FRAMEWORK FOR TRACKING IMPLEMENTATION AND PERFORMANCE OF PUBLIC INVESTMENTS IN UGANDA

JUNE 2024

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MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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FOREWORD

Over the past eight years, the Government of Uganda has made significant progress in reforming Public Investment Management (PIM), including establishing a dedicated Department for Project Analysis and Public Investment Management, developing national parameters and commodity-specific conversion factors for investment appraisal, capacity building, strengthening the gatekeeping role of the Development Committee (DC), developing DC Guidelines and PIMS manuals. In addition, the Integrated Bank of Projects (IBP) that facilitates the project preparation and appraisal, implementation and monitoring and evaluation processes of the project cycle has been developed and commissioned.

Despite this significant progress, project implementation is still faced with issues including cost and time overruns for various projects as well as significant weaknesses in project management, portfolio oversight and overall project evaluation.

To address these residual issues, a framework for tracking the implementation and performance of public investments in Uganda has been prepared. This framework aims at standardizing and providing strategic direction during project implementation. It will facilitate a culture of accountability, transparency and continuous improvement during project execution, in addition to fostering collaboration and alignment among project teams, stakeholders and decision-makers by promoting regular communication, feedback and learning. Using this framework, Government shall leverage lessons learnt from past projects to inform future initiatives, drive innovation and build organizational capacity as well as ensure an efficient and effective Public Investment in Uganda.

I wish to express my gratitude to all those who worked tirelessly to develop this framework.

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

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ABBREVIATION	DEFINITION
AC	Actual Costs
AO	Accounting Officer
BMAU	Budget Monitoring and Accountability Unit
CPI	Cost Performance Index
CPM	Critical Path Method
CV	Cost Variance
DARC	Development Assistance and Regional Cooperation
DC	Development Committee
DCA	Delivery Confidence Assessment
EV	Earned Value
EVM	Earned Value Management
FY	Financial Year
GAPR	Government Annual Performance Reviews
GDP	Gross Domestic Product
GOU	Government of Uganda
IBP	Integrated Bank of Projects
IMF	International Monetary Fund
ISSD	Infrastructure and Social Services Department
KPIs	Key Performance Indicators
MDAs	Ministries Departments And Agencies
ME	Monitoring and Evaluation
MOFPED	Ministry of Finance, Planning And Economic Development
NPA	National Planning Authority

OP	Office of the President
OPM	Office of the Prime Minister
PAD	Public Administration Department
PAP	Project Analysis And Public Investment Department
PBS	Program Budgeting System
PIM	Public Investment Management
PIMS	Public Investment Management System
PIP	Public Investment Plan
PIU	Project Implementation Unit
PMI	Project Management Institute
PERT	Program Evaluation and Review Technique
PS/ST	Permanent Secretary/Secretary to the Treasury
PV	Planned Value
QPI	Quality Performance Index
SPI	Schedule Performance Index
SV	Schedule Variance
UGX	Uganda Shillings
WBS	Work Breakdown Structure

CHAPTER 1: BACKGROUND

1.1 Situation Analysis

1. The 2022 Public Investment Management Assessment conducted by the International Monetary Fund (IMF)[1] reported that Uganda has achieved significant improvement in Public Investment Management (PIM) over the past eight years. The PIM institutions are stronger in comparison with its peers in the Sub-Saharan region. The reason for this robust performance is accounted for by a number of reforms, which include establishing a department for project analysis and PIM, developing national parameters and commodity-specific conversion factors for investment appraisal, capacity building, strengthening the gatekeeping role of the Development Committee (DC), developing DC Guidelines and PIMS manuals and instituting the Integrated Bank of Projects (IBP) that facilitates, among others, the project preparation and appraisal, implementation and monitoring and evaluation processes of the project cycle.

2. With regard to PIM effectiveness, Uganda is performing better than its comparators but it is still ranked low. This is because the above reforms are fairly recent and have not been fully institutionalized to realize their impact. The low effectiveness is revealed in the cost and time overruns, especially for externally funded projects. In comparison with its counterparts, Uganda's PIM system displays significant weaknesses in project implementation, portfolio oversight and overall project management, as shown in Annex 1.

3. Furthermore, the 19th Uganda Economic Update 2022, released by the World Bank, echoed these concerns, emphasizing that while valuable reforms have been undertaken in PIM, critical issues still persist. Challenges in project prioritization, selection and execution continue due to inadequate planning for rights of way and land compensation, deficient contract management, and weaknesses in overall project management. The update emphasized the need for urgent action to ensure that these challenges are addressed so that they do not rescind the good practices that have been instituted in the pre-investment phase of the project cycle (World Bank Group, 2021).

4. In order to ensure effective project implementation, the Ministry of Finance, Planning and Economic Development (MoFPED) conducts annual portfolio reviews of all ongoing projects in the Public Investment Plan (PIP), continuous project monitoring and some capacity building in project management.

[1] IMF, 2022

5. Despite undertaking the above interventions to ensure that projects remain on track, implementation continues to be a challenge, particularly for externally financed projects, which constitute a significant share of the capital budget. It was observed that two-thirds[2] of the development budget was not absorbed and that, moreover, projects experience time overruns of close to 3-7 years, thus taking twice as much time as initially planned.

1.2 Causes of Underperformance of Public Investments

6. The annual portfolio reviews of the PIP have cited the following major causes of project underperformance:

   i. **Delayed disbursement of funds for externally financed projects**. Various externally financed projects have failed to meet the intended project objectives due to delays in the disbursement of project funds. This can be attributed to failure to meet pre-disbursement conditions set by the funder and failure by Government to provide counterpart funding. The delays in disbursement have led to continued incurrence of high commitment fees. These fees are a consequence of Government's inability to draw down and absorb contracted debt, alongside elevated administrative and management fees on loans, which lead to increased Government expenditure on debt repayment.

   ii. **Change of project scope from approved plans without approval from the DC.** A number of Votes have taken on new interventions and diverted from asset-building initiatives to recurrent activities under existing projects without approval by the DC. These deviations have disrupted project timelines, leading to additional costs.

   iii. **Weakness in project management skills.** The Government of Uganda (GOU) has not professionalized the job of a project manager/ coordinator. Some project managers do not have specified performance-based contracts to ensure that projects are delivered on time or budget. In addition, some of the employed managers have limited skills, resulting in inadequate project oversight and adherence to standard practices in scheduling, quality, cost and scope control. Additionally, many projects do not have detailed project implementation plans that should help ensure smooth implementation of projects.

[2] IMF, 2022

iv. **Delayed acquisition of right of way for infrastructure projects.** This is caused by inadequate counterpart funding allocated to projects due to non-monetization of the required GoU contribution in the project agreements. In the absence of a clear legal framework for resolving land disputes, especially regarding citizens who encroach on already acquired land reserves, it escalates the land compensation budget. Delays in the acquisition of right of way causes delays in the commencement of project activities.

v. **Contracting incompetent companies coupled with weak contract management and supervision.** A number of projects have been faced with a challenge of incompetent contractors who are not experienced and are financially constrained. Weak contract management leads to variations and poor quality of works, goods and deliverables.

vi. **Over-commitment of the budget demonstrated by the multiyear commitments statement.** Votes take on new projects before providing resources for ongoing projects, which has led to over-commitment of the Development Budget. This leads to spreading of meagre resources over many projects without meaningful impact on execution. Actual implementation is constrained because budget allocations do not fully cover the costs of implementing ongoing projects as well as new projects.

vii. **Commencing projects without feasibility studies:** When projects commence without designs, implementation plans, and procurement plans, among others, it leads to delays. This is because during the first years of project execution, time and resources are dedicated to undertaking readiness conditions like designs as opposed to starting actual implementation of the projects.

7. As a result of the above challenges, there is low registered returns from borrowed resources, which constrains the fiscal space and increases commitment fees. Underperformance of the development budget is manifested through the low contribution of public investment towards GDP, which has stagnated at below 7%, in contrast to private investments, which stand at 18%.

8. In order to improve the performance of public investments, it is important for Government to consistently track and monitor projects during implementation. Standard project management practices indicate that roadblocks are inevitable during project implementation. However, proactive identification and resolution of these challenges while the projects are still ongoing is what will steer them

back to the right path and ensure that they are implemented on time, budget and scope to deliver their intended objectives.

1.3 Rationale for the Framework for Tracking Project Implementation and Performance of Projects

9. Due to the narrowed fiscal space, Government is implementing a fiscal consolidation strategy aimed at reducing borrowing in the medium term and re-purposing the budget to areas with large multiplier effects for economic growth. In that regard, there is a need to maximize the output per unit of spending on public investment.

10. The majority of public investments are delivered through capital projects executed by Ministries, Departments and Agencies (MDAs). However, there is no centralized framework to guide MDAs during execution. Furthermore, there is an absence of standardized tools and steps to follow when corrective action is required.

11. It is against this background that a framework for tracking project implementation and performance has been developed. The purpose of the framework is to standardize and provide strategic direction during project implementation. The framework is divided into four sections:

    i. Definition of a project manager, roles and responsibilities and the establishment of Project Implementation Units (PIUs).
    ii. Provision of tools used by the project managers/coordinators during project implementation.
    iii. Provision of a mechanism for tracking project performance.
    iv. Establishment of an institutional framework for deriving corrective actions to steer projects back on track.

CHAPTER 2: FRAMEWORK FOR TRACKING PROJECT IMPLEMENTATION AND PERFORMANCE OF PROJECTS

2.1 Definition of a Public Project Manager/Coordinator

12. When a project is granted a project code and included in the PIP for a given Financial Year (FY), a project manager/coordinator shall be assigned. It is recommended that this is a person that was involved in the project from inception, planning and appraisal. A project manager is a professional responsible for leading a project from its inception to completion. He/she will oversee all aspects of the project, including organizing, executing and closing tasks to achieve specific goals within a set timeframe and budget.

13. The project manager will be required to lead/manage the project and the project team on a day-to-day basis. He/she will be responsible for driving and overseeing the delivery of the project to ensure that the objectives are clearly defined and achieved within the agreed time, cost and quality constraints.

14. The project manager shall establish a project governance structure and work with stakeholders to ensure the agreed project outputs are delivered to enable the benefits to be realized.

2.2 Competences required for a Public Project Manager/ Coordinator

15. A project manager/coordinator shall be appointed in line with the Government of Uganda's Constitution and Public Service Standing Orders. The qualification shall vary depending on the nature and field of the project. All project managers are required to be members of the Uganda Chapter for the Project Management Institute.

16. The framework prescribes the technical competences of the required project manager under Annex 2.

17. The above technical competences shall be supported with behaviour competences as described in Annex 3.

2.3 Roles and Responsibilities of a Project Manager

18. In addition to the roles prescribed by the appointing authority in the MDA, the project manager/coordinator shall be responsible for:
    i. Ensuring deliverables are delivered on time;
    ii. Managing and controlling resources;
    iii. Measuring performance and determining variances from the plan;
    iv. Determining the need for change requests;
    v. Identifying and recommending corrective and preventive actions for a project that has gone off track;
    vi. Monitoring risk to ensure that it does not materialize;
    vii. Undertaking communication and stakeholder engagement to ensure they are in conformance with expectations;
    viii. Decision-making and problem-solving for projects;
    ix. Coordinating interactions between the project team and key stakeholders;
    x. Building, developing and empowering teams; and
    xi. Identifying and delivering required levels of quality.

2.4 Performance-Based Contracts

19. In addition to other contracts issued by the appointing authority, the framework requires that all project coordinators/managers sign a performance-based contract which outlines specific targets or outcomes that must be achieved. The contract should describe the expectations of the project, including the responsibilities of the parties involved in the project implementation process, timeframes, deliverables and the performance metrics that will be used to monitor project progress.

20. Performance-based contracts for project managers should ensure successful implementation of a project by establishing clear and quantifiable objectives that all parties agree to achieve. Each contract should have Key Performance Indicators (KPIs) that must be achieved within a specific timeframe. This is crucial to ensuring that every team member is working towards the same goals, and that expectations are properly set and managed.

21. Accounting Officers (AO) will nominate and forward the names of project managers to the Permanent Secretary/Secretary to the Treasury (PS/ST), who will provide a no objection/objection to the nomination before appointment.

2.5 Establishment of Project Implementation Units (PIUs)

22. A PIU is a dedicated entity or team responsible for overseeing and managing the implementation of specific projects or initiatives. PIUs manage the day-to-day implementation of project activities by providing focused leadership, coordination and expertise in project management. They are responsible for planning, executing, monitoring and evaluating projects to ensure they meet their objectives within specified timeframes, budgets and quality standards. PIUs often consist of professionals with diverse skills and expertise, including project managers, technical specialists, financial analysts/accountants, procurement specialists and administrative staff, who work together to achieve project success.

23. PIUs play several important roles in managing and executing projects effectively, such as resource allocation, stakeholder coordination, risk management, monitoring and evaluation, quality assurance, compliance and accountability, and knowledge management. Overall, PIUs play a critical role in ensuring the effective and efficient implementation of projects, driving positive development outcomes, and contributing to the achievement of organizational goals and objectives.

24. PIUs offer advantages such as specialization, accountability and efficiency. However, they also pose challenges related to isolation, resource constraints and the risk of tunnel vision. Effective governance and strategic alignment are crucial for maximizing the benefits of PIUs while mitigating their disadvantages.

25. In order to facilitate efficient project implementation and project tracking, each project shall have a PIU and a certified project manager that belongs to the Uganda PMI Chapter. The project manager should have evidence of successfully executing a project on time and budget in line with the required specifications. He/she should have at least five years' experience in managing public projects.

26. An Appointing Authority in charge of a project shall set up a PIU to ensure that the project is executed on time, on budget and in compliance with the approved specifications. Overall, the framework proposes two types of PIUs, as defined below:

i. **In-house PIU for projects costing up to UGX 250 billion**
The project management function is carried out internally within the existing organizational structure as opposed to hiring external or independent experts. The team responsible for managing the project is part of the MDA and operates within its established governance framework, processes and procedures.

ii. **Hybrid PIU for projects with a cost above UGX 250 billion**
The PIUs use existing structures, augmenting them with some capacity. Usually, such PIUs are headed by the director or head of department for the project area. Specialists for hybrid PIUs are hired when they cannot be found within the MDA. Also, hybrid PIUs can operate with the MDA retaining some responsibilities such as planning, finance, administration and procurement, but outsource functions like environmental specialist and social workers, among others. Generally, this approach combines the flexibility and adaptability of different methodologies, such as Agile, Waterfall or Lean, to tailor the project management approach to the specific needs and characteristics of the project.

27. The choice of type of PIU to employ depends on various factors, such as the nature and size of the project, the organizational structure and capabilities, the complexity of the project, the available resources and its strategic importance. The decision on the type of PIU per project lies with the accounting officer rather than the sponsors of the project. He/she will assess the project characteristics, strategic priorities and available resources. Furthermore, the pros and cons of each PIU are spelt out in Annex 2. While each type of PIUs has advantages, there are risks and resource requirements that need to be carefully evaluated.

28. Regardless of the type of PIU, the staff composition of the unit will depend on the nature of the project and requirements of the funding agency. In the event that an accounting officer deems it fit to have an independent PIU, he/she shall write to the PS/ST for approval, detailing reasons for this preference.

2.6 Tools Used during Execution/ Implementation of Projects

29. In 2019, Government launched the IBP that tracks projects from inception to closure. Currently the IBP covers both the pre-investment and implementation stages. Users of the system range from standard users, the planning unit, heads of department, accounting officers and heads of programmes, to development

partners, monitoring officers and project coordinators (Ministry of Finance, Planning and Economic Planning, 2019).

30. Currently, the IBP consists of tools that support project execution. Going forward, all project managers with projects in the PIP will be required to use the tools on the system while executing projects. The tools on the system under implementation include, among others, resource allocation, the Gantt chart, auto-scheduling, the critical path and the implementation plan. The tools are explained as follows:

1) Project Implementation Plan

31. During execution, it is imperative for a project manager to update the implementation plan developed at the proposal stage. A management plan demonstrates how the project will be managed, executed, monitored, controlled and closed. The plan lays out the project delivery strategy, organization and management structure and the assignment of responsibilities between the project owner and contractors. The project implementation plan has the following sections, as detailed in Annex 4:
    i. Project overview
    ii. Project organization and staffing structure
    iii. Procurement and contract administration
    iv. Project management and controls
    v. Quality management
    vi. Stakeholder management
    vii. Risk management
    viii. Communication management
    ix. Project closure

32. The main purpose of a project management plan is to provide a comprehensive and structured roadmap for successfully executing, monitoring, controlling and closing a project. It serves as a central document that outlines the project objectives, scope, schedule, budget, quality standards, resource allocation, risk management strategies, and communication approaches.

33. The project implementation plan serves as a guide for the project manager, ensuring clear understanding of project interventions and outcomes by both the manager and the project team, as well as providing a reference point when needed. It facilitates the definition of roles and responsibilities for each team member, fostering effective communication and smooth project execution. In

other words, it enables the project team to comprehend their assigned tasks and know whom they can consult in case of challenges, all of which will lead to a smooth-running project.

34. Since the project implementation plan defines the specific processes involved in evaluating and adjusting project cost, schedule and scope, as well as time, it assists the project manager and team in evaluating any deviations from the approved project baseline and in determining possible corrective actions to realign the project.

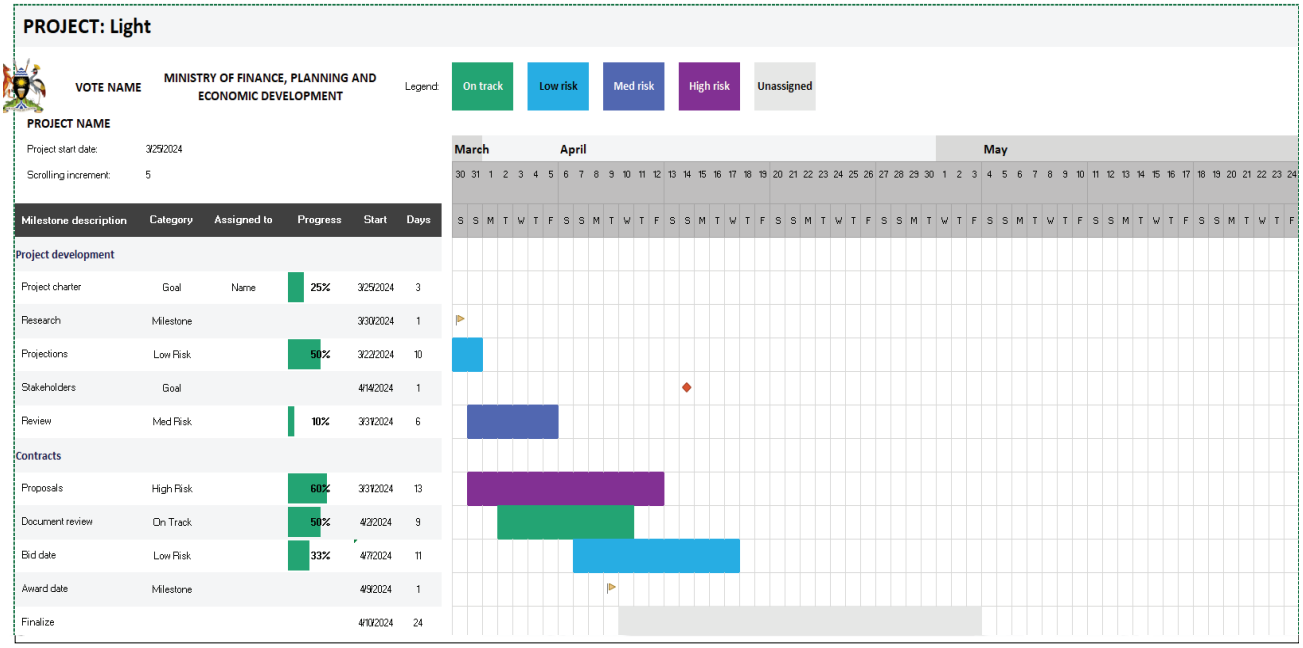
35. Therefore, all projects shall be required to submit project implementation plans on the IBP, once project appraisal is complete. These plans will be submitted before budget preparation if these projects are to be considered for financing. The plans will be updated when execution commences.

2) Gantt Chart

36. The Gantt chart provides an overview of the project timeline from start to finish with an overview (at a glance) of the project activities and their schedule while showing any overlaps or interdependencies between activities. Project managers are, therefore, able to organize, plan and schedule various tasks within the project. The Gantt chart will have the following features, as illustrated in Figure 1:
    i. Names of project activities broken down to the smallest task;
    ii. Activity duration for each task;
    iii. Possible activity dependencies. i.e. activities that must be completed before others begin; and
    iv. Activity hierarchies, i.e. activities organized by priority.

37. Project managers will use Gantt charts to keep track of the progress of each activity, pinpoint tasks suited for parallel execution and identify dependencies that must be fulfilled before others can commence or conclude. Furthermore, the Gantt charts will help detect potential bottlenecks and uncover any tasks inadvertently omitted from the project timeline. Ultimately, the project manager will be able to communicate the project status and completion rate of specific activities within the project and ensure that the project remains on track.

Figure 1: Project Gantt Chart



Source: IBP, 2024

38. The Gantt chart template is available on the IBP; therefore, project managers will populate it and update it as the project progresses based on task dependencies.

3) Resource Allocation

39. Resource allocation helps resource managers identify the available human resources for the project and assign tasks to them while monitoring and controlling their productivity. Effective resource allocation ensures optimal utilization of all project team members, preventing both underutilization and overutilization. By allocating resources according to project requirements and priorities, projects can achieve a balanced workload distribution and prevent resource bottlenecks. This leads to increased efficiency, reduced idle time and improved overall resource productivity.

40. The features of resource allocation include:
    i. **Assessing available resources:** This includes referencing the organizational structure in the project implementation plan and assessing whether or not more resources are needed for the project.

    ii. **Prioritizing resource allocation:** This involves assessing the availability of the project team members vis-à-vis the project tasks and deadlines.

iii. **Allocating resources:** Based on the prioritization, resources are allocated to specific projects or tasks. This step involves matching the identified tasks with the requisite resources.

iv. **Adjusting resource allocation as needed:** If it becomes apparent that adjustments are required, the project manager must be flexible and prepared to make necessary changes. This may involve re-assigning personnel to different projects or tasks to better align their skills or addressing any resource gaps that may arise as a result of unforeseen circumstances to ensure successful completion of projects.

41. The resource allocation tool is available on the IBP. Project managers will be required to use it during project execution to manage the resources at their disposal.

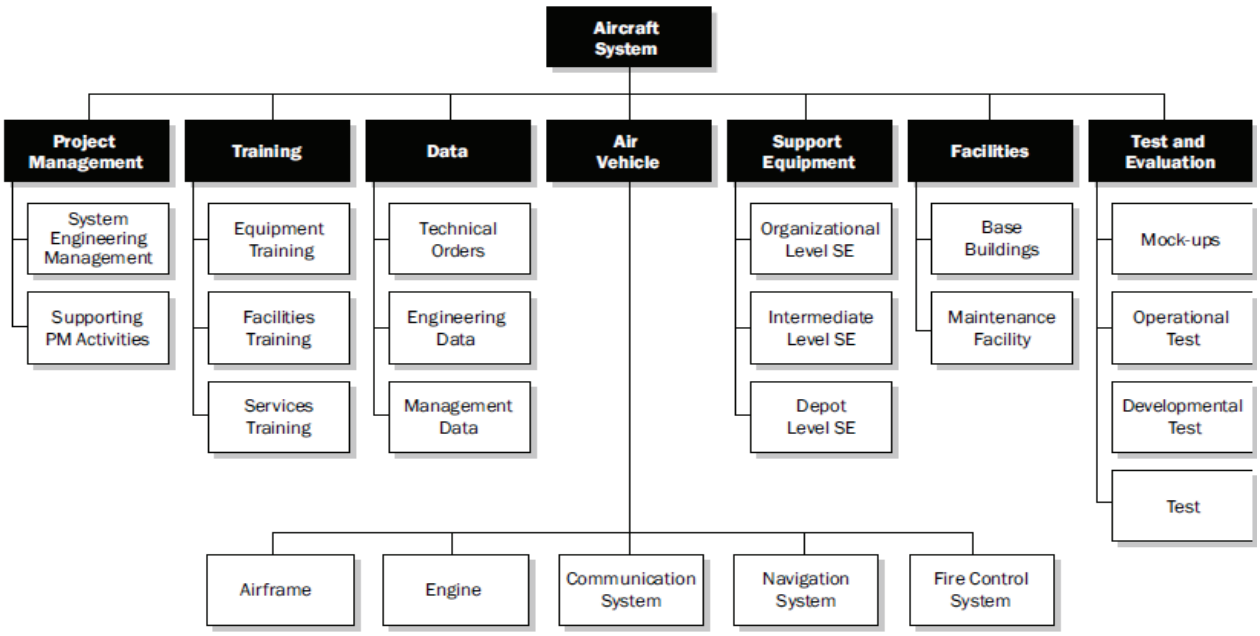
4) Progress Line

42. Progress lines show whether activities are on or behind schedule. They provide a quick overview of any delays or advancements in project activities. By accessing the completed activities, the tool is able to generate a physical progress percentage for each activity and the project as a whole that can be used during reporting. The project progress line is also available for use by project managers during project execution.

5) Work Breakdown Structure (WBS)

43. The WBS is a hierarchical decomposition of the project scope into smaller, more manageable components called work packages. It organizes the project work into distinct deliverables or tasks, breaking down the project scope into manageable pieces. The WBS does not show the sequence or timing of tasks but focuses on defining the scope of work and its hierarchical relationship. An example of a WBS is illustrated in Figure 2.

Figure 2: Work Breakdown Structure



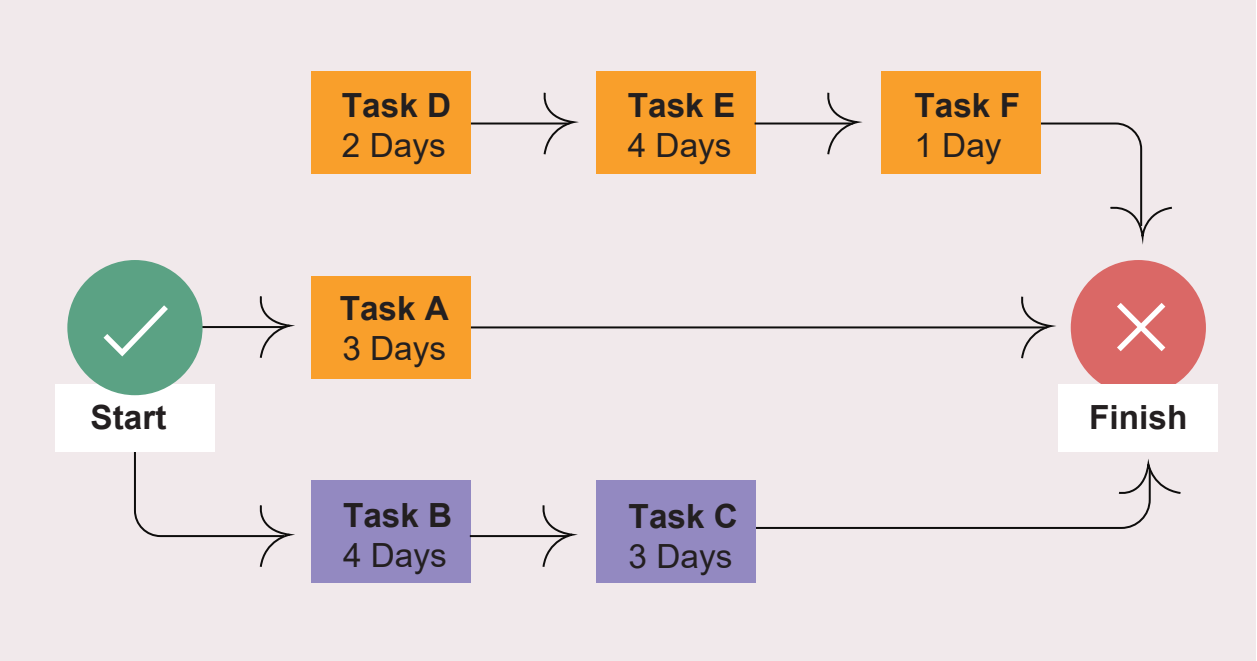
Source: Project Management Institute, 2021

6) Critical Path

44. The critical path is the longest sequence of dependent tasks in a project that determines the shortest possible duration for completing the project. It identifies the sequence of tasks that cannot be delayed without delaying the project's overall completion date.

45. Tasks on the critical path have zero slack or float, meaning any delay in these tasks will directly impact the project's timeline. The critical path is typically identified using techniques like the Critical Path Method (CPM) or Program Evaluation and Review Technique (PERT). The critical path tool is also available on the IBP for use by project managers.

Figure 3: Critical Path Example



Source: Project Management Institute, 2021

2.7 Tools for Tracking Performance of Projects in the PIP

46. During project execution, there is need to track project performance to ensure that the project is on time, on budget and delivered in the desired quality. The main objective of project tracking is to provide continuous feedback on implementation and identify actual or potential successes and problems as early as possible in order to facilitate timely adjustments to project implementation.

47. Government, through the implementing entities, shall undertake routine tracking of projects to provide early warning signs for prompt action. The Earned Value Management (EVM) method will be used to track time and cost whereas the Quality Performance Index (QPI) will be used to track quality. These methods will be added on the IBP for easy reference and use by different stakeholders.

1) Earned Value Management (EVM)

48. Use of the EVM approach shall be based on three key metrics, which include:

    i. **Planned Value (PV).** This is the budgeted cost of work scheduled and shall be obtained from the project profile available on the Integrated Bank of Projects.

ii. **Actual Costs (AC).** This is the cost incurred for the actual work that the project has performed at a given point. This shall be based on the actual completion of work packages in the project's Work Breakdown Structure (WBS) or Gantt chart. It is the actual cost for the work reported and shall also be referred to as the Actual Cost for Work Performed (ACWP).

iii. **Earned Value (EV).** This shall be computed as the budgeted cost for the actual work completed and shall also be referred to as the Budgeted Cost of Work Performed (BCWP). Each project shall be required to prepare a quarterly report highlighting the earned value of each task in the WBS and for the overall project. The formula of obtaining the EV is summarized below:

$$EV = BAC * percentage\ of\ work\ performed$$

Where EV=Earned Value

BAC = Budget at completion of the specific task

49. Percentage of work performed is the physical progress of the task at the reporting time.

50. Based on the PV, AC and EV, each project shall be required to report on the Cost Variance (CV), Schedule Variance (SV), Cost Performance Index (CPI) and Schedule Performance Index (SP, which shall be computed and reported as follows:

iv. **Cost Variance (CV)**

51. This shall be computed as the difference between what was earned (BCWP) and what was incurred (ACWP):

$$CV = EV - AC$$

52. If the CV value is positive, the project is currently under budget (spending less than planned for the work) and If CV value is negative, the project is currently over budget (spending more than planned for the work).

v. **Cost Performance Index (CPI)**

53. Each project shall be required to routinely prepare and compute the CPI as a measure of the cost efficiency of the project. The CPI shall be determined by dividing the earned value by the actual costs incurred.

54. Any value of CPI < 1 indicates that a cost overrun. For example, a CPI of 0.85 indicates that for every shilling spent, only 85 cents of value is earned and consequently 15 cents are lost.

Table 1: Cost Performance Rating

Colour Rating	*Rating*	*Score Range*
Green	*Outstanding performance*	**≥1.15**
Amber Green	*Exceeds target*	**1≤1.15**
Amber	*Within target*	**1.0**
Amber Red	*Below target*	**0.85<1**
Red	*Poor performance*	**≤ 0.85**

Source: MoFPED, 2024

vi. **Schedule Variance (SV)**

55. This shall be computed as the difference between what was done (BCWP) and what was planned (BCWS):

$$SV = EV - PV$$

56. A project shall be ahead of schedule if SV value is positive and behind schedule if SV value is negative.

vii. **Schedule Performance Index (SPI)**

57. Each project shall determine and compute the Schedule Performance Index (SPI) as a measure of the schedule efficiency of the project. The SPI is determined by dividing the earned value by the scheduled value:

$$SPI = EV/PV$$

58. Rating of schedule performance shall be in accordance with the criteria set out in the table below:

Table 2: Schedule Performance Rating

Colour Rating	*Rating*	*Score Range*
Green	*Outstanding performance*	**≥1.15**
Amber Green	*Exceeds target*	**1≤1.15**
Amber	*Within target*	**1.0**
Amber Red	*Below target*	**0.85<1**
Red	*Poor performance*	**≤ 0.85**

Source: MoFPED, 2024

2) Quality Performance Index (QPI)

59. Each project shall be required to report on QPI as a measure of consistency in the application of the project standards and procedures as well as the compliance of the delivered output with the project specifications. The EVM tracks time and cost, whereas the QPI will track quality.

60. The QPI is a metric used to assess the quality of project performance. It provides a quantitative measure of how well a project is meeting its quality objectives and standards. The QPI typically considers various factors related to project quality, such as adherence to specifications, defect rates, customer satisfaction and compliance with quality management processes and standards.

61. The calculation of the QPI can vary depending on the specific context of the project and the quality metrics being measured. However, in general, it involves comparing the actual performance of the project against pre-defined quality criteria or benchmarks.

62. By monitoring the QPI over time, project managers can identify areas of improvement, implement corrective actions and ensure that quality remains a priority throughout the project lifecycle. This helps to enhance customer satisfaction, minimize rework and deliver products or services that meet or exceed stakeholders' expectations.

CHAPTER 3: INSTITUTIONAL ARRANGEMENTS OF THE FRAMEWORK

63. The main objective of tracking projects is to provide continuous feedback on implementation and to identify actual or potential successes and problems as early as possible to facilitate timely adjustments to project implementation.

64. Standard project management practices indicate that taking corrective action is the most crucial step in project implementation that will guide the project to a successful conclusion. Since the majority of the project portfolio will have unforeseen challenges significantly affecting project success, it is imperative that a framework to resolve them is developed. This framework will not only facilitate the development of corrective actions to solve problems and address challenges but it will also prevent future errors, steer the project back on course and improve implementation efficiency.

65. The Project Analysis and Public Investment Department (PAP), Development Assistance and Regional Cooperation (DARC), Infrastructure and Social Services Department (ISSD) and Public Administration Department (PAD) Departments and Budget Monitoring and Accountability Unit (BMAU) under MoFPED will scrutinize the implementation and tracking of projects in the Public Investment Plan (PIP) and undertake quarterly performance reviews of all projects in the PIP to facilitate the development of corrective actions that steer projects back on track.

66. These reviews will be undertaken quarterly with Project Coordinators to discuss project challenges and areas for correction.

67. The reviews will use the Delivery Confidence Assessment which is based on the Earned Value Management (EVM) methodology, specifically drawing from the cost performance and schedule performance index discussed in the previous chapter of the framework, to determine whether projects should stay in the PIP. The DCA displays the confidence in a project's ability to deliver its interventions within the time, budget and in conformance with the quality requirements.

68. The DCA will assess the specific issues that threaten successful delivery of a project and identify issues that will jeopardize the delivery of interventions and the resilience of the project to overcome identified shortcomings or threats. The DCA will be reported using a traffic light system. Projects rated green are those

most likely to succeed while those rated red are facing serious delivery problems which need to be solved. The DCA criteria is summarised in Table 3.

69. The DCA has been aligned to the Government Annual Performance Reviews (GAPR) performance rating undertaken by the OPM on the first left column.

Table 3: Delivery Confidence Assessment

GAPR Performance Rating	DCA Colour	DCA Rating	Score Range	Criteria Description
Satisfactory 100%	**Green**	Outstanding performance	**≥1.15**	Successful delivery of the project on time, budget, and quality appears highly likely, and there are no major outstanding issues.
	Amber Green	Exceeds target	**1≤1.15**	Successful delivery appears probable; however, constant attention will be needed to ensure that risks do not materialize into major issues threatening delivery.
Moderately Satisfactory 75%	**Amber**	Within target	**1.0**	Successful delivery appears feasible but significant issues already exist, requiring DC attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost-schedule overrun.
Not Satisfactory	**Amber Red**	Below target	**0.85<1**	Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure that these issues are addressed and to determine if resolution is feasible.
	Red	Poor performance	**≤ 0.85**	Successful delivery of the project appears unachievable. There are major issues with project design, schedule, budget, quality, and/or benefit delivery, which at this stage do not appear to be manageable or resolvable. The project may need re-scoping and/or to have its viability reassessed.

Source: MoFPED, 2024

70. MDAs will submit quarterly performance reports on the IBP reporting on cost, time, quality, scope and risk management. The EVM and QPI methodologies will influence their reporting. The Monitoring and Evaluation module on the IBP also captures information relating to milestones, achievements, challenges, explanation of any variances and proposed corrective action to be undertaken. These reports will be used to inform the quarterly review meetings.

71. The M&E module can be accessed by all key stakeholders responsible for monitoring of projects such National Planning Authority (NPA), the Office of the Prime Minister (OPM), the Office of the President (OP), the Development Committee (DC) and Budget Monitoring and Accountability Unit (BMAU). The information from the quarterly review meetings will inform the annual review meetings held in line with Section 4 of the DC Guidelines that requires the DC to hold Annual Portfolio Performance Reviews.

72. Relevant M&E stakeholders such as BMAU, OPM and OP will submit semi-annual and/or annual monitoring reports on the IBP. These reports will inform the decisions made during the quarterly review meetings and the annual DC review meetings.

73. Based on the results of the DCA, corrective actions shall be applied to ensure that the projects are delivered on time and budget. These include:

    i. Fast-tracking of project interventions if the project is behind schedule. This can be achieved through deploying more human resource to undertake the project interventions.
    ii. Revising the project end date, if the project is ahead of schedule.
    iii. Revising the project cost if the project is under budget and/or requesting additional funding if the project is above budget.
    iv. Estimating a new project cost which can be calculated as Estimate at Completion (EAC) = Actual cost to date + Budget at Completion – Earned Value.

74. The quarterly review meetings will escalate strategic and coordination-based challenges to the Sub-Committee on the performance of loans/projects under OPM while technical challenges that require MoFPED intervention will be presented to the Top Technical Meeting of MoFPED for corrective action.

75. The DC will continue to undertake annual portfolio reviews to inform projects that will be retained, extended, exited and re-scoped in line with the guidance from

the Sub-Committee on the performance of projects and the quarterly review meetings.

76. The DC will also produce an annual project performance report highlighting information on key programme milestones and the performance of all projects in the PIP.

CHAPTER 4: ADMINISTRATIVE MEASURES FOR COMPLIANCE

77. Project coordinators and Accounting Officers for projects that have been identified as underperforming during the quarterly review meetings and Sub-Committee meetings under OPM will be subjected to sanctions. The MoFPED Top Technical Meeting will enforce compliance with this framework and deploy the following measures:

    i. Releases for projects that do not have implementation plans and whose coordinators have not used the recommended tools on the IBP will be frozen.
    ii. Discussion of new project proposals for programmes that have not populated the tracking tools and have not submitted their quarterly project progress reports on the IBP will be deferred by the DC until action is taken by the programme.
    iii. Emphasis on performance-based contracts for project managers of high-value projects and termination of non-performing projects including contracts of all project staff.
    iv. No new projects shall be considered in the DC for a programme that has a number of projects in the non-performing portfolio

CHAPTER 5: CONCLUSION

78. The development of a comprehensive framework for tracking and improving project performance is essential for Government. This is aimed at ensuring that projects are delivered on time, budget and cost. Through the systematic monitoring and evaluation of Key Performance Indicators (KPIs) and metrics on the IBP, this framework enables project managers and stakeholders to gain valuable insights into project progress, identify areas to strengthen and improve, make informed decisions to enhance project outcomes and undertake corrective action at an early stage.

79. By institutionalizing implementation tools, tracking methodologies, institutional governance, administrative structure and measures to ensure compliance, project performance will easily be tracked in real time. Moreover, continuous review and analysis of performance data will allow for timely interventions, adjustments, corrective action and resource reallocations to mitigate risks, optimize processes and maximize project success.

80. Furthermore, the framework facilitates a culture of accountability, transparency and continuous improvement during project execution, fostering collaboration and alignment among project teams, stakeholders and decision-makers. By promoting regular communication, feedback and learning using this framework, Government can leverage lessons learnt from past projects to inform future initiatives, drive innovation and build organizational capacity.

81. Ultimately, the development and implementation of a framework for tracking and improving project performance contribute to the efficiency and effectiveness of PIM. It is essential for MDAs to embrace a holistic approach to project performance management by integrating people, processes and technology such as IBP to support data-driven decision-making.

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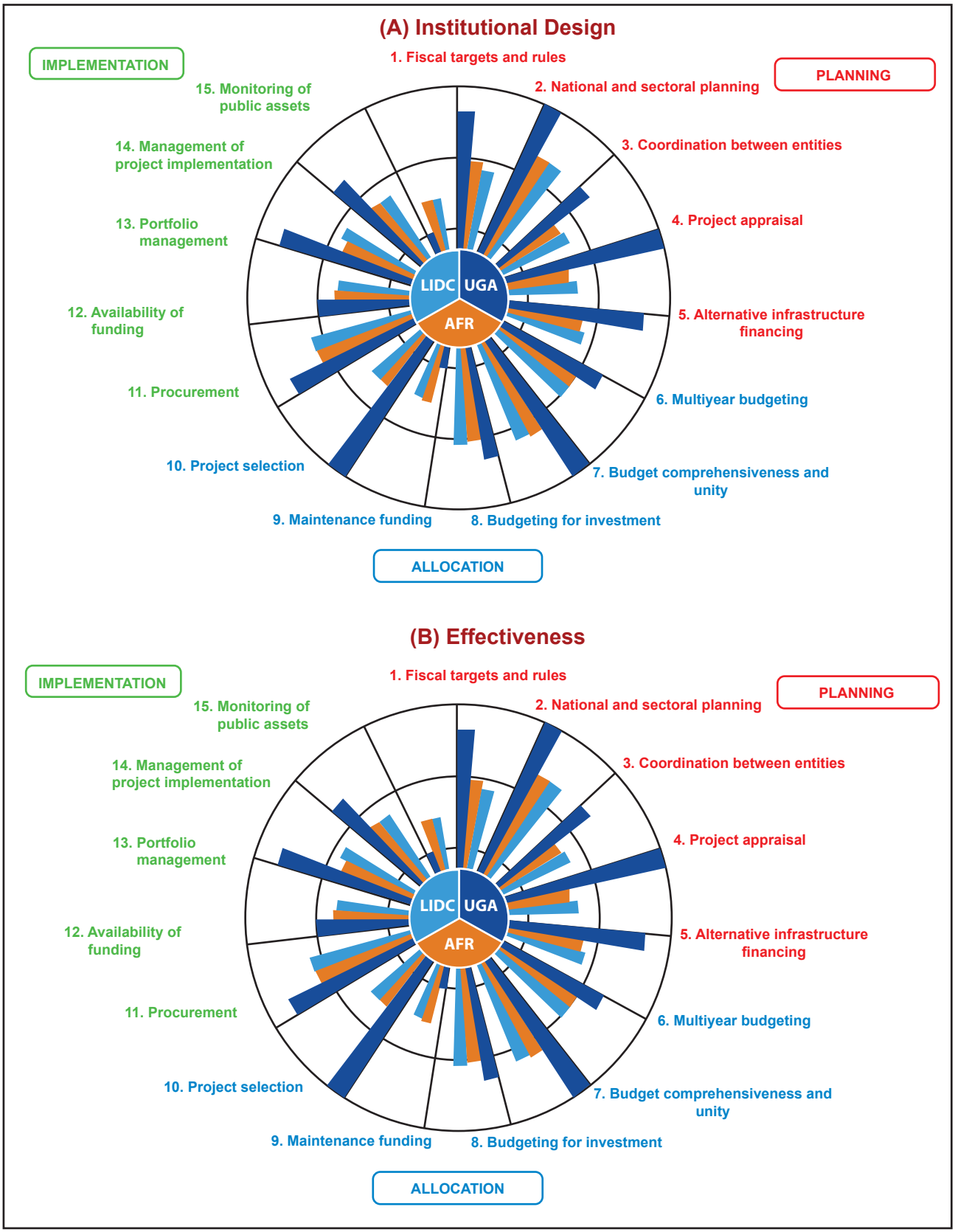
ANNEXES

Annex 1: PIMA Assessment 2022



Source: PIMA, IMF (2022)

Notes: UGA = Uganda. LIDC = Low Income Developing Countries and AFR = Sub Sahara Africa Countries

Annex 2: Technical Competences of a Project Manager

	Competence	Description
1	Commercial and procurement skills	This is the ability to gain financial approval for project costs and work with commercial colleagues to monitor spend against contract. It is also the ability to ensure the process by which the goods and services are procured by a project in line with the relevant regulatory framework.
2	Requirements management	The process of capturing stakeholder needs, assessing, defining and justifying those needs to arrive at an agreed schedule of requirements.
3	Solutions development	The ability to identify, document and analyze the various delivery options and select the optimal solution.
4	Planning	The ability to define the fundamental components of a project in terms of its scope, deliverables, time scales, resource requirements and budget. It also includes the production of broader plans incorporating risk and quality to provide a consolidated overview of a project.
5	Scheduling	The ability to develop, produce and maintain schedules for activities that take account of dependencies, resource requirements and constraints in order to enable the efficient realization of benefits.
6	Resource management	The ability to identify, profile and secure the resources required to deliver a project.
7	Budgeting and cost management	The ability to estimate costs, produce a budget and control forecasts and actual spend against budget.
8	Risk and issue management	The ability to systematically identify and monitor risks and issues, planning how to mitigate/respond to those risks and issues and implementing the responses.
9	Quality management	The ability to plan, develop, maintain and apply quality management processes to ensure adherence to those standards throughout the project delivery lifecycle.

	Competence	Description
10	Business change and implementation	The ability to integrate the project outputs into 'business as usual' (BAU), ensuring that activities are planned and completed to enable the business to implement the change and realize the benefits.
11	Governance	The ability to clearly define roles, responsibilities and accountabilities and establish controls and approval routes appropriate to each stage of the project to monitor project progress and compliance.
12	Frameworks and methodologies management	The ability to identify and amend appropriate project frameworks and methodologies to enable a consistent and efficient approach to delivery at all stages of the project lifecycle.
13	Stakeholder engagement	The ability to systematically identify, analyze and communicate with stakeholders, using appropriate channels, to ensure all those impacted by the change are engaged, taking account of their levels of influence and particular interests.
15	Change control	The ability to establish protocols to manage and document all requests that alter the scope of a project. This includes the capture, evaluation and approval or rejection of any requests.
16	Business case development	The ability to prepare, develop, commission and update business cases to justify the initiation and continuation of projects in terms of benefits, value for money and risk.
17	Asset allocation	The ability to recommend how financial and other resources should be allocated between projects in order to optimize the organization's return on investment (ROI). This includes the determination of which projects should be initiated continued or closed to best support the organization's strategic objectives.

	Competence	Description
18	Benefits management	The ability to identify, quantify, map and track project benefits to justify investment in the project, and to provide assurance that the benefits identified can be realized.
19	Knowledge management	The ability to identify, share and promote best practices and lessons learnt to create a culture of learning and good practice that supports continuous improvement to optimize project delivery.

Annex 3: Behavioural Competences of a Project Manager

	Competence	Description
1	Visible leadership	The ability to engage, motivate and coach others. To act as a role model and inspire and empower others.
2	Integrity	The ability to promote the wider public good in all actions and to act in a morally, legally and socially appropriate manner at all times.
3	Working with ambiguity	The ability to work in an environment of uncertainty and continual change. Able to feel comfortable making decisions and setting direction without having the full picture and to re-focus as details emerge. Can apply knowledge and techniques to reduce ambiguity.
4	Collaboration	The ability to establish and develop productive relationships with internal and external stakeholders, bringing people together to benefit the project.
5	Influencing	The ability to influence, change and impact decisions with both internal and external stakeholders.
6	Conflict resolution	The ability to recognize, anticipate and effectively deal with existing or potential conflicts at the individual, team or strategic level.
7	Inspiring others	The ability to create and present a compelling vision and set a clear direction that motivates others to work towards a common goal.
8	Resilience	The ability to adapt to changing circumstances and adverse situations whilst remaining calm, reassuring others and maintaining performance.
9	Innovation	The ability to think of, research and apply new ideas and ways of doing things. Encourages and supports innovations from others, is willing to experiment and follow ideas through to implementation.

	Competence	Description
10	Cultural change	The ability to plan, lead and effect positive cultural change, securing commitment and buy-in and promoting a positive long-term vision. Recognizes when broader cultural change is necessary to deliver a project.

Annex 4: Generic Advantages and Disadvantages of Each Type of PIU

A. In-House PIUs

Advantages:

1. *Expertise and experience*: Public sector PIUs often comprise professionals with specialized expertise in project management, policy implementation and public administration. Their experience and knowledge can contribute to effective project planning, execution and monitoring.

2. *Accountability and transparency*: PIUs established within Government agencies are subject to public scrutiny and accountability mechanisms, which can help ensure transparency in project decision-making and resource allocation. This accountability fosters trust among stakeholders and enhances public confidence in the management of taxpayer funds.

3. *Access to resources*: Public sector PIUs can leverage Government resources, including funding, infrastructure, and technical support, to facilitate project implementation. This access to resources can expedite project execution and mitigate potential financial constraints.

4. *Alignment with public policy objectives*: PIUs operating within Government entities are typically aligned with broader public policy objectives and priorities. This alignment ensures that projects contribute to national development goals, socioeconomic advancement and public service delivery.

5. *Stakeholder engagement*: Public sector PIUs often engage with a diverse range of stakeholders, including Government agencies, civil society organizations and the general public. This stakeholder engagement facilitates collaboration, consensus-building and stakeholder buy-in, which are essential for project success.

Disadvantages:

1. *Bureaucratic processes*: Public sector PIUs may be subject to bureaucratic red tape, lengthy approval processes and administrative inefficiencies inherent in Government operations. These bureaucratic hurdles can slow down project implementation and increase administrative costs.

2. *Political interference*: Projects managed by public sector PIUs may be susceptible to political influence, patronage and favouritism, which can undermine project integrity and impartiality. Political interference may lead to suboptimal project outcomes, misallocation of resources and delays in project delivery.

3. *Limited flexibility*: Public sector PIUs may face constraints related to budgetary allocations, procurement regulations and institutional frameworks, limiting their flexibility to adapt to changing project requirements or unforeseen challenges. This lack of flexibility can impede innovation and responsiveness in project management.

4. *Resource constraints*: Public sector PIUs may encounter resource constraints, including funding shortages, staffing limitations and capacity gaps, which can hinder effective project implementation. Inadequate resources may compromise project quality, timeliness and sustainability.

5. *Risk aversion*: Public sector PIUs may exhibit a tendency towards risk aversion due to the accountability pressures, regulatory compliance requirements, and fear of negative repercussions associated with project failure. This risk aversion may inhibit experimentation, innovation, and adaptive management practices.

B. Hybrid PIUs

Advantages:

1. *Flexibility*: Hybrid PIUs can adapt to various project needs by combining different methodologies, such as Agile and Waterfall. This adaptability allows teams to tailor their approach based on project requirements, promoting efficiency and effectiveness.

2. *Risk management*: By integrating elements from multiple methodologies, hybrid PIUs can mitigate risks more effectively. They can leverage Agile's iterative approach to address uncertainties early in the project while using Waterfall's structured planning to manage risks associated with complex dependencies.

3. *Stakeholder engagement*: Hybrid PIUs enable better stakeholder engagement by incorporating Agile practices such as regular feedback loops and customer

collaboration. This fosters transparency and ensures that project deliverables align with stakeholder expectations.

4. *Resource optimization*: Hybrid PIUs optimize resource allocation by leveraging the strengths of different methodologies. For instance, they can allocate resources dynamically based on project priorities, maximizing efficiency without compromising quality.

5. *Continuous improvement*: Hybrid PIUs promote a culture of continuous improvement by integrating feedback mechanisms from different methodologies. This allows teams to learn from both successes and failures, driving innovation and enhancing future project performance.

Disadvantages:

1. *Complexity*: Managing hybrid PIUs can be more complex due to the integration of multiple methodologies. This complexity may lead to challenges in communication, coordination and decision-making, especially in teams with diverse skill sets and backgrounds.

2. *Skill requirements*: Hybrid PIUs require team members with a diverse skill set to effectively implement different methodologies. Ensuring that team members are proficient in Agile, Waterfall and other relevant practices can be challenging and may require additional training and development.

3. *Integration issues*: Integrating Agile and Waterfall practices within a hybrid PIU may result in compatibility issues between different project management tools, processes and workflows. Addressing these integration challenges requires careful planning and coordination to avoid disruptions to project execution.

4. *Resistance to change*: Introducing hybrid PIUs may encounter resistance from team members accustomed to traditional project management approaches. Overcoming resistance to change and fostering buy-in for hybrid methodologies requires effective change management strategies and clear communication of the benefits.

5. *Risk of dilution*: Hybrid PIUs run the risk of diluting the benefits of Agile and Waterfall methodologies if not implemented thoughtfully. Without proper alignment and balance between different practices, teams may experience reduced efficiency, increased complexity and diminished project outcomes.

C. Standalone/ Independent PIUs

Advantages:

1. *Dedicated focus*: Independent PIUs can provide dedicated focus and attention to the management of specific projects or initiatives without being distracted by broader organizational priorities. This focused approach enhances accountability and ensures that project objectives are prioritized.

2. *Expertise and specialization*: Independent PIUs often consist of professionals with specialized expertise in project management, technical skills and sector-specific knowledge. This expertise enables the PIU to effectively plan, execute and monitor projects, leading to improved project outcomes.

3. *Flexibility*: Independent PIUs have greater flexibility in decision-making and resource allocation compared to traditional bureaucratic structures. This flexibility allows the PIU to adapt quickly to changing project requirements, stakeholder needs and external circumstances, leading to more agile project management.

4. *Efficiency*: By operating independently from larger organizational structures, PIUs can streamline decision-making processes, reduce bureaucratic hurdles and expedite project implementation. This efficiency helps to minimize delays, optimize resource utilization and enhance overall project performance.

5. *Accountability and transparency*: Independent PIUs are often subject to rigorous accountability mechanisms and transparency requirements, particularly when managing projects funded by external donors or international development agencies. This accountability fosters transparency, ensures proper use of resources and enhances public trust in project management.

Disadvantages:

1. *Isolation*: Independent PIUs may operate in isolation from broader organizational structures, leading to potential coordination challenges, communication gaps and duplication of effort. This isolation can hinder collaboration with other departments or units and limit knowledge sharing and institutional learning.

2. *Resource constraints*: Independent PIUs may face resource constraints, including funding shortages, staffing limitations and capacity gaps. These

resource constraints can impede effective project implementation, compromise project quality and increase the risk of project failure.

3. *Risk of duplication*: Establishing independent PIUs for specific projects or initiatives may result in the duplication of administrative functions, processes and overhead costs. This duplication can lead to inefficiencies, redundancy and waste of resources, particularly if similar projects are managed by separate PIUs within the same organization.

4. *Limited organizational support*: Independent PIUs may lack adequate support from the broader organizational structure, including access to administrative services, IT infrastructure and human resources. This limited support can hamper the PIU's ability to effectively carry out its mandate and may necessitate additional capacity-building efforts.

5. *Sustainability*: Independent PIUs may struggle to maintain continuity and sustainability beyond the lifecycle of individual projects or initiatives. Once a project is completed, the PIU may face challenges in transitioning its functions, retaining staff and securing funding for future projects, potentially resulting in the loss of institutional knowledge and expertise.

Annex 5: Project Implementation Plan Structure

NO.	SECTION	SECTION DETAIL
1.	Project overview	• Background and problem statement • Stakeholders • Logical framework • Costed annualized work plan • Technical specifications
2.	Organization and staffing structure	• Project organization structure • Key personnel job functions and responsibilities
3.	Procurement and contract administration	• Procurement plan • Contract administration
4.	Project management and controls	• Scope control and management • Budget and cost control • Schedule control • Project reporting • Records management • Stakeholder engagement
5.	Quality management	• Quality assurance and control criteria • Acceptance and approval
6.	Risk management	• Risk identification and analysis • Risk monitoring and response
7.	Communication management	• Project team • Community • Media • Government
8.	Project closure	• Contract closure management • Final acceptance and approval • Administrative closure

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