Public Sector Management

The achievement of the Poverty Eradication Action Plan (PEAP) in Uganda as well as any other National Development Strategy objectives requires a highly performing public sector; a public sector that is able to deliver public goods and services, and to play its role as a facilitator of economic development by supporting public and private initiatives and ensuring a conducive social and economic environment.

Internal and external forces are reinforcing the push for the public sector to perform more effectively, exhibit better management practices and focus on and to deliver results with emphasis on the centrality of the citizen or customer and accountability for results. Efficiency must be improved in all areas of public expenditure. This is so that better value for money in terms of the quality and quantity of services can be achieved with the scarce resources available to Government.

The public sector is characterised by weak performance and accountability and often remains inefficient and overextended. There is a duplication of functions and procedures and organizational compartmentalisation. On the human resource side the public service is recognized to suffer from a skills gap, weak management and a shortage of high-level managers and skilled professionals.

However several reviews at sectoral level as well as the annual decentralisation reviews and the Public Service Reform Programme have identified challenges and weaknesses in the coordination of the various reforms.

Government therefore responded to this challenge by creating a Public Sector Management Working Group (PSM-WG), to facilitate better coordination of the machinery of Government to effectively achieve the development outcomes defined in the PEAP and other National Development Strategies to follow (NDP). The PSM-WG works to strengthen linkages and synergies between key institutions, reduce overlaps and duplication, enhance the consistency and focus of the various reform efforts, create a basis for sustained political support for reform, and ensure policy dialogue and coordination within PSM areas and with related reform areas. The outcome of such coordination should be seen as a "positive sum-game" whereby all
stakeholders benefit. Finally, in line with the PEAP, the establishment of a sector platform in the Public Sector Management area will serve as a basis for donors to provide support in a coordinated and harmonised way.

2.0 PSM Objectives are:

(i) To establish mechanisms that will promote coordinated and harmonized policy, planning, budgeting, and M&E at National and Local Government levels, the implementation of which is responsive to Uganda's needs and improves its image;

(ii) To attract, recruit, develop and retain a highly skilled and professional workforce and develop management and operational structures and systems for effective and efficient service delivery in public service;

(iii) To promote an efficient and effective decentralized service delivery system;

(iv) To ensure implementation of the East Africa Customs Union, establishment of the EA Common Market, subsequently a monetary Union and ultimately the East African Political Federation;

(v) To promote peace and disaster preparedness in all parts of Uganda and facilitate recovery of affected Communities.

3.0 Sector Reforms

The main programmes and cross-programmatic initiatives to promote public sector management are presented in the following:

(i) The Public Service Reform Programme (PSRP) is being spearheaded by the Ministry of Public Service (MOPS). The PSRP focuses on six core challenges to public service and public sector performance namely: i) skills gap and weak management ii) weak performance and accountability
iii) inefficient and over extended organization  iv) a disenabling work environment  v) poor pay  vi) sustained support for reform among political and technocratic leadership.

(ii) Decentralization Policy Strategic Framework and the Local Government Sector Investment Plan. MOLG developed the Decentralization Policy Strategic Framework (DPSF) as a coherent framework for coordinating the efforts of various stakeholders in decentralized service delivery and poverty reduction.

(iii) In addition, the Local Government Sector Investment Plan (LGSIP) operationalises the DPSF. It provides a framework for guiding local government sector investments during the period 2006-2016 towards areas that are critical for improving democratization, service delivery and good governance.

(iv) Government's Financial Management and Accountability Programme (FINMAP) aims to improve the efficiency and effectiveness of central and local government public financial management and accountability processes. It also seeks to increase transparency in the use of public funds and reduce opportunities for corruption.

(v) Government in 2003 approved a coordination framework supported by a National Integrated Monitoring System (NIMES), which encompasses all efforts to gather, disseminate and use information related to Government's goals and policy objectives, including the PEAP.

(vi) National Planning Authority (NPA). The Government is concerned about the lack of harmony in national planning that is presently executed by more than one institution resulting in duplication and poor coordination of effort.

4.0 INSTITUTIONAL ARRANGEMENTS
4.1 Membership

In order to effectively achieve the objectives stated in section 5, it is proposed that the PSM-WG will have representation from 10 institutions with key coordination mandates related to the issues highlighted in section 3. These are:

(i) The Office of the Prime Minister
(ii) Ministry of Public Service
(iii) Ministry of Local Government
(iv) Ministry of East African Community Affairs
(v) Ministry of Information and Communications Technology
(vi) Public Service Commission
(vii) Office of the President - Cabinet Secretariat
(viii) Local Government Finance Commission
(ix) National Planning Authority
(x) Ministry of Finance, Planning and Economic Development
(xi) Uganda Local Governments Association
(xii) Urban Authorities Association of Uganda

4.2 Organisation and functions

4.2.1 Public Sector Management Working Group (PSMWG)

The PSM-WG is the supreme decision making body of the Sector. The PSM WG chaired by the Permanent Secretary, Office of the Prime Minister comprises the Accounting Officers of Ministry of Local Government, Ministry of Public
Service, Ministry of Finance Planning and Economic Development, Ministry of
Information Communication Technology, the Public Service Commission, Local
Government Finance Commission, National Planning Authority, Uganda Local
Government Association and the Urban Authorities Association. Other members
include the Commission Secretary, Local Government Finance Commission, the
Secretary, Urban Authorities Association of Uganda, the Secretary General, Uganda
Local Governments Association, the Chairperson, Development Partners Group, the
Resident Coordinator, Humanitarian Assistance Agencies, the Executive Director,
Uganda National NGO Forum.

The PSMWG is primarily responsible for:

(i) Making decisions regarding key Government coordination issues
identified by the three PSMTWGS namely Coordination, Monitoring
Evaluation Planning and Budgeting Technical Working Group
(CMEPBTWG), Public Service Reform Technical Working Group
(PSRTWG) and Decentralization Technical Working Group (DTWG) and
the PSM-WG Secretariat

(ii) Forwarding unresolved Government coordination issues to the
Implementation Coordination Steering Committee for further action at that
level or at Cabinet level.

(iii) Guide the operations of the PSMTWGS and - through the Technical
Working Groups - the Secretariat and provide feedback and implement the
direction received from the political organs.

(iv) Represent the Public Sector Management area in discussions of resource
allocation to that area

(v) Discuss issues of Policy and Strategic nature from all participating
Ministries, Departments and Agencies with a view to give a sense of
direction to the Sector.

(vi) Formulate and coordinate Sector Strategies for long, medium and short
term investment plans and budgets.

(vii) Receive reports from Technical Working Groups and consider their consistency with the objectives of Sectoral Plans.

(viii) Develop and monitor sector performance indicators.

(ix) Resource mobilization for funding identified gaps during the course of implementation of Projects and programmes.

(x) Prioritization expenditure with the available resources.

(xi) Approve Terms of Reference for Technical Assistance.

(xii) Harmonize Sector Policies and Programmes and Monitoring and Evaluation reporting formats.

(xiii) Submit to the Implementation Coordination Steering Committee (ICSC)

4.2.2 (a) Coordination Monitoring Evaluation, Planning and Budgeting Technical Committee (CMEPBTWG)

The CMEPBTWG is primarily responsible for:

i. Reviewing the existing guidelines for the identification of cross cutting Sectoral issues with a view to improving their effectiveness;

ii. Coordinating the implementation of PSM activities in the National Development Plan;

iii. Providing a coordination platform for dialogue with Development Partners funding the Sector;

iv. Coordinating the preparation of the quarterly and annual performance reports for the Sector to inform the Annual Government Performance report;

v. Reviewing the performance of the various sub components of the Sector
with a view of ensuring that they contribute to the strategic objectives of the Sector;

vi. Undertaking Annual Sector reviews with aim of ensuring that the sector contributes to the overall national development strategies;

vii. Coordinating the implementation of findings of studies undertaken within the sector

viii. Reviewing existing mandates to establish their state of drift and recommend appropriate action

ix. Reviewing existing government policies and propose streamlined alternatives

x. Developing and regularly update an inventory of policies and policy pronouncements

xi. Develop and a framework for identifying cross cutting coordination pressure points

xii. Develop cross cutting coordination guidelines

xiii. Promote organizational and management policies, structures and processes that will realize PSM's mandate

xiv. Develop and implement strategic and investment plans for the PSM Sector and PSM Secretariat

xv. Develop a framework for establishing a Lessons Learned System for the coordination function in OPM

xvi. Implement a context and IT based LLS for the coordination function

xvii. Propose a project for funding specifically focused on developing and concretising the coordination function especially linking it to the NDP


4.2.2 (b) Terms of Reference for Monitoring and Evaluation

i. Harmonize M & E amongst all stakeholders within PSM to avoid individual requests and submissions of information that lead to overburdening of various units and under-utilization of M & E results.

ii. Handle National level M & E challenges such as duplication, data and communication gaps.

iii. Ensure data needs of policy makers are well articulated and addressed by the relevant data production units with the Sector.

iv. Ensure best practices in policy implementation are captured and fed into further development of policy.

v. Promote a culture of generating and using M & E results at all levels of Government, including lower levels, so that results flow both upwards and downwards to influence decision-making.

vi. Commission and undertake annual PSM review.

vii. Arrange training on applied monitoring and evaluation to enhance members' capacity to carry out their duties in their respective offices and engage fully in the activities of the WG.

viii. Undertake Monitoring and Evaluation activities for the Public Sector Management Working Group. The Monitoring Indicators should be specific to the Sector.

ix. Handle Sector M&E challenges such as duplication, data and communication gaps;

x. Review the existing M&E systems in the sector with a view of developing and implementing an integrated M&E system for the sector;
4.2.2 (c) Terms of Reference for Planning and Budgeting

i. Assess the existing Sector financing sources and mechanisms to determine their application to the various projects and programs in the Sector;

ii. Assess the potential of alternative financing sources and mechanisms for capturing significant additional resources for the sector priorities and efficiency and equity considerations;

iii. Coordinate the budgeting process within the sector;

iv. Coordinate the development and implementation of the PSM Strategic Investment Plan;

4.2.2(d) Composition

i. Director Coordination and Monitoring - Chair

ii. Representative of the Ministry of East African Community Affairs

iii. Representative of the Ministry of Information and Communications Technology

iv. Representative of the Ministry of Finance Planning and Economic Development

v. Representative of the Ministry of Local Government

vi. Representative of Ministry of Public Service

vii. Representative of the Public Service Commission

viii. Representative of the Cabinet Secretariat

ix. Representative of the National Planning Authority
x. Representative of the Local Government Finance Commission

xi. Representative of the Uganda Local Governments Association

xii. Representative of the Urban Authorities Association of Uganda

xiii. Representative of DANIDA

xiv. Under Secretary, Finance & Administration, OPM

xv. Commissioner, Policy Implementation Coordination, OPM

xvi. Commissioner, Monitoring and Evaluation, OPM

xvii. Commissioner Disaster Management and Refugees, OPM

xviii. Under Secretary Pacification and Development, OPM

xix. Any other member may be co-opted whenever a subject matter under discussion requires his or her participation

xx. Submit to the PSMWG

4.2.3 Public Service Reform TWG

4.2.3 (a) Terms of Reference for Public Service Reform TWG

i. Identify the service(s) that will be improved as a result of a proposed public sector reform

ii. Determine initiatives which will deliver the service(s) when implemented

iii. Determine the capacity of the institutions that will enable the implementation of the initiatives

iv. Determine the scientific and technological human capital required to deliver and utilise the service

v. Determine the output measures of the Public Service Reforms
vi. Determine the outcome measures of the Public Service Reforms

vii. Determine the mandated location or owner of the proposed public reform

viii. Review the related mandates and assess their potential with a view to determining the extent to which they can support or undermine the mandated efforts

ix. Develop causal models or paths linking initiatives, institutions, and public value or service to reforms be improved or created

x. Refine the causal models or paths taking into consideration the characteristics or attributes of related mandates, the capacity of institutions enabling the implementation of the proposed public sector reform and the scientific and technological human capital required to deliver and utilise the service

xi. Determine the reach or the capacity to influence other service areas

xii. Determine the generative power or the capacity of the proposed reform to multiply itself into new services

xiii. Develop a coordination framework outlining the key decisions, resources, interdependencies, and competences required to deliver the services

xiv. Develop a monitoring and evaluation framework

xv. Cost the proposed public service reform

xvi. Determine the public value of the reform where Public value = Generative power + Reach

4.2.3 (b) Composition

i. Permanent Secretary Ministry of Public Service - Chair

ii. All Ministries (Commissioners Planning, M&E)
iii. Uganda Bureau of Statistics

iv. Bank of Uganda

v. Development Partners (selected representatives)

vi. NGO Forum (selected NGO representatives)

vii. DENIVA (selected representatives)

viii. Private Sector Foundation (selected Private Sector representatives)

ix. Uganda Manufacturers Association (selected Association representatives)

x. Representative of Economic Policy Research Centre

4.2.4 Decentralization Technical Working Group

4.2.4 (a) Terms of Reference for Decentralization Technical Working Group

i. Coordinate resource allocation and sustainability to avoid depleting and underfunding some sub sectors within the TWG. An example is Environment, which is poorly facilitated at the LG whereas Water is well represented.

ii. Develop, implement, and monitor a mechanism linking Local Government priorities to National priorities through a more effective integration of district plans into national development plan.

iii. Drawing up, publicising and regularly update the annual monitoring time table to all Sectors and Political leaders to be followed by monitors to avoid Local Government business interruptions.

iv. Develop and implement performance indicators in line with the equally publicised performance standards to guide LGs and their monitors.

v. Develop and monitor performance contract for LGs and Local Government employees.
vi. Strengthen coordination of local government by creating a separate coordination function within the OPM where local government can channel problems related to the coordination of Local Government activities.

vii. Continuously examine difficulties in the recruitment, retention of staff in the LGs with a view to coming up with a retention scheme.

viii. Periodically examine the formula used for equalization grants in order to find ways of reducing regional disparities in poverty and those districts with special needs.

ix. Review initiatives by Donors contributing to the districts in form of projects or technical assistance with a view to harmonise and ensure that there is no duplication.

x. Negotiate for additional resources from sources like the Local Government Development Programme or Coordination and Management (LGDP) of programmes in the PRDP area.

xi. Examine and recommend other ways of motivating Public Servants other than paying only salaries and allowances.

xii. Coordinate and guide the allocation of resources and its flow to the districts to ensure coherence to National Programmes.

xiii. Work together with Civil Society Organisation to ensure service delivery.

xiv. Submit to PSMWG.

4.2.4 (c) Composition

i. Permanent Secretary, Ministry of Local Government- Chair

ii. Ministry of Public Service

iii. Local Government Finance Commission
iv. National Planning Authority

v. Uganda Local Authorities Association

vi. Uganda Urban Authorities Association

vii. Ministry of Finance, Planning and Economic Development

viii. Principal Personnel Officer, Office of the Prime Minister

ix. Development Partners

x. Humanitarian Assistance Group

4.3 PSM-WG Secretariat

OPM will provide the Secretariat for the PSM-WG. The main tasks of the Secretariat will include:

i. Undertaking analytical work on key coordination issues to guide the decisions of the PSM-WG

ii. Identifying coordination issues that require attendance from the PSM-WG

iii. Facilitating the work of and dialogue within the PSM-WG and with other stakeholders and the sector working groups.

iv. Elaborating the PSM-WG Strategic Plan and annual work plans based on guidance from PSM-WG

v. Facilitating PSM-WG in the budget process and preparing the Budget Framework Paper for public sector management

vi. Coordinating and organising public sector management reviews.

5.0 Key achievements of PSM
PSM sector has recorded progress since its inception in regard to strengthening institutional capacity and delivery of reform programmes. Key achievements have been registered in the following areas, among others:

i. The vision, mission, goal and objectives of the sector, as well as its composition and coordination and management structures have been defined. These will be concretized when the PSM Strategic Investment Plan (SIP) is finalized and adopted as policy framework guiding the PSM sector.

ii. The PSM Secretariat was established, staffed and equipped to service PSM institutions.

iii. Coherence in planning and budgeting has been achieved through joint planning, priority setting and budgeting of the PSM institutions. This has also witnessed increased funding of the sector priorities especially the planning monitoring and evaluation vote function that had been previously underfunded. The finalization and adoption of the implementation strategy for the NDP is anticipated to enhance policy coherence and institutional coordination within the sector through proper delineation of planning, policy formulation and monitoring and evaluation functions and clarity of roles and responsibilities of various institutions.

iv. The PSM sector has successfully implemented a number of reform programmes and strategies. They include:

a. Support local Governments in their budget process through enhanced budget flexibility and modalities to accessing funds. Continued engagement and negotiation between government and LGFC & ULGA led to establishment of a Graduated Tax compensation fund and introduction of new taxes (the Local Services Tax and Local Government Hotel Tax).

b. A pay roll cleaning exercise was initiated and subsequent report published in addition to gaining approval of the public service pay policy by cabinet.
c. Straight through processing of salaries for all MDAs and LGs.

d. Continued implementation of the fast tracking of the East African Political Federation by putting in place avenues for the EAC customs union and establishment of the EAC common market.

e. The Peace Recovery and Development plan (PRDP) for Northern Uganda was launched, and operationalised.

f. Implementation of the performance enhancement programmes such as OOB and ROM

g. Institutional capacity strengthening programmes including e-government support by MoICT, capacity building programme at NPA and MoLG and institutional restructuring exercise by MoPS.

h. The sector conducted final evaluation of the PEAP and is championing the production of the 5 year National Development Plan (NDP), as a successor strategy to the PEAP. The NDP will ensure that sectoral and local government actions are geared towards attainment of nationally identified and costed priorities.

i. The Sector carried out a study on strengthening Coordination, Information flow and sharing with the Sector. The objectives of the study were as follows:

1) To identify specific coordination issues for joint decision and action.

2) To conduct a shared analysis of coordination issues to achieve a common understanding of the underlying challenges and options for harmonising and streamlining.

3) To decide on strategic and operational direction for addressing the coordination issues, including defining of framework for harmonising and streamlining processes.

4) To establish a mechanism that will promote sustained political
support for reforms.

5) To suggest sustainable mechanism for policy dialogue with the Public Sector and other reforms.

6) To suggest strategies that will enhance consistency and focus of various reforms


k. Formulation of the PSM Strategic Investment Plan (PSMSIP) with a view to enable greater performance in the execution of Ministerial mandates, with respect to implementation of the National Development Plan, under overall coordination of the Office of the Prime Minister. The SIP specifically aims to objectives the following; (i) Erect strategies for the enforcement of all Sector plans with emphasis on efficiency and effectiveness in Central and Local Government financial management and accountability systems; (ii) Present strategies for coordination of actions to dispense and deliver economic, social and political justice, good governance and poverty reduction to improve the quality of life of all citizens; (iii) Develop result based M&E framework for all strategic action for the plan to communicate the performance of the public sector to the public; (iv) Provide costed the implementation for the SIP for the next five years; (iv) Define a coherent and shared vision for PSM to effectively play an overarching role of coordination of all Government Sector plans and budgets. PSM SIP will be the engine for driving implementation of the NDP; (v) Clearly present the mandate of PSM as an authority for coordination of Public Sector Management for the entire Government of Uganda; and (vi) Design mechanisms to strengthen the capacity of PSM to play the role stipulated in ((iv) above.

l. The PSMSIP is to align the mandate of the PSM and its envisioned strategic operational framework with the overall Government Vision and milestones to be achieved from the action plans by all participating
institutions. Besides, the SIP is to ensure that PSM is strengthened to play its overall role of strengthening public sector performance, in addition to PSM meeting its important milestones in years to come.

6.0 Constraints

The above achievements, notwithstanding the sector still face a number of challenges. They include;

1. **Overlapping and duplicated Mandate**: conflicting, overlapping and duplicated mandates still exist especially in regard to planning, coordination of implementation, monitoring and evaluation within the public sector management system. Key institutions affected include Office of the Prime Minister, Ministry of Public Service, Ministry of Local Government, and the National Planning Authority.

2. **Non compliance and lack of timeliness in reporting**: enforcing compliance for regular reporting of public institutions is a key challenge constraining timely tracking of implementation of government programme and assessment of performance. In some instances, this is due to lack of incentives for timely reporting and/or penalties for non-compliance. The problem is also exacerbated by requirement for multiple reporting, which poses undue burden to the implementing agencies.

3. **Low motivation and inspiration of public servants**: The public service in Uganda is characterized with low remuneration and with a salary increment that ranges from 3.7% to 7.5% over a ten year period from 1998/99 to 2008/09. However, these proposed pay reform incremental targets are still not met by MoFPED for example in FY 2008/9 there wasn't any provision for salary increments. The work environment is ill-equipped and personnel are not adequately facilitated to perform.

4. **Limited stability of service delivery structures**: Of recent new MDAs have been created, however their mandates are not rationalized with already
existing institutions, a phenomenon that can create duplication inefficiency and wastage. In addition, the quest for bringing services closer to the people has led to creation of new districts, which phenomenon has expanded the public expenditure and compromised delivery of certain services.

5. **Low levels of staffing of public sector and heavy workloads:** understaffing of public management institutions is a key factor affecting service delivery. The problem manifests in the following: (i) unfilled established posts resulting from underfunding of manpower structures, (ii) high labour turnover, (iii) uncoordinated deployment and (iv) failure to report to new stations especially in hard to reach and hard to stay areas. This problem is aggravated by a protracted and centralized recruitment and selection process in public service.

6. **Low levels of productivity in public sector:** this is largely due to low levels of facilitation (man/capital ratio), understaffing, poor work culture, and ill-health especially due to HIV/AIDS.

7. **Under functioning of existing planning, budgeting, policy coordination and monitoring and structures:** While reforms have created new planning, budgeting, policy coordination and monitoring and evaluation structures, some structures are not backed up by the requisite legislation and they operate parallel with traditional government structures. Other institutions suffer from poor political support and are bogged down in institutional mandates.

8. **Weak regulatory framework and poor enforcement:** there are number of Acts that are obsolete and some are missing altogether thus weakening the role of regulation. e.g. The town and country planning Act of 1964 is outdated and needs reviewing. The Land Act is due for review.

9. **Low responsiveness of Uganda's public sector institutions to market and citizenry demands:** The public service delivery structures and systems of government are bureaucratic and hierarchical and often times, they lack dynamics and innovation to respond to new demands of the enlightened public. In addition, they have failed to compete with the private service
10. **Inadequate funding of the sectors largely due to inadequate local revenue mobilization by local Governments**: This is responsible for low levels of staffing, low equipment and underperformance in physical service delivery.

11. Declining share of local government service delivery funding in the national budget amidst increasing demand for the services.