



THE REPUBLIC OF UGANDA

OFFICE OF THE PRIME MINISTER

**NATIONAL POLICY ON PUBLIC SECTOR
MONITORING AND EVALUATION**

FINAL DRAFT

May, 2011

Foreword

This paper presents the National Policy on Public Sector Monitoring and Evaluation. The policy provides a clear framework for strengthening the coverage, quality and utility of the assessment of public policies and investments. It proposes that finances for monitoring and evaluation are clearly allocated within the national budget. It will enable Government, Legislature and other actors to access greater evidence to inform policy and programmatic decisions, and to hold the public sector accountable for its application of resources.

This policy has been designed to address gaps in existing legislation and administrative practices with respect to the tracking the performance and evaluation of public policies and investments. The planning, monitoring and evaluation of results is inadequate across the public sector. Plans are not being designed with performance in mind; routine monitoring is uneven in scope and quality; evaluation is sparse in coverage and use. Budgeting for monitoring and evaluation is not consistent despite sufficient resources being available. Consequently, Government, Parliament and the public are not sufficiently informed on the value for money of public investments, the successes and failures of public programmes, and the lessons which provide the foundation for reform and development. This policy will seek to address this imbalance.

This policy applies to all public policies, strategies, programmes and projects managed by Ministries, Departments, Agencies, Local Governments, parastatals and executing agencies of public programmes.

I encourage all of Government, and its partners to read, digest and implement this Policy for the good of our Nation.

Professor Apolo R. Nsibambi
Rt. Hon Prime Minister of Uganda

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List of acronyms

AOs:	Accounting Officers (for MDAs)
CAOs:	Chief Accounting Officers (for LGs)
CSOs:	Civil Society Organizations
GoU:	Government of Uganda
LG:	Local Government
M&E:	Monitoring and Evaluation
MDA:	Ministry, Department and Agency
MFPEd:	Ministry of Finance, Planning and Economic Development
MoLG:	Ministry of Local Governments
MoPS:	Ministry of Public Service
NDP:	National Development Plan
NGOs:	Non-Governmental Organizations
NPA:	National Planning Authority
OAG:	Office of the Auditor General
OPM:	Office of the Prime Minister
PEAP:	Poverty Eradication Action Plan
PNSD:	Plan for National Statistical Development
PS:	Permanent Secretary
ROM:	Results-Orientated Management
SWG:	Sector Working Groups
UBOS:	Uganda Bureau of Statistics
VFM:	Value-for-Money

1. Introduction

- 1.1 The Government of Uganda (GoU) is committed to achieving results through the efficient and effective delivery of key public services, maintaining law and order and in facilitating the transformation of the economy to enable the private sector to flourish, to expand enterprise and ultimately ensure the prosperity of Ugandans. This commitment is embedded in the country's National Vision that aims at a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years, to be achieved through a succession of five-year national development plans. The current five –year National Development Plan targets an increase in per capita income from USD 506 in 2008/09 to USD 900 in 2014/15 and a decline in the proportion of the population living in poverty from 31 per cent in 2005/06 to 24.5% in 2014/15. The Plan aims to achieve this through addressing structural bottlenecks in the economy and increasing public investment to infrastructure, human resource development, facilitating access to critical production inputs in agriculture and industry, and promoting science, technology and innovation¹.
- 1.2 Over the past two decades, Uganda has made good progress following the unstable political situation and economic mismanagement that characterised the 1970s and early – mid 1980s. Between 1987 and 1995, Gross Domestic Product (GDP) grew at an average of 6.5 per cent translating to 3.4 per cent per capita. GDP increased from the mid-1990s under the Poverty Eradication Action Plan (1997-2007) which contributed to the reduction in the proportion of people living below the poverty line from 44 per cent in 1997/98 to 31 per cent in 2005/06. The Government's policies under the PEAP included the introduction of free primary education under the Universal Primary Education (UPE) and Universal Secondary Education (USE) initiatives, primary health care and HIV/AIDS prevention initiatives, the Plan for the Modernization of Agriculture (PMA) and land reforms. These initiatives have generated results, with a rise in primary school enrolment, a reduction in enrolment disparities between rich and poor, urban and rural, with a rise in adult literacy rates and a declining gender gap. HIV/AIDS prevalence fell from 15% in 1997 to 6% in 2005 in the urban population.
- 1.3 The improvements in welfare and well-being have in-part been possible through Government action and reform. The reduction on political violence, establishment and maintenance of a stable macro-economic environment (low inflation, competitive exchange rate), the privatisation programme and market liberalization can be considered as key enablers of the growth of private investment, and the relative peace and prosperity experienced. Within the framework of the PEAP, benefit incidence analysis has shown that public spending on health care and primary education became more pro-poor.

Public financial management reform is beginning to strengthen the management and control over public spending, and the tracking and use of resources.

- 1.4 Nevertheless, many challenges remain. The rapidly increasing population, with one of the highest dependency ratios in the world, is starting to have an impact on employment, population density in urban areas, and an increase in demand for public services, particularly health, education and water, which is outstripping supply. The growth in primary and secondary school enrolment has not been matched with achievement, with high drop-outs and poor completion rates. Less than half pupils at grade 3 and one third at grade 6 are reaching minimum standards in literacy and numeracy. The performance against key health indicators is poor, with little progress made in reducing infant and maternal mortality, while the prevalence of malaria appears to have risen between 1992 and 2003. Despite the introduction of the Plan for the Modernization of Agriculture, there has been little structural transformation, and agriculture contributes 24 per cent to GDP (2008/09) despite employing 73 per cent of the labour force. Uganda also lags behind other countries in the region with regard to infrastructure provision, with, for example, the proportion of households reporting that they have access to electricity being less than one third of the average for sub-Saharan Africa as a whole.
- 1.5 These impediments to development reflect weaknesses within and beyond the state. Public sector reform has been slow, and resources meant for frontline service delivery misused. Corruption and mismanagement, lack of clear lines of accountability, and poor workmanship have all contributed to the instability, and in some cases decline in public services. The public administration has been challenged to effectively measure, analyze, improve and control its own performance. Its failure to effectively measure and manage performance is in part responsible for the challenges identified.
- 1.6 Poverty monitoring, introduced in 1999, provided the foundation for assessing the impact of public policy in Uganda on poverty and welfare. Good quality periodic analysis of poverty trends, however, was not matched with effective routine monitoring of Government policy implementation. The introduction of a National Integrated Monitoring and Evaluation Strategy (NIMES) in 2005/06 sought to address this problem, defining broadly the policy, capacity and infrastructure needs required to strengthen performance assessment.
- 1.7 Assessments of NIMES, the independent evaluation of Uganda's PEAP (2008), and reviews of public sector and financial management reforms have outlined some progress, as well as challenges. The routine monitoring of spending and results is not well embedded across the public service. Management information systems exist in few Ministries, and annual sector reviews cover less than one third of sectors. The utilization of data to strengthen performance and accountability is generally weak. The regular evaluation of public policies and programmes is also sparse, with the majority

commissioned and managed by Development Partners, not Governmentⁱⁱ. Existing coverage of public investments by evaluation is estimated at approximately ten per centⁱⁱⁱ. This suggests that lessons are not being learned about which investments are successful and which are not, and hence policy making is not benefitting from evidence.

- 1.8 Recent budget reforms have enabled Ministries, Departments and Agencies (MDAs) and Local Governments (LGs) to plan and budget against the provision of products and services; and systems introduced requiring quarterly reporting on spending and progress towards stated output targets as the basis for the next financial releases. Government-wide monitoring and reporting to Cabinet has been strengthened, and performance contracts for Accounting Officers established.
- 1.9 Reforms in the public sector have been further enhanced by the introduction of the National Development Plan, which has provided overarching strategic direction for the country's development. However, challenges still remain, and provide the rationale for the formulation of this Policy. The requirements for effective planning, monitoring and evaluation in the public sector are only partially addressed in existing legislation outlined in the Constitution of the Republic of Uganda (1995), Local Government Act (1997), Uganda Bureau of Statistics Act (1998), Budget Act (2001), National Planning Authority Act (2002), Public Finance and Accountability Act (2003), and the National Audit Act (2008). Consequently, different practices have arisen across Government in the monitoring, inspection and evaluation of public policies and interventions. These differences reflect variations in priorities, resources and capacities between sectors, reinforced by the international community who have invested more heavily in some sectors than others. These legislative and operational differences were not addressed in the NIMES, and this was recognized in the Cabinet Memorandum CT (2009) 86 on the Government's response to the findings of the independent evaluation of the PEAP (2008), which required that a national monitoring and evaluation policy be developed in order to institutionalize management for results in Government. The Office of the Prime Minister was tasked with drafting this policy.
- 1.10 This document is structured as follows: purpose and objectives, key concepts, guiding principles, policy requirements and mechanisms, information access and use, major roles and responsibilities and implementation strategies.

2. Purpose and Objectives of the Policy

- 2.1 The primary purpose of the Policy is to:

Improve the performance of the public sector through the strengthening of the operational, coordinated, and cost-effective production and use of objective information on implementation and results of national strategies, policies, programmes and projects.

- 2.2 The Policy aims to enhance the basis for decision makers: Cabinet, Parliament, Permanent Secretaries and Local Councils; to make evidence-based public policy and programmatic decisions and strengthen accountability regarding Government policies and programmes. The Policy also aims to improve the confidence of the Ugandan people in the capability of Parliament and the Government to systematically hold MDAs and LGs to account for achieving results based on reliable information;
- 2.3 The specific objectives of the Policy are to:
- a) Embed monitoring and evaluation in the management practices of MDAs and LGs
 - b) Expand the coverage of public policy and programmes that are subjected to rigorous evaluation to ensure policy makers know what works and what doesn't
 - c) Clarify the roles and responsibilities of the various actors in the assessment of public policies and programmes.
 - d) Strengthen the coordination of public and private institutions in the supply and demand of monitoring and evaluation.
 - e) Strengthen the capacities of MDAs and LGs in terms of skilled personnel, requisite infrastructure, and policy environment to manage and implement the policy
- 2.4 The policy focuses on monitoring, evaluation, and review functions. Other control and oversight functions^{iv} are not the subject of this policy.
- 2.5 This policy, and the associated strategies that will follow it, will replace the National Integrated Monitoring and Evaluation Strategy (NIMES), of 2005/06.

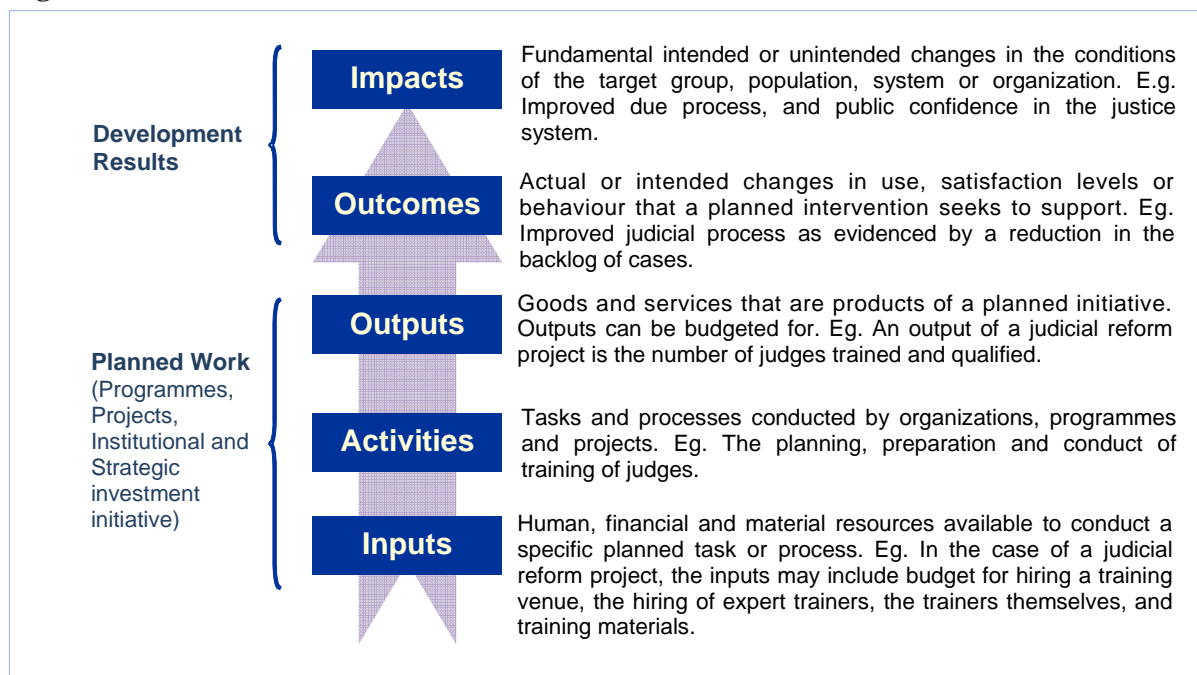
3. Key Concepts

- 3.1 The central concept in the achievement of results, and the utilization of monitoring and evaluation information, relates to the logical framework. The results chain, diagrammatically represented in Figure 1, illustrates how an initiative, programme or policy in the public sector leads to the desired result(s) based on a given theoretical sequence of contribution. It depicts a sequence of factors linking inputs to activities, activities to outputs and outputs to outcomes and ultimately impacts. It includes the identification of critical assumptions underlying the intervention, and other factors in the context of the intervention that might influence its success. The construction of this set of contributing results, including the identification of the rationale and assumptions at

each stage, is sometimes called the ‘theory of change’. Formulating a ‘theory of change’ for any policy or intervention is the current best practice, as it provides the hypothesis upon which assumptions can be tested and evaluated.

- 3.2 The purpose of the results chain is to provide planners, implementers and decision makers with a road map working backwards from the intended results to determine what needs to be done, and what resources are required to do it. In the example from the Justice, Law and Order Sector given in Figure 1, the aim to improve due process and confidence in the justice system through reducing the backlog of cases is planned through increasing the number of trained judges.

Figure 1: The results chain



- 3.3 Monitoring, evaluation (M&E) and related assessment functions are critical to the effective operationalization of the results chain. The framework, presented in Figure 2., positions M&E and other assessment functions in relation to the results chain.

- 3.4 The definitions of key assessment functions in the framework are as follows:

- (a) *Monitoring*: is a continuous process of systematic data collection to inform managers and key stakeholders on progress in relation to planned inputs, activities and results, as well as the use of allocated resources. Monitoring is structured around indicators, which are the measures of performance of the input, activity or results (output or outcome). Indicator targets provide the benchmarks against which progress is monitored.

Monitoring takes place at project, Local Government, Ministry and Sector levels, to enable managers to rapidly identify problems and make necessary corrections to ensure proper implementation. Information from systematic monitoring serves as a critical input to evaluation^v. The Framework of M&E and the Results Chain (Figure 2) outlines three types of monitoring which address different stages in the results chain, namely;

- (i) Financial implementation monitoring addresses whether or not budgets have been released and spent in line with allocations;
- (ii) Physical implementation monitoring addresses whether activities have taken place in line with targets; and
- (iii) Outcome and impact monitoring trace whether or not results are occurring amongst the target population.

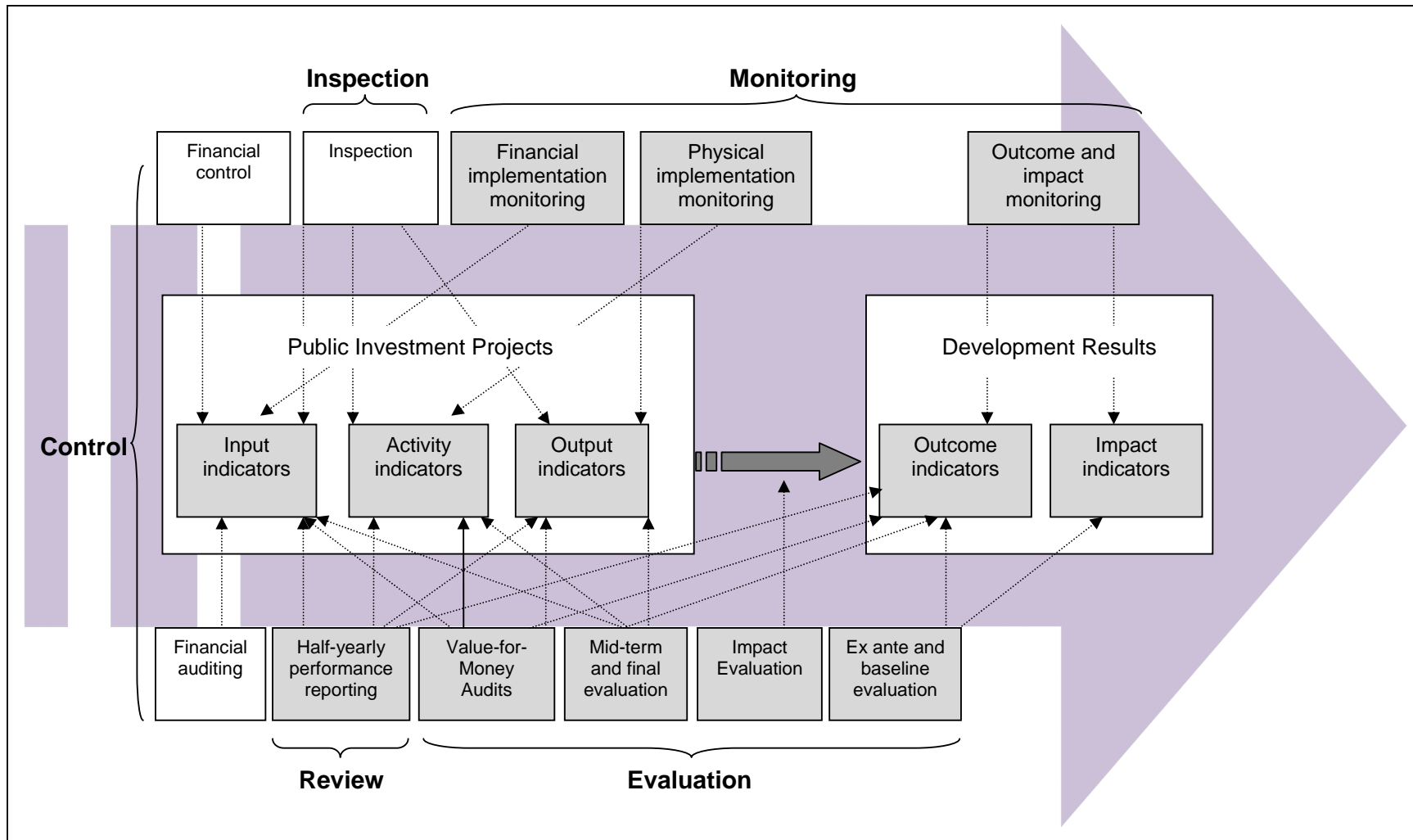
- (b) *Evaluation*: is an assessment, as systematic and impartial as possible, of a policy, programme or project and its contribution to global objectives. It focuses on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to understand achievements or the lack thereof. It aims at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions and the contributions of the implementing bodies. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes of the implementing agencies. Evaluation should feed into management and decision making processes, and make an essential contribution to managing for results.

Evaluation includes *ex-ante* evaluations, baselines^{vi}, mid-term, final, and impact evaluations^{vii}, as well as other types of evaluations such as value-for-money (VFM) audits. Evaluations can be internal or external (to the organization, programme or project) depending on its objectives.

- (c) *Review*: is an assessment of performance or progress of a policy, sector, institution, programme or project, periodically or on an ad hoc basis. Unlike evaluations, which assess the results (outcomes and impacts) of initiatives, reviews tend to emphasize operational aspects, and are therefore closely linked to the monitoring function. Reviews may be structured as periodic events at which performance of the subject matter is discussed amongst key stakeholders, such as the annual joint sector reviews for health, education and water.
- (d) *Inspection*: is an external verification of goods and services produced in the public sector with respect to standards, rules and regulations. It seeks to identify vulnerable areas and malfunctions, and to propose corrective action.

- (e) *Control*: includes internal control, financial control for instance, as well as financial, procurement, management and organizational audits (external control).
- (f) *Audit*: is an assessment of the adequacy of management controls to ensure the economical and efficient use of resources; the safeguarding of assets; the reliability of financial and other information; the compliance with regulations, rules and established policies; the effectiveness of risk management; and the adequacy of organizational structures, systems and processes.
- (g) *Value-for-Money Audit*: is a systematic and objective examination of activities and spending. Its scope includes the examination of economy, efficiency, cost-effectiveness and environmental effects of activities; procedures to measure effectiveness; accountability relationships; protection of public assets; and compliance with authorities. The scope and procedure for VFM audits are typically prescribed in detail, making VFM audits narrower in focus than other forms of evaluation, and less focused on outcomes.

Figure 2: Framework of M&E in relation to the results chain¹



¹ Components addressed in detail in this Policy are presented in grey boxes.

- 3.5 The Framework (Figure 2.) outlines the relationship between various assessment functions, including monitoring, review and evaluation, and the results chain. It illustrates (from left to right), the role of financial control, auditing and inspection functions in looking at the use of inputs and activities; of implementation monitoring and reviews checking primarily on activities to outputs; value-for-money audits looking at the relationships between inputs and outputs, and impact monitoring and evaluation looking at the relationships between outputs, outcomes and impacts.
- 3.6 This Policy will focus on monitoring (financial and physical implementation, as well as outcome and impact monitoring), review (annual performance reports, sector reviews, etc.), and evaluation (including VFM audits). This Policy does not cover control functions (e.g. procurement oversight), financial audit and inspection, which are captured under existing public financial management and public service legislation. However, linkages with these functions are made where relevant.
- 3.7 Later sections of this policy outlines the institutions responsible for the different functions outlined in the framework of M&E and the results chains, and their specific roles and responsibilities.

4. Principles

- 4.1 The National Policy on Public Sector Monitoring and Evaluation is built on the guiding principles described below:
- (a) *Managing for results*: Results imply improvements to peoples' lives or welfare, which is the expected outcome of a public policy or programme. Monitoring and evaluation should focus on measuring the results of public policies and programmes for target groups. It should address compliance with norms and procedures, and physical and financial implementation, and generate lessons for improving future performance.
 - (b) *Value for money*: Monitoring and evaluation of public sector policies and programmes should seek to determine whether or not the results (outputs and outcomes) are commensurate to the investment in terms of financial, physical and human resources, based on market prices for these inputs.
 - (c) *Accountability*: Institutions will be held accountable based on agreed outputs and expectations and assessed through the control, monitoring and evaluation systems.

- (d) *Demand-driven*: M&E should start with a clear identification of users and their information needs at all levels (strategic, management and implementation) using a participatory approach.
- (e) *Responsive supply*: The quality and timeliness of quantitative and qualitative information must respond to the demand. Data producers should ensure that the production cycle is synchronized with the policy and budget cycle and, hence, inform the planning and budget cycle.
- (f) *Ownership*: M&E should be guided by national priorities. M&E activities should be properly planned, coordinated and managed within national systems.
- (g) *Partnership*: Joint evaluations associating MDAs and external evaluators are encouraged to favour transparency, ownership and implementation of evaluation recommendations, while not compromising the integrity of the evaluations. Joint government-donors assessments will also contribute to minimize duplication and facilitate economies of scale and synergies.
- (h) *Learning*: M&E should be guided by the information needs of the users, including policy makers, implementers and the public. The information generated from M&E products should be timely, accessible and usable to guide policy and programmatic decisions.
- (i) *Ethics and integrity*: To ensure the credibility and usefulness of M&E, impartiality, compliance with international standards in data collection, analysis and reporting and independence of evaluators should be respected. The behaviour of evaluators should conform to the code of conduct^{viii} when conducting evaluations. Proper oversight of the M&E system should also be enforced.

5. Policy Requirements

- 5.1 M&E in the public sector should be guided by the National Vision, and aligned to the current National Development Plan.
- 5.2 M&E in the public sector should be simple, but effective and implemented, so that it is understood by everybody, produced in a consistent way to allow for aggregation and benchmarking, and used for decision-making and accountability.
- 5.3 To ensure the efficient allocation of roles, each **lead Ministry** within a Sector will be required to take responsibility for the development, management and oversight of monitoring and evaluation activities of the Sector.

5.4 **Monitoring:** To adequately monitor performance and contribution to the National Development Plan objectives, **all sectors** will be required to establish and implement:

- a) High quality **plans and budgets**, through the instruments of Sector Investment Plans, annual Budget Framework Papers, Ministerial Policy Statements and Project Documents. These instruments will include:
 - i) Clear results frameworks, defining inputs, outputs and expected outcomes; and detailing assumptions and the theories of change upon which the logic is based;
 - ii) Hierarchical links upwards to the National Development Plan (NDP) and down from the Sector Investment Plan through the Budget Framework Paper, Ministerial Policy Statement to Local Government District Developments Plans and Budget Framework Papers
 - iii) Performance indicators for outputs and outcomes that are specific, measureable, achievable, relevant and time-bound (SMART)
 - iv) Medium-term and annual targets for performance indicators that are demonstrably based on available resources
 - v) Pre-appraisal of feasibility of projects, including, where appropriate, cost-benefit analysis
 - vi) Regular reviews of planning and budgeting frameworks to ensure currency.

- b) operational **Monitoring and Statistics Functions** to ensure timely, coordinated, quality and representative data production based on performance indicators and sound methodologies. **All sectors** Monitoring and Statistics Functions will include:
 - i) A *monitoring strategy*, based on a matrix of performance indicators, indicating the source, timing, location and method of data collection for each. This strategy should incorporate indicators from all sector public investment projects. This strategy will be planned for and budgeted under the new Vote Function Output in the Chart of Accounts termed 'Statistics, Monitoring and Evaluation'.
 - ii) A *management information system* is required to facilitate the capture, processing, analysis and use of monitoring data within each sector, including its relevant Ministries, Agencies and Local Government service delivery arms. The MIS includes needs assessment; software development for head office, district offices and sub-county levels; functionality at relevant usage levels; training plan and costs; hardware and software costs
 - iii) *Staffing* for monitoring will be commensurate to the sector requirements. All sector working groups will establish and maintain a monitoring and evaluation function within the SWG secretariat to coordinate MDA and LG monitoring as it pertains to sector results, and for upwards reporting to coordinating Ministries. This function will

be staffed with at least one position on monitoring, statistics and evaluation. At Ministry, Local Government and Project levels one or more positions responsible for statistical production, monitoring and evaluation will be required in each case. This may be by establishment of a new position, or assignment from an existing position.

- iv) *Budgeting* for monitoring at public investment *Project level* will be a minimum percentage of the Project budget to be agreed by the Development Committee, chaired by MFPED, when reviewing and approving each Project. The budget should be used for costs of generating and updating data collection protocols; transport and operational costs of data collection and validating and reporting monitoring data..
- v) *Budgeting* for monitoring at *Ministry and Local Government* (vote) levels will be at a minimum percentage of the recurrent non-wage budget for Sector votes, agreed upon each year during the national Budget process. This budget will be provided for as a ceiling under the Statistics, Monitoring and Evaluation VF Output in the Chart of Accounts. The budget should be used for: costs of generating and updating data collection protocols for non-project activities; operational costs of data collection; running costs of management information system (MIS); validating and reporting monitoring data. Set-up costs for the sector-wide MIS (incorporating all relevant MDAs and LG components) should be financed by the relevant Vote development budgets. The Budget Monitoring and Accountability Unit (MFPED) will track the use of these funds.
- vi) *Budgeting* for monitoring at *Sector level* will be at a minimum percentage, of the Sector Working Group operational budget, derived from the Statistics, Monitoring and Evaluation budget of the lead sector Ministry^{ix}. The budget for monitoring at sector level will include collating and validating monitoring data from Ministries and LGs; analyzing and producing bi-annual performance reports and financing annual sector reviews.
- vii) The Ministry of Finance, Planning and Economic Development will ensure that adequate finances are allocated to each Government institution to conduct statistics, monitoring and evaluation in line with the requirements stipulated in this Policy. These finances will be allocated under the newly created Vote Function Output entitled “Statistics, Monitoring and Evaluation” in the Chart of Accounts.

5.5 **Review:** All Sectors, Ministries and Local Governments will conduct periodic reviews of physical and financial performance, as follows:

- a) *Quarterly reviews by Ministries and Local Governments* will include collating input and output performance data against work plans (incorporating projects) for submission to Ministry

of Finance, Planning and Economic Development (“Forms A and B”) and relevant Sector Working Groups. The quarterly review will be conducted by relevant planning, monitoring and evaluation staff, and overseen by the Accounting Officer. The review will focus on the timeliness, consistence with approved workplans and accuracy of the collated performance data, prior to its upwards reporting, and make recommendations for any corrective measures in the coming quarter.

b) Bi-annual internal reviews by Sector Working Groups will include collating input and output performance data for key results as defined in Sector Investment Plans and in the sector reporting framework in the Output Budgeting Tool. The bi-annual review will be led by Chair of the SWG, and include all relevant sector stakeholders. The review will focus on the timeliness and accuracy of the collated performance data, prior to its upwards reporting, and make recommendations for any corrective measures in the coming half-year. The review should be light, with a more thorough review carried out on an annual basis. The *budget* of collating performance data and conducting quarterly and bi-annual reviews will be provided for under the sector monitoring budget (see Section 6.3b-vi).

c) Annual reviews will be conducted by all Sector Working Groups, jointly with other stakeholders (such as Development Partners) as appropriate. Annual reviews will include collating input, output and where available, outcome performance data for key results. The annual reviews will focus on assessing performance during the previous fiscal year, and determining actions and spending plans for the year ahead (current year+1). These actions and spending should be addressed in amendments to the Sector Investment Plan operations, and the budget framework papers and Ministerial Policy Statements of the constituent Ministries. Annual Sector Reviews should be completed by the middle of October each year, to ensure that the findings feed into the planning and budget process of the coming year, and annual reporting to Cabinet and Parliament. The *budget* of collating performance data and conduct annual sector reviews will be provided for under the sector monitoring budget.

d) Annual reviews will be conducted by Cabinet, based on the annual performance data compiled by Office of the Prime Minister and Ministry of Finance, Planning and Economic Development. The Cabinet annual review of Government performance will focus on the extent to which sectors and constituent Ministries and Local Governments have achieved set performance targets, contributed meaningfully to development outcomes, and spent according to budgets. Recommendations from the annual Cabinet review will be used in the formulation of operational revisions to the National Development Plan and the Budget Options Paper for the year ahead (current year+1). The Cabinet annual review will take place in November each year.

5.6 **Evaluation:** To ensure learning from the choice and implementation of public policy interventions, a fair proportion of public investment projects will be subjected to rigorous evaluation or value-for-money audit.

a) *Planning Evaluations.* All MDAs, in collaboration with other members of their respective Sector Working Group, will prepare and implement a five-year rolling Evaluation Plan. This plan should include:

- i) a description of the various categories of evaluation to be conducted (baseline, mid-term and final, impact evaluations);
- j) an outline of methodologies to be used;
- k) roles and responsibilities;
- l) a dissemination and follow up strategy;
- m) a work plan;
- n) a detailed budget;
- o) ToRs for executing agencies;
- p) an implementation monitoring system of the M&E plan.

b) *Project Evaluation.* On average during the period 2009-2011, over 320 public investment projects are ongoing in Uganda. The average value of a project is 69 billion shillings, which runs for an average of 7.5 years. Over 90 projects are valued above the average, which equates to 28% of the total number. Given these data, all projects over 70 billion shillings will be subjected to rigorous evaluation.

c) The type of evaluation to be planned for and conducted should reflect the nature and scope of the public investment. For example, pilot projects that are being conducted amongst a random group of participants may be selected for impact evaluation to determine whether or not the investment should be scaled up.

d) As a minimum requirement, each project in this category will be required to conduct the following:

- i) A Baseline study during the preparatory design phase of the project
- ii) A Mid-term review at the mid-point in the project to assess progress against objectives and provide recommendations for corrective measures
- iii) A Final evaluation or value-for-money audit at the end of the project. A VFM audit will be carried out for key front-line service delivery project where value for money is identified as a primary criterion. All other projects will be subjected to standard rigorous final evaluation.

e) The lead implementing Ministry will be responsible for the design, management and follow-up of their programme and project evaluations (including baseline and mid-term reviews). All project evaluations will be conducted by external

evaluators to ensure independence. Value-for-money will be undertaken by the Office of the Auditor General.

- f) *Budgeting for Project Evaluation.* At minimum percentage of project budgets will be allocated specifically for evaluation, to be agreed by the Development Committee, chaired by MFPED, when reviewing and approving each Project. The size of this evaluation budget will take into account to the budget and scope of the project. The budget will be used to finance baseline studies, mid-term reviews and final evaluations or value for money audits. The Development Committee (MFPED) will enforce this requirement in the approval of projects.
- g) The Office of the Prime Minister will provide standards and guidance for conducting project evaluations, and will manage an evaluation database.
- h) *Public Policy Evaluation.* The Cabinet will determine a rolling 5-year agenda of public policies and topics of major national interest to be subjected to rigorous independent evaluation. These evaluations will be managed under the Government Evaluation Facility, managed by the Office of the Prime Minister, and overseen by a national evaluation sub-committee with membership drawn from the Ministry of Finance, Planning and Economic Development, the Ministry of Public Service, the National Planning Authority, the Uganda Bureau of Statistics, and with representation from academia, the voluntary and private sectors and Uganda's development partners. The financing of public policy evaluations will be budgeted for under the Office of the Prime Minister Development Budget.

5.5. ***Use of M&E results:*** The objective of establishing monitoring and evaluation systems is to produce evidence of performance and results which can inform public policy and ensure the good stewardship of resources. The Government of Uganda will ensure the use of data and information generated from monitoring and evaluation through the following;

- a) *Information accessibility and use.* Reports produced through M&E activities, once approved, will be made easily accessible and in a timely manner to all stakeholders, including Parliament and citizens, in accordance with the Access to Information Act.
- b) *Accountability mechanisms* will include the following:
 - i) All MDAs and LGs will be held accountable for the use of resources under the Public Finance and Accountability Act. Failure to account

adequately for such resources will result in sanctions in accordance with the PFAA or other appropriate law. Performance information that pertains to misuse of funds or malpractice will be forwarded to the relevant authorities (OAG, IGG, DPP).

- ii) All MDAs and LGs will be held accountable for the achievement of targets set and agreed upon annually as documented in policy statements and framework papers. These will, include targets linked to the NDP, client charters and service delivery standards. Performance information for MDAs and LGs against set targets will be scored, and institutions will be benchmarked. Success and failure to achieve set targets, upon review, will impact upon the resources provided to the accountable institution in future budget rounds.
 - iii) All accounting officers will be held accountable for the use of resources set out in their Performance Contracts with MFPEd. Failure to account adequately for such resources will result in sanctions in accordance with PFAA and other laws
 - iv) All senior managers will be held accountable for the achievement of targets set and agreed upon in their Performance Contracts with the Ministry of Public Service (and, where appropriate, related line Ministry). These Contracts will pertain to targets reflecting adherence to Public Service Code of Conduct and Ethics, and to the contribution to institutional results linked to the NDP, Client Charters and service delivery standards. Success and failure to achieve set targets, upon performance appraisal, will impact upon the individual through the reward and recognition scheme, and in professional career advancement.
- c) *Learning mechanisms.* For proper follow up and learning:
- i) All performance reviews and evaluations will contain specific, targeted and actionable recommendations.
 - ii) All target institutions will provide a response to the recommendation(s) within a stipulated timeframe, and outlining a) agreement or disagreement with said recommendation(s), b) proposed action(s) to address said recommendation(s), c) timeframe for implementation of said recommendation(s).
 - iii) All institutions will be required to maintain a Recommendation Implementation Tracking Plan which will keep track of review and

evaluation recommendations, agreed follow-up actions, and status of these actions.

- iv) Institutions which have an oversight responsibility on the implementation of public policy will monitor the implementation of agreed actions utilising the Recommendation Implementation Tracking Plan. These institutions are as follows: Local Councils, Ministry of Local Government and relevant line Ministries will monitor the implementation of Local Government actions, and report on these quarterly to MFPED/OPM through the Output Budgeting Tool. Sector Working Groups will monitor the implementation of sector Ministries, Departments and Agencies' actions, and report on these semi-annually to MFPED and OPM through the OBT. MFPED and OPM will report six-monthly to Cabinet on progress on implementing these actions as part of semi-annual Government performance reports.

6. Roles and responsibilities

6.1 The roles and responsibilities of public institutions in respect of performance monitoring and evaluation are presented below. This will ensure proper coordination and facilitate complementarities and synergies in the monitoring, evaluation and ultimately improved delivery of public services. The roles and responsibilities are as follows:

6.2 *The Office of the President (OP):*

- (a) Conducts monitoring of key Government programmes to generate policy advice for Cabinet and the President;
- (b) Tracks the implementation of Cabinet decisions;
- (c) Reports on GoU policies and results through the annual State of the Nation Address of H.E. The President of the Republic of Uganda;

6.3 *The Office of the Prime Minister (OPM):*

- (a) Provides leadership across GoU and ensures proper coordination and oversight of M&E activities in GoU;
- (b) Harmonizes and standardises M&E procedures, practices and mechanisms across GoU;
- (c) Provide technical support and oversight to Planning Units in MDAs and SWGs in i) the operationalization of monitoring and statistics functions, and ii) the design and implementation of 5-year rolling evaluation plans;
- (d) Designs, commissions, quality controls and disseminates national public policy evaluations in line with the 5-year rolling evaluation agenda of Cabinet;
- (e) Reports to Cabinet periodically on Government performance and results;
- (f) Monitors the implementation of the M&E Policy;

6.4 *The Ministry of Finance, Planning and Economic Development (MFPED):*

- (a) Coordinates the preparation and presentation of the national budget
- (b) Ensures the rationale financing of statistics, monitoring and evaluation functions in Government through establishing a Vote Function Output for all MDAs and LGs in the Chart of Accounts, with budget ceilings set to this Output in line with this Policy;
- (c) Ensures that sufficient resources are allocated annually through the national budget to the statistics, monitoring and evaluation functions of Government in line with this Policy
- (d) Monitors budget execution and progress on MoUs commitments to promote efficiency and effectiveness of all public spending;
- (e) Ensures that all public investment projects approved by the Development Committee have a clear monitoring and evaluation plan, and sufficient resources for conducting monitoring and evaluation activities;
- (f) Releases timely and quality information on budget execution

- (g) Reports periodically to Cabinet and Parliament on budget preparation, execution and performance

6.5. The *National Planning Authority (NPA)*:

- (a) Prepares a long term vision, and results-orientated comprehensive and integrated medium and long-term development plans for the country
- (b) Works with MFPED in the preparation of the annual budget, medium and long-term expenditure frameworks to implement the national development plans
- (c) Coordinates and harmonizes development planning in the country
- (d) Supports local capacity development for national planning, and in particular, provides support and guidance to the national and local bodies responsible for the decentralized planning process.
- (e) Studies and publishes independent assessments of key economic and social policy issues and options so as to increase public understanding and participation in the economic and social policy debate
- (f) Contributes to the preparation of the Government's Annual Performance Report with data and evidence on progress towards national development plan objectives
- (g) Monitors the performance of the decentralized system of development planning and financing, and proposes such institutional innovations that may be required for its improved operation
- (h) Advises the President on policies and strategies for the development of Uganda

6.6. The *Ministry of Local Government (MoLG)*:

- (a) Assists Local Governments in preparing results orientated plans and budgets
- (b) Strengthens local governance and upwards reporting through developing Local Governments systems and practices for monitoring and evaluation
- (c) Oversees Local Governments compliance with statutory requirements and adherence to national policies and standards

6.7. The *Ministry of Public Service (MoPS)*:

- (a) Ensures that the monitoring, evaluation and statistics functions within the public service are adequately staffed in line with this Policy.
- (b) Ensures the operationalization of Results Orientated Management (ROM) across the public service
- (c) Oversees that performance plans and agreements with public servants are derived from strategic plans of relevant Ministries or Local Governments
- (d) Ensuring that all Ministries and Local Governments operationalize client charters outlining the minimum level of service that the public can expect
- (e) Provides for an adequate system of incentives to support M&E activities in GoU through the reward and recognition scheme

- (f) Coordinate the public service inspection function, and where appropriate, carry out specific inspections

6.8. *All Sector Working Groups (SWG):*

- (a) Develop and implement a five-year sector strategic investment plan (SSIP), containing a results orientated monitoring matrix and 5-year evaluation plan.
- (b) Produce an annual Sector Budget Framework Paper (SBFP) derived from the SSIP
- (c) Establish and maintain a monitoring and evaluation function within the SWG secretariat
- (d) Ensure proper coordination and oversight of M&E activities in their sector
- (e) Hold biannual performance reviews to assess progress against targets, and for upwards reporting

6.9. *Ministries, Departments and Agencies (MDAs)*

- (a) Produce annual results orientated Ministerial Policy Statements (MPSs), linked to the corresponding SBFPs and SSIPs
- (a) Ensure that all MDA Planning Units assign one or more positions responsible for statistical production, monitoring and evaluation
- (b) Ensure that a Management Information System is in place and functioning
- (c) Plan and budget for monitoring and statistics annually. A minimum of 3% of the non-wage recurrent budget and 2% of each project budget will be allocated to monitoring
- (d) Hold quarterly MDA performance review meetings to determine progress towards output targets
- (e) Provide, on a quarterly basis, data and explanatory information on progress against performance indicators to MFPED and OPM through the Output Budgeting Tool.
- (f) Ensure proper coordination and oversight of M&E activities in the MDA, in relation to this policy, related strategies, norms and guidance from OPM and other coordinating institutions.
- (g) Plan and budget for evaluations of all projects and programmes over 70 billion shillings in line with the rolling 5-year evaluation plan. 3% of each project budget will be allocated to evaluation.
- (h) Utilize M&E findings to inform programme, policy, and resource allocation decisions;
- (i) Maintain a Recommendation Implementation Tracking Plan which will keep track of review and evaluation recommendations, agreed follow-up actions, and status of these actions.
- (j) Ensure that complete and approved M&E reports are made easily available to the public in a timely manner, while ensuring that the sharing of reports respects the *Access to Information Act*.

6.10. *Local Governments:*

- (a) Produce results orientated Local Government Development Plans and annual Budget Framework Papers

- (b) Ensure proper coordination of monitoring activities at District and Lower Local Government (LLG) levels;
- (c) Provide timely and quality data on relevant performance indicators to MoLG, MFPED and line MDAs;
- (d) Ensure that all Local Government Planning Units assign one or more positions responsible for statistical production, monitoring and evaluation
- (e) Utilize M&E findings to inform programme, policy, and resource allocation decisions.

6.11. *Uganda Bureau of Statistics (UBOS):*

- (a) Coordinates, supports, validates and designates as official any statistics produced by UBOS, MDAs and LGs.;
- (b) Coordinates and clears all censuses and nationally representative household economic surveys;
- (c) Ensures production, harmonization and dissemination of statistical information;
- (d) Strengthen statistical capacity of planning units in MDAs and LGs for data production and use
- (e) Ensure best practice and adherence to standards, classifications, and procedures for statistical collection, analysis and dissemination in MDAs and LGs

6.12. *The Office of the Auditor General (OAG):*

- (a) Audits and reports on public accounts of all public offices and any public corporation or other bodies established by an Act of Parliament
- (b) Conducts financial, value for money and other audits, such as gender and environment audits, in respect of any project or activity involving public funds

6.13. *Parliament:*

- (a) Scrutinises various objects of expenditure and the sums to be spent on each
- (b) Assures transparency and accountability in the application of public funds
- (c) Monitors the implementation of Government programmes and projects

6.14. *Local Councils:*

- (a) Oversee monitoring activities at District and Lower Local Government (LLG) levels;
- (b) Utilize M&E findings to inform policy and resource allocation decisions;
- (c) Ensure that the District administration and LLG adheres to this policy.

6.15. *Other executing agencies (CSOs and private sector):*

- (a) Participate in public sector planning processes at Local Government and sector levels
- (b) Provide timely and quality data on the financial and physical implementation of projects for which they are the executing agency to the relevant MDA or LG;
- (c) Participate in discussion and decision-making committees at programme, sector and national levels that review and comment on public sector performance

- 6.16. In addition to public institutions and executing agencies, citizens, Civil Society Organizations (CSOs) and Development Partners (DPs) play a role in the monitoring and evaluation of Government's performance. These institutions;
- (a) Provide an external perspective on Government performance and results
 - (b) Provide feedback to domestic and international constituencies on Government performance and results
 - (c) Assist Government through financial, technical and other forms of assistance to strengthen its performance.

7. Implementation Plan

- 7.1. The Government's implementation of this Policy will include the following elements; the financing strategy; staffing; analysis of requirements; management and oversight.
- 7.2. *Financing Monitoring.* As a function of management, *monitoring* will be strictly budgeted and financed at the relevant unit level from FY2011/12, as follows:
- a) A minimum percentage of all project budgets will be allocated and ring-fenced for monitoring at the project level, as determined by the Development Committee, and primarily focused on data collection and validation;
 - b) A minimum percentage of recurrent non-wage budgets at Vote level (Ministries and LGs) will be allocated and ring-fenced for monitoring at MDA and LG levels, as determined annually during the national budget, focused primarily on the costs of running management information systems
 - c) A minimum percentage of budgets used for Sector Working Group activities, drawn from lead sector Ministry budget, which will be allocated and ring-fenced for monitoring at Sector level, primarily for producing bi-annual performance reports, and conducting (joint) annual sector reviews.
 - d) The Ministry of Finance, Planning and Economic Development will ensure that adequate finances are allocated to each Government institution to conduct monitoring, statistics and evaluation in line with the requirements stipulated in this Policy. These finances will be allocated under the newly created Vote Function Output entitled "Statistics, Monitoring and Evaluation" in the Chart of Accounts.
 - e) An additional one-off cost will be incurred in establishing management information systems (MIS) within those sectors and institutions that do not currently have one^x. An assessment of costs in establishing MIS will be carried out as part of a review of public expenditure on monitoring and evaluation in Government to inform the implementation of this Policy. The cost of the MIS establishment will be financed by the development budget, with support of development partner financing where possible.
- 7.3. *Financing Evaluation.* Less than 10% of public investment projects are currently being subjected to evaluation, and the majority of evaluations conducted to date were commissioned and management by Development Partners, not Government. To redress this, the following strategy will be implemented from FY2011/12 as follows:

- a) All projects over 70 billion shillings in value will be required to conduct rigorous evaluation, including a baseline study to establish initial conditions, a mid-term review and a final evaluation. Currently, approximately 90 projects of a total of 320 public investment projects are valued at over 70 billion shillings, which will increase the coverage of evaluation to 28%.
- b) To finance evaluation, all projects will allocate a percentage of their budgets to evaluation, as determined by the Development Committee, taking into account the budget and scope of the project. This percentage will cover the cost of conducting a baseline study during the project preparation, a mid-term review at the half-way stage in the project, and a final evaluation. Based on calculations of the average costs of conducting a rigorous baseline, mid-term review and final evaluation, within the range of 1.5 billion to 2.5 billion shillings are required. This is within 4% of projects budgeting over 70 billion shillings^{xi}.
- c) Public policy and major cross-sectoral evaluations will be budgeted for under the Office of the Prime Minister development budget. This will require a minimum of three billion shillings per annum, based on a cost of conducting 3 evaluations per annum at 1 billion shillings each^{xii}.

7.4. *Staffing.* Current staffing levels for monitoring, statistics and evaluation functions across Government are inadequate. The position of monitoring and evaluation officer does not exist in the public service establishment, and statisticians are inadequately represented across the service. To redress this, the following strategy will be employed from FY2011/12:

- a) One or more positions responsible for monitoring, statistics and evaluation at the public service level of senior or above will be required at all unit levels, namely project, Local Government Planning Unit, Ministry Planning Unit, Sector Working Group secretariat. This may be by establishment of a new position, or assignment from an existing position.

7.5. *Analysis of Requirements.* To achieve operational monitoring, statistics and evaluation functions within each institution of Government, there is a need to assess the current situation against the requirements outlined in this Policy. This analysis will be confined by the parameters herein, namely the percentages budgeted for monitoring and evaluation, and the staffing levels prescribed. The cost of conducting the analysis will be incorporated in existing Vote level development budgets. The analysis will be managed by each Sector lead institution during FY2011/12, and build on existing assessments.

7.6. *Management & Oversight.* MDA and Local Government Accounting Officers are responsible for:

- a) Monitoring compliance with this Policy in their institution to ensure its effective implementation and reporting to OPM;
- b) Conducting an objective assessment of the M&E function in their institution at a minimum once every five years;
- c) Addressing issues that arise regarding compliance with this Policy, and with its associated guidelines and formats, and ensuring that effective actions are taken to address these issues.

7.7. Office of the Prime Minister is responsible for overall monitoring of the implementation of the National Policy on Public Sector Monitoring and Evaluation, including:

- a) Monitoring and reporting annually to Cabinet on the status and performance of the M&E function across Government;
- b) Evaluating the Policy at a minimum every five years;

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Annex 1. Definition of key concepts and functions

Accountability: A relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed upon expectations.

Effectiveness: The extent to which a programme is achieving expected outcomes.

Efficiency: The extent to which resources are used such that a greater level of output is produced with the same level of input or, a lower level of input is used to produce the same level of output in quantity and/or quality.

Impact: Fundamental intended or unintended changes in the conditions of the target group, population, system or organization.

Outcome: Actual or intended changes in use, satisfaction levels or behaviour that a planned intervention seeks to support.

Performance: The extent to which relevance, effectiveness, efficiency, economy, sustainability and impact (expected and unexpected) are achieved by an initiative, programme or policy . Performance measurement is the ongoing monitoring and evaluation of the results of an initiative, programme or policy, and in particular, progress towards pre-established goals. Performance management reflects the extent to which the implementing institution has control, or manageable interest, over a particular initiative, programme or policy.

Policy: Official statement, guidelines or operating principles that influence behaviour towards a stated outcome.

Relevance: The extent to which a programme addresses a demonstrable need, is appropriate to the GoU, and is responsive to the needs of the population.

Result: The outcome or impact of a public policy or intervention, whether intended or unintended, positive or negative.

Results-orientated management: Results-Orientated Management (ROM) of public programmes is a management approach oriented towards: (i) the achievement of development targets; (ii) making public servants responsible; (iii) transparency and accountability in public affairs and budgets; and (iv) the use of available data to improve decision-making.

Monitoring System: is the set of planning, information gathering and synthesis, analysis and reporting processes, along with the necessary supporting conditions and capacities required for the M&E outputs to make a valuable contribution to decision-making and learning. It

encompasses the set of technical tools and institutional mechanisms that are set up to ensure the timely production of key monitoring outputs to satisfy priority needs in terms of accountability, support to decision-making, and policy dialogue. A monitoring (or management) information system is the set of technological, organizational and human means implemented to enable to collect, process, store, and communicate M&E information within an organization or between different organizations.

Endnotes

ⁱ Republic of Uganda, National Development Plan (2010/11-2014/15), page i.

ⁱⁱ Of a total of 85 evaluations conducted in Uganda between 2005 and 2008, only ten were commissioned and/or co-managed by Government of Uganda. Source: Office of the Prime Minister, 2009

ⁱⁱⁱ The Public Investment Plan reveals that on average 60 projects close each year. On average over the period 2005-08 (including development partner-financed and managed evaluations), 6 evaluations were being conducted per annum. This equates to 10% coverage of projects by evaluation.

^{iv} See Section 3. for the definition of these functions.

^v Monitoring is typically organized within the context of a management information system (MIS), such as the Education and Health MIS's in Uganda. An MIS is a mechanism for organizing, collecting, recording, processing, and reporting of data descriptive of an activity (or set of activities) which in turn allows for the review of the effectiveness, frequency, cost, impact, and materials used.

^{vi} A baseline study analyses the situation prior to a policy or intervention, against which progress can be assessed or comparisons made.

^{vii} Impact evaluation may consider the opportunity cost of not implementing the assessed Programme or project (opportunity cost).

^{viii} The Government of Uganda will establish a Code of Conduct in the practice of evaluation drawing on national and international regulations and practices.

^{ix} It is recognized that not all SWGs have operational budgets. In cases where these do not exist, the allocation of one billion shillings should be derived from the same source(s) that current finances SWG meetings; SWG joint annual reviews, monitoring missions and the like.

^x Comprehensive Management Information Systems are currently functioning in the Health, Education and Water & Environment Sectors. While additional resources may be required to strengthen these systems, the funds will be allocated from the recurrent non-wage budget. In the remaining thirteen sectors of Government, MIS development from first principles is required.

^{xi} The project evaluation requirements are:

- a baseline study prior to the initiation of the project, to establish the fundamental conditions upon which progress will be measured;
- a mid-term review at the half-way stage in the project to determine progress and take corrective measures where necessary,
- and a final evaluation to assess whether the project achieved its objectives, and the implications for potential replication, up-scaling, or closure.

In accordance with international best practice, recognizing the considerable variability in scope and complexity across public policy initiatives, the following estimates have been used as average costs of conducting these evaluations. Average cost per project;

- Baseline costs in the range of 400 -800 million shillings each. Cost varies depending on sample size for data collection; analysis and reporting costs are more consistent.
- Mid-Term Review in the range of 300 – 500 million shillings each.
- Final Evaluation/ or Value For Money Audit in the range of 500 million – 1.2 billion shillings each. Cost variation is tied to the nature and scope of the project, and the type of evaluation required (randomized and quasi-experimental designs for impact evaluations cost more).
- *Total average cost* is in the range of 1.2bn – 2.5 billion shillings

^{xiii} An analysis of the cost of public policy and major public investment project evaluations conducted previously by the Government of Uganda, and by international institutions, reveals that evaluations of this scope cost in the range of US Dollars 350,000 to 800,000, equating to 700 million to two billion shillings each. The proposal of estimating an average evaluation cost of one billion shillings represents a slightly below simple average within this range.