Civil Society Rep with Oversight focus 14. Specialised Projects e.g. SUGAR	a. Updating PRAM per strategic objective b. External Oversight c. Parliamentary Oversight d. PFM aspects of Public Service Performance e. Citizen Engagement f. PFM Reform Coordination& Management	a. Quarterly b. Preparation of PEMCOM agenda items pertaining to Oversight & Governance c. Structured briefing papers per PEMCOM agenda item d. Multiyear strategic planning for result area e. Dedicated TA to support monitoring & coordination
		Chair			

	Structure	Chair	Membership	Focus	Modalities &Tors
2	**REAP Partners Committee (RPC)** Objective: Accord contributing partners an opportunity to interface on management issues, funding commitments, emerging issues on MOUs and special requests	Deputy Secretary to the Treasury-Chair Development Partner- Co-Chair	1. PFM Cluster Heads/Co-Chairs a. Auditor General b. Permanent Secretary, Ministry of Local Government c. Permanent Secretary, Ministry of Public Service d. Accountant General e. Internal Auditor General f. Director, Economic Affairs g. Director, Budget h. Director, Debt & Cash Policy i. Executive Director, National Planning Authority j. Executive Secretary, Local Government Finance Commission 2. REAP (GoU Reforms Framework) Development Partners 3. PC/REAP	a. Matters REAP (strategic) b. Risk Management of REAP c. Oversight for REAP coordination unit (PCU) d. DPs Support Coordination	a. Semi Annual b. PFM Reform Review Conference Coordination c. Reviewing reports
		Chair			
3	**REAP Key Results Coordinators** **Objective:** Undertake supervision of the Key Result Area activities to ensure cluster objectives/results are achieved	PC/REAP	1. REAP Key Results Coordinators for Cluster (1 – 5) 2. MoFPED Reform Secretariat	a. Programme Implementation and operations management b. Intermediate results c. Change Management Strategies	a. Task management and monitoring b. Programme Reporting c. Procurement planning d. Updating Risk Register e. Work planning

ANNEX 5: Key Reforms Successfully Introduced under the Previous Programmes

Period	Key Reforms Achieved	Focus of Reforms
1986-1990	1. Structural adjustment reforms 2. Medium term expenditure framework instituted to enable predictability of the budget and enable harmonization of aid	• Focused on improving efficiency in service delivery
1990-2002	1. Further structural reforms e.g. reduced tariffs 2. URA established. 3. Fiscal decentralisation strategy 4. Budget Act 2001	• Establishment of fiscal discipline and the strategic allocation of resources for poverty eradication
2002 – 2012	1. Public Finance and Accountability Act 2003 2. Enhanced institutional setup for PFM 3. Automation of financial management systems 4. Professional scheme for accreditation of staff 5. Output Based reform within Results Oriented Management reforms	• Focused on Effectiveness of public service delivery
2012-2018	1. Institution of the Treasury single account, straight through processing 2. Decentralisation of payroll & pension management 3. Enactment of Public Finance Management Act 2015 4. Macro-Economic forecasting reform-IMEM 5. Programme Based Budgeting System 6. Independence of office of the Auditor General reform 7. Strengthening the legislative oversight – PAC 8. Automation of government systems reforms from manual to computer based 9. Tax administration reform (e.g. e-Tax, TIN reform) 10. Aid and debt Management reforms (AMP) 11. Decentralisation of the internal audit function 12. Public procurement reform 13. Budget transparency reform	The focus in the Strategy 2014- 2018 was: • Budget credibility • Budget control • Compliance with PFM rules and regulations

Period	Key Reforms Achieved	Focus of Reforms
2019 - 2024	1. Treasury Single Account (TSA) 2. Integrated Financial Management System (IFMS) and Integrated Personnel and Payroll System (IPPS) Upgrades 3. Wage and Payroll Management Improvements 4. Budget Formulation, Implementation, Monitoring, and Reporting Enhancements 5. Budget Transparency Strengthening 6. Improved Revenue mobilisation at central and LG levels. Implementation of the Integrated Revenue Administration Systems	• Deepen efficiency and effectiveness of service delivery • Deepen compliance to accountability stipulations and guidelines by encouraging citizen participation • Enhance systems for resource mobilizations while boosting capacities and the attendant policy frameworks designed to increase return on Public Investments and value for money.

ANNEX 6: Comparison of scores for 2016 and 2022 using the PEFA revised the methodology and weighting system

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
I. Budget reliability	PI-1	Aggregate expenditure out-turn	B	From 90% to 110% of approved expenditure in all 3 years.	A	Decline, caused by Covid-19 and lower disbursements on externally funded projects.
	PI-2	Expenditure composition out-turn	C+		D+	Improvement.
		(i) Expenditure composition out-turn by function	C	Variance by programme, administrative or functional classification >10% but <15% in at least 2 of the 3 years.	C	No change.
		(ii) Expenditure composition out-turn by economic type	C	Variance by economic classification >10% but <15% in 2 of the last 3 years.	D	Improvement, as variance in expenditure composition by economic classification was reduced to less than 15% in 2 of the last 3 years.
		(iii) Expenditure from contingency reserves	A	Actual expenditure on contingency vote averaged <3% of original budget in all 3 years. Contingency reserve 0.5% of annual budget.	A	No change.
	PI-3	Revenue out-turn	C		B+	Decline.
		(i) Aggregate revenue out-turn	D	Actual revenue <92% of budgeted revenue in at least 2 of the last 3 years	B	The major deviation came in FY2019/20, due to the impact of Covid-19 on domestic demand and imports. There were delays in implementing tax revenue measures (such as higher excise duty on fuel and a withholding tax on insurance and advertising agents) and some reforms, including the Electronic Fiscal Receipting and Invoicing System and the rental income tax solution.
		(ii) Revenue composition out-turn	B	Variance <10% in 2 of the last 3 years.	A	Decline, as above

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
II. Transparency of public finances	PI-4	Budget classification	A	2021 and 2016 Charts of Accounts cover all budgeting, budget execution, reporting and accounting codes. Budget formulation, execution, and reporting based on every level of administrative, economic, and functional classification using GFS or comparable classification. Programme budgets established and in use.	A	No change.
	PI-5	Budget documentation	B	Parliament provided with comprehensive documentation on at least 10 elements, including all core elements	B	No change.
	PI-6	Central government operations outside financial reports	B+	All revenues of budgetary and extra budgetary units collected through URA. All revenues and expenditures of extra budgetary units reported in GoU financial reports. Financial reports submitted to AGO and Auditor General within 2 months of fiscal year end.	B+	No change.
		(i) Expenditure outside financial reports	A	Expenditure outside government financial reports <1% of total budgetary central government expenditure.	B	Improvement, as all expenditure incurred by extra budgetary units now recorded in GoU financial reports.
		(ii) Revenue outside financial reports	A	Revenue outside government financial reports <1% of total budgetary central government revenue.	B	Improvement: University students now pay fees directly to URA, which remits collections to the Consolidated Fund at the Bank of Uganda. All revenues collected by budgetary and extra budgetary units are reported in GoU financial statements.

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
		(iii) Financial reports of extra-budgetary units	C	Detailed financial reports of all extra budgetary units submitted to government annually within 3 months of fiscal year end.	A	Decline.
	PI-7	Transfers to subnational governments	B+	Improvements in implementation and reliability of information in budget call circulars and indicative planning figures provided to local governments for preparation and finalization of budget estimates.	C+	Improvement.
		(i) System for allocating transfers	B	Horizontal allocation of most transfers to subnational governments determined by transparent, rule-based systems.	D	Improvement in transfer systems as indicative planning figures are well known and do not change much.
		(ii) Timeliness of information on transfers	A	Process by which subnational governments receive information on annual transfers managed through regular budget calendar (generally adhered to). Provides clear, detailed information and allows at least 6 weeks for budget planning.	A	Improvements in the implementation and reliability of information in budget call circulars and indicative planning figures provided to subnational governments ahead of the preparation and finalization of their budget estimates.
	PI-8	Performance information for service delivery	C+	Minimal decline in performance information for service delivery.	B	Decline.
		(i) Performance plans for service delivery	B	Information published annually on policy/ programme objectives, key performance indicators, outputs, and outcomes for most ministries, disaggregated by programme or function.	B	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(ii) Performance achieved for service delivery	B	For most ministries, information published annually on quantity of outputs produced or outcomes achieved.	B	Budgets now include key performance indicators for planned outputs and outcomes for its budgetary units.
		(iii) Resources received by service delivery units	D	Performance less than required for a C score.	D	No change
		(iv) Performance evaluation for service delivery	B	Independent evaluations of efficiency and effectiveness of service delivery published for most ministries at least once in last 3 years.	A	Decline in performance evaluations carried out by the Auditor General.
	PI-9	Public access to information	A	GoU makes available to public 9 elements, including all 5 basic elements, in specified time frames.	A	No change
III. Management of assets and liabilities	PI-10	Fiscal risk reporting	D+	No significant changes in fiscal reporting.	C+	Decline
		(i) Monitoring of public corporations	C	Most public corporations and state enterprises submit financial reports within stipulated times, but performance not assessed.	C	No change
		(ii) Monitoring of subnational government	D	Audited annual financial statements for all subnational governments are not published.	A	No change
		(iii) Contingent liabilities and other fiscal risks	D	Contingencies risks not generally reliably estimated or provided for.	D	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
	PI-11	Public investment management	D+		D	Improvement.
		(i) Economic analysis of investment proposals	C	About 37% of projects undergo economic analysis but no evidence of major projects undergoing feasibility study. Value of projects undergoing feasibility studies relatively low at about 25%	D	Improvement: Only 15% of projects in the Public Investment Programme were underpinned by a cost- benefit analysis in 2018/19.
		(ii) Investment project selection	D	Development Committee adopted criteria for selection of projects from FY2022/23. Seemingly no evidence used in assessment years.	D	No change
		(iii) Investment project costing	D	No recurrent costs in budget documentation, but total capital costs and forthcoming year costs in Public Investment Plan in budget.	D	Slight Improvement: more details included in the Public Investment Programme.
		(iv) Investment project monitoring	C	Projects monitored but no standard rules and procedures followed.	C	No change
	PI-12	Public asset management	C	Improvements in public asset management due to formulation of asset management framework and guidelines (awaiting approval). Asset registers updated.	C	No change
				However, limited information on performance of financial and nonfinancial assets.		
		(i) Financial asset monitoring	C	GoU register of holdings in major categories of financial assets but information on performance not published.	C	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(ii) Nonfinancial asset monitoring	C	GoU register of fixed assets and partial information on their usage and age. Information not published.	C	No change
		(iii) Transparency of asset disposal	C	Procedures and rules for transfer or disposal of nonfinancial assets established. Information on transfers and disposals included in budget documents and financial or other reports.	C	No change.
	PI-13	Debt management	A		A	No change
		(i) Recording and reporting of debt and guarantees	A	Data on domestic debt updated monthly, and external debt and guaranteed debt figures updated quarterly: published quarterly.	A	No change
		(ii) Approval of debt and guarantees	A	PFMA stipulates respective authority, purpose, and modes of disbursement of loans. Authority to raise money by loan and issue guarantees vests solely in Minister. All debt and guarantees approved by legislature on annual and ad hoc basis.	A	No change
		(iii) Debt management strategy	A	Five-year Debt Management Strategy, updated annually, covers existing and projected debt, target interest rate ranges, refinancing and foreign currency risks. Annual reports to legislature on adherence to debt management objectives. Annual plan consistent with Debt Management Strategy.	A	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
IV. Policy-based fiscal strategy and budgeting	PI-14	Macroeconomic and fiscal forecasting	B		B	No change
		(i) Macroeconomic forecasts	B	Five-year forecasts of key macro indicators (updated annually) submitted in budget documentation. However, assumptions cover only a few indicators of growth and inflation. Independent review of model and results only implicitly done as part of IMF engagement.	B	No change
		(ii) Fiscal forecasts	B	Medium-term forecasts for main fiscal indicators (e.g., revenue by type, expenditure, budget balance, and underlying assumptions) part of budget documentation sent to legislature. No explanation of deviations between previous forecasts and actual fiscal out-turns.	B	No change
		(iii) Macro-fiscal sensitivity analysis	B	MoFPED macro-fiscal sensitivity analysis published in budget documentation and the Fiscal Risk Statement. However, scenarios not detailed, published or discussed in budget documents.	C	Improvement, as results of the macro-fiscal sensitivity analysis are published as part of budget documentation and as part of the Fiscal Risk Statement.
	PI-15	Fiscal strategy	B		B	No change
		(i) Fiscal impact of policy proposals	D	Some partial impact analysis for tax policy proposals but no evidence of impact analysis of expenditure proposals.	D	No change
		(ii) Fiscal strategy adoption	A	Annual fiscal strategy for 2020/21 consistent with 2016 Charter of Fiscal Responsibility. Includes performance against annual targets, previous out-turns, and annotated five-year forecasts.	A	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(iii) Reporting on fiscal outcomes	A	Semi-annual and annual reports on economic and fiscal performance have detailed explanation of deviation from fiscal targets, along with strategies for debt sustainability.	A	No change
	PI-16	Medium-term perspective in expenditure budgeting	C		D+	Improvement
		(i) Medium-term expenditure estimates	A	Budget presents MTEF, with expenditures for 5 financial years allocated by administrative, economic and functional classification.	A	No change
		(ii) Medium-term expenditure ceilings	C	Ceilings only provided at the second budget call circular.	D	Improvement, as ceilings are now provided in the first budget call circular
		(iii) Alignment of strategic plans and medium-term budgets	D	Strategic plans not based in budget constraints; therefore, alignment with budgets limited.	D	No change
		(iv) Consistency of budgets with previous year estimates	D	No requirement to compare second year of previous MTEF with current budget; consequently, this is never done comprehensively.	D	No change
	PI-17	Budget preparation process	A		A	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(i) Budget calendar	A	Circular 2 has accurate ceilings for current and investment, allows 6 weeks for completion of estimates, and is generally adhered to.	A	No change
		(ii) Guidance on budget preparation	A	Budget calendar for 2020/21 outlined ceilings to budget units, already approved by legislature, for both Circulars 1 and 2.	A	No change
		(iii) Budget submission to the legislature	A	Executive submitted budget to legislature at least 2 months before the start of the financial year in each of the last 3 years.	A	No change
	PI-18	Legislative scrutiny of budgets	C+		D+	Improvement
		(i) Scope of budget scrutiny	A	Legislative review covers fiscal policy, MTFF, medium- term priorities, aggregates for coming year, and details of expenditure and revenue.	A	No change
		(ii) Legislative procedures for budget scrutiny	A	Legislature approves procedures to review budget proposals in advance of budget hearings. Consultation with public.	A	No change
		(iii) Timing of budget approval	A	Legislature approved annual budget before start of year in each of the last 3 fiscal years.	D	Improvement, due to a change Parliamentary procedure.
		(iv) Rules for budget adjustments by the executive	C	Clear rules, but not always followed OR may allow administrative reallocation and even total expansion of expenditure.	C	No change

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
V. Predictability and control in budget execution	PI-19	Revenue administration	B	Some improvement in risk management, but more needed in audit and investigations. Large number and values of aged arrears need urgent attention.	B	No change
		(i) Rights and obligations for revenue measures	A	Entities collecting most revenues use multiple channels to give payers easy access to comprehensive and up-to- date information on the main revenue obligation areas and on rights, including at least redress processes and procedures.	A	No change
		(ii) Revenue risk management	B	Entities collecting most revenues use structured and systematic approach for assessing and prioritizing compliance risks for some categories of revenue and, as a minimum, for large revenue payers.	C	Improvement: URA has developed and implemented a comprehensive compliance risk management system and a compliance improvement plan since 2017. These are monitored and evaluated regularly by the Management Executive Committee.
		(iii) Revenue audit and investigation	C	Entities collecting most government revenue undertake audits and fraud investigations using compliance improvement plan; most planned audits and investigations completed.	C	No change
		(iv) Revenue arrears monitoring	C	Revenue arrears at fiscal yearend <40% of total annual revenue; revenue arrears >12 months are <75% of total annual arrears.	B	Decline, as the stock of arrears has grown significantly, due to a limited focus on the filing of tax returns and the large number of estimated assessments that have been made (however, most of the arrears relate to old debt).

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
	PI-20	Accounting for revenues	B+	Significant improvement from centralization of most collections at URA. Information on revenue collection now readily available.	D+	Improvement
		(i) Information on revenue collections	B	Central agency obtains revenue data at least monthly from entities collecting most central government revenue. Information broken down by revenue type and consolidated into report.	D	There have been significant improvements following the centralization of most revenue collections at URA: information is readily available.
		(ii) Transfer of revenue collections	B	Entities collecting most central government revenue transfer collections to Treasury and designated agencies at least weekly.	B	No change
		(iii) Revenue accounts reconciliation	A	Entities collecting most central government revenue undertake complete reconciliation of assessments, collections, arrears, and transfers to Treasury and other designated agencies at least quarterly within 4 weeks of the end of quarter.	A	No change
	PI-21	Predictability of in- year resource allocation	B	Efforts to make in-year resource allocations reliable hampered by unpredictable availability of funds; adjustments frequent.	B	No change
		(i) Consolidation of cash balances	A	Cash balances still consolidated on a daily basis.	A	No change
		(ii) Cash forecasting and monitoring	B	Cash forecast prepared for fiscal year and updated quarterly.	B	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(iii) Information on commitment ceilings	B	Budgetary units provided reliable information on commitment ceilings at least quarterly, in advance.	B	No change
		(iv) Significance of in- year budget adjustments	C	Significant in-year budget adjustments to budget allocations frequent and only partially transparent	C	No change
	PI-22	Expenditure arrears	C	Some improvement in controlling expenditure arrears through efforts to clear existing arears and manage creation of new ones.	D+	Improvement
		(i) Stock of expenditure arrears	C	Stock of expenditure arrears no more than 10% of total expenditure in at least 2 of the 3 three completed fiscal years.	D	Improvement, although arrears stem from inadequate budgeting; weak controls; shortage of funds; and spending outside the IFMS.
		(ii) Expenditure arrears monitoring	C	Data on stock and composition of expenditure arrears generated annually at the end of each fiscal year	C	No change
	PI-23	Payroll controls	C+	General improvements: payroll being decentralized with minimal hiccups; integration of payroll and personnel records strengthened by introduction of HCM and building on IPPS. Management of payroll changes and internal controls promising. Comprehensive payroll audit needed to ensure recent improvements sustainable.	C+	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(i) Integration of payroll and personnel records	B	Payroll supported by full documentation for all changes to personnel records each month, checked against the previous month's payroll data. List of approved positions for staff hiring and promotion.	C	Improvement, due to the integration of payroll and personnel records after the recent introduction of HCM: also building on earlier successes by IPPS.
		(ii) Management of payroll changes	B	Personnel records and payroll updated at least quarterly and require few retroactive adjustments.	B	No change
		(iii) Internal control of payroll	B	Authority and basis for changes to personnel records and payroll clear and adequate to ensure integrity of data.	C	Improvement, due to linking payroll and personnel records with biometric data systems at National Identification and Registration Authority.
		(iv) Payroll audit	C	Partial payroll audits or staff surveys undertaken in the last 3 years. No evidence of overall audit of all central government entities.	B	Decline, as no complete audit undertaken during period under review.
		Procurement	C+	Some improvement in transparency and availability of information, as roll-out of e-GP eased generation, processing and dissemination of data.	C	Improvement, due to implementation of e-GP
	PI-24	(i) Procurement monitoring	C	Database maintained, contracts data complete and accurate for most entities. Data quality issues for some entities.	D	Improvement, although challenges remain re: completeness and accuracy of the data.
		(ii) Procurement methods	C	60% or more of total value of contracts.	D	Improvement: more competition.
		(iii) Public access to procurement information	B	At least 4 key procurement information elements complete and reliable for units representing most procurement operations; made available to public in timely manner.	B	Improvement: greater public access to procurement operations.

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(iv) Procurement complaints management	B	Complaints system meets criterion (1),and 3 other criteria.	B	Improvement: all criteria now met.
	PI-25	Internal controls on non-salary expenditure	B	Significant improvement: enforcement of rules and procedures for payments strengthened, resulting in increased compliance.	C+	Improvement
		(i) Segregation of duties	B	Segregation of duties prescribed throughout expenditure process. Responsibilities clearly laid down for most key steps, but further details needed in a few areas.	B	No change
		(ii) Effectiveness of expenditure commitment controls	C	Control procedures provide partial coverage and are partially effective. Historical commitments (e.g., rent) still problematic.	C	No change
		(iii) Compliance with payment rules and procedures	B	Most payments compliant with regular payment procedures. Most exceptions properly authorized and justified.	C	Improvement in exceptions being authorized.
	PI-26	Internal audit effectiveness	C+	Improvements in internal audit function: Audit and inspection manual reviewed and updated; quality assurance expanded (but yet to meet international standards): annual audits extended to all budgetary units; and follow-up of recommendations improving.	B+	Decline

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
	PI-24	(i) Procurement monitoring	C	Database maintained, contracts data complete and accurate for most entities. Data quality issues for some entities.	D	Improvement, although challenges remain re: completeness and accuracy of the data.
		(ii) Procurement methods	C	60% or more of total value of contracts.	D	Improvement: more competition.
		(iii) Public access to procurement information	B	At least 4 key procurement information elements complete and reliable for units representing most procurement operations; made available to public in timely manner.	B	Improvement: greater public access to procurement operations.
		(iv) Procurement complaints management	B	Complaints system meets criterion (1),and 3 other criteria.	B	Improvement: all criteria now met.
	PI-25	Internal controls on non-salary expenditure	B	Significant improvement: enforcement of rules and procedures for payments strengthened, resulting in increased compliance.	C+	Improvement
		(i) Segregation of duties	B	Segregation of duties prescribed throughout expenditure process. Responsibilities clearly laid down for most key steps, but further details needed in a few areas.	B	No change
		(ii) Effectiveness of expenditure commitment controls	C	Control procedures provide partial coverage and are partially effective. Historical commitments (e.g., rent) still problematic.	C	No change
		(iii) Compliance with payment rules and procedures	B	Most payments compliant with regular payment procedures. Most exceptions properly authorized and justified.	C	Improvement in exceptions being authorized.

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
	PI-26	Internal audit effectiveness	C+	Improvements in internal audit function: Audit and inspection manual reviewed and updated; quality assurance expanded (but yet to meet international standards): annual audits extended to all budgetary units; and follow-up of recommendations improving.	B+	Decline
		(i) Coverage of internal audit	A	Internal audit operational for all central government entities.	A	No change
		(ii) Nature of audits and standards applied	B	Internal audit activities focus on evaluating adequacy and effectiveness of internal controls. Quality assurance process in place in internal audit function, and audit activities meet professional standards, including focus on high-risk areas.	B	No change
		(iii) Implementation of internal audits and reporting	A	Annual audit programmes. Most programmed audits completed, and reports distributed to appropriate parties.	B	Improvement in completion of programme of planned audits.
		(iv) Response to internal audits	C	Partial response to audit recommendations for most entities within 12 months of audit report being produced.	B	Decline due to not following up internal audit recommendations

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
VI. Accounting and reporting	PI-27	Financial data integrity	B+	Robust due to automation of PFM systems and consolidation of Treasury Single Account to virtually all votes. Ongoing improvements to management of advance accounts strengthened through IFMS upgrade, with facility to track un-cleared advances.	B+	No change
		(i) Bank account reconciliation	A	Bank reconciliation for all active central government accounts at least weekly (at aggregate and detailed levels), usually within a week from the end of each week.	A	No change
		(ii) Suspense accounts	NA	No suspense accounts	A	No change
		(iii) Advance accounts	C	Reconciliation of advance accounts annually, within 2 months of year end. Advance accounts frequently be cleared with delay.	D	Improvements in timing requirements.
		(iv) Financial data integrity processes	A	Access and changes to records restricted and audit trail created. Operational body in charge of verifying financial data integrity.	A	No change
	PI-28	In-year budget reports	B	Some improvement in timing and regularity of in-year reports.	C+	Improvements
		(i) Coverage and comparability of reports	B	Coverage and classification of data allow direct comparison with original budget with partial aggregation. Expenditures from transfers to de- concentrated central government units included.	B	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(ii) Timing of in-year budget reports	B	Budget execution reports prepared quarterly and issued within four weeks from end of quarter.	C	Improvement in regularity of production and timing of reports.
		(iii) Accuracy of in-year budget reports	B	Concerns re data accuracy, but data consistent and useful. Data issues highlighted in report. Analysis of budget execution provided at least half-yearly. Expenditure captured at least at payment stage.	B	No change
	PI-29	Annual financial reports	C+	Financial reports robust and improving. However, different bases of accounting (may be solved in move to full accrual accounting).	B+	Decline
		(i) Completeness of annual financial reports	B	Financial reports for budgetary central government prepared annually, comparable with approved budget. Full information on revenue, expenditure, assets, liabilities, guarantees, and long-term obligations, and supported by reconciled cash flow statement.	B	No change.
		(ii) Submission of reports for external audit	A	Financial reports for budgetary central government submitted for external audit within 3 months of fiscal year end.	A	No change
		(iii) Accounting standards	C	Accounting standards applied to all financial reports consistent with legal framework and most international standards (with variations disclosed and gaps explained). Standards used for annual financial reports disclosed.	B	Decline

Uganda			2022 assessment		2016 assessment	
Pillar	**Indicator/Dimension**		**Score**	**Requirements met**	**Score**	**Explanation of change**
VII. External scrutiny and audit	PI-30	External audit	D+	Independence of external audit and conduct of audits strong but more vigilance needed in following up findings. Implementation of tracking system is promising.	D+	No change
		(i) Audit coverage and standards	A	Audits used International Standards of Supreme Audit Institutions or consistent national standards in the last 3 years. Audits highlight relevant material issues and systemic and control risks.	A	No change
		(ii) Submission of audit reports to the legislature	B	Audit reports submitted to legislature within 9 months from OAG receipt of financial reports for the last 3 years.	B	No change
		(iii) External audit follow-up	D	Follow-up slow.	D	No change
		(iv) Supreme Audit Institution independence	A	OAG independent from executive in appointment/removal of Head, planning of audits, publicizing reports, and budget, as assured by law. Unrestricted and timely access to information.	A	No change
	PI-31	Legislative scrutiny of audit reports	C	Slight improvements in following up recommendations and tracking system. Backlog of audit reports for parliamentary scrutiny.	C	No change
		(i) Timing of audit report scrutiny	D	Parliament has backlog of reports to scrutinize.	D	No change

Uganda			2022 assessment		2016 assessment	
Pillar	Indicator/Dimension		Score	Requirements met	Score	Explanation of change
		(ii) Hearings on audit findings	C	Occasional in-depth hearings on key audit findings, covering a few audited entities or only involving MoFPED officials.	C	No change
		(iii) Recommendations on audit by the legislature	C	Legislature recommends to executive actions to be implemented and follows up on implementation. Tracking system.	C	No change
		(iv) Transparency of legislative scrutiny of audit reports	B	Hearings conducted in public with few exceptions (e.g., national security). Committee reports provided to legislature and published on official website or other easily accessible means.	B	No change

Source: PEFA 2024 Assessment Report

Annex 7: PEFA Baseline Using PEFA 2022 Data

PFM performance indicator		Scoring method 1	Dimension ratings				PI score
			2	3	4		
Pillar I: Budget reliability							
PI-1	Aggregate expenditure out-turn	M1	B				B
PI-2	Expenditure composition out-turn	M1	C	C	A		C+
PI-3	Revenue out-turn	M2	D	B			C
Pillar II: Transparency of public finances							
PI-4	Budget classification	M1	A				A
PI-5	Budget documentation	M1	B				B
PI-6	Central gov. operations outside financial reports	M2	A	A	C		B+
PI-7	Transfers to subnational governments	M2	B	A			B+
PI-8	Performance information for service delivery	M2	B	B	D	B	C+
PI-9	Public access to fiscal information	M1	A				A
Pillar III: Management of assets and liabilities							
PI-10	Fiscal risk reporting	M2	C	D	D		D+
PI-11	Public investment management	M2	C	D	D	C	D+
PI-12	Public asset management	M2	C	C	C		C
PI-13	Debt management	M2	A	A	A		A

PFM performance indicator		Scoring method 1	Dimension ratings				PI score
			2	3	4		
Pillar IV: Policy-based fiscal strategy and budgeting							
PI-14	Macroeconomic and fiscal forecasting	M2	B	B	B		B
PI-15	Fiscal strategy	M2	D	A	A		B
PI-16	Medium-term perspective in exp budget	M2	A	C	D	D	C
PI-17	Budget preparation process	M2	A	A	A		A
PI-18	Legislative scrutiny of budgets	M1	A	A	A	C	C+
Pillar V: Predictability and control in budget execution							
PI-19	Revenue administration	M2	A	B	C	C	B
PI-20	Accounting for revenue	M1	B	B	C		C+
PI-21	Predictability of in-year resource allocation	M2	A	B	B	C	B
PI-22	Expenditure arrears	M1	C	C			C
PI-23	Payroll controls	M1	B	B	B	C	C+
PI-24	Procurement management	M2	D	C	C	B	C
PI-25	Internal controls on non-salary expenditure	M2	B	C	B		B
PI-26	Internal audit	M1	A	B	A	C	C+
Pillar VI: Accounting and reporting							
PI-27	Financial data integrity	M2	A	NA	C	A	B+

PFM performance indicator		Scoring method 1	Dimension ratings				PI score
			2	3	4		
PI-28	In-year budget reports	M1	B	B	B		B
PI-29	Annual financial reports	M1	A	A	C		C+
Pillar VII: External scrutiny and audit							
PI-30	External audit	M1	A	B	D	A	D+
PI-31	Legislative scrutiny of audit reports	M2	D	C	C	B	C

Source: PEFA 2024 Assessment Report dated 16 August 2024

MINISTRY OF FINANCE, PLANNING
& ECONOMIC DEVELOPMENT

The Public Financial Management Reforms Coordination Unit (RCU)

REAP II

THE SECOND RESOURCE ENHANCEMENT
& ACCOUNTABILITY PROGRAMME

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