MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

THE NATIONAL PUBLIC INVESTMENT MANAGEMENT POLICY

NOVEMBER 2024

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Foreword

Uganda's robust economic growth and socio-economic transformation since 1986 has come on the back of the implementation of key evidence-based policy reforms. Government has prioritized public investment, particularly in energy and transport infrastructure, coupled with the restoration of peace and security. These efforts have created a conducive environment for private sector growth, leading to job creation and increased revenue collections.

In spite of the substantial progress in recent years, public investment management still faces several challenges that hinder Government's efforts to transform the lives of Ugandans. These challenges include difficulties in land acquisition due to the unfavourable land tenure system; inadequate technical capacity to identify, prepare, appraise, implement, monitor and evaluate public investments; implementation delays that often lead to cost and time overruns; and a poor culture of maintaining and sustaining created assets, among others. These challenges have continued to hinder wealth creation and returns on investment in the country. In addition, many Ugandans remain outside the money economy, with about 39% of households still living in the subsistence sector.

To achieve full monetisation of the economy, Government has prioritized investments in economic-empowering programmes, including *Emyooga*, Social Assistance Grants for Empowerment (SAGE) and the Parish Development Model (PDM). These initiatives aim to provide social protection for the vulnerable, improve household incomes, as well as foster inclusive and balanced socio-economic transformation for the country.

This calls for strengthening our efforts around public investment management to ensure efficient service delivery, particularly in sectors that promote productivity, competitiveness and wealth creation. In this regard, Government will ensure that public investments are delivered on time, within budget and are of good quality. Additionally, proper operation and maintenance of public assets will be prioritized. This will support private sector growth, especially when the requisite infrastructure is provided in the form of roads, electricity and Information and Communication Technology (ICT), among others.

Government is also committed to improving the business regulatory environment by reducing bureaucratic hurdles, simplifying procedures, and lowering compliance costs. This will attract more investors, specifically in industry, manufacturing, tourism, services and the knowledge economy. Increased investment in these sectors will create more jobs, reduce the current account deficit through value addition, and promote export growth, hence reducing reliance on imports.

Additionally, resources will be allocated to major infrastructure interventions in roads, energy, water, railways and ICT, but also fast-track efforts to integrate Uganda into other markets within the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the African Continental Free Trade Area (AfCFTA).

I, therefore, call for effective participation of all stakeholders in the implementation of all actions enshrined in this policy, given the importance of effective public investment management in the attainment of the socio-economic transformation of our country as enshrined in the National Development Plan and the National Resistance Movement (NRM) Manifesto.

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Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Executive Summary

Achieving socio-economic transformation requires a shift from an agriculture-based economy to urban, industrial and service-based economic activities with sustained GDP growth rates. This transformation necessitates a significant increase in both public and private investments, with the public sector playing a catalytic role in private sector growth. Consequently, in many African countries, including Uganda, there has been a resurgence in the attention paid to the role of public investment in fuelling economic growth and development.

Over the last 15 years, Government has undertaken significant public investment in various economic and social sectors. However, the expected levels of growth and socio-economic transformation have not materialised due to the low returns on public investments, averaging USD 0.80 per US dollar invested.[1] This underperformance is largely attributed to weak public investment management.

Challenges in public investment management include weak project identification, design, selection and preparation; delays in the implementation and completion of public investments; inefficient procurement practices; chronic under-execution of public investments; cost and time overruns; lack of commitment to asset maintenance; poor contract management and dispute resolution; cost escalations and time overruns; land acquisition challenges; weak capacity for project preparation, appraisal and implementation; poor selection and prioritisation of projects; procurement delays; and absorption challenges.

The absence of a well-streamlined and coordinated policy framework for public investment management exacerbates these challenges. Consequently, Government's objective of creating more decent jobs, increasing household incomes and improving access to and quality of public services is not fully realised.

Empirical evidence suggests that well-planned, well implemented and resilient public investments have a higher growth multiplier effect and the ability to propel the economy to a higher growth trajectory. However, achieving these outcomes requires a well-coordinated public investment policy and substantial financial and human resources (MoFPED & World Bank Diagnostic Study, 2016; IMF, 2020).

The National Public Investment Management Policy (NPIMP) will provide strategic guidance on key aspects of socio-economic transformation, i.e. wealth creation, the knowledge economy, value addition, private sector development, export promotion, regional integration and infrastructure development.

The policy is in line with the aspirations of the NRM Manifesto and the National Development Plan, which focuses on industrialisation and full monetisation of the economy for wealth creation and employment.

1 World Bank Public Investment Management Diagnostic study report, 2016

It also complements the existing regulatory frameworks, including, among others, the Public Finance Management Act, 2015 as amended, the Public-Private Partnerships (PPP) Act, 2015, the Roads Act, 2019, the Investment Code Act 2019, the Electricity(Amendment) Act, 2022 and the National Environment Management Act, 2019.

The Policy covers all investments undertaken by the Central Government, Local Governments, public corporations and other state-owned enterprises along the entire public investment management cycle. Public investments, therefore, cover commitments of public resources by the Central Government and its entities as sole executor or in partnership with the private sector, and/or through multilateral and bilateral cooperation. The investment may be through economic and social infrastructure projects and programmes or in the form of commercial investments aimed at generating return on investment for Government. Public commercial investments may also include Government business ventures such as the establishment and running of business enterprises and buying equity shares in operating enterprises.

The NPIMP has eight (8) strategic objectives, namely:

i Full monetisation of the economy through transitioning 39% of the households from the non-monetary to the money economy;

ii Investing in tourism and the service industry by supporting private sector growth and development;

iii Enhancing value addition and processing in key growth programmes;

iv Promoting export-oriented growth and resilience of the economy;

v Enhancing the knowledge economy by focusing on investments that facilitate science and innovation;

vi Promoting vertical and horizontal regional integration;

vii Promoting infrastructural development; and

viii Increasing efficiency in public investment.

To achieve these objectives, there is need to streamline the management of public investments. This should cover all aspects, from preparation, appraisal, selection, budgeting and implementation, monitoring and evaluation, as well as registration and management of assets. All stakeholders will be expected to effectively execute their responsibilities regarding the different policy actions for better service delivery in line with Uganda's development agenda.

The NPIMP also provides strategic guidance on the processes and procedures involved under the Public Investment Management System (PIMS) of Uganda, the communication and dissemination of the Policy, the roles and responsibilities for the implementation of policy actions, climate change adaptation, mitigation and resilience, environment and social safeguards in public investments, contingency planning in public investment management (in emergency situations) and monitoring and evaluation of the Policy.

As the coordinating agency for the NPIMP, MoFPED will ensure that all responsible stakeholders plan and budget for financing of the different action areas of the policy in close collaboration with National Planning Authority (NPA), the Office of the President (OP) and the Office of the Prime Minister (OPM), among other stakeholders. In this regard, Government shall explore alternative sources of financing from the private sector as well as from international Development Partners to facilitate the implementation of public investments for structural change of the economy.

Implementation of this Policy, therefore, is expected to result in productive Government investments which will lead to sustained economic growth rates through increasing the returns to other factors of production. It will not only improve the budgeting, implementation, operation and maintenance of projects and assets, but will also contribute to the achievement of higher returns from public investments, thereby creating an enabling environment for private investment to thrive and the socio-economic transformation of the country.

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Acronyms

ACODE	Action for Development and Environment
AfDB	African Development Bank
AG	Attorney General
AGO	Accountant General's Office
BUBU	Buy Uganda Build Uganda
CF	Consolidated Fund
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus Disease 2019
CSBAG	Civil Society Budget Advocacy Group
CSCFs	Commodity-Specific Conversion Factors
CSCU	Civil Service College Uganda
CSO	Civil Society Organisation
DC	Development Committee
DFIs	Development Finance Institutions
DRM	Domestic Revenue Mobilisation
EAC	East African Community
e-GP	Electronic Government Procurement
EOC	Equal Opportunities Commission
ESIA	Environmental and Social Impact Assessment
GDP	Gross Domestic Product
GKMA	Greater Kampala Metropolitan Area
GoU	Government of Uganda
FCDO	Foreign Commonwealth Development Office
IAG	Internal Auditor General
IBP	Integrated Bank of Projects
ICT	Information and Communication Technology
IFMS	Integrated Financial Management System
IMF	International Monetary Fund

IMICC	Inter-Ministerial Implementation Coordination Committee
LGs	Local Governments
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MEACA	Ministry of East African Community Affairs
MDAs	Ministries, Departments and Agencies
MDBs	Multilateral Development Banks
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoIA	Ministry of Internal Affairs
MoICT&NG	Ministry of Information Communication Technology and National Guidance
MoJ&CA	Ministry of Justice and Constitutional Affairs
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoPS	Ministry of Public Service
MTIC	Ministry of Trade, Industries and Cooperatives
MTWA	Ministry of Tourism, Wildlife and Antiquities
MoWT	Ministry of Works and Transport
MTEF	Medium-Term Expenditure Framework
MTFF	Medium-Term Fiscal Framework
NDP	National Development Plan
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NITA-U	National Information Technology Authority-Uganda
NLIS	National Lands Information System
NPA	National Planning Authority
NPIMP	National Public Investment Management Policy
NPPRB	National Physical Planning Review Board
NRM	National Resistance Movement
OAG	Office of the Auditor General

OP	Office of the President
OPM	Office of the Prime Minister
PAP	Projects Analysis and Public Investment Department
PBS	Programme Budgeting System
PC	Public Corporation
PDM	Parish Development Model
PFMA	Public Finance Management Act
PIAR	Programme on Investment Appraisal and Risk Analysis
PIFS	Public Investment Financing Strategy
PIM	Public Investment Management
PIMS	Public Investment Management System
PIP	Public Investment Plan
PPC	Project Preparation Committee
PPF	Project Preparation Fund
PPDA	Public Procurement and Disposal of Public Assets Authority
PPP	Public-Private Partnerships
PSF	Public Sector Foundation
PWG	Programme Working Group
RAP	Resettlement Action Plan
SG	Solicitor General
SOE	State Owned Enterprise
STI	Science, Technology and Innovation
UBOS	Uganda Bureau of Statistics
UDN	Uganda Debt Network
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
UNBS	Uganda National Bureau of Standards
UNCST	Uganda National Council for Science and Technology
UPE	Universal Primary Education
USD	United States Dollar
USE	Universal Secondary Education
WB	World Bank

CHAPTER ONE

BACKGROUND AND CONTEXT

1.1 Introduction

The National Public Investment Management Policy (NPIMP), 2024 provides a framework for effective and efficient public investment management in Uganda. As the country pursues economic development, rapid wealth creation and socio-economic transformation through the Tenfold Growth Strategy, prudent and strategic management of public investments is paramount.

Public investment refers to Government spending on the creation of tangible and non-tangible assets. It supports socio-economic transformation through the delivery of public services, wealth creation, increasing household incomes and reduced business costs. These factors collectively drive economic growth and improve citizens' welfare.

Through the National Development Plan (NDP) and the NRM Manifesto, Government recognises that allocative efficiency, equity and efficient utilisation of resources for public investment are fundamental to fostering economic growth, improving public services, and achieving socio-economic transformation.

This Policy, therefore, aims to strengthen public investment management based on the consistent application and use of standardised measures for project identification, planning, appraisal, prioritisation, implementation, monitoring and evaluation of public investments.

1.2 Background

The State plays a central and strategic role in fostering socio-economic transformation by guiding development processes, instituting effective institutions and policies, as well as nurturing and enabling the private sector to participate in wealth-generating enterprises and job growth. This requires deliberate coordination among stakeholders, including both state and non-state actors. While the State primarily focuses on fostering an enabling environment that is supportive to the production processes, it also undertakes public investments which lead to the accumulation of capital stock and assets. Public investment decisions, especially in economies like Uganda that prioritise investment in social services provision and economic infrastructure, require policy guidance.

In the last decade, there has been renewed attention to the role of public investment in fuelling economic growth and socio-economic transformation. This has been spurred by rapid urbanisation and its associated infrastructure needs as well as the slow-paced growth in existing economic opportunities.

Uganda's NDPs since 2010 have sought to direct public investment towards social and economic infrastructure, boosting production in the existing opportunities, generating wealth and growing household incomes through initiatives such as *Emyooga* and the Parish Development Model (PDM) programmes. Given the growing significance of the public investments undertaken, Government has increased its efforts to mobilise budgetary resources to finance these investments, including partnering with the private sector.

This Policy, therefore, aligns with the Government's commitment to attaining a faster socio-economic transformation by focusing on unlocking the country's growth potential by:

i. Full monetisation of the economy through transitioning households in the non-monetary to the money economy;
ii. Investing in tourism and service industry by supporting private sector growth and development;
iii. Enhancing value addition and processing in key growth programmes;
iv. Promoting export-oriented growth and resilience of the economy;
v. Enhancing the knowledge economy by focusing on investments that facilitate science and innovation;
vi. Promoting vertical and horizontal regional integration;
vii. Promoting infrastructure development; and,
viii. Enhancing efficiency in public investment management.

If effectively implemented, these initiatives are expected to more than double Uganda's economic growth. This will lead to increased foreign exchange earnings, improved ease of doing business, enhanced production capacity for export promotion and import replacement, as well as advancements in research, science and innovation.

Empirical evidence indicates that well-planned, well-implemented and resilient public investments have a higher growth multiplier effect and the ability to propel Uganda's economy to a higher growth trajectory. However, this requires well-coordinated public investment policies, procedures, tools, decision-making and monitoring to ensure that the returns from investment are achieved. Notwithstanding, the requirement of substantial financial and human resources to catalyse the expected benefits from the investment is an integral part of the equation.

1.3 Situational Analysis

1.3.1 Global context

The effectiveness and efficiency of Public Investment Management (PIM) globally is assessed across three key dimensions: design, effectiveness, and cross-cutting issues that contribute to a robust framework. Performance metrics include investment and capital stock, macroeconomic and fiscal variables (e.g., GDP, deficit and debt), Public-Private Partnership (PPP) investment, government capital budget execution rates, capital budget volatility, variability in capital budget composition, and the country corruption index.

Political considerations and decisions significantly impact the operation of PIM frameworks within a country. Even the well-designed legal and regulatory frameworks may fall short if they are frequently circumvented in political processes. It is essential for PIM processes to incorporate and align with policy directives to achieve desired outcomes. For example, Ireland exemplifies high standards in both institutional design and effectiveness in infrastructure governance.

Effective PIM practices involve integrating fiscal rules into the budget. For instance, Bulgaria has the Public Finance Act, and the annual state budget establishes clear fiscal rules, providing a strong foundation for fiscal planning and sustainability. Estonia and Jordan have the medium-term State Budget Strategy that offers a Medium-Term Fiscal Framework (MTFF) that outlines planned current and capital spending.

Countries such as Malaysia, Botswana and India have enhanced the planning and execution of large infrastructure projects despite frequent changes in government priorities. These countries focus on improving coordination between central and state governments and addressing issues related to project delays and cost overruns.

Colombia, Slovakia, Kenya and Singapore have made strides in enhancing PIM by implementing reforms aimed at increasing transparency and accountability. Efforts include developing a systematic approach to project appraisal and selection, strengthening oversight mechanisms and improving the quality of public investment data.

Effective project management is crucial for controlling and managing project spending during execution. Good practices require skilled personnel to deliver projects. The United Kingdom utilises a project delivery capability framework that defines job roles, capabilities and learning for government project delivery professionals. Also, South Korea conducts fundamental reviews of projects if costs rise by more than 20% or forecast demand falls by over 30%.

A robust PIM system requires continuous monitoring and evaluation. Countries such as the Philippines and Chile have made significant progress in strengthening monitoring and evaluation processes and enhancing overall public investment efficiency. Monitoring systems should include legal or regulatory requirements to assess project implementation, and to manage cost overruns, delays and other issues. Honduras and Malaysia actively monitor major investment projects from both financial and physical progress perspectives.

Proper maintenance of infrastructure is vital for realising the benefits promised in its design. Estonia and South Africa prioritise routine and capital maintenance based on sector-specific methodologies and systematic physical monitoring, with maintenance being prioritised over new construction.

A well-structured PIM framework involves policies, guidelines, procedures, legal frameworks and systems designed to facilitate the efficient and effective use of public resources. This framework aims to ensure that PIM processes are integrated with policy directives and investments to yield the desired returns and contribute to overall economic growth and development.

1.3.2 Continental and regional context

Africa's Agenda 2063 guides the continent's transformation into a global powerhouse of the future with emphasis on wealth creation, sustainable development, and the effective use of public investment to achieve these goals.[1] According to the African Development Bank (AfDB), public investment plays a critical role in driving infrastructure development, improving public services, and fostering economic diversification.[2]

The Public Investment Management Systems (PIMS) frameworks across Africa exhibit considerable diversity in terms of structure, capacity and operational efficiency.

This variability is influenced by each country's unique economic, administrative and developmental contexts. For instance, while countries like South Africa have established comprehensive and well-integrated PIMS frameworks, others are still in the process of developing robust systems to manage public investments effectively.[3] Understanding the differences between these frameworks is vital for identifying best practices and improving PIM across the continent.

The East African Community (EAC) has undertaken significant initiatives to enhance regional collaboration in PIM. The EAC Secretariat has developed guidelines and frameworks to standardise PIM practices among member states, including Uganda, Kenya, Tanzania, Rwanda, Burundi and South Sudan.[4] These guidelines focus on

1 African Union. (2015). Agenda 2063: The Africa We Want. African Union Commission.
2 African Development Bank (AfDB). (2022). African Economic Outlook 2022: Supporting Climate Resilience and a Just Energy Transition.
3 African Development Bank. (2019). Public Investment Management in Africa. Accessed from: https://www.afdb.org/en
4 EAC Secretariat. (2020). EAC Public Investment Management Guidelines. East African Community Secretariat.

harmonising thresholds for project appraisal, improving legal frameworks, and fostering cooperation in managing regional investments.

The Development Strategy (2021/22–2025/26) for the EAC emphasises the need for regional infrastructure, improving institutional capacity and harmonising investment policies. It focuses on increasing regional trade and attracting foreign investment, with key projects aimed at boosting connectivity and reducing trade barriers.[5] Some of the major infrastructure projects include the Northern Corridor and the Standard Gauge Railway that are expected to reduce transport costs by up to 40% and enhance regional connectivity.

According to the International Monetary Fund (IMF), institutional capacity varies significantly across the EAC region. While some countries have made strides in strengthening their PIMS Frameworks, others lag behind due to inadequate technical expertise and governance structures. This disparity affects the efficiency and effectiveness of public investment across the region.[6]

The threshold systems for project approval vary significantly across countries. In the EAC region, Kenya for example, the PIM Unit employs a tiered threshold system, where large-scale projects require comprehensive feasibility studies and rigorous review processes.[7] Smaller projects, however, undergo a simplified approval process, which streamlines project initiation but may risk inadequate scrutiny.

On the other hand, Tanzania utilises a more uniform approach where all projects, regardless of size, follow a similar review process. This approach can lead to inefficiencies in handling smaller projects but ensures that all projects adhere to the same standards of evaluation.[8] The varying approaches highlight the trade-offs between efficiency and thoroughness in investment approval. Uganda could benefit from aligning its legal framework with international best practices to enhance transparency, reduce corruption risks, and ensure that investments are managed in accordance with established regulations.

1.3.3 National context

i. GDP trends

The overall economic performance since 2010/11 reveals that GDP growth has consistently been below the NDP targets, but above the global and the Sub-Saharan Africa (SSA) average, save for the last few years. Uganda's economy is notable for its resilience and ability to withstand multiple economic shocks, as has been evidenced in recent years when the global COVID-19 pandemic and other shocks hit it.

5 East African Community (EAC). (2021). EAC Development Strategy (2021/22–2025/26). https://www.eac.int
6 IMF (2022). Uganda: Technical Report– Public Investment Management Assessment. Accessed from: https://www.elibrary.imf.org/view/journals/002/2022/350/article-A001-en.xml
7 Kenya National Treasury. (2020). Public Investments Management Unit Guidelines. Kenya National Treasury
8 Tanzania Ministry of Finance. (2020). National Public Investment Management Policy. https://www.mof.go.tz

Real GDP growth over the decades can be attributed to several key growth drivers. Sustained peace and security, prudent macroeconomic policies and effective management have fostered macroeconomic stability, laying the groundwork for sustained economic growth.

Government's efforts to eliminate market distortions through economic reforms have reduced inefficiencies and attracted investment. Political and social stability has further cemented the country's economic foundation, creating an environment conducive to growth, particularly in the industry and services sectors. Another key driver has been the rising investor confidence, which has resulted in increased private investment. Notably, Foreign Direct Investment inflows have seen a consistent upward trajectory for seven consecutive years, marking a significant surge of 68.3% in FY 2022/23 alone as inflows increased from United States Dollar (USD) 1.69 billion million in FY 2021/22 to USD 2.84 billion in FY 2022/23. The country has seen improvements in capacity utilisation across industries through more efficient use of resources and a boost in productivity.

Uganda's development strategy is to accelerate economic growth and socio-economic transformation, and to increase the size of the economy tenfold from USD 50 billion to USD 500 billion in the next 15 years. Government is committed to translating this growth into more jobs and wealth for all Ugandans. In that regard, Government's fiscal strategy in the NDP focuses on enhancing efficiency in public investment to help more people to take advantage of the existing socio-economic infrastructure, and to create jobs as well as wealth. This will, consequently, transition the 39% of the households that are in the subsistence economy into the money economy through access to affordable credit, value addition and Science,Technology and Innovation (STI).

Over the last 15 years, Uganda has focused on increasing public investments in infrastructure with the aim of reducing the infrastructure gap, which would improve private investment and business climate, hence achieving socio-economic transformation. However, Uganda's level of public investments remains below that of its regional peers with similar infrastructure needs (Kenya, Rwanda and Tanzania) by approximately 2% of GDP.[9] Uganda's public capital stock has been increasing over the past decade, but is still low compared to its peers in Sub-Saharan Africa and other low-income developing countries. This is illustrated in Figure 1.

9 Uganda Public Investment Management Assessment Report, 2022

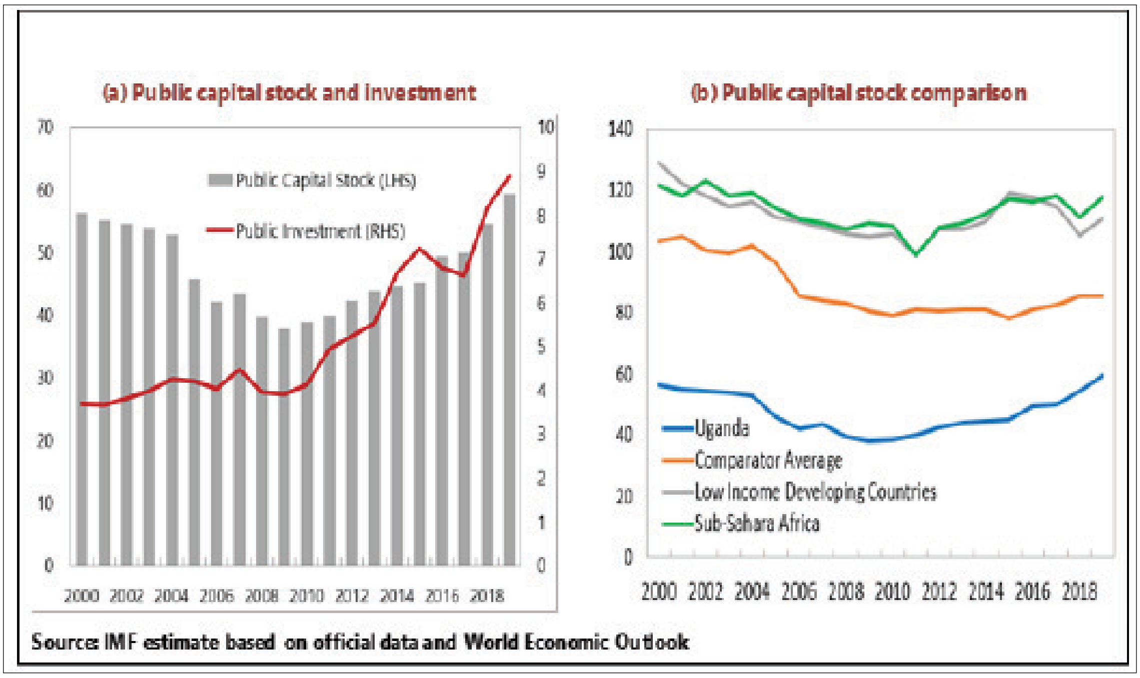

Figure 1.1: Uganda's Public Capital Stock (% of GDP)

In this regard, the country needs a high investment growth rate to realise high GDP growth rates. This calls for a well-guided, coordinated and systematic approach to public investment by all actors, something which would have been difficult to achieve without a dedicated NPIMP. It also requires better management and maintenance of the acquired public assets.

ii. Uganda's socio-economic indicators

The country has made strides in socio-economic transformation, especially in health and education. The Uganda Demographic and Health Survey, 2022 shows a decline in under-five child mortality from 90 in 2011 to 52 per 1,000 live births in 2022. A similar trend is also registered in infant mortality from 54 to 36 and in neonatal mortality from 27 to 22 over the same period. Total fertility has reduced from 6.2 to 5.2 children per woman over 2011 and 2022. Maternal mortality has declined from 438 per 100,000 live births in 2011 to 189 in 2022. Additionally, life expectancy has increased from 62.7 to 67.7 years over the last decade. The improvements can be attributed to the investment in health infrastructure and access, which has seen an increase in the population living within a 5 km radius of a health facility increase to 91% in 2020/21 from 86% in 2016/17.

There have also been improvements in access to education following the Universal Primary Education (UPE) and Universal Secondary Education (USE) programmes. Enrolment at both primary and secondary levels has improved over time. Whereas primary school enrolment increased to 91% in FY 2019/20 from 82.3% in FY 2012/13, the secondary school enrolment rate increased to only 36.8% in FY 2019/20 from 33.8% in FY 2012/13 due to the introduction of USE and the one-secondary-school-per-sub-county policy. There is a need to plug wastage in the investments in the social sector, especially in education, to improve the returns on the investments.

Despite the reduction in poverty, vulnerability and reversals in the gains made are still serious challenges. The headcount poverty rate decreased from 24.5% in FY 2010/11 to 19.7 % in FY 2014/15, before rising again to 20.3% in FY 2019/20, while the subsistence economy decreased to 39% in FY 2022/23 from 69% in FY 2010/11. Inequality and vulnerability remain high, particularly in the Eastern and Northern parts of the country. The unemployment rate fell to 9% in 2017 from 11% in 2012, although urban unemployment remains high at an estimated 21% in Kampala. The largest share of employment remains in subsistence agriculture at about 40% in 2017 compared to 37% in 2012.

High population growth and the great potential for a demographic dividend in the country create more demand for additional investments in education, health, water and other social services.

Although progress has been made in increasing access to development for all groups, inequalities still exist between regions. Uganda's Human Development Index (HDI) value is still low at 0.53 in 2020, positioning the country at 154 out of 184 countries. Fixing these challenges requires massive resources, yet the tax-to-GDP ratio remained low at 11.5% in FY 2019/20, which is below the 15.64% tax-to-GDP ratio[10], which is the minimum for developing countries to achieve accelerated development.

1.3.4 Social and human development in Uganda

Human capital development contributes to increased household incomes and quality of life through increased productivity, wealth creation and well-being of the population. Over the past decade, Uganda's Human Capital Index has increased from 0.34 to 0.38.[11] However, Uganda's human capital is still characterised by low productivity at 38%, a low HDI and a small science, technology and innovation workforce. This limits wealth creation and the rapid socio-economic transformation agenda.

1.3.5 Economic context

Government has since 1986 introduced and implemented several reform programmes aimed at driving the country towards peace and prosperity. Between 1987 and 2020, the country enjoyed macroeconomic stability, which led to an increase in investments in the economy. As a result, Uganda registered an average growth rate close to 6% during this period, placing the country among the 15 fastest growing economies in the world.

Between 2010 and 2019, Uganda stepped up efforts to grow the economy with the goal of attaining upper middle-income status. A major vehicle for the delivery of this milestone is the reduction of Uganda's infrastructure deficit under the security, roads, energy, health and education sectors.

10 Ministry of Finance, Planning and Economic reports
11 World Bank

This is one way of creating an enabling environment to motivate both local and foreign investors to contribute profitably and sustainably towards the expansion of the economy.

These efforts have also resulted in increased manufacturing and migration of labour from low productivity-based agriculture in rural areas to the services industry in urban areas, creating the need for more infrastructure and relevant social services in addition to technological transformation. As a result, notwithstanding the country's high population growth rate, Uganda's GDP per capita has more than tripled from USD 253 in 1999 to more than USD 1,200 in 2024, growing at an average annual rate of 5.42%.

The Government of Uganda remains committed to driving the country towards upper middle-income status by growing the economy tenfold in the next 15 years. This will require significant scaling up of investment in infrastructure, including energy and roads, as well as delivering key public services that strengthen human capital, particularly through investment in education, the knowledge economy, STI, regional infrastructure and health.

This Policy seeks to consolidate and build on investment in increased production and productivity through increasing the focus on agro-processing and value addition, STI, the knowledge economy, and human capital development. Investment in value addition to raw materials will expand the GDP size, while improving the country's Balance of Payment. This requires investment in industrialisation and export-oriented growth through value addition, agro-processing, mineral beneficiation and light manufacturing.

While substantial gains can be made by ensuring macroeconomic stability, sustained economic growth and improvement of the living standards of Ugandans in the long run can only be achieved through, Agro-industrialization Tourism developmet Mineral Development, and STI (ATMS). With more than 70% of the population younger than 30 years, Uganda is the perfect hub for innovation, research and development to create a knowledge-based economy and foster solutions to problems.

Uganda's economy has undergone a structural transformation, with services and industry as the dominant drivers of growth. This is on account of good macroeconomic policies put in place by Government. Despite this, 39% of households are still engaged in the subsistence economy. Government has, therefore, undertaken social investment programmes that promote financial inclusion and the uptake of financial services such as The Presidential Initiative on Wealth and Job Creation (*Emyooga*) and PDM programmes.

The discovery of oil in Uganda also provides the country with an opportunity to focus further on improving PIMS. The World Bank, in its 2015 Country Economic Memorandum for Uganda, projected that GDP growth rates could exceed 9% per year over the next two decades through a combination of demand and supply effects directly generated by oil activities.

Whereas there are major opportunities in this sector, several oil-producing countries have experienced economic challenges related to oil production. To manage these risks, it will be important to invest in growth-generating infrastructure to expand the non-oil sectors of the economy, and to promote national content and value addition in oil sector activities. An effective investment regime with a proper policy direction is a prerequisite for the achievement of these objectives.

1.3.6 Socio-political context

Uganda has experienced a relatively high degree of political, economic and social stability since the National Resistance Movement (NRM) ascended to power in 1986. Government effectiveness is relatively strong, with a Country Policy and Institutional Assessment score of 3.7 (out of 6) in 2019 compared with an average of 3.1 in SSA. Poverty also fell from 33.8% in 1999 to 19.7% in 2014, before rising again to 21.4% in 2020, mainly due to the COVID-19 pandemic.

1.4 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis

Public investment boosts economic growth and provides the right infrastructure to promote private investment, wealth creation and socio-economic transformation. On the other hand, poor investment choices waste resources, erode public trust and limit growth opportunities, and thus limit socio-economic transformation. The SWOT analysis in Table 1 identifies and analyses the strengths, opportunities, weaknesses and threats involved in the areas of socio-economic transformation and public investment management, and provides emerging areas for implementation.

The SWOT analysis ensures that the policy is robust, addresses potential challenges and capitalises on available opportunities, leading to better outcomes and more effective implementation.

Table 1.1: Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis

Thematic Area	Enabling Factor		Barriers		Emerging Issues
	Strength	Opportunity	Weakness	Threat	
Socio-economic transformation					
Full monetization of the economy	- Existence of Government empowerment programmes, e.g. Parish Development Model, Emyooga	- Existence of natural resources - Youth bulge	- Limited entrepreneurial skills - Weak financial literacy - Inadequate access to financing	- Limited markets - Exploitation by middlemen - Climate change and disaster risks	- Need for increased access to financing - Need for business development services - Ensure social, regional, cultural and gender inclusiveness in public investments
Knowledge economy	- Increasing funding for research and development (RIF, Innovation Fund) - Access to information because of internet connectivity - Access to Information Act, 2005 - Existence of institutional frameworks for driving science, technology and innovation - The knowledge economy is embedded in the tenfold growth strategy and NDP	- Increasing digital connectivity - Existence of critical mass of educated young people - Increased trade opportunities through e-commerce	-Inadequate digital infrastructure and connectivity - High cost of internet	- Cyber attacks - Limited funding for quality education - Crowding out of indigenous knowledge and products - Negative mindset towards local innovations - Stiff competition from multinationals	- Need for more resources for research and development - Increased training of scientists - Establish innovation hubs, science parks and incubation centers - Increased awareness of the concept of knowledge economy

Thematic Area	Enabling Factor		Barriers		Emerging Issues
	Strength	Opportunity	Weakness	Threat	
Value addition	- Presence of raw materials (agricultural products and minerals) - Presence of abundant labour force	- Industrial parks gazette - Access to technology - Regional and domestic markets	- Low production and productivity - Lack of innovation - Limited bulking	- Low earnings to producers - Low quality - High input costs	- Building capacity for meeting quality standards - Fully develop industrial parks - Need for cooperatives
Export-oriented growth	- Comparative and competitive advantage, especially in agro-processed products	- Regional and continental markets - Rising global demand for agricultural products	- Low quality standards - In ability to meet demand - Over-dependence on traditional export markets - High logistic costs (transport) - Low value addition	- Tariff and non-tariff barriers	- Enhanced value addition - Improved packaging, branding and marketing
Private sector development	- Base of entrepreneurship culture - Liberal economic policies - Existence of local content frameworks	- High informal sector - Presence of public procurement opportunities	- High proliferation of counterfeits - High cost of doing business - Limited incentive structure for local entrepreneurs - Low domestic private sector savings	Domestic arrears - Increased Government domestic borrowing - Limited access to external markets (regulations and logistics)	- Provision of an enabling environment and incentives for private sector development - Clearance of domestic arrears

Thematic Area	Enabling Factor		Barriers		Emerging Issues
	Strength	Opportunity	Weakness	Threat	
Regional integration	- Existence of harmonized policy frameworks - Existence of regional blocs (EAC, COMESA, AfCTA)	- Existence of regional markets (EAC, COMESA, AfCTA)	- Production of similar goods - Limited regional transport network	- Insecurity within the region - Continued existence of non-tariff barriers - Varying commitment to regional integration	- Increased collaboration on regional infrastructure and other investments - Harmonization of trade policies
Infrastructure development	- Existence of critical infrastructure (transport, energy and ICT) - Deliberate Government policy on prioritizing infrastructure development	- Growth in industrialization, value addition and trade - Increased agricultural production - Expansion of growth centres and corridors - Alternative financing options, i.e. PPPs	- Low domestic financing - Low capacity of domestic contractors - Costly acquisition of right of way - Absence of a national physical infrastructure plan - Low funding for operation and maintenance of Government assets - High cost of construction	- Climate change and disaster risks - High cost of borrowing - Land tenure system	- Adherence to the PIMS processes - Development of local contractors' capacity - Development of a national physical infrastructure plan - Development of standard costs for infrastructure development

Thematic Area	Enabling Factor		Barriers		Emerging Issues
	Strength	Opportunity	Weakness	Threat	
Public Investment Management Framework					
Identification	Systems for collecting ideas are in place: - NDP - Bottom-up LG Development Plans - Academia	- Local Council Development Committees - Research by institutions of higher learning - Decentralized planning	- Non-functional bottom-up process - Lack of database for ideas	- Low implementation of plans & projects - Top-down selection of projects	- Strengthening bottom-up development planning - Need for establishment of database of ideas
Planning	- Existence of planning frameworks	- Existence of Government financing strategies - Existence of computerized Project Database and Budgeting System (PBS)	- Limited personnel with capacity to design projects within MDAs & LGs - Lack of standards as basis for designs	- Political selection of projects	- Need to fast-track training of Project Planners - Need to put in place service & service delivery standards to facilitate project design
Investment appraisal & approval	- Existence of alternatives of economic infrastructure modes and public enterprises, etc. for optimal returns	- Existence of Makerere PIMS Centre - Existence of Development Committee	- Limited personnel with capacity to appraise project ideas within MDAs & LGs - Lack of national appraisal standards	- Lack of updated Policy & Implementation Management Framework - Limited role of Cabinet in approval process	- Need to fast-track training of Project Appraisers - Need for national appraisal standards - Need for Policy & Implementation Management Framework

Thematic Area	Enabling Factor		Barriers		Emerging Issues
	Strength	**Opportunity**	**Weakness**	**Threat**	
Implementation	- Existence of adequate legal & policy frameworks - Consistency among the NDP, Manifesto & National Budget	- Consistent growth of the economy - Macro-econ stability	- Low domestic revenue collection - Low public sector capacity - Limited indigenous private sector capacity - Lack of approved unit costs	- Declining fiscal space inhibiting new projects - Weak financial markets - Weak institutional frameworks - Weak Government negotiation capacity	- Need to enhance private sector capacity - Need to strengthen implementation capacities of MDAs - Establish system of unit costs - Fast-track capacity building of negotiators across MDAs
Monitoring & evaluation (M&E)	- Existence of adequate institutional framework for M&E	- Existence of adequate personnel capacity for M&E across Government	- Weak MDA & LG MIS & national M&E systems - Weak linkage between project results & IFMIS	- Weak M&E culture for projects & plans - Unclear division of labour among key role players	- Fast-track establishment of MIS and M&E systems - Implement real-time linkages between IFMIS & PBS systems

1.5 Problem Statement

The Government has undertaken significant public investment in various economic and social sectors over the years. However, this has not resulted in the envisaged growth and socio-economic transformation due to the low return on public investment, averaging 0.8 cents per USD invested. This is exacerbated by persistent poor PIM in the country.

The under performance[12] in PIM is caused by weak project identification, design, selection and preparation; delays in the implementation and completion of public investments; inefficient procurement practices; chronic under-execution of public investments; cost and time overruns; and, lack of commitment to maintaining and sustaining created assets. The lack of a well-streamlined and coordinated policy framework for public investments continues to exacerbate this problem.

The disconnect between public investments and socio-economic transformation of the country has resulted in, among others, the following:

i. Thirty-nine per cent (39%) of households (3.5 million) remaining outside the money economy;
ii. Low public investment in the knowledge economy STI;
iii. Low value addition and processing in key growth programmes, i.e. ATMS;
iv. Heavy reliance on imports, low-value exports and earnings;
v. Poor infrastructure and a services sector which do not support private sector development; and,
vi. Investments that are too low to enhance regional integration, both vertical and horizontal.

Streamlining public investments, therefore, requires strategic allocation of public resources through a well-coordinated and effective policy framework focused on long-term sustainable development goals. By addressing these challenges, Government will create a more inclusive, diversified, resilient and competitive economy that benefits all segments of society and hence achieve socio-economic transformation.

1.6 Rationale of the Policy

Uganda will only maximise public investment returns through an efficient identification, selection, implementation, and monitoring and ex-post evaluation system. To maximise the returns and avoid losing the gains made so far, there is need for a policy to anchor all the PIM reforms being undertaken in the country. PIM will, therefore, play a critical role in achieving the aspirations enshrined in the NDP and PDM if all the requisite PIMS reforms and mechanisms are anchored on a strong and well-guided policy.

12 MoFPED and World Bank Diagnostic Study, 2016

The Regulatory Impact Assessment (RIA) conducted by MoFPED found that effective and efficient implementation of public investments should be anchored on a policy framework. The policy will further promote private investment, growth and socio-economic transformation over the next decade in line with the 2030 Agenda for Sustainable Development.

A good NPIMP will contribute to a more effective and efficient use of public funds that ensures that public investments are directed towards interventions that yield the highest economic returns, better economic and social outcomes, and enhanced governance, ultimately supporting sustainable development and public welfare.

The NPIMP will provide strategic guidance on key aspects of socio-economic transformation, i.e. full monetisation of the economy, wealth creation, knowledge economy, value addition, private sector development, export promotion, regional integration and infrastructure development, and streamline procedures, processes, roles and responsibilities to guide public investments in Uganda. It stands as a cornerstone in our commitment to transparent, accountable and effective governance in PIM. This policy, therefore, provides a framework for effective and efficient PIM.

CHAPTER TWO

FRAMEWORK OF THE POLICY

2.1 Linkage to existing Planning Frameworks, Legislation, Policies and Regulations

This policy is aligned with several strategies, legislation and policies at the international, regional and national levels. It is in line with the aspirations of the NRM Manifesto and the NDP, which emphasise industrialisation for employment and wealth creation.

At the global and regional levels, key strategic interventions of this policy are aligned with the Sustainable Development Goals, the Africa Agenda 2030 for Sustainable Development, the Agenda 2063 and the EAC Vision 2050.

Additionally, the NPIMP complements the existing regulatory frameworks namely;

i. The Public Finance Management Act 2015 Cap 171,

ii. The Public-Private Partnerships (PPP) Act 2015,

iii. The Roads Act 2019,

vi. The National Environment Management Policy 1994,

v. The Energy Policy 2002,

vi. The National Mining and Mineral Policy 2018,

vii. The National Oil and Gas Policy 2008, the National Investment Code Act 2019,

viii. The Local Economic Development Policy 2014,

ix. The National Land Policy 2007,

x. The National Climate Change Policy 2015,

xi. The National Planning Act 2010,

xii. The PPDA Act 2003,

xiii. The National Industrial Policy 2021,

xiv. The National Physical Planning Standards and Guidelines 2011,

xv. The National Public Sector Procurement Policy 2019 and the National Strategy for Private Sector Development,

xvi. Asset Management Framework and Guidelines 2020,

xvii. The Asset Accounting Policies and Guidelines 2023 and the Board of Survey Guidelines,

xviii. The Copyright and Neighbouring Rights Act 2006, and the National Housing Policy 2016.

2.2 Scope of the Policy

The NPIMP will provide strategic guidance on key aspects of socio-economic transformation, including wealth creation, the knowledge economy, value addition, services sector development, export promotion, regional integration and infrastructure development.

The Policy will cover all investments undertaken by the Central Government, Local Governments, public corporations and other state-owned enterprises along the entire public investment cycle, i.e. identification, pre-investment, investment and operation and ex-post evaluation. Public investments involve commitments of public resources by the Central Government and its entities as sole executor or with private sector participation and/or through multilateral and bilateral cooperation.

Public investment may be through economic and social infrastructure projects and programmes or in the form of commercial investments aimed at generating return on investment for Government. Public commercial investments may include Government business ventures such as the establishment and running of business enterprises and buying equity shares in operating enterprises.

2.3 Vision, Mission and Goal

2.3.1 Vision

Uganda's socio-economic transformation through an independent, integrated and self-sustaining economy.

2.3.2 Mission

To speed up economic growth through enhancing efficiency in the country's Public Investment Management System.

2.3.3 Goal

To contribute to Uganda's GDP from the current USD 50 billion to USD 500 billion in 15 years.

2.3.4 Policy outcomes

i. Increased return on public investment from USD 0.8 to USD 8.0 per dollar invested.

ii. Improved competitiveness index from 48.94 to 62.44.

iii. Increased industrial sector contribution to GDP from 26% to 31.4%.

iv. Increased services sector contribution to GDP from 42.4% to 58.2%.

v. Increased share of manufactured exports in total exports from 22.5% to 60%.

vi. Reduced proportion of households in the non-monetary economy from 39% to 5%.

2.4 Strategic Policy Objectives

In order to achieve the above policy outcomes, the following strategic policy objectives will be undertaken:

i. To accelerate full monetisation of the economy with emphasis on return on investment (ekibaro) by transitioning households in the non-monetary economy to the money economy;

ii. To spur the knowledge economy by focusing on investments that facilitate science and innovation;

iii. To enhance value addition and processing in key growth programmes, i.e. Agro-industrialisation, Tourism, Minerals, and STI;

iv. To promote export-oriented growth and resilience of the economy;

v. To stimulate the services sector by supporting private sector growth and development;

vi. To promote regional integration, both vertical and horizontal;

vii. To promote infrastructural development in order to lower the costs of production in the economy.

viii. To increase efficiency in public investment management.

2.5 Guiding Principles

The following key principles will guide the achievement of the strategic objectives of the NPIMP:

i ***Return on investment*:** Government will focus on investments and the creation of assets that maximise social and economic returns to the country. Measures will be put in place to promote and facilitate investments to maximise the return on investment through fiscal incentives.

ii ***Equity*:** PIM should ensure that viable projects from all programmes are implemented based on spatial and geographical inclusiveness as well as promote inclusion and gender equality.

iii ***Sustainable development:*** The selection and implementation of public investments and acquisition of assets shall consider the country's economic, environmental and social development goals both in the present and the future.

iv ***Transparency:*** The entire public investment management cycle should be transparent and all related information on public investments must be accessible to all relevant stakeholders and the public for effective monitoring

v) ***Accountability***: There shall be effective monitoring and evaluation of performance against the approved public investment objectives, outcome targets and indicators in a cost-efficient manner.

vi) ***Impact:*** There should be fundamental intended or unintended changes in the conditions of the target group, population, system or organisation because of the implementation of public investments.

vii) ***Risk management*:** Continuous risk assessment shall be undertaken for all public investments and flexibility allowed for in the face of rapidly changing circumstances.

viii) ***Lifecycle approach to asset management:*** Management of public assets, including investment assets, shall consider all requirements of an asset throughout its lifecycle, involving planning, selection, acquisition, operation, maintenance, disposal and reporting.

ix) ***Coordination:*** The roles and responsibilities of all involved stakeholders shall be clearly described to ensure proper and effective coordination across all Government levels.

CHAPTER THREE

PUBLIC INVESTMENT MANAGEMENT STRATEGIC OBJECTIVES AND POLICY ACTIONS

To achieve the goal of the Policy, Government commits to implementing specific interventions under each Strategic Policy Objective as stated below:

3.1 Strategic Objective 1: To accelerate full monetisation of the economy with emphasis on return on investment (ekibaro) by transitioning the 39% households in the non-monetary economy to the money economy.

Policy Statement: Government will accelerate full monetisation of the economy by transitioning the 39% households that are in the non-monetary economy to the money economy.

The following policy actions will be undertaken to achieve this policy objective:

i. Prioritising investments in economic-empowering programmes such as full operationalisation of all pillars of the PDM and *Emyooga* to support socio-economic transformation.
ii. Ensuring social, regional, cultural and gender inclusiveness in public investments
iii. Enforcing adherence to the local content regulatory frameworks.

3.2 Strategic Objective 2: To spur the knowledge economy by focusing on investments in science and innovation.

Policy Statement: Government will enhance the knowledge economy by focusing on investments in science and innovation.

The following policy actions will be implemented to achieve this policy objective:

i. Supporting scientists to innovate and provide solutions to increase production and productivity, as well as the manufacture of drugs to contain pathogenic diseases.
ii. Enhancing funding for Research and Development initiatives.
iii. Prioritising interventions that stimulate the knowledge economy such as

innovations under the medical and health sciences, edutech, local e-commerce and the assembly of low-cost end-user devices, e.g. solar devices.

iv. Investing in education for Science, Technology, Engineering and Mathematics to equip the workforce with the necessary skills for a knowledge-based economy.

v. Establishing innovation, incubation and technology hubs to provide a conducive environment for start-ups.

3.3 Strategic Objective 3: To enhance value addition and processing in key growth programmes, i.e. Agro-industrialisation, Tourism, Minerals, and Science and Technology.

Policy Statement: Government will enhance value addition and processing in key growth projects/programmes.

The following policy actions will be implemented to achieve this policy objective:

i. Establishing new and expanding existing agro-processing industries.

ii. Increasing access to low-cost capital to finance interventions in value addition and processing.

iii. Providing extension services for crops, animal husbandry and fisheries to increase production and productivity.

iv. Investing in agri-business training.

v. Providing infrastructure and facilities for primary processing, value addition and market handling.

vi. Re-establishing regional-based cooperatives as off-takes from farmers.

3.4 Strategic Objective 4: To promote export-oriented growth and resilience of the economy.

Policy Statement: Government will promote export-oriented growth and resilience of the economy.

The following policy actions will be implemented to achieve this policy objective:

i. Prioritising the export of commodities where Uganda has comparative and competitive advantages.

ii. Enforcing quality standards along the entire value chains from firms/farms to export markets.

iii. Creating a conducive environment to spur private investment for export growth.

iv. Facilitating access to regional and international markets for local products.

3.5 Strategic Objective 5: To stimulate the services sector by supporting private sector growth and development.

Policy Statement: Government will provide a conducive environment and incentive schemes for private sector investment in the services sector.
The following policy actions will be implemented to achieve this policy objective:

i. Investing in skilling the workforce and business development services for entrepreneurs.
ii. Investing in education and training programmes for the labour force in the country.
iii. Developing an efficient and robust digital infrastructure, including high-speed internet and digital transaction systems.
iv. Investing in appropriate infrastructure and products for tourism development.
v. Collaborating with the private sector in implementing investments in the services sector.

3.6 Strategic Objective 6: To promote regional integration, both vertical and horizontal.

Policy Statement: Government will promote horizontal (within EAC) and vertical (continental) regional integration.

The following policy actions will be implemented to achieve this policy objective:

i. Harmonising tariffs and eliminating non-tariff barriers.
ii. Supporting cross-border investment and facilitating the free movement of capital and labour.
iii. Creating special economic zones and free trade areas to attract investment and promote exports.
iv. Investing and collaborating in transboundary infrastructure development for regional integration.

3.7 Strategic Objective 7: To promote infrastructural development in order to lower costs of production in the economy.

Policy Statement: Government will promote infrastructural development.
The following policy actions will be implemented to achieve this policy objective:

i. Investing in infrastructure (transport, energy, ICT and water) to support processing and marketing of Uganda’s products.
ii. Promoting public-private partnerships to mobilise resources and expertise for

infrastructure development.

iii. Developing a national physical infrastructure plan to guide and prioritise investments.

iv. Ensuring that infrastructure corridor guidelines to support project implementation are completed and implemented.

v. Establishing a national construction company.

vi. Boosting the capacity of the Uganda People's Defence Forces Engineering Brigade to division level.

vii. Ensuring comprehensive greening of all the infrastructure corridors to promote climate change resilience.

viii. Providing funding for timely acquisition of the right of way for all infrastructure-related projects.

ix. Ensuring the provision of adequate financing for the operation and maintenance of all government investments and assets.

x. Improving the business environment and reducing regulatory barriers to attract private sector investment in infrastructure.

3.8 Strategic Objective 8: To increase effectiveness and efficiency in Public Investment Management.

Policy Statement: Government will ensure development and adherence to all frameworks that guide public investment and asset management in the country.

The following policy actions will be implemented to achieve this policy objective:

i. Developing comprehensive appraisal standards and tools to guide project preparation, selection, implementation and monitoring and evaluation.

ii. Harmonising the different roles and responsibilities of all key stakeholders in the PIMS for effective coordination.

iii. Prioritizing PIMS, ongoing public investments to ensure that ongoing projects and running contracts to take the first call on the budget.

iv. Establishing a framework for public commercial investments.

v. Ensuring the monitoring and assessment of assets through periodic surveys in line with the Asset Management Strategy.

vi. Developing a framework for the payment of dividends to Government.

vii. Developing a digital database for all Government assets.

viii. Ensuring that all Government of Uganda assets are developed on land registered and owned by the Government.

ix. Developing strategies that integrate climate-resilient measures into investment planning.

x. Prioritising key sectors for investment based on their potential to drive economic growth, create jobs and improve social welfare.

PUBLIC INVESTMENT MANAGEMENT SYSTEM IN UGANDA

4.1 Overview of the Public Investment Management System

To streamline the development of public investment projects, the PIM system establishes a four-phase cycle to guide the preparation and implementation of projects. The enforcement of a clear project lifecycle ensures that project identification aligns with national strategies, and that only bankable projects are selected for inclusion in the Public Investment Plan (PIP).

The PIM cycle also provides a structural framework for the monitoring of projects during implementation as well as the evaluation of the impact of completed projects on development outcomes. The four mandatory phases, as **illustrated in Figure 4.1**, include:

i. The project identification and planning phase;

ii. The pre-investment phase (appraisal and selection);

iii. The investment phase (implementation and monitoring); and

iv. The completion and handover of public investments.

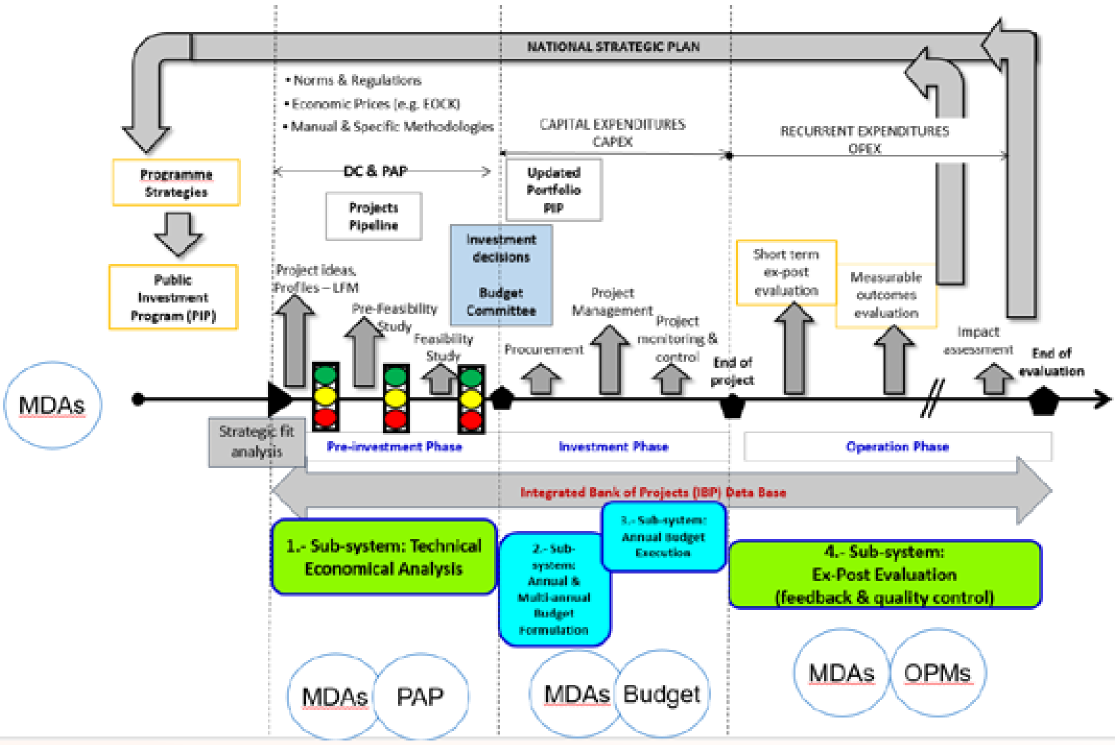

Figure 4.1: PIMS System Illustration

4.2 The Project Identification and Planning Phase

Uganda's public investments shall be guided by NDP, the ruling party Manifesto, the comprehensive development planning frameworks and the programme-specific investment plans for the country. These will serve as the sources for all public investment ideas, projects and interventions.

The investment planning process involving the identification of public investment needs and the prioritisation of public investments for inclusion in the NDP, Programme and Vote investment plans shall be based on their strategic alignment to the above frameworks, as well as potential returns to the wider economy and society. This shall be done through a consultative process involving all relevant stakeholders at the national and subnational levels, and including politicians, technocrats and civil society.

The next levels of investment planning shall be informed by the medium-term macroeconomic policy priorities, such as the potential investment levels as a percentage of GDP in relation to the targeted growth rates, appropriateness of the cross-sectoral distribution of investments and the resultant employment effects, complementarity of public and private investments, as well as conduciveness for domestic and foreign investment.

At programme level, decisions shall be guided by programme strategies and policies, such as the economic development policy, trade policy, agriculture policy and export promotion policy, the local content strategy and the Buy Uganda Build Uganda policy, among others, short- and medium-term development interventions, fiscal provisions in the Medium-Term Expenditure Framework (MTEF), as well as sequence and prioritisation requirements.

Public investments initiation commences with the generation of project ideas through the programme, and this should be consistent with the national development planning frameworks, priorities and strategic direction in the medium- to long-term horizon of the country. All ideas shall be subjected to approval at the following levels: the Vote Project Preparation Committee (PPC), the Programme Working Group (PWG) and the Development Committee, prior to progressing to the profile, pre-feasibility and feasibility stages.

The Vote shall prepare a profile conceptualizing the project idea, indicating its strategic alignment to the national development priorities and detailing the logical flow of results, objectives, goal, outcomes, outputs and activities. The profile should demonstrate the chronological sequencing of the theory of change that the project seeks to bring about once implemented and should contain the relevant metrics for measuring performance.

4.3 The Pre-Investment (Appraisal and Selection) Phase

The next stage is a pre-feasibility study that analyses the various options for delivering the project idea. This should include a preliminary assessment of the demand, economic, financial, technical, risk, environment and social impact, as well as the legal and institutional alignment of the project. This stage shall inform the decision on whether to undertake the project through a PPP or a traditional procurement modality.

The last stage of appraisal is the feasibility study, which is a detailed assessment of the most economically viable and financially viable option for delivering the project as revealed at the pre-feasibility study stage. The study shall consist of detailed cost, design and implementation requirements for undertaking the project.

Upon finalisation of the appraisal process, public investments will be subjected to the selection criteria, aimed at sequencing and prioritising projects from a viable pipeline to the PIP and, consequently, to the budget, and shall be allocated a code to facilitate implementation.

The selection criteria shall be developed and updated by MoFPED and shall have parameters such as strategic alignment of the project to the national strategic objectives; budget readiness (availability of finances in the MTEF); and land acquisition and inclusive growth, or as shall be determined by Government.

4.4 The Investment (Implementation and Monitoring) Phase

Project implementation and tracking of project performance will be undertaken in line with a framework for tracking the implementation and performance of public investments that will be developed and issued by the Permanent Secretary/Secretary to the Treasury (PS/ST).

When a project is granted a project code and included in the PIP for a given financial year (FY), a project manager/coordinator and Project Implementation Unit shall be assigned.

All Ministries, Departments and Agencies (MDAs) will be required to use the standard project management tools in line with the Framework for Tracking the Implementation and Performance of Public Investments.

During project execution, project performance will be tracked to ensure that the project is on time, on budget and delivered to the desired quality. Government, through the implementing entities, shall undertake routine tracking of projects to provide early warning signs for prompt action.

The Intergovernmental Committee on Performance of Projects and Loans, under the Office of the Prime Minister and MoFPED, shall scrutinise the implementation and tracking of projects in the PIP to facilitate the development of corrective actions that steer underperforming projects back on track.

The Development Committee shall undertake annual reviews of all ongoing projects in the PIP in order to:

i assess the performance of ongoing projects;

ii remove ineligible interventions, especially those that are best implemented under the recurrent budget;

iii ensure that projects that reach the end of their implementation phase exit the PIP to create fiscal space for new projects; and

iv guide on change in project scope and phase.

Completion assessment and reporting shall be in line with the standard criteria set by Government. This shall, among others, assess the level of achievement of the investment relative to the intended physical objectives and outputs. It shall also involve assessment of requirements for maintenance, replacement, upgrading, update and modernisation of the assets generated.

4.5 Management of public assets

Public investments result in the creation of public assets. Poorly operated and maintained public assets deteriorate prematurely, with negative effects on the economy, leading to greater fiscal costs of reacquisition over time. This Policy will, therefore, ensure efficient and effective management of public assets. Accounting Officers will be responsible for the operation and maintenance of all assets created in line with the Asset Management Framework and Guidelines and the Development Committee Guidelines.

4.6 Public Investment Management Governance Framework

Creating a governance framework for public investments involves establishing a structured approach to ensure that public funds are utilised in an effective and transparent manner, ensuring maximising their benefits to society in alignment with Government’s strategic objectives.

The governance framework for PIMS in Uganda shall include Cabinet, Parliament, the Development Committee, PWGs and PPCs, NPA, OPM and MDAs. Institutional arrangements with the following mandate shall be in place. The roles of the stakeholders involved in the PIM Governance Framework will be as follows:

4.6.1 Cabinet

i. To provide strategic guidance on key Government priorities and projects.

ii. To determine, formulate and implement Government policies.

iii. To approve project frameworks (design and implementation) and clearance of project financing.

iv. To provide oversight on the implementation of public investments.

4.6.2 Parliament

To approve project financing and appropriate budgets, and to provide oversight on the implementation of public investments.

4.6.3 Development Committee

To perform the following functions:

i. Develop and issue guidelines for the public investment cycle.

ii. Review and approve programme submissions on the PIMS of project profiles, pre-feasibility studies, feasibility studies and proposals to ensure that;

  (a) the submissions are consistent with the NDP and Government policy objectives;

  (b) each project idea has a clear set of measurable objectives and targets defined to include the project goal, outcomes, outputs and activities;

  (c) all possible alternatives for the attainment of project objectives have been evaluated; and,

  (d) a detailed feasibility assessment has been undertaken for the proposed project.

iii. Provide guidance on areas that require adjustment in project profiles, pre-feasibility studies, feasibility studies and proposals before approval.

iv. Review and approve all projects before financing and inclusion in the PIP.

v. Review and make decisions on existing projects in the PIP regarding performance, and the status of multi-year commitments.

vi. Review and recommend eligible projects to proceed to the PPP Unit, to be undertaken in accordance with the PPP Act.

The Development Committee, under the chairmanship of the PS/ST, is comprised of broad Government-level representation and this includes: the Public Procurement and Disposal of Assets Authority; OPM; the Ministry of Lands, Housing and Urban Development; NPA; the Ministry of Gender, Labour and Social Development; the Ministry of Works and Transport; the National Environment Management Authority; PPP Unit; the Office of the President; the Ministry of Justice and Constitutional Affairs; and the Equal Opportunities Commission. The secretariat of the Development Committee is the Project Analysis and Public Investment Department under MoFPED.

4.6.4 Programme Working Groups

These are technical working fora in programmes through which stakeholders meet to discuss cross-cutting issues as well as planning. Programme Working Groups perform the following functions:

i. Ensure that all projects are well sequenced in the Programme Implementation Action Plans (PIAPs).

ii. Convene meetings on a regular basis to consider the project profiles submitted by MDAs.

iii. Review and approve project profiles submitted by MDAs to MoFPED.

4.6.5 Project Preparation Committees

This Committee is established at an institutional level. Its responsibilities include the following:

i. Convene meetings on a regular basis to consider the project concept ideas submitted by departments and MDAs under their jurisdiction.

ii. Ensure that the project idea is in line with the MDAs' strategic plan and national development objectives.

iii. Ensure that the proposed project is not duplicating an existing intervention within the MDAs or programme.

4.6.6 Public-Private Partnership Committee

The PPP Committee, under the leadership of the Ministry responsible for Finance, comprises high-level representatives from OPM, NPA, the National Planning Authority, the Ministry of Lands, Housing and Urban Development, the Ministry of Local Government, the Attorney General, PPP Unit, the Private Sector Foundation Unit, Uganda Investment Authority, academia, and a retired judge. The Committee undertakes its functions as stipulated in the PPP Act 2015.

4.6.7 Ministries, Departments and Agencies

These are responsible for the preparation of projects in line with the Development Committee Guidelines and the National Development Plans.

4.6.8 National Planning Authority

The National Planning Authority (NPA) plays a crucial role in public investment management. The NPA is responsible for developing comprehensive National Development Plans that outline the country's long-term goals and strategies. This includes identifying priority areas for public investment.

4.6.9 Office of the President

The Office of the President will be responsible for undertaking performance evaluation and ex-post analysis of completed projects.

4.6.10 Office of the Prime Minister

The Office of the Prime Minister (OPM) in Uganda has several critical roles in public investment management. These roles include:

i. *Coordination and supervision:* The OPM is responsible for the overall coordination and supervision of Government programmes and projects.

ii. *Inter-ministerial coordination:* The OPM facilitates coordination among different MDAs to ensure coherent and integrated public investment efforts.

iii. *Performance monitoring:* The OPM monitors the performance of Government programmes and projects.

4.7 Public Investments by State-Owned Enterprises and Public Corporations

Public investments to be undertaken by state-owned enterprises (SOEs) and Public Corporations (PCs) requiring contributions from the Treasury shall be appraised in accordance with the PIMS Framework. For investments that shall be funded from the SOEs' and PCs' own revenue sources, these will be appraised and approved by the Boards of the respective SOEs before implementation. However, the PS/ST shall issue guidelines on a regular basis for effective appraisal of the investments.

To ensure there is a comprehensive asset register to enable monitoring of Government's asset stock, all SOEs and PCs shall be required on an annual basis to report to the PS/ST on the stock, location and performance of assets under their jurisdictions in a format that shall be provided by the Accountant General in the Asset Management Guidelines.

4.8 Tools used in Public Investment Management System

i. *The National Parameters and Commodity-Specific Conversion Factors Database:* These parameters are used to assess the economic value of an investment by converting financial cash flows into economic prices which reflect the actual value of project inputs and outputs in the presence of market distortions. They will be used to support financial and economic analyses during the development of feasibility studies.

ii. *The Integrated Banks of Projects (IBP):* All project submissions shall be made through the IBP. The IBP is an online-based system that serves as a central repository for public investments through the entire project cycle, i.e. project identification, pre-investment, investment and operation, and ex-post evaluation.

iii. *Public Investment Management System Framework guidelines and methodologies:* These shall be developed to streamline and aid the project cycle in line with the Policy. These will include the revised Development Committee Guidelines, the framework for tracking the implementation and performance of public investments and programme-specific user manuals among others.

iv. *The Project Preparation Facility:* This has been established to provide financing to MDAs to undertake pre-feasibility and feasibility studies. MDAs will access the fund through the NPA based on set guidelines.

v. *Compendium of PIM indicators:* These shall be used for measuring the efficiency of public investments and the effectiveness of the institutions put in place to manage such investments.

CHAPTER FIVE

CROSS-CUTTING ISSUES IN PUBLIC INVESTMENT MANAGEMENT

5.1 Climate Change Adaptation, Mitigation and Resilience

Over the recent past, there have been long-term shifts in temperature and weather patterns, leading to global warming and climate change. Climate change has recently been mainly associated with human activities such as burning of fossil fuels, cutting down trees and vegetation, energy and gas operations, poor agriculture and land use practices, transport infrastructure and building construction, among others.

The impact of climate change on public investments, particularly on infrastructure projects, is significant. The most evident is the destruction of the transport infrastructure, bridges and dams, among others. Other imminent impacts include intense droughts, water scarcity, severe fires, rising lake and river levels, flooding, catastrophic storms and declining biodiversity. The economy of Uganda is equally highly vulnerable to climate change due to its impacts on key sectors such as agriculture, fisheries, water resources, forestry, energy, health, infrastructure and settlements. The effects of climate change on these sectors hamper efforts to create wealth.

The NPIMP actions will be implemented in line with the climate change, resilience and development policy that mainstreams climate change adaptation and mitigation into all economic and social development interventions in the country. The following actions shall be undertaken:

i. Updating Development Committee Guidelines to require consideration of climate change implications in the project appraisal and align with Environmental and Social Impact Assessment requirements. This will be undertaken at the pre-feasibility stage of the project cycle using Climate and Disaster Risk Screening.
ii. Incorporating climate change aspects during project preparation to confront expected negative impacts, take up emerging opportunities and come up with adaptation and mitigation measures.
iii. Ensuring the revision of National Guidelines of the PPP Appraisal to include climate change (consistent with Local Government PPP Guidelines 2023) and updating the risk matrix to include detailed climate change risks and the preferred risk holder.

iv. Strengthening climate change-induced disaster management institutions at the national and local levels to reduce causality and ensure preparedness.

5.2 Environment and Social Safeguards

All projects and programmes shall be designed and implemented while avoiding any adverse impacts on marginalised and vulnerable groups, including children, women and girls, the elderly, indigenous people, internally displaced people, refugees, Persons With Disabilities (PWDs), and people living with HIV/AIDS.

Before approval of any projects for inclusion into the budget, the Development Committee shall conduct a gender assessment to review how projects may impact different genders, as well as marginalised and vulnerable groups. During project development, stakeholder engagement shall involve consultation with diverse stakeholders, including women's groups and marginalised communities, to ensure that the voices and needs of all groups are considered in public investments.

Government shall monitor the gender and social impacts of public investments over time. This will involve conducting regular evaluations to assess whether investments are achieving their intended goal of promoting gender equality and social inclusion. Government shall conduct capacity building and awareness training of Government officials, project managers, and stakeholders to implement gender and social safeguards effectively. This includes training on gender analysis, inclusive project management practices, and awareness-raising about the importance of gender equality in public investments.

5.3 Risk Assessment and Response Management in Public Investments

Contingency planning for public investments in Uganda, like in any other country, involves anticipating and preparing for potential risks and uncertainties that could affect the success and outcomes of public projects.

MDAs should conduct a comprehensive risk assessment to identify potential threats and uncertainties that could affect public investments. These could be internal and external factors such as political, economic, social, technological and environmental risks.

Project appraisal during emergencies such as disasters, epidemics and pandemics requires a flexible and adaptive approach. In case potential risks under project management, such as natural disasters or any other emergency, materialise, there will be a special appraisal mechanism by the Development Committee to consider the proposed interventions. A portion of the budget in the Contingency Fund set out by the Public Finance Management Act (PFMA) 2015 cap 171 should be allocated to cover unforeseen disasters in public investment. This would aim at mitigating unexpected impacts of natural hazards on public infrastructure and the performance of the economy.

CHAPTER SIX

POLICY IMPLEMENTATION FRAMEWORK

6.1 Coordination Framework

The Ministry of Finance, Planning and Economic Development (MoFPED) shall coordinate the implementation of this policy in collaboration with the Office of the President, OPM and NPA. MoFPED will lead the policy implementation process, working closely with all the key stakeholders at the Ministry, Agency and Local Government levels, to ensure that all the policy objectives and outcomes are achieved in line with the policy implementation plan.

In terms of reporting, MoFPED will collaborate with all stakeholders to provide a report on the annual progress made in the implementation of this policy. All the key stakeholders will be kept informed of the progress made through annual NPIMP review meetings and the publication of progress reports on public investment management.

Government, through MoFPED, shall also collaborate with the private sector, Civil Society Organisations (CSOs), academia, the media and all Development Partners relevant to the implementation of the Policy.

6.2 Communication and Dissemination of the Policy

This Policy will be communicated in line with the Government Communication Strategy (2011). MoFPED will produce a distributable version of the NPIMP and disseminate it to all key stakeholders to raise awareness about the policy and related objectives. MoFPED will work with the Ministry of ICT and National Guidance to communicate the policy on all Government websites.

MoFPED will also work with Civil Service College Uganda (CSCU) under the Ministry of Public Service to educate and explain the NPIMP to the different stakeholders across Government during various trainings at the college. A similar approach will also be used during the different programme and investment management meetings and related training for staff across MDAs and Local Governments.

MoFPED will also make use of the appropriate communication channels such as talk shows, local FM radios and TV stations, national newspapers, and bulletins, among others.

6.3 Roles and Responsibilities for Implementation of Policy Actions

The allocation of responsibilities of the key policy players is summarised in **Annex 1.**

6.4 Financing Mechanisms

MoFPED, as the coordinating agency for the NPIMP, will ensure that all responsible stakeholders plan and budget for financing of the different action areas of the Policy in close collaboration with NPA, the Office of the President and OPM, among other stakeholders. In this regard, the Government shall explore the alternative sources of financing from the private sector to Development Partners to facilitate the implementation of public investments for effective structural change of the economy.

Key financing mechanisms include the Government of Uganda, public-private partnerships (PPPs), investment partnerships with Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs), venture capital funds, bond issuances, grants and other well targeted long-term investment financing options from Development Partners and other investors, in line with the Government of Uganda Public Investment Financing Strategy. This shall be done while considering the county's debt risk assessments to ensure debt sustainability and macroeconomic stability.

CHAPTER SEVEN

MONITORING AND EVALUATION OF THE POLICY

7.1 Context of the NPIM Policy Monitoring and Evaluation

Monitoring and evaluation of the NPIMP will be undertaken through the existing legal and institutional frameworks. The legal and institutional frameworks guiding monitoring and evaluation in Government include the decentralized planning instruments and guidelines issued by the Minister of Finance, Planning and Economic Development, the Local Government Act 1997, the Public Finance Management Act 2015 cap 171, the National Planning Authority Act 2002, and the 1995 Constitution, as amended.

7.2 Key Performance Indicators

Successful implementation of the Policy is expected to result in the following outcomes:

i. Increased return on public investment from USD 0.8 to USD 8.0 per dollar invested.

ii. Improved competitiveness index from 48.94 to 62.44.

iii. Increased industrial sector contribution to GDP from 26% to 31.4%.

iv. Increased services sector contribution to GDP from 42.4% to 58.2%.

v. Increased share of manufactured exports in total exports from 22.5% to 60%.

vi. Reduced proportion of households in the non-monetary economy from 39% to 5%.

Table 7.1: Key Performance Indicators

S/N	OUTCOMES	INDICATORS	BASELINE (2023)	2039
i	Increased return on public investment from USD 0.8 to USD 8.0 per dollar invested.	Return on public and private investment	USD 0.8	USD 8
ii	Improved competitiveness index from 48.94 to 62.44.	Competitiveness index	48.94 (2019)	62.44
iii	Increased industrial sector contribution to GDP from 26% to 31.4%.	Industrial sector contribution to GDP	26%	31.4%
iv	Increased services sector contribution to GDP from 42.4% to 58.2%.	Services sector contribution to GDP	42.4%	58.2%
v	Increased share of manufactured exports in total exports from 22.5% to 60%.	Share of manufactured exports to total exports	22.5%	60%
vi	Reduced proportion of households in the non-monetary economy from 39% to 5%.	Proportion of households in the non-monetary economy	39%	5%

Source: MoFPED

7.3 Monitoring and Evaluation Mechanisms

Regular and reliable data from surveys and Government management information systems is vital for an effective policy cycle. It allows for timely managerial action and learning for improvement on the policy action gaps. The NPIMP will be managed, reviewed and evaluated based on a strategic results framework. The strategic results matrix for the NPIMP is summarised in Table 2, which includes the outcomes, indicators and targets for measuring progress towards the policy results.

OPM will take the lead in the monitoring and evaluation of public investments in collaboration with the Office of the President, MoFPED, NPA and other key stakeholders. The Office of the President will ensure oversight of the policy, and performance shall be reported through the Apex platform. MoFPED, being the gatekeeper of public investment appraisal in Uganda, will be responsible for the overall collection and analysis of data and reporting on progress in the implementation of this Policy.

7.4 Policy Reviews and Audit

This Policy shall be reviewed after five years in line with the National Planning Framework to incorporate any changes in the Government strategic direction. The review will entail undertaking a performance assessment of the policy objectives using the indicators outlined in the Policy as well as the impact evaluations.

ANNEXES

Annex 1: Roles and Responsibilities for Implementation of Policy Actions

POLICY ACTIONS	LEAD INSTITUTION	OTHER INSTITUTIONS
Strategic Objective 1: To accelerate full monetization of the economy with economics (ekibaro) by transitioning the 39% households in the non-monetary economy to the money economy		
1. Prioritize investments in economic-empowering programmes such as full operationalization of all pillars of the Parish Development Model and Emyooga to support socio-economic transformation.	MoFPED	NPA MoLG
2. Ensure social, regional, cultural and gender inclusiveness in public investments.	MoGLSD	NPA
3. Enforce adherence to the local content regulatory frameworks.	MoTIC	PPDA MoFPED
Strategic Objective 2: To enhance the knowledge economy by focusing on investments that facilitate science and innovation		
1. Support scientists to innovate and provide solutions to increase production and productivity, manufacturing of drugs to contain pathogenic diseases.	STI	MoFPED
2. Enhance funding for research and development (R&D) initiatives.	MoFPED	STI
3. Prioritize interventions that stimulate the knowledge economy such as innovations under medical and health sciences, edutech, local e-commerce and assembly of low-cost end-user devices, e.g. solar devices.	STI	MoFPED
4. Invest in education for Science, Technology, Engineering and Mathematics (STEM) to equip the workforce with the necessary skills for a knowledge-based economy.	MoES	MoFPED
5. Establish innovation, incubation and technology hubs to provide a conducive environment for start-ups.	STI	MoFPED

Strategic Objective 3: To enhance value addition and processing in key growth programmes		
1. Establish new and expand existing agro-processing industries for processing of key agricultural commodities.	MAAIF	MDAs & LGs
2. Increase access to low-cost capital to finance interventions in value addition and processing.	MoFPED	MDAs
3. Provide extension services for crop, animal husbandry and fisheries to increase production and productivity.	MAAIF	NARO, LGs
4. Invest in agri-business management training.	MAAIF	MoFPED, LGs, MTIC
5. Provide infrastructure and facilities for primary processing, value addition and market handling.	MAAIF	MoLG, MoFPED, MTIC, UIA
Strategic Objective 4: To promote export-oriented growth and resilience of the economy		
1. Prioritize export of commodities where Uganda has comparative and competitive advantages.	MTIC	MAAIF NAADS NARO MDAs
2. Enforce quality standards along the entire value chains from firms/farms to export markets.	MAAIF	UNBS MTIC
3. Create a conducive environment to spur private investment for export growth.	MoFPED	MDAs
4. Facilitate access to regional and international markets for local products.	MTIC	MoFPED MoFA
Strategic Objective 5: To stimulate the services sector by supporting private sector growth and development		
1. Invest in skilling the workforce and business development services for entrepreneurs.	MoFPED	MTWA MGLSD
2. Invest in education and training programmes for the labour force in the Country.	MTWA	MoES
3. Develop an efficient and robust digital infrastructure, including high-speed internet and digital transaction systems.	MoICT&NG	STI

4. Invest in appropriate infrastructure and products for tourism development.	MTWA	MoFPED
5. Collaborate with the private sector in implementing investments in the services sector.	MoFPED	MTWA
Strategic Objective 6: To promote regional integration, both vertical and horizontal		
1. Harmonize tariffs and eliminate non-tariff barriers.	MoFPED	MTIC, MEACA, URA, UEPB
2. Support cross-border investment and facilitate the free movement of capital and labor.	MoFPED	MoWT, MEACA
3. Create special economic zones and free trade areas to attract investment and promote exports.	MoFPED	UFZA, UIA,
4. Invest and collaborate in transboundary infrastructure development for regional integration.	MoWT	MoFPED, UNRA
Strategic Objective 7: To promote infrastructural development in order to lower costs of production in the economy		
1. Invest in infrastructure (transport, energy, ICT and water) to support processing and marketing of Uganda's products.	MoWT	UNRA, MEMD, MAAIF, MoICT, MWE, NITAU
2. Promote public-private partnerships to mobilize resources and expertise for infrastructure development.	MoFPED	PPP Unit
3. Develop a national physical infrastructure plan to guide and prioritize investments.	MoWT	MoLHUD, NPA, UNRA, MoICT, NITAU
4. Ensure that infrastructure corridor guidelines to support project implementation are completed and implemented.	MoLHUD	MoWT, MEMD, MoICT &NG, MoFPED
5. Establish a national construction company.	MoWT	MoFPED
6. Boost the capacity of the UPDF Engineering Brigade to division level.	MoWT	MoFPED
7. Ensure comprehensive greening of all the infrastructure corridors to promote climate change resilience.	MoLHUD	MoWT, MEMD, MoICT &NG, MoFPED
8. Provide funding for timely acquisition of the right of way for all infrastructure-related projects.	MoFPED	MoLHUD

9. Ensure the provision of adequate financing for the operation and maintenance of all government investments and assets.	AGO	MoFPED
10. Improve the business environment and reduce regulatory barriers to attract private sector investment in infrastructure.	MoTIC	MoFPED
Strategic Objective 8: To increase efficiency in public investment		
1. Develop comprehensive appraisal standards and tools to guide project preparation, selection, implementation and monitoring and evaluation.	MoFPED	OP OPM MoJ&CA MoGL&SD NPA PPDA PPP unit NEMA
2. Harmonize the different roles and responsibilities of all key stakeholders in the Public Investment Management System for effective coordination.		
3. Prioritize ongoing public investments to ensure that ongoing projects and running contracts take the first call on the budget.	MOFPED	MDAs
4. Establish a framework for public commercial investments.	MoFPED	MoFPED
5. Ensure the monitoring and assessment of assets through periodic surveys in line with the Asset Management Strategy.	MoFPED	MoFPED
6. Develop a framework for payment of dividends to Government.	MoFPED	MoFPED
7. Develop a digital database for all Government Assets.	MoFPED	MoFPED
8. Ensure that all Government of Uganda assets are developed on land registered and owned by Government.	MoLHUD	MoLHUD
9. Develop strategies that integrate climate-resilient measures into investment planning.	NPA MoFPED	MDAs
10. Prioritize key sectors for investment based on their potential to drive economic growth, create jobs, and improve social welfare.	NPA MoFPED	MDAs

Annex 2: List of stakeholders consulted during the NPIM Policy consultative process

No.	Institution
1.	National Environment Management Authority
2.	Public-Private Partnership Unit
3.	Ministry of Public Service
4.	Ministry of Education and Sports
5.	Kampala City Council Authority
6.	Ministry of Works and Transport
7.	Ministry of Water and Environment
8.	Office of the Prime Minister
9.	Ministry of Justice and Constitutional Affairs
10.	Ministry of East Africa and Community Affairs
11.	Office of the President
12.	Ministry of Lands, Housing and Urban Development
13.	Ministry of ICT and National Guidance
14.	Uganda AIDS Commission
15.	Office of the Attorney General
16.	Ministry of Health
17.	Public Procurement and Disposal of Assets Authority
18.	Ministry of Agriculture, Animal Industry and Fisheries
19.	Ministry of Local Government
20.	Ministry of Energy and Mineral Development
21.	Ministry of Foreign Affairs
22.	Ministry of Science, Technology and Innovation
23.	Ministry of Tourism, Wildlife and Antiquities
24	Uganda National Council for Science and Technology
25.	National Planning Authority
26.	Uganda National Roads Authority
27.	International Monetary Fund (IMF)

No.	Institution
28	The World Bank (WB)
29.	Foreign Commonwealth Development Office (FCDO)
30.	Financial Intelligence Authority
31.	Civil Society Budget Advocacy Group (CSBAG)
32.	Uganda Debt Network (UDN)
33.	Action for Development and Environment (ACODE)
34.	Makerere University – PIMS Centre of Excellence
35.	Project Management Institute – Uganda Chapter
36.	Office of the Auditor General
37.	Uganda Virus Research Institute
38.	Uganda Bureau of Statistics
39.	National Animal Genetic Resources Centre and Data Bank
40.	Ministry of Gender, Labour and Social Development
41.	Ministry of Trade, Industries and Cooperatives

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