Impact of Public Financial Management at National and Sub-national Employment Governance Project in Uganda

ILO DC/Symbol: **UGA/20/01/EUR**

Type of Evaluation: **Project**

Evaluation timing: **Final**

Evaluation nature: **Independent**

Project countries: **Uganda**

P&B Outcome(s): P & B 2022-23 Outcome 3, Indicator 3.1.2

SDG(s): SDG 8: and SDG 10

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ILO Administrative Office: **ILO CO-Dar**

ILO Technical Office(s): **Dar es Salaam, ILO DWT Pretoria**

Joint evaluation agencies N/A

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Donor and budget: **European Union** US$ 1,194,743 (EUR 1,000,000)

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Key Word-*Employment, Governance, Public Finance, gender responsive,*

This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office.

Executive Summary

BACKGROUND & CONTEXT	
Summary of the project purpose, logic and structure	The "Enhanced Impact of Public Financial Management at National and Sub-national Employment Governance" has been a two and half-year (Jan 2021 – June 2023) project funded by the European Union Delegation in Uganda. The overall objective of the project was **to enhance gender-responsive public financial management outcomes for national and sub-national employment governance**. This project was designed and implemented as part of the fiscal decentralization and service delivery agreement between the government of Uganda and the European Union.
Present situation of the project	The project came to an end in June 2023 and this report is its final independent evaluation.

Purpose, scope and clients of the evaluation	**The overall purpose** of the final independent evaluation was to provide project stakeholders with the opportunity to assess the relevance, effectiveness, efficiency, progress and sustainability of the project actions within the context of Uganda's employment sector. Furthermore, the focus the evaluation was to measure the achievements of the project against the set outcomes and related indicators, as well as record lessons learnt, best practices and make recommendations for similar future projects.
	
	The main blocks of the key primary users of the evaluation are: The ILO and its constituents, the donor and will benefit other stakeholders such as UN agencies, international organizations that work in relevant fields, and other units within the ILO.
	The evaluation will cover the following evaluation criteria:
	  i. Relevance and strategic fit;
	  ii. Coherence;
	  iii. Effectiveness
	  iv. Efficiency of resource use;
	  v. Sustainability;
	  vi. Impact orientation.

Methodology of evaluation	This final evaluation has utilized a mixed methods methodology which is a combination of both qualitative and quantitative methods for data collection and analysis. The structure of the evaluation is guided by the OECD-DAC evaluation criteria that looked at six key aspects (relevance, coherence, efficiency, effectiveness, impact and sustainability). It was informed by desk-review of key project documents as well as interviews with key stakeholders who included: Ministry of Gender, Labour and Social Development (MGLSD), Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Local Government, (MoLG) Ministry of Works and Transport (MoWT), National Planning Authority (NPA), and Uganda Bureau of Statistics (UBOS). The project included the active participation of social partners: National Organization of Trade Unions (NOTU) and Central Organization for Free Trade Unions (COFTU) that

	represented trade unions, as well as Federation of Ugandan Employers (FUE).

MAIN FINDINGS & CONCLUSIONS	This independent evaluation makes the following recommendations aligned to the two main result areas and respective interventions: **Results Area 1: Establishing pre-conditions for local government employment governance which is expected to result in equitable allocation of funds for sub-national service delivery.** **Intervention 1:** Support the development of the National Employment Strategy (NES) in partnership with the Ministry of Gender, Labour and Social Development (MGLSD). **Finding:** Drafted the NES which is being aligned to a revised National Employment Policy. This effort has increased capacity of employment stakeholders to formulate a national employment strategy with clear vision, gender-responsive priorities, **Conclusion:** The project has filled the gap by putting in place a national employment strategy aligned to the NDP III also now informing the update of the 2011 version of the National Employment Policy. These now together are to be harmonized for submission (first to the MoGLSD and then onwards to Cabinet for approval). **Intervention 2:** Provide technical assistance to Uganda Bureau of Statistics (UBOS) in conducting the National Labour Force Survey (NLFS). **Finding:** Produced the labour market statistics after successful conduct of the National Labour Force Survey that has been launched and disseminated including three thematic papers on child labour, youth activities and informality. **Conclusion:** Building capacity (for UBOS, MoGLSD labour unit and employment services staff as well as all labour officers) to capture labour market indicators using the set standards is imperative. **Intervention 3:** Support the promotion of labour market information system (LMIS). **Finding:** Capacity built for technical staff in strategic MDAs on the LMIS functions inputs and delivery **Conclusion:** Two more technical workshops to be held to complete the outstanding MDA staff training in relevant departments on the system dummy files and eventually the Labour Market Information System **Result Area 2: Strengthening capacities at national and local government levels in the implementation of employment-sensitive public financial management tools for effective inter-governmental fiscal transfer reform.** **Intervention 1:** Preparing and disseminating tools for mainstreaming employment in public financial management at sub-national level.

Finding: Was not able to enhance gender responsive PFM outcomes for national and sub-national employment governance.

Conclusion: Activity was not implemented and could still be done with guidance of NPA during design of the NDP IV – a process that begins in 2024/25.

Intervention 2: Preparing, costing, and mainstreaming medium term strategies for employment-intensive investments in District Development Plans

Finding: Nationally validated Labour-intensive Public Works Strategy and Draft Guidelines presented to 5 Districts (namely: Madi-Okollo Budaka, Isingiro, Sembabule and Lamwo) for mainstreaming into in the works departments and District Plans

Conclusion
The National Labour-Intensive Public Works Program should be fully mainstreamed into the MGLSD budget and planning processes as opposed to being domiciled under Expanding Social Protection so as to attract wider cast for funding under the mainstream ministry. Pilot districts will need hand-holding TA to enable them embed drafted guidelines into their workplans.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main Recommendations

Intervention 1: Support the development of the National Employment Strategy (NES) in partnership with the Ministry of Gender, Labour and Social Development (MGLSD).

Recommendation 1	To who	Level of Priority	Time Frame	Level of Resources Required
MoGLSD should conclude the on-going technical processes to harmonize the current NES document with the revised NEP as it prepares for formal approvals within the Ministry and with Cabinet Secretariat	MoGLSD	High	September – December 2023	Low – this is a procedural process within Government policy formulation system

Recommendation 2	To who	Level of Priority	Time Frame	Level of Resources Required
ILO and development partners should	UBOS	High	During the period	Medium – this will require a

				2023/24-2025/2026 as UBOS plans a successor NLFS	collaborative process between ILO and other development partners with UBOS through the Ministry of Finance Planning and Economic Development
sustain its capacity building interventions for UBOS, MoGLSD labour unit and employment services staff as well as all labour officers to capture labour market indicators using the set standards					

Recommendation 3	To who	Level of Priority	Time Frame	Level of Resources Required
Complete the outstanding technical workshops for MDA staff in relevant departments on the system dummy files and eventually the Labour Market Information System itself	MoGLSD, EU and ILO as well as other partners	High	2023/24-2025/2026 as MoGLSD plans a roll out the LMIS	High – Two technical workshops need to be urgently conducted for staff with MDAs who may not have this budget

Recommendation 4	To who	Level of Priority	Time Frame	Level of Resources Required
NPA should work with Ministry of Local Government and districts to ensure that employment sensitive indicators are designed and mainstreamed into district plans during the preparation of the NDP IV which begins in the FY 2024/25.	MoLG, NPA and MoFPED	High	2023/24 and 2024/25 as NPA drafts the NDP IV	Medium – this is a procedural process within NPA planning systems but could do with development partner support

Recommendation 5	To who	Level of Priority	Time Frame	Level of Resources Required
Fully mainstream the National Labour-Intensive Public Works Program into the MGLSD budget and planning processes in order to attract funding under the	MoGLSD	High	September – December 2023 in line with ministerial budget statement for the FY 2024/25	High – The roll out of the program is in an urgent need of national budget allocation as well as support from

	mainstream ministry budget				development partners
Main lessons learned and good practices	**Lessons Learned 1** Bringing together key actors right at the start of the project (especially social partners who were members of the NEC) made it easy to achieve ownership and right needs articulation making the project interventions relevant to the problem contextualization at a particular time. **Lessons Learned 2** Building a framework upon which Government can do more in the future is as important as generation of outputs in the present. With this approach Government will be able to make an extra step on the employment agenda and complete by filling the gaps in the employment governance framework that remain outstanding (mainly concluding the NES, LMIS, enhancing the role of UBOS, NDP IV planning and rolling out the National Labour-Intensive Public Works Programme) **Lessons Learned 3** The NLFS has provided data- that will serve as a critical point of reference for MDAs in the years ahead. With the processes going on with LMIS, NES, employment sensitive indictors for districts – having current data is a key facilitator of various other processes that were dependent on it to succeed. **Good Practices 1** Cognizant that employment governance is a gradual process that cannot be achieved at one time – building blocks towards an enduring governance framework is imperative – but concentrating on fill gaps and building capacity where it lacks. **Good Practices 2** ILO through this project sought to **utilize and build national capacity** rather than relying on external international experts and consultants. This has a generated a high likelihood that the core interventions will be sustained (as a result of the built capacity) after the project's lifespan.				