

NATIONAL PLANNING AUTHORITY (NPA) - LOCAL DEVELOPMENT PARTNERS' GROUP (LDPG) RETREAT TO REFLECT ON DRAFT NATIONAL DEVELOPMENT PLAN 3

February 11, 2020

Meeting minutes

Final draft

1. Welcome and Opening Remarks

Welcoming Remarks from the Chair

Recognized the historical event, happening once in 5 years and reiterated LDPG's commitment to support to ensure NDP3 is comprehensive, inclusive and reflects the shared vision.

Comments from chair NPA:

- Reiterated the fact that NPA would be able and was ready to make any changes into the draft NDP3 (version 4). She explained that the Plan had been taken before budget framework release, as a legal obligation for Parliament to be able to pass the budget in February. Final NDP3 process would end in May.
- Challenges addressed in NDP3 including reducing household poverty with in a subsistence economy at 69%, high unemployment rate, low technical capacity climate change implications and others. Stressed lack of required data as a key challenge and stressed the need for data management through digitalization.
- Called for feedback on strategic issues; aligning of Country Partnership Frameworks of bilateral and multi laterals with NDPIII, continued support to Uganda in transfer of technology, market expansion, diversification of sources of financing and promoting Uganda as the world's destination of choice in Africa.

Comments from the LDGP Quartet

- Commended NPA on the programmatic approach and the well-articulated priorities adopted for NDP3. LDPG is looking forward to more clarity on "how" the Plan will be implemented. Need to work on alignment with all parts of government and how the engagement among different levels would be done.
- Investment in people is key. Strategies and targets need to be fit for purpose and adapt to the increasing needs of a rapidly growing population. Key populations such as women, youth and others will benefit from developments across the sectors - i.e. targeted actions to advance those groups and making them asset to Uganda's agenda.
- NDP3 should be the guiding document for the country, this means stricter alignment from the sectors and budgeting that reflects the advancement of this plan. Regarding strategies for financing, it is important therefore that these are viewed critically.
- Ensure that the Plan is inclusive, vulnerabilities are adequately addressed and reflects shared vision.
- Need to focus on the key accelerators/catalytic themes including gender, energy and digitalization.
- Welcomed a critical look on assumptions that underpin NDP3 targets and the call for a shared understanding
- Other sectors that need more attention: Improving business environment, role of private sector, clear alignment of the Plan to goals; SDGs, vision 2040. etc

- Plan should make explicit decisions on role of state at national and local levels down to the household economy

2. Presentation to outline NDPIII strategic direction and programmatic area (NPA)

Summary of presentation (presentation attached for further details):

Structure: Plan has 5 objectives, 20 strategies and 18 programmes.

Challenges being addressed by NDPIII : poverty rate increase, climate change-wetland and forest cover, poor performance on social indicators, growth rate average at 6% is still low, Pending implementation of NDPII, quality education still a challenge, high population growth rate, infrastructure remains a constraint reduced by reduced return on investment, challenges on employing the youth, an aging population that needs social protection. The key main issue was on how the Plan will be financed.

NPA Key message from presentation

- How to deal with the leadership of the programme given that resources are allocated by votes
- Capacity in the country to deliver programme
- Prime Minister’s office is a coordinator/leader of government business
- Lack of Donor’s participation in the budget affected partnership and accountability.
- Financing of the programme: recording off budget and spending from development partners is still a challenge
- Lack of accurate data/lack of labor market information system necessary for employment.
- Need to strengthen capacity for development planning

Plenary on the presentation

- Financing of the plan – not only focus on limited resources but also need to rationalize use of resources in terms of efficiency and effectiveness and improve absorption capacity
- Job creation: Plan should explore Tourism as a great contributor because of the value chain. Need for business scaling up but also need for social protection
- Crowding in private sector for financing and implementation is key.
- The “how” of implementation was not concrete and still needs clarification.
- Increasing Uganda’s competitiveness

3. Group Sessions to discuss and reflect on key strategic concerns/issues in NDPIII

The following are the highlights from Group I and II discussions (full details are annexed). Any additional points highlighted during this session has been added to the strategic paper (attached) consolidated from DPG/LDPG inputs. This paper complements the technical inputs which were also shared with NPA last week for inclusion in NDP3 (version 5) and will be further discussed at the technical level meetings with DPG chairs and NPA.

<p>Group 1 – Achieving vibrant sustainable economic productive sector</p>	<p>Group 2: Balancing Human capital development and social wellbeing (social sector) with economic productive sector investments</p>
<p>Resource Mobilization</p> <ul style="list-style-type: none"> NPA to work on a project idea database which will be developed for sourcing financing 	<p>Balancing the infrastructure investments and the social sector spending particularly considering the population growth.</p> <ul style="list-style-type: none"> Need for an entry point on issues of the wellbeing of human life across the 18 programmes beyond human

<p>about equity participation/financing by Government.</p> <ul style="list-style-type: none"> • Need to balance taxes and incentives (Implement DRM, develop a fiscal incentive framework) • Institute Risk management Systems <p>Job Creation</p> <ul style="list-style-type: none"> • Aspects to focus on in job creation: skilling, knowledge transfer, capacity retention; across the value chain in all programmes. • Potential areas of job creation: transport and logistics, digitization, construction. • Plan should cover: quality and decency of jobs (Green jobs), role of emerging cities in job creation, Reconfiguration of the TVET to be private-sector driven with 90% private sector BOD representation • Explore interventions to make agricultural sector growth inclusive through a business credit provision as opposed to a direct input supply • Put a strategic plan on enhancing Labor Market Information system and other data in place • Emphasize working on People's Attitudes- Provide alternatives to attract jobs in the plan – HCD development? Harnessing/incentivizing investment from diaspora <p>Business environment</p>	<p>capital only that looks at humans as a factor of productivity.</p> <ul style="list-style-type: none"> • Agree on the minimum thresholds of human quality and population growth. These should be at the core of the plan • Need to: utilize existing evidence on the multiplier impacts of investment in social sectors (to look at the economic sense), including regional comparisons on the impact of education on the economy. • Budget nomenclature/structure should be revised. Some development projects once unpacked actually focus on retooling which are social investments • Look at timelines when balancing especially in line with the investments in infrastructure. Sequencing is important. • Need to agree on a vision/way forward for rebalancing investments • Population management is a low hanging fruit that should be addressed. • Balance between the quality and quantity of the population. • On population, shift towards adaptation given the population projections. <p>Achieving allocation efficiency and effectiveness in both sectors.</p> <ul style="list-style-type: none"> • Rationalization of investment should be in both social and infrastructure to increase allocative efficiency. For example, issues of teacher absenteeism still exist; strengthen government absorptive capacity • Accountability for the social sector funds should come in as well if a balance is to be achieved • Address corruption issues in both sectors, • Improvements in delivering as one among the donor community: on off budget financing should be reported and MOFPED should capture this, and collective mechanisms of funding among the donor community needed to increasing efficiency. • Leveraging investments in infrastructure given that resources are available e.g. strengthen human capital to utilize the infrastructure and increase local participation in these initiatives to enable knowledge and skills transfer. • Increase utilization of the infrastructure to beef up the local economy. There is a missing link in the local economy to utilize Pader largest producers of simsim however not able to access the markets (which has a huge global market).
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	<ul style="list-style-type: none"> • Infrastructure has also brought about migration which has caused unplanned urbanization. Need for planned urbanization • Other emerging issues include strengthening government capacity to access concessional funds. Government is missing out on accessing concessional funds because of its preparedness to accessing funds e.g. in project readiness, investment decisions etc. Follow through with government commitment on SDGs and leave no one behind e.g. increasing access to primary education for all. Agro-industrialisation should focus mainly on moving the population out of subsistence sector is key.
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4. Presentation and plenary discussion on implementing and financing of NDPIII

MoFPED Key message from presentation (presentation attached for further details):

The Ministry of Finance, Planning and Economic Development (MoFPED) presented the various sources of financing which include: Grants, Tax Revenues, Domestic borrowing, External borrowing, equity and PPPs. They highlighted the main challenges such as the lack of alignment of the budget and implementation of the priorities set out in the NDP, weak alignment of appropriate financing modalities to right type of projects, delays in mobilizing project financing and inadequate technical capacity to prepare and implement such projects. In response, the Government of Uganda is in the process of developing a financing strategy to help streamline the mobilization of resources which will be implemented in line with Debt Sustainability.

Feedback during the plenary on the presentation

- Domestic resources remain a priority but there is need to consider other sources of financing, including private sector financing
- Harness multisectoral nature of planning and budgeting and show alignment/allocation of the budget along the 18 programmes
- LDPG to support MoFPED on harnessing the innovative sources of financing especially in shortening processes/timelines to access financing.
- Need for capacity development to develop PPP projects in appraisals, etc
- All DPs should ensure that the off-budget financing and spending is captured in the Aid Management Platform to enable alignment and promote transparency in appropriation of resources, and need to consider use of Treasury Single Account (TSA)
- National Partnership Platform to enhance consultations and among key issues to discuss development partner financing
- Need to realign the plan to SDPs and then the chart of accounts
- MoFEPD agrees that debt servicing should not exceed 50% in nominal value
- UN is ready to support Government with the Integrated National Financing Framework (INFF)

5. Action Matrix on Next steps and Road Map from LGDP and NPA

	Meeting Issue	Owner	Timing/deadline
1.	Organize meetings with DPGs to follow up on inclusion of strategic and technical inputs on NDP3 (version 4)	NPA/LDPG secretariat	DPG chairs meeting – 18 th February, final inputs to be shared with NPA by 20 th February
2.	Work on preparations of the National Partnership Forum with special focus on (Development Partner Financing).	OPM/ LDPG Quartet supported by secretariat	Technical level - NPF is planned for March/April and Political level NPF -July.
3.	Commitment to capture off budget resourced by all partners into the Aid Management Platform	MoFPED/ LDPG secretariat	February/March 2020
4.	UN RCO to follow up with NPA and MoFPED on the Integrated National Financial Framework (INFF)	UNRCO/ UNDP	
5.	Follow up on development effectiveness report and update performance on indicators	LDGP secretariat/U NDP	Present at March LDPG meeting
6.	Consultations with CSOs and Private Sector	NPA	Feb 12
7.	Regional consultations and validation with stakeholders	NPA	Feb 17-21
8.	Reviewing main texts especially financing and costing	NPA/MoFPE D	Feb 24-28
9.	Final Plan to be submitted to minister MoFPED	NPA	Feb 29th
10.	Drafting of the cabinet memo for minister to present the Pan to cabinet	NPA/MoFPE D	

4. Concluding Remarks

NPA welcomed the commitment from LDPG, and appreciated the openness, brilliance and substantive and constructive inputs provided and pledged full commitment to take up all comments to improve the Plan. The Chair called for the need to solidify the partnership with LDPG, and more commitment and increased dialogue and keeping up the momentum to make things happen.

LDPG reiterated appreciation for NPA's appetite for constructive and open dialogue and the strategic and technical support from MoFED to the discussion. LDPG is committed to continue the discussion beyond NDPIII and pledged continued support to its finalization and implementation. LDPG members also committed to ensuring that their programmes will be totally aligned with the NDPIII and assured the meeting of commitment to shared accountability and doing things differently for the sake of improving the quality of lives of the Ugandan people.

5. Attendance List

Name	Title	Organization
Pamela Mbabazi	Chairperson	National Planning Authority (NPA)
Joseph Muvawala	Executive Director	National Planning Authority (NPA)
Asumani Goloba	Director -Development Planning	National Planning Authority (NPA)
Paul Kitoi	Manager- strategic Planning	National Planning Authority (NPA)
Tumuzigu Ivan	Planner	National Planning Authority (NPA)
Allan Kayongo	Senior Planner	National Planning Authority (NPA)
Francis Luwangwa	Consultant	National Planning Authority (NPA)
Tasha Balunywa	Planner	National Planning Authority (NPA)
Biira Rita	Communication Specialist	National Planning Authority (NPA)
Ivan Lule	Authority member	National Planning Authority (NPA)
Sam Obwoya Kinyara	Vice-chair	National Planning Authority (NPA)
Maris Wanyera	Acting Director, Cash and Debt policy	Ministry of Finance, Planning and Economic Development (MoFPED)
Fred Twesiime	Acting Commissioner, Development Assistance and Regional Cooperation	Ministry of Finance, Planning and Economic Development (MoFPED)
Joy Gessa	Principal Economist	Ministry of Finance, Planning and Economic Development (MoFPED)
Joses Kachetero	Commissioner Strategic coordination and Implementation	Office of the Prime Minister (OPM)
Ronald Ssombwe		UBOS
Nicole McHugh	Deputy Head of Mission	Embassy of Ireland
Antony Thompson	Country Manager	World Bank
Cedric Merel	Head of Co-operation	EU Delegation
Andrew Ockenden	Head of DFID	DFID
Junhee Lee	Deputy Head of Mission	Embassy of the Republic of Korea
Simon Peter Nsereko	Development Economist	United Nations
Clara Mira	Resident Representative	IMF
Rosa Malango	Resident Coordinator	United Nations
Eva Lescrauwaet	Snr. Operations Officer - DE	World Bank
Elea Wermelinger	Head of Cooperation	Embassy of France
Joris Van Bommel	Head of Cooperation	Embassy of the Netherlands
Davide Bonechi	Desk Officer	Italian Agency for Development Cooperation
Rick Somarriba		USAID

Richard Nelson	Mission Director	USAID
Zenya Chrysostomidis	Head of Cooperation	Embassy of Norway
Henrik Jespersen	Deputy Head of Mission	Embassy of Denmark
Hatem Chakroun	Country Director	Agence Francaise de Development
Doreen Prendille	Deputy Representative	UNICEF
Anno Galema	First Secretary Food Security & Private Sector Development	Embassy of the Netherlands
Jean-Philippe Garcon	Programme Officer	AFD
Ola Hallgren	Head of Cooperation	Swedish Embassy
Miriam Malmqvist	Senior Solutions and Development Adviser	UNHCR
Cate Najjuma	Senior Programme Advisor	Danish Embassy
Richard Walker	Senior Economist	World Bank
Yemesrach Assefa	Economist	UNDP
Tagaya Adrian		KOICA
Yommyshin Park		KOICA
Elkhidir Daloum	Representative/Country Director	WFP
Iris Knabe	Head of Cooperation	German Embassy
Elsie Attafuah	Res Representative	UNDP
Peter Rasmussen	Head of Mission	AFDB
Erwin De Wandel	Deputy Head of Mission	Belgian Embassy
Junhee Lee	Deputy Head of Mission	Korean Embassy
Jaehoon Choi	Specialist for International Development	Korean Embassy
Michael Wangusa	Communication Officer & Acting Head of Office	UN -RCO
Nassib Kaleebu	Data Management, Results Monitoring/Reporting Officer	UN-RCO
Simon Peter Nsereko	Economist	UN-RCO



Annex I: Group 1 – Achieving vibrant sustainable economic productive sector

Key areas considered:

- (I) Job creation (skilling)
- (II) Business Environment
- (III) Resource Mobilization

A. Resource Mobilization

Key Sources is borrowing (External concessional sources (declining); Non concessional and Domestic Financing Discussion

(i) Is the equity participation/ financing by Government factored in the costing; How much has provided?

- ✓ For the projects developed and feasibility developed and some preliminary this has been provided for
- ✓ However, for those which are not ready, they are not factored into.
- ✓ However, this is the bulk of the financing (Chair – NPA, alluded to more work to be done in this area though)

(ii) How do we attract Private Sector Financing? Is there any of the mechanisms that can help to guide private sector financing into the NDPIII target areas?

(iii) Response: NDPIII has a project idea database which will be developed for sourcing financing.

(iv) How will the Plan be Financed; How do we balance financing and the current generous fiscal incentives?

(v) RESPONSE: Need to balance taxes and incentives (Implement DRM, develop a fiscal incentives framework; Develop an Integrated Financial Framework (UN))

(vi) Institute Risk management Systems

B. Job Creation

Aspects of skilling, knowledge transfer, capacity retention; across the value chain in all programmes.

Issues

- i. The jobs are largely skewed towards agriculture and services despite the focus on industry with manufacturing projected to create only 10 percent of jobs. Proposals highlighted on potential areas of transport and logistics, digitization, construction
- ii. The plan is silent on the quality and decency of jobs (Green jobs)
- iii. What will the role of emerging cities in job creation?
- iv. Mismatch on the skills supply and demand (Private sector driven skilling recommended; established of a skills development Fund; Reconfiguration of the TVET to be private-sector driven;
- v. Out-dated curricular based on old technology visa vi the most recent
- vi. Making agricultural sector growth inclusive through a business credit provision as opposed to a direct input supply
- vii. Labour Supply Management Data
- viii. People's Attitudes- changing of people's mindset is key in increasing employment
- ix. Structural Transformation

Annex II: Group 2: Balancing Human capital development and social wellbeing (social sector) with economic productive sector investments

Group 2: Human capital development and social wellbeing (social sector)

Key issues:

1. Balancing the infrastructure investments and the social sector spending particularly in light of the population growth.
2. Achieving allocative efficiency in social sectors in light of off-budget spending.

Comments raised

1. Human capital supports all 18 programmes and so there is need for an entry point on issues of the wellbeing of human life across the 18 programmes. This should go beyond human capital only that looks at humans as a factor of productivity.
 - a. The plan should be simplified. Agree on the minimum thresholds of human quality and population growth. These should be at the core of the plan
2. Limited political commitment is a major challenge to rebalancing. This should however not stop the debate. Technically there is need to:
 - a. Utilize existing evidence on the multiplier impacts of investment in social sectors (to look at the economic sense), including regional comparisons on the impact of education on the economy
 - b. Budget nomenclature/structure should be revised. Some development projects once unpacked actually focus on retooling which are social investments
 - c. Look at timelines when balancing especially in line with the investments in infrastructure. Sequencing is important.
 - d. Need to agree on a vision/way forward for rebalancing investments
3. Population management is a low hanging fruit that should be addressed.
 - a. Balance between the quantity and quality of the population.
 - b. On population, shift towards adaptation given the population projections.
2. Improve allocative efficiency and effectiveness in both sectors. Rationalization of investment should be in both social and infrastructure to increase allocative efficiency.
 - a. Although investments in infrastructure have been made, the quality of infrastructure remains low and timeliness is also an issue
 - a. So many social sector institutions especially at the district level, however capacity is low. The role of government in supervising the initiatives of human development should be strengthened.
 - b. Efficiency in social sector spending should be improved. For example, issues of teacher absenteeism still exist; Spending on improvement in quality is a key issues eg, are the funds being spent on physical infrastructure or on instructional material
 - c. Accountability for the social sector funds should come in as well if a balance is to be achieved
 - i. Address corruption issues in both sectors,

- b. **Rationalization of investments should be in both social and infrastructure to increase allocative efficiency**
 - c. **Strengthen government absorptive capacity**
- 3. Improvements in delivering as one among the donor community
 - a. On off budget financing, LDGP currently reports to MOFPED on planned intervention and resources both budget support and off budget, MOFPED should capture this
 - b. Collective mechanisms of funding among the donor community to increasing efficiency of donor support to deliver results.
- 4. Leveraging investments in infrastructure given that resources are available.
 - a. Strengthen human capital to utilize the infrastructure. Therefore there is need to increase local participation in these initiatives to enable knowledge and skills transfer.
 - b. Increase utilization of the infrastructure to beef up the local economy. There is a missing link in the local economy to utilize Pader largest producers of simsim however not able to access the markets (which has a huge global market).
 - c. Infrastructure has also brought about migration which has caused unplanned urbanization. Need for planned urbannisation

Other emerging issues

- Strengthen government capacity to access concessional funds. Government is missing out on accessing concessional funds because of its preparedness to accessing funds eg in project readiness, investment decisions etc
- Follow through with government commitment on SDGs and leave no one behind eg increasing access to primary education for all
- Agro-industrialisation should focus mainly on moving the population out of subsistence sector is key.